SPRC Newsletter - July 2004

Author:
Fisher, Karen; Thomson, Cathy; Aldridge, Duncan

Publication details:
SPRC Newsletter
1324-4639 (ISSN)

Publication Date:
2004

DOI:
https://doi.org/10.26190/unsworks/124

SPRC Social Policy Research Centre

NO 87 JULY 2004 NEWSLETTER

BUDGET STANDARDS ALIVE AND WELL!

BY PETER SAUNDERS

Between 1995 and 1998, a research team at SPRC developed a set of indicative budget standards for a range of Australian households. That research was commissioned by the Department of Social Security – now the Department of Family and Community Services – as part of a broader project on assessing the adequacy of social security payments. The SPRC research, published by the Department in 1998, had no discernible impact on policy, which has become increasingly focused on issues of eligibility and incentives rather than payment adequacy. However, research on budget standards has continued at SPRC and there are signs that its influence is growing. This article reviews some of that work, focusing on two major studies released earlier this year.

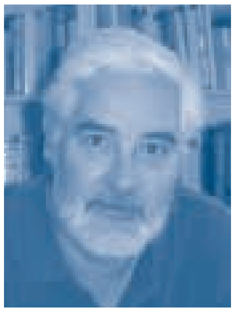
A budget standard represents what a particular household, living in a particular place at a particular time, needs in order to reach a specific standard of living. This involves specifying all of the items that appear in a typical household's 'consumption basket', including large items like a house, car and furniture down to the minutiae such as toothpaste and vegemite, and pricing them in the shops or using market rates.

Developing the budgets requires normative judgments to be made about needs, what is required to meet them and what this will cost. Many assumptions have to be made along the way and a budget standard thus provides only an *indicative* estimate, informed by expert judgments and assumptions, but constrained by existing data and research.

The budget standards method is complex and time-consuming, but is both transparent and flexible. Its transparency is guaranteed because the basket of goods (and its prices) can be readily scrutinised. It is flexible because items can be removed (or added) and checks made for what difference this makes to the overall cost. Against this, budget standards have been criticised for involving so many judgments and assumptions, that they are basically arbitrary. This is a harsh conclusion, because making a judgment does not automatically imply that the result is arbitrary; if it did, each year's federal budget could be criticised for being arbitrary since its development necessarily involves making judgments about competing economic priorities and strategies.

The SPRC research identified the costs required to maintain households at a low cost and a modest but adequate standard of living (Saunders et al., 1998; Saunders, 1998). The low cost standard (LC) is assumed to require frugal and careful management of resources but enables the

Continued on page 4



Peter Saunders

CONTENTS

LEAD ARTICLE:
Peter Saunders discusses recent SPRC work on Budget Standards.

EDITORS ◆ KAREN FISHER, CATHY THOMSON & DUNCAN ALDRIDGE

◆ REGISTERED BY AUSTRALIA POST ◆ PUBLICATION NO. NBP4766 ◆ ISSN 1324 4639 ◆

SPRC STAFF

Social Policy Research Centre

Acting Director
Assoc. Prof. Michael Bittman

Director and ARC Professorial Fellow Peter Saunders

Senior Research Fellows
Dr Bruce Bradbury
Dr Tony Eardley
Karen Fisher

Research Fellows
Dr Robyn Dolby
Dr Kyungja Jung
Gerry Redmond (on leave)
Dr Xiaoyuan Shang
Cathy Thomson

Research Associates
Dr Margot Rawsthorne
Dr kylie valentine

Research Officers
David Abelló
Judy Brown
Justin McNab
Kate Norris
Roger Patulny
Peter Siminski
Ciara Smyth
Kelly Sutherland
Dr Denise Thompson

Honorary Fellows
Em. Prof. Peter Baume, AO
Dr Judy Cashmore
Em. Prof. Sol Encel
Dr Sara Graham

Post Doctoral Fellows
Lyn Craig
Trish Hill

Research Scholars
Marilyn McHugh
Roger Patulny
Christie Robertson
Jacqueline Tudball

Visitors
Megan Griffiths
Shinobu Ito
Carina Mood Roman

Acting Business Manager
Margaret Micallef

Business Manager
Melissa Roughley (on leave)

Office Manager
Roslyn Baker

Librarian
Katherine Cummings

Events and Publications Officer
Duncan Aldridge

Social Policy Research Centre
Rupert Myers Building
(South Wing)
University of New South Wales
Sydney NSW 2052, Australia
Phone: +61 (2) 9385 7800
Fax: +61 (2) 9385 7838
Email: sprc@unsw.edu.au
http://www.sprc.unsw.edu.au

THE SOCIAL POLICY RESEARCH CENTRE

The Social Policy Research Centre is located in the Faculty of Arts and Social Sciences at the University of New South Wales. Under its original name, the Social Welfare Research Centre was established in January 1980, changing its name to the Social Policy Research Centre in 1990. The SPRC conducts research and fosters discussion on all aspects of social policy in Australia, as well as supporting PhD study in these areas. The Centre's research is funded by governments at both Commonwealth and State levels, by academic grant bodies and by non-governmental agencies. Our main topics of inquiry are: economic and social inequality; poverty, social exclusion and income support; employment, unemployment and labour market policies and programs; families, children, people with disabilities and older people; community needs, problems and services; evaluation of health and community service policies and programs; and comparative social policy and welfare state studies.

STAFF AND VISITOR UPDATE

DEPARTURES:

JENNY CHALMERS has left the Centre and taken up a position at the Royal Melbourne Institute of Technology.

SONIA HOFFMANN has left the Centre to take up a position at the Centre for Women's Health in Campbelltown.

KIM JAMIESON has relinquished her PhD Scholarship, and FENG PING has withdrawn from studying in Australia and is completing a Masters program in China.

MIKKO NIEMELA, a visiting PhD student, has concluded his time in Sydney and returned to Turku University.

MELISSA ROUGHLEY has taken maternity leave.

PETER SAUNDERS has begun his ARC Professorial Fellowship, described in detail on page 9 of this issue.

ARRIVALS:

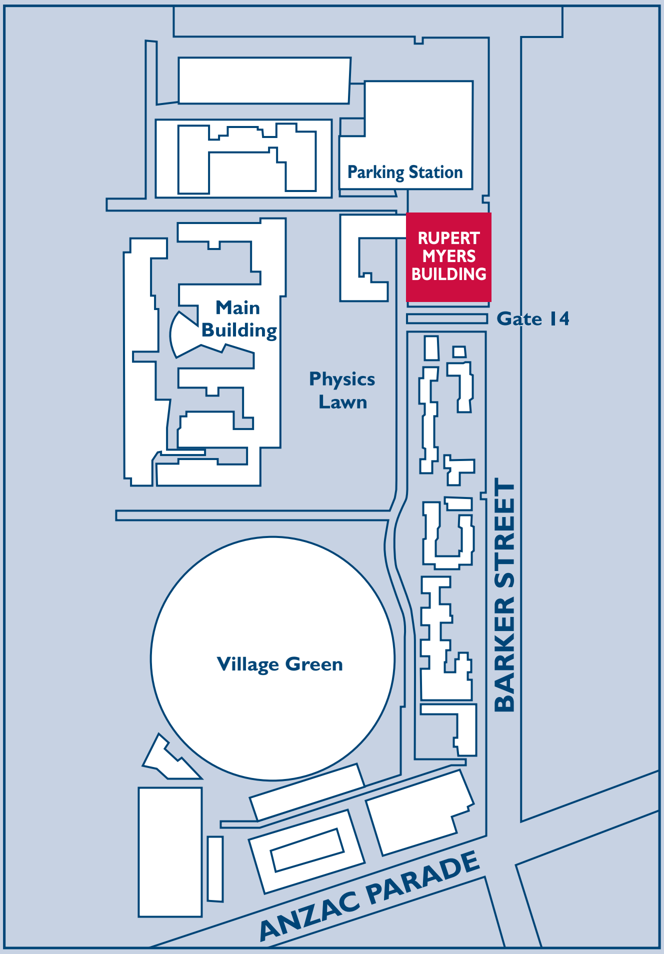
TOR ERIKSON visited the Centre from Sweden during April from the University of Karlsta.

SHINOBU ITO is visiting the Centre for twelve months from Meijo University Nagoya, Japan.

MEGAN GRIFFITHS has joined the Centre to work with Robyn Dolby on the *Outcome Study on the Use of Children's Service as a Child Protection Strategy.*

MARGARET MICALLEF has joined the Centre as Business Manager.

KELLY SUTHERLAND has joined the Centre to work on the *Evaluation of the Commonwealth Disability Strategy.*



The Social Policy Research Centre is located on Level 3 of the Rupert Myers Building, South Wing, Kensington Campus. Enter by Gate 14, Barker Street.

FROM THE DIRECTOR

The headlines announced the recent federal budget as a 'family affair' or 'a mother of all spending sprees', all wordplays designed to draw attention to the extra financial support offered to families with children. From 1st July most Australian families with dependent children can expect a modest top-up on their family payments. Mothers of newborn children can expect to receive extra $3000 dollars per year, more by 2008. According to the broadsheet press, the Coalition government's payment to new mothers was designed, at the very least, to cover the Australian Labor Party's 'Baby Care Payment' proposal announced some weeks earlier.

Both major political parties claimed these measures would help Australians in balancing the demands of work and family. This is very strange because, in neither case, is the payment in any way related to any parent's employment status. The new element in the Australian family situation is maternal employment. In 2001 the proportion of Australian women working in the first year of their youngest child's life was 36 per cent, and by school age, it was over 60 per cent, not much lower than the rate for all women of labour force age. These rates are roughly double those reported twenty years previously. Eighteen years ago economists estimated the loss of earnings that result from mothers interrupting their careers to have children (this so-called 'motherhood penalty') to be around half a million dollars over a lifetime.

The change in maternal employment is probably the reason why the topic of work and family stops any other topic of conversation at the barbecues the Prime Minister seems to attend. My research has shown me that a working mother can spend up to 90 hours per week just raising her children. Compared with people of comparable age and hours of employment, fathers and mothers of young children are more also likely to say they always feel rushed or pressed for time. Bruce Bradbury has estimated it would take a five-fold increase in income to compensate parents for their lost sleep and leisure.

In contrast to changes in maternal employment and its associated time pressures, payments to support families with children is one of the oldest forms of social security in Australia. Australia's first welfare measure – the Age Pension – was enacted in 1910. Just two years later the Commonwealth introduced a maternity allowance – a lump sum cash grant payable to a mother on the birth of a child. Then as now, the background to this announcement was public anxiety about fertility decline

Of course, at the beginning of the 20th century the minimum wage was explicitly a male breadwinner's family wage, sufficient for a man to support himself, his wife and children. Consequently the Australian welfare system has, for much of its existence, acted as a surrogate provider to households without a male breadwinner. At the beginning of the 21st century neither employers, unions, nor women's groups seem attracted to the idea of a male breadwinner's family wage. Moreover, both major political parties seem committed to the idea that the best way to ensure income security for lone mothers is to increase both their participation in and their attachment to the labour market.

Until recently many demographers believed in the maternal role incompatibility hypothesis, which suggests that fertility levels would fall as female labour force participation rose because of the difficulties of reconciling the all-consuming process of child rearing and the demands of paid employment. However, since the mid 1980s comparative studies have shown the reverse. Now those countries with the highest rates of female labour force participation have the highest fertility.

On this basis both political parties seem be aiming their proposal wide of the mark. Not only do these payments represent a small fraction of the costs of raising children but they also do not address the issue of how to combine children and work. For more than a year the Federal Sex Discrimination Commissioner has been promoting a far more innovative, cheaper and better-targeted work and family policy – paid maternity leave. Raising children places a strain on family income and makes heavy demands on parents' time. Compared to other stages in the life course, being a parent of young children is the stage when the strain of balancing the income from work and the time for family responsibilities is most acute. It is also a stage when this balancing act is most difficult, and the effect on future earnings is most profound. A policy of paid parental leave, especially maternity leave, is actually designed to help families find both the money and the time they need to bring children into the world without obliging them to interrupt their careers. Maybe both parties should give those struggling to balance work and family a break.

Michael Bittman is the Acting Director of the SPRC. Professor Peter Saunders has taken up an ARC Professorial Fellowship, detailed on page 9 of this newsletter.

BUDGET STANDARDS ALIVE AND WELL!

CONTINUED FROM PAGE 1

individual to fulfill community expectations in the workplace, at home and in the community. It is seen as lying at about one-half of the median standard of living. The modest but adequate standard (MBA) affords full opportunity to participate in contemporary Australian society and the basic options it offers. It lies between the standards of survival and decency and approximates the median standard of living in the community.

The original budgets applied to households living in Hurstville in Sydney and were priced using February 1997 consumer prices (inclusive of any subsidies or consumer taxes). Most items were priced in leading retail outlets, making it easier to develop budgets in other cities or towns, or to re-price them in Sydney at a later date. The use of Sydney to cost the budgets means that housing costs are higher than in many other parts of the country, and this has been a source of considerable criticism and one reason why the standards have not been used to set national benchmarks (Henman, 1998).

"However, research on budget standards has continued at SPRC and there are signs that its influence is growing."

Since the completion of the original research, the SPRC has been asked by a number of agencies to update and modify the standards, and they have been used to inform decisions about where to set payment levels or to judge the adequacy of social benefits or other incomes. In July 2000, the NSW Department of Community Services (DoCS) based the amount of standard subsidy paid to foster carers on the estimates of the costs of children developed by the SPRC in 1998. In addition a study commissioned to examine the adequacy of foster care allowances has been used by the Child and Family Welfare Association and the Australia Foster Care Association to argue the case for increases in the level of standard subsidies for carers in all States and Territories (McHugh, 2002). Another study estimated the cost of children in Tasmania using budget standards modified to reflect prices in Hobart rather than Sydney (McHugh, Saunders and Chalmers, 2002).

These and two other studies produced earlier this year provide testimony to the on-going interest in budget standards and to the role that they can play in assisting important decisions over adequacy. A study commissioned late last year by the Australian Council of Trade Unions (ACTU) updated the original estimates and modified them to reflect the circumstances of working families with one and two children (Saunders, 2004). The study was used by the ACTU as part of its Submission to this year's Safety Net Review undertaken by the Industrial Relations Commission (IRC).

It appears that the SPRC research played an important role in the Commission's decision to grant an increase in the federal minimum wage of $19 a week, bringing it up to $467.40 a week. The increase granted was below the ACTU's claim of $26.60 a week, but well above the maximum increase of $10 supported by the Commonwealth Government and employer groups. In providing the reasons for its decision, the Commission warned against relying too heavily on the new budget standards estimates, arguing that: 'We agree with the submissions of the Commonwealth, ACCI [the Australian Chamber of Commerce and Industry] and other parties … that there are significant difficulties in adopting the SPRC budget standards as an Australian benchmark. … the housing component of the budget, based as it is on the cost of rental in the Hurstville area of Sydney, cannot be generalised across Australia. Further, the very construction of the budgets ultimately turns on value judgments' (IRC, 2004, p. 81).

However, the Commission went on to note that: 'Nevertheless, in our opinion, *the SPRC budget standards provide an indication that for certain household types, the federal minimum wage award is significantly below the amount which is necessary to provide a modest living standard for those households in the context of living standards generally prevailing in the Australian community*' (italics added). It also foreshadowed its wish to 'receive and consider evidence directed at establishing an appropriate benchmark for the adequacy of minimum wages in the context of a future safety net review' (IRC, 2004, p. 81).

In reaching its decision, the Commission displayed exactly the kind of judgment of its own that those responsible for developing the budget standards would applaud. As noted earlier, the standards are indicative and they need to be assessed by experts in specific areas before being for such important purposes as setting the minimum wage. They are deigned to provide a template that can *inform* these decisions, not as a definitive answer in each and every case.

The concerns voiced by the IRC about the limitations of a budget standard are also well taken. Regional variations in housing costs have major implications for the ability of a given level of income to support a specific standard of living in different parts of the country. This raises questions about the validity of *any* national income benchmarks, not just budget standards, and the consequences of this observation. This is a debate that we need to have.

The logic of the IRC position is that we either need to develop (and implement) income benchmarks that reflect regional differences in living costs (not just housing costs), or accept that nationally established income levels (e.g. social security payments) will support different living standards in different regions. The policy implications of this logic are fundamental and research on budget standards has a role to play in helping to elucidate and quantify the issues.

In a second report, prepared for the Association of Superannuation Funds of Australia (ASFA) we have updated the earlier standards for older retired Australians, living alone or as a couple (Saunders, Patulny and Lee, 2004). Income adequacy in retirement has attracted relatively little attention in the debate over the ageing of the population, yet it has major consequence for the fiscal, as well as the economic and social implications of ageing. The level of retirement incomes will affect overall patterns of poverty and inequality, as well as consumption and economic and social participation – the main determinants of living standards - among the aged.

Current projections suggest that by 2050 around one-third of all aged people will be dependent on a full-rate pension and constrained by the standard of living that it can support. This implies that the incomes of most of the remaining two-thirds of older people will exceed the pension, raising questions about their ability to support the lifestyle to which they have become accustomed while working. The essential point is that while the safety net role of the pension remains important for those who retire with relatively few resources, adequacy must also be considered in the context of the rising incomes - and expectations – of successive cohorts of modestly well-off retirees. These groups have experienced unprecedented prosperity during their working lives and will expect to sustain a corresponding standard after they retire.

The research conducted for ASFA captured this higher standard through the development of a new *comfortably affluent but sustainable* (CAS) standard. The new CAS standard reflects a standard of living among older, healthy and fully active self-funded retired Australian that allows them to engage actively with a broad range of leisure and recreational activities without having to forego the consumption levels expected by other comfortably affluent people, or to require a rapid or substantial disbursement of any financial or other assets. While falling short of the affluence associated with the wealthiest Australians, it corresponds to a lifestyle that is common amongst those in the top (income) quintile of the aged population who are not eligible to receive the age pension.

The procedure used to develop the CAS drew on data on the actual expenditure patterns of older Australian in the third and fifth (top) quintiles of the overall distribution of aged expenditures, using data from the *1998-99 Household Expenditure Survey* (HES) updated to 2003. The fifth quintile is where the CAS standard is assumed to fall, while the third quintile was selected because the existing modest but adequate (MBA) standard falls approximately in the third quintile of the distribution. The HES data allowed us to identify the areas where expenditure increased when moving from the third to fifth quintiles and thus to start to construct and price the new CAS budgets, as variation to MBA budgets.

Overall, 166 items in the MBA budgets were either replaced or supplemented to reflect the higher CAS standard – details are provided in Saunders, Patulny and Lee (2004). These preliminary CAS budgets were then discussed by three focus groups of self-funded retirees, who provided feedback on their relevance and reliability, based on their own lifestyles and expectations. As in the original SPRC study, the focus groups were used to 'road-test' the underlying judgments and assumptions against the circumstances of people whose actual living standards approximate those that the budget standards purport to describe. The suggestions were used to revise the preliminary budgets, making them a more accurate representation of the everyday experience and knowledge of modestly well-off older Australian retirees.

After the provisional estimates had been revised in the light of the feedback from the focus groups, the new CAS budget standard estimate indicates that in September 2003, a single older person living alone needs around $611 a week (for a female) or $597 a week (for a male) to attain the comfortably affluent and sustainable standard. The corresponding amount required by an older couple is $795 a week or around one-third more than that for the single woman.

The CSA budgets exceed the existing MBA budgets in three main areas – clothing, health care and leisure. Higher clothing costs reflect the frugal nature of the original budgets in this area. In relation to health spending, most affluent older people choose to commit additional resources to health-related items not covered under Medicare. Increased spending on leisure reflects the lifestyle choices of older people, in terms of both the ownership and use of leisure-related consumer items, and the frequency and cost of vacations.

Overall, these two latest studies add to the accumulating body of knowledge about budget standards to which the SPRC has contributed. It is clear that many non-government and government agencies accept that budget standards research can help them to respond to the many complex issues of adequacy that are of central importance to social policy. The issues themselves will not go away, and budget standards provides a framework for thinking logically about the relationship between income and living standards for different groups in the population.

The two recent studies described here are relevant to two large groups of Australians who are at different stages of the life cycle and have different incomes: low-paid working families and modestly well-off retirees. They highlight

Continued on page 12

"It appears that the SPRC research played an important role in the Commission's decision to grant an increase in the federal minimum wage of $19 a week, bringing it up to $467.40 a week."

WHAT WOMEN HAVE ACHIEVED SO FAR: POLICY GAINS AND REMAINING TASKS IN SOUTH KOREA

BY KYUNGJA JUNG

Kyungja Jung

The April general election this year brought a dramatic change to Korean politics. The new National Assembly has the highest number of female representatives since its establishment in 1948. Female candidates won 39 seats (13 per cent) out of 299 seats and it marks a two-fold increase over the outgoing Assembly. In South Korea significant progress has been made in women's policy under the Kim Dae-jung (DJ) (1998-2002) and current Roh Moo-hyun government (2003-2007). In 2001, Ministry of Gender Equality (MOGE) was established for the first time in Korea's history. Innovative policy programs were introduced and implemented. The women's movement has actively engaged with the state and achieved considerable policy gains.

Such a shift was caused by a gradual democratising transition after 1993, international pressures such as the UN Beijing World Conference on Women, the growth of the women's movement (the presence of strong autonomous women's movement), politicians' increased awareness of women as voters (support for women's issues became central to electoral politics), and a strong willingness of political leaders to develop women's policy.

One of the major changes in women's policy in Korea was the shift in policy framework. From the 1995 World Conference on Women in Beijing, gender mainstreaming became the focus of policy discourse and has had a significant impact not only on women's policies but the women's movement in Korea. After Korea became the 90th country to ratify the Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW), UN in 1984, the Korean Government made efforts to implement the CEDAW into various areas in Korean society. Women's policies, mostly focused on the welfare of women from a 'women in development' framework up to the 1980s. These were largely determined from above due to the authoritarian nature of the state and the women's movement's unwillingness to engage with the state (Kim, 2002).

Women's policies in the 90s became more focused on gender equality. After the establishment of a civilian government in 1993, the women's movement drew on international standards to press for social change. The case of gender equality proved particularly effective given the low status of women globally and relative to Korea's level of socio-economic development at the point of transition (Jones, 2003).

In 2001, MOGE was established as an independent state institution with 120 staff and considerably more budget resources compared to the previous national machinery. The MOGE launched initiatives to accelerate gender mainstreaming such as the introduction of a gendered perspective into the national budget planning process. The most important accomplishment was its contribution to the passage of the Revised Equal Employment Act 2001, which guarantees three months paid maternity leave and one year of partially paid parental and family nursing leave (Jones, 2003). Furthermore, the Gender Focal Point system was expanded to 45 government agencies.

Another change in women's policy was increased interaction between the government and women's movement organisations. The women's movement no longer saw the state as an antagonist, but as an arena where women's problems could be tackled. This change in the perception facilitated 'politics of engagement with the state' in the 90s (Kim, 2002). Femocrats have emerged since the late 90s. With the engagement with the state and a growing number of feminists, in particular, leaders in women's movement organizations, entering into formal institutions, there has been increased concern about the institutionalisation of the women's movement in a number of aspects: weakening of the movement's orientation, diluted role as a critical edge, 'oligarchy' of a few organizations in the women's movement circle, less democratic decision making process, and activities tailored by government funded projects .

Until the introduction of a quota system for women in 2000, an average of only 1.9 per cent of members elected to the National Assembly from 1988 to 1996 were women. This figure is much lower than the international average of 13.8 per cent. Gender discriminatory attitude among political elites and a general reluctance of women's movement organizations to actively participate in political institutions have functioned as important barriers to women's representation in politics in Korea. From the mid-90s quota systems for the nomination of legislative candidates (1995 local,

Continued on page 8

EXPLAINING THE WELFARE TO WORK TRANSITION

BY KATE NORRIS

Kate Norris

The encouragement of economic and social participation remains a key goal of the Commonwealth Government's welfare reform strategy and a focus of its policy direction. We must understand how programs operate to produce positive employment outcomes as well as whether they work and what prevents them from working, in order to inform the development of more effective programs. This was the main purpose of the recently completed SPRC project 'Exploring the Determinants and Impact of Participation among FaCS Customers'.[1]

The Determinants and Impact of Participation (DIP) Survey covered a group of working-age people who made a sustained exit from the benefit system into paid work. The survey examined what kinds of participation activity they engaged in while they were on benefit, what kind of job they were in afterwards and what impact participation had on the welfare to work transition.

What emerges from both the statistical data and the more detailed comments provided during the DIP interviews is a sense that most people were keen to participate in activities that they thought would help them to get back into employment.

Participation rates were high for activities that are most closely linked to labour market success, such as paid work, job search, education and training. Most participants reported that they were participating out of choice, not because they were required to.

Over one third of people interviewed said that participation in activities while receiving an unemployment payment had been important in helping them to get a job. A further 17 per cent said other things were more helpful, but activities had been a small factor. Almost one half of the group said that the activities had not been important at all.

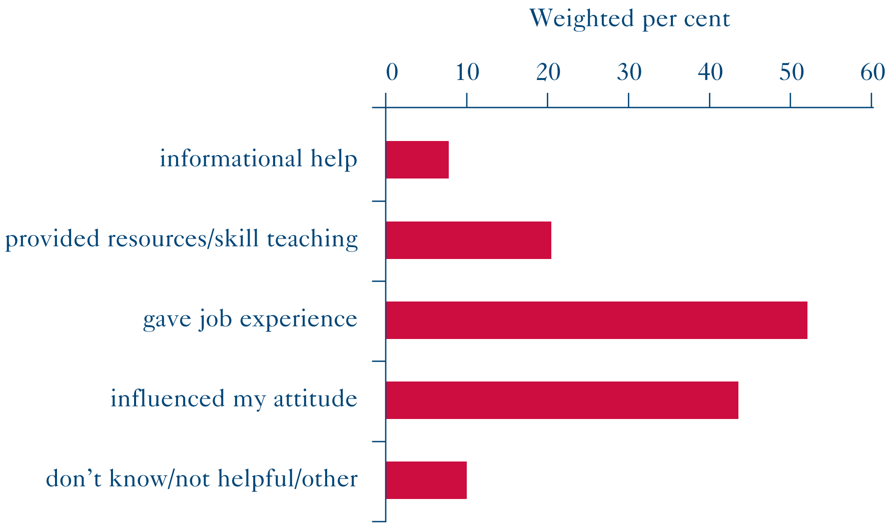
Respondents who said that activities had helped in some way were asked how they had helped. Their responses clustered into the four main categories shown in Figure 1, i.e. they had helped by providing informational assistance; by providing resources or skill teaching; job experience; and influencing attitudes. It is clear from this classification that where activities did help, they did so in positive ways such as by providing job experience or influencing attitudes in ways that assisted people to find a job. Overall, the DIP Survey provided little evidence that activity requirements had forced people off welfare simply to escape them.

When asked to nominate the *most important activity* that led to them getting a job, respondents identified a broader range of factors, including: using the job network; having some attachment to the labour force; getting new skills; networking; and approaching job search with the right attitude.

The comments provided by those who replied to the question asking to identify the *most important motivation* that led to them getting a job revealed a diversity of experience and a number of valuable insights. What can be seen as a waste of time by one person may make the all important difference for someone else – whether it be access to a sympathetic and knowledgeable case manager, to the facilities

Continued on page 8

Figure 1: How Required Activities Helped People to Get a Job (n=330)



Note: Percentages do not sum to 100, as people were able to have more than one answer.
Source: DIP Survey

1 The project 'Exploring the Determinants and Impact of Participation among FaCS Customers' by Peter Saunders, Kate Norris and Judith Brown, was undertaken as part of the Social Policy Research Services (SPRS) Agreement between the Department of Family and Community Services and SPRC.

2 A total of 661 people were interviewed over the telephone in the later months of 2003. The target population for the survey were income support recipients aged 16 and over who had been receiving a payment for at least three months and who left the benefit system during a six-week period from May to July 2003 because of work and experienced a sustained exit. For practical purposes, a sustained exit was defined as leaving income support for employment reasons, and being out of the system for at least thirteen weeks.

WHAT WOMEN HAVE ACHIEVED SO FAR: POLICY GAINS AND REMAINING TASKS IN SOUTH KOREA

CONTINUED FROM PAGE 6

2000 national), public service recruits (1996) and ministerial advisory committees (1998) were introduced to guarantee women's representation in policy-making process.

Despite considerable achievements, there are still a plethora of remaining tasks to achieve gender equality in policy areas. The discrepancy between the laws and policies and the reality was indicated as one of the problems (Kim et al., 2002). There is a significant gap between *de jure* and *de facto* gender equality. More efforts will be needed to enhance people's awareness of gender equality.

A clear definition of gender mainstreaming also needs to be discussed in detail. There seems to be widespread misunderstanding and confusion over the meaning of gender mainstreaming and related concepts in Korea like other countries. The transformative content of the framework has weakened to some degree due to the policy community's (politicians and government officers) limited gender sensitivity. Without clarification of gender mainstreaming in policy programs, gender mainstreaming remains at the level of mere rhetoric or political statements.

The level of gender expertise in bureaucracy is still problematic. The government officer rotation system is seen as a major hindrance to the creation of gender experts inside bureaucracy. Despite increased descriptive representation in policy-making process, it is necessary to assess and monitor whether women in politics are committed to achieving gender equality with gender sensitivity, by suggesting women's policy initiatives that challenged the status quo in gender relations.

Finally, to make further progress in women's policy the women's movement need to be wary of the risks of engagement with the state and make efforts to maintain their independence and autonomy.

REFERENCES

Jones, N. A. (2003), *Mainstreaming Gender: South Korean Women's Civic Alliances and Institutional Strategies, 1987-2002*, University of North Carolina at Chapel Hill, PhD Dissertation, unpublished.

Kim, K. (2002), 'A frame analysis of women's policies of Korean government and women's movement in the 1980s and 1990s', *Korea Journal*, 42(2), 5-35.

Kim Yanghee, Kim, Young-Ock, Park, Yeong-Ran, and Kim, Eun-Hee (2002), *A Feasibility Study for Building Korean Gender Management System*, Seoul, KWDI and UNDP.

EXPLAINING THE WELFARE TO WORK TRANSITION

CONTINUED FROM PAGE 7

needed to update and improve a CV, or a word in the ear from a friend about an upcoming job opening.

Broadly-based, formal participation programs can play an important role in increasing people's skills, connectedness and motivation, but the 'common touch' that comes from personal contacts is also important.

Some caveats apply to these findings. It was apparent that many respondents had a broader definition of the word 'activities' than that provided by the structure of the survey's closed questions. Also, only those people who had indicated that their participation and mutual obligation activities had helped them to get a job were asked questions about the most important activity and motivation, so that the themes available to analyze represent only part of a broader picture. Indeed, half of the people surveyed regarded their activities were 'not important at all' in helping them to leave the benefit system to work.

The closing question provided the DIP survey participants with an opportunity to express their attitudes to participation and unemployment policy more generally. What is clear from the comments is that 'wanting to work' may be a necessary condition for finding employment, but it is by no means sufficient. Other themes included the following:

- Jobseekers overwhelmingly want to be treated more as *people*. This can help them to maintain their self-esteem and provide encouragement.
- *Income* is crucial in providing the ability to participate, and there is evidence that the level of the unemployment benefit may be preventing participation in some instances.
- Activities, whether required or otherwise, should be *appropriate* to the individual's situation and level of interest.
- More generally, many felt that it would be beneficial to find out *what unemployed people themselves want*, and support them in getting there.

In overall terms, the study has achieved its primary goal of shedding new light on the nature and impact of participation among a group who are expected to have benefited most from its requirements, in that they have all made a sustained transition from the benefit system into a job.

RESTORING CREDIBILITY TO AUSTRALIAN POVERTY RESEARCH

BY PETER SAUNDERS

Australian poverty research has become disconnected from the life events that cause poverty and the adverse outcomes associated with low income. Sterile debates over where to set the poverty line are incapable of capturing the imagination of the public (or the attention of policy makers) to the same degree as the evocative accounts of the experience of poverty portrayed in Mark Peel's excellent book *The Lowest Rung*.

A new approach is needed that focuses on how low-income, deprivation and joblessness produce unacceptable outcomes, particularly for children. This research must also be grounded in community understandings of the meaning of poverty, and better integrated with issues of affluence and inequality. These insights form the basis for the research I will conduct under the grant and fellowship awarded by the Australian Research Council.

The five-year program of research will involve:

- Developing a set of endorsed and credible budget-based standards for monitoring trends in income poverty, deprivation and other distributional markers;
- Validating these benchmarks using existing survey data on spending and participation patterns, ownership of assets, attitudes and aspirations;
- Conducting in-depth interviews with chronically disadvantaged groups to examine how they cope with different forms of deprivation, and the processes and events that determine the pathways into and out of deprivation;
- Integrating statistical analysis of changes in income distribution with evidence on community attitudes to different forms of inequality as the basis for establishing the equity impacts; and
- Developing new monitoring tools for studying the distributional impacts of a range of social trends and policies.

The overall approach will be multi-disciplinary, combining economic ideas developed in poverty, living standards and income distribution research with a series of ethnographic case studies informed by insights from sociology, social policy, psychology and political science.

The research will inform public policy in the areas of income support, taxation, housing, structural adjustment, employment creation and welfare reform and is designed to produce better instruments for monitoring social trends and policy impacts. The emphasis on assessing the community response to trends in economic inequality will help us to better contribute to understanding the distributional *and* equity consequences of policy actions and other economic and social trends. The complexity and scope of these tasks presents a formidable challenge for completion within five-years, but one that is achievable.

The research will draw extensively on my past SPRC research on poverty, household budgets, living standards and economic inequality, including the budget standards study undertaken by SPRC between 1995 and 1998, on-going work on inequality and public attitudes, recent work on economic and social participation undertaken for FaCS, and current ARC-funded research on data quality issues (undertaken in partnership with ABS).

The core research questions will be examined through four inter-related research themes:

- Theme I: Development of household budgets that correspond to the standards of subsistence deprivation, modest participation and affluence (or opulence).
- Theme II: Analysis of existing datasets to identify the deprivation profile of Australian households, and the factors driving change and mobility through time.
- Theme III: A series of ethnographic studies of vulnerable groups to identify the extent of multiple deprivation and the coping strategies used to mediate its effects.
- Theme IV: A national survey of community attitudes to different aspects of income inequality, deprivation and affluence.

Bringing the research to successful completion will be a major task. The freedom to read, and reflect for a sustained period that the Fellowship provides me with is a marvelous opportunity to make a contribution in this important area of research. I plan to report on progress in future issues of this Newsletter and am more than happy to answer any questions in the meantime. You can contact me on P.Saunders@unsw.edu.au.

FROM THE RESEARCH SCHOLARS

Studies using a gender perspective figure prominently as the subject area of a number of theses currently being conducted at the Centre. Two studies with a focus on gender issues are 'Fertility and the Time Cost of Children' by Lyn Craig and 'The Impact of Poverty between Men and Women' by Trish Hill. Both research scholars anticipate completing their doctoral work in 2004.

If you are interested in post-graduate research at the SPRC, contact Michael Bittman ph 9385-7806 or m.bittman@unsw.edu.au.

NEW PROJECTS

CHILDREN IN THE SUPPORTED ACCOMMODATION ASSISTANCE PROGRAM (SAAP)

Department of Family and Community Services

Tony Eardley, Kate Norris and Denise Thompson

The central aim of the research is to identify critical issues and opportunities to improve SAAP's capacity to understand and better meet the needs of children. This project is intended to contribute to the overall knowledge about children and homelessness in Australia through two main activities; a literature review of current research into legal, policy and program activities concerning children (both accompanying parents and unaccompanied) who are homeless or at risk of homelessness and/or in SAAP programs, and a comprehensive analysis of the circumstances of, and outcomes for, children accessing SAAP services, drawing on data to be provided by the SAAP Data Analyst and the National Data Collection Agency.

IMPACT OF STAFF RATIOS ON UNDER 2 YEAR OLDS IN CHILDREN'S SERVICES

National Association of Community Based Children's Services (NSW), Early Childhood Australia (NSW), Local Government Children's Services Association (NSW) and Community Child Care Co-operative (NSW)

Karen Fisher and Roger Patulny

The draft children's services regulation announced in April 2004 included a minimum standard staff child ratio of 1:5 for children aged under 2 years in centre-based and mobile children's services. The 2002 draft regulation proposed a better staff child ratio of 1:4. This research examines the likely impact of the 1:4 staff child ratio.

EVALUATION OF THE COMMONWEALTH DISABILITY STRATEGY

Office of Disability, Department of Family and Community Services

Karen Fisher, Justin McNab, Ciara Smyth, Kelly Sutherland, Peter Siminski, Peter Saunders, Bruce Bradbury, Peter Baume and David Abelló, with Leanne Dowse (DSaRI) and Joanne Kelly (University of Sydney)

The Commonwealth Disability Strategy 1994 - 2004 is a planning framework to assist Australian Government organisations to meet their obligations under the Commonwealth Disability Discrimination Act 1992. A revised Strategy was launched in October 2000. The key objective of the new Strategy is to ensure equity of access to all mainstream Australian Government policies, programs and services for people with disabilities. The evaluation researches the achievements of the strategy, barriers still remaining and future directions. A general evaluation through document review and consultation, will be supplemented with case studies on key priorities for the Strategy. If you would like to comment on the evaluation, contact Justin McNab ph 02 9385 7818, email j.mcnab@unsw.edu.au.

STILL JUGGLING TIME? INDIVIDUAL, GENERATIONAL AND HISTORICAL CHANGE IN RESPONSIBILITIES FOR MARKET AND NON-MARKET WORK

Australian Government, Department of Prime Minister and Cabinet

Michael Bittman

The core of the project is updating analysis of confidentialised data from Time Use Surveys. A key finding of the earlier cross-sectional research was that time spent in unpaid work (chiefly, housework, shopping and child care) was profoundly affected by gender and life course stage but relatively unaffected by the usual indicators of social disadvantage such as income, social class or ethnicity. The monograph, Recent Changes in Unpaid Work, 1974-1992 concentrated on a analysis of trends in time spent on component tasks of non-market work. This study provided the only exhaustive account of Australians' changing domestic arrangements.

UTILITY DEBT PREVENTION RESEARCH PROJECT

Committee for Melbourne

Peter Siminski and Peter Saunders

The SPRC was commissioned by the Committee for Melbourne to conduct a component of the Utility Debt Prevention Project. The aim of this component was to explore disadvantage and poverty in the community and to identify utility service customer groups at risk of financial hardship. The report includes a review of quantitative and qualitative studies of poverty and hardship and an analysis of Confidentialised data from the ABS Household Expenditure Survey data. A clear relationship between being disadvantaged and having problems paying utility bills was found. The final report was submitted in early June.

TENANCY GUARANTEES PILOT PROJECT

Office of Community Housing

Tony Eardley

The Tenancy Guarantee Pilot project is run by the NSW Office of Community Housing. It is designed to assist people who have the financial means to take on private

sector renting but are unable to secure a tenancy because of a lack of tenancy history and personal references, or some form of discrimination by real estate agents and/or landlords.
The SPRC is undertaking a mid-Project review of the scheme to assess its effectiveness and to make recommendations for any necessary changes to the focus and/or design of the Project. The methods include: review of data from service agencies; review of literature on similar schemes elsewhere in Australia and overseas; consultations with stakeholders; fieldwork visits and interviews with participating delivery organisations, real estate agents, referral agencies, and individual applicants or beneficiaries of tenancy guarantees.

NEW DISCUSSION PAPERS

THE PRICE, COST, CONSUMPTION AND VALUE OF CHILDREN

BRUCE BRADBURY

SPRC DISCUSSION PAPER 132

Though they are related, the price, cost, consumption and value of children are not the same. This paper explores two aspects of the relationship between these concepts.

Even if we restrict attention to the domain of commodity consumption, the cost of children is not the same as children's consumption. In this context, the cost of children to their parents is often described with a consumer equivalence scale. It is shown here that, under reasonable assumptions, children's consumption of market goods is less than the 'equivalent income' of the household, but more than the 'cost of children'.

Expenditure costs, however, are only part of the cost of children. This paper uses a variant of the 'adult goods' method to estimate the full costs of children, including both expenditure and time costs. Adult personal time (comprising pure leisure, sleep and other personal care) is used as the adult good. Preliminary estimates using Australian data suggest a very large cost of children. The paper discusses the limitations of the estimation approach and considers the broader welfare implications of these costs.

TIME TO CARE

LYN CRAIG

SPRC DISCUSSION PAPER 133

Households provide their members with both financial support and caring services. In sole parent households, the vast majority of which are headed by women, the functions of earning money and caring for children fall to one individual. The risk that sole mothers may fail to perform either or both of these functions adequately has made these women and their children a subject of social concern and policy interest. The financial consequences of sole motherhood have been extensively studied both in Australia and cross nationally. The other area of concern, that the children of sole mothers are disadvantaged in terms of parental attention, has not been systematically investigated. To begin addressing this research gap, this paper analyses the Australian Bureau of Statistics Time Use Survey 1997 (over 4000 randomly selected households) to establish whether, in Australia, the time sole mothers spend with their children differs in either quality or quantity from that of mothers, and/or fathers, in couple families. The related issue of whether sole mothers suffer more time pressure or time constraint than partnered mothers is also addressed.

SOCIAL CAPITAL NORMS, NETWORKS AND PRACTICES: A CRITICAL EVALUATION

ROGER PATULNY

SPRC DISCUSSION PAPER 134

Social capital is a theoretically confusing concept, but one which nonetheless has much to offer as a potential measure of the strength of societies. The paper outlines the theory behind the three main component parts of social capital - values (such as trust), the networks such values are relevant to, and the practices (such as volunteering) related to those values and networks. It outlines four major problems from the literature, including tautology, ownership, bonding/bridging crowding out, and the dark side 'victim-blaming'. Two more uncommon problems are identified. The first is the bias towards agency, whereby social captial is seen as shaped largely by personal and demographic characteristics of individuals rather than by larger macro-social structural forces. Four potential structural forces are discussed - materialism, inequality, gender-family dynamics, and cultural clashes. The final problem with social capital is choosing the appropriate level at which to analyse trends. International comparison is used to identify 'emergent properties' and welfare policies peculiar to countries or clusters of countries that influence social capital. Analysing countries by welfare regimes is suggested, and hypothetical connections between welfare regimes and social capital are drawn here to these ends.

BUDGET STANDARDS ALIVE AND WELL!

CONTINUED FROM PAGE 5

the on-going value of research on budgets standards and illustrate their potential for shedding new light on complex but important aspects of living standards in contemporary Australian society.

REFERENCES

Henman, P. (1998), 'Different assumptions, different scenarios: extending and developing SPRC's budget standards', *Social Security Journal, 1998/1*, 171-93.

Industrial Relations Commission (2004), *Safety Net Review. Wages. Statement*, Industrial Relations Review, Melbourne.

McHugh, M. (2002), *The Costs of Caring: 'A Study of Appropriate Foster Care Payments for Stable and Adequate Substitute Care in Australia'*, Final Report prepared for the Child and Family Welfare Association of Australia, the Australian Foster Care Association and the Association of Childrens Welfare Agencies of Australia, April, Sydney

McHugh, M., P. Saunders and J. Chalmers (2002), *The Development of Indicative Budget Standards for the Costs of Children in Tasmania in March 2002*, A Report prepared for Children and Families, Department of Health and Human Services, November, Tasmania.

Saunders, P. (1998), 'Using budget standards to assess the well-being of families', *Discussion Paper No. 93*, Social Policy Research Centre, University of New South Wales.

Saunders, P. (2004), *Updated Budget Standards Estimates for Australian Working Families in September 2003*, Social Policy Research Centre, University of New South Wales.

Saunders, P., J. Chalmers, M. McHugh, C. Murray, M. Bittman and B. Bradbury (1998), *Development of Indicative Budget Standards for Australia*, Policy Research Paper Number 74, March. Sydney, Australia: Social Policy Research Centre, University of New South Wales.

Saunders, P., R. Patulny and A. Lee (2004), *Updating and Extending Indicative Budget Standards for Older Australians. Report for the Association of Superannuation Funds of Australia*, Social Policy Research Centre, University of New South Wales.

PUBLICATIONS AND MAILING LIST

SPRC DISCUSSION PAPERS (FREE)

New papers have been posted to the SPRC Website:

Bruce Bradbury, The Price, Cost, Consumption and Value of Children, SPRC Discussion Paper 132, http://www.sprc.unsw.edu.au/dp/DP132.pdf

Lyn Craig, Time to Care: A Comparison of How Couple and Sole Parent Households Allocate Time to Work and Children, SPRC Discussion Paper 133, http://www.sprc.unsw.edu.au/dp/DP133.pdf

Roger Patulny, Social Capital Norms, Networks and Practices: A Critical Evaluation, SPRC Discussion Paper 134, http://www.sprc.unsw.edu.au/dp/DP134.pdf

MAILING LISTS (FREE)

- ☐ SPRC Email Notices *You will receive email updates about events at SPRC*
- ☐ SPRC Newsletter Mailing List *You will receive Newsletters regularly*
- ☐ SPRC Annual Report Mailing List *You will receive Annual Reports*

MAILING ADDRESS

Name

Organisation

Address

Post Code

Phone

Fax

Email

CHANGE OF ADDRESS

☐ I wish to change my current mailing address

Please fill in your NEW address in the mailing address box on the left

Publications, Social Policy Research Centre
University of New South Wales, SYDNEY NSW 2052
OR Fax: +61 (2) 9385 7838 Phone: +61 (2) 9385 7802
Email : sprcpub@unsw.edu.au