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SOLE PARENTS AND ‘WELFARE DEPENDENCY’

TONY EARDLEY

Now that ‘mutual obligation’ has become the watchword of social policy, it is not surprising that attention has begun to focus on social security arrangements for sole parents. The number of sole parents in Australia has been growing steadily and most receive a substantial part of their income from social security. Australia is one of the few OECD countries that allow sole parents to receive income support until their youngest child turns 16 without having to look for work. They are also one of the groups most vulnerable to poverty.

In announcing the establishment of the Welfare Review last year, the Minister for Family and Community Services, Senator Newman, floated the idea of compulsory ‘return to work’ plans for Parenting Payment recipients, including sole parents. She also raised questions about what age the youngest child in a family should be before a parent started looking for work (Newman, 1999a).

The committee set up to examine these questions has just produced its interim report (Reference Group on Welfare Reform, 2000). As expected, it has proposed that sole parents should demonstrate some form of social or economic participation in return for

continuing income support. It has also called for a single payment structure for workforce age recipients, though without recommending whether the discrepancy between payment levels for pensions and allowances (currently some \$20 per week) be resolved by lowering the former or raising the latter. Instead it proposes supplements to act as incentives for participation. Although much of the report is framed in terms of support and assistance for participation, it is underpinned by an extension of mutual obligation and sanctions, including withdrawal of all payment ‘as a last resort’.

These recommendations are likely to be politically sensitive. While public opinion seems generally supportive of mutual obligation and activities like work for the dole in relation to young people and the long-term unemployed (Eardley, 1999), there is much more diversity of opinion when it comes to families with children, especially sole parents. Although most people accept that women, including mothers, are in the work force to stay, there is still a widely held view that a primary carer should be able to choose to stay at home with a child, at least

while the child is still young. Indeed, individuals often hold contradictory views – decrying welfare dependency while accusing working sole parents of insufficient care and supervision of their children.

The previous edition of this newsletter carried an article on public perceptions of income inequality in Australia, based on the SPRC’s survey on *Coping with Economic and Social Change* (CESC). The survey also included questions on attitudes towards the requirements imposed on unemployed people in return for access to income support, and about when sole parents should be expected to make themselves available for work. This article draws on these and other survey data to discuss the rationale for and public attitudes towards changes in sole parent policy.

TRENDS IN SOLE PARENT EMPLOYMENT

Before examining the attitude data, it is worth looking at what has actually been happening to employment and income support

Continued on page 4

“While public opinion seems supportive of mutual obligation. . . in relation to young people and the long-term unemployed, there is much more diversity of opinion when it comes to families with children, especially sole parents.”

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EDITOR ♦ JO HEALY-NORTH

FEATURE

Tony Eardley discusses proposals to implement ‘mutual obligation’ for single parents.

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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 operates 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, income support and the labour market; changes in households and families; poverty, needs and economic inequality; and the restructuring of forms of social support.

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

MICHAEL FINE has left the Centre after 11 years, to take up a sociology lectureship at Macquarie University. Michael's main area of research at the Centre was in community services, but particularly in aged care. We wish him every success and look forward to his continuing involvement in various Centre projects.

GEORGE MATHESON has left the Centre after 10 years, also to pursue a teaching career. George has been a crucial participant in countless research projects, combining a thorough knowledge of large household data sets with a deep interest in the sociology of knowledge. His contribution will be greatly missed and we wish him well in his future career.

STEFANI STRAZZARI has also left the Centre after almost two years. Stefani made a major contribution as a research officer working on the Hornsby Ku-ring-gai Co-ordinated Care Trial. Her efforts will be sadly missed.

KATE NORRIS has been appointed as a Research Officer. Kate was previously working part-time with Jenny Chalmers on her ARC Small Grant project on casual work, while completing her Honours year. Kate now joins us full-time, having achieved 1st Class Honours in Economics.

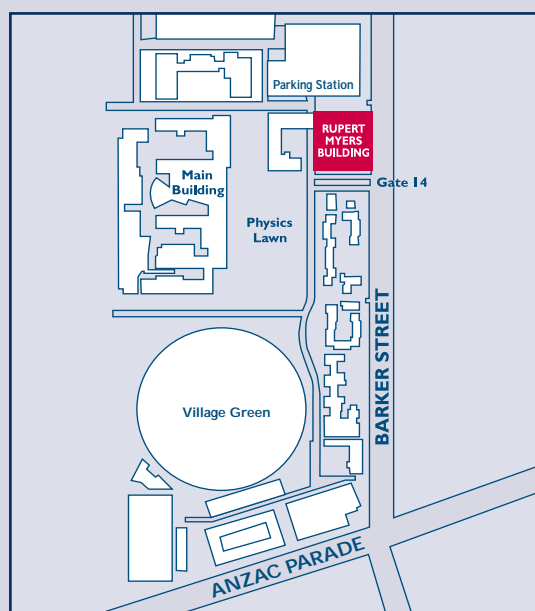
JUSTIN McNAB has also joined the Centre as a Research Officer. Justin has been working at Auckland University, New Zealand, in social research on HIV and he will initially be working on projects in the community services area.

CERI EVANS has rejoined the SPRC as a Research Officer after a period travelling around Australia. Ceri formerly worked at the Institute for Employment Studies at Sussex University, UK, and was employed in the Centre on a casual basis for three months in 1999.

MARDI FLICK has joined the Centre as a Research Officer. Before she came to the Centre, Mardi had been working as a Field Officer for indigenous employment programs in the Department of Employment, Work Place Relations and Small Business. Mardi will be working on the Centre's Older Workers project.

JO HEALY-NORTH is the Centre's new part-time Publications Officer. She combines her work at the Centre with another position, as Manager of the journal *Venerology*, at the National Centre in HIV Social Research, UNSW.

PROFESSOR OLLI KANGAS, from the Department of Social Policy, University of Turku, Finland was visiting the Centre between December 1999 and March 2000, working on several projects about income distribution and public attitudes to distributionary policies.



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

BY PETER SAUNDERS

Since it was established in 1980, core funding for the Social Policy Research Centre (SPRC) has been provided by the Australian Government under an Agreement with the University of New South Wales. Funding has come through the Department of Family and Community Services (FaCS – formerly the Department of Social Security). As is stipulated in the Agreement, the Government and the University are required to confer over the extension of the Agreement and to determine any changes to it. Acting on this, an independent Review Committee was established in 1997 under the Chairmanship of former Australian Statistician Ian Castles, AO. Other Committee members were Dame Margaret Guilfoyle (Minister for Social Security when the Centre was established) and Professor John McCallum from the University of Western Sydney.

The Committee reported favourably on the performance of the Centre in early 1998, and recommended that the Centre's funding be extended for a further five years. Despite this, the Government chose not to act on these recommendations, writing instead to the University (in June 1999) indicating that the funding would be put out to competitive tender. The letter also proposed, as an interim arrangement, that the Agreement be extended until the end of 2000. A call for tenders for the provision of social policy research services to the Department was released late last year, with submissions due towards the end of January. Potential bidders were given considerable flexibility to submit a bid (or bids) covering all or part of a range of research areas identified by the Department.

On 29 March 2000, the University was informed that the SPRC had been selected as a 'preferred bidder' and that 'the

Department now wishes to begin contract negotiations with you for funding in the order of \$462,000 per annum.' This compares with the current level of SPRC core funding (in 2000) of \$1.105 million. Two other bidders were successful; the Melbourne Institute of Applied Economic and Social Research and the Economics Program in the Research School of Social Sciences at the ANU. The amount being offered to the SPRC is below that offered to the Melbourne Institute but above that being offered to the ANU team. We have just begun negotiations about the areas of research that are being funded and about details of the contract under which the research will be conducted.

My colleagues and I are extremely disappointed at this outcome, particularly given the positive recommendations of the Review Committee. We are in a situation of knowing that our core funding is to be cut (by around 60 per cent) but having no clear picture as yet about which areas of research will be affected and what this implies for our staff. Although we currently supplement our core funds with income from competitive grants and contracts, guaranteed core funding has provided the platform on which we have built our success in attracting external grant income.

We are particularly concerned that the cut to our core funding will jeopardise our non-research activities, which include the National Social Policy Conference and the SPRC Newsletter. The SPRC has always been concerned to disseminate the results of its research through its publications and conferences and thus to raise community awareness and understanding of social policy issues.

By spreading the funding of social policy research across three institutions, there is less likelihood

that these kinds of activities will be able to continue. I believe this to be a very great loss for Australian social policy research generally. I am also of the view that the changed arrangements will make it harder to build up longer-term research capability as we have managed to do in the past (with many ex-members of SPRC staff now holding senior academic and government positions). There are also questions to be asked about the loss of academic freedom and research independence that may result from the new funding arrangements – although how serious a problem this is in practice cannot be determined until the contract negotiations are complete.

We are currently exploring the consequences of the proposed new funding arrangements for the future of the Centre. Serious thought is also required on their implications for the development of social policy research in Australia. I will report later on the outcome once the contractual negotiations with FaCS have been completed.

A natural, though disheartening, consequence of the funding uncertainties described above is staff turnover. As indicated elsewhere, both Michael Fine and George Matheson have recently left the SPRC to pursue new careers. I cannot let their departures go without expressing my thanks for the excellent contribution each has made to the Centre over the last decade or so. One of the pleasures of working at the SPRC is the quality, professionalism and sheer variety of one's colleagues. Michael and George have very different qualities but share the commitment to research excellence that defines the SPRC. I am lucky to have had an opportunity to work alongside them and, along with the Centre, will miss them both very much.

“... a closer look at the data shows that sole parents are already becoming less rather than more reliant on welfare.”

receipt among sole parents in recent years. The Government’s welfare reform discussion paper (Newman, 1999b) highlights the increase in receipt of sole parent payments. This has risen from about 240,000 to just under 382,000 in the last 10 years and is projected to reach 405,000 by 2006. It is a substantial increase and one that, on the face of it, justifies public concern. Although Australia has one of the lowest overall levels of non-employment (or ‘joblessness’) in the OECD, for sole parents it has one of the highest levels, exceeded only by the UK and Ireland (Whiteford, 2000a).

Yet there is a danger of exaggerating the problem if we simply focus on these headline numbers. Since 1988 – just before the ‘active society’ measures began to be introduced into Australian social security – one parent families have increased as a proportion of all families with dependent children from about 13 per cent to 21 per cent (ABS, 1988, 1999). The number receiving sole parent payments has been growing by about five per cent per year, but as Table 1 shows, the proportion of eligible sole parents receiving payments has been at least stable, if not actually declining.¹

By any definition the rate of income support receipt is still high, but a closer look at the data shows that sole parents are already becoming less rather than more reliant on welfare. First, as a result of the establishment of the Child Support Agency, the proportion of sole parents receiving child maintenance has more than doubled, from just over 20 per cent in 1986 to about 42 per cent in 1998 (Whiteford, 2000b). The amounts received have also increased substantially.

Secondly, more sole parents are in paid work, including a growing proportion of those receiving income support. Figure 1 shows the changes in labour force status of all sole parents with children under 15 between 1988 and 1999, by the age

Table 1: The percentage of sole parents receiving income support, 1988 and 1998

	June 1988	June 1998
Percentage of all sole parents with dependent ^a children receiving pension or parenting payment (single)	69.8	67.8
Percentage of all sole parents with eligible ^b children receiving pension or parenting payment (single)	78.7 ^c	76.5

- a. The ABS definition of ‘dependent’ includes young people aged up to 24 years and in full-time education.
- b. Eligible children for social security purposes are those aged under 16 years.
- c. This calculation is based on the assumption that the same percentage of all sole parents with dependants were eligible for social security in 1988 as in 1998 (ie., 88.6%, Wilson, Pech and Bates, 1999).

Sources: ABS *Labour Force Status and other Characteristics of Families*, June 1988, 1998, Catalogue 6244.0; Department of Family and Community Services, ‘Social Security Statistics’, *Social Security Journal*, 1998–2.

of the youngest child. Although the rate of full-time work has fallen, that of part-time work has doubled over the period and the percentage not in the labour force has dropped to just over two fifths overall and even lower for those with school-aged children. In one-child families more than 55 per cent were in paid work in June 1998 (ABS, 1998).

The combination of increased labour force participation and relaxation of the pension income test over the years has seen the percentage of sole parent income support recipients with earnings from work rise from less than 10 per cent in 1983 to 18 per cent in 1988 and to 27 per cent in 1997 (Whiteford, 2000b; Wilson, Pech and Bates, 2000). The voluntary Jobs, Education and Training (JET) scheme has improved sole parents’ access to education, training and labour market support, and they are now the category of recipients most likely to have income from earnings. The level of these earnings increases with the age of the youngest child and has also grown over time.

Consequently, the proportion of sole parents receiving 90 per cent

or more of their income from benefits dropped from 47 per cent in 1986 to less than 36 per cent in 1996 (Whiteford, 2000b), and it is likely to be even smaller now. On average, sole parents stay on income support considerably longer than unemployment beneficiaries. Nevertheless, the limited longitudinal data available suggest that for sole parents payment durations have been dropping since the mid-1980s (Raymond, 1997).

Another feature of the current system is that sole parents, unlike Newstart allowees, can undertake full-time study to improve their qualifications while continuing to receive payments. In 1996 around seven per cent of sole parent pensioners were also in education.

The evidence on changes in poverty since the late 1980s is unclear because of discontinuities in survey methods, but there does appear to have been a reduction in poverty among children in one parent families (Harding and Szukalska, 1999). The combination of increased child support, higher levels of paid work and improved family payments has produced the apparently contradictory result that

while having the lowest rate of employment among sole parents in the English-speaking countries, Australia, according to OECD estimates, also has the lowest level of child poverty in one parent families (Whiteford, 2000a).

Lack of access to affordable child care, transport problems and the concentration of cheaper housing in areas of low labour demand all make it difficult for sole parents to find and sustain employment (McHugh and Millar, 1996). Given these constraints, much of the work that sole parents find tends to be short-term and insecure, often leading to movements off and back on to income support (Chalmers, 1998). They also still face relatively high marginal tax rates through the combined effect of taxes and social security, which potentially reduce the incentive to increase working hours (though the new tax and family assistance arrangements which come into effect from July should help in this respect).

While change may be slow, it is clear that sole parents are already responding to the increased incentives and opportunities available. The question is whether further improvement in their economic status can be best be achieved by bringing them into the net of compulsory participation and mutual obligation – and thus also the sanctions imposed for non-compliance – or by concentrating on building up the support services which facilitate participation.

ATTITUDES TO WORK
REQUIREMENTS FOR SOLE PARENTS

The survey² conducted by the SPRC last year suggests that there is some public support for reconsidering sole parent support, but there is no strong view that sole parents should all be expected to work when caring for young children.

We asked two questions about

eligibility for sole parent payments. First, we asked ‘Currently sole parents can receive the pension³ without being expected to seek paid work until their youngest child turns 16. When do you think it is appropriate for a sole parent to be expected to undertake *part-time* work?’. Secondly, we asked ‘When do you think it is appropriate for a sole parent to be expected to undertake *full-time* work?’ Respondents were offered a

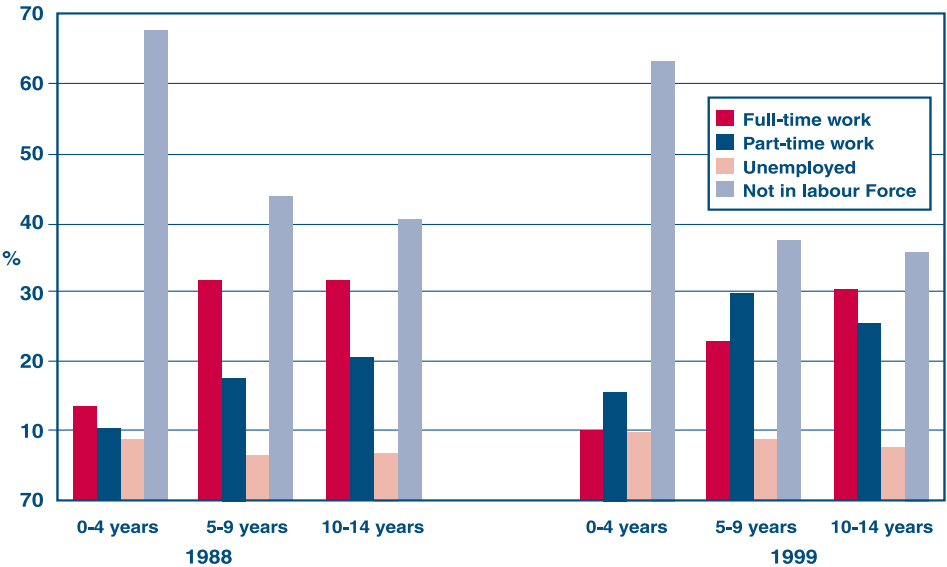
number of alternatives (Table 2).

Overall, just over half thought that once a child goes to primary school, at about five years old, it is reasonable to expect sole parents to look for part-time work.

The rest were divided between higher age thresholds or leaving it up to the parent to decide (10 per cent). Only 13 per cent preferred the status quo (once the youngest child turns 16).

Continued overleaf

Figure 1: Sole parent labour force status, by age of youngest child, June 1988 and 1999



Source: ABS, Catalogue No. 6224.0

Table 2: When sole parents should be expected to seek paid work, by sex of respondent

	Men	Women %	All
A: Part-time?			
As now, once the youngest child turns 16	13.5	13.3	13.4
Once the youngest child goes to high school	20.0	17.6	18.7
Once the youngest child goes to primary school	50.8	51.8	51.3
Only when the sole parent feels ready	8.5	11.3	10.0
Other	7.1	6.1	6.6
Total	100.0	100.0	100.0
B: Full-time?			
As now, once the youngest child turns 16	34.2	32.1	33.1
Once the youngest child goes to high school	29.8	26.8	28.3
Once the youngest child goes to primary school	16.6	17.5	17.0
Only when the sole parent feels ready	12.8	18.4	15.7
Other	6.6	5.2	5.9
Total	100.0	100.0	100.0

Unweighted n = 2305-2310

Source: SPRC Survey on Coping with Economic and Social Change.

The pattern was quite different in relation to full-time work, however. Here only 17 per cent opted for a full-time work expectation when the child first goes to primary school. One-third opted for the status quo and 28 per cent for unrestricted eligibility until the youngest child reaches high-school age. A further 16 per cent would rather leave it to the parent to decide. Interestingly there was no significant difference between the views of men and women. Older people were significantly less inclined to support compulsion, however, as were non-Coalition voters.

Similar views have been found in the UK. There, nearly half the respondents in a national survey thought that lone mothers with school-aged children should go out to work, but a similar proportion thought they should be able to choose (Williams, Hill and Davies, 1999). There was also recognition that lone parents needed substantial support and assistance to be able to work, and putting pressure on them was seen by a majority as inappropriate.

POLICY IMPLICATIONS

Comparative research has shown that the factors that seem to influence sole parents' labour market participation vary considerably between countries (Bradshaw et al., 1996). Among the countries with the most liberal work tests – Australia, the UK, Ireland and France – the first three have low levels of sole parent employment, whereas France has a much higher proportion in paid work. By contrast, countries like Denmark and Sweden, which have both extensive welfare provisions and high rates of sole parent employment, expect sole parents to be actively seeking work once a child is three years old or even younger (Eardley et al., 1996). But they also provide substantial support to enter work, both in the

form of municipal child care, education and training and other employment assistance.

There is an argument that the structure of income support comes to define the range of options open to recipients and to condition their choices (Pech and Innes, 1998). Certainly there is evidence that in Australia when sole parents stay on income support until their entitlement expires, many become so detached from the labour market that returning to work is extremely difficult (Shaver et al., 1994).

Would compulsory job search or return to work plans help? We should not forget that sole parenthood usually results from unsought and often traumatic relationship breakdown, which can happen at any point during a child's life. The period following separation or divorce is often one which sole parents spend struggling to put their lives back together. They need secure income support at these times to ease financial anxieties. Advice and support on the options available may also be helpful. Prescribed forms of social and economic participation, however, could be counter-productive at this stage.

At a broader policy level, there is a danger that, under the banner of 'mutual obligation', labour market participation is coming to be seen as the only criterion for healthy citizenship, and thus for legitimate entitlement to income support. While it is always difficult to strike the right balance between facilitating employment for women with children and recognising the social contribution provided through non-market caring activities, social policy in Australia has for some years been attempting to support choice in this area. The Reference Group's report does recognise this and suggests that participation should embrace a range of activities not directly related to paid work. The question is what kinds of participation will be accepted as legitimate.

CONCLUSIONS

The growth of sole parenthood is of concern in that it can lead to stress and poverty among families and children. Reliance on income support by sole parents is, however, already decreasing through better child support and greater participation in paid work.

Sole parents still face considerable barriers to achieving independence, and the safety net is there precisely to reduce stress and poverty – especially in those periods after a separation. We do not want a system that traps sole parents on social security so that re-entering work becomes an insurmountable problem. Yet it is not clear that bringing them into the net of activity testing is the answer either, especially if that undermines the legitimacy of income support for parenting. Public attitudes seem to offer some support for change, but there is no overwhelming view that sole parents should be off welfare and into work. Perhaps policy should be focused more on reducing the barriers to employment and increasing the incentives, as well as on expanding the support services that make work possible.

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CHILD POVERTY REPORT WINS AWARD

Markus Jantti, SPRC visitor during 1999, has been awarded the Aldi J. M. Hagenaars Award for a report on child poverty co-authored with Bruce Bradbury of the SPRC.

The prize is awarded to the author or co-author, aged under 40, of the best Luxembourg Income Study Working Paper in each year.

The Luxembourg Income Study (LIS) is an international repository of household income surveys containing data from over 25 countries. All research using the database must be submitted in the working paper series.

The report, *Child Poverty Across Industrialized Countries* is available as LIS working paper No. 205 (<http://lissy.ceps.lu>) and from the UNICEF Innocenti Research Centre as Occasional Paper No 71 in the Economic and Social Policy Series (<http://www.unicef-icdc.it>).

Bruce insists that he only just missed out on sharing the prize with Markus!

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FOOTNOTES

1 It is difficult to estimate precisely what proportion of all those eligible receive payments, because the Australian Bureau of Statistics definition of dependent children is different from that used for social security.

2 The CESC survey was of a nationally representative sample of just over 4000 adults, of whom 2403 returned completed questionnaires. Taking into account people who had moved, the effective response rate was 62 per cent, and the data have been weighted to adjust for response bias.

3 Although sole parents now receive Parenting Payment (Single) rather than the Sole Parent Pension, we judged that respondents would be more likely to recognise the older nomenclature.

BOOK REVIEW

SOCIAL POLICY AND RISK

by Ian Culpitt, Sage Publications, London, 175 pp. + index, RRP \$41.95.

REVIEWED BY SHEILA SHAVER

In *Social Policy and Risk*, Ian Culpitt offers a new theoretical perspective for understanding the sea change in social policy that has taken place in recent years in a number of countries including our own. As Culpitt understands it, the 1980s saw an ascendant neo-liberalism (his term) rewrite the terms in which the nature, functions and limits of social policy and welfare are understood in popular discourse and policy instruments. He sees this change as profound, marking no less than the end of the postwar era in welfare thinking and the opening of a new period in the history of social policy.

Culpitt believes, with evident passion, that recent developments in social theory can make a critical difference to social policy analysis and contemporary welfare politics. Specifically, he argues that the theoretical perspectives known as 'governmentality' and the 'risk society', taken together, offer penetrating new insights into how social policy discourse has been rewritten in neo-liberal form, the way it frames the power of those who work and make claims within the field it describes, and how it may be contested. Addressed primarily to an academic readership, his book seeks to develop a framework for social policy analysis based on these perspectives.

The concept of risk society is drawn from the work of Ulrich Beck (1992), and refers to the historically new and potentially unlimited risks and hazards that have come with modernisation. These risks arise from the centrality of scientific and industrial development to the

processes of modernisation, but are qualitatively different than in the past. What makes them different is the reflexive character of the modernisation process, in which the members of modern society recognise them as at once social creations yet beyond social control. According to Beck, the dependence of modern risk society on science and technology means that the same organisations and institutions that create risks are also supposed to manage and control them. A key dimension of the development of modern society is a greater individualisation of social life, with social actors more free from the constraints of social structures than in the past. Social risks form part of the consciousness of these individuals, as a general apprehension of danger or threat, and through it their awareness of politics and the possibilities of everyday life. For this same reason, the apprehension of risk and its basis in knowledge is a potential source of social critique in political life and mass culture. Giddens' (1994) discussion of manufactured uncertainty provides a similar, though less apocalyptic, vision of modern society.

Culpitt believes that Beck's concept of risk society gives a new starting point for theorising social policy and making sense of the change that has taken place in the social policy environment. As he puts it, 'a certain concept of risk is woven into the heart of the libertarian imagining of individualism' (p. 12). He sees these ideas as illuminating a number of key aspects of change in social policy rhetoric and institutions.

First is what Culpitt sees as the

pervasive dominance of social policy by neo-liberalism, and with it the re-emergence of a moral discourse of welfare that is almost totally pejorative. He sees neo-liberalism as having eclipsed the established moral orientations of postwar welfare states to Keynesian and social democratic visions of social justice, altruism and redistributive equity, and access to support as a rightful entitlement of social citizenship. In the manner of risk society, welfare state institutions once developed to provide social protection are now portrayed as themselves a source of danger – the risk of welfare dependency.

These are being replaced with an orientation to the management of risk and the reduction of welfare provision to a residual safety net. Culpitt argues that social policy has acquired a new mandate in which it is no longer responsible for meeting need but rather for the protection of individual autonomy and the provision of security against risk. Significantly, this new mandate is no longer grounded in notions of collective responsibility, but predicated on the needs and accountabilities of individuals. Because social insurance already takes this individual form, welfare states whose provisions take this form have proved better able to resist neo-liberal welfare politics than others. Culpitt notes that neo-liberal social policy has gained a greater hold in the English-speaking countries and Scandinavia than in continental Europe.

Second is a re-framing of social policy in the classical liberal terms of the social contract. Here, and more generally, Culpitt's interpretation draws heavily on Foucaultian ideas about power and the state as governmentality. The key idea here is that the liberal state governs 'at a distance', through relations of contract and consent between individuals.

Culpitt argues that putting social provision into contractual forms has served to sever the linkage between needs and rights established in the development of the postwar welfare state. Literally, Culpitt refers to the contracting out of social provision and the stylising of assistance in contractual forms such as case management and service agreements. The metaphorical level is at least as important to his argument, referring to the presumption that the welfare claimant has broken the original social compact, and in seeking assistance has put himself or herself outside the community of citizens.

Following Foucault and Donzelot, Culpitt sees social policy as enacted in relationships between welfare professionals and their clients. Under the neo-liberal ascendancy, the discipline of welfare casework has been replaced by the more technical rationality of case management and risk profiling. The family as well as the individual serves as the unit of risk.

For the basis of a political response, Culpitt looks to political culture. As I noted earlier, Culpitt believes that theory matters. He seeks a discourse through which to affirm the logic of the social and human connectedness against the neo-liberal denial. He finds it in the claims of social movements for respect and recognition of common humanity and legitimate difference. Arguments built on this foundation, he contends, may enable risk to be understood as not intrinsically individual but part of a collective

reality.

While I share the author's conviction that we are witnessing a decisive change in welfare institutions and social policy, I am not convinced that the concept of reflexive modernization and risk society helps to understand what we are seeing. The extension of its apocalyptic metaphors of ecological

equate neo-liberalism with political parties or their ideologies. Read through Australian eyes, the term would seem to apply equally to the Labor Government's embrace of active society policies in the 1980s and the present Coalition Government's harsher concepts of privatisation and mutual obligation. Perhaps more importantly, there is

no attempt to draw out the conflicts and contradictions between neo-liberalism and neo-conservatism in the policy formulations of the right, or to examine their unstable mix in a new social policy paternalism. The effect is to conceal the fissures and cracks in neo-liberal social policy, and in doing so to overstate its power.

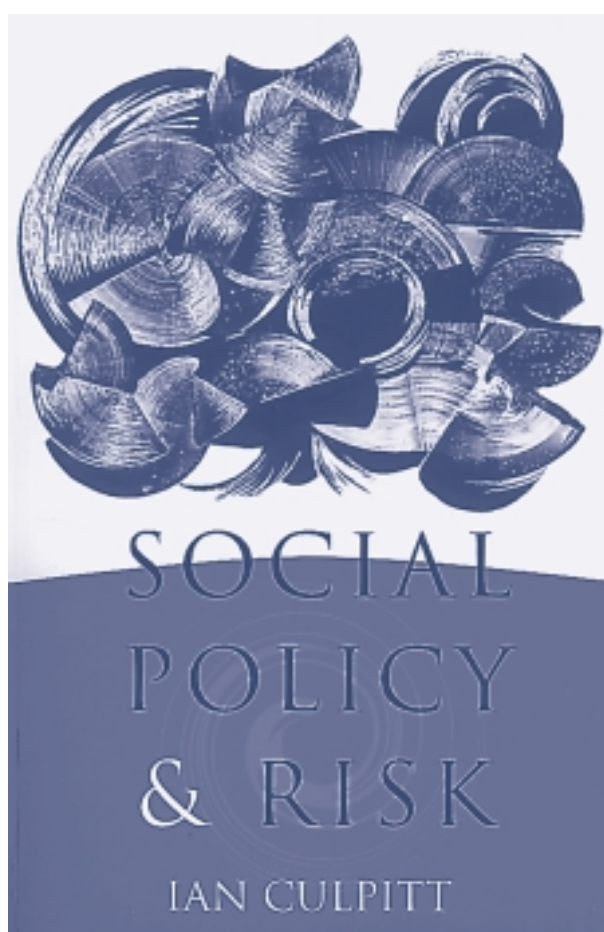
Social Policy and Risk is a rich and theoretically dense book. It is also very difficult reading. In addition to the writers mentioned above, its arguments draw on and address a number of other theorists, including Jürgen Habermas, Nancy Fraser, Axel Honneth and Iris Marion Young. Welfare institutions and developments in social

policy are discussed only in generic terms.

It will probably be of greatest interest to other theoreticians.

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destruction and nuclear danger to the needs met by social welfare is, to my mind, more than a little strained. This both over-dramatises and undervalues the risks addressed in social policy.

The treatment of a neo-liberal ascendancy is similarly over-dramatic. This is because little is done to distinguish shades of meaning in contemporary welfare politics. Although making occasional references to the new right, the book does not seem to

AUSTRALIAN ANTS AND FINNISH GRASSHOPPERS

OLLI KANGAS

One day in winter, ants were busy drying their store of corn, which had got damp during a spell of rain. Presently, up came a grasshopper and begged them to spare her a few grains. "For," she said, "I'm simply starving." The ants stopped work for a moment. "May we ask," said they, "what you were doing with yourself all last summer? Why didn't you collect a store of food for the winter?" "The fact is," replied the grasshopper, "I was so busy singing that I hadn't the time." "If you spend the summer singing," replied the ants, "you can't do better than spend the winter dancing."

Fables are fables, but they are founded on common sense, and by using animals as protagonists, they teach elementary truths about life. In principle, the Aesopian story presents two different concepts of justice.

According to the ants, the end result is perfectly fair. The miserable situation of the grasshopper is a consequence of her own choices, and the prosperity of the ants is due to their sacrifices, cleverness and hard work. They have no obligations towards the grasshopper. This meritocratic view of justice emphasises a treatment of people as responsible agents and, therefore, what people deserve always depends on their past actions (Gooding 1988; Cambell 1990).

Nozick (1974) comes close to the historical view of just distribution in his entitlement theory, arguing that people are entitled to their holdings if the holdings are acquired "in accordance with the principle of justice in acquisition". Since the ants have acquired their store rightfully, they are entitled to it and they have no responsibilities towards the Grasshopper. According to this principle, there are no justified grounds for governments to tax and re-distribute income.

However, when debating the meritocratic concept of justice, it is crucial to take account of the various constraints that limit the decision-making capacity of individuals.

An Aesopian distribution is justified if the outcome is based on the actions of informed individuals choosing among equal choice sets.

Then and only then, is the poor grasshopper to be blamed for her choices. In her pleas, she is demanding unearned benefits.

The moral interpretation would be different, however, if the grasshopper were compelled by her nature to sing and play, and the ants unable to do anything but gather corn. In these circumstances the choices are constrained by factors beyond the control of the actors, and the unequal distribution can be regarded as unjust (LeGrand 1991).

Alternatively, suppose that the prudent ants lose their stores in a flood. From the meritocratic perspective, the unlucky ants have a right to compensations for their losses. Indeed, this is how social insurance works, and compensatory social insurance is thus more legitimate than social assistance, which gives help to the poor regardless of the reason for their

need (Kangas, 1995; Svallfors, 1999).

The aim of the research discussed here is to study the extent to which the deservingness criterion affects public opinion. To what extent do attitudes towards benefits for the deserving poor and the underserving poor differ? The study is based on two nationally representative data sets on the role of government.

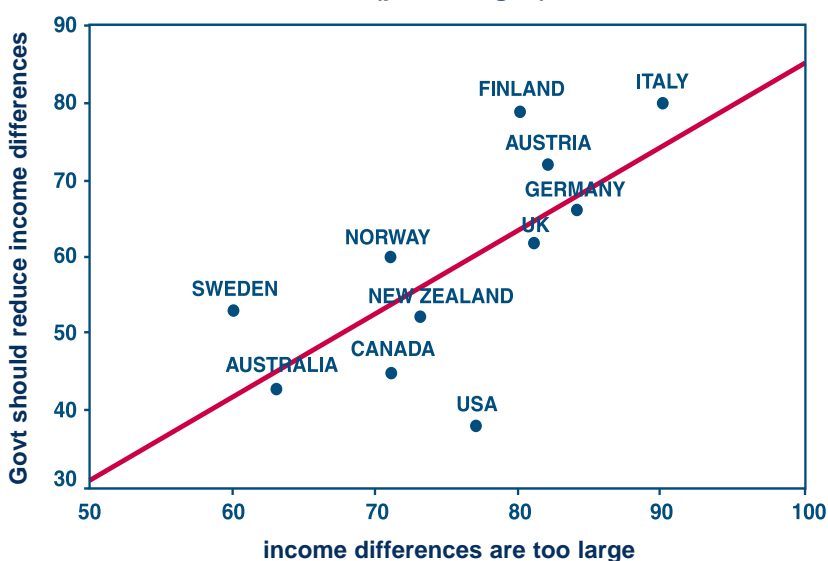
The Australian survey was carried out in 1995 by the Research School of Social Sciences at the Australian National University (see Zagorski and Carne, 1995). The Finnish survey was conducted at the Department of Social Policy, University of Turku (see Forma and Kangas, 1999).

BENEFITS

International comparisons show that income inequalities are relatively small in Finland

"...when debating the meritocratic concept of justice, it is crucial to take account of constraints that limit the decision-making capacity of individuals."

Graph 1: Perceived income differences and willingness to reduce differences (percentages)



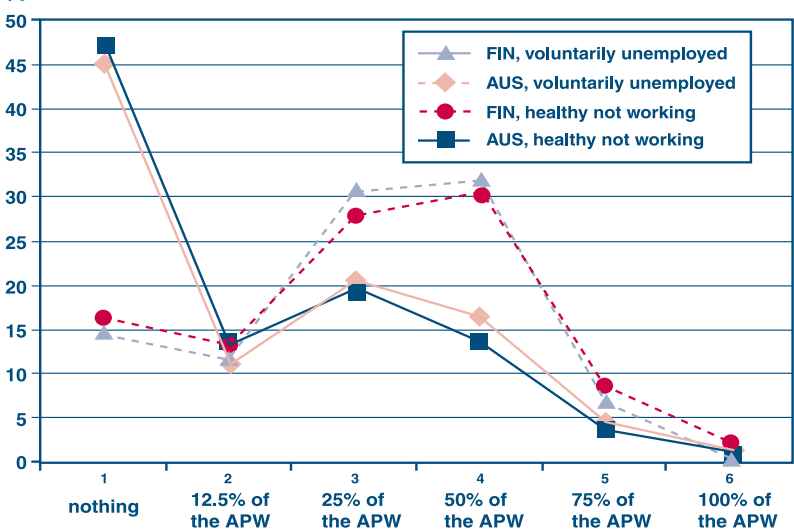
compared to those in Australia. However, actual differences in income do not necessarily coincide with people's perceptions of differences and their willingness to change the situation (Saunders, 1999; Marshall et al., 1999). Graph 1 shows people's opinions on income differences (x) and their willingness to reduce these differences through governmental actions (y). As can be seen, in an international context Australia and Finland are polar cases when it comes to perception of inequalities and demands to reduce them. Therefore, a closer inspection of the Australian 'ants' and Finnish 'grasshoppers' is warranted.

We studied 'deservingness' through a series of questions giving information about the reasons for needing assistance. In the first instance, the claimant's need is beyond his/her control, whereas in the second the need for help is presented as discretionary.

In the first case, we asked about levels of benefit for people who have lost their jobs through no fault of their own, and for people who have a physical handicap and are unable to work.

In the second case, we wanted to find out what level of benefit is considered appropriate for people who quit their job because they did not like it and for healthy people who had never had a steady job.

Graph 3: Views on the level of social benefits paid to the 'undeserving' poor



“... the study shows that the way in which people's needs are presented determines whether the assistance is thought to be legitimate”

The respondents were offered six alternatives:

- 1) they should be paid nothing;
- 2) be paid 12.5 per cent of the average industrial wage (AIW);
- 3) 25 per cent of the AIW;
- 4) 50 per cent;
- 5) 75 per cent; and
- 6) the equivalent of an AIW.

Opinions on what constitutes appropriate compensation for the deserving needy are displayed in Graph 2. In both countries, the level of benefit considered the most appropriate corresponds to half the average wage.

In Finland, the curves for the unemployed and the disabled are practically the same, whereas in Australia they are more divergent.

Australians are willing to offer generous compensation to the disabled: a quarter of the respondents support benefit levels that are as high as the average wage.

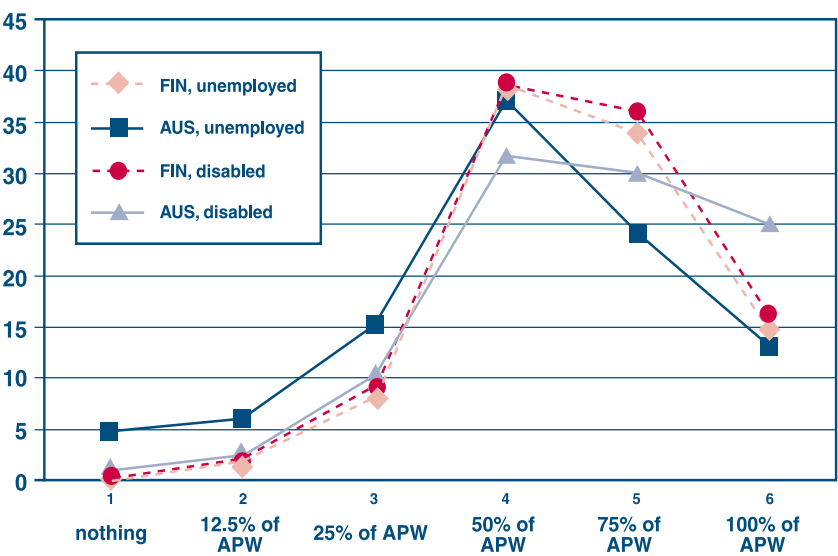
Opinions on appropriate compensation for the deserving poor are fairly consensual within countries and there are no major differences between population categories.

By contrast, that consensus of opinion breaks down when it comes to compensating those whose circumstances can be regarded as being brought about through 'voluntary' actions (Graph 3). Those who are unemployed having quit a job they did not like, or healthy people who have never worked, are treated more harshly in Australia than in Finland. As many as 45 per cent of Australians are not willing to pay anything to 'grasshoppers', while the figure for Finland is about 15 per cent.

In Australia, the grasshopper would most probably get help by turning to somebody with a university education, or who belonged to the next highest income quartile, and who voted Labor. In Finland, the best choice for the grasshopper would be a woman aged between 35 and 44, with a medium level of educational attainment (not university but more than basic) and working part-time. Political affiliations are not significant.

Continued overleaf

Graph 2: Views on the level of social benefits paid to the 'deserving' poor



NEW PUBLICATIONS

SPRC DISCUSSION PAPERS

SOCIAL CHANGE AND SOCIAL POLICY

RESULTS FROM A NATIONAL SURVEY OF PUBLIC OPINION

SPRC Discussion Paper No. 106

Peter Saunders, Cathy Thomson and Ceri Evans

Social policy is being forced to adjust to changes in the Australian economy and in Australian society more generally. The increasing role of market forces is giving rise to new perceptions of what the state can achieve through intervention, and how to structure public programs so that they are effective without interfering unduly with the incentives that drive market forces.

The role of the state is receding

and expectations of what it can achieve are being lowered at a time when the economy is generating increased material prosperity combined with growing inequalities and heightened insecurity. Against this background, there is a need to understand the nature of public opinion about the role of social policy so that the degree of support for new (or existing) programs can be ascertained.

The federal government has foreshadowed social policy as its main priority over the next few years and is shaping the parameters of a new welfare state built on the principles of self-reliance, incentives, affordability and mutual obligation. Yet rather little is known about how widely these principles are shared within the community, and how public opinion has changed in response to broader economic and social change.

Against this background, the Social Policy Research Centre conducted a survey of a representative sample of the adult

population in the middle of 1999 in order to understand the nature of public opinion on economic and social change. This paper – the first in a series – describes how the survey was conducted and reports some of its initial findings.

Its main focus is on describing the main characteristics of the respondents and the responses they provided in relation to perceptions of changes in living standards, attitudes to economic and social change and concerns about their economic security.

The results provide an insight into the very diverse ways in which Australians are coping with forces that are seen as generating both benefits and uncertainties for many people. Reflecting the nature of the changes that are taking place, the survey results reveal a level of diversity and difference in attitudes and opinions on how our society is evolving and what role government should play in guiding its future development.

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Our comparison shows that there is some degree of variation between the countries: Australians are more inclined towards the ant's version of just distribution, while the Finns are more understanding of the grasshopper.

More importantly, the study shows that the way in which people's needs are presented determines whether the assistance is thought to be legitimate.

Therefore, political discourse that labels the needy as either deserving or undeserving is of crucial importance. During the 1990s, it has become more common everywhere to put people in the grasshopper category (Wacquant, 1999) and, rightly or wrongly, the question the needy more often meet is:

"What were you doing with yourself all last summer?"

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'NOW THAT THE FUTURE IS HERE'

MICHAEL BITTMAN

At last the talismanic year 2000 has arrived. Since the middle of the twentieth century any reference to the year 2000 has been used as another way of talking about the future. Adding 2000 to the end of any title became a method of indicating a forecast. For example, the University of New South Wales library catalogue lists works entitled *Housing 2000*, *Water 2000*, *Coal 2000*, *Traffic 2000*, *Office Automation 2000* (and one unhappily entitled the *Soviet Union 2000*). An obvious, almost irresistible, question that arises is how accurately have these forecasts made some decades ago predicted what actually happens today.

Among those interested in anticipating the kind of social organisation that might come 'after industrial society', only Jonathan Gershuny relied heavily on the detailed evidence of change provided by time-use diaries (1983, 1985, 1994). At the centre of his theory of social innovation is the relationship between market and non-market provision of services. Gershuny proposed that households have a hierarchy of needs and wants that they wish to satisfy - 'food, shelter, domestic services, entertainment, transport, medicine, education, and, more distantly, government services, "law and order" and defence' (1983: 1). As societies get richer, they change their distribution of resources among these functions, devoting a smaller proportion of their national incomes to satisfying the more basic needs, and a larger share to the more sophisticated, luxury categories. However, over time, there is an increasing gap in relative market prices of durable goods and final services. This means that final services bought on the market (such as opera tickets, theatre tickets, even movie tickets) become more expensive compared



to the cost of producing these services at home using relatively inexpensive appliances (such as stereo sound systems, video recorders and so on). In other words, the households 'self-service'.

On this basis Gershuny predicted that in the future there would be a decline in the time households devote to market work, a tendency he called the 'diminishing marginal utility of income'. On the other hand, time spent at home in non-market production and in leisure consumption would increase. However, time spent in non-market production would be reduced by the productivity of domestic appliances (and, incidentally the increased sexual equality in the division of domestic labour). The result would be a society of greater leisure.

So how have these seventeen-year-old predictions stood the test of time? Lets start by examining the evidence about the decline in (paid) working hours.

A DECLINE IN TIME DEVOTED TO MARKET WORK?

As noted the August 1999 issue of the SPRC Newsletter, trends in the distribution of working hours over the last quarter of a century reveal a number of patterns. Among prime age workers, work is maldistributed between the unemployed and the employed, while those who have work are likely to work longer hours than in the past. There have been two substantial changes in the pattern of working time by gender.

Women are doing much more paid work and men over fifty-five years are spending a great deal less time in paid work. While much has been written about the revolution in women's labour force participation, very little attention has been paid to the numerically equivalent change in the behaviour of men over fifty-five years. The burning question is: Did these men reach their financial goals and

'NOW THAT THE FUTURE IS HERE'

CONTINUED
FROM PAGE 13

retire, were they simply made redundant, or did they jump before they were pushed? One can say with some confidence that, overall, there has not been the anticipated decline in time devoted to market work but a redistribution of this working time. It is much more difficult to know whether men over fifty-five years are the beneficiaries of progress or the victims of market failure.

TRENDS IN THE DOMESTIC DIVISION OF LABOUR

A great deal of ink has been expended on this topic, especially on why it has proven so difficult to get men to accept a bigger share of family responsibilities. Men have not changed substantially – it is true. But we should not overlook the fact that there has been significant change in the behaviour of women. The time that men and women spend in housework has become more equal because women are reducing their hours of domestic work.

SUBSTITUTING MARKET SERVICES FOR HOME-PRODUCED SERVICES

Gershuny did not anticipate the spectacular growth in the expenditure on market substitutes

for home prepared meals (through restaurants and take-away food outlets) or the even faster growth in the use of child care service that has occurred over the decade. The only trend that unambiguously supports his theory of self-service is that of reduced expenditure on dry cleaning and laundry services. I think this is in large part because of his attachment to consensual decision making within households. It is much easier to explain these expenditure as the outcome of bargaining between men and women. Husbands have largely failed to contribute more time to domestic work. Women's increase commitment to provide income has squeezed the time they have available for domestic work. Each gender is following an independent goal. Women have used their newly acquired earning to purchase market substitutes for their domestic labour because of their lack of success in bargaining for more help from their male partners.

An interesting test of Gershuny's theory compared with bargaining theory can be derived from the most recent (1997) Australian Time Use Survey.

In addition to the usual items, this survey collected information about the stock of domestic appliances in the household and some crude information about the consumption of market substitutes for home production.

A dishwasher is a partial substitute for restaurants, because

restaurants offer cleaning up after meals as an integral part of their service.

Gershuny's theory leads one to anticipate that households owning dishwashers would consume less restaurant meals. In Gershuny's view the dishwasher brings the household one step closer to being able to mimic the service provided by a restaurant.

REDUCING DOMESTIC BURDENS

A bargaining perspective, on the other hand, assumes that time-squeezed women would seek every avenue to reduce their domestic burdens. So bargaining theory generates the prediction that households buying more restaurants meals will also own a dishwasher. An analysis of the 1997 time use data shows that households in which the wife was employed full-time purchased, on average, one more restaurant meal per month than those where the wife was not in the labour force. Even after controlling for household income and the wives' hours of work, owning a dishwasher continued to be associated with greater consumption of restaurant meals.

This suggests that the neglect of gender relations within the family will result in a poor understanding of what is likely to happen in the future.

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FROM THE PROJECTS



SPRC'S CONTRIBUTION TO THE RESEARCH ACTIVITY OF THE ACADEMY OF THE SOCIAL SCIENCES

The Academy of the Social Sciences in Australia (ASSA) has, among its many other activities, the opportunity to apply for Special Projects funding from the Australian Research Council.

This scheme, which is also open to the other Learned Academies, allows Academies to capitalise on their unique capabilities by bringing together researchers from a range of social science disciplines to focus on a topic that needs a multidisciplinary approach.

I have recently been involved with one of these projects and, as reported in the last issue of the SPRC Newsletter, am about to assist in directing a second one.

This article describes the two pieces of work, both of which have a strong social policy content.

In 1998, ASSA received funding for a Special Project on aspects of poverty and inequality in Australian society.

The project goes beyond much of the conventional research on inequality that has focused on the

measurement of its economic dimensions at one point in time to explore some of the contextual issues surrounding how patterns of inequality emerge and are perpetuated in contemporary Australian society. In particular, attention was paid to the processes generating inequality and on how these produce particular manifestations among specific groups or in specific locations.

A research team was assembled to produce a series of essays within this over-arching theme and met on two occasions to discuss their ideas and progress. The whole project received guidance and advice from an advisory committee consisting of fellows of ASSA.

Together, the essays highlight the complexities of the inequality profile and the diverse range of factors and processes that affect it. The collection also provides new insights into the ways in which media discourse affects public debate on inequality and welfare issues, investigates how inequality among families affects the future of children and explores how population mobility influences the locational dimension of inequality. The collection, edited by Ruth Fincher and Peter Saunders, under the title *Creating Unequal Futures? Rethinking Poverty, Inequality and Disadvantage in Australia* will be published later this year by Allen & Unwin.

THE ECONOMIC AND SOCIAL COSTS OF UNEMPLOYMENT

Following the success of the above project, the Academy has received funding for a project on *The Economic and Social Costs of Unemployment* to be conducted during 2000. I will be jointly directing this project, along with Associate Professor Richard Taylor from the School of Public Health at the University of Sydney. The SPRC's Tony Eardley will also be involved. The project aims to bring together a range of research on the costs of unemployment – in terms not only of lower incomes and lost output – but also through reduced levels of psychological well-being and poorer health as well as increased family stress, susceptibility to crime, marginality and social exclusion.

The focus will be on identifying these costs at the personal, family and community levels and then adding them up so as to highlight what we have had to pay – individually and collectively – for our failure to solve the unemployment problem that emerged almost 30 years ago.

Progress with the project will be reported later in the year as the research proceeds.

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ACTIVITY TESTING AND
MUTUAL OBLIGATION

SPRC Discussion Paper 107

*Tony Eardley, Peter Saunders and
Ceri Evans*

Those elements of activity testing described as 'mutual obligation' are becoming increasingly important in social security policy towards unemployed people. In order to provide more information about public attitudes to this policy, the SPRC included a set of questions in its survey on Coping with Economic and Social Change, carried out in 1999.

The survey found broad support for the application of many, though not all, aspects of mutual obligation principles to young unemployed people and, to a lesser extent, to the long-term unemployed. When applied to other groups, however, especially older unemployed people, those with disabilities and those with parental responsibilities, this support was considerably more qualified. Respondents made clear distinctions in how they viewed the requirements appropriate for different groups.

In relation to most unemployed groups except the young, attitudes varied according to respondents' age, labour force status, income, education, political affiliation and housing tenure. In particular,

attitudes to mutual obligation seemed to soften with older age, while they hardened as income and education levels rise.

There was also some support for reconsidering the rules of eligibility for income support for sole parents, but no overwhelming view that they should automatically be expected to seek paid work when they still have young children to care for.

Although there were differing views on what should be done about unemployment, most Australians believe that government still has an important role. In this sense, people see obligations as needing to be *mutual*, not just a one-sided burden of compliance to be shouldered by the unemployed.

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