

SPRC Newsletter No 70 - August 1998

Author:

Hancock, Sharon

Publication details:

Working Paper No. No 70

SPRC Newsletter

1324-4639 (ISSN)

Publication Date:

1998

DOI:

<https://doi.org/10.26190/unsworks/1041>

License:

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

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

Downloaded from <http://hdl.handle.net/1959.4/45370> in <https://unsworks.unsw.edu.au> on 2024-04-19

GENDER EQUITY IN THE 90s SWEDISH STYLE

BY SHEILA SHAVER

The Swedes have a special word for gender equity in economic and social policy: *jämställdhet*. The word has no exact English translation, but refers to equal relations between men and women. It is not the same as the word used to denote equality between the members of different social classes or ethnic groups, which is *jämlikhet*, but speaks specifically to the place of men and women in Swedish society. A vision of gender equity has figured in Swedish social policy since the 1960s, and Swedes are justly proud of the country's reputation for international leadership in the development of policy arrangements enabling men and women to combine employment and parenthood.

These policies have come under new scrutiny in the 1990s. Feminists dispute how substantial is the equality that has been achieved. Critics of Sweden's large-scale welfare state suggest that the policy model is too costly, particularly since Sweden has joined the European Union. At the behest of the small Christian Democratic Party,

the Conservative government of the early 1990s briefly instituted policies encouraging women to stay home with their children. At the same time, there is now a generation of women and men who have grown up with the Swedish policy model, and who form a very substantial political constituency which is acutely sensitive to its undermining. The economic crisis of the 1990s and EU entry have seen cutbacks to virtually all aspects of the Swedish welfare state, and the provisions fostering gender equality have not been excepted. To date, the model has

proved robust, but it remains to be seen how much incremental erosion it can accommodate and still be a force for gender equality.

The label of *jämställdhet*, and the explicit policy commitment it has come to represent, entered the policy discourse only in the 1970s, but the social policy arrangements it was to describe had begun to be developed in the 1950s and 1960s. The economic impetus behind them was Sweden's rapid economic growth in that period, and the political preference to facilitate the expansion of labour

Continued on Page 4



May Day march, Stockholm, 1998. Main banner reads "Tax: Your Weapon for an Equal Society"

Photo: Jeremy Beckett

CONTENTS

Staff and Visitors Update	2
From the Director	3
From the Projects	7
Book Review	8
New Publications	10
Publication Orders	11

FEATURE

The SPRC's Sheila Shaver has spent the last year in Sweden at the Universities of Umeå and Stockholm. Here she discusses gender equity provisions in contemporary Swedish social policy.

EDITOR ♦ SHARON HANCOCK

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

SPRC NEWSLETTER ♦ 1

SPRC STAFF

Social Policy Research Centre

Director

Peter Saunders

Deputy Director

Sheila Shaver

Senior Research Fellows

Michael Bittman

Bruce Bradbury

Tony Eardley

Michael Fine

Research Fellows

Jenny Chalmers

Karen Fisher

Gerry Redmond

Karen Turvey

Senior Research Officers

Guyonne Kalb

George Matheson

Cathy Thomson

Research Officers

Sharon Burke

Jenny Doyle

Diana Encel

Marilyn McHugh

Kuru Pancharatnam

Stefani Strazzari

Helen Studencki

Merrin Thompson

Honorary Research Associates

Judy Cashmore

Sol Encel

Sara Graham

Research Scholars

Natalie Barnes

Amanda Elliot

Trish Hill

Judy Mellers

Gaby Ramia

Judy Schneider

Ariadne Vromen

Administrator

Suzanne Vaughan

Publications & Information Officer

Sharon Hancock

Librarian

Lynn Sitsky

Secretarial

Lynda Pawley

Gil Srzednicki

Phone: +61 (2) 9385 3833

Fax: +61 (2) 9385 1049

Email: sprc@unsw.edu.au

Internet: [http://](http://www.sprc.unsw.edu.au/)

www.sprc.unsw.edu.au/

Postal Address:

Social Policy Research Centre

University of New South Wales

SYDNEY NSW 2052,

AUSTRALIA

THE SOCIAL POLICY RESEARCH CENTRE

was established in January 1980 (originally as the Social Welfare Research Centre) under an agreement between the University of New South Wales and the Commonwealth Government.

The Centre is operated by the University as an independent unit of the University. The Director receives assistance in formulating the research agenda from a Board of Management and also through periodic consultation with the community. The Director is responsible to the Vice-Chancellor for the operation of the Centre.

The SPRC undertakes and sponsors research on important aspects of social policy and social welfare; it arranges seminars and conferences, publishes the results of its research in reports, journal articles and books, and provides opportunities for postgraduate studies in social policy.

The Centre's current research agenda covers social policy issues associated with changes in employment; levels of social and economic inequality including poverty and the measurement of income and living standards; the changing structure of the mixed economy of welfare and the roles of state, market, household and non-government sectors in meeting social needs; policies and programs in social security, taxation and the labour market, and community services.

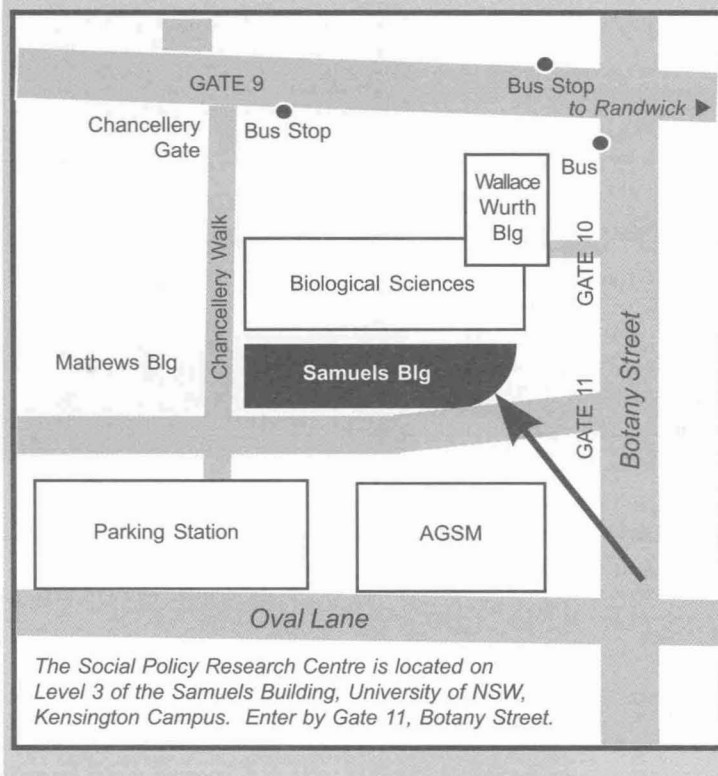
The views expressed in this Newsletter, as in any of the Centre's publications, do not represent any official position of the Centre. The SPRC Newsletter and all other SPRC publications present the views and research findings of the individual authors, with the aim of promoting the development of ideas and discussion about major concerns in social policy and social welfare.

STAFF AND VISITORS UPDATE

KURU PANCHARATNAM began work with the Centre as a Research Officer in July. He has recently completed a B.Soc.Sci (Hons) at the University of New South Wales. His thesis was entitled 'Informational Incumbency Advantage in Contractual Relationships as a Constraint to Contestability'. He will initially be working with Tony Eardley on the core project charting the growth of working poverty.

STEFANI STRAZZARI also commenced working at the SPRC as a Research Officer in July. Initially she will be working with Michael Fine and Karen Fisher on the Coordinated Care Evaluation Project at Hornsby/Ku-ring-gai. Last year she completed her Honours degree in Sociology at the University of Newcastle. Her thesis was entitled 'Popping Pills and Roll-on Responsibility: The Feminine Art of Protecting Heterosex'. It explored young women's perspectives about safe sex, using data from the Women's Health Australia Project and interviews with 41 young women.

BINGYAO SUN, Senior Research Fellow at the Institute of Sociology, Chinese Academy of Social Sciences, Beijing, visited the SPRC in July to research the changing role of the non-profit sector. His visit was arranged under the Scholar Exchange Scheme between the Chinese Academy and the Australian Academy of the Social Sciences.



The Social Policy Research Centre is located on Level 3 of the Samuels Building, University of NSW, Kensington Campus. Enter by Gate 11, Botany Street.

FROM THE DIRECTOR

BY PETER
SAUNDERS

'The facts' are often one of the first casualties of political controversy and recent events stimulated by the rise of the One Nation Party are no exception. A case in point is the debate on immigration and its impact. The considerable resources allocated to researching the economic and social effects of immigration appear to have had almost no effect on the quality of public debate on these issues. While research cannot always answer the key questions, it is depressing to see what little impact the available research has when an important issue like immigration emerges into the heat of electoral debate.

In the short term, there is little that can be done about this situation. In the longer-run, however, there is a responsibility on those of us engaged in research - particularly research funded from the public purse - to try to ensure that our findings are reported, and reported accurately, in the various media outlets. Anyone who has tried this will know that it is not easy. It is one thing to provide material to the media, but how that material is used is another matter. Most of the topics subject to serious research are highly complex (hence the need for the research) and cannot be easily summarised in a two minute 'sound bite' packaged for the evening news bulletins.

Having said this, it is important whenever possible, to communicate research findings in a language that people can understand. But where this involves unwarranted simplification of complex issues it is best avoided. The problem, of course, is that there is always someone else willing to 'front up' with a simple message, no matter how misleading (or even uninformed) it may be. In the longer run, this approach benefits no one. It promotes an unwarranted impression of

simplicity that leads inevitably to the question; 'If it's that simple, why can't they solve it?', a process which can only add to an already growing sense of frustration and disillusion.

Wouldn't it be refreshing (if unlikely!) to hear a 'media expert' admit once in a while that he/she doesn't fully understand what is going on and is currently unable to suggest what needs to be done and why? At the very least, this would help people to understand that many issues are difficult and that even 'the experts' sometimes have to acknowledge this. Once we accept that the problems we face are complex, it is more likely that our failure to solve them will give rise to a less cynical attitude - and perhaps a more confident response - to the changes that are going on and the increased insecurity to which they are giving rise.

An excellent place to start in the search for information on how Australian society is changing is the latest issue of *Australian Social Trends*, published earlier this year by the Australian Bureau of Statistics. This annual 'report card on social change' is essential reading for anyone keen to gain a quick and readily available, but authoritative and accessible, summary.

As in previous issues, the 1998 report is divided into seven broad areas: population; family; health; education; work; income and expenditure; and housing (with an eighth, focusing on the environment, in this year's issue). These cover all of the basic aspects of our standard of living - the economic as well as the social, the direct as well as the indirect, and the material as well as the psychological.

It is not possible to do justice to the enormous amount of fascinating information contained in the 1998 report here, although the following extracts will

hopefully tempt others to a more thorough reading. Thus, we find that: the number of adoptions in Australia has declined dramatically, from almost 9,800 in 1971-72 to less than 700 in 1995-96; that the proportions of both males and females in higher education have risen markedly since 1988, but considerably more so for women; that between 1988 and 1997, the percentage of female employees in casual jobs rose from 27.3 per cent to 31.7 per cent, while for men it rose from 10.8 per cent to 20.9 per cent (implying that over a quarter of all jobs are now casual); that over 20 per cent of income units, containing more than a million children, were living in poverty in 1995-96; that the total level of taxation in Australia in 1995 was well below that in most other OECD countries, but slightly above that in Japan and the United States; that the percentage of households containing more than four people declined from 23.3 per cent in 1971 to 11.8 per cent in 1996, while over 54 per cent of all households now contain less than three people; and finally that by 1996, 46.2 per cent of all households owned two or more cars.

This short selection from the thousands of statistics presented in the ABS report paint a picture of rapid social and economic change. Some of the trends are of concern, but others show that living standards are increasing on average, even if not all Australians are able to share in the increased prosperity. Others still are open to alternative interpretation.

This is as it should be. There will always be legitimate disagreement over the meaning of social (as well as economic) statistics. The important point is that the statistics provide a firm basis on which to debate the merits of the underlying circumstances and forces they represent. Statistics will always be manipulated and open to interpretation, but the world would be a far worse place without them.

"... there is a responsibility on those of us engaged in research - particularly research funded from the public purse - to try to ensure that our findings are reported, and reported accurately"

GENDER EQUITY IN THE 90s SWEDISH STYLE

CONTINUED
FROM PAGE 1

"The key principles of the Swedish gender model involve policy incentives for women as well as men to be employed throughout adult life ..."

supply through the employment of married women in preference to immigrant labour. Critical political impetus came from women themselves, in a political culture that had recognised women's employment since the 1930s, and in movements working independently and through political parties, especially the Social Democratic Party.

The key principles of the Swedish gender model involve policy incentives for women as well as men to be employed throughout adult life, including the years when they have young children. They also include assistance to parents to combine employment with parenthood, through measures which compensate for lost earnings for family reasons in the same terms as apply in the case of sickness or unemployment. In Sweden this means compensation which depends on the wages of the particular worker, and which makes up for a high proportion of the earnings lost. These policies aimed both to strengthen the position of women in the labour market and to strengthen the position of fathers in the home (Lewis and Åström, 1992; Florin and Nilsson, 1997; Hobson and Lindholm, 1997). The key elements of this framework are individual taxation of husbands and wives, low-cost public day care for the children of parents in employment, parental insurance providing paid leave for either parent for the first period of a child's life and when older children are sick, entitlement for either parent of children of pre-school age to reduce their working day with corresponding reduction of pay, and universal child allowances. The corollary of these measures is a well-developed public service sector, which is important both for the health, education and care services it provides and for the employment its growth has generated, especially for women.

Swedish proponents of gender equality dislike the way their counterparts in other countries tend to romanticise the Swedish policy model. They are well aware of how strongly it, in company with those of other Nordic welfare states,

stands out from the social policy arrangements concerning employment and family life in most other advanced industrial countries. Yet they are also aware of its shortcomings, especially in a lack of change in the underlying gender division of labour in Swedish society. They are still more aware of the cutbacks it has suffered in recent years, and of suggestions that Swedish policies may need to be 'harmonised' with those of other EU members.

A report to a just-completed government inquiry into the distribution of economic power and economic resources between men and women (*Kvinnomaktutredningen*) provides an opportunity to evaluate some of the achievements of the Swedish social policy model in enhancing economic equality between women and men over the quarter century or so since these policies were first instituted. The report, by Anita Nyberg (1998), is a study of changes in the distribution of income of men and women from the early 1970s to the mid 1990s. Income is, of course, only one dimension of gender inequality. Statistics Sweden's (1996) annual accounting on the state of *jämställdhet* also covers health and fertility, education, criminality and political participation. Income is nevertheless important both as a source of well-being in its own right and because it affects many other aspects of social life. Because it reflects changes in employment, it also gives ready insight into the effects of economic change and its consequences for gender equality.

As Nyberg's study makes very clear, men's as well as women's circumstances have changed since the 1970s. During this period the Swedish economy has seen large and significant increases in productivity in agriculture and especially in industry and construction. While women's employment has grown steadily, there has been a significant loss of jobs among men, especially older men. Men who could no longer find work in the private sector have often left the labour force. Convergence in the employment and incomes of men and women

thus reflects a deterioration in men's circumstances as well as an improvement in women's.

EMPLOYMENT INCOMES

Nyberg looks, first, at how total income was divided between men and women in 1994. Overall, 55 per cent of all income went to men and 45 per cent to women. The main reason for this was men's greater income from employment. Men received three-fifths of all wage and salary income, and paid about the same share of all negative transfers, mainly taxes.

One reason for this is men's longer hours in paid work. Nyberg bases these comparisons on the number of hours worked per week averaged over the whole population, including people not in the labour force. Nyberg has used this measure because it can reflect changes in the proportion of women and men working for pay as well as in how many hours they work. It shows significant changes between 1970 and 1992, the last year for which appropriate data were available. Women greatly increased their time in paid work over this period. The greatest increase was among women with school-aged children, from an average of 18.0 hours per woman in this group in 1970 to 26.1 in 1992. Women aged 45-54 had almost as great an increase. Women with children aged below seven worked fewer hours overall, but they also increased their average working hours, from 11.4 to 15.7 hours per week. In the same period, the average hours worked by men fell, though not to so great an extent. The average working hours of men aged 45-54 declined from 35.8 to 33.6 hours per person per week in 1992, a fall of 2.2 per cent. This reduction is due both to a shortening of the working week between 1966 and 1973, and the exit of older men from the labour force.

Nyberg's report focuses on average working hours across the population. Labour force data (1996) show the gender distribution of working hours in

Sweden in more familiar terms. In 1995, four out of five Swedish women aged 20-64 were in the labour force. However only 45 per cent of them worked full-time, i.e. for 35 or more hours per week. A very large proportion, 25 per cent in 1995, worked 'long part-time', from 20 to 34 hours per week, and it is this group that has grown most over the period since 1970. Only four per cent worked 'short part-time', for fewer than 20 hours per week. The working hours of Swedish men have changed less. Most work full-time. The proportion doing so has declined slowly over most of the period from 1970-1990, by which time four out of five employed men worked full-time. There was a steep fall in men's working hours in the early 1990s, and in 1995 the proportion working full time was down to 71 per cent.

As Nyberg's study shows, a second reason for women's lower earned incomes is that men and women do different work, and do it in different sectors of the labour market. Only ten per cent of employed women and eight per cent of men work in occupations in which the genders are in approximately equal balance (at least 40 and no more than 60 per cent of one sex). Wages are lower in the work places and positions where women predominate, and higher in those where men do. One reason is that women perceive the 'care penalty', i.e. the hidden costs of combining child care and paid work, as lower in the public than the private sector, and prefer to work there. Gender segregation is the main source of the wage gap between men and women. Although this has declined over the period from 1975 to 1994, a substantial difference remains. Thirdly, women are paid less than men, even in the same occupational category, and work in low-wage occupations more than men. The wage gap is least in the case of full-time employees and in more highly skilled grades, but women are

least frequently employed in these positions.

'WORK INCOMES'

Nyberg also compares the incomes of men and women for the part of the population who have jobs, including those who absent from them because of illness, because they were on leave caring for children, or were away because of military training and civil defence. Besides earnings, the income of this population includes compensation for sickness, parental leave and military duties. The most important of these in size is parental leave for the care of young children, and this measure shows how its introduction has affected the distribution of men's and women's incomes. These distributions are much more similar in 1994 than in 1992, though men still have higher incomes than women. As Nyberg (1998: 24) puts it, 'Men's work incomes have become more like women's, and women's more like men's'. Women's are more like men's because more are employed. Men's are more like women's because more men have low incomes. The main reason for the latter stems from adverse labour market conditions in the 1990s, such as students remaining in study longer and older men taking early retirement. There has also been a major influx of refugees. As part of the same pattern, economic inequality among women has decreased, while inequality among men has grown.

INCOMES FROM THE WELFARE STATE

The main provisions of the Swedish welfare state are earnings-related payments, including sickness allowances, parental insurance, labour market assistance and age pensions. Of these, sickness allowances and parental insurance are most important for the present discussion. At the end of the 1980s the parental leave was extended to a total of 12 months of wage-related benefits and a further three months paid at a lower, flat rate of benefit. New provisions since then have set

aside one month which can only be taken by the father, and one month which can only be taken by the mother. In addition, parents can take up to 90 days per year of paid sick leave to care for sick children. In the early 1990s, sickness and parental insurance provided compensation (taxable) at 90 per cent of the claimant's lost wages. Parental leave can be claimed by either parent or be shared between them.

The success of parental leave in encouraging equality in parental care should perhaps be judged partial: in 1991, fathers took approximately 26 per cent of all parental leave. Much of this was, however, concentrated around the birth of the child, and fathers used on average only slightly over eight per cent of leave outside this period. Fathers have taken a much more equal share of child sick days: during the 1980s they used 34 per cent of the paid days. Women, however, tended to take longer leave periods for children's illness than fathers (Hobson, Johansson, Olah and Sutton, 1995: 16-17).

Taken together, the incomes women get from earnings-related payments, excluding pensions, were close to men's, but from very different payments. In particular, parental allowances went overwhelmingly to women, while men got the larger share of labour market assistance, such as unemployment allowances and training grants. Women received more income from child allowances, which are universal in Sweden, than did men. In two-parent households, Nyberg assigned half of such income to each parent. Women's larger share of this income reflects the larger number of sole parent families headed by women. Women's lower incomes explained why they had more income than men from means-tested housing allowances.

Overall, women depend more than men on the support of the Swedish welfare state. In 1994, income from the state made up 29 per cent of the gross incomes of women aged 18-64, as compared

continued on page 6

"Women's dependence on the state for income has increased at the same time as they have increased their incomes from employment."

GENDER EQUITY IN THE 90s SWEDISH STYLE

CONTINUED
FROM PAGE 5

"During the 1990s there have been cutbacks across virtually every area of the Swedish welfare state, implemented by governments headed by both Conservative and Social Democratic parties."

with 19 per cent of men's. Women's dependence on the state for income has increased at the same time as they have increased their incomes from employment. In 1975, welfare state income represented only 21 per cent of women's gross incomes. The welfare state has also become more important in the incomes of men over this period, its contribution rising from eight to 19 per cent of men's gross incomes. This reflects both the expansion of the Swedish welfare state and the wage-related character of its support. Since the wage-related basis of payments means that wage differentials are replicated in welfare payments, this framework may seem to benefit men more than women. Its growth has nevertheless served to reduce income differentials between men and women. In 1975, women's average income after taxes was 58 per cent of men's. In 1994, this disparity was much less, women's average income being 78 per cent of men's. Nyberg found no evidence of the feminisation of poverty in Sweden. Percentages of men and women with income below the social minimum used to determine eligibility for social assistance have fallen and risen together.

CRISIS AND THE CUTBACKS OF THE 1990s

Sweden's economy collapsed at the beginning of the 1990s. Growth was negative for three years. Unemployment, below two per cent throughout the 1980s, has been more than three times that figure in the 1990s, and is not expected to fall below five per cent in the foreseeable future (Stephens, 1996: 45). These figures are for 'open' unemployment, and do not include persons in labour market programs. During the 1990s there have been cutbacks across virtually every area of the Swedish welfare state, implemented by governments headed by both Conservative and Social Democratic parties. Overall, families with children have been hit hardest (Palme and Wennemo, 1998). Child allowances have been reduced by 15 per cent, and

supplementary allowances for large families have been abolished for new claimants. Wage replacement for unemployment, sickness and parental leave has been reduced from 90 to 80 to 75 per cent, but is to be increased again to 80 per cent in the near future. There have also been changes to child care. Legislation has stipulated that local authorities must provide care for all children aged 1-12 whose parents are studying or working. At the same time, funding limits mean that expenditure per child is falling very steeply. Because Swedish women's employment is so heavily concentrated in the public sector and the welfare state, these and other cuts to state expenditure have had severe effects on women's employment. These have been greatest for young women, who have had less seniority and fewer permanent appointments (Gonäs, 1998). The most recent budget has included special allocations to local authorities to address widespread public concern about the quality and accessibility of local services, and of course employment in such services.

To date, cutbacks in the Swedish welfare state have been made across the board. Except for some changes in the age pension, there has been little change in the basic elements of the Swedish model of gender equality. There has been no recanting of the commitment to gender equality. It is too soon to say whether such apparently gender-neutral erosions of benefit levels and service quality will have unequal effects on men and women. There is concern, for example, that reduced replacement rates for parental leave will change the calculus couples have to make about which partner will take parental leave. Since men's wages are generally higher, the lowered rate of compensation means a wider gap in the cost of fathers and mothers taking leave. At the same time, a generation of Swedes have now grown up in the era of *jämställdhet*. Swedish electorates feel the erosion of social rights very quickly, and this is an election year. The model may yet prove robust.

REFERENCES

Florin, Christina and Bengt Nilsson (1997), 'Something in the nature

- of a bloodless revolution...": Gender equality policy in Sweden in the 1960s and 1970s', paper presented to the conference *Sweden Researched*, Swedish Council for Research in the Humanities and Social Sciences, Prague, 17-19 October.
- Gonäs, Lena (1998), 'Has equality gone too far? On changing labour-market regimes and new employment patterns in Sweden', *European Urban and Regional Studies*, 5(1): 41-53.
- Hobson, Barbara and Marika Lindholm (1997), 'Collective identities, women's power resources, and the making of welfare states', *Theory and Society*, 26: 475-508.
- Hobson, Barbara, Stina Johansson, Livia Olah and Caroline Sutton (1995), 'Gender and the Swedish Welfare State', in Edward Brunson and Margaret May, eds., *Swedish Welfare: Policy and Provision*, Social Policy Association, London.
- Lewis, Jane and Gertrude Åström (1992), 'Equality, difference, and state welfare: labor market and family policies in Sweden', *Feminist Studies*, 18(1), Spring: 59-87.
- Nyberg, Anita (1998), *Women, Men and Incomes, Gender Equality and Economic Independence*, A Report to the Committee on the Distribution of Economic Power and Economic Resources between Women and Men, Government Official Reports 1997: 87, Ministry of Labour, Stockholm.
- Palme, Joakim and Irene Wennemo (1998), *Swedish Social Security in the 1990s: Reform and Retrenchment*, Välfärdsprojektet, Cabinet Office and Ministries, Stockholm.
- Statistics Sweden (1996), *På Tal om Kvinnor och Män, Lathund om Jämställdhet*, Statistiska Centralbyrån, Stockholm.
- Stephens, John (1996), 'The Scandinavian welfare states: achievements, crisis and prospects', in Gösta Esping-Andersen, ed., *Welfare States in Transition: National Adaptations in Global Economies*, Sage Publications, London.

FROM THE PROJECTS

USER PAYS AND ITS ALTERNATIVES FUTURE FUNDING OPTIONS FOR AGED CARE

In 1997 the New South Wales Committee on Ageing commissioned the Social Policy Research Centre to undertake research on the rationale for and use of 'user pays' principles in the context of Government programs for older Australians. A discussion paper produced by Michael Fine and Jenny Chalmers was released by the Committee on July 1.

Although the field of aged care accounts for a much smaller proportion of Commonwealth Government expenditure than does income support for older people, it is nonetheless a significant item in the budgets of both Commonwealth and State Governments (see Table 1). Moves towards the introduction of user pays principles for nursing home services arose from the recommendations of the *National Commission of Audit* (NCA), established by the incoming government shortly after the election in March 1996. The NCA argued that future demographic change will

increase pressure, overall, on Commonwealth finances and that this pressure will come mainly through health and social security (mainly retirement income) programs and policies. To deal with this situation, the NCA recommended increasing the funding of nursing home services by users, developing a more market-based approach to their utilisation and shifting responsibility for funding away from government.

WHAT IS USER PAYS?

As the Martin Committee, in its 1991 report on banking and deregulation, explained:

The term 'user pays' refers to the general practice of charging customers in such a way that the prices they face reflect the costs of providing the goods or services. The philosophy of user pays is not an end in itself but is held to lead to desirable consequences. It avoids (often arbitrary) cross subsidies. It also increases economic efficiency as clients face appropriate price signals rather than being encouraged to over consume

some apparently 'free' services and under consume others (Martin, 1991: paragraph 7.1).

In other words, user pays pricing is not just about contributions or co-payments by users for the services they receive. Rather, it is a more general approach to the pricing of goods and services which is intended to ensure economic efficiency through the operation of markets linking producers and consumers. Competition between producers and other suppliers is said to provide such market discipline, as competition for a limited market can drive down excessive prices which might be charged by a small number of non-competing suppliers able to extract a seller's premium for their scarce product.

On the basis of the evidence reviewed in the paper, it was concluded that whilst user contributions have been and are likely to continue to be one important pillar of funding, user pays has at best only a limited role to play in the funding of aged care. As the long history of intervention by charities and by governments

continued on page 9

Source: Commonwealth Budget Statements 1996-97 and 1998-99, Budget Paper No. 1

TABLE 1: COMMONWEALTH EXPENDITURE ON AGE PENSIONS AND AGED CARE

ITEM	1995-96 (ACTUAL)		1997-98 (EST.)	1998-99 (BUDGET)	1999-00 (EST.)
	\$M	%	\$M	\$M	\$M
Age Pensions and Allowances, and Partner Allowance	12 441.0	79.8	13 617.8	14 413.4	14 993.3
Residential Care Subsidies: Low Care Needs (Previously Hostels)	527.8	3.4	694.1	722.5	757.6
Residential Care Subsidies: High Care Needs (Previously Nursing Homes)	2 064.5	13.2	2 238.0	2 261.7	2 309.6
Home and Community Based Provisions ^(a)	564.1	3.6	851.6	1 018.1	1 086.4
TOTAL (A)	15 597.4	100.0	17 401.5	18 415.7	19 146.9
TOTAL COMMONWEALTH OUTLAYS (B)	126 705.2	12.3 ^(b)	136 613.4	141 570.3	146 565.9

Note: (a) Percentage of total expenditure on Home and Community Care and Community Aged Care Packages; Nursing Care for Veterans and Dependents; and Home Nursing Service.
(b) Aged pension and aged care (A) as a percentage of total Commonwealth outlays (B).

BOOK REVIEW

AGED CARE. OLD POLICIES, NEW PROBLEMS

DIANE GIBSON

Cambridge University
Press, Cambridge,
1998

REVIEWED BY
KAREN TURVEY

In recent years the provision of care for older people has dominated much of the international economic and social policy debate. This focus on care for the aged reflects a number of demographic, economic and social trends that have been occurring on a global level. The central issue is the gradual ageing of the population, resulting in an increase in the numbers of highly dependent persons and subsequently an increased demand for aged care services. These trends have led to widespread concern about how such a level of need can be met and about the financing of long-term care for the elderly.

Diane Gibson explores the interplay of these trends in Australia with an eye to the international context. As the ageing of the population has been occurring more rapidly in Australia than in Europe, the book locates the Australian aged care system as a social laboratory for ageing policies.

Two major themes in the book which are of interest are the social construction of personal problems and the feminisation of aged care. As the author notes,

The challenge here is to have disability recognised as a problem for society because of the way in

which society is structured, rather than a problem of the individual because of a perceived personal failing, whether physical or intellectual. (p3)

The emergence of ageing as a social problem, encouraged by the sector of society which provides care rather than older people themselves, is particularly interesting when discussed in relation to the feminisation of aged care. Social provisions for dependent older people are predicated on the expectation that women will provide the vast majority of care for both children and elderly parents at no fiscal cost to the state. Gibson argues that despite this, social provisions

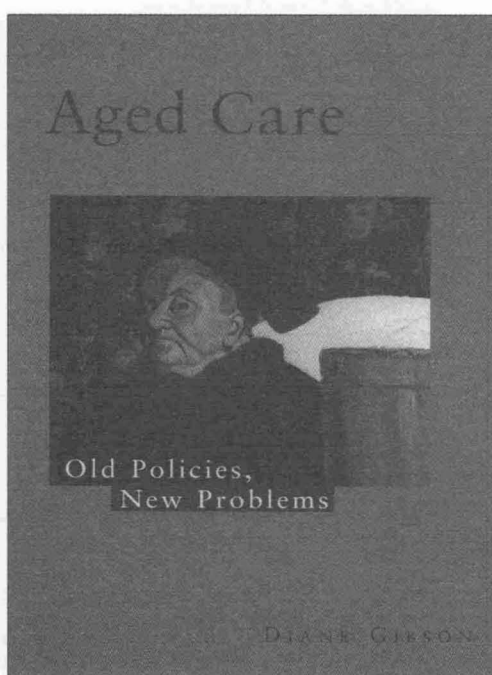
aged care services in Australia and overseas. The proportion of people aged 80 years and over is used as a surrogate measure of the likely need for aged care services. The data show that compared to many countries Australia has a relatively lower proportion of people over the age of 80 years. However, the Australian population has been ageing comparatively quickly in recent years and the rate of increase is especially strong among the very old.

In the latter sections of Part 1 the emerging trends are discussed in turn: increasing demand for aged care services; greater reliance on family care parallel to the deinstitutionalisation of aged care; targeting and rationing of resources and increasing emphasis on the outcomes of care; quality control and regulatory issues and the emphasis on consumer and user rights. These trends are discussed in terms of their relevance to the shaping of current and emerging aged care policies.

The second part of the book, *What's the Practice?*, provides a detailed analysis of the changing balance of aged care and the consequences of these changes, by touching on four main themes: the nature of the deinstitutionalisation of residential care and increasing reliance on home-based care; the feminisation of ageing;

regulating the quality of formal care provided; and finally a discussion of the 'user rights' movement and the implementation of user rights strategies. The analysis draws upon recent statistics and a wide range of published research.

The first and second parts of the book focus on policies and programs in terms of the constructions which they place on social problems. The perspectives adopted have been consistent with the dominant discourses as to what



for the aged have failed to take account of the problems confronting women. There have been a number of ways in which the actual nature of public provision privileges male over female needs. Evidence for this can be found in inequities in social security payments, superannuation, use of formal community care services and rates of institutionalisation.

The book is divided into three parts. *Part I: What's the Problem?*, first describes the extent of 'the problem' in terms of demand for

constitutes a public issue or a personal problem.

The remaining chapters of the book, *Reconceptualising problems, reorientating solutions*, present a compelling discussion of how, when viewed from alternative perspectives, many socially constructed 'problems' can be also be viewed in a more positive or advantageous light. An example given is the way in which much feminist analyses of old age presents older women as a heterogeneous group which has obscured many positive aspects of being old and female. Gibson argues that there has been a continuing tendency not to incorporate the positive aspects of

older women's lives into analyses of their position. In fact, many elements of being an older female have been reconstructed so that aspects which could be seen as advantageous appear more as disadvantages. This is illustrated in relation to women's longevity, their social networks and their coping skills; their greater experience of and investment in the private sphere; their involvement in the informal economy; and their more frequent experience in moving between formal and informal sectors over the life course. In this manner, the way in which social problems have been constructed and the policy solutions which then emerge

become themselves subject matter for discussion.

Aged Care provides a comprehensive and highly readable commentary on the aged care debate. While covering a wide range of contemporary issues, the author also provides a balance of commentary and statistics, reference to relevant research and theoretical arguments. The theoretical reflections in the latter sections, presenting 'new perspectives on old problems', are particularly absorbing. This book is highly recommended and would be relevant to a large audience including policy makers, academics, students and service providers.

FROM THE PROJECTS

CONTINUED
FROM PAGE 7

has shown, market models of finance have not worked well in this field.

A system heavily based on market principles, as the American evidence has shown, is likely to operate as a segmented system of care. A small proportion of better-off users have access to care by virtue of their continuing high income in old age, or through private insurance cover. Others will have to sacrifice their life savings, including their homes, to gain access to the support they require. In such systems, however, a large public assistance program is still required, both to pay for those without sufficient resources in any form, and to pay for the costs of those who have exhausted their assets but continue to require care.

Whilst most countries continue to fund aged care largely from general revenue and user contributions, insurance represents an increasingly attractive option to ensure viable funding by potential users of provisions. In practice there are two main forms of insurance in use: private long-term care (LTC)

insurance, which has been the preferred solution in the UK and the USA, and social insurance, as used in the Netherlands, Germany, Israel and, most recently, Japan.

The international experience reviewed in the report suggests that there are serious limitations on the financing capacity of private LTC insurance. Whilst there are also some difficulties associated with social insurance approaches, these schemes are both popular and successful in ensuring that services are adequately funded by those who use them now or are likely to in the future.

In the final analysis, households and families fund any aged care services provided, whether this is through direct payments from users, through general revenue, through insurance or other savings and risk spreading mechanisms, or through any combination of these approaches. The report argues that the broader range of alternatives should be considered

in Australia, in particular the implementation of a national LTC insurance scheme. To promote the integration of service delivery and prevent problems of cost shifting it would be valuable to consider the extent to which it is possible to tie the administration of such a scheme to the existing system of national health insurance, Medicare. Contributory funding, however, would need to be along lines that would encourage savings over a person's lifetime. Such an approach offers considerable potential long-term advantages, enabling the development of a more integrated, and therefore potentially more efficient, system of care.

Michael Fine

Note: The report can be obtained from the NSW Committee on Ageing.
Fax: (02) 9367 6890

NEW PUBLICATIONS

SPRC REPORTS AND PROCEEDINGS **RETIREMENT VILLAGES** RESIDENTS' HOUSING COSTS AND LIVING CIRCUMSTANCES

SPRC Reports and Proceedings No. 139

Tony Eardley & Mary-Rose Birch

The retirement village sector has been expanding rapidly in recent years and currently provides up to 70,000 units of accommodation in around 1,700 villages nationally. They offer accommodation ranging from independent 'self-care' units through to hostels and nursing homes, but most housing is for older people who can live fairly independently. Most residents pay an initial lump-sum 'entry contribution' as well as ongoing fees.

The Department of Social Security commissioned a study by the Social Policy Research Centre, to aid a review of assistance for people living in retirement villages, in the context of the 1997 changes to subsidy arrangements for other forms of aged persons' accommodation. One of the questions considered was whether Rent Assistance for retirement village residents is reaching the people who most need it. As well as creating a national database of information on retirement villages, the researchers carried out two surveys - one a telephone survey of the managers of a sample of around 50 villages and the other a postal survey of their residents.

The report provides a profile of retirement villages, their residents and their facilities. It surveys residents' entry costs and ongoing fees, and looks at their financial circumstances and needs for extra services or care. The study also

examines the relationship between entry costs and ongoing charges and concludes that, contrary to previous assumptions, high entry contributions do not necessarily mean lower ongoing fees, and vice versa. Rent Assistance does generally seem to be targeted towards those in greater need, but the eligibility thresholds create a potential boundary problem whereby some residents may be disadvantaged compared to others in similar circumstances. (See Newsletter No. 68 for a fuller summary of findings)

SPRC DISCUSSION PAPERS

AN AUSTRALIAN MODEL FOR LABOUR SUPPLY AND WELFARE PARTICIPATION IN TWO-ADULT HOUSEHOLDS

SPRC Discussion Paper No. 82

Guyonne Kalb

In this paper, a simultaneous discrete choice model for welfare participation and labour supply of two-adult households is estimated. It is assumed that in addition to the indirect effect of welfare participation on utility, welfare participation also has a direct effect. The resulting net effect is unknown and may depend on personal characteristics. To account for the direct effect of welfare participation on utility, a parameter to measure the disutility associated with welfare participation is included in the utility function. This model allows for the fact that not all eligible people are participating in welfare.

The results indicate that there is evidence of a significant disutility associated with welfare participation. From simulations, it is found that a change in the benefit withdrawal rate or the maximum benefit level does not seem to have

a large effect on the labour supply of either adult.

THE LAND OF THE LOST LONG WEEKEND? TRENDS IN FREE TIME AMONG WORKING AGE AUSTRALIANS, 1974-1992

SPRC Discussion Paper No. 83

Michael Bittman

Australians have characteristically seen themselves as a people who are unenthusiastic about hard work and are more oriented toward the pursuit of leisure. Recently there has been a growing alarm that this situation has been eroded by deregulation of the labour market and by the emerging problems of balancing work and family. This sense of alarm is supported by high levels of subjectively reported time pressure. However, analysis of a substantial body of diary-based information about time use presents a paradoxical picture. While there continues to be a wide disparity between those population groups experiencing 'time poverty' and those who are 'rich' in available free time, between 1974 and 1992 average free time actually increased. Moreover, most other industrialised societies have also experienced a trend towards increased free time, while at the same time believing themselves to be subject to greater time pressure.

DEFINING POVERTY AND IDENTIFYING THE POOR REFLECTIONS ON THE AUSTRALIAN EXPERIENCE

SPRC Discussion Paper No. 84

Peter Saunders

This paper provides an overview of the historical development of poverty research in Australia,

focusing on the impact of Seebohm Rowntree's first study of poverty in York, conducted one hundred years ago. It also reviews some of the recent Australian evidence on the extent of poverty and summarises the debates generated by that research. Finally, the paper discusses several developments currently in progress in the area of poverty and living standards research. These include the Adequacy Project being run within the Department of Social Security, the recent SPRC budget standards study, the Project on *Poverty in*

Australia being organised by the Academy of the Social Sciences in Australia, and the proposed National Living Standards Survey being planned by the Australian Bureau of Statistics.

AN EQUIVALENCE SCALE FOR TIME

SPRC Discussion Paper No. 85

Michael Bittman & Robert E. Goodin

This paper proposes an 'equivalence scale for time', by

which information on total working time in both paid and unpaid labour can be derived from information about paid working time and household structure. Different scales are offered for males and females, and an adjustment according to year is also provided. This proposal is based on highly significant and robust Ordinary Least Squares (OLS) analyses of time-use surveys involving 99 137 respondents from 28 western countries.

PUBLICATIONS ORDER FORM

Please mark all boxes to indicate which publications you are ordering

SPRC REPORTS AND PROCEEDINGS

- ☐ No. 139 Tony Eardley and Mary-Rose Birch, Retirement Villages: Residents' Housing Costs and Living Circumstances

SPRC DISCUSSION PAPERS (FREE)

- ☐ No. 82 Guyonne Kalb, An Australian Model for Housing Supply and Welfare Participation in Two Adult Households
- ☐ No. 83 Michael Bittman, The Land of the Lost Long Weekend?
- ☐ No. 84 Peter Saunders, Defining Poverty and Identifying the Poor, Reflections on the Australian Experience

- ☐ No. 85 Michael Bittman and Robert E. Goodin, An Equivalence Scale for Time

MAILING LISTS (FREE)

- ☐ SPRC Newsletter Mailing List
You will receive Newsletters regularly
- ☐ SPRC Annual Report Mailing List
You will automatically receive SPRC Annual Reports as released (beginning 1997)
- ☐ Please send me the SPRC Publications List

Send Orders to: The Publications Officer
Social Policy Research Centre
University of New South Wales
SYDNEY NSW 2052

OR
Fax: +61 (2) 9385 1049
Phone: +61 (2) 9385 3857
Email: sprc@unsw.edu.au

PAYMENT

Purchase Amount

- ☐ Cheque or money order
- ☐ Visa ☐ Bankcard ☐ Mastercard

Card no. Exp. Date

Cardholder name

Cardholder signature

MAILING ADDRESS

Name

Organisation

Address

Phone Fax

CHANGE OF ADDRESS

- ☐ I wish to change my current mailing address

ID no.

(Number in square bracket at top of address label)

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



1999

SOCIAL POLICY RESEARCH CENTRE

POSTGRADUATE RESEARCH SCHOLARSHIP

UNIVERSITY OF NEW SOUTH WALES

The Social Policy Research Centre is offering a postgraduate research scholarship for a suitably qualified candidate to undertake a PhD degree in social policy. Financial support is available from the beginning of the 1999 academic year, at a level equivalent to that of an Australian Postgraduate Award, and subject to similar conditions.

Staff of the Centre have backgrounds in a range of academic disciplines including economics, social administration, anthropology, social work and sociology. The Centre undertakes research into all aspects of social policy, with particular focus on poverty, inequality, social security, unemployment and the labour market, the mixed economy of welfare and community support services.

Applications from students wishing to undertake full-time PhD study in one of the following areas would be particularly welcome:

- poverty and household budgets;
- the design and impact of social security programs;
- unemployment, the labour market and social policy;
- gender issues and changing family structures; and

- issues in the organisation, delivery and finance of community care programs.

Applicants should have a Bachelors Degree with at least Honours Class II Division I in any of the fields of study relevant to social policy. The successful candidate will be enrolled in a relevant School of the University but will be located in the Centre and will be jointly supervised by a member of the School of enrolment and a senior member of the Centre's research staff. Scholars have generous access to Centre facilities and may undertake paid research work up to the limits specified under the Scholarship.

Further information is available from Dr Sheila Shaver (Deputy Director) on 02 9385 3855 (email: S.Shaver@unsw.edu.au) or Ms Suzanne Vaughan (Administrator)

on 02 9385 3866 (email: S.Vaughan@unsw.edu.au) from whom application packages can be obtained. Prospective applicants should also contact the School in which they wish to enrol.

Completed application forms should be accompanied by a statement of up to 1000 words describing the research proposed for the thesis, and should be submitted by 30 November 1998, to:

- Suzanne Vaughan
Administrator
Social Policy Research Centre
University of New South Wales
SYDNEY NSW 2052

S | P | R | C
Social Policy Research Centre

APPLICATIONS CLOSE ON 30 NOVEMBER 1998