States, Markets, Communities: Remapping the Boundaries, Proceedings of the National Social Policy Conference, Sydney, 16-18 July 1997, Volume 2

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STATES, MARKETS, COMMUNITIES: REMAPPING THE BOUNDARIES

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Foreword

The National Social Policy Conference, hosted by the Social Policy Research Centre at the University of New South Wales has become a biennial event of considerable importance among people with a wide range of interests in social policy from a variety of fields: departmental policy-makers and administrators, academic teachers and researchers, workers in non-government organisations as well as members of the general public.

The theme of the Fifth Conference, *States, Markets, Communities: Remapping the Boundaries*, attracted a large number of participants who were able to hear more than 100 papers over the three day period, 16 - 18 July. This collection, the second of two volumes to be published based on the conference proceedings, includes one plenary and eleven contributed papers. It also contains an introductory statement by Sheila Shaver, Deputy Director of the SPRC, which discusses the conference theme and the reasons for its particular relevance at this time.

Ito Peng in her Plenary Paper, discusses social welfare in Japan, reminding us of the increasing importance of Asian countries for Australia and the need for a social policy perspective to be part of Australia's increasing engagement in the region. This theme is taken up in one of the contributed papers, while others comment on the effects of increasing globalisation on Australian policies and welfare. Other contributors discuss more specific issues, all of which have been affected by the 'remapping of boundaries' taking place around us.

The theme of the conference was explicitly chosen as one which looks to the future; the changes taking place will have effects beyond what has already happened. The Social Policy Research Centre is aware of its unique position in being able to bring these issues to the public in this period of increasing marketisation and globalisation.

The papers in this volume and its companion should stimulate interest in a range of concepts, providing a balance between analytical, theoretical and practical approaches to social policy.

Peter Saunders
Director

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Introductory Statement on Conference Theme

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The theme of this conference, States, Markets, Communities: Remapping the Boundaries, was chosen because it evoked important dimensions of change in social policy taking place in many areas of the world at the present time. With the benefit of hindsight, we can see that these changes have been underway for quite some while. Most commentators believe they were set in motion in the 1970s, and began to take their present shape in the 1980s. By now, in the late 1990s, it is clear that they amount to no less than the restructuring of the postwar welfare state.

But that may say both too much and too little. First, we have to assume that change is still going on, and it is too soon to know what will be its full extent or final outcomes. In particular, it is difficult to know how to distinguish between ordinary, incremental policy changes, responding to the ebb and flow of economic cycles and the play of political competition, and those changes which make a fundamental break with established structures and institutions. It takes time and distance to be sure which is which.

Second, and most important perhaps, is the fact that there is no one model or template for welfare state restructuring. While there are undoubted similarities in policy changes taking place across countries, the patterns and to some extent even the directions of these changes differ from one country to another, and in different regions of the world. Eastern European nations are adapting the institutions of socialist social policy to a capitalist environment, while the developing economies of other parts of the world are creating policy institutions to deal with the consequences of rapid economic growth. In Europe social policies are subject to harmonisation under the rules of the European Union, and to constraint in accord with the requirements for entry to the European Monetary Union. In New Zealand and Australia there has been a divergence in social policy traditions after almost a century of parallel development.

The sources of change are both economic and cultural. Capitalism itself is changing. Post-industrial capitalism is more intensive, and more selective, in its use of labour than earlier forms. Some of its key markets, especially capital

markets, now operate on a global basis. Employment, income and assets are becoming more unequally distributed in many countries. There has been a tendency toward 'jobless growth', and the persistence of historically high levels of unemployment. There is greater mobility of population and labour than in the past, and the ethnic make-up of nations is more complex. Changes in work and in families are closely connected. Dual-earner families are increasingly the norm, and their lives are more complex than in the past. The daily lives of their members are now more distinct and separate, but also more interdependent in the organisation necessary to buy a home, care for children, and plan for retirement. The implications of this are far-reaching, for income, housing, transport and the structures of our cities as well as in work, education and child care.

A number of developments have given impetus to welfare state restructuring in many countries, but three stand out from all others. These are the expectation of continuing high levels of unemployment; instability of marriage and family life; and population ageing, especially in company with expensive high-technology health care. All have increased the cost burdens of the welfare state, and have done so at a time when economic pressures are setting limits to welfare state growth.

A further, cultural development is less tangible. This is the belief, expressed in widely varying terms, that there is a moral or ethical crisis associated with the growth of the welfare state. The common element of this belief is a perception that there has been an erosion in the commitment of the citizen to fulfil social responsibilities such as work or taxation. The critique of dependency is one version of this anxiety, but it is equally reflected in claims that the middle classes have captured disproportionate shares of welfare state benefit. There is a version of it implicit in the OECD (1994) program for 'new orientations in social policy', which calls for social policies predicated on partnership between the individual and the state in the encouragement of human potential and the pursuit of social goals. The same sense of ethical decay informs communitarian calls for renewed investment in social capital.

Given the powerful forces increasing social need, contemporary changes in social policy are less a retreat from the welfare state, though there is some of that, than steps in its reshaping. Even among the countries with which we are most familiar, there is considerable variety in the paths being followed. Esping-Andersen (1996) points to three different policy routes taken by nations in Europe, North America and Australasia in addressing changes in employment, all of them problematic. Scandinavian countries have expanded the public sector and attempted to harmonise work and family life, while others of Continental Europe have encouraged early retirement by older workers and discouraged married women's

employment. English-speaking countries, Australia included, have tended to favour market-driven responses based on labour market deregulation.

It is worth mentioning briefly two or three kinds of change which have been taking place in many countries in the last decade.

- There has been a fairly widespread move in many countries to replace provision through the state with provision in the market. An obvious example is the shift toward greater use of targeted benefits, and especially of targeting based on income. If change of this kind has been less pronounced in Australia than many other countries, it is only because Australia has always been more accustomed to targeting than most countries with advanced industrial economies. This involves a shift in social support of middle and higher income groups from the state toward both market and community, here more often than not the community property of the married couple.

- In addressing employment questions, we may need to think less about oppositions between state and market than about orchestrated combinations of support from both of these. In recent years there has been sharp policy debate about the relative emphasis that should be given to social investment approaches based on education and training, including the active society strategy propounded by the OECD, and approaches based on de-regulation of the labour market. At first sight it might appear that this second approach gives a lesser role to the state. In practice, this may not be the case because lower wages may mean increased expenditure on social security support to families through payments such as the higher rate of family payment.

- In Australia as elsewhere, much service provision is being re-organised in a new kind of mixed economy of welfare. These developments draw on new public management theory and argument about the benefits to be gained from the introduction of competition into the public sector. Changes are being introduced to separate the agencies who fund and regulate services from their direct provision, and there is now also a bewildering variety of strategies being implemented to improve the co-ordination of services. Some of these rely in market or market-like mechanisms, but others do not. In the case of frail aged persons and persons with disabilities at least, care by family members is a key resource in this co-ordination.

We chose the theme States, Markets, Communities: Remapping the Boundaries because it seemed to speak to these and other facets of change in social policy in Australia and elsewhere. We do not mean to impose our own diagnosis on the trends and events under discussion. But with the theme we hoped to signal the

complexity and multi-dimensionality of policy development in this historical moment.

With that aim, we have meant the terms to have broad compass. We have meant to give 'communities' a particularly broad meaning, referring to families and non-government providers as well as communities of residence and association. By 'remapping the boundaries' we aimed to put the focus of discussion on the relation of states, markets and communities to one another as much as on each in its own right. Some of the changes taking place in social provision involve relatively simple movements in the boundaries between state, market and community, but many are rather more complex than this. There is much to discuss here: in describing these changes, identifying their likely consequences for clients, citizens and workers in social policy, and discussing their implications for theories, concepts and reflective critique.

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Impacts of Welfare Restructuring in Japan, 1980-1995: Dilemmas of Welfare in Transition

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1 Introduction

There have been significant shifts in social welfare in Japan over the last couple of decades.[1] The pattern of these changes has been on the surface highly pendular. Whereas the 1970s saw a major expansion in social welfare as the state took on the mission to develop the Japanese welfare state, the 1980s was marked by welfare retrenchment as the government replaced its earlier objective with the idea of developing the Japanese style welfare society. This was reflected in a series of welfare cuts and transfer of welfare responsibilities and cost burdens from the central government to local governments and to individuals and families. Yet, in the 1990s the pendulum has again swung back in favour of social welfare expansion, with the result that today social welfare is the largest item of government expenditure and one of the fastest growing sectors in the country.[2] The cumulative effects of these shifts can be summarised in two possibly contradictory points. First, they have brought about a fundamental change in the idea of social welfare itself. Before 1980, social welfare in Japan was still regarded primarily as serving the function of poverty relief, in other words, that

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1   Here, the term 'social welfare' will be used interchangeably with the term 'social security'. These terms refer to a wide aspect of social security programs and services, including public assistance, personal social welfare services, social insurance, public health services and programs for the unemployed.

2   Currently the total social welfare expenditure in Japan accounts for approximately one third of the total national budget expenditure (i.e. all expenditure other than those for servicing national debt and the allocation of tax grants to the local governments). In 1996 it accounted for ¥14.3 billion out of the ¥75 billion. Social insurance is the largest item within the social welfare expenditure - it accounted for ¥8.5 billion or 60 per cent of the total social welfare expenditure - while personal social welfare services accounted for about ¥3.8 billion or 27 per cent of the total. The national budget in Japan is relatively small. Government expenditures have been less than 10 per cent of GDP since the beginning of the 1980s. In 1996, the ratio of general government expenditure to GDP was 8.7 per cent (Japan, Ministry of Finance, 1997).

part of social welfare other than social insurance was largely focused on public assistance and related activities reserved for a relatively small group of people. However, over the last couple of decades social welfare has become increasingly universal, and at the same time, its main activity focus has shifted from public assistance to personal social services. The implication of this is the enlarged scope for social welfare, as individual stakes in it have spread among the wider population. Similarly, with more individual stakes in social welfare, its political profile has also increased.

The second point is that at the same time as the idea of social welfare has been changing, the fundamental thread of creating the Japanese style welfare society has remained. While on the surface the welfare retrenchment of the 1980s and the welfare expansion of the 1990s may suggest a radical policy turn around, in reality, it is more a change of costume rather than of substance. The enlargement of the state role in coordination and planning of welfare expansion in the 1990s is clearly underlined by its basic on-going aim of building the Japanese style welfare society premised on the principle of individual self-help and mutual family assistance set in the 1980s. Hence, in the case of Japan, the enlargement of the state's role in social welfare has not necessarily meant a shift in welfare mix back to the state; rather, a more accurate description is of an overall increase in the welfare mix pie, with increased welfare roles and opportunities for all sectors, the state, the family, and the market.[3]

In this paper I will, first, discuss the nature of the welfare changes in Japan since the 1980s, focusing particularly on social services; and secondly, draw some of the implications of these changes for the state, the market, and the family (particularly women).

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3   Many Japanese and foreign researchers have endeavoured to understand the causes and
      nature of this fluctuating pattern but, to date, little successful analysis has emerged. There
      are a couple of reasons for this. The first reason is the lack of transparency in Japanese
      politics and policy processes. Because most of the key data and information is controlled
      by the government, and because most policy decisions are made behind closed doors, it is
      very difficult to gain accurate information and to draw a clear picture. Secondly, since the
      Japanese government (especially the central government) is highly skillful at dispensing
      information packages and in 'guiding' public policy debates, those who diverge from the
      official line of discourse and attempt to make critical assessments are often faced with an
      information vacuum. For more discussions on the recent changes in social welfare
      policies in Japan, see Furukawa (1997), Hori (1995), Matsui (1997), Shinkawa and
      Pempel (1997).

2 Welfare Reform Since 1980

2.1 A Quick Background to the Reform

Large scale welfare reform has been taking place in Japan since 1980. This reform has been, in fact, part of an even larger government administrative restructuring exercise which was initiated in 1980 as a reaction to the large government deficit incurred during the second half of the 1970s. The aim of the administrative reform was to reduce the large government deficit, with social welfare as its main target. However, before I go on to discuss the reform itself, a brief account of the background is in order. The motivation for welfare reform in Japan in 1980 can be attributed to a combination of economic and political factors. Economically, the 1970s was marked by a sudden decline in economic growth as a result of the 1973 oil crisis. In response to the worsening of economic conditions, the then minority LDP government adopted a deficit financing strategy in an attempt to kick start the economy and also to regain political support. This proved to be not only ineffective in bringing about the economic recovery but also led to a huge fiscal deficit by the end of the decade. As illustrated in Figure 1, by 1979 the government deficit had reached nearly 35 per cent of total government expenditure, a figure considerably higher than other industrialised western countries at the time. From the Japanese perspective, the huge deficit went counter to the recent history of small government. It therefore provided a widely acceptable rationale for policy change.

Figure 1: Government Deficit/Total Government Spending: 1973-1997
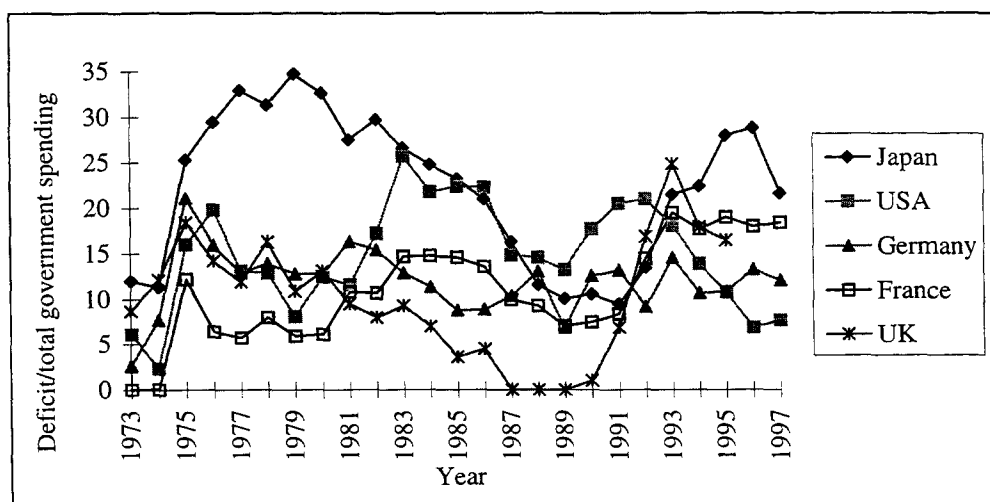
Source: Ministry of Health and Welfare (1997) *The Japanese Budget in Brief, 1996.*

The initial government strategy for reducing the deficit was to introduce a general consumption tax. This proposal was however unsurprisingly rejected by the public in the 1979 general election in which the ruling LDP government suffered a major loss in the Diet. In response to the public antipathy towards the tax increase the government went to the polls in the following year with a revised fiscal reform plan, this time proposing to reduce the deficit through spending cuts. The result of the 1980 double election was a landslide victory for the LDP in both upper and lower houses. While other political factors were important in these years, the issue of taxes and the deficit were widely considered central (Tabata, 1990). With a new mandate, the government began its administrative reform.

Although the administrative reform aimed to restructure the entire government operation, the key target was social welfare. In the first proposal of the Ad Hoc Committee on Administrative Reform (*Rinji Gyôsei Chôsa Kai*)[4] in 1981, for example, it was specifically pointed out that 'the reduction of various drains on the national treasury, such as national health insurance, public pensions, and the system of compulsory education, etc. should be financially reconstructed' (Kumon, 1984: 162). It was argued that the huge fiscal deficit incurred in the 1970s was largely due to a dramatic increase in the social security spending following the government's 1973 'First Year of Welfare' (*Fukushi Gan'nen*) initiative. This ill-fated initiative was led by the then Tanaka government in an attempt to shore up its declining political support by outdoing the recent independent welfare initiatives introduced by some of the popular leftist local governments.

The initiative involved a massive expansion of social welfare in order to bring Japan in line with other western welfare states. For example, a system of free medical care for the elderly, 70 years and over, was introduced across the country in 1972 to match the highly popular initiative introduced in metropolitan Tokyo a few years earlier. In 1973 the Employee Pensions were also upgraded and indexed, bringing the average pension level over 50 per cent of the average worker's salary. Medical care coverage for the families of the workers under the Employee Health Insurance was also increased from 50 to 70 per cent of costs. Finally, the amount of social services for the elderly and the disabled, and

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4   Commonly referred to as Rincho, the Ad Hoc Committee on Administrative Reform was a committee personally appointed by the then Prime Minister Suzuki, and under the supervision of Nakasone Yasuhiro, then a Cabinet Minister in charge of the Administrative Management Agency, to draft the policy plan for the administrative reform. The committee served for two years. It was chaired by Doko Toshio the honorary president of the Keidanren, and reported directly to the Prime Minister. Of the 200 some committees which existed at the time this one was probably the most prominent and certainly had the most influence on the government policies.

financial support for low-income families and lone mother families were also increased. However these new commitments were based on projections of continued annual GDP growth of over 10 per cent, as had been the case for the last decade. Unfortunately, after 1974 Japan entered a period of slower growth averaging at five per cent per year. Not surprisingly, the cumulative fiscal implications of these undertakings were significant. As illustrated in Figure 2, within a period of seven years between 1973 and 1980, the total social security expenditure increased fourfold. By 1980 social security stood out as the single largest item of government expenditure accounting for about 27 per cent of the total general budget (Japan, Ministry of Finance, 1997).

Figure 2:   Total Social Security Expenditure by Program: 1970-1994
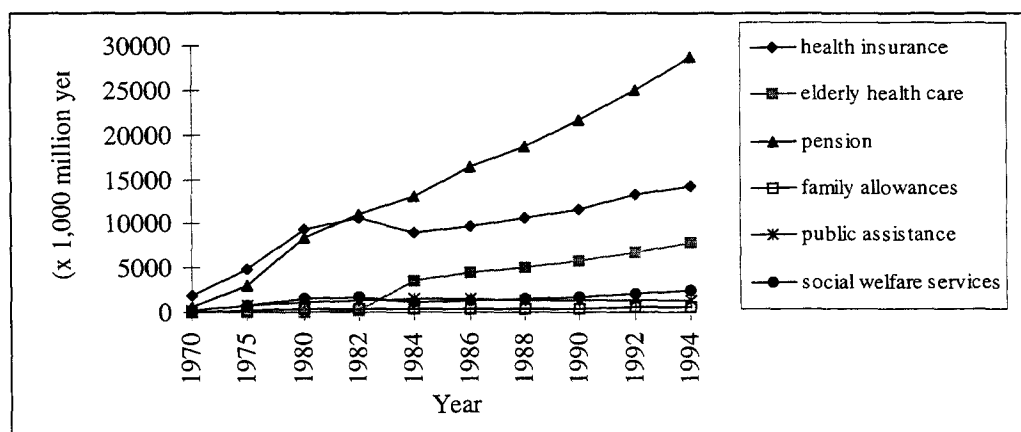
Source: Shakai Hoshô Kenkyu (1996), *Heisei 6-Nendo Shakai Hoshôhi Kikan - Shakai Hoshô Kenkyu* 32(3).

2.2   The Reform

The welfare reforms proceeded roughly in two phases. The first phase (1980 to 1989) was marked by a clear attempt to contain, if not reduce, the fiscal deficit. This was achieved by:

•   systematically cutting or reducing social welfare programs initiated in the earlier decades and/or by transferring the cost of welfare to individuals and families;

•   reducing the central government transfer payments for welfare and downloading its welfare responsibilities through transfer of administrative powers to local government level; and

• encouraging and giving incentives to private sector to participate in social welfare services.

While there was no doubt a wide public support for government fiscal restraint, what made the above welfare restructuring possible was an effective resetting of the national agenda from one of attempting to catch up with other western welfare states in the issue of the ageing of the Japanese society and the need to find a unique welfare solution for this. It was during the early 1980s that the 'problem of the ageing society' became the key policy issue in Japan, and to answer this the idea of constructing a unique Japanese style welfare society was advanced. This idea argued that Japan was unlike other western societies in that it was culturally not conducive to becoming a welfare state. Therefore rather than emulating the west, it should seek its own unique solution by developing its own model of welfare called the Japanese style welfare society (*nihongata fukushi shakai*) premised on the 'traditional' Japanese notion of self-help and family mutual support.

The second phase (1989 to now) of the welfare reform shows a more systematic approach to interlocking social welfare with the market economy. This has been actively promoted by the government in the form of 'the 21st century welfare vision' or 'the 21st century systems building' initiatives. This period differs from the earlier phase in that there has been an increasing emphasis on broadening the scope of the ageing society issue. This served as the key policy framework for the welfare restraint in the 1980s, to include the more general structural and functional problems related to the family, such as the declining fertility rate, women's increased labour market participation, and the progressive nuclearisation of the family.[5] Hence there has been a selective enlargement of the welfare role on the part of the state in such areas as chronic care insurance, family support programs, and community care services for the elderly and the disabled. At the same time, the family is expected to take on a greater share of social welfare responsibilities as discussed in more detail in the following sections.

Phase 1 (1980 to 1989): The Attack on the Fiscal Deficit

During the first phase of the welfare reform much effort was put in reversing the welfare expansion trend set in the 1970s. As shown by Figure 3, there was a

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5   The 'problem of the increasing nuclearisation of the family' in Japan has been generally defined in terms of their inability to care for their elderly relatives, and not in terms of less desire by the family to care for them. For example, the key issues are family members living too far apart for regular visits or increased labour market participation rate of married women making it difficult for them to take care of their elderly parents. Hence it calls for government support to help the family care for their family members, rather than taking over the care of these people.

Figure 3: Social Security Expenditure as Percentage of Total National Income: 1970-1994
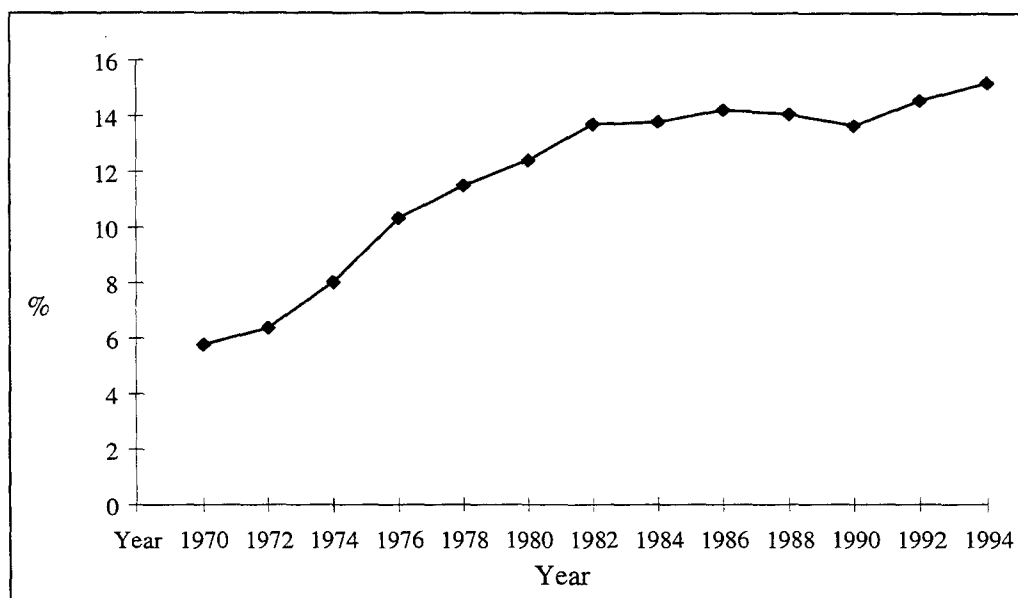
plateauing of social security expenditure in proportion to the national income throughout most of the 1980s. Whereas the total social security expenditure increased from about 6 per cent to 14 per cent of the national income between 1973 and 1980, it remained at about 14 per cent for most of the 1980s. This was achieved mainly by the imposition of a strict spending restriction across the ministries. For example, in the 1982 budget year, the Ministry of Health and Welfare, the main ministry responsible for social security, saw a total budget increase of 9.9 per cent, a noticeable drop from the earlier years when the annual budget was increasing at a rate of over 20 per cent per year. In the three following years the ministry was given a zero per cent increase, then a cut of five per cent, followed by a cut of 10 per cent (Campbell, 1992). Given the spending cuts, the ministry rationalised its finance by: first, cutting and limiting programs which were deemed 'excessive'; secondly, by reducing central government welfare transfer payments to the prefectural and local governments thus constraining the local governments' ability to provide welfare services, at the same time decentralising welfare administrative responsibilities to local government; and finally, by actively encouraging the private sector to provide social welfare services.

The Program Cuts and the New Emphasis on More Individual and Family Effort

The most immediate action taken by the Ministry of Health and Welfare in response to the budget cut was to cut and reduce existing welfare programs. In the early part of the 1980s a number of high profile programs came under the axe. The most obvious changes were seen in the following programs: health care services for the aged; health insurance schemes; pension schemes; child allowances; and public assistance and other welfare programs for lone mother families.

- **Health Care Services for the Aged.** The first program to be cut was the health care services for the aged program (*Rôjin Fukushi*), which provided free health and medical care services for those over the age of 70. The program was introduced in 1972 by the central government in an attempt to outdo a similar program which was introduced by the Tokyo metropolitan government in 1969. The program was hugely popular at first; however, by the early 1980s it had come under increasing public and political criticism for being excessive. Hence when the welfare reform began it became a convenient platform for the government to launch its welfare restraint exercise. Not only did the program's visibility give the government a symbol of the pledge to fiscal reform, but the programs also gave the central government a reason to criticise the local governments for reckless welfare spending and encouraging wide spread 'abuse' by the elderly. Hence, with the introduction of the Elderly Health Care Law (*Rôjin Hoken Hô*) in 1982 the free health and medical care services for the elderly ended, and in its place a partial user fee was imposed. User fees were further raised in 1986, 1991, and 1994.

- **Health Insurance Schemes.** In the area of health insurance, the 1984 revision of the health care law (*Kenkô Hoken Hô*) brought about a reduction of insurance coverage for salaried workers under the Employee Health Insurance schemes from 100 per cent to 90 per cent, while the coverage for those under the National Health Insurance remained at 70 per cent. At the same time the insurance fee has been rising steadily for most of this time. For example, with the Employee Health Insurance scheme, the contribution rate rose from 6.3 per cent to 8.0 per cent of the worker's salary between 1965 and 1990. Also in 1988, a special additional health insurance fee of one per cent was imposed on employee bonuses for those under the Employee Health Insurance.[6] As to the National Health Insurance, the flat

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6   It is important to point out here that the bonuses account for a significant portion of total employee income. Normally, they range from four months to six months worth of salary.

rate contribution also increased from an average of ¥90 000 to ¥150 000 between 1980 and 1989 (Iryôhoken Shingikai, 1995).

- **Revision of Pension Schemes in 1985.** Pension schemes were reformed in 1985. In this reform the pension payments under various pension schemes were equalised under a basic pension, and the pension rights were extended to all women. The reform introduced a two-tier system with the first tier made up of the basic flat rate pension scheme for all individuals over the age of 60, and the second tier based on the occupational superannuation for those covered by the Employee Pension scheme (*Kôsei Nenkin*).[7] The reform had apparently 'de-gendered' the pension scheme by giving women the 'right' to their own pension apart from their husbands by enforcing the compulsory National Pension scheme for those not directly covered by the Employee Pension schemes. In reality, however, this meant that some 70 per cent of wives of employees who had also enrolled in the National Pension scheme in their own names were denied the right to receive their husbands' Employee Pension (figured on a household basis) as the husbands would receive a reduced pension on the account of their wives having a flat rate basic pension of their own (see Campbell, 1992 for a detailed discussion).

There were also some interesting increases in the pension contribution rate in the 1980s as well. For example, while the contribution rate for the Employee Pension scheme has been rising every five years since the beginning, the 1985 reform set the amount of increase to 2.2 per cent for each of the next five years. However, in 1989, another review was carried out which adjusted the rate of increase from 2.2 to 2.5 per cent; at the same time it proposed to raise the pension age for men from 60 to 65.

- **Reduction in Child Allowances.** Both types of child allowances, one for regular families (*Jidô Teate*) (i.e. non-lone-mother families) and one for lone-mother families (*Jidô Fuyô Teate*), were reformed in 1985 also. Before 1985, allowances were provided only to third and subsequent children, from the age of 0 to 16 years. In order to extend the scope of beneficiaries at the same time as reducing spending, two changes were made. The allowances were made available for second children at 50 per cent of the rate of the third child; at the same time the eligibility age was reduced to 0 to six years. From the very beginning the regular child allowance was set at an extremely low level. In 1985, for example, the amount of allowance set for the third and the subsequent children was ¥5000 per child per month, while the amount for the second child was ¥2500. They came to about one

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7   The pension age for men was later increased to 65 in the 1994 reform.

per cent and 0.5 per cent of average monthly household income that year[8] (Japan, Ministry of Health and Welfare, 1986; Japan, Ministry of Finance, 1996).

However, the most serious change imposed by the reform was the introduction of a new income ceiling criteria. The new ceiling meant that only those families with income less than the basic pension level became eligible for child allowance in the first place. This has resulted in a total reduction in the number of families eligible for the child allowance. The data show a 15 per cent decline in the total expenditure for child allowance from ¥171 564 million to ¥146 403 million between 1985 and 1990 (Japan, Prime Minister's Office, 1985 - 1992). A new income ceiling was also introduced in the child allowance for lone mother families in the same year. This disqualified many lone mothers from receiving the allowance (Peng, 1997). Furthermore, the allowance itself was also reorganised into two levels further dividing eligible lone mother families into two levels based on the family income. The data show that between 1985 and 1990, the number of lone mother families receiving child allowance dropped by 10 per cent from 647 606 to 588 782 (Japan, Prime Minister's Office, 1985 - 1992).

- **The Reforms of Public Assistance and Other Welfare Programs for Lone Mothers.** Along with the reform of child allowance a major reform of welfare programs for lone-mother families was also undertaken to reduce their welfare dependence, in 1985. Notwithstanding the fact that the labour market participation rate of lone mothers was already close to 90 per cent, the government continued to tighten lone mothers' eligibility for child allowance and public assistance. The main target was divorced lone mothers. In 1985, the Ministry of Health and Welfare introduced a policy of 'proper measure' (*tekiseika*) to deal with the problems of welfare frauds and long-term welfare dependence. The main thrust of the campaign involved government-led media publicity about a few cases of welfare lone mothers having some connections with yakuza groups. This immediately justified the government initiative to 'clean up' the problem of the 'widespread welfare abuse'. The central government notice number 123 was issued to all local governments, instructing them to cut the number of public assistance cases across the board (Ono, 1997; Ishida, 1994).

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8   It should be noted here that the average monthly household income is higher than the average male income, due to the fact that many households have more than one income earner.

In the case of the divorced lone mothers, a number of additional conditions were set in order to tighten their welfare eligibility. For example, not only was the total amount of public assistance allocated to lone mothers (and particularly divorced lone mothers) cut, but they were also denied the right to apply for public assistance for the first half year after the divorce. Moreover, those with ex-husbands with annual income more than ¥6 million a year (a level equivalent to the average household income for 1985) were also disqualified from public assistance support (Peng, 1997). In some local governments the reality of budget cuts simply led to lone mothers being denied public assistance even if they were eligible (Terakubo, 1989).

The data show that the proportion of lone mothers receiving public assistance dropped from 22.5 to 11.9 per cent between 1985 and 1990, while their average income remained the same, at slightly less than the poverty line (that is, the public assistance eligibility level). Shinotsuka (1992), for example, found that lone mothers' public assistance take up rate was about 50 per cent in 1987. According to her calculation 38.5 per cent of lone mothers were eligible for public assistance in 1987, however, of these only 19.3 per cent were receiving the assistance. In a similar study carried out in 1990, Ishida (1994) found the take up rate had dropped to 28 per cent: while 49 per cent of all lone mothers were found eligible for public assistance, only 13.5 per cent were actually receiving it. On the other hand, special low interest loans programs for lone-mother families were expanded throughout the 1980s. The reasons for lone mothers taking up the loans show a significant shift over the last couple of decades. Whereas in the 1960s and 1970s the majority of the loans were given to lone mothers to start up businesses, in the 1980s the most common reasons were to help mothers return to school and to cover various costs involved in their children's education (Tarukawa, 1982).

The above summarised the various cuts and reductions in welfare programs between 1980 and 1989. These changes show clearly the shift in welfare responsibility from the state to individuals and the family. Indeed, by the end of the 1980s it was clear that the welfare reform project had gone beyond simple belt tightening: it had established a new framework for social welfare in which the individual and the family were to play a larger role and take on a greater financial burden for welfare. As it was outlined in the Rincho proposals, the long-term aim of the welfare reform was to create a new 'welfare society' for Japan, which involved a fundamental transformation in the idea of social welfare towards individual responsibility and family and mutual help. However, it must be pointed out here that such changes were not strongly resisted by the general public.

Rather, one could say that the reform was in fact widely endorsed by the public who were not ready to pay for the cost of welfare in the form of tax increase.

The Reduction of Social Welfare Transfer Payments and Decentralisation of Welfare Administration

In addition to the program cuts the first phase of welfare reform also involved a systematic downloading of central government's social welfare responsibilities to local governments. This was accomplished in two steps: first, by reducing social welfare transfer payments to the prefecture and local governments, and secondly, by shifting the central government's administrative duties to local governments. Until the 1980s, the social welfare system in Japan was highly centralised. Under this system the central government assumed much of the policy and administrative control. This topdown pyramid structure was established by the legal framework stipulated in Article 25 of the post-war Constitution which said, 'the State must make efforts to promote and expand social welfare, social security, and public health services to cover every aspect of the life of the people' so as to ensure a minimum standard of wholesome and cultured living (JNC-ICSW, 1990: 12). Based on this framework, most of the social welfare services in Japan came to be operated by a system called the government agency proxy administration (*kikan inin jumu*), a system in which the national government delegates the actual social welfare work to local governments. An example of such an arrangement is the public assistance program (*Seikatsu Hogo*). In this case, the daily administrative decisions and provisions of the public assistance program is generally given to local government through a national government proxy administration system. Under this scheme the prefectural governor or city mayor is 'entrusted' to carry out the function on behalf of the central government, under the direct supervision of the Minister of Health and Welfare (JNC-ICSW, 1990). It is important to point out here that on the surface such an arrangement may not seem unusual; however, what distinguishes this system from most central government/local government arrangements in other countries is that the prefectural governor, although elected publicly is, in this case, legally required to act as an agent of the national government.

The financing arrangements for social welfare services for this reason has traditionally reflected strong central government control. Until the 1980s the cost of social welfare and social security payments were borne by the central and prefectural/local governments at the ratio of 8:2. However, since the mid-1980s these financial and administrative arrangements were significantly revised by the central government in an effort to 'equalise' the welfare burden between the different levels of government. In 1985 the central government initiated a 'one-time only' trial to reduce the central government transfer payment ratio by 10 per cent. This was followed by the 1986 central government reassessment of the

feasibility of the transfer payment reduction which resulted in the introduction of a new legislation allowing the continuation of the payment reduction for another three years (*Kuni no Hojikintô no Rinjitekireitô ni kansuru Hôritu*). When the three year period was over in 1989, however, rather than reverting back to the original arrangements, the central government issued a new order further reducing its transfer payment ratio to 50 per cent.

To 'compensate' the local governments for reducing the level of transfer payment the central government also transferred the actual administrative decision-making powers concerning social welfare services to local governments. In 1986, the law concerning the local government executive organ (*Chihôkôkyôdantai no Shikkôkikan ga Kuni no Kikan toshite okonau jimu no Seibi oyobi Gôrika ni kansuru Hôritsu*) was introduced expanding local governments' administrative power in such areas as social welfare services, national health insurance and national pension. With this, almost all of the social welfare services related to the elderly and disabled peoples, and most other social welfare services, except for the public assistance program (*Seikatsu Hogo*), were transferred from the government agency proxy administration to local government administration (*dantai inin jimu*).

Expansion of the Private Sector Role in Provision of Social Welfare Services

Finally, the first phase of social welfare reform in Japan saw an increasing government effort to develop private sector welfare services as a way to diversify the sources of welfare provision. In fact, as early as 1985 the Ministry of Health and Welfare had set up a special Promotion and Guidance Office on Private Services for the Aged (*Shirubâ Sâbisu Shinkô Shidô Shitsu*) to promote a private sector role in providing such social services as long-term institutional care, home making and home helper services, equipment rental and provision, and home renovations. In 1988 this initiative was further reinforced by the revision of the Social Welfare and Health Services Law (*Shakaifukushi Iryôjigyôdantai no ichibu wo Keisei suru Hôritsu*) establishing a public financing (public loans) scheme system for private business to start social welfare service business targeted at elderly and disabled people (commonly referred to in Japan as the 'silver business' or *shirubâ bijinesu*). With such government incentives, the number of 'silver service' businesses increased by over two and a half fold, from 281 to 744 between 1988 and 1993 (Shirubâ Sâbisu Shinkôkai, 1994). Of these over 90 per cent were involved the rental or sales of home care equipment such as wheel chairs, special beds, and bathroom equipment. and about 40 per cent also provided services such as home helpers and meal services (Shirubâ Sâbisu Shinkôkai, 1994).

The above illustrated some of the key changes which have been initiated by the government during the first phase of the social welfare reform in Japan between 1980 and 1989. These changes show a steady shift in public social welfare mix, first through reduction of the state welfare provisions to reduce the fiscal deficit, and later, increasingly, as a way to change the structure of the welfare system itself. The changes indicate a step by step transfer of the central government welfare role responsibilities to local governments, and as well, state welfare responsibilities to individuals and families. In the 1990s this apparent contraction of the central government role in welfare will be reversed, but the general pattern of welfare mix established in the 1980s will continue to be emphasised.

Phase 2 (1989 to Now): A Shift to the 21st Century Welfare Vision

Since the end of the 1980s there has been a noticeable shift in policy focus from strictly fiscal restraint to a more comprehensive rebuilding or redesigning of the welfare system. Economically, the tight fiscal control imposed since the early 1980s helped bring down the government deficit to about 10 per cent by 1987. In addition, the economic recovery brought by the beginning of the 'bubble economy' in 1986 also gave the government a substantial increase in tax revenue in the second half of the 1980s. However, during this period a number of new emerging social and demographic issues also began to surface calling attention to another review of social welfare. The two emerging issues were:

- the steady decline in the national birth rate; and
- the increase in the labour market participation rate of married women.

By 1989 the total fertility rate for Japanese women had declined to 1.5, the lowest in the recorded history at the time (see Figure 4). It is interesting that even though the total fertility rate of Japanese women has been declining throughout most of this century, the issue had never been raised as a serious policy concern until this point. With the emergence of this so-called '1.5 shock' the public and policy debate shifted from a narrow focus on the ageing society and its welfare burden on future generations to the problems of changing family structures and its implications for the ageing society. For example, the annual white papers on the national life (*Kokumin Seikatsu Hakusho*) published by the Ministry of Finance and the white papers on social welfare (*Kôsei Hakusho*) by the Ministry of Health and Welfare both featured the issue of low fertility (*shôshika*) in 1989. After 1989, 'the problems of ageing and low fertility society' became the regular feature of these annual white papers. The term, 'the problems of the ageing society' (*kôreika shakai mondai*) which had been used in most of the government white papers and policy reports during the 1980s to rationalise welfare restraint

Figure 4: Total Fertility Rate: 1950-1995
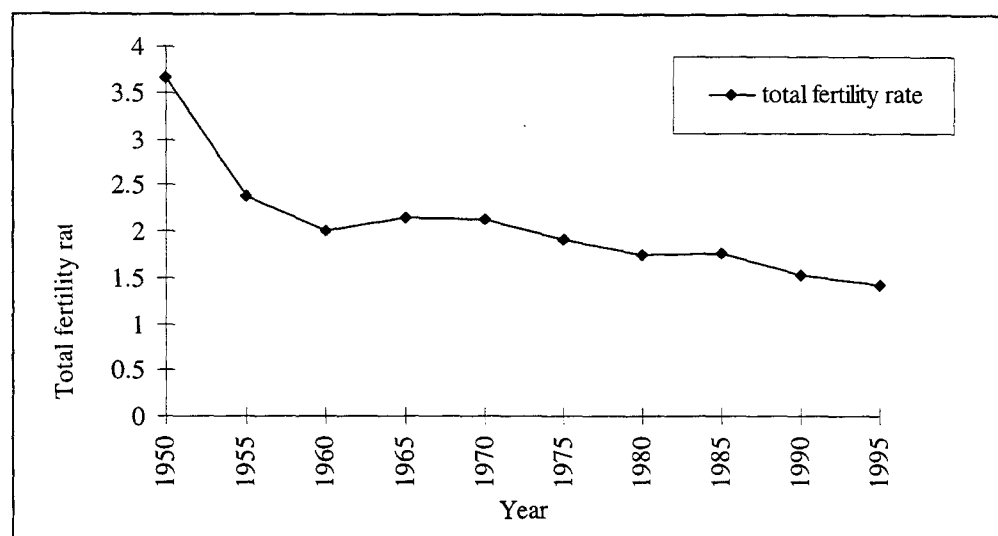
was also changed to 'the problems of the low fertility and the ageing society' (*shôshika-kôreika shakai mondai*) in 1990 to better reflect the government's new policy focus.

The end of the 1980s also saw a noticeable increase in the number of married women in the labour market. For example, the labour market participation rate of married women increased from 41.4 per cent of all working women in 1970 to 58.5 per cent in 1989. Amongst families with children, the proportion of those with both parents working also rose from 29.7 per cent in 1985 to 34.0 per cent in 1990 (Japan, Sômuchô, 1991). Studies have found that the main reasons for the increased labour market participation of married women were: the rising cost of children's education and of housing; and the changes in the labour market structure during the 1980s. For example, the average cost of education per child had increased from ¥2.3 million per year to ¥3.5 million per year in real terms between 1977 and 1988 (Muto, 1992). By 1990, an average family was spending an average of about 17 per cent of its total family income on the educational cost of one child (Muto, 1992; Japan, Ministry of Health and Welfare, 1994). On the other hand, the tremendous increase in the service sector and part time work in the 1980s has also contributed to the increased number of married women in the labour market. For example, the number of people working on a part-time basis has been increasing steadily over the last couple of decades. Between 1980 and 1994, the number increased by more than twofold from 4.9 million to 9.7 million. Of these, the majority were women: in 1980, 60 per cent of all part-time workers

were women, while in 1994 they made up 67 per cent of the total (Japan, Sômuchô, 1995).[9]

The implications of the above demographic changes were obvious. Firstly, they are both closely linked to the problems of the rapidly ageing society. The decline in the fertility rate means that the ageing of the society will be further enhanced. Indeed, by 1989 there were clear indications that Japan was heading towards a new demographic phase in its history (see Figure 5). Whereas in 1980 the proportion of those over the age of 65 was barely nine per cent of the total population, by 1989 it had risen to 12 per cent, and it was projected that the figure would go up to 17 per cent before the end of the century. The most troubling fact was that the proportion of those over the age of 75 (i.e. those requiring most care and services) will also continue to rise given the current rates of fertility and longevity. In 1989 it was found that of the 12 per cent of the population over the age of 65, about five per cent were 75 or over. It was projected that this figure will increase to seven per cent by the end of the century (Institute of Population Problems, 1990). The increasing number of elderly people, particularly those over the age of 75, meant a significant demand on the welfare and personal services in the future. However, with the increasing number of married women remaining in or re-entering the labour market, it has also meant a reduced capacity of the family to care for their aged relatives. Yet, on the other hand, the state could not discourage women from going out to work since it had also been actively encouraging women and the elderly to participate in the labour market as a part of the welfare reform throughout the 1980s. Finally, the decline in the proportion of young people also implied an increasing shortage of labour supply in the long run, a crucial issue for Japan's future international competitiveness.

In order to address these emerging problems, a series of government reports and policy plans have been issued since 1989 aimed at re-designing the social welfare

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9   It should be also pointed out here that in Japan the term 'part-time' work is not defined
        simply by the number of hours worked. For example, it is found that some 15 per cent of
        the female 'part-timers' were working the same number of hours as the regular workers
        (Ministry of Labour, 1992). Rather, part-time work is normally defined in terms of more
        flexible working hours over a period of time. The problem with this system is that part-
        time workers are often paid a lower wage compared to regular workers, and as well, have
        much less job security. For example, the 1993 Ministry of Labour's *Basic Survey on
        Wage Structure* shows that the hourly wage gap between an average female part-time and
        a regular employee was as much as 36 per cent when bonuses was included, and about 28
        per cent when bonus was excluded (Nagase, 1997).

Figure 5: Proportion of Population 65 Years Old and Over by Country: 1950-2050
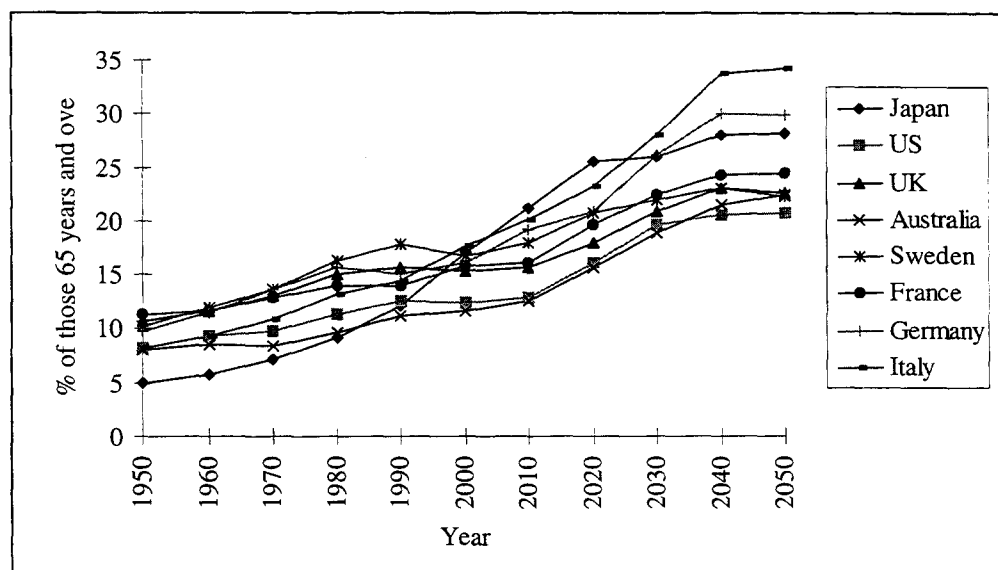
system for the 21st century.[10] While it is beyond the scope of this paper to discuss the various reports in detail, it will be important to point out the general framework of the government's new vision of social welfare for the next century, and underline in particular, three large scale policy plans which reflect this vision. The new framework for social welfare envisioned by the government is, as stated in the Ministry of Health and Welfare's policy proposal *21st Century Welfare Vision*, to aim for

> neither the high-welfare-high-tax type of welfare society centered on the state provision of services, nor the low-welfare-low-tax type of welfare society premised on individual effort and self-help, but rather the mid-range alternative... based on the principle of welfare pluralism premised on the spirit of independence and mutual help and social solidarity. (Japan-Ministry of Health and Welfare, 1994: 7-9).

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10   For further information on the 21st century social welfare vision, see *The Appropriate Social Welfare for the 21st Century* (*21-seiki ni fusawashii Shakaifukushi no arikata ni tsuite*) (Fukushi kankei 3-Shingikai, 1989); *The 21st Century Welfare Vision* (*21-seiki fukushi bijon*) (Ministry of Health and Welfare, 1994); *The Second Report on the Future of Social Security* (*Shakai Hoshô Shôraizô Iinkai Dainiji Hôkoku*) (Shakai Hoshô Shôraizô Iinkai, 1994); *and Proposal for the Reconstruction of the Social Security System* (*Shakai Hoshô Taisei no Saikôchiku*) (Shakai Hoshôseido Shingikai, 1995).

In terms of concrete proposals, the following three millennium plans have been initiated: The Gold Plan (*Gorudo Puran,* 1989); the Angel Plan (*Enzeru Puran,* 1994); and the Chronic Care Insurance Scheme (*Kôteki Kaigo Hoken,* 1997).

The Gold Plan. The gold plan was the first of the large scale proposals to come out of the 21st century vision. This ten-year social welfare strategy was proposed as a joint project by the Ministry of Health and Welfare, Ministry of Finance, and the Home Ministry, with an aim to substantially improve welfare services for the elderly by year 1999. For example, it proposed to increase the number of home helpers from the 1989 level of 31 405 to 100 000 by the year 1999, and expand day service centres by nearly ten fold from 1080 to 10 000, as well as increasing the spaces for day services by 50 000 during the same period. In addition the plan proposed to set up 10 000 community-based special care support centres and 10 000 care houses for the elderly living in the community. In addition to the above community-based services, it also proposed to increase the number of spaces in institutions for elderly people such as for-fee nursing homes (*rôjin hoken shisetsu*) and special chronic care nursing homes (*tokubetsu yôgo rôjin hômu*) from the current number of 190 833 to 520 000 by year 1999. Finally, the plan also set a special development grant of ¥70 billion (about US$630 million) to support welfare development in this area, most of which were in the form of financial incentives for private sector initiatives in social welfare service provision (see Table 1).

Table 1: Summary of Gold Plan, New Gold Plan, and 1995 Targets

	Gold Plan Target	New Gold Plan Target	Target for 1995
No. of Home Helpers	100 000	170 000	92 482
No. of spaces for Day Services	10 000	17 000	6180
No. of beds in Short Stay Centres	50 000	60 000	29 074
No. of Community Care Support Centres	10 000	10 000	3 400
No. of spaces in Special Chronic Care Homes	240 000	290 000	227 329
No. of Elderly Health Care Institutions	280 000	280 000	165 811
No. of Care Houses	100 000	100 000	30 700
No. of Elderly Welfare Centres	400	400	240
No. of Visiting Nurse Stations	n.a.	5000	1500

Source: Miura, 1995.

The Gold Plan was revised in 1995 following the recommendations of the report by the Social Security Commission (*Shakai Hoshôseido Shingikai*), 'The Second Commission Report on the Future of Social Security' (*Shakai Hoshô Shôraizô Iinkai Dainiji Hôkoku*) in 1993, and the Ministry of Health and Welfare's policy proposal *The 21st Century Welfare Vision* (*21-seiki Fukushi Bijon*) (1994). In the revised version of the Gold Plan (known as the New Gold Plan or *Shin-Gôrudo Puran*), community-based social welfare services were further enhanced and the earlier target figures substantially expanded as shown in Table 1. An interim survey in 1995, however, shows rather mixed results. Some areas such as the special chronic care homes and home helpers have seen a noticeable increase, while others like the community care support centres and care houses have not. One reason for this is that a significant amount of new special (for-fee) chronic care homes and the home helper services have been accounted by the private sector initiative, whereas the community care support centres have been largely left to the local governments to implement.

The Angel Plan. In 1994 the Ministry of Health and Welfare also initiated a complementary plan to the New Gold Plan called the Angel Plan to address the issue of the declining birthrate. The plan aimed at reversing the declining birthrate by providing support and incentives to young couples and families with small children to have more children. In particular, the plan attempts to help working mothers take on both work and family care by increasing the number of day care spaces and child care options through expanding private day care market system, and increasing the number of 'special' day care services such as day care centres with extended hours (usually this means extending the hours of day care from the regular hours of 9:00 am to 5:00 pm. to 8:00 am to 9:00 pm), over-night care services for mothers who work on night shift, and special temporary residential care services providing 24-hour child care for mothers who are ill or are away on business trips. For example, the proposal sets an objective to increase the number of day care spaces for children between the age of 0 to two years old from the 1994 level of 450 000 to 600 000 by 1999; the extended hour day care centres from 2230 to 7000; special temporary residential care service centres from 450 to 3000; and after school programs from 4520 to 9000 all between 1994 and 1999. It also proposed to increase the number of local support centres for mothers with young children from 236 to 3000 during the same time. In addition to the above day care support, the plan also proposes considering a child care leave system for parents within the unemployment insurance system and introducing legislative changes such as shorter working hours and flexitime arrangements to enable mothers with young children to take on work and care.

Chronic Care Insurance Scheme. Finally, the chronic care insurance bill which had been debated in the parliament since 1995 finally passed the lower house of the Diet in the spring of this year (1997). It is now almost certain that the bill will

pass the upper house in the next session of the parliament. Once the bill is passed the proposed chronic care insurance scheme will become a new social insurance scheme for elderly people in need of long-term care. The insurance provision will begin by the fiscal year 2000. The insurance will be managed financially by contributions from individuals and the state: 50 per cent from individual contributions and another 50 per cent from the state contribution (of this, 25 per cent will come from the central government, and the other 25 per cent will be shared equally between the prefectural and local governments). The scheme will provide financial support for people over the age of 65 who are assessed as being in need of care services. The insurance pays for a variety of community-based and institutionally-based care services, including:

- cost of domiciliary care services such as home helpers, bathing services, visiting nurse, rehabilitation, etc.;
- cost of equipment for domiciliary care, such as wheel chairs, special bathroom equipment, beds, etc.;
- cost of approved home repairs and renovations;
- cost of care and service planning services (the fee for the care managers);
- cost of special high-level care for people with a high degree of disability, such as 24-hour care services; and
- cost of institutional care.

The amount of support provided by the insurance will be based on the level of severity of disability. Each client will be assessed and if deemed in need of care will be categorised into one of the three levels. The insurance will then pay up to 90 per cent of the cost of the required services fit to each level, based on the Ministry of Health and Welfare's calculation.

Perhaps the most difficult and contentious part of this insurance proposal is the calculation method for the insurance contribution rate. It is proposed the insurance should be paid out by all those over the age of 40. Two categories of contribution rate have been proposed. The first is for those who are over the age of 65. Elderly insurance subscribers will have to pay a variable rate based on the set level established by the government multiplied by the ratio of the elderly (i.e. 65 years old and over) population within their local district. In other words, elderly people who are living in areas with high a proportion of elderly will face a higher insurance rate than those in other areas. The second category of contribution rate is for people between the ages of 40 and 64. The rate in this case will be calculated based on the total estimated annual cost of the chronic insurance, multiplied by the ratio of all 40 to 64 year olds to over 65 year olds. It is expected that for this category of contributors, the insurance fee will be automatically added onto their regular Employee Health Insurance or the National Health Insurance schemes. Similarly to other health insurance schemes, the

chronic care insurance will also be managed by local governments. This means that they will be responsible for administering all the financial provisions as well as provision of some services.

There are a number of issues associated with this proposed scheme. First, the regional difference in service provisions and in insurance contribution rate for the elderly people will create disparities. In terms of service provision, economically less prosperous regions (which also tends to be the regions with relatively higher elderly populations) will face more difficulties in financing all the required services. For elderly people, there is no doubt that those living in areas with high proportion of elderly population will have to pay more, and may receive less. Secondly, it is not clear from the proposed scheme what will happen to low income families who are not able to subscribe to the insurance. Currently those receiving public assistance have their health insurance paid out of a separate program from the regular health insurance schemes. One option for elderly public assistance recipients in need of chronic care would be to receive care through the welfare for the aged program administered by the local governments; however, a clear guideline for low-income elderly people needs to be developed. Third, there is also no mention of the support for family carers who care for elderly family members. Indeed it is assumed, as in the case of other plans like the Gold Plan and the 21st Century Vision, that family members will provide most of the care for their ageing relatives.

Finally, the most recent amendment to the chronic care insurance bill added an income testing criteria. This will limit the insurance support to only those elderly families whose income is under a certain set amount. One possible outcome will be that elderly people who are cohabiting with their children may be disadvantaged because the income of their children will be counted in the income testing. As a result, the insurance support may become restricted to elderly people living on their own or only with their spouses. However, more importantly, the idea of introducing income testing criteria calls into question the notion of social insurance as being based on rights. Hence before it has even begun, the very idea of the insurance scheme is already questioned.

3   Implications of the Welfare Reform Since 1980

What the above changes reveal is a significant shift in the social welfare mix in Japan since 1980 as the country has attempted to grapple with changing economic, social, and demographic conditions. Whereas in the 1980s much of the policy effort was in pushing welfare responsibility back to the individuals and the family, the 1990s has seen a gradual and selective expansion of the state and the market roles in social welfare. This, however, did not mean a transfer of welfare responsibility away from the family. Rather, the enlargement of social welfare in

the 1990s has actually meant an increase in social welfare role for all sectors. Indeed, the recent debates about the roles of different actors - the state, the family, and the market - are taking place during a period when overall demands for and the actual dimensions of social welfare are increasing rapidly. Here, I will highlight the implications of the welfare reform for each of the three sectors.

3.1   The State

The most surprising outcome of social welfare reform in Japan since 1980 has been that the state is in fact taking on a larger role in social welfare than it had when it began the reform process. While the central government had successfully downloaded its administrative and financial responsibilities to local government through decentralisation , after 1989 it began to assume greater coordination and regulatory roles within the context of the 21st century welfare system building. For example, throughout the 1990s the central government, and in particular the Ministry of Health and Welfare, has been leading the public and policy debate on systemic reform under the framework of the 21st century vision. The introduction of a three per cent consumption tax with part of it earmarked for social welfare and in 1990 has given the ministry a more stable financial base. The two per cent increase in the consumption tax to five per cent in 1997 has, no doubt, further increased the Ministry of Health and Welfare's revenue. Moreover, the steady increase in social insurance fees and the introduction of the chronic care insurance scheme will provide a larger revenue base for the Ministry of Health and Welfare, at the same time, allowing it a greater measure of independence from its historical adversary, the Ministry of Finance, in managing and developing social welfare. In the area of regulatory functions, the Ministry of Health and Welfare has also taken on new roles as the central regulatory body with the introduction of the national examination system to certify social welfare workers and care workers in 1987. With the introduction of this system the central government was able to not only standardise the contents and levels of social welfare education, but also those of the services provided by service providers across the country.

However, perhaps the level of government which has gained most welfare responsibility in this welfare reform is local government. With the transfer of most of the welfare administrative duties, and with the reduction in transfer payments from the central government, local government has been hard pressed to finance services and to maintain service levels. Although the decentralisation process did bring about some measure of political independence to local governments which until the 1980s had been under direct supervision of the central government through the government agency proxy administration system, it has also brought about a tremendous financial strain, particularly in less wealthy regions of the country. With the Gold Plan, the Angel Plan, and the

Chronic Care Insurance scheme all to be administered at the local level, it is clear that local governments will be under further pressure financially and administratively.[11]

The increased state role in welfare, despite its aim of containing welfare expansion through assertion of individual efforts suggests the difficulty of dismantling or disengaging from welfare, even in a 'low welfare' country like Japan. However, on the other hand, it may be precisely because Japan has been historically such a 'low welfare' society that it gives very little room for the state to opt out of welfare given the current economic, social, and demographic circumstances. In any case, it does point to the importance of these factors on social welfare outcome.

3.2   The Family

It seems certain that the family's role in welfare which has been emphasised throughout the reform process will continue to underline the basis of social welfare in Japan. Within the framework of the 21st century welfare vision, the enlargement of the state and market roles is premised on an even larger contribution from individuals and the family (particularly women) in both paying for the cost of welfare and in providing direct care services. For example, according to the calculation by the Elderly Care and Support System Research Committee, the total cost of care for the elderly in Japan is expected to double from the 1993 figure of ¥3.5 billion to ¥7.7 billion (in real terms) by year 2000. It was found that in 1993, 60 per cent of the total cost of elderly care was borne by the family (in the form of unpaid care by family members), while another 35 per cent of the cost was paid to institutional care services (most of which were privately owned), and another five per cent to community care services. With the introduction of the Gold Plan the cost of elderly care borne by the family will be reduced to 45 per cent, while 40 per cent of the cost will be paid to institutional services, and another 15 per cent will be to community care services. At first this may appear that the cost of elderly care will shift from the family to other sectors; however, since the total cost of care would have more than doubled, the family will be, in fact, forced to pay more than before (Japan, Ministry of Health and Welfare, 1994).

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11   This represents merely the latest in a long history of such conflict between the central and local government, who claim that the services required of them by central government have not been matched by either fiscal transfer or new taxation powers. For further discussion on such unfunded obligations, often called 'excess burdens', see Steiner (1965), Steiner, Flanagen and Krauss (1980) and Shindo (1984).

In terms of financial contribution, the individual and the family will be expected to contribute more both in terms of tax and insurance contribution. The individual contribution rate for social security in Japan has been increasing steadily throughout the last few decades. For example, the total of social security benefits as percentages of national income has increased from 5.8 per cent to 17.5 per cent between 1970 and 1995. This increase has been supported by a similar increase in tax and individual social insurance contributions. The total tax as a percentage of national income increased from 18.9 per cent in 1970, to 23.1 per cent in 1996, while that of the individual social security contributions rose from 5.4 per cent to 14.1 per cent of the national income. Recent government projection estimates the proportion of social security expenditure as a percentage of national income to rise to between 30 to 37 per cent by year 2025, about double the figure of 17.5 per cent in 1995 (Shakai Hoshô Kenkyu, 1996; Japan, Ministry of Health and Welfare, 1997). Given the projected increase in the social security expenditures, a similar increase in the individual tax and contribution rate is expected.

There is already clear evidence of rising individual contribution rates for social insurance. For example, throughout the 1990s the insurance contribution rates for pension and health insurance rose steadily, while at the same time greater surcharge fees for medical and health care services have also been imposed. For example, the contribution rate for the Employee Pension increased by 2.5 per cent in 1989, raising the average rate from 12 per cent to 14.5 per cent of the worker's salary. In 1994 the contribution rate was readjusted again with a further two per cent increase. This was then followed by an additional 0.85 per cent rise two years later. The current Employee Pension contribution rate is 17.35 per cent of the salary. In addition to this, a special one per cent pension contribution on bonuses was also imposed in 1994. It is expected that there will be further increases in the contribution rate for pension in the future given the rapid ageing of the society. A recent government projection estimated that the contribution rate will increase to 29.6 per cent by the year 2025 when the Employee Pension scheme faces its peak pay out. For the National Pension scheme, the flat rate contribution of ¥11 110 per month per person was increased by only ¥60 yen to ¥11 170 in 1994, but it was announced that ¥500 (in 1994 value) will be added each year until year 2015. It is projected that the individual contribution rate will increase to ¥21 700 (in 1994 value) by 2015 (Japan, Ministry of Health and Welfare, 1997).

In the area of personal social services the family, and particularly women, are expected to take on an increased caring role for their family members. For example, data show a significant number of elderly people are currently receiving care from their families. Currently, of the total of 14.9 million elderly people in Japan, 93.5 per cent (13.9 million) are living on their own or with their families. Of these, 840 000 are in need of constant care and are receiving care in their own

homes (Japan, Ministry of Health and Welfare, 1994). Because of the lack of home helpers and other care services, most of these elderly people are being cared for by their family members, and particularly by women family members. A recent survey by the Metropolitan Tokyo found that amongst the male elderly who were receiving care at home 73 per cent were being cared for by their spouses while another 12.5 per cent were cared for by their daughters-in-law, and a further nine per cent by their own daughters. Amongst women elderly, 40.7 per cent were being cared for their daughters-in-law, with another 31.6 per cent being cared for by their own daughters, while only 16.3 per cent were cared for by their spouses (Tokyo, 1991). In either case, over 80 per cent of the elderly were being cared for by the female members of their families. In another survey conducted by the Ministry of Health and Welfare in 1991 it was found that amongst those families needing services such as home helpers, meal delivery services, emergency check ups, and short stay services, less than ten per cent were actually receiving them. The main reasons for this were lack of information about available services (43.3 per cent), the lack of available services in the area (22.3 per cent), and the high cost of the services (14.3 per cent) (Japan, Ministry of Health and Welfare, 1994). These figures show clearly the inadequacy of current social services, and the important role played by the family in lieu of the available personal social services in the community.

Although the Gold and the New Gold Plans have made some steps to increase community-based services for the elderly it is already clear that they will not be enough to meet the demand. For example, even if the government was able to achieve the projected target of 170 000 home helpers by the year 1999 set by the New Gold Plan, it will increase the number of home helpers to 783 per elderly population of 100 000, a significant increase from the current number of 312 and slightly better than the case in the US (686 per population of 100 000) though lower than other countries like Britain (872 per population of 100 000) and Sweden (5086 per population of 100 000). This suggests that even with the most optimistic projection, a significant amount of care work will still be left to the family. Indeed, the policy assumption is that despite the increased community care services, the majority of elderly people will be best cared for by their families. For example, the 21st Century Vision hopes for an increased co-residency rate amongst Japanese families with improved community care services and increased tax benefits for the three-generation households and families with elderly and disabled people. It is anticipated that the proportion of households with household heads over the age of 65 living with their children will increase from the current level of 17.6 per cent to 21.7 per cent by year 2010 (Institute of Population Problems, 1996).

With respect to the care of young children, again a similar pattern can be observed. Although the Angel Plan made some attempts to encourage more

socialisation of child care, the scope has been limited to working mothers, and in particular, those in full-time work. For example, public day care spaces (that is, subsidised and authorised day care) at present are mainly available for lone-mother families (who are assumed to work) and families with full-time working mothers. The majority of families with part-time working mothers have to rely on private arrangements or use private day care services which tend to be more expensive than public day care and, as well, may not necessarily be certified by the inspection boards. In reality, therefore, most women with children under the age of three are forced to stay home and care for their children full time. The proposed increase in the number of day care spaces under the Angel Plan, while significant, will fall far short of actual demand, and still assumes that most children are cared for at home by mothers. Finally, many of the proposed day care spaces will be provided by the private for-profit sector and hence will not help mothers with low paying part-time jobs.

3.3   The Market

Finally, it is expected that the market will play an increasingly more important role in social welfare in the future. Figures show that already there has been a substantial increase of private sector involvement in the welfare market. For example, health care services have been one of the fastest growing industries since the 1960s. The service sector industries in Japan accounted for 26.5 per cent of the total GNP in 1992, up from 14.8 per cent in 1960. Within this the health care services has been the fastest expanding industry, with a share of the total service sector industries of 19.1 per cent in 1992, up from 17.3 per cent in 1960 (Japan, Ministry of Health and Welfare, 1996). The increase in private health care services can be seen particularly in areas such as hospitals and elderly care. For example, in 1965, 52.7 per cent of all hospitals in Japan were privately owned as compared to 7.9 per cent public and 39.4 per cent national; in 1991, this proportion had shifted to 69.7 per cent private, 5.9 per cent public and 24.4 per cent national. In the area of elderly care, the proportion of the private special care nursing homes have also increased from 83.2 to 89.2 per cent from 1980 to 1992 (Japan - Ministry of Health and Welfare, 1992).

With the enlargement of private sector social services the individual share of health care cost also grew. For example, the financing structure for elderly institutions shows a shift in the cost sharing from 3.2 per cent individual burden: 19.4 per cent local government subsidies: 77.4 per cent central government subsidies in 1980 to 12.7 per cent individual: 43.6 per cent local government: and 43.6 per cent central government in 1992 (Japan, Ministry of Health and Welfare, 1994). In the area of child care, there are also some signs of increased private sector participation as well. For example, the proportion of private day care has increased from 39 per cent to 45 per cent between 1970 and 1992. The financing

structure for day care services also reflects a similar pattern to that of elderly care institutions. The proportion of individual, local government, and central government support shifted from 42.0: 11.6: 46.4 in 1970 to 50: 25: 25 in 1992 (Japan, Ministry of Health and Welfare, 1994).

The increased private sector role in social welfare has been actively promoted by the state throughout the welfare reform process. It has also been generally considered a positive development by both the public and government. Interestingly, the expansion of the private social welfare service sector over the last decade has been one of the most welcome news for both the state and the individuals. For the state, it has provided opportunities for the development of new middle and small size industries - a sector worst hit by the global economic competition. For individuals, and particularly women, the expansion of the social welfare service sector has provided new employment opportunities. Indeed, the marked shift in government strategy towards social welfare enlargement fits rather nicely with the recent economic policy. It appears that in its attempt to develop 'vigorous low fertility and ageing society' (*katsuryoku aru shôshika kôreika shakai*) the government has capitalised social welfare itself by making it into an economic opportunity in the post-industrial society.

4   Summary

This paper has examined social welfare reform in Japan since 1980 and analysed its implications for the state, the family, and the market. The analysis shows that contrary to its initial objectives to restrain and control welfare expansion, the government's welfare restructuring policies have been highly pendular. Whereas the 1980s saw a noticeable shift in welfare responsibilities from the state to local communities and individuals, the 1990s has been marked by the resurgence of social welfare. As a result, after nearly 20 years of welfare restructuring social welfare in Japan has been enlarged rather than reduced. What is noticeable, however, is that this enlargement has been underlined by the principle of individual self-help and family mutual assistance. Moreover, the pattern of welfare retrenchment and expansion over the last couple of decades reveals the increasing relevance of social and demographic factors, such as the ageing of the society, the decline in fertility, and women's labour market participation, on the direction of social welfare development.

It is difficult to predict precisely where this process will lead, but it does point to a number of issues. The first is the role of corporate welfare. Although this paper has not discussed corporate sector welfare, the corporate sector has also been undergoing some structural changes in recent years as a result of the increasingly global economy. Once regarded as central to the Japanese welfare system, the role of corporate welfare will probably change along with the changes which are

taking place in the market itself. For example, with increasing economic globalisation and the pressures towards deregulation the corporate sector may see an opportunity to shed itself of its traditional welfare responsibilities. Already there are signs of changes in employment practices amongst the new industries like computer-based industries, such as changing the automatic pay and seniority system in favour of an individual merit-based pay rise system, and ending the lifetime employment policy by allowing workers to switch company and, as well, hiring workers from other companies in mid-career.

Second, one could expect more social and demographic pressures for social welfare enlargement in the future. Two sources of the pressures are the ageing of the population and the continuing rise in the labour market participation rate of women, particularly married women. Indeed, opinion polls show an increased public expectation for the state to deal with social welfare issues. For example, opinion polls show a steady rise in public expectations of social welfare. Since 1990, development of social welfare(*fukushi no jûjitsu*), particularly social services for the elderly, has been one of the top three public expectations for the government (Japan, Prime Minister's Office, 1990 to 1996). There has been also a noticeable shift in public opinion about women's labour market participation after marriage. Whereas in 1973 some 35 per cent of people surveyed thought women should stay home after marriage, 42 per cent thought that women should stay home after they have a child, and 20 per cent felt that women should try to continue working even after they have a child; by 1988, those who believed women should stay home after marriage had declined to 24 per cent, while those who thought women should stay home after they have a child fell to 39 per cent, and those who thought women should continue working increased to 33 per cent (NHK, 1991). The above social trends suggest a possible gap between individual expectations of the state welfare role and state expectations for family roles in social welfare in the future.

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Is it a Problem of Boundaries?

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> ...when 'everyone knows' the causes of a problem yet no one seems able to remove them, it is time to ask whether the problem has been correctly formulated. (Colin Leys, 1972: 56)

1 'Remapping the Boundaries' as a Presentation of the World

The conference title conjures up an image of public policy which is widely shared but little explored. It embodies a series of linked understandings about political processes.

- Social practice can be thought of as taking place in one of three sectors - state, market or community - each of which operates according to a distinct logic.

- There has been substantial change in the nature of practice relating to welfare, so that it is difficult to determine to which sector it belongs, so we need to revise the sectoral map.

- This process constitutes policy change through the transformation of structure rather than through a change of authorised goals.

The identification of three sectors is a well-known mode of analysis, and the distinct operational logics attributed to them are also familiar. The public sector follows authorised rules, the private sector operates on the basis of self-regarding exchange, and the community on the basis of shared norms. This is congruent with our 'common sense' understanding of the world: businesses do try to make a profit out of market exchanges, public officials are expected to follow rules, and people support voluntary organisations because they do share their values.

This analytic approach constitutes the dominant paradigm in contemporary discussion on social policy, and policy contest and change is presented in terms of a sectoral model. This can be seen, for instance, in the debate about policy on child care. The mainstream interpretation sees child care as having traditionally taken place in the family (i.e. the 'community sector'). With the increasing participation of women in the workforce, governments accepted responsibility for

the provision of child care, i.e. it moved into the 'state sector'. But conservative governments are seeking to reduce government involvement in the field, and leave the provision of care to a range of competing producers, i.e. to shift it to the 'market sector'.

The difficulty is fitting the empirical detail into this analytical framework. One of the most common organisational vehicles for the provision of child care has been the community-based: a non-profit organisation answerable in some way to 'the community' (usually meaning the parents and perhaps an institutional sponsor). It is a non-profit organisation, but charges fees, and competes for custom with for-profit centres, so in this sense, it is competing in a child care market. And while it is community-run, much of its funding comes from government, and when governments announce an expansion of child care, it generally means an increase in the funding which flows to these non-profit centres and also to their for-profit competitors. It is not clear how fruitful it is to try to divide the practice of child care into sectors.

2   Models and Practice

This brings us to the question of the nature of models and their relationship to practice. 'Market', 'state' and 'community' are all representations of practice. Each describes a logic of action, and presents social practice as the working-out of this logic: in a market, for instance, individuals pursue their preferences through self-regarding exchange with one another. The question is what is the relationship between actual social practice and these models. How well does the market model depict the behaviour of participants in actual markets? And does this behaviour constitute them as a 'sector' distinct from other, behaviourally-defined, sectors? We can identify three approaches to this question: descriptive, heuristic, and formative.

Descriptive. The models describe distinct modes of social practice, and each mode of practice constitutes a distinct sphere of action with its own logic and rules, i.e. a sector. Any given institution, e.g. an organisation or a service, should fit into one or other of the sectors, depending on the pattern of practice, and all the institutions following the same mode of practice constitute a sector. That is, institutions following authorised rules constitute the state; those engaged in self-interested exchange constitute the market, etc. It is recognised that practice may be at variance with the model to some extent, e.g. in contrasting actual commercial practice with that of a 'perfect market', which does fit the model exactly - but the model is essentially descriptive and the differences between model and practice are corruptions and local variations.

In this perspective, the development of 'social policy' as a field - and the case of child care is a good example - is a story of the transfer of responsibilities between

sectors. It is about the historical evolution of institutions and the ideas which support them. Initially, there was a progressive transfer from the community to the state, but more recently, an attempt to transfer them from the state to the market. A different (but in many ways comparable) approach is taken by economists such as Williamson (1975), who analyse the process in terms of the costs of the different operational logics: when the 'transaction cost' of market exchange is excessive, then people may follow rules instead, i.e. adopt a 'bureaucratic' rather than a 'market' operational logic. Similarly, Ouchi (1980) argues, there are situations where bureaucratic transaction costs are excessive - e.g. when you cannot write a set of rules which adequately covers all the matters needed to be regulated - then recourse is had to governance by community ('clan' in Ouchi's terms). In either case, the distinctive existence of the three sectors is assumed.

Heuristic. Another approach is to see the models not as descriptions but as analytic devices, constructs which are mobilised to illuminate practice but which are not descriptions of it. This is, of course, what Weber meant by an ideal type: not (as students are prone to think) an ideal to be striven for, but as a hypothetical construct which expresses the essence of a distinctive way of organising.

> So a set of arrangements in which all coordination was accomplished by prescribing and following authorised rules would be a bureaucracy; one where the coordination came from individual self-regarding exchange would be called a market; and one where coordination came exclusively from shared values would be a community. These are 'ideal types' - pure forms which we can imagine, and which are useful for analysis, but which we don't expect to find on the ground. (Colebatch, 1997: 11)

The reason that we do not expect to encounter an ideal type in practice is that even in theory, it would be difficult to sustain. Self-regarding exchange in a market relies on authorised rules (to enforce agreements if necessary), and also on the existence of a certain level of shared values (so that the parties have enough trust to make the exchange). So while the 'perfect market' is a useful construct, it does not describe a distinct segment of social practice.

> In the same way, government agencies do not rely only on rule-following. Workers may be offered incentives (e.g. promotion) for good performance (exchange), and agencies may try to use team-building exercises to cultivate a shared feeling of responsibility for the organisation's work (altruism). Nor do 'third-sector' bodies run on altruism alone: volunteers may come with a sense of moral commitment, but it needs to be channelled: tasks have to be

> defined, work allocated, procedures determined - i.e. there
> have to be rules. And there may well be incentives: there may
> be some paid staff, and even the volunteers may look for
> some public recognition of the value of their work.
> (Colebatch 1997: 10)

The value of these constructs is not that they define a sector, but that they enable more precise analysis of the nature of social practice. I would argue, for instance, that in the last 30 years, academic work in Australia has come to be governed more by rule and self-interest, and less by shared values. In other words, there is more 'bureaucracy' and more 'market', and less 'community'. But it would not be fruitful to argue that universities had moved into the state bureaucracy, or into the market sector.

Formative. But these models are not simply labels which are used by outsiders for the analysis of social practice: they are also mobilised by participants in the shaping of practice. Each offers a source of explanation and justification for the ways things are done or might be done. In the case of child care, the expansion of central control was expressed in a language of ordered rule drawn from the model of the state: child care centres should be properly constituted; they should have appropriate policies which determined procedure; their staff should be specially trained and certificated; etc. This was contested by a quite different language drawn from the market model, which spoke of the rights of parents to chose the most appropriate care for their children, the need for flexibility rather than bureaucratic controls, and the importance of competitive neutrality as between alternative care providers. In this sense, the models are not only ideal types which can be employed by the analyst, but also archetypes which the participants draw upon in understanding their own practice.

In this context, the concepts do not so much describe practice as provide a rationale for claims about practice. That there should be uncertainty about sectors and their boundaries becomes less problematic: it is the consequence of different rationales being mobilised in support of competing claims. The ambiguity about the characterisation of the activity in terms of 'sectors' arises not from 'muddle' among decision-makers unable to clearly allocate the activity to the appropriate sector, but from contest among participants drawing on different models.

This points to the importance of clarifying just what it is that the analytic constructs are labelling, and what relationship this labelling has to practice. We have to recognise that this three-way categorisation is used to describe ways of acting, organisational forms, and segments of economic activity. We also have to recognise that a construct may be a useful analytical tool without being an accurate empirical description. A table may help.

Table 1: Categorisation of Models

Ways of acting	Organisational forms	Segments of economic activity
self-interested exchange	market	private sector
following rules	bureaucracy	public sector
shared values	community	third sector

To identify self-interested exchange as a major form of social coordination is one thing; to develop from this the idea of a market as a systematic pattern of social order based on self-interested exchange is another. But when we move into the third column, we are not talking about analytical constructs, but about descriptive labels for the real world. And the relationship between the second column and the third - e.g. 'to what extent are activities in the "third sector" carried out on the basis of shared values (rather than authorised rules or self-interested exchange)?' - is an empirical question: we have to look for the evidence.

Here, the analytical ideal types help us. To what extent do welfare organisations, for instance, recruit workers on the basis of shared values (community), and to what extent is it on the basis of qualifications and an understanding of professional practice (bureaucracy)? To what extent do they focus their attention on some clear group, defined in terms of religion, age, ethnicity, locality, etc. (community), and to what extent do they try to maximise the number of people they serve, regardless of affiliation (market)? In this way, we are using the analytic category to give us a sharper focus on the behaviour of organisations: we are not assuming that this behaviour is determined by the category to which the organisation has been assigned.

This assigning of organisations to 'sectors' is really a second empirical question: do the organisations which have the same dominant way of acting form an entity, e.g. the 'third/voluntary sector'? Obviously, it is possible to make the categorisation: the question is how fruitful it is. For instance, if we were confronted with these organisations -

	A.	B.
X.	Agricultural Development Corporation	Department of Health
Y.	farmer	private doctor
Z.	cooperative land care group	cancer patients' support network

how would we define the 'sectors'? If we were basing our definition on the characteristic of constitutional status, then our sectors would be X, Y and Z: X as the public sector, Y as the private sector and X as the 'third sector'. But if we were basing our definition on function, then we might only identify two sectors, A. (the agriculture sector) and B. (the health sector). (Colebatch, 1997: 9) The question would be not which of the alternative categorisations was correct, but how much each explained behaviour in the field. To what extent do doctors see themselves as part of a world we could call 'small business' as opposed to one called 'medicine'? The categories are best used to interrogate the field of practice, rather than to superimpose particular assumptions upon it.

3   Models in the Structuring of Practice

The question of how models can be used to analyse practice is only part of the story: they are also used to shape practice. Practitioners draw on them to explain and justify some sorts of action rather than others. They constitute a bank of values and practices and experiences which inform the understandings and responses of the participants. And the actions of organisational participants cannot be 'read off' from some stated or imputed organisational purpose or dominant logic: they have a range of such banks upon which to draw.

> The accountant asks: What does an accountant do in a situation such as this? The bureau chief asks: What does a bureau chief do in a situation such as this? Institutions are constructed around clusters of appropriate activities, around procedures for assuring their maintenance in the face of threats from turnover and from self-interest, and around procedures for modifying them. (March and Olsen, 1989: 24)

. It is not simply that different jobs will have distinct understandings of their task: different models of the organisation may throw up competing understandings of what constitutes good practice. Spybey (1984) illustrates this point with a case study of a woollen manufacturing firm. It had been owned by two brothers who had spent their working lives in the industry, and they tended to choose what Spybey calls 'traditional managers', who came from the industry, knew about wool but had not been trained in management, and who saw the firm in terms of wool production. There were also 'modern managers' in the firm, who had management training, but not necessarily any background in the industry, and they saw the firm simply in financial terms: they were not interested in whether a particular plant was producing high-quality wool, but whether it represented an optimal return on capital.

While the brothers were in control, the dominant model was the traditional one: it was about wool production. But the brothers died within a few months of one

another, and control of the firm passed into the hands of relatives, who made it clear that they were only interested in the firm as a financial entity. This led to the transformation of the organisational culture, with the professional managers asserting this financial interpretation of the firm to contest both the model and the control of the traditional managers.

Spybey points out, too, that this was not simply a question of knowledge: the divergence between the two groups reflected different experiences of practice, and different ways of valuing activity. The contest was joined over a small group of mills producing very high quality cloth: to the traditionals, these represented a 'multiplicity of expertise'; to the professionals, a 'duplication of resources'. While the brothers were in control, these mills were valued and protected; after their death, the mills were brought under central control and some were closed down.

In this perspective, our attention is directed not to the organisation as a thing in itself, but to the understandings and practices which make it significant. In Giddens' terms, the focus shifts from the thing 'structure' to the process 'structuring' (e.g. Giddens, 1979). This reframes the question about 'remapping the boundaries' in two ways.

In the first place, it suggests that state, market and community are not entirely separate spheres of action, divided by boundaries which are (or should be) clear, but different ways of mapping action. In this sense they may overlap and compete with one another, and we might expect to find not boundaries between them, but multiple interpretations coexisting with one another, which the participants draw on in different ways to make sense of the world and validate their actions in it. The task is therefore not to demarcate a domain of action called 'state' from another called 'community', but to look how these two constructs are drawn upon to frame and shape action.

Secondly, it directs our attention to the process of structuring which creates 'state', 'market' and 'community'. We need to ask about the understandings which the participants have of the process in which they are engaged, the institutional frames through which they operate, and the values on which both the understandings and the institutions rest. We would see the interaction between understandings, institutions and values, and the way they shape one another. And we might find (as Spybey did in his woollen firm) a number of different framings of the action contending with one another.

4   What Do We Mean by 'Sector'?

This brings us back to the theme expressed in the conference title: the perception that social policy is in flux, and that in particular, the boundaries between state,

market and community are no longer clear and need 'remapping'. The place of the state, in particular, appears to be under threat. Fields of activity which seemed to belong to the state are under challenge as policy-makers look to the market and the community instead. Market answers to welfare questions include pressure from the government for people to provide their own retirement income through private superannuation rather than relying on a government-provided pension, or the expansion of child care by the licensing (and subsidy) of private entrepreneurs. At the same time, there is increasingly reliance on the community . - e.g. when various forms of care is 'de-institutionalised', and the occupants of the large state-run institutions are relocated in 'the community'. This leads to a sense of unease at the 'fuzziness' of the situation, and a perception that the boundaries between these three sectors have become unclear.

Why is it that our map is not accurate? It can be explained as a historical transition: once the map was accurate, but practice has overflowed the boundaries shown on the map. Sometimes there will be an implicit disparagement of the cartographers (i.e. the academics): 'the real world is not nearly as straightforward as the textbooks tell you'. Practitioners often see their own world as idiosyncratic: they would expect to find a clear demarcation between the sectors, but in their particular neck of the woods, it is more complicated. Some practitioners would try to bring the map and the world back into alignment. The conference title suggests that we should revise the map to make it fit the world - to 'remap the boundaries'. Alternatively, we could try to make the world fit the map - e.g. by selling government trading enterprises, since these clearly belong in the market sector.

A rather different approach is to explore the epistemological status of the term itself. What sort of a label is 'sector'? What does it denote? Should we expect it to describe what we find on the ground? We find ourselves back with the different ways in which terms are used.

In the *descriptive* use of 'sector', the term denotes a field of practice which is distinct from other fields: it gives us a sorting-frame which enables us to categorise practice. Primarily, a sector is composed of organisations which share an underlying logic: in the public ('state') sector, organisations apply authoritative rules; in the private ('market') sector, they seek profit; in the voluntary ('community') sector, they assert shared values. In this context, it is anomalous for a government organisation to be seeking profit (e.g. the Attorney-General's Department competing with private firms for legal business), or a community organisation to be applying rules (e.g. the RSPCA enforcing animal welfare legislation) or a business to be seeking the application of authoritative rules to its area of operation (e.g. as happens in most regulated industries).

But it is difficult to describe the world of social policy in terms of three neatly-demarcated sectors. As can be seen from the example of child care cited at the

beginning of the paper, the forms of provision cannot be unambiguously allocated to one or other sector. 'Private' health insurance and 'private' hospitals are tightly controlled by government, 'public' hospitals take private, fee-paying patients, and as the case of the attempt to relocate St Vincents Hospital to Kogarah shows, public hospitals are regarded as community institutions as well as state instrumentalities. The sectors seem much clearer in the textbook than they are on the ground. This is the source of the problem: we have to explain the world in terms of its divergence from the map.

In the *heuristic* usage, the term focuses attention, like the Weberian ideal type. Notwithstanding the view of many undergraduate essayists, in formulating his ideal type 'bureaucracy', Weber was neither describing the Imperial German regime nor offering a goal to which people should strive: he was extracting the distinctive characteristics of one pattern of organising and assembling them into a single model, so that actual practice could be compared with this and other models (see Lamond, 1990). The three frames that have been developed above are analytic devices of this sort. Since the term is not intended to be descriptive, discrepancies between the terms of the model and the characteristics of an actual organisation are interesting but not problematic. The model can serve as a reference point for comparisons.

In this perspective, the task is not to decide into which sector social welfare does or should fit, but to analyse the way that the world of social welfare is structured. Taking this approach, we might, for instance, identify in the field of social welfare a number of ways in which the action can be 'framed'.

- There is, for instance, a framing that could be called 'charitable'. In this, the underlying value is benevolence: the moral worth of giving to others. The interpretive frame is focused on assistance: doing something to help people who are deemed worthy of the benevolence of others. And the characteristic institutional form is the charity: an organisational conduit linking the benevolent with the needy.

- This could be contrasted with a 'state welfare' model, where the interpretive frame focuses on providing social security - that is, a certain level of protection against prescribed uncertainties such as sickness, poverty, unemployment and disability. The dominant institutional form is the allocative bureaucracy: an agency for distributing defined benefits to the eligible; and the underlying value is redistribution: the transfer of wealth to those in need.

- This could be further contrasted with another model which might be called 'individualist', where the dominant value is individual choice, and the interpretation is focused on facilitating participation. The optimal institutional form in this framework is a voucher system, where the transfer to the beneficiary is not the benefit itself, but the ability to secure it. A table may help.

Table 2: Categorisation of Frames

Framing	Institutional pattern	Interpretive frame	Underlying value
Charitable	charity	assistance	benevolence
State welfare	allocative bureaucracy	social security	redistribution
Individualist	voucher system	facilitating participation	individual choice

In this perspective, the development of social policy can be seen as a contest between competing frames. In a historical perspective, it can be seen as a progression. Originally, it is argued, welfare was a matter for private benevolence, but then the state intervened to take responsibility, bringing into existence the 'welfare state'. But in the current intellectual and political climate, there is pressure to find market alternatives to state bureaucratic provision. Governments, it is argued, should 'steer rather than row' (Osborne and Gaebler, 1992). This can mean that governments should not become involved at all in a given issue, and leave it to market forces or community action; this would represent a move to align practice with the map, so that there were three clearly distinct spheres of action. But this market-oriented reform agenda is more commonly interpreted to means that governments should decide what should be done, and pay for it, but contract it out to other providers, either 'market sector' or 'community sector'. In this case, it becomes even harder to draw boundaries between the sectors.

But we also have to recognise that 'sector' is also a *formative* term, which is used by the participants to help to bring about the state of affairs which it describes. To talk about 'the community sector' is to assert that some organisations share critical characteristics which align them with one another and differentiate them from all other sorts of organisation. But even if a 'community sector' can be identified in this way, is it a category or an actor? Is it a body which acts, or is it simply a label which aggregates similar but disconnected organisations, who (to paraphrase Marx) form a sector in the sense that potatoes in a sack form a sack of potatoes? Certainly, the public sector is seen as an actor ('the state') and similar claims can be made for the other sectors (e.g. 'the private sector wants ...'), but the assertion that the public sector is an actor is heavily qualified by the recognition of conflict within the sector, and the claims for the other two sectors are even more problematic.

Here, the labelling is formative, in that when participants speak of 'the community sector', they are asserting its existence and significance. To describe

a volunteer-run support network for cancer patients as forming part of the community sector is to assert that its constitutional status as a non-government, non-profit organisation is a more significant way to think of it than as a part of the system of health care, and to imply that those who speak for 'the community sector' can speak for the network. This labelling is part of the practice of the participants.

Moreover, the labelling *as* a sector is part of the interaction *between* sectors. The identification of a community sector is (among other things) an attempt to maximise the significance of non-government organisations, mostly in the governmental process, just as the attempt to take a 'whole of government' view is an attempt to build coherence in the 'state sector'. So the fact that non-government organisations are spoken of as part of the 'community sector' is in fact evidence of their interaction with other 'sectors' - with government, and in distinction to the 'private sector'.

And while the labelling implies the distinctive character of the organisations within each sector, this is in effect an assertion of distinctiveness in the face of linkage and commonality. Government recognises the 'community sector' and funds community organisations, which means that they have to have constitutions, known office-bearers, clear procedures and regular book-keeping. Their activities have to be translated into programs which have identifiable targets and verifiable performance indicators, that is, that they have to be more bureaucratic in nature.

This process, which DiMaggio and Powell (1991) called 'institutional isomorphism', is likely to provoke antagonism in the community organisations. It may lead to complaints among staff and the membership about the increasing dominance of reporting requirements over the instrinsic merit of the activity, and resentment at being treated as simply an agent of the government which funds them. It may well be interpreted in the voluntary organisations as an attempt by government to take them over and destroy their distinctive character, but in fact it points to the flaw in the assumption that the character of the organisation can be derived from its constitutional status. The way that the organisation operates reflects the nature of its interactions with clients and with other organisations more than it does the inherent nature of the organisation.

5 The Sector as an Empirical Question

The point is not that one can pick holes in the notion of a community sector, but rather that the concept is a contestable one, and the more so since it is part of practice. It frames that action in one way rather than another, and can be challenged by alternative framings: the support group for cancer patients can be seen as part of the health sector, or part of the organisation-set of one specific

hospital, or part of the local network of community services. Some of these alternative framings may be claimed to be sectors themselves: others may be seen as organisational groupings of a different type, but as more significant than some overarching 'community sector'.

The question is not which of these organisational framings is correct, but rather what is to be learned from them. To what extent do they help us to make sense of practice? How much do the participants draw on the meanings which these frames generate to inform their own practice? How do the participants deal with the existence of multiple frames of meaning? Do concepts like 'sector' become significant in terms of ideas as a way of drawing together organisational participants from quite disparate fields of practice?

In this context, we would not be re-drawing the boundaries, but re-assessing their significance. We would be looking for cores rather than boundaries, and looking for the way in which practice is institutionalised, given the existence of alternative modes of doing this. We would recognise that the concept of the 'community sector' is part of the language of the actors, mobilised to shape the world as well as to reflect it, and that in using the term, we become part of that process of mobilisation.

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Do We Really Need the Welfare State to Enhance Civil Society?

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1   Introduction

What ought to be the role played by a democratic state to improve the welfare of its citizens?

The election of the Howard Government has thrown this issue into much sharper focus. Increasingly, the justification for public sector funding cuts and privatisation is not couched in simple economic terms about the need for fiscal responsibility, but in moral terms about the danger of perpetuating a welfarist entitlement mentality among Australians which saps personal initiative and responsibility.

Social democrats used to be able to occupy the high moral ground on welfare, arguing that cuts to public spending, privatisation, and tighter eligibility requirements for access to public services were lacking in compassion and undermined social cohesion. More recently, the moral superiority of the social democratic view has been seriously challenged. The nature of that challenge and a suggested response to it are the subject of this paper.

This language of individual and family responsibility and the kind of concrete measures it supports has made discussion about the relationship between public policy and personal morality and attitudes more urgent. The issue is, what is the source or origin of civic virtue and public spiritedness upon which a robust democracy depends? In searching for the answer to this question, more and more attention is focussing on the concept of 'civil society'.

The meaning of this term seems to have been contested recently as a result of Eva Cox's 1995 Boyer Lectures.

2   'Civil Society' or A 'Civil' Society?

At the heart of this contest over definition is whether the words 'civil society' are to be considered as a single two-word noun 'civil-society', or as an adjective 'civil' and

a noun, 'society'. The latter interpretation was used by Eva Cox in her 1995 Boyer Lectures, entitled 'A Truly Civil Society'. Cox advocates strengthening the public sector as a means of making society more civil. By 'civil' she does not simply mean polite, but more trusting, more cooperative, more humane. Specifically she sees the role of the state as a provider of goods and services as an important symbolic and practical expression of shared citizenship, an example of our commitment to one another.

Not without some justification, the Tasman Institute's Michael Warby has described Cox's interpretation of the term 'civil society' and the policy prescriptions that flow from it as 'the decade's most outrageous hijacking of a concept' (1996: 44). Warby uses the more conventional meaning of the term 'civil society' as a two-word noun referring to that great variety of voluntary non-government organisations and associations, such as sporting clubs, churches, charities, self-help and mutual aid groups, unions, professional associations, service clubs, hobby circles, etc. that exist as 'intermediary' structures between the individual and their family on the one hand and the state on the other.

Both social democrats such as Cox and neo-liberals such as Warby share a desire to strengthen and increase our sense of social obligation, connection and commitment to the development of a more humane society.

As I said before, the social democratic instinct is to argue that for spontaneous sociability and public spiritedness to increase, the state's visibility and range of activity, particularly as a provider of universal social services, must increase. Furthermore, the role of the competitive market, which is seen as promoting distrust and undermining social cohesion, and which reduces citizens to consumers, must be limited.

3   The Social Right to be a Citizen-Consumer

While generally sympathetic to this approach, I believe we ought not be blind to some of the problems with the way the state has involved itself in welfare provision. To claim that the welfare state always expresses and enhances our existence as citizens rather than consumers is to protest a little too strongly.

Since Marshall's work on citizenship in the early 1950s, the standard defence of the welfare state has been as the institution necessary to ensure the rights of social citizenship (Marshall, 1950). Social rights imply an entitlement to certain essential goods and services such as housing, education, health, transport, communications

services, water, and energy, and a variety of other community services such as child care, emergency accommodation and various forms of counselling, as well as income support in times of need. These entitlements are based simply upon one's membership of the community, not on one's ability to pay nor, for that matter, on one's inability to pay. In other words, they are universal rights. For these services to be available to all, the state is necessary since the market and voluntary effort will not be sufficient.

However, there is a glaring problem with this traditional defence of the welfare state, and that is that social rights in this model of citizenship have come, with the passage of time, to resemble little more than an entitlement to be a *consumer* of publicly provided goods and services. The culture of individualism and consumerism has affected our attitude to welfare. Taxes are often seen as little more than the price one has to pay for the service. Even Eva Cox seems to express this consumerist approach when she wonders whether the state is not 'double-dipping' - charging us twice - when it imposes user-pays tariffs on public services as well as asking us to pay taxes (Cox, 1995: 74-5). There is nothing inherently civic or socially virtuous in the tax-for-service transaction, despite the fact that it is mediated by the state. An entitlement to a good based on payment, whether that payment is made over the counter or through the tax system, is essentially the entitlement of a consumer.

Therefore it may be helpful to distinguish between two types of social citizenship. Firstly, there is *formal* social citizenship which is generally *passive* in nature insofar as it involves merely the observance of legal duties (to vote and pay tax) and the recognition of social entitlements (to public schools and hospitals). Secondly, there is *informal* social citizenship, which is generally more *active* in nature and therefore more akin to that voluntary social participation and contribution that is necessary to enhance social capital. The issue then becomes, to what extent does state involvement in welfare provision encourage participation in this less formal arena?

Neo-liberals and social conservatives would argue that state involvement here is counterproductive. Their contention, which is not implausible at all, is that the decline of the habits and practices of self-help and personal initiative is the consequence of 'the nanny state' which 'crowds out' or makes redundant many of the intermediary voluntary organisations of civil society. Thus the welfare state, in fostering an entitlement mentality among the citizenry, has devalued civic virtues such as voluntary philanthropy and initiative on the part of both individuals and groups to solve their own problems. This theory can draw support from the principle of subsidiarity, which features prominently in Catholic social teaching, which says that an organisation of a higher order should not usurp the role of organisations of a lower order. Hence the neo-liberal/conservative prescription is for a reduced role for the state in welfare and social service provision.

4   The Idea of the Virtuous Market

But the neo-liberals also argue that the competitive free market is just as much a nursery for civic virtue as the voluntary non-market sector is. The competitive market, according to this argument, not only generates greater economic efficiency, but also promotes social capital and social cohesion.

This approach is epitomised by the neo-liberal British sociologist Peter Saunders. Following Hayek (1967), he argues that the advantage that markets have over collectivised forms of welfare provision is that markets at least enable moral choices. For example, the practice of consumers 'boycotting' producers they regard as unethical is evidence of the fact that markets can and do provide space for people to act virtuously voluntarily, whereas if one is forced to purchase one's electricity from the state-owned monopoly supplier, where is the virtue in that? And what opportunity does one have to send a message, by changing supplier, that you do not like the way the energy is produced (for example, in an environmentally unfriendly way)? 'Markets,' Saunders points out, '*enable* self-interested behaviour but they do not *cause* it' (Saunders, 1993: 76. emphasis added).

If anything, Saunders argues, the welfare state is the guilty party because it undermines people's desire to act virtuously by taking away both opportunities to exercise personal responsibility and the need for it:

> ... the construction of 'artificial' forms of collective arrangements by the state simply undermines the 'small platoons' - home, family, neighbourhood and friendship networks, church and voluntary organisations - which previously discharged such functions in a more personal way...[W]ell intended reforms designed to relieve human want and bind the society together have actually had the reverse effect of disabling the poor and encouraging social fragmentation. Far from the liberal market order destroying the social fabric while state welfarism repairs it, the argument is that the reality is the other way round. (Saunders, 1993: 78)

The neo-liberal argument is that far from being a cause of social atomism and a breakdown of collective social life, the market can actually provide room for the development of a mosaic of social worlds and interactions and thus indirectly strengthens democratic institutions: 'Economic ethics, which markets demand and generate, is apt to promote the self-responsibility and spontaneous order of free citizens' (Geirsch, 1996: 38).

The contention that competitive free markets enhance social trust is the opposite of Fukuyama's (1995) thesis which is not that the market creates trust and other civic virtues, but that where these virtues already exist, they facilitate the market and deliver a competitive advantage for those national economies. This is also closer to the true position of Michael Novak, who has pointed out that simply introducing free markets into former socialist command economies does not generate civic virtues where those societies have no democratic traditions and where the institutions of civil society are absent (Novak, 1993: 108). The free market in Russia has given rise to a very powerful self-help organisation known as the Mafia. Economic resurgence in former Eastern bloc countries is unlikely to come about until strong democratic institutions, habits and virtues have been developed.

Despite the negative experience of 'sudden' capitalism in former Eastern bloc countries, which demonstrates that the market cannot, of itself, generate social capital, the neo-liberal faith in the competitive free market sector as a nursery for the values of trust and sociability remains strong. Therefore the withering of the state and the expansion of the competitive market sphere is applauded because it serves a triple function: it generates economic efficiency and creates more space for the civic virtues to grow in both the voluntary non-market sector and in the market sector.

5   Marketising the Non-market Voluntary Sector

It is not hard to see how neo-liberals might think that even more social benefits can be derived by marrying voluntary organisations with market principles. To them it is a marriage made in heaven, hence their enthusiasm for competitive tendering and contracting of community welfare services to the voluntary sector.

However, there is a problem with increased contracting out to voluntary organisations. The problem is that it is not, as hoped, creating more space for non-government organisations. On the contrary, the tight output specifications and accountability regimes that are part of many community service contracts in fact mean that these agencies are becoming 'little fingers of the state'. Instead of the state having less control over people's lives, it is having more, and is using its regulatory and financial power to increase its influence (Australian Catholic Social Welfare Commission, 1996).

Thus community-based social welfare agencies, which are key organisations of civil society, face a double threat from the mega-institutions of the state and the market, the danger of becoming little more than retail outlets for government-designed services.

6   In Defence of the Nanny State

The issue, then, is how to construct a new relationship between the state and civil society which promotes active rather than passive citizenship, defined as a person's individual and positive contribution to or participation in the political, economic, cultural and social life of the community.

This requires that defenders of the welfare state, rather than promoting a social right to consume government funded services and programs and claiming that the existence of public enterprises *per se* encourages public spiritedness, should instead promote the social habit of contribution, and argue that the welfare state is necessary for the expansion of opportunities to contribute and for citizens to express actively their public spiritedness. In other words, the welfare state is an expression of our collective *duty* to one another, rather than the guarantor of our individual *rights*.

We also need to recognise that the problem of welfare dependency has as much to do with the way government programs are delivered as it does with the inability of the market system to provide economic opportunities to all those who need them. This points to a key role for the state as the *enabler or supporter, not the usurper or dominator,* of civil society. Francis Fukuyama (1995) argues that once the habit of spontaneous sociability or trust in strangers is destroyed, it is extremely difficult to build up again. The market cannot do it alone, nor can the state, for ultimately these institutions are too large and anonymous to be able to generate social trust amongst real people. Individual persons need to do it, and it is done best in smaller voluntary associations and groupings.

But such organisations do not grow on trees, and not all of them are socially constructive. The valuable ones need to be fostered and encouraged even if they do not perform efficiently from the economic viewpoint in terms of maximising outputs. Community organisations that enhance social capital need to be supported and encouraged by the state in non-intrusive ways in order to fulfil their potential.

There is not a great deal in Osborne and Gaebler's (1992) bestseller, *Reinventing Government,* that I agree with; however, in their chapter entitled 'Community owned government: empowering rather than serving', they do give some good examples of what a more productive relationship between the welfare state and civil society might look like: examples of how the lives of disadvantaged individuals and communities were improved through the strengthening of community-based voluntarism (Osborne and Gaebler, 1992: 49-75).

This resurgence of civil society did not come about by the *removal* of the state's involvement in the community and greater play for the free market, as the neo-liberals would prescribe, but rather as a result of a *change* in the way the state involved itself and structured its welfare programs.

What seems to work is an approach that emphasises genuine empowerment, not simply devolution of responsibility without devolution of resources and devolution of real power as well. Osborne and Gaebler (1992) showed that once civic pride was re-established in disadvantaged communities as a result of state-supported community-based initiatives, then *and only then* was economic resurgence possible. Economic initiative requires an environment of social trust in which to thrive, and where that trust has broken down, it cannot be restored by the state alone, but neither can it be restored without the assistance of a nurturing state, a 'nanny state' if you like, which provides the resources and the support programs to enable community groups of civil society to start taking their first steps towards rebuilding social capital and developing a more robust democracy and economy.

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Paradox in Child Protection Practice: Regulated Mothers and Protected Fathers

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1 Introduction

So great was the public disquiet in the UK about an apparent explosion of child sexual abuse in the late 1980s (Secretary of State, 1988) that the government funded a large program of research into child maltreatment (Department of Health, 1995). The author and a colleague conducted one of these studies (Farmer and Owen, 1995) and this paper will draw on that analysis of decision-making, intervention and outcome in child protection work.

The findings from this body of research led to policy changes in child protection in the UK. This research has also been widely disseminated in Australia and has played a part in the ensuing debates about policy changes (Tomison, 1996). The debates in both countries have tended principally to be about the costs and benefits of child protection services and particularly about the optimum balance between child protection and 'family' support services. The basic construction of state child protection practice itself, in which the regulation of parenting is principally directed at mothers and leaves father figures relatively untouched, has not been questioned. This paper will demonstrate the ways in which the child protection system shows a significant gender bias in the management of child maltreatment. The focus will be on gender issues in respect of parents, although a gender analysis of welfare workers and child victims raises other interesting issues.

The researchers attended 120 initial child protection case conferences in two local authorities in the UK, where the use of the child protection register was close to the national average. At these 120 conferences, 73 children were newly registered as at risk. The prospective scrutiny of child protection practice was based on a sample of 44 of these children. The parents, older children and key

social workers were interviewed after the initial case conference and again 20 months later. The children in the sample represented a fairly typical cross-section of cases registered by the social services departments in the study. Concerns centred on physical abuse in a third, on sexual abuse in another third, and the remainder were divided between cases of neglect and those deemed to constitute emotional abuse. Forty-three per cent of the children were under five. All 44 mothers were interviewed. In the third of cases where there was a father, stepfather or male partner he too was interviewed, although there were two exceptions. The researchers collected additional information through administering standardised measures and reviewing case files.

This research into practice over a 20 month follow-up period indicated that mothers were underincluded in offers of service and overincluded in efforts to regulate and control their parenting. It also showed that rather than being treated as potential allies in the protection of their children, mothers were often treated with suspicion.

2   The Underinclusion of Mothers in the Provision of Services

Studies have shown that between a third (Gibbons, Conroy and Bell, 1995) and two-fifths (Thorpe, 1994) of the referrals to child protective services in the UK and Western Australia concern single-mother households. However, Gibbons and colleagues in the UK (1995) also demonstrated that of all referrals, those of lone mothers where the concerns were about neglect or emotional abuse were most likely to be filtered out at the referral stage and not investigated. Similarly, at the next stage, when cases were investigated, those concerning allegations of neglect or emotional abuse by mothers were particularly likely to be filtered out without a conference. At neither stage were services provided for these mothers. Thus referrals which concerned mothers who were struggling with child rearing in difficult circumstances were not given priority and, indeed, were systematically passed over in the allocation of services.

Yet our research showed that mothers were actively involved in seeking help from child protection agencies. In 27 per cent of the cases studied, mothers initiated action which led to a child protection referral because of their concerns about abuse either within or outside the family. They were the single largest group to initiate such action. Similar results were found in research which examined child sexual abuse referrals (Sharland et al, 1996). Women's attempts to involve professional agencies in protecting them and their children are often obscured by studies which only trace referrals as far back as the first professional agencies to be contacted. Gordon's historical research (1989) similarly shows

that women do turn to professional agencies in the hope they will receive assistance either for themselves or in regulating the action of the men with whom they are living. However, women who seek help in this way are often treated with suspicion rather than offered much needed service.

In our study this lack of service for mothers and their children was a particular feature of many cases of sexual abuse referred into the child protection system. Such cases were subject to rapid case closure as soon as mothers demonstrated that they had separated from their abusing partners and so could keep their children safe. Our two year follow-up of cases showed the flaws in this common practice. At follow-up many of the mothers were still traumatised by the revelation of the child's abuse two years previously and, since they had been unable to come to terms with what had happened, they had not had the emotional resources to assist in the recovery of their abused children. Some mothers had become very protective of their children, severely restricting their activities. For others, behaviour problems associated with the child's victimisation had intensified.

The mothers had not had the benefit of management advice about how to deal with the behavioural consequences of abuse in their children, such as self-blame, eating disorders, stealing, sexualised behaviour and indiscriminate sexual approaches to strangers. Nor had they received advice about how they could assist in their children's recovery. Mothers known to have been sexually abused as children had painful feelings from the past stirred up by their children's victimisation. Only one mother received a referral for counselling for herself. Moreover, when cases were quickly closed, sexually abused children received no direct work on their abuse. It was found at follow-up that the majority of children who had had no service were depressed and a number were suicidal. By contrast, the sexually abused children who had received some therapeutic work were functioning much better. Although the total number of cases within the sample is small, the difference was striking. Overall, only a minority (29 per cent) of children referred for reasons of sexual abuse in the UK are known to receive any therapeutic help (Sharland et al., 1996).

3   Mothers as Subjects of Suspicion

The notion of mothers colluding in the sexual abuse of their children has been a dominant leitmotif in literature and in practice. This is partly because of the influence of family therapy and systems theory, approaches which do not question power imbalances within families (Macleod and Saraga, 1988). Using a family systems approach, analyses of sexual abuse within a family frequently concluded that the mother was ultimately responsible, either because she deprived her husband of his 'conjugal rights', was emotionally distant from her daughters or

was frequently ill (Porter, 1984). Kempe and Kempe (1978: 66) wrote: 'We have simply not seen an innocent mother in long-standing incest, although the mother escapes the punishment that her husband is likely to suffer.'

Feminists have suggested that professionals have clung to the idea of mothers as collusive in the abuse of their children partly as a powerful defence against admitting the male abuse of power which would otherwise have to be faced (Nelson, 1987). Such professionals have also been influenced by the strong ideology of motherhood, in which mothers are supposed to care for and protect their children and are therefore blamed when anything goes wrong (Macleod and Saraga, 1988; Parton, 1990).

The persistence of the notion of mothers as collusive in the abuse of their children may help to explain why mothers are treated with suspicion, rather than being treated as allies in the protection of their children. Until recently it was common practice to interview children suspected of having been sexually abused without informing or involving the non-abusing mothers. This occurred in three-quarters of sexual abuse cases in our study. Mothers struggling with the idea that their partners had violated their children, found that the children had been encouraged to talk to professionals about the abuse without the mothers being informed or involved. Thus the actual conduct of the investigation could replicate the mother's experience of discovering that her child had been abused without her knowledge (Farmer, 1993). This practice appeared driven by police concerns that mothers would pass information on to alleged abusers, who might then escape apprehension.

We found that once mothers had been brought into the investigation, they themselves became the object of professional scrutiny. If they did not behave in the way in which the investigating team expected, they were sometimes held to be unable to protect their children. When an allegation of sexual abuse was made it was assumed that the mother would unhesitatingly sever her relationship with the alleged abuser to ensure the child's safety. The difficulty of the mother's position and the complexity of her emotions were seldom acknowledged (see for example Hooper, 1992).

An exclusive focus on mothers as secondary perpetrators, rather than as secondary victims, often led social workers to judge the mothers as 'non-protective' and to withdraw support. There was a need for a woman's feelings of shock, self-blame and loss to be understood and for support to be offered at this time. Such support was rarely forthcoming and this in turn made it more difficult for mothers to provide the understanding needed by their abused children (Gomes-Schwartz, Horowitz and Cardelli, 1990).

Our study indicates that professionals need to consider at the outset how best to intervene strategically to strengthen the support given to the child. This will often mean strengthening the alliance between the non-abusing mother and the child, particularly as research has shown that children have the best prognosis for recovery when they are believed and supported by a parent (Conte and Schuerman, 1987; Wyatt and Mickey, 1988; Berliner, 1991). Often, however, instead of receiving services to add to their ability to care for their children, mothers become the object of intense regulation of their parenting.

4 The Overinclusion of Mothers in the Regulation of Parenting

We found that the operation of the child protection system was characterised by an over-focus on the regulation of mothers and too little attention was paid to fathers and male partners. The process started early. Milner (1993) has commented that many of the questions in the UK Department of Health (1988) guidelines for comprehensive assessment, can only be addressed to the mother. Policies and procedures rarely caution workers about the need to explore the influence of the male partner, his background and role in the family (O'Hagan and Dillenburger, 1995). We found that at child protection case conferences, discussion of the family background provided a context within which the allegations could be understood. However, one effect was that attention was often diverted from the original allegation onto an examination of the quality of care provided by the mother. This was partly because of assumptions that mothers were responsible for their children's welfare but also because the agencies usually had more information about the mother than the father or male partner.

Even if the abuse was committed by the father figure, responsibility for the abuse was often viewed by professionals as shared by the mother, based on the often unspoken assumption that she should not have allowed it to happen at all. The mother was, on occasion, condemned for going out to work when the father figure had used her absence as an opportunity to abuse the child. In cases of neglect, some mothers caught up in the child protection system gave up their jobs in an effort to persuade the professionals that they would supervise their children more closely in the future. The agencies concerned did not appear to consider the impact of these decisions on low-income families.

Indeed, at child protection conferences, professionals often made explicit the expectation that mothers should protect their children from male partners. In our study, the issue of whether the mother could protect the child was considered at 60 per cent of the relevant conferences. By contrast, the question of whether the

father figure could protect the child was considered at only 19 per cent of the cases where there was a father figure in the family. Yet mothers were often not in a position to protect their children from their male partners, particularly when the men were violent. If the risks to a child were assessed according to the mother's actions and attitudes, it was but a small step to decide that the children were at risk *from* the mother, not only because of her limited ability to protect, but also because of her poor parenting skills. Assessments of risk undertaken in this way could turn into assessments of the mother.

Insidious as these processes are, the gender bias of the child protection system is particularly conspicuous in relation to registration and, later, case management. It was surprising to find that at initial child protection case conferences, physical abuse by mothers was much more likely to lead to child protection or 'at risk' registration than was physical abuse by men. We found that in 77 per cent of cases where mothers were held responsible for physical abuse the children were registered. By contrast, children were registered in less than half of the cases (48 per cent) where a father, stepfather or male partner was held responsible for physical maltreatment.

What might be the reason for this discrepancy? All the mothers who had physically abused a child were lone mothers whereas all the father figures were in two-parent families. It might therefore be that lone parents of either gender would be vulnerable to registration and that mothers were disproportionately affected because they constitute the majority of lone parents. In addition, it might have been thought that the mothers in the two-parent families would be able to protect the child. An additional factor is that men who are violent or abusive pose real threats to front-line staff of social services departments, most of whom are women. Certainly there were times when social services departments appeared unwilling to intervene where a man was seen as uncooperative and threatening.

Not surprisingly, mothers too were affected by the ideology of motherhood. They felt blamed and stigmatised when children were registered, even when the abuse had been inflicted by husbands or male partners. For some, child protection registration was an additional pressure and could actually lead to a deterioration in the family's circumstances.

This bias towards regulating women rather than men was also reflected in decisions to remove children. Lone mothers whose children were registered stood a greater chance of having children permanently removed than did couples. Thorpe's (1994) study of child protection practice in Western Australia also showed that the children of lone mothers were slightly more likely to enter care at the time of the investigation than children from other types of family, although the relatively large proportion of Aborigines in the sample may limit the generalisation of his findings to the whole population. Gordon (1989) has shown

that this practice has deep historical roots. At the turn of the century, recommendations for removal of children in the USA were more often made in respect of single-mother households than two-parent families.

The tendency for child protection work to focus on the regulation of women extends still further. The children in our follow-up sample had been physically abused in equal proportions by men and women and after child protection registration over half (56 per cent) remained living with the abusing parent. At the initial child protection case conferences, professionals had been clear about the identity of the alleged abuser, except in the few cases where a baby had been abused and neither parent made an admission. However, after registration, in all the cases of physical abuse by a father figure, interventions were directed at his female partner. Once professional attention had shifted in this way on to mothers, the work revolved around more general concerns about child care, not the abuse itself. In only two cases was there a recommendation for an abusing man to undertake work on anger management with either a psychiatrist or probation officer, but both men refused treatment. A typical pattern of work in cases of physical abuse by a father figure was for emotional support to be offered to the *mother*, sometimes coupled with material help and occasional services to the children, such as day care or activity groups. No work was conducted with the fathers. This is understandable when we consider that interventions to address men's abusive behaviour are not well developed and are not among the skills with which social workers are generally equipped (Adams, 1988; Hague and Malos, 1993).

How had the risks posed by men who had already harmed their children escaped subsequent attention? In some cases men actively avoided social work visits or refused to engage in any discussion of their children with the worker. In addition, often the father figures were known to be violent men and were intimidating to professionals, many of whom were women (see also O'Hagan, 1997). Goddard and colleagues have found that some workers, far from confronting domestic violence, act like hostages and deal with their fear by trying to appease the aggressor (Goddard and Carew, 1988; Stanley and Goddard, 1993). Certainly, it appears that many welfare workers lack basic training about how to handle violence in the workplace and this may lead them to minimise the significance of such violence as comes to their attention (Goddard and Tucci, 1991; Milner, 1993).

This absence of a clear focus on the source of risk to children could in a few cases be the difference between life and death for a child. If attention is not given to the parent who poses risks to the child then child protection intervention is unlikely to be effective. This has been the theme in a number of inquiries into child deaths in the UK, such as those concerning Jasmine Beckford and Tyra

Henry (London Borough of Brent, 1985; London Borough of Lambeth, 1987). In the Sukina Hammond case (Bridge Child Care Consultancy, 1991), in spite of eight case conferences being held over a three year period, there was no information about the father, his character, history or propensity for violence.

This shift of focus away from men and on to women had an additional consequence. It allowed men's violence towards women to disappear from professional sight. Increasingly, research has shown the connection between men's violence towards their female partners and also towards their children (see for example Goddard and Hiller, 1993; Mullender and Morley, 1994; Thorpe and Irwin, 1996). A study by Bowker, Arbitell and McFerron (1988) found that men who hit their wives also physically abused their children in 70 per cent of cases. Other studies reviewed by Hughes, Parkinson and Vargo (1989) found similar levels of association. In our study where children had been sexually abused there was also domestic violence in two-fifths of cases. Where the main concern was physical abuse, neglect and emotional abuse, this rose to 59 per cent. Some of the domestic violence was known about at the initial case conferences, but a considerable amount had been concealed by women who feared that their children might be removed if this information became known to the professionals. By the end of our study we knew of *twice* as many cases of domestic violence as had been known to members of the initial child protection conferences.

We found that the domestic violence which was known to professionals was treated by them as if it had little bearing on children's safety. It was not taken into account in the management of cases even though it was a clear sign of a profound imbalance of power in the family. In addition, in only two cases where it was known that children witnessed violence, were concerns expressed about the effect on the child (Jaffe, Wolfe and Kaye, 1990). Yet when women live with men who are violent to them, and are clearly unable to protect themselves, their chances of being able to protect their children are remote (Kelly, 1994; O'Hara 1994). Some women did try to regulate the actions of their violent partners, for example, by warning them that every bruise on the child would be taken to the doctor. Nevertheless, their ability to ensure the children's safety was clearly limited.

The shift of focus away from men occurred early on in intervention and occurred in *all* the cases of physical abuse by men in which the child and abuser had not been separated. In the child protection plans made at the initial child protection conferences in our study, there was recognition that a father figure had been physically abusive in 86 per cent of relevant cases . The subsequent shift away from dealing with the implications of this recognition in all these cases was only challenged at one of the subsequent review meetings, even when there was evidence of continuing risks to the children. In addition, our study found that

most of the children with the worst outcomes at the 20 month follow-up (23 per cent of the 44 cases), with an approach to outcomes for the children focused on the child's needs (Cashmore and Castell-McGregor, 1996), were living in families where the man continued to be violent towards his female partner.

The reasons for the child protection practices analysed in this paper cannot of course be attributed to individual workers. Historical analyses of the social construction of child maltreatment from the nineteenth century onwards (Gordon, 1989; Parker, 1995) have shown that the ways in which children's welfare needs are interpreted is an outcome, in part, of the strength of the women's movement at any one time. Child abuse committed by men tends to remain invisible unless concerted attempts are made to bring it to public attention, in contrast with abuse or neglect by mothers. In recent times, feminist analyses have had a strong influence on the major paradigms which govern how professionals understand and deal with child sexual abuse and male domestic violence. They have had much less influence on practice in regard to the physical abuse of children. This may in part be because physical abuse in which women as well as men are perpetrators has not received such sustained analysis from feminist researchers and activists (Gordon, 1989). Thorpe (1996) has commented on the importance of developing feminist analyses which can inform policy and practice in this area.

The policy shift towards more 'family' support services and away from a narrow child protection focus should benefit those needy mothers and their children whose cases have been rapidly closed after referral or investigation. Whether this happens in practice will depend on the resources made available for such services and the priorities set for their deployment. Much might also be gained if more attention is given to asking women about their own strategies for protecting their children (Boushel, 1994) and attempts made to assist in strengthening those strategies (Boushel and Farmer, 1996). There is also an urgent need for the sources of risk to children to be clearly disaggregated. Mistreatment by a father figure, a mother, a sibling or adult from outside the household raises different issues, and requires more differentiated practice. A review of child protection work particularly in cases of physical abuse is required and one part of that would be the development of work with abusing or violent men. Indeed, in child protection services developed and then driven by public disquiet about child deaths, most of which were committed by men, it is a paradox that the operation of these services focuses on the regulation of mothers and leaves the men untouched.

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The Role of the State as Regulator of Social Welfare: The Case of Utility Reform in New South Wales and Victoria

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1   Introduction

The changing role of the state from 'rower' to 'steerer' in utility industries has been accompanied by the development of new forms of responsibility for welfare outcomes. There has been a greater focus on the state as regulator, generally, and a focus on special purpose consumer protection mechanisms for the reformed industries, in particular.

This paper discusses the regulatory provisions and public policy debates around three areas of social protection in utility supply: pricing; billing and credit management practices; and payment assistance. We argue that industry reform and the re-imaging of the consumer from 'citizen' to 'customer' have not seen an unequivocal rejection of a welfare role for utility services. Rather, there has been a change in institutional responsibility for it. The new institutional arrangements are, moreover, sites of contestation on social policy.

1.1   Background

Over the last decade, energy and water utilities in Victoria and New South Wales have been subject to restructuring through disaggregation or aggregation, commercialisation, corporatisation and privatisation. In Victoria supply of electricity to residential consumers is now undertaken by five privately owned companies. Three government-owned corporations supply water to households in the Melbourne metropolitan area. In rural Victoria, local government water authorities have been replaced by 18 water authorities. In NSW, the two government-owned water utilities have been corporatised. The number of

electricity distributors was reduced from 26 to six in 1995 and the government is now considering whether to privatise them. New framework legislation has been introduced to allow and promote competition in energy markets.

This restructuring has resulted in a reinforcement of the relationship between consumers and utilities as a private, commercial transaction under which a supplier contracts to supply the individual customer with a particular service.

The notion that the utility-consumer relationship can be redefined as a purely commercial transaction has been rejected by some social critics. Ernst (1994), for example, argues that 'consumerism' is inappropriate in the utility industries because of the inherent characteristics of energy and water: essentialness, lack of substitutes, inelasticity of demand, natural monopoly, and positive and negative externalities (e.g. public health, depletion of resources). Further, for household consumers the exercise of 'exit rights' through withdrawal of custom from a utility supplier is foreclosed by:

- lack of substitutes for utility services; and

- inability to choose between suppliers due to legislated franchise arrangements or, where choice is permitted, the transaction costs of shopping around (Ernst, 1994: 37-55,190).

Recognising the potential for monopolistic and oligopolistic behaviour by restructured utilities, governments have sought to regulate consumer transactions in utility markets, over and above the anti-monopoly and fair trading laws that apply in other markets. Landmark legislation includes the *Government Pricing Tribunal Act 1992* (NSW) and the *Office of the Regulator-General Act 1994* (Vic). As well there has been pro-competition framework legislation for particular industries, and corporatisation and privatisation legislation for particular government trading enterprises (GTEs). These instruments have variously sought to address market conduct, pricing or quality.

Consumer protection has featured heavily. New consumer protection mechanisms (*consumer protection obligations*) have been introduced as surrogates for the consumer sovereignty that is absent in utility markets or for the administrative law remedies that are removed with the corporatisation or privatisation of GTEs (Federal Bureau of Consumer Affairs, 1995; C. Johnston, 1996b).

Consumer protection measures in themselves do not address distributional or affordability issues (C. Johnston, 1996a: 249). Under the hegemonic approach to microeconomic reform *access equity* is a matter for '*community service*

obligations' (CSOs) imposed on and purchased from GTEs by governments' welfare or human service agencies.

In practice, however, some of the regulatory mechanisms specifically address distributional issues, especially where reform has been linked to cost-reflective pricing.

2 Pricing

2.1 New South Wales

NSW has probably the most advanced state regime for price regulation of utilities, covering the privately owned gas companies as well as eight GTEs: the six corporations providing energy services in NSW and the two water companies operating in the metropolitan areas of Sydney/Illawarra and the Hunter. The rationale for establishing the Independent Pricing and Regulatory Tribunal (IPART), formerly Government Pricing Tribunal, in 1992 was to establish some contestability in price setting for government-owned monopolies. The responsible Minister would consider pricing proposals from the GTE and the Tribunal and had a statutory responsibility not to approve a price higher than that determined by the Tribunal.

In its early reports the Tribunal focused on 'correct' or efficient pricing (Government Pricing Tribunal, 1993, 1994). Cost-reflective pricing ('user pays') was supported for reasons of allocative efficiency and overall societal welfare. It explicitly rejected what it called *'social pricing'*, where pricing might be set at different price levels to effect distributional outcomes. The Tribunal was not indifferent to equity issues, however. Indeed it regarded cost-reflective pricing as compatible with inter-generational equity and benefit equity. However, it regarded pricing as a blunt instrument to address access equity. It dealt with access equity in four ways. It sponsored research to identify distributional impacts of pricing options (King and Bradbury, 1993). It successfully proposed safety net schemes to cushion the impact of user pays. It proposed the phasing in of cost-reflective pricing rather than sudden change. It called for review of the state government's payments for CSOs to remove or explicitly justify horizontal inequities.

The effect of the Tribunal's determinations has been to freeze prices for domestic customers. This has mainly been because it has required cost efficiencies from GTEs.

A report on the impacts of pricing and institutional reforms in the provision of water and sewerage services by Sydney Water found that the reforms, excluding

environmental charges, reduced average household 'costs' by $27 between 1987-1988 and 1994-1995. Direct residential charges rose by about $10 in real terms over the period. The study found that households in all income brackets benefited from the reforms, and that reported cost savings were generally a higher percentage of income for low income households. The methodology and conclusions of this study have, however, been challenged by the Australia Institute (Economic Planning Advisory Commission, 1995).

The Tribunal has put these constraints on individual customer's electricity bills:

- no single domestic bill is to increase by more than the greater of the increase in the Consumer Price Index (CPI) or $7 a quarter for customers on off-peak tariffs or $5 a quarter for customers not on off-peak tariffs; and
- average residential tariffs are not to increase by more than 4.2 per cent (compared with relevant CPI of 5.2 per cent) (Independent Pricing and Regulatory Tribunal, 1996a).

There has not been a longitudinal analysis of the distributional impacts of cost-reflective pricing across all utilities in NSW, but Sydney University's Housing Research Center is undertaking such a study.

Recently the Tribunal has put more emphasis on access equity. An issues paper for an inquiry into pricing of metropolitan government transport was called *Fair Fares*, for example (Independent Pricing and Regulatory Tribunal, 1996b).

In time sequence, this follows the election of a Labor government in 1995, which has an equivocal and electorally opportunistic approach to GTE pricing. One positive initiative of the new government was to amend the Tribunal's Act to specifically allow it to consider 'the social impact' and 'demand management (including levels of demand) and least cost planning' in its determinations on prices for government monopoly businesses *(Independent Pricing and Regulatory Tribunal Act 1995* (NSW)).

Consumer, welfare and environmental advocates have supported economic regulation in monopolistic utility markets to prevent monopoly rent seeking. If consideration of equity has also been acceptable to the Tribunal as an advocate of efficient pricing, it is probably because it agrees that:

> ... most qualifications of purely efficient pricing on so-called social or political grounds can be rationalized by the presence of external costs or benefits, which must be taken into account on grounds of economic efficiency as well. (Kahn 1995: 192)

2.2 Victoria

In the Victorian electricity industry, an Order in Council dated June 1995 (the Tariff Order) regulates prices until 31 December 2000. The Tariff Order regulates retail prices through a Maximum Uniform Tariff that is designed to bring about progressive reductions in cross-subsidies between business, residential and rural customers. Until the year 2000, business customers will experience a greater decline in real electricity prices relative to the decline in real electricity prices for residential and rural customers. For example, it is estimated that small and medium business customers will receive real electricity price reductions of at least 22 per cent between 1995 and 2000. This compares with real electricity price reductions of nine per cent for residential and rural customers over the same period.

The price reductions legislated by the Tariff Order have been criticised by welfare agencies, on the ground that the reduction will simply reverse a 10 per cent price increase brought about by the Government during 1992 and 1993. In addition, an Independent Inquiry into the Privatisation of the Electricity Industry noted that:

> These reductions will still result in domestic consumers being worse off by 2000 than they would have been had prices been pegged to the CPI from July 1992. The only exception would be those domestic consumers who have high energy usage: 'an average consumer will be around $200 worse off than if prices had remained at July 1992 levels'. (Scott, Marles and Wise, 1995: 32)

After 31 December 2000, regulation of electricity prices will be undertaken by the Office of the Regulator-General (the ORG), the regulator responsible for administering the regulatory framework governing restructured and privatised GTEs in Victoria.

Water prices in the Melbourne metropolitan area are directly regulated by the government through water and sewerage licences. The government has indicated that water pricing and water pricing policy will remain under the control of the government until at least 1 July 1998. During June 1996, price regulation in the water industry was criticised by the Victorian Auditor-General, who stated that:

> although the interests of customers are largely protected through the government's [price] cap .... delaying the [ORG's] first independent price review may leave customers vulnerable to price movements. (cited in D. Johnston, 1996: 5.)

When the ORG assumes its role in determining prices for electricity and water its focus will be confined to economic considerations, particularly supply-side issues such as the costs of making, producing or supplying goods or services; the return on assets in the industry; interstate and international benchmarks for prices, costs and return on assets in comparable industries; and the financial implications of the price determination (Office of the Regulator-General Act (Vic), s.25(4)). There is no mandate to consider the social or environmental impacts of pricing decisions. Indeed, the ORG has made it clear that it does not have jurisdiction to consider social policy issues, such as CSOs (e.g. concessions and assistance programs) or environmental policy issues with social impacts (e.g. demand-side management and energy efficiency initiatives) (Office of the Regulator-General, 1995a: 3.9; Office of the Regulator-General, 1995b: 3.5).

3   Billing and Credit Management

3.1   New South Wales

Utilities' billing and credit management practices in NSW derive from the industry-specific legislation regulating utilities. For water and electricity GTEs a common delivery instrument (prescribed by legislation) is used - a customer contract. The concept of a customer contract (or charter) is derived from the *Citizen's Charter* initiatives of the Major Government in England. In Australia they have been described as a safety net for individuals rather than a duplication of utilities' operating licenses, providing a second tier of protection more clearly focused on the individual customer rather than the entire system (CH2M Hill, 1996: 85).

The two metropolitan water GTEs developed them following corporatisation. Sydney Water's customer contract provides for quarterly billing. It has 'the discretion to make refunds, waive or defer payments to it on matters it thinks appropriate.'

The concept was also applied to electricity utilities following framework legislation for a competitive electricity industry in the state and between states. The *Electricity Supply Act 1995* (NSW) requires electricity retailers to produce a customer supply contract indicating:

*   the basis on which supply charges to franchise customers are calculated;
*   any security deposits;
*   the standard of service;
*   circumstances for discontinuing supply; and
*   rate of supply based on meter readings or estimates.

Each utility develops them separately. Its contract must comply with the distributor's license conditions and any relevant decisions by the IPART. A contract is unenforceable where inconsistent with the Act or regulations.

The customer contract of Integral Energy (1996) includes provisions for:

- three monthly, two monthly or monthly accounts;
- what information is put on those bills (e.g. period, energy use, charges, payment options);
- collection of a security deposit (discretionary for the company); and
- part payments.

Billing and credit management practices of gas suppliers are less regulated. The industry-wide regulatory instrument, the *Gas Supply Act 1996* (NSW), contains no mandated provisions. However it does require regulations to be made on the form and content of bills and debt collection procedures. These may only be made on the recommendation of the Minister for Fair Trading. The Department of Energy has prepared a regulation on these matters, but it had not been gazetted as at 30 June 1997. The only existing regulation, the *Gas Supply Regulation 1991* (NSW), directs matters on which information which should be provided on a bill.

3.2 Victoria

Customer contracts regulate consumer transactions with water suppliers in the Melbourne metropolitan area and electricity suppliers throughout Victoria.

In the water industry, a customer contract was annexed to the licences issued to each of the water suppliers in Melbourne. In December 1995, the ORG issued a *Benchmark Customer Contract* establishing minimum terms and conditions for supply of water to residential consumers in Melbourne (Office of the Regulator-General, 1995c). Each of the water companies has issued its own customer contract based on the ORG's benchmark. Each water company also produces a document known as a 'customer charter' which summarises the terms and conditions of that company's customer contract.

The ORG's Benchmark Customer Contract was issued after extensive consultation with representatives of business customers, consumer and welfare organisations and water suppliers. Licence conditions require each of the water suppliers to undertake customer consultation in developing their customer contract.

In the electricity industry, the customer contract takes the form of an industry code, the *Supply and Sale Code*. This code establishes the minimum conditions

for supply of electricity to residential consumers. First published in October 1994, the Code has been subject to extensive review in consultation with representatives of customers and electricity suppliers. A new Supply and Sale Code was published in November 1996 and came into effect on 1 February 1997 (Office of the Regulator-General, 1997). Each supplier has distributed to its customers a copy of the supplier's customer charter summarising the rights and obligations of customers under the Supply and Sale Code.

The Victorian customer contracts prescribe minimum standards for billing and credit management, which aim to enhance the accessibility and affordability of energy and water, especially for low income consumers. For example, minimum standards for billing procedures ensure that:

- a household receives at least two notices before disconnection for failure to pay the initial bill;
- the household has several days within which to arrange for payment of the bill. For example the 'pay by date' specified in the initial bill gives consumers at least 14 days before payment is due. This is designed to allow for the receipt of at least one fortnightly payment before the bill must be paid; and
- the entire cycle allows at least 28 days between receipt of the bill and a threatened date of disconnection. This ensures receipt of two fortnightly social security payments before a household is disconnected for failure to pay.

The Victorian gas industry is in the throes of restructuring. It is likely that customer contracts will be used to regulate consumer transactions by the newly-created gas suppliers (following disaggregation of the government monopolist). Indeed, in April 1997 the Australian Gas Association issued a draft Natural Gas Customer Service Code with the purpose of establishing minimum conditions under which a gas supplier may supply and sell natural gas to consumers. The Association intends to issue the Code as a national standard governing consumer transactions with gas suppliers throughout Australia.

4   Payment Assistance

4.1   New South Wales

Payment assistance operates at two levels: the utility itself, and governments where they have assumed an income support role through a system of price concessions or emergency relief schemes. This income support role is distinct from that provided by the Commonwealth's social security system and is linked

to a subsidiary objective of access to specific services for which states have responsibility (King and Bradbury, 1993: 36).

The most significant utility-based scheme is Sydney Water's payments assistance scheme, which provides semi-cash assistance in the form of vouchers in cases of hardship. Non-cash transfers in the form of price concessions for pensioners operate on a *purchaser/provider model* in water and electricity GTEs. In the case of the privately-owned gas companies they have been mandated through licensing, though the government is considering moving to purchasing these on competitive neutrality grounds. These price concessions benefit pensioners (not other low-income people on similar or lesser incomes). A government hardship relief scheme providing semi-cash transfers (vouchers) exists only for electricity (the Energy Accounts Payments Assistance scheme).

The statutory basis for price concessions of corporatised water and electricity GTEs lies with the *State Owned Corporations Act 1989* (NSW). The Act constructs a purchaser/provider model for ministers to purchase non-commercial activities from a state-owned corporation and for the state-owned corporation to deliver them. This process applies to subsidised services (e.g. non-economic lines) as well as 'subsidised customers'.

The Gas Supply Act (NSW) allows the Minister for Energy to impose conditions about 'the implementation of government policy on community service obligations to tariff customers' on holders of an authorisation to reticulate natural gas (s.11(2)(b)). This is the first time that NSW legislation has used the concept of CSOs to apply to privately-owned companies.

Gas retailers must charge tariff customers in accord with maximum prices determined by the IPART, 'subject to any other condition imposed on the authorization with respect to the implementation of Government policy on community service obligations to tariff customers (such as a condition requiring the granting of discounts or rebates)'. (Gas Supply Act (NSW), s.27(3)).

Pricing inquiries by the IPART have consistently pointed to inequities in the extent and eligibility for price concession CSOs. Its views have been echoed by pensioner and welfare organisations. The NSW Council of Social Service (NCOSS) has argued that:

- there is no overall policy for concessions, since they were developed in an ad hoc way;
- the distribution of concessions is patchy and inequitable;
- concessions are useless to people who are not served by the designated providers; and

- assistance should be based on researched welfare needs of people in NSW (Drake, 1996).

The NSW Department of Community Services estimated that some $110m was forgone or spent on water and energy price concessions in 1995-1996. Over all government concession programs (including those provided by non-market sector agencies), it suggested that concessions programs have these operational objectives:

- clarity in advancement of social objectives;
- responds to the needs of target groups;
- subsidy adequate to assist affordability;
- consistent with other government policies;
- flexible in design and responsiveness to needs;
- achieves horizontal and vertical equity;
- efficiently and effectively managed;
- a user friendly system; and
- delivery arrangements are non-stigmatising (Kelaher, 1996).

An 'overarching review' of NSW concessions was undertaken in 1996 but its report has not been released.

4.2   Victoria

The Victorian safety net comprises:

- concessions and assistance schemes that are CSOs funded by government and administered by utility companies. Examples include a winter energy concession and a rebate on water and sewerage rates and consumption charges. A government-funded hardship relief scheme provides grants to pay energy debts attributable to a financial crisis or emergency experienced by a residential consumer (the Energy Relief Grant Scheme);

- programs and initiatives offered by utilities to assist consumers who are experiencing payment difficulties (e.g. payment by instalment, monthly billing); and

- community assistance services provided by welfare and community advice agencies.

A 1995 report documenting consumer transactions with restructured energy and water companies found that the Victorian safety net involved a merry-go-round of negotiations, a lack of policy guidelines, ineffective criteria, and a breakdown in

coordination between the utility companies and the Victorian Department of Human Services. 'This ... led to confusion for consumers, financial counselors and emergency relief agencies negotiating for assistance, and ... added to the numbers of consumers requesting direct financial aid' (Benvenuti and Walker, 1995: iv). These findings were backed by a report by the Victorian Council of Social Service (VCOSS) which estimated that Victorian emergency relief agencies spent more than $7 million a year to assist consumers with utility costs such as energy and water bills (VCOSS, 1995).

Following the publication of these reports, two reviews of the safety nets were initiated. The first review, initiated by the Department of Human Services in late 1995, focused on the energy safety nets: the Energy Relief Grant Scheme, instalment plans, and the credit management policies and practices of electricity suppliers.

A second review was revealed to be underway in January 1996. This was a confidential ministerial review of state concessions for water, gas and electricity bills. The *Australian* reported that a leaked document entitled *Ministerial Review of State Concessions - Final Report* recommended replacing the concession system with one of two options: a 'baseline supply' scheme that would offer discounts according to levels of water used, or a 20 per cent proportional rebate regardless of use. The newspaper went on to report that a section of the document conceded that 'pensioners, low-income earners, tenants and some rural Victorians would be worse off under the scheme while non-pensioner homeowners would be better off' (Coffey and Le Grand, 1996). The Government's response to the adverse publicity was that the ministerial review was merely a fact-finding exercise and that no recommendations had been put to Cabinet.

In May 1996, the Victorian Minister for Aged Care and Health invited representatives from eight community organisations to participate in a consultative committee to advise the Minister on operation and reform of the concessions system. The reports of both reviews have been finalised; they had not been released as at 30 June 1997.

The economic regulatory framework in Victoria establishes a link between payment assistance schemes and technical regulation through service standards. The ORG has undertaken consultation with suppliers, customer representatives and government departments as part of the process for reviewing industry codes and customer contracts that regulate consumer transactions with utilities. These documents play a crucial role in:

- providing consumers with information about safety net schemes; and
- regulating procedural aspects of the safety net schemes.

Lacking an explicit mandate to undertake initiatives in relation to social policy, the ORG's role has been one of facilitating consultation between government agencies, industry and the community.

5   Discussion

In the early 1990s some social critics suggested that corporatisation and privatisation of 'public utilities' would be a loss of the welfare role provided by utilities. Retention of government ownership and retention of non-transparent price subsidies to domestic customers were argued for, in effect on the basis of better welfare outcomes.

The experience in NSW and Victoria suggests that the processes and outcomes have not been so clear cut. Cost-reflective pricing, especially 'user pays' based on the *benefit equity* principle, has become standardised. But, at least in NSW, there has been little public resistance to this, and some good evidence to suggest it is, indeed, supported as fair. Pricing reform has been accompanied with an eye to potential popular/electoral backlash, which explains why it has progressed at an amble.

The level of pricing has an impact on service affordability, and even conservative governments have been keen to ensure that appropriate 'safety nets' remain. While hidden cross-subsidies were or are being removed and replaced with transparent CSO payments, there has been no move to limit the budget funding of such programs. They remain essentially demand-driven. Moreover, neither social-democrat nor conservative governments have been bold enough to shake-up their concessions systems through establishing a clear role for them, developing affordability benchmarks to identify what might be an adequate customer subsidy, or leveling out assistance on the basis of vertical equity. Indeed the governments in both states have even been coy about publicly releasing reports from reviews into concessions.

A 'pure' approach to economic regulation might suggest that access equity is best left to concession and hardship relief schemes and that the province of economic regulation is efficiency. The key regulatory agencies of utilities, in both states, have not played it this way, though each has done it differently, consistent with their mandates.

NSW's IPART has encouraged research and debate on distributional issues around pricing. It has no role in regulating consumer transactions. The various legislative instruments in that state make similar noises to the Victorians, but the secondary regulations that flow from them tend to be slimmer: there is more of a market-based approach to developing customer contracts.

Victoria's ORG has eschewed consideration of social impacts of pricing (being outside its brief). But it has had a greater role in regulating consumer transactions. In this sense the Victorian approach leaves less to the market than NSW. The model customer contracts developed by the ORG, in consultation with the industry and consumer and welfare organisations, have been sensitive to the impacts of disconnection procedures, billing practices, security deposits and credit management on low-income customers. It has addressed these in the form of industry codes and customer contracts.

In a sense, governmental responsibility for such welfare matters has not been displaced, but augmented by its location in specialist regulatory agencies. This has also resulted in more transparent processes: for welfare and consumer lobbyists the access to policy-making is much greater than it was when pricing and customer servicing were matters between a utility and a minister acting on the utility's advice.

We conclude from this that the social policy dimension of utility reform has had two strings:

- a 'consumerist' aspect promoted by consumer protection entities (Consumers Federation of Australia, 1995; Federal Bureau of Consumer Affairs, 1995; NSW Department of Fair Trading, 1996) and criticised by Ernst (1994: 190) and other commentators, where the focus has been on just processes in consumer transactions; and

- a 'welfarist' aspect where the focus has been on fair outcomes from consumer transactions; this second aspect has not been confined to budget-funded social programs, but has also been a part of economic and technical regulation.

The form that this mix takes is different between the two states. Primarily this is because of the balance of social forces in different conjunctures, reflected in the legislatures. We also suggest that the interventions of non-government organisations have influenced the outcomes. Hegemonic approaches to microeconomic reform have been contested in both states. In social policy debates around utility reform three axes have been important: peak welfare groups (VCOSS/ NCOSS), community legal centers (Consumer Law Centre Victoria/ Public Interest Advocacy Centre Sydney) and national consumer organisations (Consumers Federation of Australia/ Australian Consumers Association). The results are mixed and uneven.

We accept the public policy problem is not simply one of achieving just processes in the market place (through pro-competitive and fair trading laws and codes), but fair outcomes, especially for low-income Australians (C. Johnston, 1996a). We

suggest that the experience with utility reform in NSW and Victoria to date indicates a mix of social policy interventions, fiscal and regulatory, is most appropriate in seeking to deliver this.

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The Capacity of Non-profit Organisations to Contribute to Social Capital Formation Under Market Style Government Funding Regimes

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1   Introduction

Non-profit organisations have long been praised for their ability to provide a range of community and related services in a way that is both more efficient than government provision but also more sensitive and responsive to the needs of client groups (e.g., Industry Commission, 1995: 32-3). They can be seen as a particularly successful vehicle for providing community services. Many of those working in non-profit organisations argue that they provide something in addition to a service. Sometimes this is described as responding to the whole person, sometimes in terms of developing communities through providing services. However, these claims are not easily demonstrated (Kontellis, 1995).

More recently, non-profit organisations have been attracting attention for another somewhat different feature. Sidney Verba, Schlozman and Brady (1995) argue that membership of non-profit associations is a crucial determinant of political participation. In writing thus, Verba is reaffirming a finding of political science research going back to the 1950s (e.g. Almond and Verba, 1963).

Other researchers argue that a strong non-profit sector is crucial for the reproduction of social capital. In this way it underpins effective democratic political systems and strong economies (Putnam, 1993). Intellectuals and activists associated with the overthrow of Communism in Eastern Europe and of military regimes in a number of Asian and Latin American countries during the 1980s, argue that a strong civil society is an essential counterweight to the tendencies towards domination of both state and market forces. At the centre of the strong civil society is a strong non-profit sector (de Oliveira and Tandon, 1994).

2   Social Capital, Non-profit Organisations, the State and the Market

The largest single source of this renewed interest in non-profit organisations has come from the social capital debate kicked off by Robert Putnam. Putnam's long running, scholarly study of the introduction of a new system of regional government in Italy, wherein he claimed to find a strong connection between social capital and both strong democracy and economic development, went relatively unremarked until Putnam himself claimed to find, in lower non-profit association membership and a reduced propensity to trust others, signs that social capital in the United States was declining (Putnam, 1995). The implication that this could in turn lead to a weakening of the American economy attracted attention from the business weeklies.

In societies where economics shapes much of the policy discourse, 'social capital' is an interesting and evocative metaphor. Whether it is more than that, whether it can be given greater weight as an analytical concept is in the process of being tested. This paper constitutes one such, modest, test.

Putnam has defined social capital as 'those features of social organisation, such as trust, norms and networks that can improve the efficiency of society by facilitating co-ordinated actions' (Putnam, 1993), or as 'features of social life - networks, norms and trust - that enable participants to act together more effectively to pursue shared objectives' (Putnam, 1995). At the heart of social capital then are norms and values of trust and generalised reciprocity. Social capital is necessary if people, as strangers, are able to act collectively to address a crisis that might effect them (such as fire, flood, environmental degradation), to advance the interests of their community or to provide support and assistance to people who are disadvantaged. These activities require organising and invariably their organised expression is a non-profit organisation. Social capital is produced and reproduced by people engaging in these activities, generally (but not exclusively) through involvement in voluntary associations. Some make strong claims about the centrality of non-profit organisations to the production/reproduction of social capital: they follow de Tocqueville and claim that it is through belonging to these associations that people learn to act collectively and to trust others (de Tocqueville, 1945). These are qualities which are required for both strong democratic systems and for efficient markets.

However, there are other sites where social capital might be produced and reproduced. Verba notes that many people learn the skills necessary for effective political participation (by that he means writing to MPs, forming deputations and peaceful demonstrations as well as voting) at work (but particularly white collar work) or via higher education. Involvement in voluntary associations is of

particular importance only for those with limited education and blue-collar, or no, work.

It is also coming to be recognised that not all non-profit organisations create social capital. Putnam himself observes that in Southern Italy the role of the Catholic church with its heavy emphasis on hierarchy and discouragement of lay initiative had a negative effect on the production of social capital. Social capital, he observes, was a product of strong horizontal networks but not of strong vertical networks (Putnam, 1993). As well, the social capital produced by some voluntary associations might not benefit the whole society. Indeed, it might have negative consequences. Some have noted that voluntary associations such as the Klu Klux Klan, whilst they might generate a good deal of social capital within the tight membership group, are damaging to the wider society. This seems irrefutable.

Indeed, social capital is turning out to be a rather more slippery term than first appeared. James S. Coleman, who first used the term social capital in a systematic way, provided four examples of social capital at work. Three of these examples were of strong but arguably inward looking networks or associations that did not obviously contribute to the well-being of wider society (Coleman, 1988). It is also worth noting that only one of his four examples, the 'study circles' formed by radical student activists in Korea in the 1980s, involved voluntary associations.

It would seem then that

- social capital can be generated independently of formal organisations;
- non-profit organisations are important generators of social capital, but not all are; and
- the social capital generated by some non-profit organisations can weaken not strengthen society as a whole.

To be an effective generator of socially positive social capital, a non-profit organisation has to embody norms of tolerance towards non-members and should be outward-turning, encouraging members to confidently engage in activities with non-members within the wider society, as opposed to encouraging hostility and paranoia.

2.1 Interlude

What then of the contribution to social capital of the other two organised sectors of society: state and market.

The market depends on social capital. Without generalised norms of trust and reciprocity, markets either do not work or become extremely expensive (because of the far greater involvement of lawyers in specifying of agreements). Arguably, market transactions that are based upon social capital, reproduce it. But if markets become too pervasive, they damage other parts of society where social capital is reproduced. Markets construct ordinary people not as citizens or residents or members, but as consumers. A consumer plays essentially a passive role. As firms (often with the co-operation of governments) seek to rearrange more and more parts of society along market lines, they reduce opportunities for generating social capital. To take but one example: increasing numbers of for-profit gymnasia (fitness *clubs*: note the attempt to disguise the organisation as a non-profit) are offering their members opportunities to participate in a limited competition of a team sport - for example a four week netball competition. Thus their customers have the opportunity to participate in a competitive sport which previously could only be accessed by joining a netball club and in turn, probably, taking some responsibility for the various aspects of sustaining that club, such as committee membership, fundraising and the like.

Democratic states depend on strong social capital. An active citizenry, participating in political activities is essential for the legitimacy of a regime, even if it causes great frustration at times to ministers and officials. Government programs which provide various entitlements to citizens on the basis of widely recognised need can reinforce social capital, but other government policies, those that seek to circumscribe public debate, to stigmatise certain citizens or to privatise provision, can diminish it (Ingram and Smith, 1993; Latham, 1997) So too does a government's reconstruction of citizens as consumers.

3   Non-profit Organisations and the Generation of Positive Social Capital

Even after excluding non-profit organisations that create negative social capital, it is necessary to recognise that most non-profit organisations are ill-equipped to generate social capital. To explore this issue more fully, it is necessary to draw a distinction between member-serving and public-serving non-profits. In regard to the latter, it is also important to distinguish between those that are member-owned and those that are owned by another non-profit.

For a start, those non-profit organisations that are established to meet the interests of their members have a greater potential to generate social capital than those that are established to provide services to others. Member-serving non-profits are the classic voluntary associations of Putnam's story: bowling clubs, choral groups, professional and trade associations, resident action groups. They exist to provide

opportunities for people voluntarily to work with strangers. Non-profits that are established to serve others, although they are an important sign of social capital, generally are more focused on the service they are providing, such as education, hospital care, community services than on activities that more specifically contribute to social capital.

These public-serving non-profits can be either owned by their members or owned by another non-profit organisation, most commonly a church or a religious order. Member-owned organisations are more common; the various methods of incorporation require that non-profit organisations are member owned, but for many this requirement is observed somewhat perfunctorily. Church-owned organisations are able to adapt forms of incorporation to suit their particular arrangements.

Public-serving non-profits are able to generate social capital, although this may not be as readily or as immediately obvious as for member-serving non-profits. Public-serving non-profits can generate social capital at two sites. The first and most obvious is in the way they work. Organisations that are formed by people who are strangers, who have collaborated to address the common problem, clearly draw on social capital in their formation and *can* continue to generate social capital in their way of operating. They can continue to do this if their members remain active and seek to involve others in the decision making of the organisation. If an organisation continues to attract/recruit more people to active membership, it will continue to grow social capital. Such people might be supporters, volunteers, or clients. There is, however, within all membership organisations, a tendency towards oligarchy (Michels, 1962; Perkins and Poole, 1996). This has two sources. One is most people's tendency to prefer to work with relatively small groups rather than large, which entails the more difficult task of balancing a range of contending interests. Oligarchic tendencies are also helped by the difficulty many people have in maintaining active involvement in organisations.

The second site for building social capital is in the services that public-serving non-profits offer. They can build social capital either by offering services specifically designed to engender norms of trust and generalised reciprocity, by building networks, encouraging people in these networks to form new associations, and by persuading people to provide services for themselves or to advocate for other bodies to do so. This is all classic community development work. In addition, non-profit organisations can add to social capital in their conventional service provision by encouraging those who are the recipients or users of these services to become actively linked with others in tasks that are part of the service provision - for example, by encouraging parents to become involved in the activities of a child care centre; by encouraging clients to become

involved in other community organisations or by seeking to recruit volunteers from the wider community.

Only some non-profit organisations are able to generate social capital in both of these two sites. The option of generating social capital in the way they are governed, is open only to those non-profits that are member-owned. Those that are owned by another non-profit do not have that option. Thus, this option is closed to most large non-profit community service providers. This is not to say that those organisations cannot encourage the growth of social capital among their employees (and volunteers). They can, via processes known as 'organisational citizenship' (an open ended commitment, mutual trust and shared values between employer and employee that is quite different to a conventional employment contract) (Van Dyne, Graham and Dienesch, 1994). But this option is open to any employer, it is not a special characteristic of non-profit organisations.

A further restraint that effects the ability of public-serving non-profit organisations to generate social capital lies in the way the concept or model of a well run public-serving non-profit is constructed.

There is now a good deal of literature, much of it research based, on the characteristics of a well run non-profit organisation and the management practice and approaches to governance that are needed to achieve this. Much of this literature is developed for large public-serving non-profits; it developed from economics and business management and constructs non-profits as a special kind of firm. According to this paradigm, a non-profit organisation is effective if it:

- is efficient (that is, produces the largest possible output for a given input);
- is committed to quality;
- is responsive to its consumers;
- regularly evaluates its services;
- is committed to best practice research and development and to innovation;
- is a learning organisation; and
- collaborates with other providers where appropriate, especially in the sharing of research and development insights.

Such organisations can be very good; they are committed to quality and to customer satisfaction, are usually value driven (unlike for-profits where, fundamentally, the commitment of such practices is essentially a means to an end of long-term profitability by retaining a market edge). But it is a model which views the users of its services as customers; it is a model which views governance as being about setting goals and monitoring management's achievement of them.

It is quite distinct from the alternative model, which I have called the civil society model (Lyons, 1996).

The civil society model views non-profit organisations as expressions of people's commitment: in the case of public-serving non-profits, of their commitment to others. But it seeks to involve as many stakeholders as possible in decision making, even at the cost of being slow, cumbersome and relatively unresponsive to changing circumstances. It is a model that draws on political science rather than economics; it favours membership organisations, especially movement-oriented associations. Its emphasis is on maintaining democratic political processes. Its primary benefits are seen to be processual, rather than in the actual services that might be provided.

It is not a model that public-serving non-profits are generally drawn to follow. It would not be possible for a church-owned, public-serving non-profit to follow this model; it would be difficult and unlikely for a member-owned organisation to follow it.

The end result of this preceding discussion is that we can identify four types of public-serving non-profits, divided by whether they are member-owned or church-owned and by whether they follow a business or a civil society model of organisational effectiveness. When it comes to seeking to build a social capital, all four types can seek to do so in the way they offer their services, but only the member-owned organisations that operate on a civil society model can try to build social capital in the very way it is governed. As has been already noted, there is such a gulf between a commitment to service provision and assumptions built into the civil society model of governing that such organisations are relatively rare.

4 Government Funding Programs, Non-profit Organisations and Social Capital

It now remains to review the impact of different models of government funding on the provision of community services by non-profit organisation, to complete a bleak picture for the generation of social capital.

The position is that public-serving non-profits may choose to seek to build social capital, or they may not, and that for most it can only happen in the way they provide services and/or if they choose quite specifically to provide social capital building services. It needs to be borne in mind that a little less than half of the revenue received by community service non-profits comes from government funds although for many, especially smaller non-profits, government funding provides well over half their revenue.

Government funding has moved through several models over the past 30 years (Lyons, 1995). Some signs of older models can still be found. The earliest model is what could be called the philanthropic model where government helps the non-profit organisation by making a grant for a project the non-profit organisation has initiated. This model was replaced by the submission model where the government identified types of services or service fields in which it wished to encourage service provision and invited non-profit organisations to make submissions for funds. It was then realised that this was creating an imbalance in the distribution of services, favouring middle class areas, and so governments sought to identify more precisely where services were most needed. In doing so, government departments with responsibilities for different services generally worked with non-profit organisations, especially peak bodies, in determining areas of greatest need. In addition, for some services, governments employed people to engage in community development activities in areas deemed to need services but where non-profits did not currently exist to provide them. As this planning model became better established, governments began to pay more attention to the amount of money they were paying out for services. Instead of paying for salaries, or a certain proportion of salaries, of people with certain skills, or sitting down with providers and working out an agreed sum for the provision of a certain set of services, governments began to identify units of service (and in some cases began, usually wrongly, to refer to these as outputs) and to try to establish uniform levels of cost or subsidy for particular sets of services.

At about the same time as these developments were taking place, governments were also, in some areas, moving towards two different types of market model of service funding. These models are now more clearly established and strongly endorsed (if not always clearly followed). One model is the competitive tender model whereby governments act as a purchaser of services (on behalf of users or consumers) and invites organisations to tender for their provision. Governments often do not distinguish between non-profit and for-profit organisations in this process. In a few cases, governments seek tenders that are competitive on price but in most cases, they fix the price that they are prepared to pay for the provision of service. This method is preferred as it allows Treasuries more control over expenditure. However, it constitutes the government as a monopoly or sole purchaser, and can often give rise to abuse as when governments fix the price they will pay below the cost of producing the service, thus forcing the non-profit to subsidise the service from other resources.

A second market type of model which has emerged, although without a great deal of publicity or understanding, is the quasi-voucher model whereby the government in effect subsidises the effect of demand of identified classes of people. This model approimates a little more closely to a pure market, in that it

establishes a market of consumers rather than a monopsony or sole purchaser arrangement (Lyons, 1995). However, governments create an effective monopoly by limiting the level of fees providers can charge, thus ensuring that consumers do not pay the full cost of production.

In both of these models, the government operates at arms length from service providers. Its attention is focused on services and on defining them as clearly and closely as possible. It encourages competition between non-profit providers. Except for the somewhat rare competition on price version of the competitive tender model, in these market models the government seeks to capture as much as possible of the additional resources available to non-profit organisations.

Both of these market models work against the creation of social capital. They strongly encourage the business model of management by creating competition either for government contracts or for clients. In both, non-profits frequently have to compete with for-profit organisations. This puts further pressure on them to be as businesslike as possible. The level of subsidy provided by governments invariably means that non-profit organisations must subsidise the cost of service provision from other revenue sources, thus redirecting both paid staff time and funds from the possibility of social capital building services. Those few non-profits which attempt to operate by a civil society model are particularly disadvantaged in the market type environment created by government funding. In short, market-style government funding regimes have clearly further reduced the capacity of non-profit organisations to contribute to social capital formation.

Nonetheless, non-profits can still try to build social capital either by adding social capital building services of their own, funded from their own resources, or by subsidising even further than the government requires, services to which they add social capital building activities. In some cases this could involve using volunteers. However, it will take a major shift for many non-profits to develop programs that operate in ways that positively help build social capital. It is not a practice which is well understood.

Governments could encourage social capital growth by moving back from market models of funding to the earlier versions of the planning model. Although there may be some still in the program departments of government who might be interested in this, pressure from the dominant 'government as business', or managerialist model of government would seem to be too strong for this to occur in major areas of government expenditure. The best that could be sought is some marginal additional funding for social capital building activity that is separate from, or on a pilot basis could be added to, the main services programs.

That is, governments could help non-profits build social capital by recognising the need to fund specific social-capital building activities, particularly in parts of

society where social capital is in short supply. To do this would require governments adopting a philanthropy model or perhaps a planning-style model where they work collectively with non-profits in learning ways of building social capital. This might be better handled by a government trust or commission, independent of program departments, perhaps with a guaranteed source of funds, from say a gambling tax or the interest on undistributed estates.

In general, we need to better develop our understanding of social capital and how it can be encouraged to grow. Government and non-profit organisations can play an important role in this, but only if they are prepared to commit some of their scarce resources to this end.

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Post-Fordism and the Welfare State: Personal Social Services in Australia and Great Britain

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1 Introduction

The Post-Fordist welfare state thesis locates contemporary social policy change within a wider analysis of the transformation of the capitalist accumulation regime. Whilst this analysis is useful in directing attention to the realignment of relations between the state and the citizen, the state and the economy, and the state and its organisational forms, it has for the most part assumed, rather than demonstrated, the specific changes which are alleged to be taking place in various fields of social policy by suggesting a degree of convergence between welfare states as a result of global economic forces. The paper begins to address this lacuna through a comparative analysis of developments in the personal social services, employing services to older people as the specific context of comparison, and suggests areas in which the Post-Fordist theoretical model of welfare state reconstruction needs to be refined.

2 Globalisation and the Post-Fordist Welfare State

The framework most frequently employed to describe changes in social policy since the 1970s has been the 'mixed economy of welfare'. Analysis of these changes within wider theoretical frameworks, which position social policy developments in relation to economic forces and changes in state forms, has been a less pronounced feature of work conducted within the discipline of social policy. In contrast, Post-Fordist thinking has attempted to articulate these linkages between social policy, economic forces and state forms by according the central place to large-scale socio-economic change (Clarke, 1996: 23-7). Although Post-Fordist ideas vary significantly, they are united in their

identification of distinctive historical periods in the development of capitalism. The transformation of 'Fordism' into 'Post-Fordism' is regarded as the central socio-economic change following the economic crisis of the 1970s. Within the overall model, the Post-Fordist welfare state thesis has been the subject of much dispute and debate (Burrows and Loader, 1994), not least with respect to the relationship between the global economy and nation states.

Post-Fordist thinking's emphasis on supra-national trends in the global economy is a welcome injection into the discipline of social policy, moving beyond the discipline's predominant emphasis on national welfare states in a global system of interacting *national* economies. However, the problem with much Post-Fordist theorising thus far has been the high level of abstraction contained within its models of socio-economic change, through the application of an industrial metaphor to the sweeping changes identified as characterising the relationship between capital's accumulation regime and the welfare state (Bagguley, 1994). A new convergence theory, invoked around the retreat from welfare provisions by national governments   (which are seen as   disempowered by the irresistible power of the global market and forced to pursue reforms to their welfare states in a uniform direction), has emerged (Castles and Pierson, 1996: 233-4).

Our contention is that the confident claims of Post-Fordist thinking need to be subjected to the test of policy analysis which specifies the recent history of particular policy areas as representative of some of the complexity for which macro-socio-economic theories will have to account, not least in the interplay between political strategies, the welfare state and the needs of accumulation regimes in the context of globalisation. The remainder of the paper is a modest attempt at providing examples of some of this complexity through a consideration of the welfare state regimes of Britain and Australia and the responses in those countries to globalisation, with particular emphasis on the examination of one social policy field, the personal social services and, more specifically, services for older people.

3   Welfare State Regimes and the Personal Social Services

3.1   The Welfare State in Britain and Australia

In Britain the establishment of the post-war Keynesian welfare state was an attempt to create state-guaranteed social citizenship rights, irrespective of a citizen's standing in the market (Marshall, 1950: 40). In the immediate post-war period there was considerable debate about whether the personal social services had a future in this welfare state (Seed, 1973: 49-52), a debate resolved by a role for the personal social services in supplementing, where necessary, the comprehensive centrally-planned services of the welfare state from a location in

local government. In this local authority context, Welfare Departments were responsible for services to older people.

While Australia similarly pursued a Keynesian path, the institutional arrangements were quite different from those of Britain, and the role of state arrangements promoting citizenship rights were similarly different. Most particularly, Australia chose to use labour market and economic policy to pursue social goals, employing a highly regulated centralised wage fixing system and occupational benefits to ensure that wages were sufficient to allow families a reasonable standard of living. Coupled with extensive tariff protection and the regulation of labour supply through the use of immigration policy, the strategy enabled the economy and wages policy to carry the burden of distribution and social protection in the 'wage earners' welfare state' (Castles, 1985; 1994; 1996). The personal social services, or as they are known in Australia, community services, developed slowly, in a residualised and uneven manner in response to emerging recognition of needs.

3.2 Models of Personal Social Services in Britain and Australia

In Britain, the state's role in reorganising social work was significant in the development of the model of personal social service delivery. The implementation of the Seebohm Report (Seebohm, 1968) was the defining moment at which social work was transformed from being a relatively marginal and organisationally fragmented collection of roles and practices to a central and systematically organised element of the Keynesian welfare state (Clarke, 1979; Cochrane, 1994: 127; Younghusband, 1978: 35). The Report contained a commitment to social citizenship rights enshrined in universal personal social services, complemented by a stress on the comprehensiveness of citizens' entitlements (Webb and Wistow, 1987: 64). The personal social services were reorganised and unified across 1970-71 in England and Wales, with each local authority being required to establish a Social Services Department (Local Authority Social Services Act 1970).

Some commentators have seen in the implementation of these British policy developments the deep influence of Fordist methods of work organisation: largeness of scale, centralisation, hierarchy, corporate management and the provision of a standardised service product (see, for example, Stoker, 1989; Roche, 1992: 164). Such methods of work organisation have been located in wider arrangements in which the Keynesian welfare state, production, consumption, social relations and political processes were inter-linked in an overarching Fordist accumulation regime (Cochrane, 1993: 24).

Compared to Britain, the organisation of social work per se played a relatively minor role in shaping the model of personal social services in Australia. Rather, the model which developed was influenced by Australia's colonial history, by the overall strategy of wage earners' social protection and by the particular constitutional arrangements by which Australia became a nation. Personal social services were relatively residualised and except in certain functionally distinct areas such as child welfare, after nationhood direct service delivery by government was limited (Lyons, 1992; 1993). As a result of federation, the institutional arrangements for service delivery were mediated by the political arrangements between the States and the Commonwealth of Australia. The States retained and developed a substantial interest in service delivery, predominantly provided by the non-profit sector, largely funded by Commonwealth grants to the States. The degree of Commonwealth involvement has waxed and waned over the twentieth century, depending on the political orientation of the incumbent government. Compared to Britain, it is difficult to identify a coherent Australian national Fordist regime in personal social service delivery. Instead, each State has a series of distinctive arrangements, reflecting a long-standing mixed economy of welfare.

There was no 'defining moment' such as the Seebohm Report in Britain which influenced the overall Australian model. However, there was a highly influential period coinciding with the incumbency of the Whitlam Labor government at the Commonwealth level from 1972 to 1975, during which developments occurred within discrete and functionally separate areas of policy and service delivery. While State activity in the form of funding for services escalated, the overall model in the personal social services of a mixed economy of welfare mediated by a federated political system did not, and subsequently has not altered dramatically.

3.3   Responses to Globalisation in Britain and Australia and Developments in Personal Social Services

Britain's political response to economic globalisation originated in the economic crisis of 1976, when the International Monetary Fund granted a loan on condition that cuts were made in public expenditure (Deakin, 1994: 62-3). With the election of the first Thatcher Government in 1979, New Right monetarist policies were promulgated in response to the emergent global economy (Glennerster and Midgley, 1991) and a ferocious attack was launched on the welfare state in which the Conservative Government saw itself as beginning to correct the failings of the post-war Keynesian settlement (Newman and Clarke, 1994). The central aim was

> to discredit the social democratic concept of universal
> citizenship rights, guaranteed and enforced through public

agencies, and to replace it with a concept of citizenship rights
achieved through property ownership and participation in
markets. (Gamble, 1988: 16)

Changes in the mechanics of the personal social services' funding and delivery
were therefore inseparable from the rejection of social citizenship values
(Baldock and Ungerson, 1996) and the promotion of a new concept of social
citizenship in which dependency on the state was to be avoided and self-help and
support by informal carers were to come to the fore (Phillipson, 1994). This
critique of the welfare state predisposed Thatcher Governments to take a sceptical
view of local authority Social Services Departments (Loney, 1986: 142). They
became the metaphor for all that was considered to be wrong with the welfare
state (Midgley and Jones, 1994: 118).

After the third election was won in 1987, the Thatcher Government launched a
major offensive on the lingering structures of Keynesian welfare state provision
(Deakin, 1994: 152) through a radical legislative program and the implementation
of a market-oriented strategy (Jones, 1994: 190, 205). This post-1987 program
incorporated fundamental changes in the delivery of services to older people. A
Post-Fordist model of service organisation was promoted by the Conservative
Government as one to which managers should aspire, with features such as
decentralised management, devolved budgets, contracts and individually-tailored
services existing in a new mode of 'marketised-state' provision (Edgell and
Hetherington, 1996: 4).

Australia's political response to economic globalisation was orchestrated by a
Commonwealth Labor Government. During its period in office (1983-1996), the
Government sought to restructure the economy to promote its global fitness,
while at the same time protecting the most vulnerable (Castles, 1996). One of its
principal tools was the negotiation and implementation of a corporatist approach
to the management of the economy: prices, wages, non-wage income, taxation
and developments in the social wage. Known as the Accord, the strategy
involved a series of agreements between the government, the unions and
business. The purpose of the Accord was to simultaneously 'manage' economic
restructuring as well as reconfigure the Australian welfare state to bring it into
alignment with economic goals in a way which was consistent with the existing
Australian regime. As such, it was characterised as much by continuity as
discontinuity (Castles, 1994).

In terms of personal social services, the strategy of the Labor Government was
rationalisation of the mixed economy of care within the various functional areas
couched within two sets of operational objectives: efficiency and effectiveness,
and access, equity and responsiveness. However, a key feature in the Australian
developments is that, unlike in Britain, they were articulated and largely

legitimated as much by *positive* references to maximisation of effectiveness in terms of consumer and community outcomes, as by *negative* critiques of the existing arrangements. Nevertheless, the reform process has and is attempting to apply market-based principles (or a Post-Fordist model of service production) into service delivery. Following the election of the conservative Coalition Government in 1996, the pace of the reform process escalated dramatically with further devolved responsibility and control over service delivery passing to the States (Australian Council of Social Service, 1997: 139).

Clearly, the institutional and organisational context of developments in personal social service differ between Britain and Australia. The task of the next section is to survey developments in the functional field of services to older people within each country. The purpose is to explore the extent to which developments in Britain and Australia are conditioned by Post-Fordist pressures and reflect the Post-Fordist convergence thesis, and to the extent to which developments in services to older people are characterised by discontinuity or continuity.

4   Developments in Services to Older People: Issues and Themes

Conceptually three constituents of transformation on a Post-Fordist trajectory can be identified: first, a shift from a unitary economy to a mixed economy of service provision; second, shifts in the model of service delivery and consumption; and third, shifts in the governance function of the central state. We will now examine these three constituents in terms of services for older people in each national context.

4.1   A Mixed Economy of Service Provision?

In Britain, the immediate incentive to create the mixed economy in services for older people was the need to cap public expenditure on for-profit provided residential care, following a massive increase in the number of (central government) Social Security payments to support residents in private sector residential and nursing homes (Audit Commission, 1986, para. 90). Under arrangements introduced by the Conservative Government, from 1979 to 1990 the number of places in for-profit homes for older people increased from 37 000 to 98 000 and central government expenditure on paying for places rose from £10 million to £1.2 billion (Oldman, 1991: 4-5). Legislation (National Health Service and Community Care Act 1990) proclaimed the Conservative Government's determination to cease this open-ended Social Security commitment to funding residential care and promoted as an alternative a managed mixed economy in which local authority Social Services Departments would be gate-keepers, co-

ordinating and purchasing care, rather than providing services directly (White Paper, 1989).

In Australia, a mixed economy in the delivery of both residential and community services to older people has long characterised the model of service delivery, a model marked by complex and differentiated funding and service delivery arrangements between the States. Influenced by the federated nature of the political system, and by an historical legacy of substantial non-state involvement, services are provided by an array of government, non-profit and for-profit agencies (Gibson, 1996). During the 1980s, the Commonwealth Labor Government, a centrally derived policy reform process known as the Aged Care Reform Strategy make strenuous attempts to contain oversupply of nursing home beds and influence the process of service delivery in both residential and community care services.

Overall, Australia has long employed a mixed economy of service provision, with a strong role for the non-profit sector, an increasing role for the for-profit sector, and a much smaller role for government. Little has changed in the mix. This is not the case in the Britain, where the role of the state was previously more extensive.

4.2 Models of Service Delivery and Consumption

In Britain, the establishment of a mixed economy was accompanied by the introduction of a 'care management' system (Department of Health, 1991) in which a budget is given to a care manager, acting on behalf of an older person, who allocates that budget between competing suppliers. The changes ushered in by the care management model indicate a move towards the commodification of the personal social services (Howe, 1994) in which care *managers* are required to put together *packages* of care for older people on the basis of their assessment of the older person's need and their identification of providers to meet those needs.

As indicated, concerns about excessive concentration on residential care in the system of care provision for older people in Australia prompted several responses. One was the implementation of policy instruments to contain subsidised nursing home bed supply, and thus expenditure, through targeting existing supply to highly dependent people (Australian Institute of Health and Welfare, 1993). Initiated by the Commonwealth, the other major response was the development in 1985 of the Home and Community Care Program (HACC), a jointly funded, nationally implemented program designed to improve and extend services to frail older people living at home, and, in doing so, institutionalise community care as opposed to residential care as a core feature of the care service delivery system. Within the framework of HACC, and in response to problems

with service fragmentation, a series of developments have steadily introduced case management and brokerage into community services for older people (Fine, 1995; 1997).

The issue here is the extent to which such developments represent a substantive break with previous models of service delivery and consumption. While the language of Post-Fordist welfare state developments (such as quasi-markets) are relatively new in Australia, the ideas are less so. Although couched within what would be characterised as a Post-Fordist framework applied to the personal social services, it has been noted that developments within models of both residential and community-based services to older people have been incremental, reformist and constructed within the constraints of the existing system (Fine, 1997; Gibson, 1996).

In Britain, the model of service provision and consumption has been radically reconstructed along the lines predicted by a Post-Fordist framework. Care is now 'managed' on behalf of older people as 'customers' within a 'market' framework. While cost containment and micro-economic reform were clearly priorities in Australia, the policy priorities in services to older people were constructed differently. They were constructed, for example, in terms of responding to *service fragmentation* and poor *co-ordination*. More recently, the language of Post-Fordist frameworks of service delivery have been imported, but there are doubts about the extent to which such processes will actually reconstruct the models of service provision and consumption already in place.

4.3   Strengthening the Governance Function of the Central State

In Britain, central government monitored compliance with its mixed economy policy and model of care management through the Audit Commission and the Social Services Inspectorate (Kelly, 1991; Jones and Novak, 1993). The Audit Commission investigated Social Services Departments, documenting management weaknesses and encouraging the emergence of a strong management culture. Detailed policy and practice 'guidance' issued by central government, and promulgated by the Audit Commission and the Social Services Inspectorate, ensured the implementation of the reforms nation-wide. A strong centralised state apparatus was used to hasten the shift from universalism to residualism (Taylor-Gooby and Lawson, 1993: 149). A *state-managed* mixed economy - through regulation of the care market, contracting, monitoring and surveillance - represents the dispersal, rather than the reduction, of state power as the state organises the structure of, and relationships within, the mixed economy of services (Clarke and Newman, 1997: 25-32) for older people .

In Australia, developments in the role of the central state (the Commonwealth) swing on the pendulum of federalism. During its term in office the Commonwealth Labor Government did increase its sphere of influence, but the emergence of the 'new federalism' movement in 1990 reinvigorated the unceasing debate about roles and responsibilities between different levels of government. The influence of the Commonwealth in services to older people has nevertheless been significant. Labor's Aged Care Reform Strategy itself, for example, can be seen as largely successful in achieving Commonwealth policy priorities across the States.

In summary, the capacity of central government in Britain to control service delivery in local authorities has strengthened considerably. The mixed economy of services to older people is, in effect, a state-managed mixed economy. In Australia, the Aged Care Reform Strategy was an attempt to control service delivery by the Commonwealth, employing some similar strategies to those in Britain, for example, minimum standards and case management. However, recent developments by the Coalition Commonwealth Government to shift responsibilities back to the States are set to reconstruct and perhaps undermine the governance function of the central state developed by Labor.

5 Discussion

From this initial survey of developments in services to older people in Britain and Australia, tentative conclusions can be drawn about the three constituent indicators of a Post-Fordist trajectory. First, convergence to a mixed economy of care as a result of Post-Fordist developments has not occurred. Australia's pre-existing pattern of a mixed economy has not altered substantially, while in Britain a mixed economy of care has been created as a result of deliberate and sustained policy intervention. Second, some convergence in the models of service provision and consumption are evident. While the underlying economically-derived imperatives driving change are similar, the social policy operational principles legitimising change have been articulated quite differently. Third, centralisation of the governance functions of the central state has occurred in Britain (carried by a Conservative Government), but similar tendencies in Australia (carried by a Labor Government) appear to be in the process of being reversed (by a Coalition Government).

Our conclusions indicate that, at a minimum, restructuring of the Keynesian welfare state is more ambiguous than the Post-Fordist convergence model suggests. The model points usefully to the pace and scale of change, located within the context of the global economy. However, it neglects continuity in its search for clearly delineated breaks from Fordism to Post-Fordism. In Australia, for example, continuity in the mixed economy of care is not well explained by a

Post-Fordist model. Welfare state restructuring involves global economic forces and national changes in response to them, but those responses are mediated by specific and quite different political strategies as challenges posed to social policy by globalisation are interpreted differently in different countries. Despite facing similar pressures since the 1970s, the Labor Commonwealth Government in Australia and the Conservative Government in Britain have responded differently. In Britain responses to globalisation were harnessed in pursuit of radical (Right) social policy change to break up a political consensus. In Australia, globalisation was countered to an extent by (Moderate Left) social policy continuity aimed at trying to preserve a political consensus.

These case studies of the personal social services in Australia and Britain suggest processes of partial and uneven transformation. These are worthy of study in their own right in order to disentangle other factors mediating the process, especially those which are institutionally derived. For example, a Post-Fordist model of convergence needs to be able to incorporate the mediating impact of political systems, as it is clear from this analysis that different outcomes are likely in a federated political system compared to a unitary system. Contrary to the monolithic model suggested by Post-Fordist theorising, it may emerge that there will be as many different versions of Post-Fordist welfare states as there were of Fordist welfare states.

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The Social Policy Dimension of Australia's Economic Integration with Asia: Uncertain Starting Points

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1 Introduction

The social policy dimension of Australia's economic integration with Asia looms as a key issue for the remainder of this decade. At the beginning of the 1990s, economic rationalism was the dominant motif in Australian public policy, giving way to globalisation; but now it is apparent that globalisation is very much a region specific process. National social policy options are being conditioned significantly by various supranational arrangements which have emerged to moderate the process of economic integration. In the Asia Pacific such arrangements are evolving, notably through the deliberations of the Asia Pacific Economic Cooperation forum. Growing concern at that forum's lack of attention to the social dimension of economic integration highlights in turn how little research has actually taken place in Australia concerning the social policy implications of greater integration (Saunders, 1996b; Atkinson, 1995). The existing research reveals uncertain starting points for an emerging Australian-Asian social policy dialogue and this paper argues the need for broad conceptions of welfare as a basis for such dialogue if these uncertainties are to be effectively transcended.

Comparative research of Australian social policy has been concentrated on Anglo-American and European countries. This can largely be explained in terms of the relatively recent development of comparable social policy systems in some Asian countries as well as the comparative absence of English language studies available for Western researchers (Goodman and Peng, 1996). Australia has not been without research into Asian social policy in the past. Dixon contributed significantly to an international research stream in the 1970s and 1980s (for examples, Dixon and Kim, 1985; MacPherson, 1982, 1987). However this research was largely outside the mainstream comparative literature. It tended to be descriptive, reflected Western models of advanced welfare states and their development and the Asian experience was seen as belonging, by and large, to the early stages of welfare state development (MacPherson and Midgley, 1987). As such, the research did not impinge upon mainstream comparative welfare studies

(with the exception of references to Japan). By the mid-1990s, we have witnessed a new wave of interest in the social policy systems of Asian countries, in particular the so called 'Confucian welfare states' of the Newly Industrialised Countries (NICs) (Taiwan, South Korea, Singapore and Hong Kong) (see Goodman and Peng, 1996; Saunders, 1996a, 1996b; Jones, 1990, 1993; Ramesh, 1995; Tsui and Chan, 1995; MacPherson, 1992; Castles and Mitchell, 1994; 1995 Asia Social Policy Forum, 1996). In the most recent research, the NICs have come to be included as a new welfare state type alongside the familiar categories of the Anglo-American and European countries (Esping-Andersen, 1996).

2   Asian Social Policy, Australia and Economic Integration

This new wave of research comes at a time when comparative social policy studies are being reframed by the impact of the increased internationalisation of the economy. Early writings on the social policy impacts of economic globalisation stressed the negative social consequences for advanced welfare states of the 'social dumping', wage deregulation and return of high unemployment associated with market-led globalisation (Mishra, 1995; Wiseman, 1996); while other work has had regard to the persistence of national diversity in social policy regimes (Esping-Andersen, 1996). Within the spectrum of international social policy, the emerging Asian welfare states have been characterised in terms of their high economic performance and low expenditures on social welfare; a conjunction of considerable significance for Western welfare states in which, rightly or wrongly, size of welfare state expenditures has been linked to halting economic performances.

Given the growing regionalisation of the international political economy, the need for region-specific comparative social policy research should be apparent. National policy developments are increasingly mediated by emerging structures of regional governance (Gamble and Payne, 1996). Thus in the European Union there have been attempts to harmonise social policies through the 'Social Chapter' of the Maastricht Treaty; while in the North America Free Trade Agreement the social policy dimension has been largely neglected leading some to predict a 'rush to the bottom' in terms of social protection (Streeck, 1994; Liebfried, 1993; Bufacci and Garmise, 1995; Russell, 1995; Teague, 1995). As Sum (1996) writes, unlike as in Europe and North America, there have been no 'big bang' conferences or treaties in the Asian-Pacific region and arrangements have evolved in a much more incremental manner. A number of scenarios are possible, chiefly the open regionalism symbolised by Asia Pacific Economic Cooperation (APEC) and the closed regionalism associated with the East Asian Economic Caucus. Here we simply observe that while the future regional structures remain embryonic and of uncertain future, the social policy dimension of the region's growing economic

integration has by and large been ignored; although there have been public calls for the inclusion of a 'social clause' in APEC (Sum, 1996; Atkinson, 1995; see also, Saunders, 1996b). It would seem to be imperative that a conversation about social policy futures develop.

3   'The Prism of Neo-classical Economics'

Such a conversation needs to begin by noting the way in which the policy language of integration in Australia has been coloured by what Mathews and Ravenhill (1996) refer to as 'the prism of neo-classical economics'. In various official reports we find a common vision of 'spontaneous market-led integration' sparked and sustained by 'private sector initiatives', generating regional growth so long as governments continue to liberalise trade and pursue domestic micro-economic reforms together with competition policies (Garnaut, 1989; Industry Commission, 1990; Bureau of Industry Economics, 1995). As though to render social policy issues superfluous the literature carries numerous reports measuring the rises in 'global welfare' which would result from such policies. It is not the purpose of this paper to reiterate the critiques of this model in relation to economic policy nor to debate the measures of welfare increased.

What does need emphasising is how little these measures of welfare address the kinds of issues which social policy researchers would regard as important. The economic model carries as Mishra emphasised at the last national social policy conference a 'secret' ideology, one which has the kinds of social policy consequences briefly summarised above (Mishra, 1995). Perhaps today this secret has become more open, even to economists who are relatively sympathetic to the model. Richard Pomfret (1996: 127-8), for example, has recently observed that even if we allow that there might be a 'popular preference ... for greater material prosperity', proponents of market-led integration need to take greater cognisance of the fact that there will be 'social consequences'. He sees unemployment created by trade liberalisation, the need to work harder in competitive environments, the difficulty for those working harder for higher rewards in respecting older less-productive members of society, and the damage to families and local communities created by labour mobility as parts of the 'downside of rapid economic growth which should not be underestimated'. In this author's view such social consequences of market-led integration are inevitable if a country is to pursue the high growth outcome. Resistance is to be anticipated from those he calls conservatives and others seeking to combine growth with social stability. We do not have to agree with the author's policy preferences to recognise that he has clearly brought into view the neglected social dimension of a 'market-led integration' hitherto disguised in the language of global welfare increase. Rationalist policy models which factor out the social dimension will no longer

suffice if only because achieving their predictions will be as much a social as an economic policy outcome.

4   Perspectives from Australian Social Policy

If the neoclassical model has provided the dominant frame for Australian policy analysis of economic integration with Asia it has not been the only one. Other economic policy perspectives will be referred to later. Here I will introduce Australian social policy perspectives which, it must be said, have scarcely begun to address the weighty social agenda sketched by Pomfret. Castles and Mitchell (1994) referred briefly to the Asian experience in their review of the implications for Australia of international social policy trends. They observed that the Asian NICs had been proposed as policy 'exemplars to Australia', because of their impressive economic growth achieved with apparently minimal welfare expenditure. As Peter Baldwin (1997) recently noted this view has indeed been embellished by various commentators on the political right, notably Francis Fukuyama, but it is an interpretation which Castles and Mitchell (and Baldwin) discount. They noted that it overlooked recent social expenditure growth among the NICs. Indeed, for Castles and Mitchell, a more likely future scenario was a 'double convergence'; that is, as the NICs achieved Western levels of affluence, so would their social expenditures catch up to the West. The authors also emphasised the rudimentary state of comparative empirical data and the problems involved in comparing welfare spending when the social policy institutions of Australian and Asian countries are very different. The very different value systems was a further important factor requiring special consideration.

The themes broached in brief by Castles and Mitchell (1994) can be found more fully developed elsewhere. On the one hand attention is drawn to factors suggesting future convergence: pressures for Asian welfare state expansion created by the breakdown of traditional forms of welfare provision via the family and local networks of social support (1995 Asia Social Policy Forum, 1996; Saunders, 1996a; Esping-Andersen, 1996); and the political pressures exerted by growing middle classes (Hewison and Rodan, 1994). On the other hand, there has been a strong emphasis especially among Asian researchers on the differences in value systems and historical legacies which are said to suggest continued divergence into the future (Tsui and Chan, 1995; Chow, 1987; Chua, 1995, 1996; Goodman and Peng, 1996; Jones, 1990, 1993).

The problems of comparison arising from such differences have been considered in detail by Saunders (1996a, 1996b). His major work was a study of ways of enhancing social security for the poor in the region, a study with a broader focus than the industrialised countries (Saunders, 1996a). Saunders' work is particularly relevant insofar as it is directly concerned with providing a common analytical

framework for comparing the Asian and Western experience. Past research, he suggests, has been inattentive to diversity and tended to assume that welfare state institutions created in the West offer the only criteria of welfare performance. Such assumptions need to be put on hold, he argues; researchers need to acknowledge that these institutions reflect particular historical, cultural and economic contexts which are quite different to the contemporary Asian experience. As a first step, according to Saunders, we need to consider afresh the 'ends' of social security before considering the 'means'. For the purpose of his project, Saunders chose to define the 'end' of social security in terms of any collective action designed to prevent poverty, a definition which leads him to cast his study in terms of social assistance schemes. In terms of poverty alleviation, he argues, such schemes have more relevance to developing countries than the social insurance institutions which have typified the Western experience and which have formed the focus of analyses of Asian social policy development. Social insurance, with its primary aim of horizontal and life-cycle redistribution for populations whose basic needs have already been met, he thinks is inappropriate for the many Asian societies where large sections of the population would not have the types of employment necessary to qualify for such schemes and need more immediate measures to alleviate poverty.

In this context Saunders suggests that the Australian welfare state has a particular relevance to the Asian circumstance insofar as it has been unique within the Western industrialised countries in its preference for a means-tested social assistance model financed from general revenue rather than a system based on social insurance. From this perspective Saunders develops the Australian model into something of an 'exemplar to Asia' while, at the same time suggesting that there are aspects of the Asian experience from which a country such as Australia could learn. The case for Australia being 'an exemplar' is grounded on the proposition that while economic development is essential for poverty eradication and human development, 'growth alone is not enough'. The experience of long industrialised countries such as Australia in tackling these issues thus becomes important for newly industrialised countries experiencing rapid industrialisation.

Saunders' distills the current arguments for the need for social policies to prevent poverty into a powerful case which ought to represent a bottom line of any Australian-Asian dialogue about the role of welfare. Not only are such policies difficult to dismiss on moral grounds, but in relation to economic policy, he argues, they do not represent the disincentive to work or save, nor the distortion of price signals which critics have often asserted. Beyond the bottom line of poverty prevention Saunders' paper also canvasses some key areas of difference between Asian and Western approaches to welfare generally where the policy options are much more debatable. First, the Asian emphasis on social support via the family and informal networks, he believes, poses a challenge to Western approaches. He

thinks this emphasis is to be valued and that it highlights the need for government systems which supplement and not replace it; a 'downward spiral' can be created in which the public 'crowd(s) out' the private system creating unsustainable demands on public resources. Particularly in relation to families, he suggests, the 'industrial countries do not have a good record' with policies which have encouraged the break-up of families. The second key area is the choice between residual and more universal welfare models. Here Saunders suggests that the record of industrial countries is ambiguous. On the one hand, a wider eligibility is said to lead to 'middle class capture' and an overloaded welfare state with little net redistributive impact. On the other hand, as the Scandinavian experience exemplifies, the inclusion of the middle classes can be said to legitimate the system as a whole with the effect of 'protecting the interests of the poor'.

Over all, Saunders sees similarities in the challenges facing Asian and Western countries as a result of the internationalisation of the economy and they suggest to him a degree of future convergence insofar as Asian countries may be compelled to enlarge the role of direct state welfare provision while advanced welfare states such as Australia may seek to explore greater roles for private provision albeit under state regulation. He also stresses the diversity of historical, social and political as well as economic contexts and expects this diversity to be reflected in national policy adaptions to this shared context.

5   Integrating Social with Economic Policy Perspectives

Saunders has clearly offered a framework for a policy dialogue which allows us to begin to address the social vacuum left by the neo-classical model. It is also valuable insofar as it relates the debate to the kinds of economic critiques of welfare deriving from that model. At this point, however, I would argue that we need to take the search for starting points further than those proposed. I would relocate the starting points within that wider debate about what constitutes social policy captured in the different approaches of Esping-Andersen (1990) and Mishra (1984) (see Mitchell, 1992; Smyth, 1993, 1994, 1995). Briefly, the former links social policy to the state's role in redistribution and 'decommodification'. The latter sees this as unduly differentiating social and economic policy and includes the state's role in economic development within what he calls an integrated approach to social policy. The importance of the distinction can be illustrated simply. If we take the eradication of poverty as an 'end' of social policy, the former approach leads to the focus on welfare programs such as social assistance schemes; but the latter would also have regard to government policies to promote economic development and raise living standards. The broader approach is particularly pertinent when we observe that the question of the inter-relationship of welfare and economic policy is a central issue in the consideration of NIC social

policy regimes which appear to explicitly reject Western style state redistribution in favour of enhancing welfare via strong economic growth.

The value of an integrated approach which looks at the pattern of public policy as a whole without prejudging which policies might be relevant to welfare has long been demonstrated by Castles (1994) with his model of Australian social policy as a 'wage earners's welfare state' in which 'wage policy substituted for welfare'; an approach which others have extended to suggest that full employment and growth policies not wages or welfare actually constituted the foundation of the postwar welfare state in Australia (Smyth, 1994; Cass and Freeland, 1994; Watts, 1995). In terms of the Asia-Australian conversation such a recasting of the terms of discussion would appear to be particularly apposite. In the most authoritative account of the NIC social policy regimes to date, Goodman and Peng (1996) state that an apparent lack of interest in expanding welfare policies during the first three postwar decades needs to be understood in the light of a policy outlook in which 'growth substituted for welfare'.

A recasting of the conversation in this way would appear to open up lines of enquiry which are closed by the narrow approach. First, much more common ground is apparent between Asian and Australian social policy than the welfare literature suggests. If what Jill Roe (1993) referred to as 'the Australian way' of doing welfare has characteristically allotted a residual role to welfare (the social assistance model referred to by Saunders) it has to be remembered that this was but the flip side to the priority accorded wealth creation or production over redistribution via the welfare system. In the Keynesian welfare state, full employment or growth was deemed what Gollan called 'the road to social security' and welfare was there simply to 'plug the gaps'(Gollan, 1975: 111). For the first three postwar decades Australia did not follow the expansionary welfare policies of Western countries such as Britain and Sweden preferring to rely on full employment and growth equitably shared primarily through the wage system (Smyth, 1996). Indeed so low was the priority accorded welfare in this period that one commentator was understandably - if mistakenly - led to the conclusion that Australia did not have 'a welfare state' until 1973 (Jones, 1990).

To stress the low priority accorded welfare in this period of Australian social policy is not to diminish it but merely to put it into perspective. If welfare was seen as at best a 'palliative', its provision was regarded none the less as a social obligation (see Battin, 1996: 40) and here Saunders' arguments for the relevance of the Australian model of social assistance for the region hold true. My point here is rather to stress the common ground of a shared history of social policy emphasis on wealth creation. From this perspective an often expressed Asian antipathy to welfare can be read as the other side of a priority accorded wealth creation over redistribution. In this light, the emerging 'Confucian welfare states' appear very differently. There is now a consensus in the literature on the 'East Asian miracle'

that 'strong states' have been vital ingredients of economic success (see World Bank, 1993; Weiss,1996). These accounts of strong states and highly collectivist political cultures, as Weiss has observed, do not fit well with views linking East Asian economic success to welfare state weakness. Indeed, as Bell has observed, from the point of view of what governments have been prepared to do in order to create wealth, Australia had a 'weak state' during the Keynesian period by comparison to its Asian neighbours and is now, of course, even weaker . Thus if Australia might be proffered as something of an exemplar in terms of policies for poverty prevention, the East Asian welfare states equally emerge as exemplars to Australia in terms of wealth creation.

The second avenue of inquiry which the integrated approach to social and economic policy invites us to explore in new ways is the inter-relationship between wealth creation and redistribution. The differentiated approach typically leads into the kind of debates within Western research referred to above by Saunders which are cast in terms of how much welfare an efficient economy can or cannot afford (see Saunders, 1996a). Here the social policy advocate stands before the bar of the neo-classical model of efficiency hoping to show that some small measure of redistribution justified on equity grounds will not overly detract from the predicted welfare outcomes of market-led growth. The NIC experience, on the other hand, appears to suggest a different, more dynamic inter-relationship between redistribution and wealth creation.

Thus, in its study of economic growth and public policy among the NICs, the World Bank (1993) emphasised the way in which growth has been accompanied by reduced inequality. In the Bank's view, the 'principle of shared growth' has been an important ingredient in securing legitimacy for the 'strong state' economic policies of the NICs. Characteristically, these policies have not concentrated on income redistribution via the welfare system but have been in the form of social investment: for example, universal education, public housing, support for small and medium enterprises, spreading land ownership and strategies of positive discrimination for ethnic groups. Again parallels with Australia suggest themselves. Thus the first three postwar decades in Australia were also periods of high growth rates combined with reduced inequality. It was also a period when, via the Keynesian 'social contract', popular support for active economic intervention was secured by increased investment in social infrastructure as well as the safety net of income support. The NIC policies for 'shared growth' clearly point towards the need for a broader discussion of the the interplay between economic and welfare policies than that allowed by the neo-classical perspective. According to the latter, as Pomfret (1996) indicates, redistributive policies to maintain social cohesion are a negative trade off against the growth outcomes promised by market-led integration. These claims do not match the NIC nor indeed the historical Australian experience.

If the principle of shared growth suggests a further commonality in Asian and Australian concepts of welfare it is also one which needs much more clarification in future research. The Australian researcher cannot but be struck by a dissonance between the rhetorical opposition of Asian leaders such as the former Prime Minister of Singapore, Lee Kuan Yew, to the welfare state and the degree of commitment to social investment noted by the World Bank. Here I can only surmise that in Australia we have been so influenced by the differentiated approach to economic and social policy that we can only think of this type of investment in terms of redistribution and decommodification rather than as a part of wealth creation. Perhaps the real differences relate not so much to the role of the state in social investment but more to attitudes regarding rights to and eligibility for income support discussed by Saunders. Whether or not this proves to be the case, it is evident that an integrated model of social policy suggests a much more dynamic inter-relationship between the pursuit of economic and social goals than the kinds of static trade-offs between equity and efficiency shown through the neo-classical lens (see also McCord, 1989).

6　Conclusion

In the light of regional developments elsewhere the increasing economic integration of the Asia Pacific will undoubtedly generate major political reviews of the role of social policy in participating countries. In Australia, policy discussion was initially framed largely in terms of a 'market-led integration' understood in terms of the neo-classical model which ignored the social dimension. Today the social consequences of this model are more clearly understood and integration should be viewed as much a social as an economic policy challenge. Within the existing Australian social policy research, the minimalist approach to welfare associated with the NICs is not seen as exemplary. Most interest has been in whether their social policy expansion will converge on or diverge from the Western pattern. While helpful in terms of our understanding of policy options in relation to social assistance and social protection more generally, it was argued that the potential social policy dialogue has been limited by its differentiated view of social and economic policy. An integrated view which included wealth creation as well as redistribution was proposed as a new starting point. It suggests that our current assessments of strong and weak welfare states might well be reversed, and neoliberal prescriptions for optimum economic growth reconsidered. In addition, it would appear to offer a much more dynamic view of the inter-relationship between growth and equity than the static trade-offs associated with the neoclassical model.

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Resources, Rights and Relationships: Family Participation in Residential Care

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1 Introduction

Current aged care policy promotes an integrated approach towards the care of older people with a disability. Pilot projects investigating the extension of nursing home level care into the home and the mixing of hostel and nursing home levels of care in single facilities (Commonwealth Department of Health and Family Services, 1996) reflect an interest in cooperative models of care and fluid boundaries between family, residential and community care. However, there is little understanding of how these spheres of care provision intersect or conflict within local practice environments. This paper examines the intersection of family, community and residential care in relation to one aspect of policy and practice: the construction of roles for family carers in residential care. Roles are important within organisations as a means of labelling appropriate and inappropriate behaviour, facilitating collaboration and avoiding conflict (Jones and May, 1992). Within policy, the roles constructed for families are reflected in the nature and extent of resources that are provided for families. The research reported on in this paper (Tilse, 1996) explored the convergence and disparity between the roles for families constructed in policy, the roles that are constructed in practice, and the roles that are sought by a particular group of family visitors to nursing homes: long-term spouses.

2 Family Involvement in Residential Care

Within the literature, differing role prescriptions for families within residential care reflect differing perspectives on whether the nursing home obtains services from, or provides services for, the family and whether the research takes an organisational or family caregiving perspective. Duncan and Morgan, (1994) have observed that researchers who take an organisational perspective tend to focus on the division of labour between staff and families while researchers interested in family caregiving concentrate on the provision of support for families.

The literature concerned with the sharing of caregiving between staff and families takes either a task allocation or a collaborative relationship approach. Task allocation approaches relate family participation to the sharing of caregiving tasks between staff and family members and construct roles for families either as resources for residents and staff or as ancillary carers. These approaches are based on Litwak's theory of balanced co-ordination (Litwak, 1985; Dobrof and Litwak, 1977) which argues that the inherent conflict arising from the antithetical structures of formal organisations and primary groups can be contained by a clear division of tasks. Within residential care, paid staff are allocated the technical and standardised tasks of care and families are allocated non-technical, small scale, and non-routine tasks (personalised furnishings and clothing, leisure, social contact, individual treats). Quantitative studies, using checklists, have reported considerable agreement between family members and nursing home staff on task allocation and the division of labour (Rubin and Shuttlesworth, 1983; Schwartz and Vogel, 1990; Bonder, Miller and Linsk, 1991).

Task-based approaches are resident and staff centred and do not recognise the reciprocal aspects of visiting or the needs of families. These approaches have been challenged by qualitative research which suggests that caregiving should be understood in terms of relationships and meaning and calls attention to the family patterns of affection, reciprocity, interdependence and exchange within which the tasks of caregiving and visiting are embedded (Bowers, 1988; Hasselkus, 1988; Wenger, Grant and Nolan, 1995). Bowers (1987, 1988) reports that families see their contact with relatives in terms of its purpose rather than the tasks they perform. Her research suggested that, although attributing the majority of tasks to staff, families held themselves responsible for monitoring and evaluating the quality of care. Successful collaboration between families and nursing staff is based on shared perspectives and understandings rather than a division of labour (Hasselkus, 1998). Duncan and Morgan (1994) argue that continued commitment 'was manifested in meaningful relationships between family visitors and members of staff, rather than in the performance of tasks by either group' (1994: 243). The focus of these co-carer roles is on the collaborative relationship between families and staff members not resident care tasks.

Some of the caregiving literature has focused on family needs (co-client roles) as well as continuing caregiving roles. This approach views families as needing help to mitigate the pain of the transition, explores the process of relocation, and generally advocates programs in nursing homes which provide support for families rather than methods of resolving conflict (Zarit and Whitlach, 1993; Brody, Dempsey and Pruchno, 1990; Schneewind, 1990).

Ethnographic studies often characterise family members as residents' representatives, and as 'sentries of care' (Gubrium, 1991: 122; Richard, 1986). Although families are allocated advocacy roles, it is only rarely acknowledged that

such roles are generally negotiated in an environment of resource limitation and power imbalance. Important elements of such relations are the potential power staff have to respond to family advocacy by retaliating with residents, the lack of a collective identity and collective voice for families within residential environments and the limited choice and options for exit (Tilse, 1997).

Within the literature, the intersection of differing perspectives on appropriate roles for families has received limited attention. Twigg and Atkin (1994) have proposed that carers are conceptualised in policy and organisations either as resources, co-workers, co-clients, or as superseded carers. This model provided the framework for the research exploring the discrepancies and correspondence between the purpose and meaning of visiting to the spouses, the roles expected and provided for in day to day practice, and the roles promoted in current policy.

3 The Research

The research, based in six residential care units in South East Queensland, sought to incorporate an individual perspective, a practice perspective and a policy perspective on family involvement in residential care. The individual perspective was explored through in-depth interviews with 18 people who had placed a long-term partner in a nursing home. The interviews explored their perspective on the purpose and meaning of visiting and the roles they sought within the residential environments. The practice perspective was explored through fieldwork in the units in which the partners had been placed. The fieldwork comprised observation of the allocation of space for families, the time made available and the nature of attention given; a content analysis of written policies in relation to families; and interviews with 72 staff members exploring their expectations of, and attitudes towards family involvement. An analysis of the roles constructed for families in outcome standards, funding mechanisms, design standards, and residents' rights initiatives provided the policy perspective.

3.1 The Individual Perspective

For the participants in the interviews, the purpose and meaning of visiting was embedded in the meaning of long-term marriage and impact of the relocation on the partner who remained at home. Long-term marriage was associated with a long-term commitment and obligation, an identity as part of a couple, shared living and shared experiences, a long-term relationship based on mutuality, reciprocity and interdependence. Although the placement had provided relief from overwhelming caregiving tasks, it was a profound change which had an impact on identity, daily living, long-established values and future expectations. Visiting had purpose and meaning for the visitor as well as the resident.

For the majority of spouses the relocation of a partner was a major transition which affected daily life and altered the connections with the past and expectations for the future. It was also a separation in a long-term relationship that, for most, had provided intimacy, affection and security. It generally left the partner who remained at home lonely, guilty and with a sense of profound loss. The loss was incomplete and there were few social rituals that acknowledged that loss and generated social support. Visiting the partner helped maintain values, identity, and continuity with the past; demonstrated continued commitment and attachment; provided activity and meaning around which daily life was structured; and helped avoid feelings of loneliness, isolation and loss.[1]

> *Well first and foremost I get up to Fred.*
> *She wouldn't dump me: I go up nearly every day.*
> *I like going up there ; it is somewhere for me to go.*
> *I might as well be up there as sitting here on my own.*
> *I have to go up every day to make sure he is looked after.*
> *I like to see him, give him that cuddle; it gives me peace.*
> *In a way, it's my duty to go.*

As visitors, most long-term spouses sought access to the partner, a continuing role in care, a recognition of their continuing identity as a spouse and opportunities to monitor care and engage in advocacy on behalf of their partner. The majority of spouses also looked for social contact, inclusion in the social world of the facility and emotional support to help deal with loneliness, guilt and grief. Most sought to be resources for the resident, partners with staff in providing care, participants in decision-making about care, and monitors of the quality of care. However, the role as advocate was limited as most were wary of complaining for fear of repercussions for the resident or themselves or for fear of disrupting the relationships they sought to establish with the formal caregivers who had continuing responsibility for the care of their long-term partner. The relationships were also important because the spouse visitors looked to staff members for social contact, inclusion in the daily life of the unit, and emotional support.

The spouses sought primarily co-carer, advocate, co-client, and membership roles. Three interview participants who were in poor health and in receipt of extensive community services for themselves relinquished co-carer roles but sought continued involvement with the units and the partner through co-client and care monitoring roles.

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1   Direct quotes from interviews are presented in italics.

3.2 The Practice Perspective

The fieldwork in the six units explored the spaces provided for families, the time and attention made available, the expectations of staff and any written material (e.g. Visitors Guides) which outlined family roles. Table 1 provides an overview of the diversity of roles available and the nature of the provision required to promote and support such roles in practice. The table also demonstrates that the roles constructed in practice were based on differing approaches to relations between families, staff members and residents.

Table 1: Key Features of Potential Roles for Families and Related Provision

Resource	Resident-centred; assumes family and resident needs are congruent or family needs met by others. Provide access to resident, access to staff is resident- and task-focused
Ancillary	Staff/resident-centred; task allocation model; can tie families to organisational routines and expectations. Provide access to resident; staff contact is task-focused.
Co-carer	Staff-, resident- and family-centred;. a partnership model of relations; focus on caregiving may not recognise family needs. Provide access to staff and resident, relationship focused.
Co-client	Needs-based perspective; support model of relations; can undermine advocacy roles. Provide support services, staff time and attention; staff contact is family-focused.
Advocate	Rights perspective; underestimates complexity of relations; can undermine relationships that families seek to establish. Provide avenues for consultation, pariticipation in decision-making and complaint.
Interloper	Adversarial perspective; families interrupt daily life. Provide space at the peripheries, little time and attention from staff.
Superseded/failed carer	Transfer-of-care approach; can provide support for families who wish to disengage; can alienate families seeking continued involvement. Limited provision for families as their role has been superseded.
Member	A community approach; can involve families; can co-opt into organisational perspectives. Provision to engage in social world of the facility.
Customer	Market perspective; limited applicability when choice and control are limited. Provide access to management.

Front line staff used the discretion available to facilitate or limit family involvement by the time made available, the nature of attention given, the physical location of visiting, their attitudes and expectations and the information shared. The fieldwork suggested that families were generally welcomed and valued for the support they could offer to residents and the assistance they could provide for staff. Staff members welcomed families because *they were good for the residents*; they valued families who helped to feed, stimulate and provide emotional support for residents.

Some staff constructed resource roles for families; others saw them as secondary carers and auxiliaries to nursing home staff; a minority viewed families as superseded or failed carers. Co-carer roles, which involve collaborative decision-making rather than a division of tasks, were much less commonly reflected in the expectations of staff and in the provision of time and attention. In keeping with the rights policy initiatives, all units provided information for families which acknowledged a role for families as an advocate and resident representative. However, in practice, there was very little provision of time, attention and venues to facilitate such roles at the unit level. Advocacy was frequently deflected, resented or trivialised by front line staff - *they* (families) *go on and on and on about nothing important or substantial*. At the front line of service delivery the roles most commonly accorded families reflected assumptions about the responsibilities of families rather than their rights or needs.

There were limited time, attention and few resources to facilitate co-client or membership roles for families within residential environments. With the exception of one unit which provided a support group for family visitors, emotional and social support for family visitors was dependent on the interests and attitudes of individual staff members. In summary, units primarily promoted resource and ancillary roles which were resident- and staff-centred and generally saved staff time. Co-carer, co-client, advocate and member roles which focused on family perspectives and demanded staff time and attention were only rarely actively promoted.

Although front line workers had some discretion in constructing relations with families, there were many constraints on their response to family needs and interests. The capacity of staff to respond to families was constrained by the explicit and implicit policy of the unit manager, the resources available, and the external policy environment which allocates priorities and responsibilities and which, to a large extent, controls the resources available.

3.3 Family Roles in Current Policy

Within the policy initiatives of the aged care reform strategy, family participation in residential care has had very limited attention. The recent Aged Care Structural Reform Package (Commonwealth Department of Health and Family Services, 1997) pays little attention to the implications of the structural changes in residential care for family carers and support for carers continues to focus on those who care in the community. Where family participation is addressed in residential care policy, families are characterised primarily as a resource for the resident and a means of assisting in the maintenance of the community ties; as a resource for the facility and the resident in reducing the institutional environment; or as a resident's representative and an advocate (Ronalds, 1989). That the family has a legal and moral right to unlimited access to their resident family member and to be consulted and informed about changes is well established in policy and the outcome standards. The right to be involved in decision-making, to monitor care and to obtain services for themselves is less well established. There is no Charter of Rights for family members in residential care and the present funding arrangements allow no way of accounting for time spent on counselling and support for non-residents (Rossiter, 1993).

Resource and ancillary carer roles are facilitated but there is little provision to acknowledge and support advocacy, membership, co-carer or co-client roles. There is no provision for direct services to families and time spent with families is not explicitly recognised or valued in funding arrangements. Although family visitors are able to access support services provided by Home and Community care programs, there is no provision for support services to be provided in the residential locations in which most families seek to establish and maintain caregiving roles.

Current policy lacks a recognition of the diversity of roles families might wish to play in residential care. This then structures family inclusion in particular ways and limits the capacity of front line workers to provide for and respond to their needs. Although community care policy has come to recognise family carers as a special needs group, co-clients and models for service delivery (Brown and McCallum, 1991), in residential care policy families appear to have been relegated to support and, to some extent, representative roles. Funding arrangements which do not provide resources for family-centered services within residential environments, policy documents and attitudes which typecast families solely as resources and representatives, and resident-centred policies which marginalise family needs and interests provide barriers to a diversity of roles for families in residential care. Although recent initiatives have extended nursing home care into the home, there has been little interest in changed models of service delivery which entail providing support services for family carers in nursing homes. The notion of providing for, as well as expecting services from, family carers rarely extends to

family members once the person being cared for has been placed in residential care. In policy, the focus is on rights, responsibilities and resource roles with little attention paid to the relationships which are the foundation of family care.

4 Conclusion

The research suggests that although there is agreement on the value of family participation in residential care and the importance of resource roles, there are also some conflicting perceptions of appropriate roles for families. Families primarily seek resource, co-carer, co-client, advocate and membership roles. Current policy constructs resource and representative roles. In practice, resource and ancillary roles are promoted, advocate roles are often discouraged, and co-client and membership roles are given a very limited priority. In policy and practice there is only a limited recognition of family perspectives on the purpose and meaning of their involvement in care. This is reflected in little direct provision of time, attention, spaces, programs or structures in nursing homes to incorporate, inform, listen to, or support families. If there are to be more fluid boundaries between family, community and residential care, there is a need for common understandings on the purpose and nature of family involvement in residential care and a greater consistency in the way family care giving is conceptualised, supported and resourced in aged care policy.

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Citizenship and Health Consumers

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1   Introduction

In the debate Consumer versus Citizen it is often observed that the end of the welfare state means the end of effective citizenship for those who were protected by it.   Citizenship, however is not a static state but has developed over several centuries and continued to develop through a process of conflict. The development of consumerism in health matters has had its impetus from economic rationalists seeking to provide informed choice amongst health consumers in an atmosphere of managed competition. One of the unintended outcomes of this initiative may be to provide impetus to health consumers to become more active and better informed citizens.

This paper develops this argument, using the formation of the Chronic Illness Alliance, a consumer and advocacy group, as an example.

In his paper, 'Globalisation and the social construction of human rights', Waters, (1995: 29) considers that adequate sociological explanation of human rights must be from a social constructivist perspective, that is, that human rights are specific to historical and cultural context. This view is in contrast to that of those who argue that human rights or citizenship is common to all modern societies. Part of this universalist approach adopts the perspective that through the process of globalisation the modern nation-state is breaking down and with it, its institutions of citizenship (Waters, 1995: 31).

The universalist approach in sociology has its counterpart in popular debate where the dismantling of the welfare state by economic rationalists is seen as the death knell of effective citizenship. Foremost amongst protagonists of this view is Kenneth Davidson whose examples of the end of citizenship, in Victoria, are compelling for those of us who experience them on a daily basis. For example, he says of education:

> When I was at university, education was seen as an investment
> in the future. By getting a degree I would get a higher income,
> but the higher income I would earn was largely a function of
> my higher productivity as a member of the workforce. A lot of
> the additional value I would generate was as a more highly
> educated, a more flexible or skilled contributor, not only
> within the workforce but within society... an educated, more
> sophisticated people would create a better society.

> Today education is described by economists as consumption,
> that is it is something that benefits consumers of education but
> is not of external value to the rest of society...
>
> If there are more and more competing for those jobs and the
> competition for entrance to those jobs is through the education
> system, education becomes a crucial factor in the competition
> for those jobs.
>
> I can get educational advantage in this sense for my children if
> I give them a better education at the expense of somebody else.
> That is the unspoken nastiness behind the education debate in
> this country today. (Davidson, 1997: 3-6)

Now my paper has no argument with Davidson that both Federal and State Governments have made major attacks on citizenship rights in the past decade The argument is with the universalist assumptions occurring throughout the speech from which this quote was taken, such as Davidson's, 'A lot of the things I have said up until now are really common to all Anglo-Saxon societies.' (1997: 4) and 'the tax revolt which occurred during the 1980s was most virulent in the Anglo-Saxon countries with the most targeted welfare systems' (1997: 5). The problem with that argument is that it rests on the foundation that this is a strictly modern phenomenon taking place as part of globalisation and that citizenship is the inevitable victim. Such a view ignores the challenges to such government actions that are taking place at the local level. The effect of ignoring them is to offer inadequate explanations and to make people feel even more powerless in the face of a global juggernaut (Wiseman, 1996: 26).

As an antidote, this paper adopts the perspective spelt out by Waters which considers that 'human rights institutions' are the 'consequence of power struggles and coalitions between interest groups' (Waters, 1995: 32). This is a view that he is able to support through historical material. 'Citizenship', he says, 'is a social construction in which a rising class can claim certain political and civil liberties against the state' (Waters,1995: 32). It should be noted that such power struggles are the subject of Davidson's own writings when he talks of the conflict over the Auditor-General and the Kennett Government.

In following this perspective it is possible to argue that the struggle for citizenship has been a continual process at least since Tom Paine's time. Due to historical struggle what constitutes citizenship as well as who experiences it, is subject to change.

Before the publication of *Common Sense* by Tom Paine in 1776 the term 'civil society' was used by political writers to describe a society which ensured good government and peaceful order through its laws. Civil society and the political community or government were the same thing. A member of such a society was expected to live in accordance with the laws (Keane, 1996: 117). Tom Paine, however, considered that civil society and government were not the same thing.

Citizens should not turn to politicians for everything and the power of government should be limited. Government was a necessary evil to ensure the security of citizens from their enemies.

Paine's work was part of the process of revolution, both the American revolution and the French revolution and it was in the context of wanting to bring an end to Absolutism. Paine argued for private property and market competition but fought for the principle of a guaranteed citizens' income and other tax-funded public measures. He devised methods of scattering and subdividing power to ensure it was not monopolised by a single pair of hands or a political faction (Keane, 1996: xiv). It is commonly observed that Paine was concerned with the genesis of the liberal democratic state which favoured the rising bourgeoisie of France and America. He was not concerned with the rights of all humanity (see Barbalet, 1988, for instance). Not only did women, black people and workers have to fight for the extension of rights to them, they had to fight to be conceptualised as citizens. These citizens have to reassert these rights on a daily basis.

A more recent example of conflict arising from attempts to extend citizenship rights was continued opposition of the British Medical Association to Chifley's attempts to nationalise health between 1944 and 1949 (Gillespie, 1991). This example amply demonstrates Waters' point that rights are the result of power struggles and coalitions between different groups.

Citizenship, then, can be defined as the conferring of both rights and duties on a class or classes of people by a state, through its constitution. Inherent in such a definition is that both citizens' rights and the states in which they are held are subject to change. What is less clear is the process by which citizenship is conferred. This is largely a political process at a local level and to expand Waters' concept it is a struggle for power between interest groups or fractions of classes for recognition of their rights by the state.

2 Globalisation and Changes to Citizenship

Globalisation does affect citizenship: it favours the rights of transnational capital over people's rights, it reduces access of groups of people to rights through job losses and it makes many traditional rights seem less tangible. It does this largely by taking away the national state boundaries in which rights have been defined (Connell,1995: 27). It means the adoption of competition policy and economic rationalism by the Australian Government in order to survive in the global economy. For those who are in the middle of these changes it may seem apocalyptic. For example, the introduction of information technology into all areas means that rights to privacy have to be reasserted.

However, in line with Waters' perspective I would like to argue that instead of the apocalypse what is actually taking place is a process of redefining rights in relation to new organisations and new situations, also continual reassertion of rights. The effect of globalisation is that new groups form in relation to the new circumstances

and begin to assert their rights. This has the potential to change the concept of citizenship, itself, as Paine recognised was the case with the American War of Independence and the French Revolution. Wiseman (1996: 28) gives examples of community groups using the Internet to link up with other people around the world to stop wages being driven down and halt the repression of trade union activities.

3   Citizenship and Consumerism: The Health System

Groups of people, then, find themselves in new relationships to the government. With the advent of the Hilmer Report (1993) and the embracing of competition policy by the Commonwealth Government there was a significant shift away from government policies of the Whitlam era which were designed to ensure that equality of access to all government programs was available to all Australians. This applied in the area of health especially, one of the corner-stones of the Australian welfare state. From 1945, health was considered the right of all Australians. However, from now on equality of access was to be ensured by the market place (de Carvalho, 1997: 7). The Hawke and Keating Governments' rhetoric was that citizenship could be realised through consumerism. However, the end relationship that people actually experienced was that they were now called consumers of government services with no guarantee of entitlement to those services.

In order to develop this new relationship so that the public sector would behave competitively and people behave like consumers, it was considered that the public sector should offer more choice and reflect the needs of consumers (de Carvalho,1997: 7). Consumer representatives were encouraged and groups such as the Consumers' Health Forum were created with the help of the Federal Labor Government (see another explanation in Sawer and Jupp, 1996: 86). Duckett and Swerissen consider that 'the desires and needs of consumers are now far more central to policy consideration' (1996: 10). This is of course, wishful thinking at best and nonsense at worst. Two important health policy decisions were the development of Casemix and Coordinated Care. Both were designed as cost saving exercises and consumers were not consulted until each was well conceptualised. Then, when consumer consultation did take place it was with a small range of consumers. Their response was filtered by such groups as the Consumers' Health Forum who paid to do this.

The new relationship that has developed is much more complex and more conflict-ridden than the statement by Duckett and Swerissen suggests. Firstly, consumers do not exist as some homogeneous mass. There are many different consumer groups, some of which only have peripheral interest in policy considerations while others have aims to influence policies. Some of these groups compete with one another for government attention and for funding. Some groups are ideologically opposed to one another while many groups have internal ideological divisions.

Secondly, consultation with a small number of consumer groups or consumer representatives can never be said to adequately reflect 'the desires and needs of

consumers'. Complaints about the introduction of Casemix into hospitals in Victoria by some sections of the community were never adequately reflected in the consultations held with the Consumers' Health Forum. Thirdly, consumer consultation must compete with other interest groups which also want their needs reflected in policy development. Two consumer representatives competing against the whole membership of the Australian Medical Association for representation of their needs in health policy development have a daunting task.

Finally, the great mistake is to assume that this new relationship has produced a one dimensional being, the consumer. The ideal consumers are characterised as

> individuals acting as atoms, unencumbered by social responsibilities and duties, free of the obligation to account for their preferences and choices. They are never required to endure sacrifices for a superior goal, nor do their actions represent anybody other than themselves. They need not defer to any collective majority. (Gabriel and Lang,1995: 175)

No such persons exist. We all carry a history of citizenship with us into this relationship.

Something of the complexity of the consumer in health policy is recognised by Anna Coote (1993) when she says that 'generally... members of the public relate to micro-level decisions (e.g. treatment) as customers and to macro-level decisions (e.g. planning and purchasing) as citizens (although the distinction is often blurred)' (1993: 37). (See also de Carvalho's paper in *VCOSS Noticeboard*, March 1997). It is further blurred, in practice when we realise that people use their own experience of the micro-level to influence policy development. This is how consumer representatives work, for instance.

In effect citizenship has been under great threat with the advent of economic rationalism but it has not resulted in turning all citizens into consumers. In some cases it has raised awareness of the threatened loss, in other cases it has meant the emergence of new groups to fight on new fronts.

One of the unintended outcomes of the introduction of consumerism into health matters has been that consumer groups have seized on this to develop citizenship rights in the health area. For example, the National Cancer Control Initiative has been set up to outline priorities in cancer control at the national level over the next 30 years. These priorities must be evidence-based and seek to reduce mortality and morbidity. It brought a number of consumer representatives together to develop a paper on consumer issues in cancer control. The priorities identified by this group are largely concerned with the development of access and equity for all people with cancer at all levels, from policy development and research to treatment options and service delivery. Both these examples demonstrate that the opportunities offered by the consumer perspective have been used to further the development of citizenship rights in health.

4   Citizenship and People With Chronic Illness

One new group to emerge has been the Chronic Illness Alliance, which contains individuals and groups from all perspectives concerning citizenship and consumerism. Some see themselves as citizens under threat, some had no concern with policy matters until they realised they would have to pay more for their own health care, others come from a long line of political activism and others have been active in the environmental movement.

- People with chronic illness have become aware of themselves as a finite group largely in response to changes in health policy. Those who identify with such a group define their illness as something that is long-term, requiring complex care, possibly life threatening, possibly degenerative and affecting their quality of life. They define themselves in relation to other groups such as those who have disabilities, or the elderly, or those requiring acute care. The definition is as much a political definition (or in Waters', 1995, terms a social construction) as a definition of a physical condition. It has come about because people who identified themselves as chronically ill became aware that their needs were not being addressed in health policy. The health system is heavily weighted towards acute care services. At the same time provision is made for people with disabilities, mental illness and the aged.

- Until the restructuring of the Victorian hospital system, part of which was the introduction of Casemix, people with chronic illness scraped along as best they could, often hanging onto the coat-tails of disability groups and picking up any scraps that were available. They could do this because hospitals were largely the suppliers of their needs. Most people with complex and chronic illnesses attended specialist units of outpatients departments and were eligible for a range of services such as pharmacy and physiotherapy.

  Restructure of the health system, which meant that there was cost-shifting to community services and the consumer, made it obvious that the needs of those people with long-term complex conditions had been overlooked. This process contributed to the construction of the organisation as well as the social construction of a new group seeking to be recognised in health policy.

- Because of this lack of focus on the needs of people with long-term and complex illnesses, some disparate groups have identified with the Chronic Illness Alliance in Victoria as a lobby group. People with HIV/AIDS, cystic fibrosis, cancer, arthritis, multiple sclerosis and leukodystrophy who formerly had nothing in common with one another have come together on a range of issues.

  An important part of this process then, has been the ability to 'create new symbolic meanings and identities for participants' (Sawer and Jupp, 1996: 84) and to capture the necessary public space. New Social Movement theory

(Sawer and Jupp, 1996) suggests that this is at least as important as participating in a political relationship but it is also a necessary precursor.

• The intention is to lobby government for solutions that will benefit all groups. Lobbying has a history in health policy development and indeed explains why it is that people with chronic illness have been excluded from some programs. In the past groups representing people with disabilities lobbied governments for programs that would support their needs. For example in the Year of the Disabled the Victorian Government set up the Program of Aids for Disabled People, a fund which provides equipment such as wheelchairs and orthopaedic shoes. While there was never an intention to exclude people with chronic illness from access to this program it had this effect as it did not carry the equipment they needed.

• The Chronic Illness Alliance provides the public space for long-term consumers of health services (who are in danger of being stereotyped as parasites on the health system) to behave as citizens. Campaigns are conducted to benefit as many people as possible and concessions in a number of policy areas as well as concessions in terms of service delivery have been won.

Some of this has been achieved by using the new avenues opened up by the restructuring of health services. People with chronic illness have become consumer representatives, they have participated in Ministerial inquiries, they have adopted the language of health policy and talked of 'best practice' and 'favourable outcomes'.

Now why is this a group acting as citizens and not as consumers? The fact is that it is a group doing both things. The consumer activity is related to the fact that people want better policies and services for themselves. They do not want to pay the high prices of the marketplace for services they used to receive as taxpayers. They use the weight of their numbers as an influence on government. The citizen activity is related to the fact that they also want better policies and services for other people. The argument is that if policy and services reflected people's needs better (which can be achieved through consumer representation), people's quality of life would improve, they would be less dependent on social services and this would help all people, not just people with chronic illness (this is acting as a citizen). An example of this is that if people with chronic illness were given some subsidy for the massive costs they have, they would be able to afford the necessary care and return to work, so contributing to the tax base. Similarly, as an act of citizenship, Chronic Illness Alliance members are 'in there for the long haul' aware that much change relies on changing attitudes first. Finally, Alliance members see health all too starkly as a right. Most of them are aware from their own experience that this right has hardly been upheld for the whole Australian community at any time in our history. In this sense the Alliance is continuing a battle over a citizenship right that has been fought on different fronts for many decades.

5   Conclusion

Globalisation, it is predicted, will end citizenship and create consumers. However, if one takes an historical view one can see that the concept of citizenship has changed over time in answer to changing circumstances. Thus Paine's concept was quite different to the classical Greek one, while the concept of citizenship in the welfare state was different again. It tended to emphasise the rights a citizen could expect from the state.

The concept of citizenship has changed because the relationship with the state has changed. The adoption of the 1993 Hilmer Report and the move to outcomes-based policies is the Australian Government's response to globalisation. Australians now have the right to purchase health as a commodity and the government relates to them as consumers. However, people carry their history of citizenship into this relationship and work towards securing the rights of others as well as themselves. The concept of citizenship is again emphasising social responsibilities as well as rights.

This proceeds as an historical process, where different groups of people have fought to have their rights recognised by the state. Not only has the concept of citizenship changed over time but the changed relationship between Australians and their government has produced new groups seeking that their needs be recognised. One such group is people with chronic illness. Such groups have adopted strategies of consumer activism and have taken on the consumer discourse in order to better represent their members in the current climate. In doing so they have incorporated consumerism into their concept of citizenship and have made it a more active concept.

Finally to illustrate the emergence of new meaning in citizenship contrast these two statements. One is from the end of the 18th century and one from the end of the 20th, both of them valuable today. Citizenship for Paine implied the global abolition of despotism and injustice:

> when it shall be said in any country in the world, "My poor are happy: neither ignorance nor distress is to be found among them; my jails are empty of prisoners, my streets of beggars; the aged are not in want, the taxes are not oppressive; the rational world is my friend, because I am a friend of its happiness:" ... when these things can be said then may that country boast of its constitution and its government. (Keane,1996: xiii)

> At the moment the consumer-citizen appears as a timid figure at the borders of contemporary consumption. Embarrassed by the Right's attempts to embrace them or set them up as a bulwark against unwanted aliens, citizens feel uneasy amidst the din of modern advertising and the clamour of mass media. Yet, citizens are figures who from time to time raise their

voices, to the surprise of many. It is too early to assess their ultimate impact but at the end of the twentieth century, all over the world citizen-like protests and demands for new rights, as well as the assertion of old ones, were heard in response to the economic restructuring and globalisation of decision-making (see for examples, Council of Canadians, 1994; Korten, 1995). Some targeted governments and others business, seeking, for instance, to inject more 'transparency' into the process of granting companies charters of incorporation (Grossman and Adams, 1993). Whether to protect a piece of countryside from a proposed commercial development, or to stop the export of live animal stock (from becoming foreign consumers' cheap beefsteak or veal escalope) or to protest against the introduction of identity cards, citizens can make their presence felt, refusing to surrender to the rhetoricians of the New Right or to be consigned to history books. (Gabriel and Lang, 1995: 186)

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A Policy Pressure Point: Perspectives on Community Care of the Elderly in Sweden and Australia

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1 Community-based Care of the Elderly: a Policy Pressure Point

In many countries, including countries so different ideologically as Sweden and Australia, community-based care of the elderly has become a social policy pressure point, a significant site for ideological jousting and a testing ground for welfare innovations. This has arisen as a result of the pressures to deinstitutionalise both long-term and acute systems of care for the elderly, as well as the need to resolve vexed questions facing all OECD countries: how, as older populations increase, will the care needs of those who requiring long- or short-term care in the community be met and who will pay for them?

Policy directions in community care are driven by at least two sets of considerations, technological and ideological. Often the two become confused. Deinstitutionalisation has involved a technological change in the delivery of long-term care, a shift from Taylorist forms of care in institutions to tailor-made forms of care in the home (Baldock and Evers, 1992). Technological requirements dictate that home and community care services become more flexible, adaptable and tailored to the needs of users. These technological changes often become entangled with ideological ones and in particular in relation to questions about the extent to which the state is believed to have a direct role in providing and funding long-term community-based care.

To date community-based services that are at the same time viable, affordable and equitable have not yet been developed anywhere. No matter their ideological colour, governments are all searching for solutions which will minimise costs. An important question is: if the costs of long-term community care are to be minimised for governments, how can it be ensured that these costs are not increased for others (e.g. carers), in social if not in economic terms?

The juxtaposition of technological and ideological considerations has meant that in most OECD countries, home and community care of the elderly has become the locale for some fundamental changes in the provision and direction of human services. Whilst in many ways this is an exciting and innovative field, it is also a place fraught with dangers: of exploitation, neglect and mismanagement.

Is it possible to create a situation in which governments can truly safeguard and guarantee quality, equity and reliability even if, however unwillingly, it is left to markets and competition to generate flexibility, choice and an alleged cost efficiency?

2   Sweden

It is well-known that Sweden has developed one of the most extensive systems of publicly-financed and managed medical care and social services in the world. In comparison with Australia, Sweden still appears to accord most closely with the institutional model of welfare in which the state is the major player in the provision of collective services for the welfare of its citizens, a more or less 'classical' welfare state in which the freedom of people is couched and understood within both an overarching framework of rights and a preeminent value given to social equality.

Due to a weaker economy, increased unemployment, a sizeable budget deficit and national debt, it is now widely acknowledged in Sweden that the generous provisions of the Swedish welfare state cannot continue to be provided in the same way as in the past nor can it keep up with the increasing demand for services and care. There are mounting pressures to reduce the size of the public sector (Malmberg and Sundström, 1996). Some commentators fear that a turncoat social democratic party (SAP), the architect of the Swedish welfare state is now presiding over its gradual dismantling as it becomes an advocate of the neoliberal reform allegedly needed to restore a healthy economy and to meet the demands of the European union (Wennerberg, 1995).

As far as the elderly are concerned, two fundamental principles have guided the Swedish welfare state hitherto. The first is the belief that society as a whole, through the public sector, is responsible for the care of the elderly. The second is the principle of professionalisation, whereby caring is to be placed in the hands of professionally trained and qualified staff (Thorslund and Parker, 1994).

These principles are enshrined in a strong framework of social and legal rights, such as those embodied in the Swedish Social Services Act *(Socialtjänstlagen)* of 1982.

This law states, for example, that: 'Public social services are to be established on the basis of democracy and solidarity, with a view to promoting:

- economic and social security
- equality of living conditions
- active participation in community life.'

Under Section 6 of this Act 'Entitlement to Assistance', any person unable to provide for his or her own subsistence or unable to satisfy other basic needs, is entitled to assistance at all stages of life *(Socialtjänstlagen,* 1982).

2.1   Services for the Elderly: Municipalities and County Councils

Sweden has the highest proportion of its population aged 65 and over of anywhere in the world. Moreover, the number of the 'old old' is estimated to increase by 25 per cent over the next 20 years (Hedin, 1993). Since the Swedish welfare state has traditionally assumed a high degree of responsibility for functions previously undertaken by the family and, in particular, by women, there are particular implications for women in the rolling back of the Swedish welfare state (Johansston and Thorslund, 1992).

Community care services for the elderly in Sweden are currently delivered through a combination of municipal government *(kommun)* and county council *(landsting)* services that have been instrumental in enabling the overwhelming majority of elderly Swedes to remain in their own homes. Recent reforms in the relationship between municipality and county councils (the Ädel reforms) have streamlined community care provision, with greater responsibility for long term social care now falling upon the municipality *(kommun).*

Home help services *(hemtjänst)* are a major part of this provision. Municipalities also provide a range of services outside the home that are intended to enable older people to remain living in their homes. These include day centres, hairdressing and chiropody services, meal distribution, snow clearing, transport that is supplementary to regular public transport systems (Hedin, 1993.)

Whilst primary and acute health care remains largely the responsibility of county councils *(landsting)* , the Ädel reforms have resulted in an increasing number of municipalities providing their own home health services *(hemsjukvård)* (Swedish Institute, 1996: Hedin, 1993)

A basic principle underlying the Ädel reforms was that a wider array of options should be available for people to remain in their own homes even if they required

extensive care. In general, this has meant that municipalities are now responsible for a range of 'special types of housing' including retirement homes *(ålderdomshem)* , service buildings *(servicehus)* , group dwellings *(gruppboende)* , nursing home *(sjukhem)* and other forms of housing with special services for the disabled. Thus municipalities have become increasingly responsible for long term medical and nursing care (Hedin, 1993; Swedish Institute, 1996).

2.2   Carers

In recent years, Sweden has experienced an increased targeting of home help services to those judged to be in greatest need (Swedish Institute, 1996). There are increasing fears that this finer targeting may reduce the capacity of this provision to prevent breakdown amongst the less needy elderly and their carers.

Perhaps as a result of the extent of public sector involvement, there has only been relatively recent recognition of the enormous burden of care for the elderly that is shouldered by women. Sometimes referred to as 'silent care' (Hedin, 1993), it is now known that   informal carers provide perhaps as much care as the public sector (Tornstam, 1995): that the state would have to double its resources in home-based care if it were to meet the need currently met by informal carers (Johansston and Thorslund, 1992).

Despite the relatively recent recognition of the role of carers (sustained by the belief that the state was doing it all) Sweden has nevertheless made extremely generous provisions for relatives who look after their elderly. When carers of working age give up employment to care for elderly relatives, they can be employed by the *kommun* as caregivers and receive the salary equivalent of other paid home helpers. It is also possible for relatives to take time off work for up to 30 days per relative to care for an elderly family member and to receive compensation from the social insurance system.   Additional cash allowances can also be given to families by municipalities (Sundström and Thorslund, 1995).

However, as the pressures to downsize the public sector increase, there are increasing calls for change to the traditional basis of 'solidarity' with the elderly. This would involve replacing the highly reliable socio-political 'solidarity' expressed through the pension system and public sector by less reliable forms of individual solidarity (care provided by relatives) and voluntary solidarity (care provided by voluntary organisations) (Tornstam, 1995).

In Tornstam's view, increasing the expectations placed on 'silent care' may result in intolerable burdens being placed on family carers, forging a 'woman's trap' that may create impossible conflicts between job demands on the one hand and moral

responsibility on the other and result in increased abuse of the elderly. He remarks: 'No gerontologist would support the claim there is that there is room for increasing expectations in this area' (Tornstam, 1995: 27). He concludes that social solidarity based on efforts by individuals and volunteer organisations are, in principle, incompatible with the structure of values, society and labor market in Sweden and that the socio-political solidarity provided by the welfare state should not be put in jeopardy (Tornstam, 1995).

Tornstam's model social democrat position, however, appears increasingly untenable in the current climate. Whilst it is recognised that the support of relatives needs to be strengthened rather than weakened (Sundström and Thorslund, 1995; Tornstam, 1995), municipalities are increasingly being forced to look for cheaper alternatives. Even the kinds of competitive tendering and other initiatives favoured in Australia are being considered and some reforms have already taken place to enable municipalities to be more flexible in response to local needs. Arguably these are exactly the same pressures that face elderly care in Australia. For Swedes, however, these processes, have been taken unimaginably further in Australia than in Sweden.

3   Australia

Neo-conservative, New Right or economic rationalist social philosophies are currently in the ascendant in Australia. There has been a general 'retreat' from the welfare state, a reduction of the role of the state in direct service provision, in subsidising the non-government sector and in regulating both the non-government and private sectors. This is having serious consequences for the stock of 'social capital' in Australia (Cox, 1995).

Australia can perhaps now best be characterised as an evolving 'contract' or 'enabling' state dominated by the adoption of competition policies and the application of business principles to many of the human services. Governments are engaged in 'steering' (enabling) and contract others to do the 'rowing' work of implementing policy and delivering services (Muetzelfeldt, 1995). Even if such changes are not fully implemented, they are looming large on the horizon.

3.1   Home and Community Care of the Elderly in Australia

For governments of the right, the attraction of community care lies in the convenient belief that community care is cheaper than institutional care since responsibility for community care can be substantially be devolved onto families and communities. The new welfare pluralism has offered an excellent opportunity for the so-called

burden of dependency to be shared. A similar rationale now governs the 'deinstitutionalisation' of the acute health care sector.

In Australia, the Aged Reform Strategy has been committed to changing the balance between the three major components of the Australian long-term care system for the elderly: nursing homes, hostels and long-term community-based care in the home. Whilst the Strategy has successfully reduced nursing home admissions, greater burdens have fallen upon the hostel and the community-based sectors. A notable outcome has been the increased pressure placed on the Home and Community Care Program (HACC) and the sharper targeting of those services on 'high need' clients (Sax, 1993).

Since its inception HACC, designed to prevent premature or inappropriate admission to residential care, has delivered its services through a mixed economy, heavily reliant both on the non-government and voluntary sectors and quite unlike Sweden in this respect. Much of the HACC program could not be offered at all if it were not for the huge voluntary, unpaid labour force that stands behind it. A central question is whether a substantially voluntary provision of services is ever likely to be equipped to meet the range of needs arising in the community.

Recently there has been mounting criticism of the narrow program objective of HACC and an increasing concern that dependent people in the community are not primarily at risk of premature institutionalisation but of neglect and a poor quality of life in the community (House of Representatives,1994). Whilst services are directed to those in 'greatest relative need' (i.e. at risk of institutionalisation), the potential benefits of early intervention are lost and access for lower need clients is reduced.

The result is that HACC, for which resources are scarce, is really unable to respond to less urgent levels of need for community care. Nor is it able to function as a vehicle for primary prevention or for health and welfare promotion.

3.2   Acute Care

In view of the resource pressures facing HACC, its relationship with the acute health care sector, itself engaged in a process of deinstitutionalisation, is difficult. Economic rationalist and managerialist performance and quality review measures such as Casemix funding may well have increased the technical efficiency of health care organisations but these 'efficiencies' are being displaced as additional costs onto community care, whether formal or informal, long- or short-term. This process has led to calls for the acute health sector to recognise its responsibility for the full acute episode, including the provision of community-based care and for the transfer of resources from health jurisdictions to HACC (House of Representatives, 1994).

3.3 Carers

As costs savings are made in the institutional sectors (whether long-term or acute), the additional economic and social costs fall primarily upon informal carers, the vital backbone of community care, who provide 74 per cent of care needs provided in the home (Department of Human Services and Health, DHSH, 1995). Whilst HACC recognises carers as a legitimate target group for the program and acknowledges the need to support carers, the impact of deinstitutionalisation and service rationing has meant that even greater burdens fall on carers. The current focus of HACC on clients assessed as 'in greatest relative need' means that priority of access is given to those without carers (House of Representatives, 1994).

Since there is little prospect of HACC being able to provide adequate services to any but those assessed as being in 'greatest relative need', potential users with lower levels of need (or who have carers who can be used) are denied access. This situation is predicted to get worse rather than better. An expansion of HACC consumers at the rate of 2.7 per cent per annum requires a real growth rate in the development of HACC services of a similar magnitude just to maintain parity with the existing situation, without even beginning to deal with hidden or unmet needs (DHSH, 1995)

3.4 Proposed Reforms

A number of recent reform proposals have been put forward to remedy the kinds of problems inherent in the present administration of community care in Australia (e.g. House of Representatives, 1994; Department of Human Services and Health, 1995). Whilst these are aimed at increasing the efficiency, effectiveness and thus the equity of programs such as HACC, they are premised upon a continued heavy reliance upon the voluntary sector and upon the pursuit of marketisation principles.

The most significant directions for reforms lie in the adoption of outcome-based funding and competitive tendering models to the community care marketplace. It is argued that such competition, with providers competing on quality and effectiveness for service contracts, will lead to increased flexibility, higher quality and better outcomes for consumers (House of Representatives, 1994; DHSH,1995).

As Australia moves to become a 'contract state', despite the rhetoric of empowerment and choice that allegedly follow in the wake of competition and quasi-markets, there are real fears that some players in this pluralist welfare marketplace will pick up more than their fair share of the costs. As managements within both the public and a growing private sector become leaner and meaner in order to remain competitive, there are powerful incentives for organisations to

displace as many costs as possible 'off-budget', to be picked up in turn by weaker players in the community care marketplace. These hidden costs may take a variety of forms e.g. greater personal or family responsibility for care, increasing inequality, reduced levels of accountability and public scrutiny (Muetzelfeldt, 1995).

4 Home and Community Care of the Elderly: a Policy Testing Ground?

In considering the future of community care, whether in Australia or Sweden or elsewhere, a clarification of the relationship between the state and informal care on the one hand and between the state and the 'market' on the other, is an essential first step.

4.1   Relationships Between the State and Informal Care

Baldock and Evers, 1992, describe three types of state response to informal care. These are initiatives which:

- aim to sustain informal care by creating and improving the conditions which allow it to occur;
- actively manage the contributions of informal carers; and
- shift costs from the state to the informal sector.

The separation of these different approaches is not always clear with carers being regarded simultaneously as 'resources, clients and co-workers.' (Twigg, 1989). Whilst flexibility is an attractive feature of the shift from Taylorist institutional care to tailor-made home care (a change governed by the technological considerations mentioned earlier), real dangers arise when such technological changes are subject to particular forms of ideological pressure (e.g. to reduce the size of the public sector). Such dangers emerge most clearly in considering the relationship between the family and the state.

In the Baldock and Evers typology above, it is argued that Sweden tends to demonstrate the first and second responses. In Sweden, carers have been seen as a voluntary complement to state care provided by professionally trained staff. For this reason, the nature and extent of 'silent care' has, until recently, been undervalued, and carers themselves have been seen more as beneficiaries of state welfare themselves rather than as partners in providing care. This clearly helps in understanding the generous provisions made for carers in Sweden hitherto.

However the writing is on the wall. With increasing pressures to downsize the public sector, the third response is already looming larger on the horizon.

A mixture of responses is also evident in Australia, but with a marked tendency to pursue the third - perhaps only to be expected where an ideological commitment to public sector downsizing and to the development of a mixed economy of human services is the order of the day. Here the object is to transfer to the non-state sector burdens and obligations previously borne by the state. It is to replace sociopolitical solidarity with individual and voluntary solidarity (Tornstam, 1995).

Thus whilst the substitution of less intensive low tech care for intensive high tech care may be more appropriate and economical (for technological reasons), low cost home-care alternatives, hiding behind a smokescreen rhetoric of flexible services that enhance choice and empowerment, may increase costs borne in the community and reduce the costs to governments (ideological reasons.)

4.2 Relationships Between the State and the Non-government and For-profit Sectors

Community care clearly lends itself to the development of more flexible, tailor-made patterns of care and depending on the extent of familism, this may involve a greater or lesser degree of dependence on carers. The degree of this dependence is of course driven by ideological considerations.

In Australia HACC, which provides for only about 10 per cent of all home care needs (House of Representatives, 1994), is largely dependent on the input of the private and voluntary sectors. Under the present circumstances, there is little prospect that HACC can meet projected needs for community-based care and therefore the pursuit of competitive tendering and competition policy is seen as a 'logical', though untried panacea.

There is however, mounting concern about the possible impacts of opening up the community care market to competitive tendering. Despite the rhetoric about national standards, there is concern that there are and arguably never will be, sufficient mechanisms to monitor the quality of services, accountability and employment practices of private providers.

In Sweden, whilst the voluntary and private sectors (apart from informal carers) have hitherto played a negligible role in community there are now significant shifts towards a mixed economy of welfare, in which public care is more explicitly integrated and balanced with private and informal sources (Swedish Institute, 1996). Although there are several legal and economic impediments to the development of

private alternatives to public services, these are gradually being eliminated (Sundström and Thorslund, 1995). Some municipalities are interested in private alternatives as a way of encouraging competition in the care of the elderly and are actively pursuing competitive tendering as an option (Socialstyrelsen, 1994; Malmberg and Sunström, 1996).

Thus despite the abundant differences that exist between the welfare and contract states in Australia and Sweden, these different ideological systems are beginning to adopt policies that, at face value, have remarkable similarities, similarities which suggest some kind of policy convergence. Here the stereotypes break down and technological and ideological questions become hopelessly muddled, with ideological shifts masquerading as technological ones and vice versa.

5   The Future of Competition Policies?

In 'unpacking' the rhetoric of community care, it is important to distinguish clearly between the technological and ideological issues that drive the development of an increasingly pluralist welfare marketplace.

Whilst deinstitutionalisation has led to the development of more flexible tailor-made systems of delivery that may be desirable in themselves, the extent to which governments are 'steerers' or 'rowers' in the future remains the central ideological question. It is on this issue that Australia and Sweden regard each other across a big ideological divide, with Australia currently intent on downsizing its public sector and Sweden apparently doing everything possible to minimise the economic pressures on the welfare state.

Whilst governments in both countries are intent on seeking 'acceptable' outcomes in new ways and at lower cost, the crux of the matter lies in what are ultimately considered 'acceptable' levels of efficiency and effectiveness, clearly an ideological issue. Ultimately these are questions of what constitute acceptable safeguards and standards. Safeguards are implicit in what the central question in Sweden seems to be: how can a social democrat government move to a more pluralist welfare system and not lose the benefits it has acquired for its citizens through the welfare state?

This ought to be the central question in Australia as well, but it is far from being that. Whilst cost and quality, efficiency and effectiveness are all part of the politically-correct rhetoric, in Australia the question of cost containment is at the top of the agenda. The rhetoric of 'value for money' has a strong lead over the rhetoric of effectiveness and social justice.

Thus although some similar trends are observable in both countries, Australia has gone much further down the track of developing a neoconservative, economic rationalist human services system than Sweden. In common with many Anglo-Saxon countries, Australia seems intent on following lemming-like into unknown territory, putting great faith in relatively untried methods of service provision and in which the elderly and their carers bear the brunt of the experimentation.

Whilst the rhetoric of managerialism, competition policy and voluntarism is beguiling, it is nevertheless deceptive, a Trojan Horse. Experience in Britain is instructive in this regard. The growth of a large independent sector ('letting a hundred flowers bloom') has led to considerable fragmentation of services, (Walker, 1995) and failed to increase choices and enhance independence (Schorr, 1992). The preeminence of the family in the provision of care over a minimalistic level of social care provided by governments are maintained, to use the words of Walker (1993), by 'familism at the ideological level and underfunding on the ground'. There have been other negative consequences. There is concern that it can lead to the creation of private welfare monopolies (Walker 1993, 1995) and preoccupy itself with the limited rights of consumers rather than those of citizens (Johnson, 1993). User rights may become contingent upon what informal carers contribute (Baldock and Evers, 1992). 'Policy-making by stealth' following the growth of user charges, can involve a cost shift from taxpayers to individual service who pay twice (Wistow, 1995)

In Australia too, there is a growing literature concerned with the negative impacts of the adoption of competitive tendering and privatisation with results such as the undermining of collaboration, service failure through fracturing and fragmentation and a significant shift in the meaning and locus of public accountability (Ernst, 1996). Many community services are now operating within a mandatory individual-centred contract model which promotes the civil right to enter contracts but may deny taken-for-granted and basic political and social rights for citizens (Hoatson et al., 1996).

What is the implication of all this for safeguards? Measuring outcomes in human services is notoriously difficult and in the present climate, there is perhaps a temptation to measure what is easy, namely costs, and overlook or oversimplify the measurement of what is difficult, namely quality. There is concern that tendering models of funding will be developed entirely upon the basis of price, rather than on the expertise, knowledge and credibility of less 'competitive' service providers.

6   Conclusion

For the elderly, the situation in Sweden is much more enviable than in Australia. Despite pressures to downsize, there is still a strong ideological commitment to an institutional model of welfare. Whilst it may be true that the golden period of old-age care in Sweden now belongs to the past (Malmberg and Sundström, 1996), Sweden still enjoys the prospect of one of the most comprehensive systems of care for the elderly in the world

There are challenges. Whilst it will be difficult to maintain the principle of free or heavily-subsidised medical care and social services for all citizens on equal terms, whilst there will be some rationing of services and more use of the private sector and a greater dependence on families (Swedish Institute, 1996), there remains nevertheless a wide consensus on the principle that the state is responsible for care of the elderly, and that these services should be substantially publicly funded. In response to a Swedish Eurobarometer question asking who should be primarily responsible for providing care in the face of increasing need, 86 per cent of the elderly showed their confidence in the status quo by replying that this should remain in the hands of the public sector (Tornstam, 1995). It appears that Sweden continues to maintain a fundamental commitment to universalism, even if this policy will in practice be more narrowly defined (Swedish Institute, 1996).

Whilst the search for new ways to meet the health and welfare needs of ageing populations will continue into the 21st century, in the author's view it is the social democrat ideal that offers the soundest social philosophical basis for the establishment and maintenance of social justice principles. This does not mean that governments of a social democrat persuasion cannot look for new and innovative ways to reduce their costs. Today, they may have no choice. The crux of matter lies in what safeguards governments will establish to protect both the rights of citizens and the quality and standard of services to meet their needs.

In Sweden, it is still possible to argue that the citizen is to enjoy a set of unqualified rights against the state and that the state itself is both constitutionally and morally obliged to assert and defend these rights. In the rhetoric of the right in Australia, the rights of citizens, insofar as they can be said to exist at all, are increasingly subsumed under the rights of consumers in a pluralistic welfare marketplace.

In trying to imagine a situation in which cost efficiency and choice are perhaps inevitably to be generated more and more by competition within a pluralist welfare marketplace but in which the state will truly aim to safeguard and guarantee quality, equity and reliability , social democrat Sweden is a much safer bet than New Right Australia.

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Considering the Public-Private Welfare Mix in Housing Policy Reform

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1 Introduction: Reforming the 'Public-Private Mix' in Housing Policy

A consideration of 'the public-private mix in housing policy reform' does not employ the typical distinction of government (public) and family (private). In housing policy reform 'the mix' refers to whether public money is used to provide government-built and -owned housing, or whether public money is used to assist consumers in the private rental market place. It is timely to consider the housing policy 'mix' now, due to the renegotiation of the Commonwealth-State Housing Agreement (CSHA). Two fundamental questions are being tackled in this reform process: who is in need of housing assistance and what is the best means of providing housing assistance? (see, Senate Inquiry into Housing Assistance, Terms of Reference, 1997)

The status of housing assistance is fluid at present with a new set of proposals/agreements emerging as late as mid-June, 1997. The State of Victoria's quick response to the latest Council of Australian Government (COAG) meeting, documented the maintenance of Commonwealth support for capital expenditure on public housing, whilst altering the eligibility criteria, so that: homeless people will be housed first; those with disabilities, psychiatric conditions, the frail aged and those with medical problems, second; the overcrowded, inappropriately housed and others with a pressing health problem, third; finally those households with a low income only will be housed. Security of tenure arrangements will be altered to provide three to five year leases, which will be automatically renewed if one is in receipt of a pension or benefit from the Department of Social Security (DSS). The percentage of a tenant's income devoted to rent will be raised from 20 per cent to 23-25 per cent. In all, the Victorian Government is clearly content to recognise private renting as the appropriate long term housing option for low income households (Department of Human Services, 1997).

These decisions represent the final nail in the coffin of public housing in Australia and official endorsement of the drift from public housing to welfare housing that has taken place since the mid-1970s (Paris, Williams and Stimson, 1985)

2   Argument: Economic Rationalism, Underlying Scientism and Housing Policy Research

The argument of this paper is that the information base upon which current debates about housing policy reform rest is inadequate.[1] The information base has come to be dominated by what is termed here the 'housing indicators approach': an approach to housing policy research which provides a series of imprecise answers to the two key questions of who needs housing assistance and what is the best means of providing it. This imprecision is acknowledged by the considerable amount of ongoing work that aims to improve the various housing indicators. So it is indeed ironic, that whilst recognising the shortcomings of various housing indicators, housing policy debate is coming to rely upon them more and more.[2]

In 1991 Michael Pusey published *Economic Rationalism in Canberra* documenting the new dominance of the economic over the political and social orders within the Australian Public Service. As a part of this development, Pusey identified

> ...an underlying scientism that seems to turn arbitrariness into giveness and imperiously asserts its own exclusive evaluative criteria for what will, in the wake of its 'reforms', count as intelligence, ability and efficacy within and beyond Canberra. What wins is a kind of 'dephenomenalising' abstraction that tries to neutralise the social contexts of program goals in every area whether it be education, industry support, public health or resource management. (Pusey, 1991: 10-11)

In the context of housing policy reform the housing indicators approach is a part of this tendency towards an underlying scientism, or what C. Wright Mills (1971) referred to as 'abstracted empiricism'. Examples of this underlying scientism can be found in the work of various policy and research agencies, the DSS (DSS, 1996), Australian Institute of Health and Welfare (AIHW) (Foard et al., 1994; Karmel 1995), as well as in the Senate Inquiry (1997) terms of reference.

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1   This paper assumes, crude though it is, that such an information base does actually matter in the context of policy development.

2   As earlier work by one of the authors (see Burbidge and Winter, 1995; Winter, 1997) has also tended in this direction, this paper is in part an auto-critique.

The housing indicators approach displays its underlying scientism as a series of measures of housing use, including housing stress, overcrowding and access to services. Such measures use objective data – e.g. housing stress relies upon the percentage of income spent on housing costs – as the means for deliberating who may need housing assistance. The actual decision of who should receive housing assistance, however, relies upon a subjective judgement, for example, that those spending more than 30 per cent of their income on housing costs are living in unaffordable housing and those spending less than 30 per cent, in affordable housing. The arbitrary nature of such a benchmark is one aspect of the abstracted empiricism that the housing indicators approach represents: abstracted – because it is disconnected from householders' perceptions of housing use; empiricism – because of the reliance upon observed measurement.

A second aspect of the abstracted nature of housing indicators rests with extracting housing from its social context. The housing indicators approach takes no account of the economic, political, cultural and demographic processes that are fundamentally reshaping patterns of housing use. As is demonstrated below, without an understanding of the broader 'pushes and pulls' upon housing use, the housing indicators approach works within a false reality and thus provides misleading answers to the essential questions of housing policy reform.

In support of these points this paper is comprised of four main sections. The first section overviews the development of various housing indicators. The second points to the conceptual and methodological confusion that dogs housing indicators. The third points to how the housing indicators are abstracted from the realities of housing consumption as defined by householders themselves. The fourth identifies how the housing indicators approach is an empiricism that is abstracted from the dynamic process of tenure restructuring as it is shaped by socio-structural change.

Though much of the argument of the paper is methodological in nature, the substantive point is that when processes of tenure restructuring are taken into account, an increasing demand upon the private rental market becomes clear. This in turn highlights the erroneous logic of the current direction of reform, of expecting low income households to rely upon the private rental market for their housing solutions. In contrast the logic of the situation demands the maintenance of tenure diversity and a range of housing solutions for low income families.

In advancing this argument, the aims of this paper are twofold - to get housing policy research back on to a sounder and more informed footing, and to continue the building of a theorised housing studies.

3   The Development of Housing Indicators

Since housing became a significant public policy concern in the mid-1940s in Australia, Commonwealth, State and Territory Governments, as providers of public housing and financial rental assistance, have relied upon the measurement of housing need to allocate resources. This section overviews the development of quantitative indicators of affordability and overcrowding.[3]

Debate about how to assess the ability of households to meet their housing has seen the development of two primary measures of housing affordability in Australia. The first measures housing *poverty*, and was introduced via the 1975 Report of the Commission of Inquiry into Poverty. The second measures housing *affordability*, and was given prominence through the 1991 National Housing Strategy (NHS).

As a result of the 1975 Commission of Inquiry into Poverty, affordability measures based upon the Henderson Poverty Line (HPL) have been the most widely accepted residual approach to measuring financial housing stress in Australia. The Henderson measure comprises a poverty line benchmark for a 'standard family' and equivalence scales to calculate the appropriate benchmark for a range of family types and sizes (AIHW, 1993). The development of 'before housing costs' and 'after housing costs' poverty lines, enabled the approach to measure the effect of housing costs on household incomes (for more detail see Commission of Inquiry into Poverty, 1975; AIHW, 1993; King, 1994).

While the Henderson measure has received much support, it has also received criticism. One of the criticisms of the measure is that the cost of housing should be treated no differently from other household costs (AIHW, 1993). More general concerns fall into the following categories: criticisms of particular aspects of the measures such as the equivalence scales, the level of the benchmark and means of updating it; criticisms of the notion of a poverty line itself; criticisms of the focus upon poverty in isolation from other contexts; and criticisms of poverty being measured primarily through income (King, 1994: 8; see also, for example, AIHW, 1993; Karmel, 1995; Landt and Bray, 1997). In response, modifications of the measure have been suggested (for example Karmel, 1995).

As well, the very relevance of the HPL measure to contemporary Australian society has been seriously questioned (Karmel, 1995; Landt and Bray, 1997). As stated by Karmel:

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3   Qualitative indicators, such as security of tenure and housing preferences, have received relatively little attention in this debate, hence the focus of this section is upon quantitative indicators.

> The poverty lines are based on analysis carried out in 1973, which in turn used results from a 1956 New York study ...rates of youth unemployment, female participation in the work force and part-time employment have all risen since the early seventies. Thus the poverty lines may not provide the appropriate cut-offs for Australian society in the 1990s. (Karmel, 1995: 7)

Such criticisms of the poverty line approach, in part, led to the development of an alternative measure of affordability by the 1991 NHS. It promoted the need to improve the affordability of housing as a major public policy challenge for Australian governments, and sought to identify households in what it termed 'housing stress'. The definition of financial housing stress was based on the proportion of income paid for housing by the lowest 40 per cent of the income distribution. The measure claimed that those paying more than 30 per cent of their income on housing costs were in housing stress (NHS, 1991b: 7).

While the 30 per cent benchmark represented the standard model, a variation was included to recognise the disadvantage of long-term renters. As long term renters do not benefit from decreasing outlays on housing costs over their lifetime, unlike home owners, the 30 per cent benchmark was modified to 25 per cent for this group.

At the same time as developing what is termed a ratio measure of housing affordability, the NHS recognised the inherent limitations of such an approach. They acknowledged that the method did not take account of: qualitative differences in social and physical infrastructure between neighbourhoods (including employment opportunities); the appropriateness and adequacy of housing, including persons per dwelling, building materials of outer walls, age of dwelling; trade-offs which are made between affordability and adequacy and appropriateness, and; the fact that such measures do not include those in acute housing stress, such as homeless persons (NHS, 1991a).

Many of these criticisms raised by the NHS have since been expounded by other commentators. The use of fixed ratio benchmarks, it is argued, fails to adequately reflect the housing needs of a range of household types. 'Generally, the use of a single ratio will exaggerate unaffordability among small households and underestimate it among large households' (King, 1996: 44). Other criticisms have included that: no account is taken of variation in housing costs by geographic location (Karmel, 1995: 2-4); the measure says nothing about the adequacy of income remaining after housing costs have been met (King, 1996; AIHW, 1993); it fails to take appropriate account of the impact of taxation and government assistance (Landt and Bray, 1997: 33); and it ignores the quality of housing (King, 1994: 79).

Despite attracting such criticism, the NHS affordability benchmark has become the most widely accepted ratio measure of housing affordability in Australia.

Much of the development of housing indicators has focused upon the measurement of affordability. However, more recently other aspects of housing use have attracted attention, in particular, the overcrowding and underutilisation of housing space. Though the notion of 'appropriate' housing has long been a part of the public housing lexicon, in order to facilitate the allocation of stock, much of the recent development of overcrowding/underutilisation indicators has been stimulated by developments in Canada, in particular the Canadian Core Housing Need model (Canada Mortgage and Housing Corporation, 1991), and its associated Canadian Occupancy Standard.[4]

The Canadian Standard, like most other measures, is concerned with the number of bedrooms and occupants per dwelling, taking into account age and sex of household members. It specifies that the following conditions define suitable housing: a maximum of two and a minimum of one person per bedroom; parents eligible for a separate room; household members aged 18 or over eligible for a separate bedroom unless married; dependants under 18 of opposite sex do not share a bedroom if they are aged five years or older (Ecumenical Housing 1997: 48). Where households have fewer bedrooms than set out in the Standard, they are deemed to be 'overcrowded'. At the other end of the spectrum, where households have more bedrooms than specified in the Standard, they are deemed to be underutilising housing space.[5]

While it has been suggested that the Canadian Standard conforms reasonably well to Australian cultural norms, a number of modifications to the measure have been suggested, aimed at increasing the suitability of the model to Australian needs (see for example Landt and Bray, 1997). Debate about modifications to occupancy models and cultural norms reflect the fact that what constitutes an acceptable level of overcrowding or underutilisation of housing space is inherently subjective (King, 1994: 56). Despite such debate, a simplified version of the Occupancy Standard has been developed for the purpose of evaluating service provision by Commonwealth,

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4   While a number of other measures of overcrowding and underutilisaiton have been developed and used both in Australia and overseas prior to the Canadian Occupancy Standard, this measure is focused upon here due to its widespread use. For a discussion of measures of overcrowding and details of other Australian and overseas overcrowding measures refer to King (1994: 54 -61).

5   Though overcrowded and underutilised housing are the two extremes of the one measure, the terms have quite different policy implications: overcrowding is concerned with occupancy needs; underutilisation concerns the effective use of available stock.

State and Territory Governments (Steering Committee for the Review of Commonwealth/State Service Provision, SCRCSSP, 1997). The definitions of both overcrowding and underutilisation laid down in the simplified measure are based upon the Canadian Occupancy Standard, but without a number of the specifications concerned with sex and age of children.

However, recognition of the limitations of the conventional, singular approach to the measurement of housing affordability (King, 1996), and of the need to account for and hence measure multiple aspects of housing has led to the development of combined housing indicators models. This need was recognised, for example, in 1991 by the NHS (NHS, 1991b) and has been a common feature of more recent debate. Ecumenical Housing, for example, assert that:

> Having established adequate income levels after paying for housing, it is therefore necessary to determine the appropriate level of housing which should be occupied by each household. This approach involves identifying for each household type an appropriately sized dwelling, and the cost of accommodation of suitable quality in a particular region or location. (Ecumenical Housing, 1997: 48)

Hence, aspects of both affordability and housing quality - primarily with regard to the size and location of dwellings - are being incorporated into models for measurement of overall housing need.

The Canadian Core Housing Need model has been instrumental in the development of these combined indicators in Australia, though this adaptation has not been uncritical. It has been argued that the measure does not fully take into account the availability of suitable, adequate and/or affordable housing and that the same percentage of income is allowed for housing costs regardless of the income of the household (Karmel, 1995; 6; see also Landt and Bray, 1997). Such criticisms have led to the development of a number of modified combined indicator models. The AIHW's (1995) Housing Needs model takes into account income, overcrowding and location and aims to identify three types of households: those in basic need; those in housing-related need; and those not in housing need. Notable also is the development of the Budget Standards methodology which has been designed with a view to providing '... a better idea of what it costs for a specific household to maintain a given standard of housing, irrespective of that household's income' (Thanki, 1996: 2).

While the development of combined housing indicators models addresses a number of problems, two concerns are also raised by this approach. The first concern is that

where individual indicators are used in any combined model, they retain the particular problems identified above. Thus, problems inherent in any one indicator will still form part of the combined model and may even be compounded where a number of problematic indicators are combined.

The second concern relates to the way individual indicators may be combined. Determining how individual indicators can operate with other indicators raises issues about: the importance or weighting of certain indicators over others; which indicators ought to be included in combined models; and how the results may be interpreted. Determining how individual indicators may best be combined requires a value judgement to be made about which aspects of housing are most important. In effect, this approach demands community standards be ascertained about the level of housing which is sufficient for all citizens to have an acceptable standard of living (Ecumenical Housing, 1997).

Ongoing development of housing indicators to overcome some of the problems we have identified above is clearly an important task. The next section, though, details some of the key weaknesses we believe will need to be addressed in any of this ongoing development. Yet, our concerns go beyond simply addressing some of the internal shortcomings of the approach. The final two sections of the paper voice a critique of what the housing indicators approach excludes and lay the foundations for a theoretically grounded understanding of housing need in Australia.

4   The Flawed Empiricism of Housing Indicators

This section details how the empiricism of the housing indicators approach has been dogged by terminological confusion, variation of measured outcomes, and idiosyncratic operationalisation.

4.1   Terminological Confusion

As outlined in the above section, the development of a range of housing indicators has relied upon the delineation of various aspects of housing use into quantifiable and 'independent' dimensions. This separation of dimensions for the purposes of measurement has, however, been neither systematic nor consistent, leading to the construction of a series of 'chaotic concepts' (Sayer, 1992: 138). A chaotic concept '...arbitrarily divides the indivisible and/or lumps together the unrelated and the inessential, thereby 'carving up' the object of study with little or no regard for its structure and form' (Sayer, 1992: 138).

The chaotic concepts used to analyse housing need are those of affordability, adequacy and appropriateness. Figure 1 illustrates the range of measures, of completely unrelated aspects of housing use, that are lumped together into particular concepts of housing need. This is most stark in relation to appropriateness which can apparently be measured by matters as diverse as the number of bedrooms available to members of the household or the location of the house in relation to schools and hospitals. The logic used to put the number of bedrooms in a house and proximity to schools and hospitals in the same 'basket' is difficult to fathom!

Figure 1: Terminological Inconsistencies in the Application of Housing Indicators

Key Concepts	Housing Indicators	Application
Affordability	Housing Poverty Housing Stress Housing Burden	Commission of Inquiry into Poverty, 1975 National Housing Strategy, 1991 Australian Housing and Urban Research Institute (AHURI), 1997
Adequacy	Overcrowding Dwelling Structure Basic Amenities	Foard et al., 1994 Foard et al., 1994 Foard et al., 1994
Appropriateness	Overcrowding Underutilisation Access to services Location Flexibility of dwelling	SCRCSSP, 1997 Foard et al., 1994 Foard et al., 1994 Maher and Burke, 1991 Maher and Burke, 1991

Terminological confusion also reigns amongst the various indicators. The logical distinction between 'housing poverty' and 'housing stress', reflecting different measures of affordability, breaks down where the term 'housing burden' is used to refer to the exact same measure of housing need as housing stress. This terminological chaos results from the empiricism of the housing indicators approach. Taxonomies of housing use are being created with no regard to the logical distinctiveness of these elements. For example, the indicator 'overcrowding' is included by some as an aspect of 'adequate' housing, and by others as an aspect of 'appropriate' housing. This lack of rigour in the language of housing policy research reveals a fundamental flaw at the commencement of any inquiry into housing need. With different researchers using different measures to assess the one dimension of

housing need, not surprisingly assessments of the size of the population in need of housing assistance vary markedly. This is the focus of the next section.

4.2   Variation in Housing Outcomes

Housing affordability is that aspect of housing about which there has been most debate, yet it is also that aspect for which there is most variation in measurement. Choosing the most valid measure of housing affordability may seem, at first, a dispute of a merely technical nature. However, if we compare outcomes of the Henderson 'Poverty After Housing' measure and the NHS affordability benchmark, the percentage of households defined as needing housing assistance varies considerably (AIHW, 1993).

The lack of an equivalence scale in the NHS affordability benchmark, means that it fails to 'pick up' many two- and one-parent families which are included in the Henderson results. The AIHW concluded this left 'major equity implications for any policy proposals seeking to alleviate financial housing stress based on the NHS affordability benchmark' (AIHW, 1993: 66; see also Ecumenical Housing, 1997).

The compound effect of this variation in results becomes clear when considering affordability outcomes over time. Applying the HPL and NHS indicators to the same data over the 1980s, the HPL approach suggests that *housing poverty increased* over the period, whereas the NHS (25 per cent) approach indicates that *financial housing stress decreased* throughout the same period (AIHW, 1993). As Maher and Burke (1991) state:

> Different definitions and measures of affordability will create very different interpretations of the degree and nature of the problem.   This point is often neglected and sweeping generalisations are developed from one particular definition and one particular measure. (Maher and Burke, 1991: 182)

Not only does the use of different measures produce quite different results about who requires housing assistance, even where the one measure is used across different surveys, very different results eventuate. Table 1 and Table 2 present comparisons of affordability outcomes based on the National Housing Strategy 25 and 30 per cent benchmarks, showing the proportion of those in the lowest 40 per cent of the income distribution in housing stress (Table 1) and the proportion of all income units in housing stress (Table 2).   Using data from a number of sources,

Table 1: Comparison of Affordability Outcomes, for Those in the Lowest 40 Per Cent of the Income Distribution, Using NHStrategy Affordability Benchmarks (25% and 30%), by Tenure

Housing Tenure	NHS 25% Affordability Benchmark		NHS 30% Affordability Benchmark		
	ABS 1994	AIFS 1996	ABS 1994	AHURI 1996	AIFS 1996
Public Tenants	20	38	9	5	27
Private Tenants	87	66	74	61	49
Other Tenants	n/a	n/a	n/a	n/a	n/a
Purchaser Owners	77	58	68	52	44
Outright Owners	13	n/a	10	n/a	n/a

Note: Figures rounded. Results are subject to sampling error, particularly the results of smaller surveys (AHURI, 1996 and AIFS, 1996 where total respondents number less than 3000).

Sources: AIFS: calculated from data in 1996 Australian Life Course Survey
AHURI: AHURI (1996), *Quarterly Housing Monitor,* 2(1), October, 2.
ABS: calculated from figures published in ABS, 1994, *Australian Housing Survey,* Catalogue No. 4182.0

Table 2: Comparison of Affordability Outcomes, for All Income Groups, Using the NHS Affordability Benchmarks (25% and 30%), by Tenure

Housing Tenure	NHS 25% Affordability Benchmark			NHS 30% Affordability Benchmark	
	AIHW 1990	ABS 1994	AIFS 1996	ABS 1994	AIFS 1996
Public Tenants	12	16	27	7	20
Private Tenants	27	37	40	32	28
Other Tenants	15	n/a	n/a	n/a	n/a
Purchaser Owners	8	13	25	11	16
Outright Owners	2	6	n/a	5	n/a

Note: as for Table 1
Sources: AIHW: calculated from ABS, 1990, Income, Housing Costs and Amenities Survey, unit record file, published in Foard et al., 1994.
AIFS: calculated from data in 1996 Australian Life Course Survey
ABS: calculated from figures published in ABS, 1994, *Australian Housing Survey,* Catalogue No. 4182.0

including the Australian Life Course Survey (ALCS)[6], results indicate a high level of variability in the percentage of households needing housing assistance.

Comparing those columns that use data from the same year and that employ the same level of benchmark, there is a substantial amount of variation in the size of the population in need of housing assistance. This degree of inaccuracy raises fundamental concerns about the value of such research to policy development. Some of the variability in these results is no doubt due to sampling error, particularly for some of the smaller surveys (Australian Housing and Urban Research Institute, hereafter AHURI, and AIFS), differences in survey populations (see for example footnote 6), and the fact that the survey data presented were collected at different points in time. Nonetheless, the size of the variation in estimates is substantial.

Some of the variation in results may relate to inconsistencies in the practical definition, or operationalisation, of housing indicators. With regard to housing affordability, for example, determining how 'housing costs' and 'income' are defined will affect outcomes. Concepts may be defined either very broadly, for example housing costs may include the cost of renovations, furniture, water and sewage rates, or narrowly, for example rent paid per month. Decisions must also be made about whether net or gross income is used, and whether the unit of analysis should be the household, the family or the individual income unit. While it is beyond the bounds of this paper to present a detailed analysis of operational differences as they affect the above results, it must be noted that the treatment of

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6   The Australian Life Course Survey (ALCS) is a national random telephone survey which was conducted by the Australian Institute of Family Studies during the final part of 1996. A total of 2685 respondents participated in the survey. Due to specific Institute research aims, most respondents were aged between 25 and 70 years old. A small number of persons who were under 25 years old who had one or more child were also included in the survey (1 per cent of the sample).

It must be noted when considering the results of the ALCS that due to the age range of the sample, the results of the survey differ from national estimates in a number of ways which are relevant to housing analysis. In particular, tenure and household composition are affected by the age difference.

Comparisons of the tenure distribution between the ALCS and ABS (1994) Australian Housing Survey indicate that the main differences between the ALCS sample and national estimates are that purchaser owners are over-represented in the ALCS sample (37.5 per cent compared with national estimates of 28.3 per cent); public tenants are under represented (3.5 per cent compared with 6.2 per cent); and private tenants are under represented (15.2 per cent compared with 19.0 per cent). Despite these age-related differences, comparison of tenure by age indicates that for the main age ranges included in the ALCS survey (25 to 70 years) the distribution of tenure groups by age compares well with national estimates (Mills, 1997).

data is critical to the outcomes of housing indicators, as can be seen in the tables above.[7]

5   Abstracted from Social Relevance

This section continues the critique of the housing indicators approach but rather than focusing upon internal weaknesses, turns to examine what is excluded by the approach. Our argument here is that housing indicators are laden with value judgements that are not socially relevant, in that they lie at some considerable distance from householders' opinions of what constitutes housing need. This is the first way in which the empiricism of the housing indicators approach is abstracted: it is abstracted from social relevance.

Though many of the housing indicators are based upon objective data, the benchmarks of housing need are subjective in nature. For example, the overcrowding benchmark specifies girls and boys of, in some cases as young as five in others as old as 10, to be entitled to a separate bedroom. Such value judgements are quite clearly imbued with all sorts of assumptions about gender, parent-child relationships, sibling relationships and so on. Pollitt makes the same point in relation to performance indicators; '...*every* set of performance indicators, however "hard" the measures, is thoroughly suffused with values and judgemental uncertainties. At the outset, for example, there is always the judgement as to what to measure and what to leave out' (1988: 82 original emphasis).

Indeed the arbitrariness of the 30 per cent cut-off point to measure affordability has been widely recognised. As the NHS itself expressed:

> When the concept of affordability is transformed into a specific
> ratio of housing costs to income, the question arises as to when a
> specified ratio level moves beyond affordable to non-affordable.
> ... Any percentage benchmark of housing costs to income must
> necessarily be qualified since there is no rigorous or objective
> basis for choosing one particular percentage over another
> (Kearns, 1990; NHS, 1991b: 6)

Historically, the benchmarks have been set at between 20 and 25 per cent for public tenants and home purchasers, although this figure has increased in recent years to 30 per cent and in fact varies between the 15 per cent and 30 per cent marks

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7   For a detailed discussion of how differences in the operationalisation of housing
     affordability indicators affect affordability outcomes, refer to King (1994: 76-106).

internationally (NHS, 1991b: 6). The subjective and arbitrary nature of the benchmarks is, then, well understood. Our point is that such arbitrariness can be reduced if the benchmarks and indicators are made socially relevant. This could be done by taking into account the experiences of housing consumers. The arbitrariness of the indicators would be of little concern if the values of the policy pundits were close to those of the householders. However, to the extent that there is a gap between these two sets of assumptions, further questions are raised about whose housing needs are being measured. Pollitt again argues

> ...for consumers it is particularly important that 'subjective' measures should not be excluded or regarded as somehow belonging to an inferior class. To do so would be to exclude or downgrade attempts directly to consult consumers themselves. There is actually nothing inherently inferior in measures of 'feelings' or perceptions or judgements. (Pollit, 1988: 82)

Furthermore, paying regard to householders' evaluations of housing need would no doubt reveal a wide range of positions, highlighting the limitations of relying upon a single benchmark. It is also possible that householders' views of what constitutes an 'housing' issue may have gone beyond that of the narrow interpretations that currently dominate, to focus at a neighbourhood, city and/or environmental level. Householders' may no longer view 'housing' issues as being about comfort and cost, but rather about quality of life, city quality and the like (Maclennan and Bannister, 1995: 1582).

As a first step in this direction of including the subjective views of householders in assessing housing needs, this section compares the value judgements of the policy pundits that are built into the housing indicators, with householders own opinions of their housing circumstances.

Examining, first, the measure of affordability, Figure 2 illustrates the self-assessed ease of meeting housing costs of those in housing stress and not in housing stress (from the bottom two income quintiles).

Those in housing stress clearly evaluate their ability to meet their housing costs as being 'less easy' than those not in housing stress. Those in housing stress are most likely to place themselves in the 'just managing' category (53 per cent) and those not in housing stress to place themselves in the 'easily' category (38 per cent). However, nine per cent of those, apparently in housing stress, felt they were meeting their housing costs very easily and 28 per cent easily. Furthermore, similar proportions of those 'in' and 'not in' housing stress stated they were having 'difficulty' or 'great

Figure 2: Ease with Which Those in Housing Stress Report Meeting Their Housing Costs
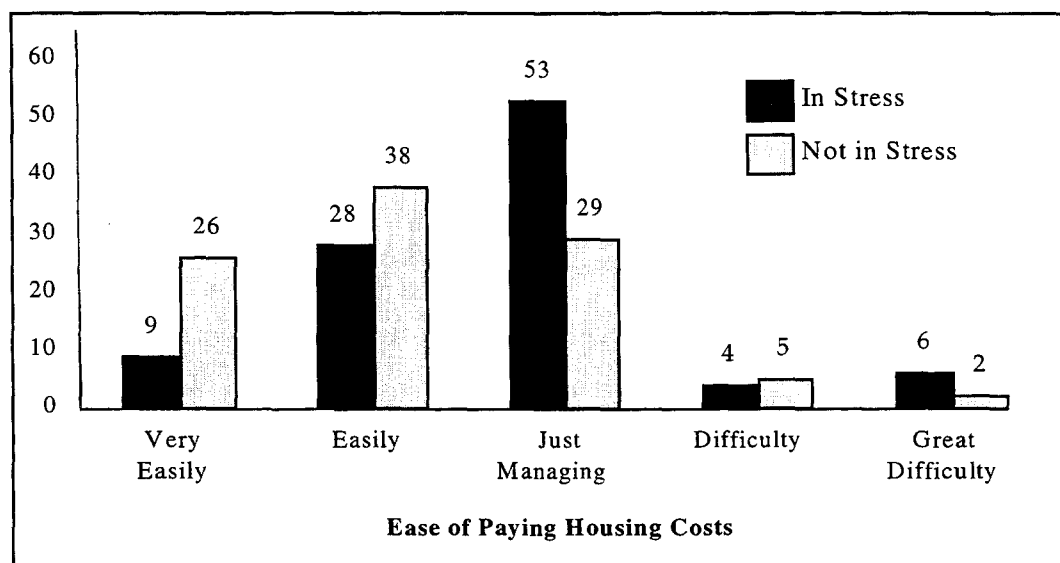

difficulty'. These discrepancies between the evaluations of the policy pundits and the householders raise doubts about who is and who is not in need of housing assistance. The assumption that those spending more than 30 per cent of their income in housing costs are living in unaffordable housing, and perhaps most importantly that those spending less than 30 per cent of their income are in affordable housing, is one that does not match the evaluation of many householders.[8] This begins to raise interesting questions about what, if anything, do those households having difficulty have in common, what is their after housing income, is theirs a housing problem per se, or an income problem?

Although the numbers are small, analyses of ALCS data indicate that the social and demographic characteristics differ little between those who are in housing stress and report meeting their housing costs easily and those who are in housing stress and report having difficulty. Respondents from all tenures and household composition types are represented in both of these groups.

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8   One weakness of these subjective data is that whilst they indicate the ease with which the household believes it is meeting its housing costs, they do not tell us anything about how those households were managing other costs. It is possible, though unlikely, that a household may believe it is meeting its housing costs easily only because other essentials costs were being met with great difficulty.

With regard to overcrowding, Figure 3 illustrates satisfaction with space for family needs amongst the 'overcrowded' and 'non-overcrowded' (bottom two income quintiles only). The measure trends in the direction of householders' own assessments, with greater proportions of the non-overcrowded 'very satisfied' and 'satisfied' with the space they have for their family's needs. Yet, 12 per cent of the 'non-overcrowded' were dissatisfied with the space they had for their family's needs and amongst the 'crowded', 15 per cent were very satisfied and 33 per cent were satisfied.[9] Nearly half of those adjudged overcrowded were satisfied, to a greater or lesser extent, that their family space needs were being met.

Figure 3: Satisfaction of Space for Family Needs, According to Those Who are Overcrowded and Non-overcrowded
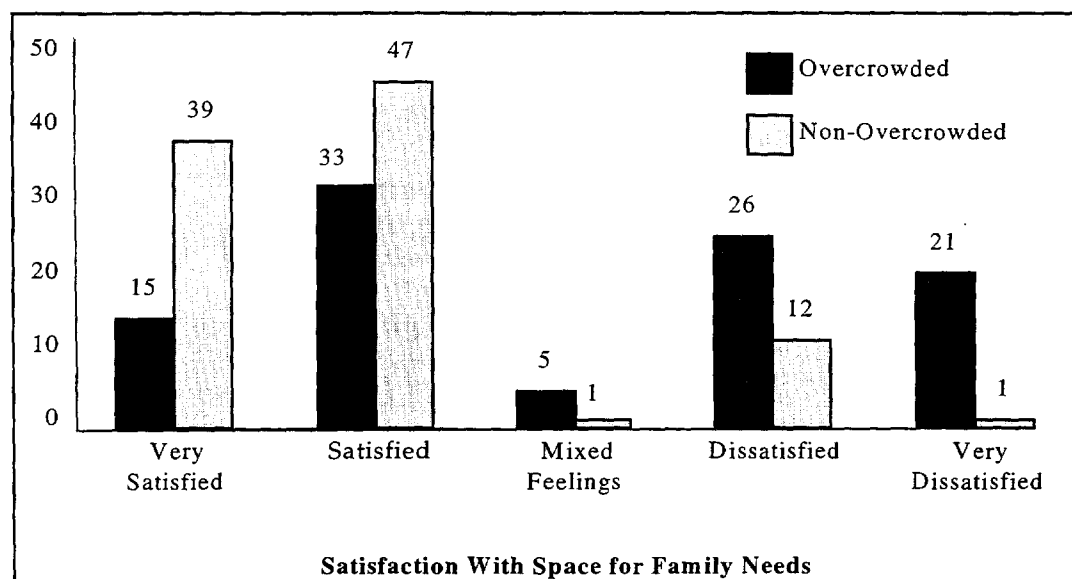
The general point is that when we include subjective data we get a somewhat different picture of who is in need of housing assistance and of where various housing consumption benchmarks could be set. In practical terms, housing indicators will be more accurate when expert and lay interpretations of housing use coincide.

To argue for a focus upon subjective as well as objective data in assessing dimensions of housing use, is in essence an epistemological point. Rather than

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9   It should be noted that the measure of satisfaction is with space for family needs rather than just with bedroom space, which is the focus of the overcrowding measure.

prioritising the subjective measurement of objective data over the subjective evaluation of subjective data, this paper recognises the validity of people's assessments of their own well being. This validity rests upon the argument that the construction of measures of relative housing need should be grounded in the values of society, to create socially relevant standards of housing consumption, not bureaucratically determined ones.

Furthermore, a focus upon the subjective brings to the foreground other aspects of housing consumption that the empiricism of the housing indicators approach tends to ignore. When asked, householders tend to place a good deal of value upon dimensions of housing use such as autonomy, control and security. These notions of housing use vary according to the property rights afforded by different housing tenures. Their importance to the householder lies with their role in the process of social identity construction. Having control, feeling secure and autonomous within one's home is an important part of defining who we are and our place in the world Hence, decisions about housing assistance that determine tenure outcomes for low-income families are also about defining the processes of identity construction open to low-income families (Winter, 1994).

6   Abstracted from Social Change

The third key shortcoming of the housing indicators approach is that it is divorced from an understanding of the broader processes of social change that shape patterns of housing use. The reshaping of housing use is understood as tenure restructuring and refers to the changing patterns of housing consumption that are manifest as a result of economic, political, cultural and demographic changes in wider society (Dalton and Maher, 1996: 5). These processes of tenure restructuring, whereby the various pushes and pulls upon different housing tenures are played out, need to be understood if policy is to promote housing solutions that are actually available within the housing system. Thus, for example, the private rental market can only be promoted as a housing solution for low-income families, if we know that the housing system is working in ways that will indeed make such accommodation available to these families.

However, as the housing indicators approach does not situate the analysis of housing use within a framework of ongoing social change, it fails to understand the fundamental pressures that are reshaping housing consumption in Australia. Its attempts to take a snapshot of housing use ignore the processes that have caused that pattern of use. A failure to understand causes renders the promotion of appropriate solutions ever more difficult. Though taking into account the context of social change will not improve the various indicators per se, it will fundamentally affect

our answers to the key questions of housing policy reform, of who needs housing assistance and what is the best means of providing that assistance.

This second element of abstracted empiricism – abstracted from social change – in current housing policy research has only recently come to the fore. If we return to the work of the NHS of 1990-91 we find an analysis that is grounded in social change.

> Housing provision cannot be understood outside the context of its links to wider demographic, economic and social developments, and to government policy processes. Nor can housing issues be separated from broader considerations of land use, planning, infrastructure provision, and the structure and capabilities of the residential building industry. (NHS, 1991a: x)

The Industry Commission report (1993), though not of the breadth or depth of the NHS, at least commenced its report with a chapter entitled 'Housing Assistance in Context'. Since 1994, however, the social context in which housing sits, and which fundamentally shapes levels of housing need, has been ignored in favour of a technocratic empiricism focused exclusively upon housing indicators.

The elements of that social context that are shaping patterns of housing use, and that cannot be ignored, are neatly summarised by Paris:

> The restructuring of housing since the 1960s has comprised three broad elements. Economic restructuring has changed the social and gender divisions of labour, and resulted in structural unemployment and increasingly polarised labour market opportunities. Financial deregulation in the 1980s swept away the specialised institutions of housing finance and rendered problematic the policy supports of enhanced access to home ownership. Demographic change included overall ageing, massive change in the distribution of household types, and declining household size. (Paris, 1993: 231)

These changes to the economic and social environment of housing production and consumption since the 1960s have resulted in structural change in the overall social relations of Australian housing (Paris, 1993: 232). This reshaping can be readily observed through an examination of changes in housing use over time, a process known as a housing career.[10]

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10   A focus upon housing careers echoes the call by King and Baekgaard (1996) for more analysis of the dynamics of housing.

A housing career consists of a structured set of housing events or transitions that individuals and households make through their life course (Anderton and Lloyd, n.d.: 2). We argue it should include notions of change over time and over space. The change over time is primarily concerned with movement through a series of housing tenures with the upward progression understood to be private renter, purchaser owner, outright owner. Public renting was cast initially as a temporary siding for those unable to access home ownership. Most recently it has been recast as a dead-end track for those unable to access private rental accommodation. The change over space is primarily concerned with movement of residential location. Analysis of such housing careers can provide understanding at the societal level of cohort pressures upon different tenure forms, and at the household level of the durations of housing difficulties and who is likely to require long term housing assistance.

One of the few studies of housing careers in Australia is that by Anderton and Lloyd (n.d.). In a housing careers analysis of retrospective data from the Australian Family Project (1986) Anderton and Lloyd show that from the 1920s to the 1970s a series of cohorts attained various housing career benchmarks at ever younger ages.

If cohort 1, in the 1920s, left the parental home on average at age 22, by the 1980s cohort 3 did so at age 20. If women in cohort 1 in the 1920s first became an owner occupier at age 29 by the 1970s this had fallen to age 27. However, with the final cohort of this study, in the 1980s, these trends began to show signs of reversing. Age of entry to home ownership for women was back up to age 29 and a considerable proportion of women and men were staying in the parental home longer. Also the private rental sector was becoming a more important tenure, with more people using it and for longer periods. There was an increase in the number of home owners returning to private rental due to marriage breakdown, though substantial proportions did eventually end up back in home ownership[11] (Anderton and Lloyd, undated).

The conclusions about housing consumption that Anderton and Lloyd draw from this research are that:

> In terms of the housing system, the evidence indicates that the private rental sector is playing an increasingly important role in the housing careers of Australians. In excess of 60 per cent of owner-occupiers now use the private rental sector as a pathway to owner occupancy. The private rental sector also plays a

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11   Work by the AIFS on the impact of divorce upon housing shows that about 40 per cent of former owners were private renters three to six years after divorce and that women who were renters paid a very high proportion of their income in rent (McDonald, 1986: 170).

significant role as a transition tenure for those who choose, or
are forced to leave, the owner occupier sector. (Anderton and
Lloyd, n.d.: 18)

Dalton and Maher, in their recent article on the changes to the private rental sector, also point to the fact that we are moving to a period in which there will be increased pressure upon the private rental market. '...[I]t is possible in the context of structural change that pressures on the private rental market will be greater and private renting will become more central to public policy' (1996: 5; see also Yates, 1996).

Such increased demand upon the private rental market may not be of concern if there will be the appropriate supply response of an increase in demand. However, the particular nature of the private rental market in Australia will limit that supply response. Yates (1996) has shown that Australia's private rental market is dominated by individual investors who are less interested in increasing supply on the back of rising rents than the long term returns from the asset value of the property. Both the NHS and the Industry Commission have argued for the continuation of capital funding for public housing, because of a concern with such market failure at the low cost end of the private rental housing market (Yates, 1996: 270).

The housing indicators approach is, as we have argued, divorced from the style of analysis that provides such understanding. Yet, as the dominant mode of research informing housing policy development, the most recent COAG meeting concluded that the way forward was to further limit the eligibility of low-income families to public housing and to force a reliance upon the private rental market. This will add to the pressure upon that sector. In this context of increased demand upon the private rental sector and uncertainty about increased supply, the logical policy response, would appear to be to maintain tenure diversity for low-income households. Instead, the newly announced reforms, in Victoria at least, make clear that in fact there will be very little choice for low-income households, as their only option for housing assistance will be Rent Assistance in the private rental market.

7   Conclusion

The argument of this paper is that the current terms of housing policy debate, as voiced by the housing indicators approach, represents a rarefied and abstracted empiricism. In contrast the understanding of housing issues needs to be grounded in a series of realities if we are to answer the key questions of housing policy reform. These realities include: a more accurate set of housing indicators; housing indicators that take into account the subjective understanding of housing use; and an

understanding of housing use that is grounded in the ongoing processes of social change.

This argument has been pursued in an attempt to reposition housing policy research onto a sounder and more informed footing and to continue the building of a theorised housing studies in Australia. The next step is to attempt to implement the thrust of this critique by moving towards logical conceptualisations of housing use and socially relevant standards of housing need.

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