

## 53rd ANZAAS Congress: SWRC Papers

**Author:**

Jarrah, Jo

**Publication details:**

Working Paper No. 31  
Reports and Proceedings  
0858233088 (ISBN)

**Publication Date:**

1983

**DOI:**

<https://doi.org/10.26190/unsworks/964>

**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/1959.4/45280> in <https://unsworks.unsw.edu.au> on 2024-03-29

---

# SWRC Reports and Proceedings

No 31

June 1983

---

53rd ANZAAS CONGRESS: SWRC PAPERS

edited by

Jo Jarrah



Social Welfare Research Centre  
THE UNIVERSITY OF NEW SOUTH WALES

SWRC REPORTS AND PROCEEDINGS

No.31

June 1983

Reprinted June 1986

53rd ANZAAS CONGRESS : SWRC PAPERS

edited by

JO JARRAH

ISSN 0159 9607

ISBN 0 858 23308 8

Social Welfare Research Centre  
The University of New South Wales  
P.O.Box 1, Kensington, N.S.W. 2033, Australia

*As with all issues in the Reports and Proceedings series, the views expressed in this number do not necessarily represent any official position. SWRC Reports and Proceedings are published to make available findings of researchers, and to promote the development of ideas and discussions about major areas of concern in the field of Social Welfare.*

## CONTENTS

	Page
Editor's Note	1
Bettina Cass, <u>Division of Welfare in the Recession : The Political Limits to Redistribution, Revisited</u>	2
Tables	26
Bibliography	30
Adam Graycar, <u>Public and Private in Welfare Services</u>	33
Tables	35
References	59
Adam Graycar and Jo Harrison, <u>Ageing Populations and Social Care : Policy Issues</u>	60
Bibliography	77
Adam Jamrozik, <u>The Economy, Social Inequalities and the Welfare State : Implications for Research</u>	79
References	116

## EDITOR'S NOTE

The 53rd ANZAAS (Australian and New Zealand Association for the Advancement of Science) Congress was held in Perth in May this year. For the first time, it contained a section on social welfare which was highly successful in terms of the numbers of congress participants attending the sessions, and the degree of interest and enthusiasm with which they responded to the papers presented. Four sessions were given by SWRC staff and the volume of requests for copies of their papers has been so great that we have decided to publish them, in a single volume, as part of our Reports and Proceedings series.

Inasmuch as this is possible, each paper is concerned with a discrete component of the social welfare spectrum - redistributive fiscal policies and practices; non-government welfare organisations; ageing and social inequalities; and the economy and social inequalities - and reflects the specific research undertaken by the individual authors. Although there is consequently no obvious, concrete theme connecting them, the papers adopt one of the major themes of the Congress itself, "Resources and Responsibility" through which to address their various concerns. Each advocates that the development of effective social welfare policies requires full and realistic consideration of all relevant factors, including resources, assumptions about and delegations of responsibilities, and the implications of the policies themselves. Each stresses the importance of analysis of particular aspects of social welfare taking place in the broadest possible social, political and economic contexts.

In reading these papers, it is important to bear in mind the wider perspective of the work being undertaken at the Centre. They are very much working papers which seek to draw together, at a particular point in time, the threads of ongoing research, much of which has previously been, or will be, published or spoken to on other occasions, although for a different purpose and therefore with a different focus. Some analyses may alter as research findings progress, or as events change with time as happened in the case of Bettina Cass' paper, written before the Government's mini-Budget of 19 May, necessitating some re-analysis. However, with these understandings, and given the expressed public demand for the papers, they should provide a useful and valuable published collection.

Australian and New Zealand Association for the  
Advancement of Science

Perth, May 1983

Section 45

DIVISION OF WELFARE IN THE RECESSION :  
THE POLITICAL LIMITS TO REDISTRIBUTION, REVISITED

Bettina Cass

Social Welfare Research Centre  
University of New South Wales  
Kensington NSW 2033

(1) Introduction: Welfare States in crisis : a fiscal or political problem?

There is a consensus in recent accounts of the advanced capitalist welfare states —a consensus which is exemplified in the various contributions to the OECD Conference on the Welfare State in Crisis (1981), held in late 1980. This consensus may be summarised as follows :

- (i) Most of the advanced industrial states have been in deep recession since the mid 1970s (with some brief upturns in the business cycle in that period); a recession characterised by reduction of aggregate demand, the highest levels of recorded unemployment since the Great Depression and severe strain on government welfare budgets in response to the rising tide of demands for cash transfers and services to meet the needs of the growing proportions of the population excluded from the labour market.
- (ii) The recessions of the mid 1970s, in which there has been a totally uncharacteristic conjunction of rising inflation with rising unemployment, have been caused, in part, by rising fuel prices, by rising unit labour costs, by rising public expenditures for social purposes, and by successful competition from the newly industrialised areas of South East Asia (i.e. by what appears to be a diminution in world economic power of the First World).
- (iii) A closer reading of the literature makes it clear that these events have occurred in nation states where organised labour, since the turn of the century, has won, and continues to defend such ethical principles as a "living wage", real wage levels related to costs of living, hours and conditions of work commensurate with levels of health, safety and time

for private, non-work life. In addition, labour has also won, or been conceded, income security, either through central state expenditure or through industry (or through both in combination), to compensate for the periods of the life-cycle characterised by exclusion from paid work, or, in the case of wives and mothers, by the absence of a male partner. Highly complex state funded (or state subsidised) health, education and personal service systems have contributed to economic growth by providing the necessary social infrastructure and the necessary skilled and healthy labour force. In some of the more corporatist social democracies (the Netherlands, Belgium, Sweden, Norway, Austria, West Germany), centralised union movements have won a place with employer organisations in centralised state economic planning on such issues as wages and prices policies, taxation and social security (Wilensky, 1981).

However, the conjunction of economic downturn, reduced demand, rising inflation and high levels of unemployment with strong labour movements and highly developed welfare systems are alleged to have resulted in, to use the words of Harold Wilensky in summarising the OECD Conference :

"Again and again the Conference papers say we face a fiscal crisis and a crisis of legitimacy because of the acceleration of unit labour costs, especially indirect labour costs (fringe benefits) combined with an explosion of social security costs (the heavy fiscal burden of the Welfare State)" (Wilensky, 1981 : 191).

As stated in most of the papers at the OECD Conference (e.g. Halsey, Halberstadt, Klein) the burgeoning transfers of the welfare state were dependent on the economic growth of the long post-war boom, when apparent redistribution of services, resources and income through the tax/transfer system retained political legitimacy precisely because these transfers did not threaten the disposable incomes and rising living standards of upper and middle income earners. However, the slowing of economic growth rates, and in some cases zero growth, has resulted in political, if not fiscal

limits to redistribution. In a situation of little growth or zero growth, substantial transfers involving not merely a relative but an absolute decline in the real incomes of middle and upper income earners will be "frustrated" (Halsey, 1981 : 14).

To use the words of one of the contributors to the OECD Conference :

"To the extent that the Welfare State is redistributive —as between the working populations and the retired, as between the employed and the unemployed, as between the healthy and the sick— it was growth that made this a relatively painless and politically acceptable process ...."

But after the Fall :

"The pattern of the 80s will be one of increasing demands on the Welfare State at a time when the capacity of most advanced western economies to meet these demands out of the dividends of growth will diminish" (Klein, 1981 : 167).

And this will happen precisely when unemployment, economic disruption and ageing populations will add to the mounting pressure for increased public expenditure. The apparent political limits to redistribution through the tax/transfer system in periods of low growth, high levels of inflation, demographic change and high levels of unemployment was raised as an urgent issue for the Australian welfare state at the ANZAAS Congress in 1980 by Dixon and Foster who stated that :

"While the short-term problem is directly related to the existing revenue system and competing demands from other outlays, in the longer term the real constraints may be social" (Dixon & Foster, 1980 : 7).

These social limits to redistribution are seen to consist of the reduced willingness of the electorate to pay higher levels of tax for redistributive programs. Economic deterioration, unemployment and inflation are said to have reduced the political legitimacy of welfare expenditures.

The pattern of explanation is clear : the tax/transfer systems and social services of modern welfare states have mounting pressure placed on them in a period of slow growth and rising expectations; pressure from disparate claimant groups demanding protection of their transfer entitlements; pressure from labour demanding protection of real wages and working conditions; pressure from employers demanding increased profitability, productivity and improved investment conditions and state protections.

According to Wilensky's (1981) categorisation of the OECD welfare states, it is precisely those corporatist social democracies where labour participates with capital and central government in centralised planning of economic growth rates, prices, wages, taxes, employment policy, social security, education, housing and health that a political consensus can be forged through the modification of "sectional" demands. Social policies are then dealt with not as separate from, but as integral to macro-economic policies. Labour's interest in wages, conditions and social security must take account of inflation, productivity, profitability and renewed investment; employers are forced to take account of social policy (Wilensky, 1981 : 190).

Australia, with the United Kingdom, the United States and Canada are categorised as "fragmented and decentralized political economies" lacking the corporatist structures for sustaining such a consensus and therefore likely to be rendered "immobile" in a period of slow economic growth, high levels of inflation and unemployment. In the light of this categorisation of Australia's political economy, the recent National Economic Summit Conference appears as an attempt by the recently elected Labor Government to construct the elements of a corporatist consensus. Peak organisations of labour, employers, state and federal government and the welfare sector were brought together to place prices and incomes policies publicly and dramatically on the political agenda. In the process, social security, housing, health and education policies were seen as central, not peripheral to economic planning. The outcomes of this event are far from clear at this early stage.

However, the theory of corporatism, and the extent to which the so-called corporatist welfare states actually do allow for the full participation of labour in economic planning and preserve the conditions for redistribution,

and the extent to which progressive redistribution does actually occur require much more critical attention (see Winkler, 1977; Encel, 1979; Jessop, 1978). There is evidence to show that apart from, and in addition to the presence or absence of structures incorporating labour and capital into central government policy making, it is the nature, ideology and class and interest group alliances of the party in power which influences the extent and direction of redistribution through public expenditure in the capitalist democracies (Winkler, 1977; Castles, 1982).

This is precisely the position taken somewhat further in Piven and Cloward's recent (1982) restatement of the role of social security in U.S.A., one of the least well developed welfare states of the OECD. According to these writers, the Reagan government's attacks on welfare expenditures are the result not of the fiscal crisis of the state in meeting mounting welfare expenditures, nor even of political limits to the legitimacy of redistribution. But attacks on social expenditures result from the recognition by industry and the government which represents its interests that social security payments and social services, having been won, or at least conceded to labour and minority groups (particularly in the 1930s and 1960s), have now expanded to the stage where they intrude upon the dynamics of the labour market. Income security in particular has intervened in the traditional process by which unemployment forced down wages in a recession. The jobless need no longer feel compelled to take any job regardless of remuneration or conditions.

Income security has mitigated the strength of the market imperative that the sale of labour power is the only pre-condition for subsistence. A new "moral economy" has been established (using E.P. Thompson's description of the pre-industrial workers' sense of the right to subsistence under the local poor laws of the Speenhamland System). This modern moral economy has established entitlements to cash transfers for those excluded from wage-work by unemployment, old age, sickness, invalidity and supporting motherhood —has established new rights to subsistence. Piven and Cloward's thesis differs substantially from that of the contributors to the OECD conference previously discussed : the economic recession has brought government and class attacks on income maintenance and social services precisely because it is recognised that such transfers have increased the power of the working class and rendered them less vulnerable to the depredations of recession.

(2) Re-discovering the Social Divisions of Welfare

But there is a major gap in the semi-official OECD accounts, and in the liberal scholarship and the more radical accounts of the crisis of welfare states. Everybody appears to have forgotten their Titmuss. The welfare state (or at least welfare expenditures) are identified almost solely with cash transfers and social services —that is with social welfare. Fiscal welfare (benefits and allowances transferred through the tax system) and occupational welfare (benefits associated with the remuneration for paid employment) (Titmuss, 1958) are rarely mentioned. When the tax system is discussed it is treated only as the revenue-raising side of the tax/transfer equation with very little attention paid to its intrinsic redistributive impact. Piven and Cloward do note the attempts by the Reagan government to make the tax system more regressive as an incentive to "effort" and to private investment, but they do not go further to explore the extent to which regressive tax treatments have militated against the redistributive potential of cash transfers since well before direct government attacks on welfare expenditures. Similarly, those who emphasise the political limits to redistribution in a period of slow growth, have paid little attention to the ways in which regressive tax systems might produce political discontent with welfare expenditures. And those who stress the fiscal limits to welfare expenditures (cf. van Lennep, 1981) pay little attention to the ways in which tax benefits and allowances i.e. fiscal welfare, constitute expenditure (i.e. costs to revenue) in ways directly similar to social welfare expenditures. The significance of occupational welfare, i.e. non-wage benefits associated with remuneration for paid work, is rarely raised, except as an addition to unit labour costs. The regressive nature of both fiscal welfare and occupational welfare (Pond, 1980; Hoven, 1982) which serve as multipliers of occupational success and disproportionately benefit higher income-earners and wealth-holders least affected by the recession, go relatively unnoticed, while the crisis of welfare states appears to be constituted by increasing social welfare expenditures to provide subsistence and services for the victims of recession. The crisis of the so-called "political limits to redistribution" in fact obscures the nature and direction of the redistributive transfers which actually are occurring. The point made by Titmuss in 1958 that the distribution systems of fiscal welfare and

occupational welfare are "simultaneously enlarging and consolidating the area of social inequality" acquires greater significance in periods of high unemployment and under-employment when greater proportions of the labour force and of the population are excluded from the extended benefits which flow from job security.

This was the thrust of Sinfield's (1978) re-examination of Titmuss's thesis in the light of political attacks on British welfare expenditures in the late 1970s. Identification of the welfare system solely with the system of social security and social services provides a useful legitimisation for cut-backs in social expenditures. The systems of fiscal and occupational welfare remain relatively hidden and free from concerted attack, while the much more visible and often stigmatised recipients of social welfare are excluded from the more lucrative, secure and unstigmatised benefits of fiscal and occupational welfare.

A further dimension must be added to our understanding of the social divisions of welfare: the sex-based division of labour in domestic life and in the labour market on which the three systems of welfare are erected. Feminist analyses (cf, Land 1976, 1978, 1980; Rose, 1981) show that the three interconnected systems of "public" welfare, which operate through state mechanisms, are based on traditional assumptions about the organisation of "private" life: on processes of men's paid wage labour and women's unpaid domestic labour (or, at best, their unpaid household work in conjunction with part-time paid work to augment family income). This interpenetration of the "private" and the "public" disadvantages women's access to the lucrative systems of benefit, and predisposes them to the poverty associated with the social security system. In addition, it is precisely the unpaid and under-paid services provided by women in the family and in the community which are being utilised to substitute for the necessary increases in social expenditures, and to legitimate their withdrawal (Rose, 1981; Cass, 1982; Wilson, 1982).

### (3) Fiscal Welfare

Until recently at least, it was popularly believed that the nominally progressive rate structure of the personal income tax system was an accurate representation of its effective outcome. However, the Asprey Report, using data from the late 1960s, concluded that the overall distribution of taxes among income classes was quite sharply regressive at the lower end of the household income scale, nearly proportional in a wide middle band and progressive only at higher levels. More recent analyses by Mathews (1980), Collins (1982), Harding (1982) and Keens and Cass (1982) have shown that since 1976 the effective tax burden has shifted towards wage and salary earners and away from those who derive substantial income from property and business. Within the ranks of wage and salary earners, low income households have experienced constant or increased real tax burdens while at higher income levels real tax burdens have fallen. Amongst wage and salary earners, lower income households with children, where both husband and wife are earning, have experienced the greatest increase in their effective rate of tax, because of the abandonment of full indexation of tax brackets and the failure to index family allowances. In this period, the nominal progression of the personal income tax system has been seriously reduced. It has been argued that the personal income tax system has become a major instrument for redistributing incomes and wealth in favour of the rich (Mathews, 1980).

Despite the indications that the tax system itself might be conceived of in terms of a system of transfers (i.e. of redistributive social policies subverting the principle of the pursuit of equity), certain social policy analysts continue to differentiate sharply between taxation and welfare transfers. They speak of 'dependency ratios', by which they mean the numbers of people outside the labour market who have little or no income and who depend for their subsistence on government pension or benefit, as a proportion of people whose earned incomes provide the taxes for these transfers (SWPS, 1980). The reasoning behind the concept is that those who remain productive by earning wages and salaries or by their business activities shoulder the tax burden of the increase in dependency ratios since the mid 1970s. The implications of the argument are that the taxation system is primarily an

instrument which allows for the distribution of cash transfers from the productive non-poor to the unproductive poor.

However it is clear that this is a partial representation of the issue : what has actually occurred since 1976 is an increasing shift of the tax burden (from which the revenue for social expenditures is raised) towards low-income wage earners with children where both husband and wife are earning.

The observation that low-income working class families who have retained their jobs and retained their status as tax-payers are bearing an increasingly inequitable share of the revenue costs of the recession is reinforced by an examination of the resources which are excluded from the definition of "income" in the personal income tax system.

Income from wealth and property ownership constitutes the least utilized potential tax base in Australia. The non-taxation of realized or accrued capital gain and the decline of the relative importance of property taxation with the gradual elimination of estate and gift duties places Australia, in comparison with other Western advanced industrial countries, as the only one without a comprehensive tax on capital. Such exclusions have a significant impact on the potential of the personal income tax system to produce progressive redistribution.

A listing of some of the items excluded from the tax base illustrates the regressive impact of a non-comprehensive definition of income:

- . accrued capital gains;
- . realized capital gains (except capital gains associated with the selling of an asset held for less than twelve months and capital gains resulting from sale of an asset with intention to make profit);
- . inheritances and bequests;
- . imputed income from owner-occupied dwellings;
- . gifts not connected with employment;
- . 95 per cent of capital accretion in connection with retirement benefits (in particular, superannuation).\*

In addition, although fringe benefits connected with employment are legally taxable, in practice they are unlikely to be taxed because of administrative and political difficulties. One of the major fringe benefits, superannuation, attracts a range of tax benefits not available to other comparable forms of saving.\* The unequal impact of these exclusions arises because these sources of income are much more likely to be enjoyed by higher income earners:

- . capital gains are concentrated in the hands of property owners and shareholders;
- . the favourable treatment of owner-occupied housing and the absence of comparable benefits for tenants disadvantages low income households who are less likely to be home-owners than are higher-income households;
- . the distribution of employment benefits, and in particular superannuation, is directly related to cash income: the higher the income, the greater the number of associated fringe benefits;
- . inheritances and bequests are the means by which wealth is transferred from one generation to the next.

All such items of income contribute to the individual's command over economic resources and, as such, increase the capacity to pay tax.

Exclusion of these sources of income from the tax base provides a marked contrast with the inclusion of most of the money income of lower income wage and salary earners (who enjoy relatively few fringe benefits and are less likely to live in owner-occupied housing) and, in particular, provides a stark contrast with the inclusion of most government pensions and benefits in the tax base since 1976. It is not too difficult to understand the underlying determinants of the relative shift in the tax burden towards wage and salary earners and, within their ranks, to lower income households, which has taken place over recent years.

The recent literature on fiscal welfare has focused on the concept of taxation expenditures, by which is meant deviations or departures from a commonly accepted or benchmark tax-base, deviations which confer benefits selectively on certain taxpayers, and which represent a loss to revenue (Pond, 1980). The House of Representatives Standing Committee on

Expenditures' report on Taxation Expenditures (1982), defines taxation expenditures and budget outlays as different sides of the same public expenditure coin, since both represent calls on the Budget. The report notes that the tax system contains a number of provisions which confer preferential treatment on certain individuals and companies in the form of exemptions, deductions, reduced rates or rebates which reduce or delay the receipt of taxation revenue.

Despite the measurement difficulties imposed by the paucity of official information on the nature, purpose and cost of tax expenditures, the report aggregated the costs of the 65 per cent of items for which information was available and arrived at an estimate of 6 billion dollars for 1981-82, or more than 15 per cent of Budget outlays for that year. This conservative estimate presents a dramatic indication of the extent of effective public expenditure through the tax system. This hidden expenditure may be compared with the much more visible outlays on social security and welfare for the year 1981-82, at 11.5 billion dollars or 28 per cent of budget outlays. Outlays to the unemployed, the sick and the handicapped, and to widows and single parents - (all of which categories of pension and benefit recipients have increased as a proportion of the population since the recession of 1974) accounted for 9.6 per cent of budget outlays in 1981-82 (National Economic Summit Conference, 1983).

While the report does not attempt to identify the redistributive impact of tax expenditures, the information presented in the submissions made to the Committee by government departments enables such an analysis to be made (Table 1).

Analyses of the distribution of two major items of tax policy: superannuation and the fiscal treatment of owner-occupied housing demonstrate the regressive impact of these taxation expenditures. Fiscal benefits associated with superannuation amounted to \$1,720 million, or 27.3 per cent of the estimated cost of tax expenditures for 1981-82, when Treasury figures are used (Table 1) or \$2,260 million when Department of Social Security figures are used (Table 2).

The tax treatment of savings through superannuation departs from the treatment that would be indicated if a comprehensive tax on income were in force, and also departs from the treatment of other forms of savings in the tax system in the following ways:

- employer contributions are not included as income in the taxable income of employees
- interest earned on assets in the superannuation fund are not attributed as income to individual fund members, nor taxed as income
- 95 per cent of lump-sum payments made on retirement are exempt from tax (although pension payments and the income derived from investment of the lump-sum are subject to tax)\*
- superannuation contributions attracted a tax rebate until 1975 for wage and salary earners and a tax deduction for the self-employed.

In addition, employer contributions to superannuation funds are treated as tax deductions.

The tax treatment of superannuation, in comparison with the treatment of age pensions in the social security system, represents a clear example of the differential treatment of fiscal welfare and social welfare. Both are designed to provide or augment incomes on retirement, but whereas social welfare cash transfers are seen as providing an 'income-floor', a 'safety net' for those with little or no extra income, superannuation is designed to maintain the income differentials which were enjoyed before retirement. These two forms of welfare are subjected to quite different forms of accounting: outlays on income maintenance for the aged are clearly identified and itemised, their costs detailed and available for public scrutiny in the annual Budget papers, but no such clarity, precision, wealth of data or careful public accounting is provided in relation to tax expenditures on superannuation.

Survey data show a close connection between superannuation benefits and high income. The Australian Bureau of Statistics survey of Employment Benefits for 1979 shows that while 42 per cent of employees working 20 hours or more had occupational superannuation (50 per cent of men and 26 per cent of women), for those earning more than \$300 per week the proportions rose to 74 per cent for men and 61 per cent for women, while for those earning less than \$120 per week the proportions fell to 19 per cent for men and 13 per cent for women. In addition, part-time workers (particularly women) were much less likely than full-time workers to be recipients of superannuation benefits (44 per cent of full-time workers compared with 17 per cent of part-time workers); and employees with longer durations of employment with their current employer had much better coverage than those with a shorter job history (Jamrozik, Hoey and Leeds, 1982). The available evidence shows that the distribution of superannuation benefits favours older men, working full-time in higher income occupations in administration, executive or managerial positions, with a relatively long period of employment with their current employer. The employees least likely to be covered are women, working part-time in lower income occupations with a relatively short period of continuous employment.

In summary, superannuation tax concessions disproportionately benefit higher income earners, who are predominantly men in secure, middle class salaried jobs, or who are self-employed, and whose employment is secure. These beneficiaries receive what is in effect public expenditure support for their accumulation of savings for retirement. The income test on age pensions, the extra earnings test and the rate of pension serve to keep incomes relatively low for retired people whose pay and conditions when in work did not provide for retirement benefits.

The implications of this form of fiscal welfare in a recession is clear. Since 1974 increasing rates of unemployment and the incidence of hidden unemployment have fallen inequitably on members of the working class, in particular youth, older workers and women in all age categories whose employment when in work is characterised by insecurity and relatively low pay (Cass, 1981; Whitford, 1982). From the latter half of 1982, unemployment rates have also risen for prime-age males previously employed in manufacturing and construction (Cass, 1983). (See Table 3). Increasing rates of unemployment have been composed not only of greater proportions of the

labour force experiencing joblessness at some time of each year, but much more significantly, of a smaller group of persons, particularly older workers, experiencing increasingly longer durations of unemployment.

People who have been unemployed for more than 9 months constituted 4 per cent of the unemployed in 1972 and 25 per cent of the unemployed in 1981, while recent estimations show that in 1981 the average duration of a completed spell of unemployment was 16 to 17 months (Gregory, 1982). There appears to have been a polarisation between employees with a long period of continuous employment in the same job, and those in insecure employment, for whom the likelihood of recurrent spells of unemployment is greatest (Cass and Pedler, 1981; Gregory, 1982). It is also important to add that the structure of employment has been changing since 1974, with part-time, casual and contract work comprising an increasingly greater proportion of all employment (Jamrozik and Hoey, 1981).

It is clear that the recession of the latter half of the 1970s, which has deepened since late 1982, has resulted in the exclusion of a significant proportion of the population from paid work, and therefore in their exclusion from the benefits associated with paid work (both fiscal benefits and occupational benefits). The period has also been characterised by a changing employment structure which increasingly excludes employees, particularly women, from secure, full-time jobs (Table 4), and therefore excludes them from the lucrative systems of 'private' welfare.

#### Concessions for Home-Ownership

The treatment of different forms of housing tenure in the systems of fiscal welfare and social welfare provides another significant instance of regressive redistribution. Two major tax concessions apply to owner-occupation, an explicit tax rebate and an implicit tax exemption. Two tax rebates apply to interest payments on owner-occupied housing for the year 1982/83, at an estimated cost of \$415 million.\* These rebates will boost significantly the cost of tax expenditures on 'Housing' to which the House of Representatives Standing Committee attributed only \$40 million for 1981/82, composed of the

deduction for insulation of a first home and the rebate for rates and land tax (Table 1). The non-taxation of imputed rent from owner-occupation is not considered in the Report as a tax expenditure, because it does not depart from the accepted benchmark tax base, however this implicit exemption provides selective benefits to one category of taxpayer (those enjoying the tenure of owner-occupation), while other tax-payers, i.e. tenants, do not enjoy comparable tax benefits.

The probability of home-ownership increases as income rises. Low income households are less likely to be home-owners than are higher income households at every stage of their life-cycle. Successive governments in Australia, as in the United States and the United Kingdom, have given more subsidies through the tax system to owner-occupiers than to households in other tenures and have thus favoured the tenure form prevalent amongst high income households.

In Australia, a mix of social welfare grants and fiscal welfare concessions apply to owner-occupation: the Home Savings Grant Scheme and the Home Deposit Assistance Scheme (to which \$147 million has been allocated for 1982/83); the two tax rebates on interest payments;\* non-taxation of imputed rent and capital gains. An estimate for cash transfers and tax expenditures (i.e. explicit expenditures) for 1982/83 can be made at \$562 million, although it is much more difficult to estimate the revenue foregone in respect of the non-taxation of imputed rent. Judith Yates (1979) estimated the revenue costs of this exemption for 1979/80 at \$1,098 million which accounted for 73 per cent of all subsidies accruing to owner-occupation in that year.

Even without consideration of the cost of this exemption, the aggregate estimated cost for 1982/83 of benefits for owner-occupation (\$562 million) can be compared with direct funding to the states for public authority housing at \$333 million, an area of expenditure on social services which has been given very low priority and suffered considerable cut-backs since 1976 (Carter, 1980).

In contrast with the benefits which accrue to owner-occupation, there are no fiscal subsidies for private or public tenants in Australia, and

only a relatively small allocation of \$20 million has been made this year to the states to subsidise rent as well as mortgage payments for low income families facing severe financial difficulties. Only a remnant of rent-control in the private market remains. Tenants in public authority housing have historically enjoyed subsidised rents, but this advantage to low-income earners was revoked by the coalition Government's policy instructing the State housing authorities to move toward market rents.

It might be argued that the subsidisation of owner-occupation through the tax/transfer system is necessary in a country with an entrenched value bias towards owner-occupation and a traditional lack of political and funding priority given to public authority housing. However, it has also been argued that such benefits, particularly fiscal benefits, actually militate against the entry of low-income households into home-purchase. This is so because tax concessions become 'capitalised' within the structure of market prices; i.e. tax concessions to owner-occupiers raise the value of houses, providing an untaxed capital gain to present owners, but reducing the capacity of potential purchasers to buy their first home, particularly in a period of inflation and rising interest rates (Whitehead, 1980).

It can be concluded that tax concessions for owner-occupation (i.e. fiscal welfare) creates a systematic bias against the entry of low income households into owner-occupation and provides effective public expenditure support for the accumulation of assets for middle and high income-earners.

(4) The Interaction of Tax Policy and Social Security Policy: The Poverty Trap

The preceding analyses have concentrated on fiscal benefits which accrue to higher income earners in contrast with comparable social welfare policies. However there is an outstanding case of overlap between tax policy and social security policies the impact of which is felt by low income recipients. This is the 'poverty trap' which results from the separate and independent imposition of income tests and taxation policies implemented by different agencies of federal, state and local governments. Since most pensions and benefits are subject to income tax, the addition of extra-earnings from labour market activity (which is seen at official level as very important in maintaining work incentives) may actually result in bringing the beneficiary's income within taxable limits and also, above a certain level of admissible earnings (\$10 for unemployment beneficiaries), result in a 50 per cent reduction of benefit and a 100 per cent reduction in benefit when extra earnings exceed \$60. This interaction of social security and personal income tax policies may subject beneficiaries to effective marginal tax rates at 65 per cent to 80 per cent over a wide range of low income, i.e. higher marginal tax rates than the highest income-earners. In addition, eligibility for other income-tested benefits and subsidies may also be affected, e.g. the rent rebate in State-administered public authority housing. In aggregate, these policies can raise effective marginal tax rates well above 100 per cent, i.e. low-income recipients' disposable incomes are reduced as their pre-tax income rises. It is also significant to point out that these results may apply not only when the beneficiary's own extra income rises, but also when his/her spouse earns extra income. Because spouses' incomes are aggregated for the purposes of the income-test for most pensions and benefits, it is only with these low-income households that the effective unit for tax purposes is the married couple, while individual unit taxation applies to all other tax-payers (Collins, 1979). Whereas high income tax-payers with income from business or property may effectively split their income for tax purposes with their spouse and other family members, thus incurring a lower tax liability, pensioners and beneficiaries with spouses are obliged to aggregate their incomes, thus incurring a higher tax liability.

Data from the survey of unemployed people in the Western suburbs of Sydney carried out by the Social Welfare Research Centre (1982) demonstrate the operation of poverty traps, and the class-divisive effects of certain welfare policies. A number of respondents indicated that their search for jobs was made more difficult and frustrating by the realisation that the income they would earn (usually from insecure, low-paid work) would result not only in loss of benefit, but also in loss of travel concessions for what is usually an expensive journey to work, and in increased rent in public housing. The unemployed people and community workers in the region reported a culture pervaded by the fear of 'informers': of information on a pensioner or beneficiary's altered labour force or family status being reported to state authorities. Recipients of social security or of rebated rent in public housing, or both, are said to be subjected to the fear that undeclared occasional earnings from part-time work, or the over-night visit of a male friend or the temporary return to the home of a non-dependent child may be reported. There was a sense in which the unemployed felt themselves to be under surveillance, from both other pensioners and beneficiaries, and from those in paid work and from state authorities.

These social divisions within the working class result from the high effective marginal rates of tax on income as benefits are withdrawn; the continuing stigmatisation of beneficiaries; the public nature of social transfers to the poor. That it is poorer families in work whose tax burdens have increased disproportionately since 1976 might well establish a source of discontent about welfare expenditures — a source of discontent which is expressed at local community level. The theory of the political limits to redistribution in a recession is in fact a misleading generalisation, which takes no account of the inequitable impact of the recession. The theory suggests that all tax-payers, particularly higher income earners are affected by increased tax burdens and impose political limits to increased social expenditures. It is in fact lower income, working class family members who are most likely to be either unemployed, or if employed, bearing the brunt of reduced disposable incomes. This is a climate in which intra-class divisions and fragmentation may arise at local levels, militating against the formation of community networks and initiatives to devise job creation programs and

to promote increased allocation of resources to the region.

(5) The Role of the Unions

The problems encountered by the various unions surveyed in the ACTU Report Unions and Unemployment (O'Neill, 1981a), in relation to their unemployed members or ex-members reveals another form of fragmentation. A substantial minority of the unions surveyed had mechanisms for enabling continued membership for unemployed workers. Others however had no such provisions and most unions reported great difficulty in retaining contact with unemployed members who were no longer part of the normal channels of communication. The unions which sought to provide services for unemployed members or to give information on their social security rights found it difficult to reach those members in need. Unions found that the stigma and demoralisation of unemployment usually robbed ex-members of the desire to retain union contact. Even more pertinent is the likelihood that a considerable proportion of the unemployed have no previous union membership (youth, women in part-time or casual employment). In the Social Welfare Research Centre's Survey, almost half of the unemployed people interviewed had no previous union membership. Under such conditions, without the support of the traditional focus of working class organisation, the unemployed are subject to fragmentation and isolation. Consistent with the historical role of unions in defending wages and job conditions, the ACTU and unions' responses to unemployment have consisted predominantly of attempts at job protection, with policies for protective tariffs for manufacturing industries; control of the introduction of technology in the services and finance industries; expansion of public sector employment; redundancy and retrenchment agreements and the shorter hours campaign (O'Neill, 1981b). The unemployed however, having lost contact with the industrial system, also lose contact with union membership, i.e. with the major source of protection (one might say 'welfare') associated with secure, long-term paid work.

(6) The Role of Women's Work in the Recession

It has been noted that one of the characteristics of the current recession is the role forged for women. This is a four-fold role: provision of unpaid household work to stretch subsistence incomes; provision of emotional support for the victims of recession; provision of unpaid household care for the elderly and the ill when funding levels for community and institutionalised services are inadequate; provision of unpaid or poorly paid volunteer or semi-volunteer work in the community (Wilson, 1982; Cass, 1982; Kinnear and Graycar, 1982; Baldock, 1983). Popular calls for women to retreat from their pursuit of paid income in the formal labour market and move back full time into unpaid work in the home and the community have been accompanied by an official thrust in neo-conservative thought and monetarist economics which sees the family (i.e. women) as the cheapest providers of services for children, the aged and the ill. Erosion of public expenditure on children's services, and on domiciliary care for the sick elderly and the psychological depredations wrought by the unemployment of young people and of male breadwinners have been cushioned by the unpaid domestic labour and the emotional support performed by women. It would appear that it is the invisible welfare system of family and household, and women's work therein, in conjunction with the cash transfers of the social security system which constitute the remaining sources of welfare and subsistence for those excluded from paid work in the current recession.

Conclusions

The thesis of the political limits to redistribution in a period of recession and the thesis of a crisis of welfare state expenditures in a period of high unemployment both ignore the existence of other budgetary outlays and expenditures through the tax system and through occupational benefits which are also redistributive. The direction of redistribution is regressive; away from those excluded from paid labour and from those in insecure low-paid jobs. It is working class families and within them, women in particular, who are excluded from the lucrative systems of fiscal and occupational welfare, and who are most likely to become dependent on social security transfers. In addition, it is women who

are expected to provide an invisible welfare system to augment inadequate pensions and benefits and to provide services to other family members in a period of public sector stringency.

It is only when the nature and direction of the redistributive processes which are occurring are identified that the issue of progressive policies in a recession can be adequately debated. Clearly, reform of the personal income tax system must be placed on the political agenda. In relation to both the revenue-raising side of the tax/transfer equation and the progressivity of the tax system, regressive tax expenditures require examination as does the extension of the definition of income for tax purposes (to include, for example, realised capital gains).

Secondly, the unemployed require not only adequate pensions and benefits (and in particular, an indexed benefit for the single unemployed without dependents and indexed child allowances), but also the raising of the extra-earnings limit and a moratorium on the loss of concessions to mitigate the current penalisation of paid work. They also require increased social expenditures on job training, retraining, public housing and job creation programmes. The thesis of the political and revenue limits to increased social expenditures holds up poorly when placed in a broader perspective which incorporates the expenditures associated with fiscal and occupational welfare which are systematically extending economic and social inequalities.

\* Postscript

This paper was written before May 19, 1983 when the Commonwealth government announced its new taxation arrangements for superannuation lump sum retirement benefits and owner-occupied housing. A much increased proportion of lump-sum superannuation payments was made subject to tax, in respect of services provided after June 30, 1983, and with tax exemption made for the value of non-rebated employee contributions to employer-sponsored funds. The tax rates to apply are the standard rates of 30 per cent for sums up to \$125,000; 46 per cent for sums between \$125,000 and \$225,000 and 60 per cent for amounts over \$225,000.

However, significant tax advantages remain for superannuation : employer contributions and the whole or part of the investment income of funds remain tax-free through the accrual period of the fund. Savings through most other sources, for example banks, building societies and life-insurance policies, receive much less favourable tax treatment. It is important to note that these latter forms of saving are the major sources for low income earners who are unlikely to be contributors to a superannuation scheme. While these tax changes promote greater equity in the tax system to a certain extent, they do not intervene in the inequitable coverage of superannuation benefits, i.e. in the exclusion from occupational welfare of the unemployed and of workers in insecure, low-paid employment (amongst whom women are disproportionately represented).

In respect of housing, tax rebates for interest on housing loans were terminated; additional funds were made available to provide increased assistance for first home buyers and expenditure on public housing was increased to \$460 million. While direct tax concessions for owner-occupation were removed, indirect tax concessions (non taxing of imputed rents and capital gains) remain firmly entrenched in tax policy and would meet strong political resistance if challenged. Even with initial cash assistance for first home purchase, it is unlikely that significant interventions have been made into the distribution of private home ownership and its direct relationship with income distribution. The labour market and income situation of the unemployed (who are drawn disproportionately from those in insecure, low-paid work)

and the increasing incidence of poverty amongst families with young children since 1974 (Cox, 1982) suggest that the likelihood of private home ownership has receded for these groups in the economic recession. Their recourse to the private rental market and their competition for scarce public housing (which still remains the Cinderella of Australian housing policy) excludes them from the fiscal benefits which accrue over the life-cycle for private home owners.

TABLE 1 : ESTIMATED TAXATION EXPENDITURES FOR 1981-82,  
CLASSIFIED BY MAJOR FUNCTIONAL HEADINGS

Function	Indicative 1981-82 estimate (nearest \$10 million)	% of Total
1. Defence	10	0.2
2. Education	50	0.8
3. Health	640	10.2
4. Social Security and Welfare (Total)	1320	21.0
A. Dependent Spouse Rebate	900	14.3)
B. Other	420	6.7)
5. Housing	40	0.6
6. Urban and Regional Development and Environment	70	1.1
7. Culture and Recreation	*	*
8. Economic Services (Total)	1760	27.9
A. Transport and Communication	*	* )
B. Water Supply, Electricity and Gas	10	0.2)
C. Industry Assistance and Development	1750	27.7)
9. General Public Services (Total)	600	9.5
A. Foreign Affairs, Overseas Aid, External Territories	600	9.5)
B. General and Scientific Research	*	* )
10. Not Allocated to Function (Total)	1810	28.7
A. Superannuation and Related Items (1)	1720	27.3)
B. Other	90	1.4)
TOTAL	6300	100.0

NOTES:

\* Denotes under \$10 million.

- (1) The magnitudes of the individual tax expenditure items related to superannuation and the problems of estimation and aggregation was an issue of debate for the Committee. The Department of Social Security Submission provided estimates from which the Committee derived a total of \$2520 million. The Treasury expressed their reservations on this figure and provided estimates from which the Committee derived a total of \$1720 million. The Treasury figure was used by the Committee in the compilation of this Table since most of the other figures in the Table are based on Treasury evidence. This issue, and the estimates of superannuation tax expenditures provided by the Department of Social Security are discussed in the paper.

Source : Derived from Report of the House of Representatives Standing Committee on Expenditure, Taxation Expenditures, 1982, p.11.

TABLE 2 : ESTIMATED TAXATION EXPENDITURES FOR SUPERANNUATION  
AND RELATED ITEMS : 1981-82

Item	Estimated cost \$ million
Rebate for Superannuation Contributions and Life Insurance	65
Deduction for Superannuation Contributions by Unsupported Employees or the Self-Employed	120
Deduction for Employer Contribution to Superannuation Funds	640
Concessional Treatment of Investment Income Earned by Approved Superannuation Funds	960
Exemption from tax of 95% of Lump Sum Benefit Received Upon Retirement From or Termination of Employment	475
TOTAL	2,260

Source : Derived from Report of the House of Representatives  
Standing Committee on Expenditure, Taxation Expenditures,  
1982, p.32. Based on figures supplied by Department of  
Social Security.

**TABLE 3** : Shares of the labour force, shares of unemployment, and unemployment rates by age and sex : 1966 - 1982

	AGE (Years)					
	15-19		20-24		25 & Over	
	Males	Females	Males	Females	Males	Females
<b>%</b>						
<u>1966 (August)</u>						
Prop. of L/F	7.1	6.6	8.2	5.0	54.0	18.8
Prop. of Unemployed	11.2	16.3	6.9	8.9	31.4	25.0
Unemployment Rate	2.5	4.0	1.4	2.8	0.9	2.1
<u>1970 (August)</u>						
Prop. of L/F	6.1	6.3	8.9	6.1	52.0	20.9
Prop. of Unemployed	12.3	14.4	7.9	8.6	26.7	29.7
Unemployment Rate	2.9	3.6	1.3	2.0	0.7	2.1
<u>1974 (August)</u>						
Prop. of L/F	5.7	5.4	8.6	6.1	51.0	23.2
Prop. of Unemployed	12.2	15.3	10.4	9.3	25.6	27.2
Unemployment Rate	5.0	6.7	2.9	3.6	1.2	2.7
<u>1978 (August)</u>						
Prop. of L/F	6.3	5.3	8.3	6.3	49.0	24.4
Prop. of Unemployed	16.6	15.7	11.9	9.6	27.5	18.7
Unemployment Rate	16.5	17.2	8.9	9.6	3.5	4.8
<u>1980 (August)</u>						
Prop. of L/F	6.2	5.6	8.4	6.6	48.3	24.8
Prop. of Unemployed	15.5	17.9	12.2	10.2	25.7	18.6
Unemployment Rate	14.8	18.9	8.5	9.1	3.1	4.4
<u>1982 (August)</u>						
Prop. of L/F	5.9	5.0	8.7	6.6	48.4	25.4
Prop. of Unemployed	14.4	12.9	14.5	8.7	30.2	19.3
Unemployment Rate	16.4	17.1	11.3	8.8	4.2	5.1
<u>1982 (October)</u>						
Prop. of L/F	5.8	5.1	8.7	6.6	48.3	25.5
Prop. of Unemployed	13.0	12.4	13.4	10.0	30.8	20.4
Unemployment Rate	17.5	18.8	11.9	11.7	4.9	6.2

Sources : ABS The Labour Force Australia, 1978, Cat.No. 6204.0  
 ABS The Labour Force Australia, August 1980, Cat.No. 6203.0  
 ABS The Labour Force Australia, August 1982, Cat.No. 6203.0  
 ABS The Labour Force Australia, October 1982, Cat.No.6203.0

TABLE 4 : PART-TIME WORK AS A PROPORTION OF ALL EMPLOYMENT BY FAMILY STATUS:1979,1980,1981

8

<u>MEN</u>	1979	1980	1981
Married with dependent children	2.0	1.7	2.2
Married without dependent children	5.5	5.0	5.7
Total married	3.3	2.9	3.5
Not married with dependent children	5.1	4.6	5.9
Not married without dependent children	7.5	8.1	6.9
Child of family head*	4.2	5.0	5.0
Other relative in family	5.3	6.5	7.0
Not a member of a family	7.0	7.1	7.2

Women

Married with dependent children	55.4	56.1	55.5
Married without dependent children	29.1	30.2	30.8
Total married	44.5	45.5	45.2
Not married with dependent children	40.7	36.8	40.9
Not married without dependent children	22.1	28.1	25.9
Child of family head*	8.7	9.0	9.6
Other relative in family	16.9	10.8	13.0
Not a member of a family	14.5	16.4	15.7

SOURCE: A.B.S., Labour Force and Other Characteristics of Families, July 1979 (p.13), July 1980 (p.19, June 1981 (p.22), Cat.No. 6224.0

\* This category includes all children 15 years of age and over who are not full-time students.

BIBLIOGRAPHY

- BALDOCK, C. (1983) "Volunteer work as work. Some theoretical considerations", in C. Baldock & B. Cass (eds) Women, Social Welfare and the State in Australia. Sydney : Allen & Unwin (forthcoming, 1983).
- CARTER, R. (1980) "Housing Policies in the 1970s" in R.B. Scotton & H. Ferber (eds) Public Expenditures and Social Policy in Australia, Vol.11. Melbourne : Longman Cheshire.
- CASS, B. (1981) Unemployment and the Family. SWRC Reports and Proceedings No.7, University of New South Wales.
- CASS, B. (1982) Family Policies in Australia. SWRC Reports and Proceedings No.21, University of New South Wales.
- CASS, B. (1983) "The legitimization of unemployment, 1974-1982". Paper delivered at Social Justice Project Conference on Unemployment (April) Australian National University, Canberra.
- CASS, B. and PEDLER, K. (1980) "Where are they hiding the unemployed?" in Australian Social Welfare - Impact, Vol.(10), Nos. 5 & 6 (November).
- CASTLES, F.G. (1982) (ed) The Impact of Parties : Politics and Policies in Democratic Capitalist States. London : Sage.
- COLLINS, D. (1979) "The tax-transfer treatment of the unemployed", Australian Quarterly (September).
- COLLINS, D. (1982) "Australian Personal Income Tax Liabilities, 1960-1980". Economic Papers, Vol.1, No.1 (April).
- COX, J.P. (1982) "Equivalent Income Distributions". Social Security Journal. (December).
- DIXON, D. and FOSTER, C. (1980) "Social Welfare Policy for a sustainable society". Paper presented at ANZAAS Congress, Adelaide.
- ENCEL, S. (1979) "Post Industrial Society and the Corporate State". ANZJS, Vol.15, No.2 (July).
- GREGORY, R. (1982) Work and Welfare in the Years Ahead. Discussion paper No.47, Australian National University, Centre for Economic Policy Research, Canberra.
- HALSEY, A.H. (1981) "Some lessons from the debates, a sociologist's viewpoint" in OECD, The Welfare State in Crisis, OECD : Paris.
- HARDING, A. (1982) "Unequal burdens - Personal Income Tax Changes since 1975". Current Affairs Bulletin (July).
- HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON EXPENDITURES (1982) Taxation Expenditures, Canberra.

- HOVEN, F. (1982) "Regressive Welfare. Distribution Effects of Occupational Welfare Benefits". Acta Sociologica, (25) 1.
- JAMROZIK, A. and HOEY, M. (1981) Workforce in Transition, Implications for Welfare. SWRC Reports and Proceedings No.8, University of New South Wales.
- JAMROZIK, A., HOEY, M. and LEEDS, M. (1982) Employment Benefits : Private or Public Welfare? SWRC Reports and Proceedings No.15, University of New South Wales.
- JESSOP, B. (1978) "Capitalism and Democracy : the best possible political shell?" in G. Littlejohn et al (eds) Power and the State, London : Croom Helm.
- KEENS, C. and CASS, B. (1982) Fiscal Welfare. Some Aspects of Australian Tax Policy. Class and Gender Considerations. SWRC Reports and Proceedings No.24, University of New South Wales.
- KINNEAR, D. and GRAYCAR, A. (1982) Family Care of Elderly People. SWRC Reports and Proceedings No.23, University of New South Wales.
- KLEIN, R. (1981) "Values, Power and Policies" in OECD, The Welfare State in Crisis. Paris : OECD.
- LAND, H. (1976) "Women : Supporters or Supported" in D.L. Barker and S. Allen (eds) Sexual Divisions and Society. London : Tavistock.
- LAND, H. (1978) "Sex Role Stereotyping in the Social Security and Income Tax Systems" in J. Chetwynd and O. Hartnett (eds) The Sex Role System. London : Routledge.
- LAND, H. (1980) "The Family Wage", Feminist Review, No.6.
- MATHEWS, R. (1980) "The Structure of Taxation" in J. Wilkes(ed) The Politics of Taxation. Sydney : Hodder & Stoughton.
- NATIONAL ECONOMIC SUMMIT (1983) Information Paper on the Economy, Addendum G.1. : Canberra.
- OECD (1981) The Welfare State in Crisis. Paris : OECD.
- O'NEILL, J. (1981a) Unions and Unemployment. A Survey. Melbourne : ACTU.
- O'NEILL, J. (1981b) "Unemployment. Some Implications for Trade Unions" in B. Cass (ed) Unemployment : Causes, Consequences and Policy Implications. SWRC Reports and Proceedings No.11, University of New South Wales.
- PIVEN, F.F. and Cloward, R. (1982) The New Class War. New York : Pantheon.
- POND, C. (1980) "Tax Expenditures and Fiscal Welfare" in Sandford et al (eds) Taxation and Social Policy. London : Heinemann.

- ROSE, H. (1981) "Rereading Titmuss : The Sexual Division of Welfare".  
Journal of Social Policy, 10, 4.
- SINFIELD, A. (1979) "Analyses in the Social Division of Welfare".  
Journal of Social Policy, 7,2.
- SWPS (1980) Commonwealth Spending on Income Support between 1968-69 and 1978-79 and why it increased. Canberra.
- TITMUSS, R. (1959) "The Social Division of Welfare" in Essays in the Welfare State. London : Allen & Unwin.
- VAN LENNEP, E. (1981) "Opening Address" in OECD, The Welfare State in Crisis. Paris : OECD.
- WHITEFORD, P. (1982) "The Earned Incomes of the Unemployed". Social Security Journal. (December).
- WHITEHEAD, C. (1980) "Fiscal Aspects of Housing" in C. Sandford et al (eds) Taxation and Social Policy. London : Heinemann.
- WILENSKY, H. (1981) "Democratic Corporatism, Consensus and Social Policy : Reflections on Changing Values and the Crisis of the Welfare State" in OECD The Welfare State in Crisis. Paris : OECD.
- WILSON, E. (1982) "Women, the Community and the Family" in A. Walker (ed) Community Care. The Family, the State and Social Policy. Oxford : Blackwell.
- WINKLER, J.T. (1977) "The Corporate Economy" in R. Scase (ed) Industrial Society : Class, Cleavage and Control. London : Allen & Unwin.
- YATES, J. (1979) "Tenure Choice and the Distribution of Income : Implications for Housing Policy". Australian Quarterly, Vol.54, No.1 (Autumn).

Australian and New Zealand Association For the  
Advancement of Science

Perth, May 1983  
Section 45

PUBLIC AND PRIVATE IN WELFARE SERVICES

Adam Graycar

Social Welfare Research Centre  
University of New South Wales  
Kensington NSW 2033

ABSTRACT

This paper examines relationships between non-government welfare organizations (NGWOs) and governments, and discusses questions relating to the boundaries between statutory and non-statutory activities; privatization of welfare activities; and important characteristics of interactions between governments and NGWOs. It reports preliminary data from a large national survey of NGWOs. The paper is intended as a discussion paper, as the data reported are part of an as yet uncompleted monograph. The estimate of 37,000 NGWOs in Australia is a point estimate, and its derivation is discussed on page 44.

TABLE 1 : FUNCTION OF NGWOS  
(N = 571)

CATEGORY	N	%	EXAMPLES
INCOME	17	3.0	<ul style="list-style-type: none"> <li>. emergency finance</li> <li>. goods and/or services</li> </ul>
ACCOMMODATION	83	14.5	<ul style="list-style-type: none"> <li>. emergency housing</li> <li>. residential</li> <li>. nursing home</li> <li>. provision of housing</li> </ul>
EMPLOYMENT	29	5.1	<ul style="list-style-type: none"> <li>. sheltered workshops</li> <li>. income generation project</li> <li>. work ethic/skills maintenance and development</li> </ul>
EDUCATION	41	7.2	<ul style="list-style-type: none"> <li>. pre-schools &amp; kindergartens</li> <li>. toy libraries</li> <li>. adult education</li> <li>. special education</li> </ul>
HEALTH	37	6.5	<ul style="list-style-type: none"> <li>. family planning/pregnancy termination</li> <li>. pregnancy support</li> <li>. first aid/rescue services</li> <li>. support of frail and ill</li> <li>. preventive education &amp; skills</li> <li>. general health care</li> </ul>
PERSONAL CARE	66	11.6	<ul style="list-style-type: none"> <li>. day-care centres</li> <li>. home-based care</li> <li>. domiciliary services</li> <li>. foster care</li> <li>. adoption</li> <li>. support and advice</li> </ul>

TABLE 1 (CONT.)

CATEGORY	N	%	EXAMPLES
PROTECTION	5	0.9	<ul style="list-style-type: none"> <li>. prevention/remedial of abuse</li> <li>. crisis intervention</li> <li>. disaster relief</li> <li>. road safety</li> </ul>
THERAPEUTIC CARE (or Rehabilitative)	62	10.9	<ul style="list-style-type: none"> <li>. disability rehabilitation</li> <li>. psychological rehabilitation</li> <li>. counselling service</li> <li>. community programs</li> </ul>
INFORMATION	22	3.9	<ul style="list-style-type: none"> <li>. community services and facilities</li> <li>. financial advice</li> <li>. legal advice/referral</li> </ul>
INTER-PERSONAL DEVELOPMENT	75	13.1	<ul style="list-style-type: none"> <li>. religious/spiritual</li> <li>. social/recreational activity</li> </ul>
COLLECTIVE ACTION	79	13.8	<ul style="list-style-type: none"> <li>. public education or advocacy for group rights/shares</li> <li>. community-based organisation for social/environmental improvement</li> <li>. self help provision for group need</li> </ul>
SERVICE SUPPORT	48	8.4	<ul style="list-style-type: none"> <li>. funding provision</li> <li>. research</li> <li>. co-ordination/planning/support services</li> <li>. volunteer management and/or training</li> </ul>
MULTI-FUNCTIONAL	7	1.2	<ul style="list-style-type: none"> <li>. total community development</li> <li>. mixed range of therapeutic, personal care, accom. &amp; health</li> <li>. General personal care and community support services</li> </ul>
TOTAL	571	100	

TABLE 2 : LIFESTAGE OF CLIENTELE OF NGWOS

	N	%
All or any	221	38.7
Children	115	20.2
Youth	37	6.5
Adults	108	18.8
Elderly	90	15.8
	571	100

TABLE 3 : ROLES OF NGWOS

	N	%
Commitment to Social Change	64	11.2
Explicit maintenance of social order	58	10.2
Extension of Government role/ (unreflective) provision of needed collective service	390	68.3
Self-help survival/advancement	59	10.3
	571	100

TABLE 4 : DISTRIBUTION OF ORGANISATIONS BY  
INCOME LEVEL (UNADJUSTED) : 1971, 1976, 1980

Income Level	YEAR					
	1971		1976		1980	
	No.	%	No.	%	No.	%
Less than \$5,000	120	47.0	151	39.2	192	34.7
\$ 5,001 - 10,000	18	7.0	24	6.2	45	8.1
\$10,001 - 25,000	30	11.7	53	13.8	39	7.0
\$25,001 - 50,000	29	11.3	40	10.4	61	11.0
\$50,001 - 100,000	17	6.6	32	8.3	66	11.9
\$100,000- 250,000	26	10.2	39	10.1	59	10.6
\$250,001- 500,000	7	2.7	20	5.2	35	6.3
\$500,001- \$1 million	3	1.2	15	3.9	30	5.4
Over \$1 million	6	2.3	11	2.9	27	4.9
Totals	256	100.0	385	100.0	554	100.0

TABLE 5 : DISTRIBUTION OF ORGANISATIONS BY  
INCOME LEVEL (ADJUSTED) : 1971, 1976, 1980

Income Level	YEAR					
	1971		1976		1980	
	No.	%	No.	%	No.	%
Less than \$5,000	47	18.5	102	26.6	192	34.7
\$ 5,001 - 10,000	47	18.5	57	14.8	45	8.1
\$10,001 - 25,000	43	16.8	40	10.4	39	7.0
\$25,001 - 50,000	30	11.8	43	11.1	61	11.0
\$50,001 - 100,000	17	6.7	37	9.7	66	11.9
\$100,001- 250,000	29	11.1	39	10.0	59	10.6
\$250,001- 500,000	18	6.9	28	7.3	35	6.3
\$500,001- \$1 million	13	5.1	18	4.7	30	5.4
Over \$1 million	12	4.7	21	5.4	27	4.9
Totals	256	100.0	385	100.0	554	100.0

1971 and 1976 values have been inflated by the June quarter CPI to 1980 values.

TABLE 6

AGENCY INCOME (\$) BY PERCENTAGE  
RECEIVED FROM GOVERNMENT

Income \$	Nil	1-25%	26-50%	51-75%	Over 75%	Percentage of agencies in income category
less than 5,000	71.4 62.2	9.1 24.2	6.3 13.3	2.3 6.9	10.9 16.5	33.5
5,001 - 10,000	39.5 8.5	7.0 4.5	23.3 12.0	7.0 5.2	23.3 8.7	8.3
10,001 - 25,000	34.3 6.0	8.6 4.5	17.1 7.2	11.4 6.9	28.6 8.7	6.7
25,001 - 50,000	18.3 5.5	11.7 10.6	15.0 10.8	10.0 10.3	45.0 23.5	11.5
50,001 -100,000	19.0 6.0	19.0 18.2	19.0 14.5	17.5 19.0	25.4 13.9	12.0
100,001 -250,000	24.1 7.0	13.8 12.1	12.1 8.4	13.8 13.8	36.2 18.3	11.1
250,001 -500,000	5.9 1.0	26.5 13.6	32.4 13.3	20.6 12.1	14.7 4.3	6.5
500,001 - 1 million	14.3 2.0	14.3 6.1	28.6 9.6	25.0 12.1	17.9 4.3	5.4
over 1 million	14.8 2.0	14.8 6.1	33.3 10.8	29.6 13.8	7.4 1.7	5.2
percentage of agencies in category	38.4	12.6	15.9	11.1	22.0	100.0

Notes

In each cell there are two figures. The first is the row percentage i.e. adding across each row (top figures only) gives 100%. This means for the top left hand cell, that of the agencies with incomes under \$5,000, 71.4% get nothing from government, 9.1% get between 1 and 25% of their income from government ...

The *second figure* in each cell is the column percentage i.e. adding down each column (second figures only) gives 100%. This means for the top left hand cell, that of the agencies which get nothing from government, 62.2% have incomes under \$5,000, 8.5% have incomes between \$5,001 and \$10,000 ...

TABLE 7 :

<u>NUMBER OF LEVELS OF GOVERNMENT FUNDING REPORTED BY ORGANISATIONS</u>		
	No.	%
Federal Funding Only	96	29.1
State Funding Only	90	27.3
Local Funding Only	16	4.9
Federal and State Funding	90	27.3
Federal and Local Funding	5	1.5
State and Local Funding	15	4.6
Federal, State and Local Funding	18	5.5
	—	—
Totals	330	100.0
	—	—

TABLE 9

POLICY ROLE OF GOVERNMENT : PERCENTAGE OF ORGANIZATIONS

	Commonwealth Gov't	State Gov't	Local Gov't
Government plays a major policy role	19.1	17.6	5.4
Government plays some policy role	29.5	42.0	28.5
Government plays no policy role	<u>51.4</u>	<u>40.4</u>	<u>66.1</u>
	100.0	100.0	100.0

**TABLE 8:**

<u>BREAKDOWN OF FUNDING SOURCES OF ORGANISATIONS</u>						
	Level of Funding (%)					No.
	1 - 25	26 - 50	51 - 75	Over 75		
<u>A. GOVERNMENT</u>						
Federal	37.0	32.5	13.8	16.8	100.0	203
State	37.3	33.5	12.0	17.2	100.0	209
Local	71.7	17.0	1.9	9.4	100.0	53
<u>B. EXTERNAL (NON-GOVERNMENT) FUNDING</u>						
Parent Organisations	49.3	19.2	13.7	17.8	100.0	73
Private Firms, Trusts	80.6	8.3	2.8	8.3	100.0	36
Other Organisations	61.5	18.0	10.3	10.3	100.0	39
<u>C. FUNDING GENERATED WITHIN THE ORGANISATION</u>						
Investments	90.8	7.1	-	2.1	100.0	98
Fundraising, Donations	49.7	17.9	10.3	22.1	100.0	330
Membership	64.3	9.7	6.8	19.3	100.0	207
Fees for Service	49.7	29.3	10.2	10.8	100.0	157

I

In addition to the quarter of the Federal Government's budget which goes in cash payments to individuals, many types of subsidies and grants are paid to NGWOs for them to provide welfare services and to develop community organizations. The State governments provide a wide range of services in the areas of child welfare, family support services, probation and parole, among other things. They are not able to provide all of the services required by the community and, like the Commonwealth Government, they provide grants to NGWOs which provide a range of personal social services, casework and family support services, and occasionally provide cash relief to those in emergency situations.

Social service provision in Australia (and in all other western nations) would collapse were it not for the activities of NGWOs. From the earliest days in colonial Australia "charitable organizations" have been part of the social welfare system. Also from the earliest days these organizations have depended, in varying degrees, on public funds. The location of responsibility is no simple matter. It can be argued that as NGWOs provide essential services, and do so with the assistance of government, it is the governments who, in reality, are responsible for the services, for if the NGWOs were to cease their activities, the pressure on governments to take over would be almost irresistible. This situation is particularly apparent in relation to NGWOs which have a "monopoly" of service. This is not a new situation.

While government plays a dominant role in income support and supplementation, the provision of services is something shared by government and NGWOs. The Commonwealth Government provides very few services itself, but provides hundreds of millions of dollars to NGWOs so that they might provide services. State Governments provide a wide range of services, but they too provide hundreds of millions of dollars to NGWOs. Questions then arise about the extent to which the allocation process takes place within a general societal consensus with high levels of legitimacy and acceptance of aims, objectives, policies and priorities; or whether the situation is characterized by ad hoc and expedient decision making with high susceptibility to political pressures and interest group activity.

NGWOs have proliferated in Australia in recent years. The heavy charity stigma of the late 19th century together with the poor image of the agencies has disappeared and NGWOs operate on an extremely wide front of social need, service provision, community development and social activism. The tens of thousands of NGWOs in Australia give some credence to the frequent assertion that non-government action is highly regarded, able to provide support, able to pioneer new services, and above all able to provide a degree of flexibility which is not always apparent in government. An important point to note is that NGWOs provide on the basis of need, while governments provide on the basis of right. While the assertion is frequently made that non-government welfare organizations have an important ideological and service role to play, available data and analytical literature are sparse indeed. The large, and long established agencies have had histories written about them, most notably the Australian Red Cross, the Salvation Army, the Smith Family, Legacy, The Brotherhood of St. Laurence, The St. Vincent de Paul Society, The Benevolent Society of N.S.W., but these tell us only about one part of the non-government welfare apparatus.

In addition to these well known organizations there is a wide range of smaller community and service bodies, many operating on a shoestring and having few if any paid staff, and no assets. They provide a contrast to the major institutional service providers, i.e. those NGWOs involved in residential care of elderly people, or disabled people, or children. The larger organizations have major capital assets and their running requires extensive manpower and administrative commitment. Smaller community organizations have different objectives and interact differently with their clientele and with government, and take different sorts of places in the community.

Whether the organizations in question are large or small, innovative or reactive, important questions arise when considering their position within the contemporary welfare state. Only three sets of issues will be posed for discussion:

- \* can a neat dividing line be drawn between statutory and non-statutory activities?
- \* Does the existence of many tens of thousands of NGWOs in Australia suggest a privatization, not only of welfare activities, but also of the problems and issues they deal with? Do NGWOs perform tasks which properly should be performed by government?

- \* As there is a substantial transfer of funds from government to NGWOs, what are the most important characteristics of the relationships between these two sets of entities?

## II

Before attempting to discuss these issues it may be instructive to note some of the characteristics of Australia's NGWOs. A large national survey was carried out in 1981 and we are still analysing the mountains of data it has produced. Data used in this paper come either from the national survey or from smaller interview studies. Details are listed under "references".

There are at least 37,000 NGWOs currently operating in Australia. This is a point estimate derived from interval estimates for two different strata in a preliminary survey. There are between 20,000 and 30,000 agencies in the more populous local government areas (LGAs) which cover 83 per cent of the population, and between 5000 and 18,000 in the less populous LGAs which cover 17 per cent of the population. The point estimate for the more populous stratum is 25,266 agencies, a figure about which we are reasonably confident. The point estimate for the less populous stratum is 11,701, a figure about which we are less confident. If anything, the estimate of 37,000 may under estimate the total, as indicated by follow-up detailed surveys undertaken in several of the LGAs from which the sample was drawn. The detailed tables are based on responses from 571 NGWOs throughout the country.

We have classified the organizations into thirteen functional areas. A classification description is in Table 1. As many of the organizations perform more than one of the functions listed, our detailed (and forthcoming) classification will enlarge this thirteen point classification to a forty two point classification. This large classification will enrich the description of non-government welfare in Australia, but will be of less use in statistical analyses as the cells become quite small.

Data were obtained on many aspects of the target groups with which NGWOs dealt. When examining gender of target group, almost three quarters (72.2 per cent) dealt with both males and females, 20.8 per cent dealt with females only

while 7.0 per cent dealt only with males. Table 2 shows the numbers of NGWOs dealing with clients by life stage.

A very general attempt was made to classify the agencies by role, and a four point classification was used. This appears in Table 3 and work is presently underway in broadening the role classification.

Almost half the NGWOs responding were formed in the 1970's (48.6 per cent between 1971 and 1980) and 30.4 per cent of all the organizations were formed in the five years 1975-79. We do not know whether organizations have always proliferated at this rate. We do not know yet whether many of the new organizations are specific purpose organizations with short life span or whether they are here to stay.

Almost 69 per cent of organizations report having been founded by individuals or small groups of people, and twice as many reported recent increases as against decreases in membership (28 per cent to 14 per cent). Longer established organizations indicated concern with issues of health care, disability, the aged and accommodation. Newer organizations tended more to emphasise unemployment, drugs and alcohol, family planning, childcare, migrants, women's issues and community fragmentation, poverty and powerlessness.

554 organizations reported their income for 1980, and it can be seen from Table 4 that 34.7 per cent had current budgets of less than \$5,000, with half the organizations operating on an income of \$25,000 or less (49.8 per cent). Another third (33.5 per cent) were divided evenly in the ranges \$25-50,000, \$50-100,000, and \$100-250,000, with a further 16.6 per cent exceeding a quarter of a million dollars, and that 4.9 per cent had incomes exceeding one million dollars. 256 and 385 organizations respectively reported income data for 1971 and 1976. The main trend over the ten years 1971-80 was a growth in the percentage clustered in the '\$5,000 and less' category which is consistent with the large growth of essentially smaller organizations. Table 5 which has income adjusted to 1980 dollars demonstrates this.

There are notable differences among the states. While 34.7 per cent of agencies have incomes below \$5,000, 57.5 per cent of agencies in Western Australia and 47.4 per cent in Queensland have income below \$5,000. Western Australia also has the largest proportion of agencies with incomes over \$1 million (10 per cent) while Queensland has the smallest (2.6 per cent). When

income is combined with function, it is notable that 66.2 per cent of agencies dealing with inter-personal relations have incomes below \$5,000 as do 64.3 per cent of those involved in collective action and 63.6 per cent of those involved in information. By contrast, none of the agencies dealing with employment, and only 2.5 per cent of those dealing with accommodation have incomes under \$5,000. At the other end of the spectrum 17.9 per cent of those dealing with employment and 17.7 per cent of those dealing with accommodation have incomes over \$1 million, and of all the agencies reporting incomes of over \$1 million, 52 per cent are in the accommodation area. When taken by lifestage target group, 44.4 per cent of agencies with incomes over \$1 million deal with elderly people. This reflects the combination of age and accommodation (mostly nursing homes).

Age of organization is another important indicator of income. Of the agencies with incomes below \$5,000, 82.5 per cent were founded after 1960, while only 1.6 per cent were founded before 1900. At the other end of the spectrum only 1.4 per cent of the agencies founded after 1960 had incomes over \$1 million, compared with 17.2 per cent of those founded 1946-1959; 11.7 per cent of those founded 1901-1945; and 8.3 per cent of those founded before 1900.

61.6 per cent of NGWOs receive some funding from government and as Table 6 shows 71.4 per cent of NGWOs with incomes below \$5,000 get nothing from government; and of the agencies which get nothing from government, 62.2 per cent have incomes below \$5,000.

Of those receiving government funding 38.7 per cent received funding from more than one level of government, while 5.5 per cent received funding from all three levels (Table 7). Funding of course, comes from many sources other than government, as Table 8 shows.

38.4 per cent of NGWOs receive no government funding at all, compared with about 22 per cent which are dependent upon government for more than 75 per cent of their income. Only about 17 per cent of NGWOs generate no funds from within their own organizations while more than 43 per cent generate half or more of their income themselves (35 per cent generate more than 75 per cent themselves).

When the agencies were asked in the survey whether each level of government played a major, minor, or no policy role in their activities they reported that the Federal Government had a 'major' policy role in 20 per cent of the

organizations, 'some policy role' in 30 per cent of the organizations and 'no policy role' in 50 per cent of the organizations. State and local government played lesser roles (Table 9). When asked how important government funding was for programme and activity changes, 27 per cent of NGWOs said 'not important', 30 per cent said 'some importance' and 42 per cent said 'very important'. Clearly there is a strong reliance on government.

### III

Classifications of NGWOs are complex and difficult.

The development of a clear understanding of functions and roles comes only after long empirical study, and even then little is fixed. For more than a decade, Ralph Kramer has been involved in a major cross-national empirical study of NGWOs. He has developed two classifications of NGWOs. In 1973 he identified four characteristic roles - vanguard; improver; guardian of values; and supplementer. In 1979, his further empirical work led him to suggest that a more appropriate role breakdown is - specialist; advocate; consumerist; and service provider or agent. In the latter classification many agencies try to perform all four roles simultaneously.

The largest single function performed by NGWOs in Australia is that of providing accommodation (14.5 per cent of NGWOs). Rarely does this activity permit agencies to be very innovative, nor to experiment and develop new projects and techniques (although the potential is there). Although program analyses are not part of our present project, other research dealing with residential care for children, elderly people and handicapped people indicates that the functions in question can be and are performed by either government or NGWOs with very little difference in emphasis, performance or direction. NGWOs in this category incidentally, are those with the largest budgets.

The second largest functional grouping in Australia is of NGWOs involved in collective action such as advocacy for group rights, public education, self help, community based organizations. NGWOs may serve as critic, and lobby governments to improve or extend services or service concepts; to some extent they may be valuable in defending government services against anti-government

and anti-spending sentiments. These agencies are heavily involved in monitoring, criticising and prodding government and use ad hoc coalitions, citizens' committees, media outlets and a wide range of lobbying and political tactics. The functions performed by these groups would not be performed by governments, and thus a clear division is obvious and noticeable. It is of interest to note that these NGWOs are among the poorest, and have the second largest proportion with incomes below \$5,000.

When examining the role of NGWOs (Table 3) it can be seen that 78.5 per cent are clearly within the mainstream of public activity and their work is concerned with the explicit maintenance or reproduction of the social order or the (unreflective) provision of needed social services. In this regard they act as conscious agents of government. This is reflected in funding provision.

While many NGWOs rely on government for funding, government relies on NGWOs for service provision. In 1979 the Commonwealth Department of Social Security had approximately 12,000 employees, yet provided funds for the employment, in NGWOs of a further 11,000 people. The NSW Department of Youth and Community Services employs some 2,400 people in programs provided by the Department, yet provides funds for the employment of 9,000 workers in NGWOs. The relationships between NGWOs and government in Australia are tense, for there is no agreed-upon set of objectives - the divisions are not clearly specified and the futures, of course, are quite uncertain. The only thing that appears reasonably certain is that this heavy government support of personnel would be forthcoming only if government expected NGWOs to perform functions of which government wholeheartedly approves.

A quick skim through the main social services show that most are provided by both governments and NGWOs e.g. emergency relief; rehabilitation of disabled people; child care; home based care for elderly and/or disabled people; day care centres; health education; residential facilities for children, elderly and disabled people; emergency accommodation; drug and alcohol treatment; information services. There are very few activities performed only by NGWOs and most fall under the head of "collective action" or advocacy. The only major function performed exclusively by government is regular income maintenance.

There is, however, a relationship between NGWOs and government which regulates transactions and determines the nature of funding. Michael Horsburgh has identified four forms of control which governments in Australia have over NGWOs. First, some organizations are incorporated by Act of Parliament. Second, some organizations operate under an Act which regulates classes of organizations e.g. Acts relating to hospitals, nursing homes, and charities in general. Third some organizations require a licence to operate in a specific area, or NGWOs may be subject to general rules of inspection and approval. Fourth, there are organizations which operate within the law in general. Michael Chesterman has shown the many facets of law that impinge on organizations, varying from approval of buildings to provision of liability insurance against accidents to incorporation for the purposes of satisfying financial institutions such as banks and donor bodies.

To the extent that NGWOs see themselves as private organizations with a self-selected clientele, and further as employees of NGWOs are not public servants, there is a clear division between statutory and non-statutory. But as has been shown, the interconnections are so strong both from performance, personnel and funding perspectives that it would be inappropriate to call one sector private and the other public.

The joint nature of social service activity has been demonstrated and it would be prohibitively expensive for government to develop the infrastructure for it to undertake activities for which it now funds NGWOs. Second, NGWOs are assumed to have greater flexibility in providing services, so if government is concerned to ensure the best delivery to the population, NGWOs may be an appropriate avenue. Third, it may be politically expedient for government to utilize NGWOs. Government can distinguish itself as provider and the NGWO as receiver, as well as deliverer. It can both accept the appreciation of the public when the services are popular and also distance itself a little when they are more controversial, pointing nevertheless to the obvious existence of community support/need evidence by the fact that its grant only meets part of the costs. (An example is women's refuges). Government will be more popular for supporting an NGWO, usually, than for extending the bureaucracy. Furthermore, as many NGWOs have strong community supports it may be difficult to bypass them without electoral damage. Of course there is argument about whether any service is necessary and whether there is an obligation on government to provide it.

IV

It has often been said that social work is an attempt to apply private solutions to public ills. It would be much harder to argue that NGWO activity is of a similar order due to the interconnections already demonstrated. Furthermore the potential for innovation can be found in both government and NGWOs, and the location of innovative action is often fortuitous.

Activities and target groups are often shared by government and NGWOs, and NGWOs frequently share vulnerabilities and characteristics of government such as institutionalisation - a 'creeping formalisation' which often results in rigidity, inertia, insularity and resistance to change and ineffectuality - such as inefficiency, insularity, low accountability, 'a casual, muddling and bumbling style of operation' and other administrative deficiencies arising from a 'charity market' context of independence and laissez-faire. (Kramer).

At a conference in Melbourne in 1980 Martin Rein outlined four ways in which government plays an active role in the welfare activities of the non-government sector - by mandating, stimulating, regulating, and supporting. Mandating is the procedure by which government passes legislation which requires that certain activities take place. Regulating involves the establishment of procedures for overseeing the activities of the agency. Stimulating refers to the means by which government provides incentives to agencies to do what government would like them to do. Supporting an agency takes place so that it will provide services at a standard, and to a clientele, deemed appropriate by government.

While government may be trying to forge various types of partnerships with NGWOs there is a debate about the future of the Welfare State, a debate which focuses on the extent to which it can structure interventions into market activities to ensure a beneficial redistribution of material resources and of life chances. Arguments about the present and future operations of the Welfare State revolve around the degree of state intervention and the public/private split.

This debate, at the present time, is taking place against:

- a) a backdrop of widespread but carefully engineered and fuelled criticism of Welfare State expenditure, the legitimacy of the expenditure, and the legitimacy of the recipients of that expenditure;
- b) expressions that privatization is an appropriate social service strategy and that transferring service delivery to private hands either on a user pays or contract basis is the way of the future;
- c) expressions that volunteerism must be enhanced and encouraged, so that "undesirable" superprofessionalization (and its associated costs), and bureaucratization can be reduced and replaced with a more spontaneous altruism; and
- d) development of a new thrust in "family policy" to counteract any suggestion that the state may be replacing the family as the main agent of care. In the new family policy, the caring function is moved from the formal to the informal.

The way in which these arguments find (even temporary) resolution has a profound effect on the activities of NGWOs and their relations with government, not to mention issues in the provision of informal services. Many of the arguments are found in conservative and neo-conservative political expression. Australian conservative politicians have extolled the virtues of voluntary action as a means of reducing public expenditure by shifting the burden of care onto the family. Mr. Patrick Jenkin, the former British Secretary of State for Social Services was quoted in the press on 20.1.81 as saying that his government's commitment to community responsibility for welfare was "not caring on the cheap - it is a way of getting more for your money".

Important distinctions must be made between formal and informal services on the one hand, and public and private services on the other. The distinction between formal and informal is a matter of great ideological and research concern, while the distinction between public and private in many service situations is illusory. Public authorities fund non-government welfare organizations to provide certain services which government has neither the inclination nor perhaps the capacity to provide. The issue of why organizations are funded and the extent of that funding is the subject of ongoing research but it must be noted that most NGWOs are not private

enterprises. It is not strictly true to say that NGWOs are neither responsible nor accountable to government. At times, funds are provided with strings attached and at times continue only to the extent that certain conditions are met.

V

The complex relationship between government and NGWOs has been explored in two published reports (SWRC Reports numbers 17 and 28 - see references). One issue is that of autonomy and accountability of NGWOs, and another is what government expects from NGWOs in return for the provision of funds.

As NGWOs receive considerable funds from government it might be natural to assume that agency autonomy would be severely constrained. In his four country study, Kramer found this not to be so for a variety of reasons, and in a study carried out in Western Australia we came to a similar conclusion.

In our W.A. study we found that the traditional agencies were very heavily dependent on government funds. They received roughly equal amounts from the Federal government and from the State government. Funds from the Commonwealth government came under legislation and all of the funding went through very rigorous processes with considerable scrutiny by public service officers. This irritated the agencies. They were particularly resentful of the fact that they had to fit into a bureaucratic pattern, that they had to have their projects examined by 'public service clerks', and that they were subject to the most incredible bureaucratic delays in getting their funding through. This applied particularly to funding from the Commonwealth government.

On the other hand the funding from the State government came through very much on an informal basis. The people in the agencies had very good working links with government ministers and senior public servants. There was no legislation which determined how much money would go to the agencies. The Western Australian government was much more concerned with funding large traditional agencies than it was with small groups. And if one were able to negotiate comfortably with senior ministers or the Premier, then funds were

forthcoming without any difficulty. Personal relationships were very important in the negotiating process. One of the interesting points that came through in the study was that agencies said that if funds were no longer available from government then they would have to close - they simply couldn't continue without government funding.

The interesting factor was that there was no program accountability at all. The autonomy of the agencies was not really compromised, and to some extent one could argue that this led to a situation where there was no co-ordinated planning in terms of the needs of the client populations. The organizations were financially accountable to the extent that they were to demonstrate that there was no financial impropriety in respect of their funds but there was no program accountability. This is related to three factors: first, clearly specified program goals do not exist - second, there is no competent overview of service needs, and should such an overview be developed there is no centralised power to ensure that there be co-ordinated and comprehensive service development - third, evaluative procedures and processes do not exist.

In a follow up study on funding models we are now examining the various ways by which funds are moved from government to NGWOs. One distinction has been to identify those funds which are allocated to agencies in general, compared with funds which support services within agencies. When funds are provided to agencies in general it is less likely that program goals or service objectives have been specified, nor evaluation procedures developed. It is more likely that the agencies are funded on the basis of reputation. Of the \$34.5 million which the W.A. State Government provides to NGWOs, approximately 95 per cent is agency support and approximately 5 per cent is service support. Autonomy of course is not compromised, but by the same token, accountability is slight.

In his studies, Ralph Kramer found that in many cases the agencies had developed so that they had a virtual monopoly of certain resources required by government and this helped maintain autonomy. This together with the political power of agencies, most by way of influence, and their capacity to bring political pressure to bear when necessary, comprises a second set of reasons

that ensure autonomy. Third, he found that while many agencies received a large proportion of funds from government, they were rarely totally funded, and as such could legitimately argue that multiple and diverse sources of funding would preclude surrendering control of their programmes to a single sponsor. Fourth, government generally demanded a very low level of accountability, and nobody seemed to want to upset the balance. Kramer quotes one government official as saying "if we knew more, we'd have to pay more".

The Australian experience seems to be that funding is often on a "you hatch it, we'll match it" basis. One large multi-purpose agency with multiple (government) sources of funding reported that once a grant is given there is a requirement that accounting and auditing procedures be adhered to and statistical information be provided, but that none of the funding bodies required day-to-day overseeing of what the agency is doing. Initiative nearly always comes from the NGWO seeking funds, and rarely does government do anything other than respond by way of providing funds. The funding, however, comes in a manner which is unpredictable and unsystematic. Commonwealth funding comes via strict legislative guidelines while State funding almost invariably comes on an ad hoc basis with limited accountability procedures being required.

Differences between Federal and State approaches to NGWOs are obvious not only in their accountability procedures and functional areas covered, but in the expectation of NGWOs, held by officers in the various government bureaucracies. The responses summarized here are those given by a sample of Commonwealth Department of Social Security officers, and (primarily N.S.W.) State Government officers.

STATE

COMMONWEALTH

NGWOs are seen as:-

Extensions of state policy; supplementary rather than substitutive; vehicles for innovation and experimentation as well as providers of basic services. State implements its policy through NGWOs.

Community organizations which provide services with government's assistance; government assists but it follows demand rather than pursues policy of its own.

Government Commitment

Commitment not certain from year to year.

Once accepted, commitment becomes reasonably secure, especially when initial funds were for capital funding - it becomes commitment "by default".

STATE

COMMONWEALTH

Purposes of Funding

Program oriented to complement government services; use of consultants aims to ensure the implementation of government policy.

Oriented towards organizations and capital expenditures - for activities in which the government does not, and does not intend to, engage.

Reasons for Funding

Cost factor: claimed to be cheaper; enables voluntary effort to be used.

Cost factor - but also as a means of encouraging community initiatives in self help. Belief that the submission model identifies the priorities of need.

Political advantage and/or patronage is seen as an important factor in the allocation of funds.

Political factors acknowledged but are not seen to be as important as in the states.

Historical reasons: tradition of government support for NGWOs.

Historical reasons: support for welfare effort of voluntary (mainly religious) bodies.

Belief that NGWOs can do better work with less stigma attached to the recipients of services.

Belief that NGWOs are more experienced in providing services, and more appropriate than government, as providers.

Expectations

Delivery of service for which an organization is funded; simple accountability via annual or six monthly reports; service can be innovative at times; service to be delivered with expertise; funded NGWOs should not criticize Minister.

Accountability within certain rigid requirements; cost effectiveness; quality of service; service evaluation is sought.

Initiative/Response

Initiatives mainly from NGWOs but some joint initiatives, e.g. through the provision of consultants. Division of tasks: government provides funds, information; NGWOs provide service delivery.

Initiative seen almost entirely as the prerogative of NGWOs; government does not assume responsibility for the service it funds; government responds - it does not initiate.

STATE

COMMONWEALTH

Criteria for Obtaining Funds

Maintain relevant programs; provide progress reports; continue to show needs are being met; abstain from criticizing the government.

Implicit assurance of continuity of support once capital funds are provided; rigid financial accountability but no program accountability.

Value for Money

Uncertain - at best, a qualified belief that funding is justified by performance; marshalling voluntary effort increases the value of funds.

More doubts about receiving value for money, but efforts being made to improve evaluation methods.

Advantages

Freedom of NGWOs to develop services; easy budgeting for government; cheaper; government policy can be implemented through NGWOs.

Cheaper for government, but doubts about value for money.

Disadvantages

Insufficient control over programs; too much church influence; system of negotiation taking too much time; funding too selective; difficulties in establishing right priorities; some discontinuity of services.

Lack of co-ordination of service; NGWOs have difficulties in recognizing areas of need; difficulty of evaluation.

Future Prospects

Stricter procedures; less money; more stringent criteria for funding; greater rationality in the allocation of funds.

Gradual improvement in the relationship between government and NGWOs; more community participation in decision making.

VI

Our welfare futures are inextricably connected with the way in which issues of public provision are traded off and reconciled. NGWOs cannot alone cope with the full range of welfare needs of the Australian people and, from past commitments and practices, government does not provide all that is needed. The situation however, is one in which substantial public resources (mostly through capital funding) are transferred to private hands. Accountability is slight and a dependency pattern is created whereby continuing funds are needed by the agencies for survival, and government is locked into providing funds to the largest agencies. Past funding creates a situation in which public and private are intertwined and which is difficult to dislodge.

NGWOs are important to government as a key vehicle for implementation of public policy; as an information network; as a means of mediation of social issues into "proper channels"; and as a cheaper and more flexible avenue than alternatives - government itself or the market. However, there are disharmonies and inconsistencies in the relationship, and these do not always divide along expected public/private lines.

Funding by government may take place because government has a vision of society; or because government has no vision but is happy to respond to suggestions; or because government believes services provided by NGWOs are cheaper. Funding is provided either for the support of a service or a general activity. It sometimes comes about as a method of policy and priority setting, and sometimes as a result of expediency.

At one stage it was thought that government funding would reduce autonomy of agencies, but overseas studies suggest that agencies are reasonably autonomous because (a) their dealings with government are like simple business transactions, (b) they may have a monopoly of relevant resources and skills, (c) they are able to bring political pressure to bear, (d) government does not require a high level of accountability.

NGWOs divide into those which are part of our society's dominant power structure and those which are essentially powerless. The former have been engaged in their activities for a long time and because of their socio-political

position have strong expectations of continuing funding and experience few constraints. A different pattern obtains for those community oriented NGWOs particularly those which work from an oppositional stance and concern themselves with self-help, consumerism, information and advocacy. It would be of value to examine further the nature of funding patterns relating to this distinction. It is important to identify whether government officers see their commitment to the powerful or the powerless, to government, to particular agencies, or to particular client or consumer groups.

One can identify the bonds which link governments and NGWOs, but the strength of the threads and the way in which they are woven or plaited requires further study. Because of the different tensile capacities relating to size, resources, scope, accountability, efficiency, responsibility, quality and dependency, the actors perform on an unstable tightrope.

As Kramer has pointed out, the reality is of two co-existing organizational systems, occasionally co-operating, and infrequently competing or being in conflict. The work so far undertaken in this project shows that the stakes are big but that the two systems roll along with poorly articulated and often conflicting expectations. A great deal of data collection and analysis has been done so far, but we have barely scratched the surface.

## REFERENCES

This paper is essentially a working paper, and as such a list of references is not included. Some of the data and ideas emanate from and are reported more fully in the "already available" list below (Dozens of additional references are included in the sources listed there). New data and ideas in response to this paper will appear in the items listed below as "forthcoming".

### Already Available

Adam Graycar and Wendy Silver, Funding of Non-Government Welfare : Agencies Serving Disabled People in Western Australia, (SWRC Reports and Proceedings no. 17) 1982.

Adam Graycar, Government Officers' Expectations of Non-Government Welfare Organizations (SWRC Reports and Proceedings no. 28) 1982.

Adam Graycar, "Keynote Address — Future of Traditional Agencies" Proc. N.S.W. Council of Social Service March 23, 1982, pp. 13-21.

Adam Graycar, "Informal, Voluntary, and Statutory Services : the Complex Relationship" British Journal of Social Work. vol. 13, No. 4, August 1983 (copy available from author).

Adam Graycar and Ian Yates, "Public Policy and the Non-Government Welfare Sector" paper presented at the Australian Political Studies Association Conference, Canberra, August 1981.

Jill Hardwick and Adam Graycar, Volunteers in Non-Government Welfare Organisations in Australia : A Working Paper, (SWRC Reports and Proceedings no. 25) 1982.

Andrew Parkin and Adam Graycar, "The South Australian Council of Social Service" in R. Scott (ed.) Interest Groups and Public Policy, Melbourne, Macmillan, 1980, pp. 17-36.

Ian Yates, "Australia's Human Services — Co-ordination of Whom, By Whom, For Whom?" in A. Graycar (ed.) Perspectives in Australian Social Policy, Melbourne, Macmillan, 1978, pp. 85-102.

Ian Yates and Adam Graycar, "Non-government welfare : issues and perspectives" in A. Graycar (ed.) Retreat from the Welfare State : Australian Social Policy in the 1980s. Sydney, Allen and Unwin, 1983, pp. 149-170.

### Forthcoming

Adam Graycar and Wendy Silver, Funding Models for NGWOs (SWRC Reports and Proceedings).

(Several authors) Classification of NGWOs in Australia (SWRC Reports and Proceedings)

Ian Yates Non-Government Welfare and the State : Issues in Social Justice (SWRC Reports and Proceedings).

Australian and New Zealand Association for the  
Advancement of Science

Perth, May 1983  
Section 45

AGEING POPULATIONS AND SOCIAL CARE: POLICY ISSUES

Adam Graycar and Jo Harrison

Social Welfare Research Centre  
University of New South Wales  
Kensington NSW 2033

ABSTRACT

Official policy statements and parliamentary recommendations are re-emphasizing the importance of community care for elderly people. This paper examines questions of responsibility in the light both of demographic changes and the associated increases in dependency amongst the elderly in Australia. Definitional questions are raised in relation to the concept of community. The distinction between care in and by the community is probed in relation to evidence concerning the role of women in the provision of care. The responsibilities for provision which exist at the statutory, commercial, voluntary and informal levels are outlined. Actual allocation of fiscal resources to home support services is detailed and policy considerations which arise from this analysis are proposed.

The issues of concern in this paper relate to determining the response or range of responses to a situation where the numbers of dependent elderly people will increase, and one in which the present caring systems (formal and informal) are greatly pressured. Questions arise about care capabilities of the family and the state; about the resources, both financial and non-financial which are devoted to various caring situations; and about the reservoir of caring skills in the community and the capacity to finance the development and delivery of these skills. If we limit our examination to community care (and leave for other papers issues in income maintenance, housing, transport, hospital care etc), there are two distinct target groups to consider. First there are those elderly people with chronic conditions or activity limitations who live alone and have no relatives who provide support. Second there are those with chronic conditions or activity limitations who have relatives (either in the same household or nearby) who provide assistance. Most of those who live alone will be women.

In developing policy it is necessary to have a clear conception of the objectives of the proposed interventions. In Australia the Commonwealth Government has devised a number of accommodation programs - both residential institutional and self-contained accommodation. In addition domiciliary services are provided to support people who wish to live in their own homes. If successful, the services will help keep people in a familiar environment, keep them out of more expensive institutional care and improve their quality of life. Services such as home help services, home nursing services and meals on wheels are provided under a wide variety of auspices - sometimes by government, sometimes by non-government non-profit welfare agencies, sometimes by commercial enterprises and often by volunteers, neighbours, friends and family.

In general terms, the Commonwealth Government provides approximately ten dollars for nursing home and hostel expenditure for every dollar which it provides for domiciliary services.

Approximately 6 per cent of Australia's elderly population lives in institutional care, and they are outnumbered, by about 16 to 1, by people living at home, yet the bulk of the resources go to maintenance of institutional settings. This is interesting in view of the fact that for some time political statements have always stressed the importance of, and policy preference for, proposals which assist people to stay in their homes,

and delay (if appropriate) any move from a domestic to an institutional setting.

This paper will focus on policy issues in community care. The great bulk of the elderly population require some form of social and/or medical support to maintain their quality of life. It has frequently been argued that community care will help maintain as natural as possible a lifestyle. To do so, however, involves a range of costs - costs to the community in financing services, costs to elderly people in losing some of their dependence and costs to the families of the elderly people, in their provision of care. In general, four systems which provide care can be identified (Wolfenden, 1978).

First there is the statutory system, that is, government provided and operated services. They are costly, but in their favour is the argument that they can provide on a universal basis - they are publicly supported by the majority of the population who are not in need, so that a minority of the population, who are in need, can receive services.

Second is the commercial system in which services are bought and sold at a price that the market will bear. Apart from most housing, there are few commercial services - most medical and hospital services are subsidized, though at the top end, private nursing homes and private nursing services have a commercial market.

Third is the non-government welfare sector - sometimes called the voluntary sector. This is a large and complex web of organisations varying in size, scope, activity and interest. Our research has identified 37,000 non-government welfare organisations (NGWOs) in Australia, of which over 5,600 deal with aged people. There are complex funding and service arrangements between NGWOs and government.

Fourth there is the informal system of social care. The help and support that family, friends and neighbours give one another is so often just taken for granted that it seldom enters discussions of service provision. We have no way of estimating the extent of informal help, but we are presently conducting studies on family care of elderly people and on volunteer activity. Informal supports include provision of care in the home of dependent and disabled people, young and old; transfers of material resources within families; provision of advice and psychological support in coping with

difficult situations.

Our focus in this paper is on community care. Definitional issues have probed the distinction between care in the community and care by the community. (Finch and Groves, 1980). Care in the community refers only to the environment in which care occurred, while care by the community involves assumptions regarding responsibility for this care. Simply to advocate "community care" without addressing the question of responsibility maintains the ambiguity which has surrounded the use of the term. Indeed, the term "community" itself is one which is clearly associated with the images of integration, activity, and stability. Given this, it is difficult to imagine any opposition to community care. In his introduction to a recent book on community care, Alan Walker (1982b:19) has commented

"underlying the precariousness of community care policies, therefore, is first, the absence of a clear and consistently applied definition of community care in public policy. ... In fact the term's durability and attractiveness probably owes much to its manipulation to encompass the widest possible range of institutions - it is all things to all politicians and policy makers".

In Australia, as in Britain, the actual and potential role of the community as opposed to families in providing care and support to elderly people has only recently begun to be explored. The part which statutory, commercial and voluntary service play requires more detailed consideration.

Community care, therefore, can be seen as a mix of formal and informal care systems. Assuming that assistance is required, and that needs will increase as the population of elderly increases, the policy options are : maintaining people in their homes because it is cheaper for the state; maintaining people in their homes because institutional care is regarded as a desperate, demeaning and dreadful last resort; admitting people to institutional care because it is simple, easy and reasonably expedient. It can be demonstrated that community care can act as a means of maintaining people in the community, but the costs to those providing this care must also be recognised.

This paper examines a range of policy alternatives in attempting to

cater for a population which is ageing and which experiences high rates of chronicity. Community care is seen as a fashionable alternative, but implies that families can be expected to play a greater caring and support role than they presently play. At present family care is predominantly care by one woman from within the family, and it has been shown (Kinnear & Graycar, 1982) that the continuing capacity of families to provide this care has reached its limit. While families may wish to extend their caring functions, there are insufficient community resources to support them. Traditional family caring roles cannot apply in a situation where life expectancy, chronicity, and labour force participation rates have altered significantly.

The four systems mentioned above, the statutory, the commercial, the non-government agencies, and the informal, intervene to provide supports, primarily to limit dependency. There are, of course, important value questions about where the responsibility lies. Should individuals be responsible for their own health and welfare? How far must a situation deteriorate before the state should step in? Should the state be primarily responsible for the provision of care? Should families (women) care for their dependent relatives? What if elderly people have no family or if their family does not have the resources to play the caring role?

These questions are particularly important if viewed in the light of demographic change in Australia. For every 1,000 elderly people in Australia (age 65 +), 776 experience at least one chronic condition, and these 776 people experience a total of 1,791 chronic conditions (2.3 each). 15 per cent of women aged 65+ and 11 per cent of men aged 65+ have some activity limitation (these data from ABS Australian Health Survey : Chronic Conditions, (Cat.No. 4314.0)).

Activity limitations mean that people with chronic conditions need some form of social or medical support. It is not known how many people with activity limitations live in institutional care, how many live alone, or how many live with relatives. The significance of these data is that the dependencies of ageing, which are chronic and cumulative rather than transitional, build up and have the greatest impact as disability combines with age. As people get older living arrangements often become more precarious and this has implications for the elderly people themselves, for the formal service provision system, and for the families of the elderly people. Elderly people are vulnerable to poverty, social isolation, and public dependency (Rowland 1982). Elderly women are more vulnerable than

elderly men because they have fewer protective barriers against dependency (the greatest barrier is a spouse and elderly women are more likely than men not to have one).

Social policy is about interventionist activities which attempt to alter life chances. It is about a theory of benefits and their distribution, and in determining the distribution or redistribution of our social resources a conflict situation develops, and with it arguments about the relative responsibilities of "the state" "the taxpayer" "the family" "individuals" as if they were all discrete categories rather than integrated entities.

Australia's population is ageing slowly. 9.6 per cent of the population is over 65 today. By the turn of the century elderly people will comprise 10.6 per cent, by the year 2031 about 13.6 per cent of the population - about the rates which prevail in much of Europe today. Over the last 100 years, life expectancy has increased and this has two consequences. First, the income security system has more people to support and for longer. Second, as life expectancy increases, so too does frailty and disability among the elderly - and this involves both personal and economic costs.

Over the past 100 years life expectancy at birth has increased from 47 to 70 for men and from 51 to 77 for women. At age 65 life expectancy for men is 13 years, and for women 17 years; at 70 it is 10 years for males and 14 years for females; at 75, 8 years for males and 10 for females; while at 80 it is 6 years for males and 8 for females (these data have been developed by Rowland 1981:6). What these statistics mean is that women are continuing to live longer than men, and are more likely to need assistance in old age.

If ageing is a 'problem', it is created not by the proportion of elderly people in the community, but by the lag in adapting social institutions to the needs of older people, in particular in developing the care structures required to support the increasing number of "old-old" people.

The slow rate of ageing of the population will still mean a rise in absolute numbers. By the turn of the century there will be somewhere between 600,000 and 900,000 more elderly people than there are today, but more significantly, a change in the age distribution of elderly people. For example, if mortality is down by 1.5 per cent and there is modest migration, between now and 2001 the population will rise by 31 per cent; the numbers

over 65 by 64 per cent; and those over 75 by 11.3 per cent. Those over 75 who today constitute 36 per cent of the aged will, in 2001, constitute just under half - 47 per cent.

Issues of responsibility shape the reality of caring situations. Why supports are provided, and who provides the supports depend on whether the manifest objective is the prevention of dependency, improvement in quality of life, the saving of public funds or something apart from these. It has been forcefully argued (Walker 1982a) that dependency has, in addition to a physical component, strong economic and social origins and consequences. This makes the state a prime actor in matters concerning the creation and alleviation of dependency.

State provision of care has generally taken the form of providing institutional care for dependent elderly people, and in the last decade this policy option has been questioned as the most appropriate solution for those elderly people who require long-term care. The literature on the dehumanising nature of aspects of institutional care is well known. The overall provision of services within the welfare state occurs on both a formal level, through statutory authorities and NGWOs, and on an informal level, through neighbours, friends, and, predominantly, families. The implications of locating delivery at either of these levels will relate to assumptions regarding the roles of the state and the family, between whom responsibility has been divided.

At the formal level state intervention is seen as appropriate, and the responsibilities of state services are usually defined in specific legislation (e.g. legislation which provides Home Care, Meals on Wheels). They have a legal basis, and within the machinations of bureaucratic structures, a line of accountability. The legislation usually provides permissive or mandatory powers to government to create and develop certain trends of provision either for all or some. Whatever the degree of intervention, debates about the nature and purpose of intervention and whether the family or state is the base of this intervention will structure the growth of welfare provision. NGWO services are included as formal services, in that while they are not established through statute, they are usually reliant on the state for financial assistance, and may be answerable to government.

Within NGWOs the formal at times melds with the informal, as many of the paid providers find themselves in certain situations, for funding is haphazard and irregular, and much of their work goes unpaid. As NGWOs, through both

paid staff and volunteers, provide varying degrees of support and assistance to elderly people, their accountability and funding positions need to be considered when dealing with issues of resources and responsibility.

At the informal level, which relates closely to community care, responsibility has been divided within families according to a sexual division of labour. The lack of resources allocated to those in need, as well as the low status which is associated with family care, have served to relegate almost always to women the task of providing for the elderly. The separation of public and private spheres of social life (Wilson 1982) has resulted in the maintenance of a lack of knowledge about the caring situation, and the impact of policies on those involved. It also results in family care being hidden, and regarded as natural and inevitable by society. The realities of the caring situation are rarely taken into account. "The old are being cared for exclusively and predominantly by daughters and daughters-in-law. They may be visited by professional helpers, or even volunteers, but this is not what I would understand by community care ... We need to know and think much more about these informal (mostly female) networks". (Wilson 1982:5).

A recent Australian study (Kinnear & Graycar 1982) found that family care was not a total family responsibility in that members of the family did not contribute equally to the care of the elderly relative. Husbands undertook little or no direct care themselves. The effect of the elderly relative's presence on the carers' marital and/or family lives was considerable. Tension had increased within most families, and women with children expressed feelings of missing out on full involvement in their growing up. Negative effects on carers' self-esteem and identity were reflected in statements regarding the anxiety and depression which many of them experienced. While the capacity of women to continue caring for elderly relatives cannot be taken for granted, it is notable that caring for an elderly relative is still regarded as appropriate for middle aged single women.

If there is an increase in labour force participation rates of women it is most likely in the part-time labour force. There are important ramifications of a changing family sociology and family policy as women continue to fulfil care expectations at enormous costs to themselves and their families (Brody 1981; Nissel & Bonnerjea 1982; Kinnear & Graycar 1982).

Current concepts of community care build on traditional sex roles, and the practice continues a sexual division of labour which makes it a viable

and cheap care alternative for the state. The unpaid work which women perform both as volunteers and as paid staff "working in their own time" is only now being documented in Australia. Several studies have shown the overwhelmingly female nature of volunteer work (Baldock 1982; Hamilton-Smith 1973; Hardwick & Graycar 1982). Baldock (1983) points out the primary responsibility of women to society is not as paid members of the work force but, rather, in other non-paid roles. Volunteer work may be seen as one of these. She examines volunteering as being commonly assumed to be "a typically feminine trait", and relates this to the sexual division of labour within the family. Further questions are raised concerning the hypothetical eradication of structural and ideological divisions between "home makers" and "breadwinners", and what would become of volunteer work in this event.

It is clear that social expectations regarding the location of responsibility for care and support continue to dictate to informal supports (where they exist) the primary function. To suggest that the state has usurped the role of the family and is now handing it back does not accord with the evidence, especially that which shows that policies on eligibility for formal services can, in times of economic recession, severely penalize dependent people. "Some services which are supposedly 'available' are not available in any real sense of the word ... The relative cloak of secrecy maintained about them serves to act as a rationing device, while the myth is preserved that they are freely available. The result is the arbitrary distribution of services in favour of those who are lucky enough to hear about them." (Chapman 1979).

The constraints which services themselves experience may result in the practice of an ideology of family care. This will have an obvious influence on the objectives of service provision. In many services there is an assumption that families will provide care, and consequently domiciliary services are often withheld if the elderly person lives with or near relatives, regardless of whether the relatives are willing or able to provide care (Hunt 1970:338-9; Moroney 1976:28). It is the elderly person who is penalized and in such a situation the family, and women in particular, are manipulated into serving the need of the state rather than the reverse (Moroney 1976:28).

Having highlighted the operational and conceptual distinction between formal and informal services we can now identify some of the services which are actually provided in Australia today, and the auspices under which they

are provided. Services provided within the home include home care/home help services; meals on wheels; home nursing; home maintenance; visiting and shopping; mobile libraries; family care. Services provided outside the home include community health services; respite care; nursing home and hostel care; rehabilitation services; hospital care; transport services; senior citizens centres. A classification exercise of immense magnitude would be required to provide a still life cross section of this diverse kaleidoscopic amoeba which we simplistically call services for the aged. To identify consumers served ( and not served), and resources expended for each of the above services; and then to determine whether they are statutory, commercial, voluntary or informal (but usually they are a mix); and then to identify (for those which are partially or wholly supported by government) the balance of federal/state/non-government funding and associated planning, regulatory, or accountability patterns; and then to identify whether local conditions or perhaps State government policies produce different services and outcomes in different parts of Australia; and then to determine which services work, and which ones work well; is not an easy task. An attempt at this type of overview is presently being undertaken by us in a local government area in Sydney.

In regard to funding of services, aggregate funding data are available from Commonwealth sources but other than that, comprehensive and comparable data are not available. In a soon-to-be-published study on home help services in Australia we were not able to discover, for example, how many people in Australia received the services which are funded under the State Grants (Home Care) Act.

The Commonwealth Department of Social Security administer four relevant Acts : The Aged or Disabled Persons Homes Act which in 1981/82 approved \$28.72 million for new capital projects and spent \$22.24 million for the Personal Care Subsidy; The Aged or Disabled Persons Hostels Act which in 1981/82 allocated \$8.3 million; The Delivered Meals Subsidy Act which in 1981/82 spent \$4.25 million in providing subsidies to 738 service providers who provided 9.65 million meals; and \$18.07 million under the States Grants (Home Care) Act of which \$12.67 million was provided for home care services, \$4.0 million for Senior Citizens Centres and \$1.4 million for salaries for Welfare Officers.

As can be seen, the bulk of this funding goes for residential care. Of the \$81.58 million 72.6 per cent goes towards residential care. Only \$16.92

million or 20.7 per cent goes to in-home services. In the first three Acts mentioned, funds go to approved organisations (and in the first two Acts go only on the condition that they are matched) while in the States Grants (Home Care) Act non-capital funds are provided on a dollar for dollar basis to the States.

Department of Social Security expenditures are small when compared with Department of Health expenditures. Nursing Home Benefits under the National Health Act comprise the largest relevant expenditure item. \$407.3 million was spent in 1981/82 in providing approved nursing homes with a daily benefit for each patient. The dollar amount provided by the Commonwealth varies from \$18.55 per patient per day in Western Australia to \$31.65 in Victoria. Budget estimates for 1982/83 are that \$534 million will be spent on Nursing Home Benefits — an increase of \$126.7 million or 31 per cent, by far the largest item increase in the Department of Health budget (Budget paper No.1, 1982 (3:88)); Nursing Homes Assistance comes under the Nursing Homes Assistance Act 1974, and in 1981/82 \$164.1 million was spent in meeting approved operating deficits for private non-profit nursing homes. The estimated 1982/83 expenditure is \$205.9 million, an increase of 25 per cent; under the Domiciliary Nursing Care Benefit \$21.2 million was allocated in 1981/82 to people providing care at home "as an alternative to institutional care"; Home Nursing Services subsidy is paid to non-profit services currently receiving matching State Government funding. In 1981/82 \$16.5 million was allocated. Again it can be seen that the bulk of the funding, \$571.4 million out of \$609.1 million (93.8 per cent), goes to institutional care.

The Domiciliary Nursing Care Benefit is a prime example of a small payment made to encourage those caring for relatives at home. Although introduced as a compensatory payment, the allocated \$3 per day would not go far if it was used for the purchase of services.

Assessing health expenditures is different for many general health services are heavily used by elderly people, both hospital services and the lowly funded Community Health Services. Many other services are exclusively for veterans, and most veterans presently utilising them are elderly. In the health field there is a mixture of public and private, formal and informal, but in resource allocation very little goes to in-home services.

Myriad funding arrangements apply for respite care, day care, mobile libraries, transport and the many other services found irregularly and

haphazardly throughout Australia. Since 1975 there have been at least eight Commonwealth reports which have examined programs for elderly people and which have commented on the balance of institutional and at-home services, the best known of which are commonly known as the Seaman Report, the Holmes Report, the Bailey Report, the Auditor General's Nursing Home 1981 Report, the McLeay Report. This is not the place to review those reports other than to say that most were concerned to extend at-home services; limit inappropriate institutionalisation of elderly people; and ensure better planning, assessment and co-ordination mechanisms.

Better mechanisms will relate to developing a model of service delivery which assesses in-home and out-of-home services by objectives; equity and efficiency criteria; target coverage; funding and accountability mechanisms; and evaluative procedures. Careful analysis of the role played by statutory, voluntary commercial and informal services will add meat to the bare bones.

The dominant conception in the past decade has been that future directions for service provision should fall under the "community care" or "home support rubrics". Actual expenditure figures do not match the rhetoric, for example, of Commonwealth funds provided for home care and institutional care, in 1976/77 10.09 per cent went to home care services and 89.91 per cent went to institutional care; in 1977/78 the home care component rose to 10.31 per cent, in 1978/79 it was 9.61 per cent, 1979/80 9.68 per cent, 1980/81 10.66 per cent, 1981/82 8.75 per cent and the estimate for 1982/83 is 8.32 per cent (calculated from McLeay Report, 1982:122-3).

However an awareness of personal and social costs associated with institutional care (Goffman 1961; Swain and Harrison 1979) as well as increasing concern over financial costs to government have formed the basis for recommendations regarding 'deinstitutionalisation' of the elderly. The McLeay committee recommended that "further control of nursing home growth be applied so as to limit the number of occupied beds receiving subsidy and contain expenditure on institutional care" (5.57), and saw this restraint as allowing for expansion of expenditure on domiciliary care services, day care centres and day hospitals. The removal of disincentives to the expansion of home care services, alongside a reallocation of resources between institutional and community care was viewed by the committee as the ideal framework for service development. The incorporation of domiciliary programs into a proposed Extended Care Program would serve as the avenue through which a co-ordinated program of support to elderly people living at home might

function (McLeay, 1982:3.2).

Prior to winning office the present Health Minister, Dr. Blewett released his Party's platform which proposed the development of a community care program, along the lines suggested by the McLeay Report, to provide support for elderly people who wish to remain in their own homes. In a speech on February 4, 1983 Dr. Blewett proposed the creation of a "structure of services designed to bring support to the elderly ... as well as to bring the elderly to community services", and the expansion of the roles of existing Commonwealth-State co-ordinating committees to include the overseeing of the provision of domiciliary and home care services. In tandem with these proposals were promises regarding "an increase in the number of community health centres, day care centres and attached transport services, and provision of a greater range of services within these centres".

It is obvious that assistance for elderly people will be required at an expanding rate, and from a policy perspective the purpose of each type of intervention must be addressed. Of particular concern are those elderly people most likely to require assistance in order to remain in their own homes. It may, of course, be the case that this assistance acts as a prevention against their requiring institutional care, although this may not necessarily be the basis upon which such assistance is or should be provided.

Those people requiring spasmodic or occasional help at home form a different policy target to those who are reliant upon frequent, regular and reliable support. Those most likely to require such support are women living alone. In his analysis of census data Rowland (1982) identifies what may be considered the major factors determining elderly people's "vulnerability" to public dependency, social isolation, and poverty. He examines living arrangements, life-cycle stages, gender and socio-economic status in relation to dependency and concludes that the presence of a spouse, or adult offspring, provides a degree of protection against isolation and dependency. He refers to the "double jeopardy" in which elderly people living alone on a low income may find themselves. In view of this, it is widows who comprise the majority of the elderly most likely to be "vulnerable".

Despite a regular flow of pronouncements over the years about the desirability of community care, and its social and moral superiority over institutional care, there has been no accompanying shift of actual resources from the residential to the domiciliary sector or from formal to informal

sources of support. All forms of care involve a cost, and at present the cost is being borne predominantly by women as carers, volunteers and low paid workers, and what community care policy there has been has accepted this situation.

It has been strongly argued by two British researchers that the unfair pressures on women carers make residential care the most suitable "non-exploitative" alternative (Finch and Groves 1982). Their argument seems to have come full circle from community care to independent but supported, residential care. It is based on arguments about the way in which expectations of traditional roles are built into policy. Policy considerations will obviously need to take account of resources and responsibilities, and the balance among the many issues outlined above.

This final section raises a number of policy considerations. These are not written as a set of recommendations nor are they discussed here. They follow from the issues raised in this paper and are listed here as items worthy of consideration in policy development in the field of ageing populations and social care.

\* The continuation of substantial state resources is required for the development of equitable and humane social care provisions for elderly people. The statutory sector alone has the resources and the auspices to develop comprehensive and equitable policies for the expansion of social care. Clarity of service objectives is required, particularly objectives relating to the balance or redirection of extended care and residential services. In giving consideration to the implementation of proposals which alter the balance of services (such as the recommendations of the McLeay Committee) an adequate financial commitment is necessary to make any changes effective and to support new responsibilities.

\* Considerations for services for elderly people might examine both a diversity of services and an expansion of service types. Services such as day care, respite care, and various in-home services should be examined within a local context to ensure that local needs are considered. It is much easier, of course, to assume a passive role for clients and have them fit into existing services rather than create choices and try to reflect local needs.

\* Consideration should be given to a greater awareness on the part of planning and service personnel to community care. With this orientation will come an awareness of the burdens placed on women in families and as workers in the informal sector (as well as those on the margin of formal and informal services) in implementing community care policies. This will involve both an attempt to reconcile practices within the formal and informal sectors as well as a recognition by professions of the importance of non-professional personnel involved in home help and home visiting.

\* Consideration should be given to the status and working conditions of those in the caring and service occupations. Industrial conditions for those at the margins are not good, and this reflects both the lack of industrial awareness among many welfare personnel, and the haphazard nature of service funding. Training issues are also important, in particular the transfer and reinforcement of skills of both volunteers and the very low paid service providers.

\* The needs of those both providing and receiving social care require attention, especially appropriate choices and supports available to them, and their role in the decisions which affect them.

\* When community care policies are espoused but not adequately resourced, great pressures are placed upon both formal and informal providers as well as upon community workers and planners.

\* Consideration of the structure and functioning of assessment teams is necessary. If there is to be appropriate placement of and support for elderly people, regular assessment is required, and this is costly. The cost relates not only to the actual assessment process, but also to the provision of suitable facilities and services to effect the decisions of assessment teams. Again choices and alternatives need examination.

\* Consideration of the capacity of families to provide support services and extended care is required. This involves issues of skills, responsibilities, financial ability, and social expectations. Related are questions of the division of labour within families, and the assumption that caring is women's work.

\* Recognition must be made of the special needs of elderly people without family support, and those who experience social isolation.

\* Structural issues in the development of formal services create difficult funding and responsibility issues. The most appropriate level of government intervention and support - Commonwealth, State or Local - is deeply enmeshed in the politics of federalism and fiscal federalism in particular. Elements of fiscal politics percolate into the uncertain, spasmodic, and desultory nature of NGWO funding.

\* To call merely for increased resources for community care is an insufficient response. This conference is dealing with resources and responsibilities, and consideration needs to be given, not only to increased resources, but also to the realistic analysis of the structure and location of responsibilities in community care. The assumptions which underpin policy, as well as the policies themselves, affect both service recipients and providers. Community care is costly in many respects and urgent consideration must be given to the question of who will be expected to bear these costs in the future.

BIBLIOGRAPHY

- Brody, E.M. (1981): Women in the middle and Family Help to Older People, Gerontologist, Vol.21,(5):471-80.
- Baldock, C.V. (forthcoming): Volunteer as Work: Some theoretical considerations in Baldock, C. and Cass, B. (eds) Women, Social Policy and the State in Australia, Allen and Unwin.
- Chapman, P. (1979): Unmet Needs and the Delivery of Care, Occasional Papers on Social Administration No.63 London. National Council of Social Service.
- Finch, J. and Groves, D. (1982): By Women for Women: Caring for the Frail Elderly, Women's Studies International Forum, Vol.5,(5):427-438.
- Goffman, E. (1961): Asylums, Penguin Books.
- Hamilton-Smith, J. (1973): Volunteers in Social Welfare Agencies in Victoria, Technical Paper No.6, Institute of Applied Economic and Social Research, Melbourne.
- Hardwick, J. and Graycar, A. (1982): Volunteers in Non-Government Welfare Organizations in Australia, SWRC Reports and Proceedings No.25, Kensington, Social Welfare Research Centre, University of New South Wales.
- Hunt, A.L. (1970): The Home Help Service in England and Wales, London: O.P.C.S. and H.M.S.O.
- Kinnear, D. and Graycar, A. (1982): Family Care of Elderly People, Australian Perspectives, SWRC Reports and Proceedings No.23, Kensington, Social Welfare Research Centre, University of New South Wales.
- Moroney, R.M. (1976): The Family and the State, London, Longman.
- Nissel, M. and Bonnerjea, L. (1982): Family Care of the Handicapped Elderly, London, Policy Studies Institute.
- Rowland, D. (1982): The Vulnerability of the Aged in Sydney, Australia and New Zealand Journal of Sociology, Vol.18,(2),July 229-247.
- Swain, C. and Harrison, J. (1979): The Nursing Home as Total Institution, Australian Journal of Social Issues, Vol.14,(4):274-284.
- Walker, A. (1982a): The Concept of Dependency and its Application to Old Age, Social Policy and Administration, Vol.16,(2):115-135.
- Walker, A. (ed)(1982b): Community Care. The Family, the State and Social Policy, Blackwell and Robertson, Oxford.

Wilson, E. (1982): Women, the 'Community' and the 'Family' in Walker, A. (ed) : Community Care. The Family, the State and Social Policy, Blackwell and Robertson, Oxford.

### Reports

Social Welfare Commission (1975), Care of the Aged, Canberra.

Australia, Parliament, Task Force on Co-ordination in Welfare and Health (P. Bailey, Chairman), Proposals for a Change in the Administration and Delivery of Programs, Parl. Paper 45, Canberra, 1977.

Australia, Parliament, Task Force on Co-ordination in Welfare and Health (P. Bailey, Chairman), Consultative Arrangements and the Co-ordination of Social Policy Development, Parl. Paper 176, Canberra, 1978.

Australia, Parliament, Office of the Auditor-General, Report of the Auditor-General on an Efficiency Audit Report: Commonwealth Administration of Nursing Home Programs, Parl. Paper 12, Canberra, 1981.

In a Home or at Home (1982): Accommodation and home care for the aged. Report from the House of Representatives Standing Committee on Expenditure. Parliament of the Commonwealth of Australia.

Australian and New Zealand Association for the  
Advancement of Science

Perth, May 1983

Section 45

THE ECONOMY, SOCIAL INEQUALITIES AND THE  
WELFARE STATE : IMPLICATIONS FOR RESEARCH

Adam Jamrozik

Social Welfare Research Centre  
University of New South Wales  
Kensington NSW 2033

ABSTRACT

In recent years the debate on social welfare has gradually narrowed to the single dimension of income support. The importance attached to this issue and a neglect of other aspects of social welfare stem from the belief that income support provisions serve as a redistributive mechanism, alleviating the inequalities generated in the market economy. However, the social and economic effects of the working of the market itself are not questioned.

This narrowness of perception has led to a situation in which income support provisions achieve the opposite effect from their stated purpose; that is, the social welfare system serves to reinforce the inequalities generated in the market and makes these inequalities legitimate.

A different conceptual framework is needed in which social welfare is perceived primarily as an essential part of modern economy without which the economic system predictably falters. Such a framework is the necessary first step in any attempt to understand the processes through which inequalities in society are created, let alone to alleviate these inequalities.

This issue is addressed in the paper mainly at research and analysis in social welfare, the argument being that research carried out in a selective, or residual, perspective is theoretically inadequate and also hides the true role of the Welfare State in a market economy.

## INTRODUCTION

The 1970s was a period of time which, I think, will be seen in the future as a decade during which many economic and social theories had foundered on the rocks of technological innovation and economic, political and social change. In their place "new" theories came into vogue, especially in the field of economics, characterised by the prefix "neo" —neo-Keynesian, neo-classical, neo-Marxian and neo-Weberian. Some of these, like the neo-classical theory in economics, have in turn been found wanting and have been discarded. If they are still promoted and applied by governments in some countries of the Western world, it is only through sheer political and economic power of the dominant power groups and through appeal to fear and to base elements of human nature.

Prominent among the theories which came under challenge during the 1970s was the theory of the Welfare State. It seems appropriate, therefore, to consider what has occurred, and what is the situation, in the debate and research on social policy, social welfare, and on the role of the Welfare State in modern industrialised society. Such consideration is particularly appropriate in the Australian context now, in the light of the recent political change.

The main proposition I want to advance is that the prevalent views on social welfare that have been explicitly or implicitly propounded in the debate and research of recent years have presented a truncated perspective on the society, on social welfare issues and on the role of the State in modern economy. Secondly, I intend to demonstrate that the concept of the Welfare State presented in that perspective has become a conservative concept which has served to maintain, or even reinforce, the social inequalities generated by the market economy. Third, I will raise the issue of the structural relationship between the providers of community services and the recipients of services, and will suggest that this relationship may be a factor in the researchers' selective perception of the Welfare State. Then, I will suggest how the concept of the Welfare State could be redefined to make it more congruent with the contemporary issues in society. Finally, I will consider the implications these issues might hold for the research in social policy and social welfare.

In advancing these propositions I want to stress that the paper is meant to be exploratory and deliberative rather than authoritative or definitive. The ideas for it have emerged gradually in my recent research work, and I must admit that in that process I have come to critically re-appraise some of the views I previously held. This has happened because I have become increasingly uneasy about the prevalent orthodoxies propounded in the debate on welfare issues, most of which seemed to present views that would be predictably expected and readily accepted by any audience of the "converted". Even some of the empirical research in welfare seemed to produce findings which were predictable, that is, they confirmed "what everyone knew" and "what everyone wanted to hear".

For example, we have learnt from empirical research there were unemployed people who were unhappy and poor, there was a relationship between unemployment and crime, drug addiction, increased alcohol and tobacco intake, or even suicide. As would be expected, such findings would confirm that unemployment was evil. But the theory of "evil causes evil" had also a familiar ring because similar relationships or correlations had been found in earlier years, during the 1960s, between affluence and drug addiction, alcohol, and so on. I thus came to question whether research of that kind was of much benefit to the people whose interest the researchers believed to have at heart or whether it served mainly to produce a "good human story" which showed that we, the well-off people, really cared.

#### Current Boundaries of Debate and Research

The debate on social welfare has in the last decade narrowed almost exclusively to the issues of income maintenance for certain "disadvantaged" groups, that is, to pensions and benefits. In that debate the views propounded by what may be called the "welfare lobby" were seen to be highly critical of the policies of the, then, conservative Commonwealth Government. Yet, those views were essentially based on a social philosophy similar to, if not quite identical with, the philosophy of the party in power. Much of the criticism levelled at the conservative government policy was about the amounts of money allocated to welfare expenditure rather than about the policy itself. In fact, both the party in power and the critics subscribed to the policy of residualism, referred to in

more acceptable term of selectivity. These residualist attitudes have led to certain outcomes. First, they have led to a departure from the universal, or institutional, concept of welfare to a residual one, and, by so doing, they have legitimized the subjugation of social policy to the market economy. Second, they have also legitimized the existing social divisions and inequalities in Australian society. And third, they have detracted attention from the social groups, or classes, which have benefited from the Government policies.

In welfare literature and research the prominent feature has been the focus on "the poor". Depending on the issue of the day, or the interest of the researcher, the poor have been the delinquent, the aged, the homeless, the multi-problem family, the single-parent family, and more recently the unemployed. Much of this research and analysis has been carried out without a comparative framework, that is, without horizontal or vertical comparison of social, or class, structure, but has focused exclusively on "the disadvantaged" (or whatever the definition of the poor or low-income groups would be fashionable at the time). The results, and eventual response from the policy makers to such research, are always predictable. Because the studied group is taken out of societal context, the explanations are ultimately sought, wittingly or unwittingly, in the group itself. This kind of research, then, becomes another form of "blaming the victim" and leads to remedies that are also directed at the group.

An example would be the Community Youth Support Scheme (CYSS) which the welfare lobby criticised when it was first introduced but later criticised the Government when it was going to be abandoned. The aim of CYSS was to improve the employability of young unskilled persons by developing and maintaining in them the attitudes of readiness for wanting to work. The programme was to serve as a socialization process aimed to assist young people to lower their ambitions with regard to their occupational prospects. Initially, the CYSS programme was introduced mainly "... to progressively accustom the young unemployed to being employed and to learning some of the discipline associated with having a job". (Ministerial Press Release, reported in The Mercury, 22-10-76). After the intended abandonment and subsequent restoration of the programme the CYSS guidelines were revised and the stated aim became to "... concentrate on providing training in work skills, and encourage work experience, community service work, part-time, casual and temporary work for young people..." (Minister's Press Release, 8/82, 27-1-82).

There are two issues involved in research carried out in a truncated perspective. One, it is theoretically faulty to draw any conclusions from a study of a selected group without adequate comparative data from another group, or groups. Two, research on relatively powerless minority groups predictably leads to measures of control of such groups. This has occurred in the fields of anthropology, criminology, and has been a trade mark of welfare research. In the 1960s it was the "delinquent youth" that attracted the attention of welfare research; in the early 1970s it was the "multi-problem family", and now it is the "unemployed youth". But the captive audience has remained the same. If we take the labels out, we can easily find that we are looking at the same social group, or class, over and over again. We find the same characteristics, the same problems, and, in turn, the same remedies.

I do not mean to say there is no value in such research. It is the absence of similar systematic studies of the "non-disadvantaged" groups, or what may be called the "normal" people, that I regard as a serious shortcoming in welfare research. For if the motivation in welfare research is the desire for equity, fairness and lessening (if not entirely eliminating) social inequalities, then these goals will not be achieved by studying solely "the losers". Their inferior position can be explained much better if it is compared with the position of the well-off and the rich. Exclusive focus on "the poor" leads to the legitimation of the state of affairs rather than change. What is necessary is to widen the vision to include those who are not poor, not unemployed, not disadvantaged. It is only through systematic studies of the whole social, or class, structure that some understanding can be attained of where the differences and inequalities lie and how they arise. It is not possible to identify why certain things malfunction unless we know what is necessary to make the things function well. It is not possible to explain adequately how people become or remain poor unless we also explain how other people become and remain well-off, or rich.

At a theoretical level there is certainly an awareness of the need for a wider perspective on social welfare. For example, Graycar (1979: 2-3) has stated that social policy,

... is essentially concerned with social welfare and traditionally has concerned itself with issues affecting those deemed to be poorer, less capable, less fortunate, and more depressed members of a society. As a result, social policy has in the past been confined to the study of social services and the 'welfare state', although there is a strong argument that social welfare and social well-being affect the whole community and not simply those in need.

Other writers, those writing in a more critical vein, have argued that the narrow perspective prevalent in welfare literature provides only partial explanations of the functions the social welfare services perform. For example, Head (1980: 44-45) lists a number of such explanations; e.g. social welfare as a mechanism of social control, or as a response to social dislocation and tensions generated by industrialization and rapid change, or as a benefit to administrators and semi-professional groups. He says (p.45)

All such assumptions provide only a partial explanation of welfare measures, and that what is required is a more general theory of state activities in the socio-economic sphere. Welfare in the narrow sense should be placed in the context of a theory of the capitalist state.

Head calls for a radical analysis of the welfare state in capitalist society, which, he says, 'would focus upon the political economy of state activities as a whole, locating social security outlays in the wider context of state economic intervention and redistribution'. The reason he gives for a wider focus and a more general theory is based on his expectation that (p.50),

A broader theory of state economic intervention and regulation would demonstrate that the term 'welfare state' is a misnomer in so far as it highlights income maintenance policies and provision of certain public services.

The significance of welfare services in modern economies was clearly recognised by Donnison who said some years ago (1965: 23) :

... the social services are not an unproductive frill tacked on to the economy as a charitable afterthought, but an integral and (in some form or other) a necessary part of our economic and social system — a form of collective provision required to meet the needs of an expanding industrial society and to provide a market for its products.

Similar views on the Welfare State could be quoted at length. Yet, despite this awareness at the theoretical level, the prevalent approaches to empirical studies of social welfare issues in Australia have focused on "the poor". Indeed, over the past decade we have reached a situation in which not only the welfare policies of the party in power have been defined within more and more narrow boundaries but the critique and analysis have also tended to follow in the same direction. In other words, both the theory and practice of the Welfare State have become residualist.

Because of this truncated view of the Welfare State, the arguments on welfare issues have been substantiated by statistics on the Commonwealth Government's expenditure on social security and on the number of recipients. While the critics argued that the Government was cutting the allocations in that area, the Government was denying it, pointing out that the level of expenditure was maintained or even increased. The growth in the numbers of recipients was also interpreted either as a growth in poverty or as a growth of the Welfare State. It was only in the last two years or so that some analysts began to examine more systematically other areas of government outlays and came to suggest that welfare expenditure might be greater and wider than simply the expenditure on pensions and benefits. Some of that kind of analysis has come from the Social Welfare Research Centre in various reports (e.g. Jamrozik, Hoey, Leeds, 1981; Keens and Cass, 1982) and in the recent book (Graycar, ed. 1983). Others have come from the Research and Statistics Branch of the Department of Social Security (e.g. Ingles et al, 1982).

#### Welfare Allocations and the Recipients

What has been the real situation? As shown in Table 1, the Budget outlays of the Commonwealth Government on social security and welfare was 23.0 per cent of total Budget outlays in 1975-76 and 27.8 per cent in 1981-82.

However, the overall allocation for social expenditure (health, education etc.) in the same period was reduced from 50.8 per cent in 1975-76 to 45.4 per cent in 1981-82. When the change ratios in the outlays on various items are compared, it is evident that the increase in the outlay on social security and welfare between 1975-76 and 1981-82 had exceeded the overall increase in total Budget outlays and the increase in the Gross Domestic Product. However, the overall allocation for social expenditure as a proportion of total Budget outlays was lower in 1981-82 than in 1975-76, and total Budget outlays as a proportion of the Gross Domestic Product was also reduced from 30.06 per cent to 27.89 per cent.

Over the same six years, the number of recipients of pensions and benefits had grown by 31 per cent, as against the growth of total population in Australia of 8 per cent (Table 2). Thus, the "dependency ratio" had risen between 1975-76 and 1981-82 above the growth ratio of the total population, and it had grown slightly (4%) above the increase in the Budget allocations on social security and welfare. Each category of pension and benefit had grown above the rate of growth in total population. (It may be of interest to note that while the number of age pension recipients remained the largest group of recipients, it registered the lowest rate of increase of all categories of recipients).

Is this the sum total of Commonwealth Governments' outlays on social security and welfare? In Table 3, I have presented in spatial form what may be called the Spectrum of the Welfare State, listing the range of Commonwealth outlays on individual pensions and benefits, on collectively provided services, and on revenue forgone through taxation expenditure. (Outlays by the States are not included in Table 3, but it has to be noted that the States provide most of the collective services —transport, education, health, environment protection, parks, gardens, cultural facilities, etc.).

It can be easily ascertained from Table 3 that most allocations perceived as "welfare" are confined to Cells (1) and (2). The other allocations are referred to by other names, such as education, health, assistance to business and industry, etc. and are not perceived as welfare.

It may be argued, of course, that such a broad definition of welfare is not appropriate because, in following it, most government expenditure could be included under the rubric of welfare. But this is exactly the point. The

prevalent definitions and perceptions of what is, or is not, welfare expenditure do not convey the significance of public expenditure in modern economy and thus present an inadequate and truncated view of the Welfare State. The modern welfare state is a complex of arrangements, with a high level of flow or transfers of resources between producers, consumers, and the State. Transfers of resources by governments are transfers to private individuals or corporations and therefore a form of public support, or a welfare payment (Jamrozik, 1983: 171-188). In each case they benefit the recipient, while at the same time stimulating economic production or consumption, or both. Without these transfers the economy would falter.

The expenditure in those 'non-welfare' categories is substantial, far exceeding the expenditure on what is commonly perceived as welfare. As shown in Table 4, it probably accounts for 60 per cent of Government outlays in transfers which, directly or indirectly, benefit individuals and corporations.

In social terms and in terms of purpose, the difference between the two kinds of Government expenditure is significant, for what is perceived as welfare expenditure (cell(1) and some in cell (2) in Table 3) is related to the recipients' survival, but the other kind of expenditure is related to the recipients' social functioning. There are also significant differences in the criteria of entitlement to services or benefits; recipients of services in (1) and some in (2) have to demonstrate need or inferior status (social, economic or physical); the other recipients are not required to do so.

The recipients of services listed in cell (1) are also subject to varied degrees of social control. For example, if we included in this analysis the services provided by the States which come under the rubric of welfare, but are provided with varied degrees of social control and/or coercion, such as child and family welfare, public psychiatric services and correctional services, most of these would fit into cell (1). The other services provided by the States (mentioned earlier) do not come under the rubric of welfare.

Table 1: Commonwealth Government Budget Outlays 1975-76 to 1981-82

Outlay Item	<u>1975-76</u>		<u>1981-82</u>		<u>1981-82</u> at constant 1976 prices	Change Ratio 1976-1982
Education	1,894	8.7	3,341	8.1	1,856	0.98
Health	2,953	13.5	2,912	7.0	1,618	0.55
Social Security & Welfare	5,030	23.0	11,498	27.8	6,388	1.27
Housing	562	2.6	458	1.1	254	0.45
Urban Regional Dev. and Environment	408	1.9	77	0.2	43	0.11
Culture & Recreation	253	1.2	483	1.2	268	1.06
Sub-Total	11,100	50.8	18,769	45.4	10,427	0.94
Defence	1,862	8.5	4,135	10.0	2,297	1.23
Economic Services	2,051	9.4	2,757	6.7	1,532	0.75
General Public Services	1,445	6.6	2,887	7.0	1,604	1.11
Total Direct Outlays	16,458	75.3	28,548	69.0	15,860	0.96
Payment to States, N.T., Local Govt.	4,436	20.3	9,908	24.0	5,504	1.24
Public Debt Interest	968	4.4	2,881	7.0	1,601	1.65
Total Outlays	21,861	(100)	41,339	(100)	22,966	1.05
Gross Domestic Product	72,702		148,235		82,353	1.13
Total Outlays as % GDP	30.06		27.89		-	0.93

Source: Budget Statements 1982-83, Paper No.1, AGPS, Canberra

\* Adjusted to constant 1975-76 prices using CPI deflator  $110.4/61.5 = 1.80$  (1979-80 = 100).

ABS Consumer Price Index - June Quarter 1982; Cat.No. 6401.0.

Table 3: THE WELFARE SPECTRUM  
(Outlays by Commonwealth Government)

Form of Service or Benefit	Selective in favour of low income groups	Universal	Selective in favour of high income groups
Individual	(1) Unemployment Benefits Invalid Pensions Widow Pensions Supporting Parent Benefits Age Pensions "Welfare" Housing Health Cards Pensioner Fringe Benefits Child Care Subsidies	(2) Family Allowances Age Pensions for over 70 years old (without income test)	(3) Subsidies Bounties Capital Transfers to Private "Non-Profit" Corporations (NGWO's, Private Education, etc.)
	(4) Child	(5) Care Services EDUCATION OUTLAYS: Technical (TAFE) Colleges of Advanced Education Universities Public Schools Private Schools Culture and Recreation Free or below-cost business information	(6)
	(7)	(8) Rebates on Health Insurance Contributions Rebates for dependent spouse, etc. OCCUPATIONAL WELFARE: Superannuation Other Occ. Welfare Gifts to Institutions Investment Allowances Accelerated Depreciation Legal Tax Avoidance "Condoned" Tax Avoidance "Condoned" Tax Evasion	(9)
Collective			
Revenue Forgone (Taxation Expenditure)			

Table 2: Income Support Recipients, 1976 - 1982

Pensions or Beneficiaries	1976		1982		Change 1976-1982	
	N	%	N	%	N	Ratio
Age Pensions (incl.wives)	1,182,211	65.4	1,394,551	59.0	212,340	1.18
Invalid Pensions (incl. wives)	219,713	12.1	271,453	11.5	51,740	1.24
Sheltered employment allowance (incl.wives)	5,146	0.3	8,913	0.4	3,767	1.73
Widow pensions	129,491	7.2	164,091	6.9	34,600	1.27
Supporting parent benefits	45,542	2.5	123,942	5.2	78,400	2.72
Unemployment benefits	191,723	10.6	332,000e	14.1	140,277	1.73
Sickness benefits	28,081	1.6	48,600e	2.1	20,519	1.73
Special benefits	6,821	0.4	18,100e	0.8	11,279	2.65
All income support recipients	1,808,728	(100)	2,361,650	(100)	552,922	1.31
Total Population	14,033,083		15,174,700		1,141,617	1.08

Source: Department of Social Security, Annual Report 1981-82, Tables 6 & 7.  
e = estimated

Australian Bureau of Statistics, Estimated Resident Population, June 1971 to June 1981, Cat.No. 3201.0.

A.B.S. Australia Demographic Statistics Quarterly, June 1982  
Cat.No. 3101.0.

Note: No. of pensioners as at 30 June; No. of beneficiaries as average at the end of each week during the year. The total no. of beneficiaries (unemployment, sickness and special) as at 30 June was lower in 1976 by 301 persons and higher in 1982 by 61,648 than the figures above.

Table 4: Commonwealth Government Budget Outlays, 1981-1982  
(Estimated Allocations — See Tables 1 and 3).

<u>Services in Cells (1), (2) and partly (3):</u>		<u>\$ Million</u>	
Social Security and Welfare		11,498	
Housing		458	
Health ( $\frac{1}{2}$ of total - health cards, etc.)		<u>1,456</u>	
		<u>13,412</u>	41.2%
<u>Services in Cells (4), (5), (6) and partly (3):</u>			
Education		3,341	
Health ( $\frac{1}{2}$ of total outlay)		1,456	
Urban and Regional Development		77	
Culture and Recreation		483	
Economic Services ( $\frac{1}{2}$ of outlay)		1,378	
General Public Services ( $\frac{1}{2}$ of outlay)		<u>1,443</u>	
		<u>8,178</u>	25.1%
<u>Services in Cells (8) and (9) : Estimated : (1)</u>			
Concessions (Dependent Spouse Rebate, etc.)		1,163	
Concessions to Business and Industry		800	
Occupational Welfare		5,000	
Tax Avoidance ("condoned")		2,000	
Tax Evasion ( " )		<u>2,000</u>	
		<u>10,963</u>	33.7%
Total Outlays		<u>\$32,553</u>	<u>100.0%</u>
<u>Source:</u> Budget Papers 1982 - 83, <u>Budget Paper No. 1</u> , AGPS, Canberra.			

(1) Estimated by the author from the data in Budget Paper No.1 and from previous research.

If the allocations listed in Table 3 related to the social, or class, position of the recipients, the allocations in cell (1) are clearly for lower-income people; the others are for the middle and high income groups. It is also important to note that allocations in cells (1) and (2) are made solely to individuals; the others include both individual and collective services.

When all these differences are considered together, it would not be an exaggeration to say that the Welfare State is a complex of arrangements which has been described as "capitalism for the poor and socialism for the rich" (Mishra, 1981: 80). My own definition would be "Poor-Law charity and middle-class welfare".

With regard to welfare research, it is evident that in contrast to the knowledge we have about the low-income people —the recipients of pensions and benefits— about whom we know a great deal through systematic empirical investigations, we know relatively little about the recipients of services in the categories of collective services and taxation expenditure. The former constitute a readily available captive audience; the latter are hidden from public scrutiny. Indeed, I would argue that what is conventionally seen and researched as "welfare" or "welfare recipients" is something of a residue of a much wider system of resource allocation of which we have very little knowledge and only a vague understanding.

The extensive research on captive audiences has produced volumes of publications about social disadvantage and poverty but little comparable data about advantage and wealth. As a result, research has led to all kinds of recommendations about improving the welfare for the poor but little of value for policy implications about the other kinds of welfare which are received by the middle classes and the rich. The lack of that kind of data is painfully evident.

For example, a recent innovation in the Commonwealth Government's Budget Papers is an item on taxation expenditure. This item, I believe, first appeared briefly in the Budget Papers for 1981-82 but in 1982-83 the information on taxation expenditure was extended to 32 pages (Budget Paper No.1 : 256-287). The information lists 92 items, or areas, plus a number of sub-items in which taxation expenditure is incurred, but an interesting feature of this information is the absence of information. Apart from some estimates in certain items

(e.g. Dependent Spouse Rebate), the paper states with regard to numerous items, "Because of conceptual difficulties and lack of data it has not been possible to cost this item"; or, "Insufficient information held in the Taxation Office to allow a reliable estimate to be made". Most interesting is the statement concerning charities, sporting bodies and religious organisations. It reads: "Because such bodies are not required to submit taxation returns data are not available to enable the cost to be calculated". It needs to be added that most of these bodies enjoy exemptions from income tax as well as sales tax, and gifts to them also attract taxation concessions for the donor. How much systematic research has been done in this area of welfare? Obviously, little or none.

#### Divisions of Welfare and Social Structure

Many years ago Titmuss (1956) had identified three kinds, or divisions, of welfare: social welfare, fiscal welfare and occupational welfare. These divisions, he said, were not based on any fundamental differences in functions or aims; rather, they arose from different organisational methods —different forms of accounting— and were related to the division of labour in contemporary industrial societies. Titmuss pointed to the common source of funds for all three kinds of welfare. In his view, the conventional perception of the Welfare State which focused solely on social welfare but ignored the other kinds was a distortion of social reality. The most important issue arising from the divisions of welfare, Titmuss argued, was a negation of the principles of welfare because by the way the three kinds of welfare were organised and allocated they were simultaneously enlarging and consolidating social inequalities.

In a fairly recent critical assessment of Titmuss's work, Sinfield (1978) argues that the particular significance of Titmuss's analysis of the Welfare State lies in that the concept of the social division of welfare underlines the link between that division and the stratification system of a society. The social division of welfare reflects the unequal distribution of economic resources as well as status and power. Therefore, Sinfield argues, there is a need to relate the analyses of both. A careful analysis of the distribution of resources, security, status and power through the social division of welfare would lead to a better understanding of the operation of those mechanisms and systems of distribution and redistribution that generate and maintain social, political and economic inequalities.

Among a range of issues involved in the social division of welfare, Sinfield points out, for example, that occupational welfare favours those employees who are higher up on the occupational hierarchy and earn higher incomes. This form of selective welfare is more acceptable to the well-off beneficiaries than the selective assistance through public income maintenance payments to the "needy" or "disadvantaged". Although both are transfers of public funds to individuals, the first is allocated in such a way that it enhances the status of the recipient while the second demeans the status of the recipient. Furthermore, occupational welfare also represents a transfer of industrial production to society.

Now, it has become evident that some occupational welfare counted as production cost can also easily become a form of private consumption. This occurs especially among business and professional people who can include certain personal or living expenses as business-related costs (Lahey, 1981). In sum, the boundaries of the Welfare State extend far beyond what is commonly perceived as welfare, and in the complexity of its organisational arrangements are many welfare recipients who are not seen —and do not see themselves— as such (Jamrozik, Hoey, Leeds, 1981). For this reason, as stated by Rein (1981: 36), "... industrialized societies must be viewed as a unified or joint system in which the state and the market are viewed as different aspects of political economy".

The analyses of Titmuss, Sinfield, Rein and others who have taken a broad perspective on the role of the Welfare State in modern economy point out clearly the theoretical inadequacy of welfare research conducted with the focus on the recipients of the visible part of welfare. Such selective focus has also a normative base because rather than contributing to the understanding of social inequalities in society it implicitly accepts these inequalities, presenting the issues of disadvantage as a "social problem". As Mishra (1981: 13) observes,

Isolation of certain phenomena and labelling them "social problems" means usually attempting to solve them administratively, that is in a way that does not involve changes of a more basic kind... e.g. to label the extreme consequences of stratification as poverty, and to seek solution through piecemeal social measures, is to accept the structural inequalities of capitalism. Indirectly, then, it is a decision to keep the problem within the bounds of capitalism.

To illustrate the point of his argument, Mishra (p.80) adds :

Academic and other forms of specialization encourage the study of social programmes of the State in isolation from the rest of its activities. This in itself presents a massively distorted picture of the capitalist state and its activity.

Despite these arguments presented by many critics in their theoretical analyses and debate, the prevalent approach to empirical studies of social welfare issues in Australia has been to ignore the issues of stratification, or class structure, in relation to the Welfare State, focussing instead selectively on "the poor". This approach has been evident in all kinds of research, large scale or small. For example, Bryson and Eastop (1980: 62) have observed that,

Henderson's Commission of Inquiry into Poverty, set up in 1972, was defining its task by turning the spotlight on the poor rather than on the capitalist society in which poverty is endemic. Such a practice has been widely recognised as particularly conservative, a point evocatively made in William Ryan's phrase 'blaming the victim'.

In the approach taken by the Commission, the authors say (p.63) "The concept of 'poverty' is not seen in some sort of dialectical relationship with wealth or class but merely as a discrete social problem". A similar criticism has been expressed by Sargent (1981) who argues that while the findings of the Commission had resulted in some positive response from the government, the Commission's work was "to a great extent stultified by, firstly, insufficient analysis of the structural nature of poverty and, secondly, its acceptance of the need to identify individual cases of poverty, and advise on how they could be alleviated".

I do not necessarily agree entirely with these critics. There is no doubt that the Inquiry into Poverty has made the Australian society aware of the fact that in the midst of affluence there were many people who were indeed poor. Secondly, by identifying the social groups who were poor, the Inquiry has pointed out the structural aspects of poverty. In that sense, the Commission's work was an important event on the welfare scene and a significant contribution to the debate on welfare issues. But in another sense, it has led to some negative outcomes, however unintended, mainly in its arriving at a measure of poverty defined as the "poverty line". The "poverty line" was a measure of a minimum

physical survival, not of a minimum social functioning. As a result, the debate on welfare issues has narrowed to the issue of income maintenance for the poor and the other aspects of welfare have since received little attention. The social division between the poor and the well-off has become, as it were, legitimate. From the time of the Commission's findings, "poverty" and "poverty line" have become subject of much debate and considerable research, easing the conscience of the well-off middle classes by the knowledge that there were poor people somewhere "out there" and that something should be done about them, or for them. Whether anything of substance has been done is another matter. The notion of two or three millions of people living "below the poverty line" makes a good human story in the weekend tabloid press and raises indignation among the well-off but, then, as Encel (1978: 165) has quoted, "moral indignation is the traditional style of middle-class political expression".

In fact, despite frequent references to it in the discussions and arguments about the welfare policy of the Commonwealth Government and the efforts to devise "equivalence scales" to bring it up to date, the "poverty line" has remained essentially an abstract concept. For example, a two-year effort by the Social Welfare Policy Secretariat to re-assess its validity and usefulness was fruitless, or, in the words of the Secretariat's report (1981: 205), "less than successful in achieving this aim". As Stanton (1980: 22) concluded in his analysis, the poverty line was "subjective and arbitrary" in nature and of little relevance to Australian conditions in the 1960s, 1970s, or 1980s.

However, the arguments about the methods used in devising the poverty line by the Commission of Inquiry into Poverty I consider to be of less importance than the effects of the concept of poverty so defined has had on our thinking and acting about poverty. The poor, as it were, have been taken out of the mainstream of social life and given a negative status of second-class citizens. Subject to proof of their status to the satisfaction of welfare administrators, the poor could now make certain claims; to poverty health cards, to cheaper public transport, to welfare housing, to food vouchers and second-hand goods from charitable relief organisations. In effect, the existence of poverty has received both social acceptance and legal sanctions, and the concept of the "poverty line" has enabled us to reduce the concept of welfare to Poor-Law charity and separate it from middle class welfare which has been given various names to protect its beneficiaries.

Nevertheless, poverty is real and can be defined (and feasibly remedied) without necessarily separating the poor from the mainstream of social life. "The problem of defining 'poverty' (Jackson, 1972: 13) is largely a cultural problem in determining what is, or what should count as, inadequate social functioning". The concept of social functioning is also a normative concept, but is based on certain assumptions and expectations of what a person can achieve in the course of his or her life; e.g. engage in useful productive work, achieve personal autonomy and economic independence, participate in social life, etc. In economic terms this means a capacity to consume a certain flow of goods and services (e.g. nutrition, income) as well as access to, or the possession of, certain stocks of goods and services, such as housing, education and income security (Jackson, 1972: 13). In Titmuss's (1976: 64) definition, social functioning depends on a person's "command over resources through time". Thus, unlike the concept of poverty line which is static and narrow, relating a person's position to the weekly income necessary for a minimum level of survival, the concept of social functioning is dynamic and broad, relating a person's position to the access to both the flow and the stock of goods and services in a given societal environment.

It is worth noting that in Australia we had a Commission of Inquiry into Poverty but no comparative inquiry into wealth. In fact, we know very little about the distribution of wealth in Australia and there has not been any sign of, or demands for, including the issue of wealth in welfare research. As a result, we have a situation which has been appropriately described by Offe (1976: 1) who says :

A "rediscovery" (of poverty) has all too easily led to merely descriptive accounts of that poverty, focussing merely on a minority of 'the poor'. What sociology has not done is to ask seriously how our particular form of inequality comes to exist.

#### Social Welfare and the Middle Class

It is beyond the scope of this paper to engage in an extensive analysis of the class structure in the contemporary Australian society. It needs to be acknowledged, however, that a large proportion of the population in Australia, if not a majority, can now be defined as the middle class, and in common perceptions this certainly is the case. Thus, the position of the middle class

has to be considered in relation to the issues of the Welfare State. However, although the term "class" does appear in welfare literature, in the empirical studies of welfare recipients the middle class, as an identifiable social group, or social stratum, or as the recipient of welfare, does not seem to exist.

As stated earlier in this paper, the focus of welfare research has been mainly on "the poor", at times referred to as "the disadvantaged". In these studies, where references are made to the distribution of income, social or class divisions are presented in a framework of vertical stratification, with reference points such as the "poverty line", the Consumer Price Index (CPI), or the average weekly wage. This method is prevalent in studies of income received by discrete categories of welfare recipients, such as the aged, the unemployed, or the supporting parents. By definition, or by inference, the subjects of such studies are considered to be "disadvantaged" and would be found at the lower end of the socio-economic stratification order or class structure. In the classification used in this paper (Table 3) the subjects would be expected to be found mainly in Cells (1) and (2), and the corresponding welfare services would be those concerned with the survival of the recipients.

By comparison, studies of collectively provided welfare services (Cells (4), (5) and (6) in Table 3) rarely appear under the rubric of welfare research; rather, they are conducted under the rubric of the functional purpose of the service, such as education, recreation, etc. The exception is child care which is now considered to be a welfare service, and there have been numerous studies in this area. Some of these studies do refer to the recipients' income but the focus in them is directed at the service in relation to the recipients' social functioning; the availability of service, geographical distribution, hours of service, quality of service, and cost. These variables are then related to the recipients' activities or interests, such as employment, household duties, shopping, etc.

Child care services are provided by the public sector as well as the private sector. In each case these are paid for by the user. However, there is a strong body of opinion that child care should be provided by the government, free of charge or at least at a low cost, because it is considered to be important, even essential, for the child's welfare and even more for the parent's (usually mother's) social functioning. In other words the demands for child care services are made on the grounds of need as well as right.

However, neither the States nor the Commonwealth Government accept the proposition that child care services should be provided as a right (although some commitments to that principle were made by the Labor government in Canberra during 1972-1975). Since 1976, the operating principle of child care services provided or supported by the Children's Services Programme has been the criterion of "need" and among the children who are considered to be "in need" are children of low-income families. These children are to be given a priority of access, and subsidies are available to community organisations which provide child care services for that purpose.

Yet, despite these provisions, the available data indicate clearly that the main users of formal child care services supported by the Children's Services Programme are the middle and higher income families (ABS, Cat.No. 4402.0, 1980; Sweeney and Jamrozik, 1982; Sweeney et al, forthcoming). This can be ascertained from the comparative data on family income distribution (Table 5) and of parents' occupations (Table 6). The data from the 1982 sample come from a survey of 156 families drawn from the users of formal child care services in five local government areas of Sydney. Thus, while no statistical inferences can be drawn from such a small sample, there is a clear indication that the users of formal child care services are under-represented in the lower income groups and occupations, and over-represented in the higher income groups and occupations.

The ABS survey of child care arrangements in 1980 did not provide information on the occupations of parents who were using formal, or informal child care, but from the distribution of family incomes it is evident that low-income families were using informal, private child care rather than the formal child care services subsidized by the Government. The reasons for this are complex and cannot be analysed here. However, the usage of child care services is an example of a welfare service related to the users' social functioning rather than survival which, contrary to the stated policy intentions, becomes selective for the lower class and almost universal for the middle class.

I do not have comparative data for other collective services in Australia, but studies from the United Kingdom indicate clearly that collective services such as health, education, housing and public transport have not reduced inequalities in that country and, by and large, have benefited the middle and upper income groups (George and Wilding, 1976; Room, 1979; Le Grand, 1982). The relative

absence of systematic studies in these areas of welfare in Australia is an indication of a residual perspective adopted by researchers in welfare. It seems, that a service which is universally provided and used by the middle class is not regarded as welfare.

Table 5: Income Distribution of Families Using Formal Child Care.  
(Per Cent of Families)

Income per week Income Range	1981 Census(1) NSW Pop.	1980ABS Survey(2)	1982 Sample(3)
1981 Census - under \$332 ) 1980 ABS Survey - under \$311 ) 1982 Sample - under \$300 )	56.7	34.1	19.6
1981 Census - \$333-\$575 ) 1980 ABS Survey - \$312 and over ) 1982 Sample - \$300-\$600 )	25.3	59.7	41.8
1981 Census - over \$575 ) 1980 ABS Survey - \$312 and over ) 1982 Sample - over \$300	11.8		28.1
Not Stated	6.1	7.0	10.5

(1) Weekly family income updated by 15% to allow for change in average weekly income.

(2) " " 30% " "

(3) Results from a sample survey in 5 local government areas of Sydney.

Table 6: Occupations of Parents Using Formal Child Care.  
(Per Cent)

Occupation	1982 Sample (1)	
	Fathers	Mothers
Professional, technical, etc.	30.2	41.5
Administrative, executive, manag.	4.8	2.4
Clerical	10.3	34.1
Sales	12.7	4.9
Farmers, fishermen, etc.	-	-
Transport & Communication	7.1	1.2
Trades, process workers, n.e.c.	18.3	2.4
Service, sport & recreation	4.0	11.0
Armed Services	2.4	-
Not Stated	10.3	2.4
	(100.0)	(100.0)
<u>Source:</u> Sample survey of users of child care, 5 local government areas, Sydney, 1982.		

It may be argued, of course, that the welfare services are provided to meet the needs of certain social groups, irrespective of their social class. This has been suggested by Mishra (1981: 126) who says,

The social services create a host of new interest groups that tend to cut across class lines. With the services available to everyone, social groups such as the old age pensioners, the widowed, the disabled and the like, irrespective of class, share common interests and problems in relation to social welfare.

Perhaps so. But if this is the case, then the Welfare State may have an integrative effect along the lines of certain needs and interests but at the same time it reproduces the inequalities of the market rather than countervailing these inequalities. For it is doubtful whether the interests of a well-off age pensioner are the same as the interests of a poor age pensioner, any more so than the interests of a big industrialist are the same as those of a small manufacturer, or the interests of a wealthy grazier are the same as those of a small farmer. Predictably, the perspective on the welfare of any such group changes in favour of the well-off, thus leading to inequalities within the group itself, because the well-off become the spokespersons for the group.

This seems to be the case in child care services and in the services for the aged. As an example, during the Senior Citizens Week in March, 1982 a Sydney newspaper ran a five-day series of articles as a "comprehensive guide for people receiving pensions or who are about to retire". On the same pages were 24 advertisements: five advertised accommodation for purchase or rent in retirement villages; the remaining 19 advertised investment opportunities, usually framed in the mode of "how to minimize tax and keep the pensions and concessions" (Jamrozik, 1982: 13-28). A similar picture was presented recently (The Australian, 23-4-83) in a special seven-page supplement on retirement and superannuation.

One can seriously doubt whether these advertisements had much to offer for the poor aged. Rather, they indicate (as did the advice offered in the press) that a social group of welfare recipients referred to in welfare literature as "disadvantaged" contains recipients who are not poor. Clearly, in this case, there is an assumption that the aged who are well-off also have a claim on the Welfare State by virtue of being in that age group, and certain services are now provided which aim to assist them in having that claim met by the Welfare State.

The examples I have presented give some indication of the role the Welfare State performs in modern economies. Most people in Australia today —as in the other Western countries— who make claims on government allocations, whether on the grounds of need, or equity, or as a right, are not "the poor" but the "average" and the well-off people. In the conceptual framework of this paper the claims are made for allocations and universal services which are related to social functioning. Thus the concept of selectivity, or residual welfare, is itself selective because it is usually applied to the services of survival but not to those services which benefit the middle class, because these services are not perceived as welfare.

I do not suggest that the middle class should be excluded from the benefits and services provided by the Welfare State. What I do suggest is that the middle class and the rich should not be excluded from the analysis of the Welfare State and that their position should be examined as systematically as that of the lower class and the poor. It is only through such comparative research that the role of the Welfare State can be properly explained.

#### The Welfare State and the Providers of Services

Another aspect of the Welfare State that has to be included in welfare research is the organisations and their members who manage, administer, and deliver services. For, as Donnison (1965: 20) has observed,

The creation of public services requires the recruitment and training of a growing number and variety of workers who in turn play a major part in extending and shaping the services themselves.

Donnison proposed a model of social welfare services (p.232) consisting of three spheres of activity, or three groups of people: the providers of services, the controllers of resources, and the determiners of demand. These three groups did not consist of physically different people, as many of them performed, or were active in, more than one role. One of the advantages of the model, Donnison argued (p.234) was that it helped "to establish the central and crucial role of the providers of service".

In the context of the issues addressed in this paper, I include social scientists and welfare researchers in the categories identified by Donnison as providers of

services and especially as determiners of demand. For it is they (or, I should say, we) who play a significant role in defining and thus determining what social welfare is, or should be, by giving attention to one issue or another, and by interpreting issues and drawing out implications or even recommendations for social policy. Together with the "helping professions" and administrators of services, the researchers and analysts determine and provide what may be broadly defined as community services (Cells (1) to (6) in Table 3).

What are the characteristics of this social group? As can be seen in Table 7, the sector of industry classified by the Australian Bureau of Statistics as community services has four sub-sectors: health; education, museum and library services; welfare and religious institutions; and other community services. In May, 1982 community services employed 1,020.5 thousand persons, or 15.9 per cent of persons employed in all industries. Close to two-thirds of persons employed in community services were women, almost an exact reverse men/women ratio than in the whole labour force.

Community services have been the fastest-growing industrial sector for the past decade or more. From 486 thousand persons employed in 1966, or 10.1 per cent of all employed persons in that year, employment in community services has grown to 1,022 persons in 1981, or 16.1 per cent of all employed persons. The growth of employment in community services over those 15 years was 110.0 per cent, and 78.2 percentage points greater than the 31.8 per cent growth in persons employed in all industries (Table 8).

In 1981, the average weekly earnings for both men and women in community services were 14 per cent above the average weekly earnings (August, 1982) for the whole labour force. The unemployment rates were among the lowest: 2.0 per cent, as against 6.7 per cent for all labour force.

The most striking characteristic of persons employed in community services is the level of their educational/professional qualifications. In 1981, 23.8 per cent of people employed in that sector held a degree or equivalent qualifications (men = 35.5%; women = 16.5%), and another 40.3 per cent held other post-secondary qualifications (men = 31.5%; women = 45.9%). Thus nearly two-thirds of persons employed in community services held post-secondary qualifications (men = 67.0%; women = 62.4%). By comparison, the average for the whole labour force was only 7.7 per cent with a degree or equivalent (men = 8.5%; women = 6.3%), 30.0 per

cent with other post-secondary qualifications (men = 31.7%; women = 27.1%) and 37.8 per cent with any post-secondary qualifications (men = 40.1%; women = 33.5%). In fact, nearly one-half (46.3%) of all persons employed who held a degree or equivalent were employed in community services, although only 16.1 per cent of all employed persons were employed in community services.

Table 7: Employment in Community Services, May 1982

Service Sector	Men		Women		Persons	
	N('000)	%	N('000)	%	N('000)	%
Health	100.2	27.0	312.6	48.2	412.8	40.4
Education, museum & library services	155.4	41.8	250.5	38.6	405.9	39.8
Welfare & religious institutions	33.3	9.0	50.4	7.8	83.7	8.2
Other community services	82.6	22.2	35.4	5.4	118.1	11.6
All community services	371.5	(100.0)	648.9	(100.0)	1020.5	(100.0)
All industries	4066.9		2337.9		6404.8	
Community services as % of all industries	9.1		27.8		15.9	
<u>Men/Women distribution(%):</u>						
— community services		36.4		63.6		100.0
— all industries		63.5		36.5		100.0

Source: The Labour Force Australia, May 1982; ABS Cat.No. 6203.0.

The educational qualifications of persons employed in community services are reflected in their occupations (Table 9). In 1982, over one-half (56.1%) of persons employed in community services were in professional, technical and like occupations (men = 54.7%; women = 56.9%), and of all persons employed in professional, technical, etc. occupations, 60.2 per cent were employed in community services (men = 39.7%; women = 85.2%). Thus, community services is the highest qualified and the most professionalized sector of industry in Australia. In comparison with the other sectors of industry, the earnings in community services, taken as average, are also among the highest.

Table 8: Profile of the Labour Force, 1966-1981 (August)  
Community Services and all Industries

Item	Community Services			All Industries		
	Men	Women	Persons	Men	Women	Persons
Persons employed 1966('000)	198	288	486	3366	1458	4824
" " 1981('000)	386	636	1022	4045	2311	6356
Increase 1966-1981 ('000)	188	348	536	679	853	1532
" " (%)	94.9	120.8	110.0	20.2	58.5	31.8
% of total labour force, 1966	5.9	19.8	10.1	-	-	-
" " 1981	9.5	27.5	16.1	-	-	-
Employed part-time as % of full-time (November, 1981)	7.3	36.2	25.4	5.3	35.7	16.4
Average (mean) weekly earnings, 1981 (\$) (employees only)	306	206	-	268	180	-
Average (mean) hours worked per week 1981	39.1	30.3	-	39.8	29.9	-
Employers and self-employed, 1981 (%)	6.5	2.3	3.8	16.8	12.0	15.0
Employees covered by superannuation, 1979 (%)	65.7	28.1	43.4	50.1	26.2	42.2
Unemployment rate August 1982 (%)	1.9	2.0	2.0	6.3	7.4	6.7
<u>Educational Qualifications</u>						
<u>Feb. 1981 (%)</u>						
- Degree or equivalent	35.5	16.5	23.8	8.5	6.3	7.7
- Other post-school qualifications	31.5	45.9	40.3	31.7	27.1	30.0
- Total post-school "	67.0	62.4	64.1	40.1	33.5	37.8
<u>Educational Qualifications as % of all labour force, 1981</u>						
- Degree or equivalent	38.4	65.4	46.3	-	-	-
- Other post-school qualifications	9.1	42.2	20.1	-	-	-
- Total post-school "	15.2	46.7	25.4	-	-	-

Sources: Australian Bureau of Statistics:

- The Labour Force Australia, 1978; Cat.No. 6204.0.
- Employment Benefits, Australia, February to May 1979; Cat.No. 6334.0.
- The Labour Force Australia, August 1981; Cat.No. 6203.0.
- The Labour Force Australia, November, 1981; Cat.No. 6203.0.
- The Labour Force Educational Attainment February 1981; Cat.No. 6235.0
- Weekly Earnings of Employees (Distribution) Australia August 1981; Cat.No. 6310.0.
- The Labour Force Australia, August 1981; Cat.No. 6203.0.

Table 9: Employed Persons : Occupations in Community Services and in All Industries, August 1982

(N = '000)

OCCUPATIONS	Community Services						All Industries						Community Services % of all Industries		
	Men		Women		Persons		Men		Women		Persons		M	W	P
	N	%	N	%	N	%	N	%	N	%	N	%			
Professional, technical, etc.	213.6	54.7	375.1	56.9	588.7	56.1	538.1	13.4	440.1	18.9	978.1	15.4	39.7	85.2	60.2
Administrative, executive, managerial	9.6	2.5	6.6	1.0	16.3	1.6	369.4	9.2	60.5	2.6	429.9	6.8	2.6	10.9	3.8
Clerical	21.0	5.4	118.2	17.9	139.3	13.3	328.9	8.2	788.8	33.8	1117.7	17.6	6.4	15.0	12.5
Sales	*	-	*	-	*	-	259.9	6.5	292.2	12.5	552.2	8.7	-	-	-
Farmers, fishermen, timber-getters, etc.	9.6	2.5	*	-	10.2	1.0	344.9	8.6	99.1	4.3	444.0	7.0	2.8	-	2.3
Transport & communications	7.8	2.0	6.7	1.0	14.5	1.4	283.7	7.1	49.4	2.1	333.1	5.2	2.7	13.6	4.4
Trades, production process workers, n.e.c.	43.4	11.1	8.2	1.2	51.6	4.9	1669.8	41.6	222.8	9.6	1892.6	29.8	2.6	3.7	2.7
Service, sport and recreation	84.3	21.6	142.0	21.5	226.3	21.5	221.7	5.5	378.2	16.2	600.0	9.5	38.0	37.5	37.7
Total	390.4	(100)	659.8	(100)	1050.2	(100)	4016.4	(100)	2331.1	(100)	6347.6	(100)	9.7	28.3	16.5

Source: Australian Bureau of Statistics, The Labour Force Australia August 1982; Cat.No. 6203.

\* Sample too small for statistical inferences.

Of course, within this broad sector of industry there is a great diversity of occupations and levels of income; ranging from medical practitioners and paramedical professions, administrators of agencies, accountants, academics, teachers, social workers and a variety of other welfare workers; to clerical workers, drivers, office cleaners and labourers. But the majority (probably close to two-thirds) of persons and the dominant part of the people employed in community services consist of occupations which are either well or very well paid and also enjoy additional benefits, non-wage benefits, such as physical conditions and relative security of employment and autonomy. Thus the people employed in that sector now constitute a significant part of the middle class, or what has been defined by some analysts (e.g. Gould, 1981 and others) as the "new" middle class, as distinct from the "old" middle class referred to as bourgeoisie or petty bourgeoisie. Thus, whatever else the Welfare State has achieved, it has certainly created new employment opportunities and has contributed to the growth of the middle classes in industrialized societies. Secondly, it has contributed significantly towards creating opportunities for the employment of women.

#### The Welfare State and the "New" Middle Class

Much has been written in recent years about the growth of the "new" middle class in the industrialized countries of the Western world (e.g. Dreitzel, 1970; Giddens, 1973; Encel, 1978; Gouldner, 1979, Parkin, 1979; Gould, 1981, Browne, 1981). Similar observations have also come from the socialist countries of Eastern Europe, e.g. from Ossowski (1963) and Konrád and Szelényi (1979). It is evident from these studies that the "new" middle class has grown significantly since the end of World War II, mainly through the expansion of the public sector in industrialized economies. It has also gained economically as well as politically, for three reasons. First, it has grown in numbers, faster than other social groups, or classes. Second, because it occupies the middle of the left-right political spectrum, its voting power cannot be disregarded either by parties of the left or by those of the right. And third, to use a Marxian term, while this "new" class might not be in the control of the material means of production, it is influential in, and controls much of the intellectual, or mental, production. In other words, the "new" middle class through its intellectual output plays a significant part in defining the nature of social reality. This is particularly significant in the field of social policy, for it is the "new" middle class that produces social analysis, conducts research, offers advice to policy makers, and also administers and delivers the services.

The significant factor in the political power of the "new" middle class lies in the possession of knowledge obtained through the educational attainment of its members. As observed by Browne (1981: 464-465)

... its value in the labour market and its social position of dominance rests on educational services and academic qualifications... the new middle class is overwhelmingly formed through educational qualifications which are translated into positions of control and/or autonomy in the economy, and in political ideological institutions.

Gould (1981: 401-403) argues that one of the difficulties in arriving at a proper analysis of the Welfare State is the reluctance of practitioners and researchers in that area to include the "new" middle class in their analyses. This reluctance, Gould believes, amounts to the protection of self-interest because the inclusion of the "new" middle class would show that they —the salaried middle class(SMC)— have been the main beneficiary of the Welfare State, both as the providers of services (i.e., having well paid jobs) and as consumers (getting the benefits). He says (p.402) that,

the benefits to them (the SMC) are so great that we ought to consider the possibility that they constitute an independent class capable of pursuing and realising their own interests in competition or in collaboration with capital or labour.

As an example of the reluctance among researchers to examine the position of the "new" middle class in the structure of the Welfare State Gould points to Gough's The Political Economy of the Welfare State (1979).

The criticism appears to be justified, as Gough, while writing extensively on the class structure of the capitalist state seems to avoid the issue of the "new" middle class by saying that somehow the issue is beyond the scope of the analysis contained in his book. Gough admits the existence of the "new" middle class but dismisses the issue (p.28) by saying, "Unfortunately, we cannot pursue this question here". The reason for Gough's reluctance seems to be the difficulty of "fitting in" the "new" middle class into the neo-Marxist image of a dichotomous social structure. Gough says (p .59),

Unfortunately we cannot develop a sophisticated analysis of this contemporary class structure here. Suffice it to note that many of these intermediate groups (the exception is the disadvantaged substratum at the base of the working class) occupy, in Wright's phrase, a contradictory class location.

This is not surprising, for some of the neo-Marxist analyses of class structure do not seem to be based on the analysis of contemporary societies but resemble, rather, the method of the middle-age scholasticism. As Parkin (1979: ix) has observed,

Contemporary western Marxism, unlike its classical predecessor, is wholly the creation of academic social theorists... its content and design mark it out exclusively for use in the lecture theatre, the seminar room, and the doctoral dissertation. Hence, the strange and fascinating spectacle to be witnessed in social science faculties throughout western Europe and beyond of diligent bands of research students and their mentors busily combing through the pages of Theories of Surplus Value in search of social reality.

Thus, it seems, if the social reality does not fit the theory, one rejects the reality by denying its existence.

In the scope of this paper the issue of the "new" middle class, too, cannot be examined in any great length. I have raised it because of its relevance to the research in social welfare. For it is rather strange to observe that while the issue is acknowledged and considered by "non-committed" academic social analysts, it seems to be ignored by some of the researchers who claim to be committed to the principles of social justice, equity, and concern for "the disadvantaged". In reality, much of research in welfare in which the term "class" appears, consists of detailed examination of the life situation of the lower classes "down there" and vague references to the rich somewhere "up there". The middle classes which occupy such a large space in the social structure do not seem to exist.

One could suggest many reasons for this distorted perception of social, or class, structure that has been a feature of much of the recent research in social welfare. I will suggest only two. First is the selective, or residual, perception of the role of the Welfare State in modern industrialized economies which conceives of some state activities as "welfare" and of others as "not welfare". In that perception, "welfare" is related to survival and the other

forms of welfare which are related to social functioning receive little attention. As Sinfield argues in relation to the divisions of welfare (1978: 147-148),

What many policy analysts, especially selectivists, ... have failed to recognize is that the basic questions change when they are set in the wider context. The central concern shifts from asking why universal services are not enough for those who are seeking additional help, as they may appear to be to the rest of the population, to examining why those who are dependent on selective benefits are excluded from the resources and services available through the other two systems.

The second reason, I want to suggest, is the social, or class, position of the providers of welfare services as well as that of the analysts and researchers, and also their self-image of the function they perform. Mishra (1981: 22) agrees with Titmuss and Rein that research in social policy and social welfare has a factual, or "positive", element as well as a normative element. I would add that social welfare research, like any other social activity, generates also an element of self-interest. The last of these would probably be denied, because social welfare professions and those in the "welfare lobby" traditionally have tended to see themselves as the conscience of the community, speaking for those who cannot speak for themselves. But, as Room (1979: 256) observes, "There is a certain naivety over the accountability and beneficence of bureaucratized welfare professionals, taking for granted their promotion of citizens' interests".

While acknowledging the element of self-interest in welfare research, I do not question the genuine desire of most people in that field to seek social justice and a "good" society. Rather, I think, the selective perception in welfare research is due to tradition and to such practical aspects as the ease of access to captive audiences. However, I would agree with Sinfield (1978: 156), there is "the need to escape the traditional disciplinary and professional blinkers which have already functioned to advance a particular social construction of 'the welfare state'."

There is a need to recognize that the perception of social reality presented by the researchers in social welfare —like the perception of every person— is a mediated perception, influenced by the person's position in social, or class, structure. It is thus appropriate to note that Marx was perhaps

right in his belief that it is people's "social being that determines their consciousness". Failure to recognize this can lead, as it already has led, to justifiable criticism by the opponents of welfare expenditure who might say that welfare professionals show great concern for the disadvantaged position of "the poor" and criticize "the rich" while enjoying Aristotle's prescription that "the political partnership which operates through the middle class is best".

### Implications for Research

The argument presented in this paper indicates a need for a conceptual framework in welfare research in which the nature of the Welfare State can be seen in a wider perspective. Such a framework would include not only those welfare services concerned with the recipients' survival but also those which facilitate and enhance the recipients' social functioning. This I consider to be the necessary first step in any attempt to understand the processes through which inequalities in the society are created and maintained.

I have argued that a truncated perspective on society in welfare research is theoretically faulty, thus leading to invalid explanations or conclusions; and it is normatively suspect because it leads either to an outcome of "blaming the victim", or, at best, to a marginal amelioration of the examined conditions of the poor without disturbing the existing inequalities in the society. Furthermore, such a selective, or residual, perspective detracts attention from the processes through which inequalities are generated and from the social groups, or classes, which benefit from the Welfare State, (although the services they receive, or use, may be called by other names and not perceived as welfare). Hence, a narrow perspective on the nature of the Welfare State distorts social reality.

In the normative aspect of welfare research, I do not think that much progress can be made towards greater equity and equality in the distribution of resources and life chances by focussing attention in research on "the poor", measuring "poverty lines", and then arguing for marginal increases in income maintenance payments. The emphasis on residual welfare for the poor leads to a situation in which more and more people are removed from the mainstream of social life and become "welfare people". What is needed, I would argue, to make the Welfare

State work in practice as it is supposed to work in theory is not "more welfare" of a residual kind for the poor but social and economic arrangements and distribution of resources which would lessen the need for residual welfare. In order to have any chance of progress towards such conditions social welfare research needs to focus systematically, through comparative studies, not only on "the poor", but also on "the rich" and on the well-off in the middle order of social structure. In other words, welfare research needs to identify the "winners" as well as the "losers".

This does not mean, of course, that each research project should start with, or attempt to formulate, a "grand theory" of society. There are various levels of research, appropriate to the issue under investigation, and there is a place for macro-scale as well as for "middle range" and for micro-scale research. But each research project should be placed in some kind of context, in some kind of relationship; be this between the poor and the well-off, between the "deviant" and the "normal", or between the recipients and the providers.

I do not want to suggest any specific areas or priorities for research, as these suggest themselves from the "Welfare Spectrum" in Table 3 and from the argument in the paper. But in conclusion I would like to make some brief comments about the significance of the unit of analysis in relation to the individual and the family in the context of socio-economic stratification, or class structure; more specifically, about the unit of analysis in measuring income, tax, tax transfers, or income maintenance payments. The issues and problems in that area have received considerable attention in recent years (e.g., by Ingles, 1981; Apps, Savage and Jones, 1981; Ingles et al, 1982; Keens and Cass, 1982; and Saunders, 1982) with a diversity in research methods, as well as in the interpretation of results.

The issue in that area of welfare research that is of particular relevance to the class structure revolves around the relationship of the individual to his or her family unit in relation to income and wealth. For example, an individual may have a relatively low income but can draw on the resources of the family, by sharing facilities, assets and costs; by gifts inter vivos, or by inheritance. Yet, this aspect of individual and family life appears to have received little attention in welfare research.

The preference in measuring income for using the individual as the unit of analysis, and the reason for this appears to be mainly that of feasibility. For example, Ingles (1981: 55) says,

Although I have noted that the household is the unit which may come closest to reflecting the true extent of income and cost sharing, in many respects this is the least useful unit for policy purposes since a household tax and social security unit is almost inconceivable.

No doubt, the difficulties in using the family or household, as the unit of analysis are real. However, most people in Australia live in family units. According to the ABS survey of June, 1982, (Cat.No. 4407.0), 86.3 per cent of the Australian population lived in households consisting of members of one family: 78.8 per cent lived in married couple families (both legally married, or not); 4.5 per cent lived in one-parent families; and 2.9 per cent lived in other family arrangements. Of the remainder, 6.8 per cent lived in households consisting of one family and unrelated individuals or in households with more than one family or with two or more unrelated persons. Only 6.9 per cent of the population lived alone.

Thus the prevalent unit of income and expenditure in Australia is the family rather than the individual. It is true that individual family members may earn and retain their own incomes or incur individual expenditure, but they share some assets, such as housing and household goods, thus saving on the cost of living. The family is also the institution through which wealth is generated, shared, and transferred from one member to another, or from one generation to another. This being so, there is some truth in the argument that the institution of the family serves to generate inequalities in the society and maintain them over time. As some people inherit wealth, others inherit poverty. Thus, while the family may not be an appropriate, or feasible, unit of analysis for measuring the distribution of income, it certainly seems appropriate as a unit of measurement of the distribution of wealth.

It is therefore interesting to note the conspicuous absence of the issue of wealth distribution in most welfare research. Yet, to include wealth as well as income in welfare considerations would be more significant now than in the earlier periods because today the distinction between income and wealth is often made only by the "accounting convention" designed to protect the

wealthy. The members of the well-off families —the middle classes and the rich— are able to arrange their affairs in such a way as to show a minimum of income while at the same time enjoying what Titmuss defined as the "command over resources through time". The institution of the family thus becomes a locus of hidden inequality, and the failure to include the distribution of wealth becomes a form of discrimination against the lower classes.

The issue of the distribution of wealth is perhaps one of the most significant issues that has been neglected in welfare research. This neglect is another aspect of the truncated perspective on the Welfare State, which has contributed to the distortion of social reality. It is time, I think, to widen the scope and vision of welfare research so that the role of the Welfare State in modern economy can be revealed in its true perspective.

REFERENCES:

APPS, P., SAVAGE, E., JONES, G. (1981) 'Tax Discrimination by Dependent Spouse or Joint Taxation, The Australian Quarterly, Vol. 43(3), Spring, 262-279.

AUSTRALIAN BUREAU OF STATISTICS:

- (1978) The Labour Force Australia; Cat.No. 6204.0.
- (1979) Employment Benefits Australia, February to May; Cat.No. 6334.0.
- (1980) Child Care Arrangements Australia, June; Cat.No. 4402.0.
- (1981) Estimated Resident Population Australia, June 1971 to June 1981; Cat.No. 3201.0.
- (1981) The Labour Force Educational Attainment, February; Cat.No. 6235.0.
- (1981) The Labour Force Australia, August; Cat.No. 6203.0.
- (1981) Weekly Earnings of Employees (Distribution), August; Cat.No. 6310.0.
- (1981) The Labour Force Australia, November; Cat.No. 6203.0.
- (1982) The Labour Force Australia, May; Cat.No. 6203.0.
- (1982) Consumer Price Index, June Quarter; Cat.No. 6401.0.
- (1982) Australia Demographic Statistics Quarterly, June; Cat.No. 3101.0.
- (1982) Australian Families (Preliminary); Cat.No. 4407.0.
- (1982) The Labour Force Australia, August; Cat.No. 6203.0.

BROWNE, K. (1981) 'Schooling, Capitalism and the Mental/Manual Division of Labour', Sociological Review, Vol. 29(3), 445-473.

BRYSON, L. and EASTOP, L. (1980) 'Poverty, Welfare and Hegemony, 1973 and 1978', The Australian and New Zealand Journal of Sociology, Vol. 16(3) November, 61-71.

DEPARTMENT OF SOCIAL SECURITY (1982) Annual Report 1981-82, Australian Government Publishing Service, Canberra.

DONNISON, D.V. et al (1965) Social Policy and Administration, George Allen and Unwin, London.

DREITZEL, H.P. ed. (1970) Recent Sociology No.1: The Social Basis of Politics, Macmillan, London.

ENCEL, S. (1978) 'Capitalism, the Middle Classes and the Welfare State', in Wheelwright, E.L. and Buckley, K. ed. Political Economy of Australian Capitalism, Vol. 2, Australia and New Zealand Book Company, Sydney.

GEORGE, V. and WILDING, P. (1976) Ideology and Social Welfare, Routledge and Kegan Paul, London.

GIDDENS, A. (1973) The Class Structure of the Advanced Societies, Hutchinson, London.

GOUGH, I. (1979) The Political Economy of the Welfare State, Macmillan, London.

GOULD, A. (1981) 'The Salaried Middle Class in the Corporatist Welfare State', Policy and Politics, Vol. 9(4), No.4, 401-418.

GOULDNER, A.W. (1979) The Future of Intellectuals and the Rise of the New Class, Macmillan, London.

GRAYCAR, A. (1979) Welfare Politics in Australia: A Study in Policy Analysis, Macmillan, Melbourne.

- GRAYCAR, A. ed. (1983) Retreat from the Welfare State: Australian Social Policy in the 1980s, George Allen and Unwin, Sydney.
- HEAD, B.W. (1980) "Inequality, Welfare and the State: Distribution and Redistribution in Australia", The Australian and New Zealand Journal of Sociology, Vol. 16(3) November, 44-51.
- INGLES, D. (1981) Statistics on the Distribution of Income and Wealth in Australia, Research Paper No. 14, Department of Social Security, Canberra.
- INGLES et al. (1982) Taxation Expenditure, Research Paper No. 17, Department of Social Security, Canberra.
- JACKSON, D. (1972) Poverty, Macmillan, London.
- JAMROZIK, A. (1982) "Ageing and Income Support", in Graycar, A. ed. Age Care - Whose Responsibility, SWRC Reports and Proceedings No. 20, Social Welfare Research Centre, University of New South Wales, Kensington.
- JAMROZIK, A. (1983) "Universality and Selectivity: Social Welfare in a Market Economy", in Graycar, A. ed. Retreat from the Welfare State, George Allen and Unwin, Sydney, 171-188.
- JAMROZIK, A., HOEY, M., LEEDS, M. (1981) Employment Benefits: Private or Public Welfare? SWRC Reports and Proceedings No. 15, Social Welfare Research Centre, University of New South Wales, Kensington.
- KEENS, C. and CASS, B. (1982) Fiscal Welfare: Some Aspects of Australian Tax Policy: Class and Gender Considerations, SWRC Reports and Proceedings No. 24, Social Welfare Research Centre, University of New South Wales, Kensington.
- KONRÁD, G. and SZELÉNYI, I. (1979) The Intellectuals on the Road to Class Power, Harcourt Brace Jovanovich, New York.
- LAHEY, K.A. (1981) Taxation of Fringe Benefits, Taxation Series B. 1980, Monash Law Faculty, Melbourne.
- LE GRAND, J. (1982) The Strategy of Equality: Redistribution and the Social Services, George Allen and Unwin, London.
- MISHRA, R. (1981) Society and Social Policy: Theories and Practice of Welfare, Second Edition, Macmillan, London.
- OFFE, C. (1976) Industry and Inequality: The Achievement Principle in Work and Social Status, Edward Arnold, London.
- OSSOWSKI, C. (1963) Class Structure in the Social Consciousness, Routledge and Kegan Paul, London.
- PARKIN, F. (1979) Marxism and Class Theory: A Bourgeois Critique, Tavistock Publications, London.
- PARLIAMENT OF AUSTRALIA (1982) Budget Statements 1982-1983; Paper No. 1, Australian Government Publishing Service, Canberra.
- REIN, M. (1981) "Private Provision of Welfare", in Henderson, R.F. ed. The Welfare Stakes, Institute of Applied Economic and Social Research, Melbourne, 9-42.

- ROOM, G. (1979) The Sociology of Welfare: Social Policy, Stratification and Political Order, Basil Blackwell, Oxford.
- SARGENT, M. (1982) Poverty, Structural Inequality and Change, Paper presented at the Conference on Social Policy in the 1980s, Canberra, May 28-30.
- SAUNDERS, P. (1982) Equity and the Impact on Families of the Australian Tax-Transfer System, Institute of Family Studies Monograph No.2, Melbourne.
- SINFIELD, A. (1978) "Analyses in the Social Division of Welfare", Journal of Social Policy, Vol. 7(2), 129-156.
- SOCIAL WELFARE POLICY SECRETARIAT (1981) Report on Poverty Measurement, Australian Government Publishing Service, Canberra.
- STANTON, D.I. (1980) "The Henderson Poverty Line — A Critique", Social Security, December, Australian Government Publishing Service, Canberra, 14-24.
- SWEENEY, T. and JAMROZIK, A. (1982) Services for Young Children: Welfare Service or Social Parenthood? SWRC Reports and Proceedings No. 19, Social Welfare Research Centre, University of New South Wales, Kensington.
- SWEENEY et al (forthcoming) Child Care: The Users' Perspective, Social Welfare Research Centre, University of New South Wales, Kensington.
- TITMUSS, R.M. (1956) "The Social Division of Welfare: Some Reflections on the Search for Equity", in Titmuss, R.M. (1976) Essays on the Welfare State, Third Edition, George Allen and Unwin, London.
- TITMUSS, R.M. (1976) Commitment to Welfare, Second Edition, George Allen and Unwin, London.

## SWRC Reports and Proceedings

- No. 1 J. Moller (ed.), Data for Welfare Decision Making, September 1980, 51 pp. \$4.
- No. 2 Peter Saunders (ed.), The Poverty Line : Methodology and Measurement, October 1980, 54 pp. \$4.
- No. 3 Michael Morrissey and Andrew Jakubowicz, Migrants and Occupational Health : A Report. November 1980, 92 pp. \$3.
- No. 4 Jan Carter, States of Confusion : Australian Policies and the Elderly Confused, January 1981, 50 pp. \$3.
- No. 5 Adam Graycar and David Kinnear, The Aged and the State : A working Paper, Revised edition, September 1982, 119 pp. \$4.
- No. 6 Michael Liffman, Immigrant Welfare : A Research Perspective, April 1981, 40 pp. \$3.
- No. 7 Bettina Cass, Unemployment and the Family : The Social Impact of the Restructuring of the Australian Labour Market, April 1981, 55 pp. \$3.
- No. 8 Adam Jamrozik and Marilyn Hoey, Workforce in Transition : Implications for Welfare, May 1981, 74 pp. \$4.
- No. 9 Robert V. Horn, Fiscal Welfare Effects of Changes in Australian Income Tax, 1972-73 to 1980-81, May 1981, 59 pp. \$3.
- No. 10 Concetta Benn, The Developmental Approach : Demonstration Programs in the Brotherhood of St. Laurence, May 1981, 20 pp. \$3.
- No. 11 Bettina Cass (ed.), Unemployment : Causes, Consequences and Policy Implications, August 1981, 72 pp. \$3.
- No. 12 Adam Jamrozik and Robin Beck, Worker Co-operatives : An Evaluative Study of the New South Wales Worker Co-operative Programme, August 1981, 178 pp. \$5.
- No. 13 Robert V. Horn, Extra Costs of Disablement : Background for an Australian Study, September 1981, 25 pp. \$3.
- No. 14 P.R. Kaim-Caudle, Cross National Comparisons of Social Services Pensions for the Elderly, September 1981, 47 pp. \$3.
- No. 15 Adam Jamrozik, Marilyn Hoey, Marilyn Leeds, Employment Benefits : Private or Public Welfare?, November 1981, 138 pp. \$4.
- No. 16 Linda Rosenman, Widowhood and Social Welfare Policy in Australia, January 1982, 75 pp. \$3.
- No. 17 Adam Graycar and Wendy Silver, Funding of Non-Government Welfare : Agencies Serving Disabled People in Western Australia, January 1982, 89 pp. \$3.
- No. 18 Vivienne Milligan and Margaret McAllister, Housing and Local Government : An Evaluation of the Waverley Community Housing Officer Project, February 1982, 109 pp. \$3.
- No. 19 Tania Sweeney and Adam Jamrozik, Services for Young Children : Welfare Service or Social Parenthood?, March 1982, 144 pp. \$4.
- No. 20 Adam Graycar (ed.), Age Care - Whose Responsibility?, March 1982, 49 pp. \$3.
- No. 21 Bettina Cass, Family Policies in Australia : Contest over the Social Wage, May 1982, 41 pp. \$3.
- No. 22 Tania Sweeney, An Analysis of Federal Funding of Children's Services - A Sourcebook, May 1982, 63 pp. \$3.

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

(continued on back cover ... )

(Continued from inside cover ... )

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