Many families and children face increased uncertainty and insecurity as a result of radical economic and social changes. The impacts are particularly experienced in the nature of work and family life and have implications for the emotional attachments and the experience of trust of all family members, especially children.

Australian governments commit themselves to achieve positive long-term outcomes for children. However, risk management approaches undermine the capacity of services to provide secure and supportive relationships, so important to troubled families and children. An alternative approach is proposed.

In this opinion piece we argue that, as the Western world undergoes a period of profound economic and social change, insufficient attention is being paid to how that change, and the consequential risks and uncertainties that are generated, could be managed by governments to strengthen and protect families.

We maintain that the material insecurities associated with change are likely to undermine the strength of relationships, so important to family stability and to children’s development. We also argue that the way family and children’s services are funded and delivered means that these problems of uncertainty and relationship instability are compounded.

While vulnerable families have always been subject to both risk and uncertainty, the modern welfare state softened their impacts in the interests of stability, equity and optimising the futures for children. We contend that, in a period of profound change, the management of risk currently delivers certainty to those with social power and secure in their inclusion, at the expense of those unable to control their own participation in today’s economy (Taylor-Gooby 2000). This distribution of risk and uncertainty is of particular importance to parenting, which more than ever is a long-term project, requiring a firm and secure foundation in the present (Bourdieu 1998, cited by Bauman 2002: 177).

In terms of outcomes, these management processes result in policy shifts from collectivising the response to uncertainty to relocating it within families, individuals and localities; from solving social problems to managing them; and from program approaches to social problems based on treatment to approaches based on harm minimisation (Beck 1992; Rose 1999; Garland 2001). And at the level of practice, governments are adopting radically different approaches to the funding and delivery of services, including the transfer of the responsibility for the delivery of services to contracted providers. All these changes have implications for the distribution of risk.

This paper examines the forces that generate risks, and their differential effects on families – economically and socially. It also focuses on the risk management practices of governments at the level of service delivery, particularly through the contracting of services for vulnerable families and children. It suggests that while these approaches are likely to reduce the exposure to risk of governments and their administering agencies, they are increasing the uncertainty of families who are confronting contemporary change. It then proposes changes in the policies and practice of government, which would address this inequitable and destructive distribution of risk.

Forces of uncertainty, control of risk, and their impacts on families

Giddens (2001) identifies three great changes at the end of the 20th century that fuelled both increased uncertainty and opportunity. These are globalisation, the knowledge economy, and the rise of individualism. In many countries, particularly English-speaking countries, a dominant response has been to adopt neo-liberal strategies with a greater reliance on the market, thereby shifting the risks and uncertainties generated by these
changes from governments onto families and communities (Saunders 2002). It is the dynamic interplay between these different forces that is transforming societies. The impact of this interplay on families and children is unequal (Esping-Andersen 2001).

Globalisation refers to increased economic, cultural and social interaction between countries. Such interaction is not new, but in combination with the knowledge economy and neo-liberalism, we now have a form of economic globalisation that is more intense and extensive. Alongside economic globalisation is greater individualisation or “reflexivity” (Jacobs 2001; Giddens 2001; Taylor-Gooby 2000) – meaning a greater focus on personal autonomy and personal choice. Its impact is also uneven, with general uncertainty increased along with a lack of trust in institutions and experts (Wheelcock 2001), but with a greater vulnerability for those individuals who have less power to make their own way (Taylor-Gooby 2000).

The interactive forces of globalisation, the knowledge economy and economic change (the post-industrial economy), individualisation, and neo-liberalism, are creating profound insecurities in the lives and prospects of many families and children, principally because they are changing the nature of the labour market and the nature of family life.

The labour market position of low-skilled people has declined worldwide, the male breadwinner model has been undermined by male unemployment and increased female labour market participation, and family formation and structure have also changed significantly (Esping Andersen 2001; Wheelock 2001). In Australia, as elsewhere, the results are the uncertainties and inequalities that arise from high levels of unemployment, more jobless families alongside two-earner households, a growth in separation, divorce and sole-parent families, housing difficulties, family income inequality, and continuing (if not increased) levels of child poverty.

Governments have increasingly responded to these intractable problems in ways that have limited their exposure to the risks of failure and of excessive cost burdens – for example, the abandonment of full employment as an objective and a responsibility. And so “the upshot is that new risks and resource needs are bundling heavily on youth and in child families . . . presently, both markets and families create widespread insecurity, precariousness, and often social exclusion” (Esping-Andersen 2001: 135).

For parents and children, unemployment, joblessness and poverty are often accompanied by the uncertainties that arise from disrupted relationships, poorer health, financial difficulties and stress, and the sense that it is not possible to plan for the future (McClelland 2000). At June 2000, 14 per cent of dependent children in Australia were in jobless families (ABS 2001). Children are much more likely to experience poverty when their parents do not have paid work (McClelland 2000). The increase in sole-parent households has also contributed to child poverty. The proportion of Australian families with a dependent child aged 0-14 years headed by a lone parent, increased from 14.6 per cent in 1986 to 21.4 per cent in 2001 (Birrell et al. 2002).

For low-skilled parents, uncertainty does not necessary end with a job. The nature of the labour market is changing. During the 1990s, job growth in Australia was almost entirely in part-time employment for low-skilled, low-paid work (Borland et al. 2001). There are now more casual jobs and more people who are under-employed than previously. Many parents now have precarious work, and are not in secure full-time employment.

These changes are related to a move away from the standard pattern of full-time, full-year employment for males, characteristic of the post World War II era, and which were critical to the experience of earnings security for families. They have also contributed to an increase in housing insecurity which “has become yet another ‘risk’ shouldered by individuals and families” (Wulff 2001: 57). There is an increasing disconnection of home ownership from other life course events and a decline in home purchase for couples aged less than 35 years with children. Governments are moving from supporting low-income families’ housing through public housing, towards support through the more insecure private rental market, and there is an increase in homelessness affecting families with children (Wulff 2001; Burke 1998). The security of the home is very important in our overall concept of security, especially for children (Woods 1999).

For children where both parents work, time with parents may be more uncertain. Where families have two earners, time pressures are likely to present a caring deficit (Wheelock 1999). The increase in paid work by mothers has not been accompanied by a commensurate increase in household work by fathers, and mothers are likely to be carrying a double load. Fathers who work full-time are also likely to be working longer hours than before. These pressures may be more acute in low-skilled, low-wage households where parents do not have the labour market power to obtain the benefits of family-friendly work practices (Dean and Shar 2002; Gray and Tudball 2002). For families where low-skilled fathers cannot obtain work, this is not translating to their return to nurturing, but is contributing to depression and family discord (McClelland 2000).

Overall, therefore, more “dimensions of life are subject to uncertainty and choice” (Jacobs 1999: 325), and the “family would appear to be less a haven of ‘affective security’ and more, as old securities diminish and new insecurities arise, a site for the negotiation and creation of risk” (Simpson 1999: 121). But the impact is unequal, bearing most heavily on those vulnerable families most affected by unemployment, joblessness or precarious work, and less on families where parents are highly skilled, likely to have well-paid jobs and the income to enable them to exercise choice and control, and likely to perceive risks as “opportunities”.

**What risk management and new business rules mean for services**

For many children and families, risk and uncertainty are further compounded by changes to the way services are delivered. Governments have sought to increase their certainty through radically transformed
business practices. Competition policies, contracting out services, and managerialism have driven the “reinventing of government” (Osborne and Gaebler 1993) in order to deliver both ideological goals and the reduction of governments’ exposure to risk.

Changes to the ways governments manage services in Australia – introduced in the name of efficiency, accountability and improved choice for service users – have contributed to fragmentation, and narrow and tightly targeted service models. These outcomes are not surprising; they were intended. In the mid-1990s, the Victorian Department of Health and Community Services (DH&CS) issued guidelines for “output-based” funding, which specified that “the purpose of the service definition is to narrow the focus of the service being purchased and separate it from other services” (Kettner and Martin 1985, cited in DH&CS undated: 13). The result for many vulnerable families and children has been increased uncertainty through multiple short-term interventions, multiple providers, and constantly changing front-line workers (Victorian Parliament 2002).

In Victoria, the Australian state that led the way in neo-liberal reform in the early 1990s, the changes to the operations of government were encapsulated in the “new business rules”, which transformed their relationships with providers, service users and other key stakeholders. This term became popular in the human services portfolio of that state, as it captured the radical nature of the changes in the practices of the purchasing departments. The thematic, complex and long-term elements of health, community and family services had to be subjugated to an economic, market-based logic, which required the precise definition of products, optimal demarcation of services, delivery in compressed time, and the enumeration of these services and products for accountability purposes (Victorian Department of Treasury and Finance 1995). Contracts have been the principal vehicle for asserting this economic logic over services for families.

In health and community care, the introduction of casemix was the flagship and the template, demonstrating how the process of enumeration, through the identification and measurement of an intervention or episode of service, could rein in the opaque and proprietary expertise of the clinicians. The considerable benefits to the purchaser included greater certainty due to clear and precise output definition, and cost containment by limiting the scope and timeframe of the service. Further, transactions were more transparent, productivity could be measured, and efficiency improved. Accountability requirements of providers were increased, and their power reduced. Such business practices were well suited to the needs of a government attempting to reduce the influence that professionals and providers had over volatile and sensitive services, and reduce their exposure to risks.

The new business rules delivered certainty and predictability in the delivery of short-term, technical and clinical services. The logic of casemix favours tangible, objective, and concrete products, which can be counted and tracked. This results in certainties, which governments and the market require.

The implications of these business strategies and their effects on service users have been the focus of significant policy and program reviews. As recently as 2002 the Victorian Parliament, through its Public Accounts and Estimates Committee, was strongly recommending a “review of the suitability of the output-based purchasing model for funding community, health and welfare services”, particularly for “clients with varying complexities of need and evolving needs over time”, and to more effectively “accommodate preventative as well as direct service provision” (2002: 175-6). Evidence given to the Committee was highly critical of the business rules and output-based funding, which providers argued “places the focus of a service on client throughput rather that on outcomes for clients” (2002: 20). The Committee recognised that the construction of tightly defined episodes or interventions is problematic in services where outcomes are dependent on relationships rather than technical procedures or concrete products.

The investigation of the NSW Commission for Children and Young People (2002), Children with no one to turn to, concluded that, above all else, relationships were the most important outcome of services for children. A number of other major policy reviews identified problems with downgrading of relationships and “throughput models” of service delivery in the era of contractualism. These include the NSW Community Services Commission’s report on the experiences of children and young people in foster care (2000), the Victorian Community Care Review (Carter 2000), and the Victorian Integrated Child Protection Strategy (DIHS 2002). Alongside these reports is the growing body of analysis and evidence, which supports the importance of key relationships and connections, for the security of families and the development of children (Fuller 1998; Marris 1996b; Simpson 1999).

In summary, the application of these risk management business strategies to family and children’s services has largely failed, for two major reasons.

First, these services are based on relationships, not transactions or clinical interventions. For children and parents, certainty is based on trusting relationships and the experience of attachment (Marris 1996b). Multiple and compressed interventions provided by different services and workers, even those judged to be of high quality, do not meet children’s need for security based on trusting and continuing relationships. The business rules and, in particular, output-based funding as currently practiced, rarely supports or even recognises trusting relationships as the outcomes required for children’s experience of attachment, or the strengthening of families (NSW Commission for Children and Young People 2002; NSW Community Services Commission 2000; Victorian Parliament 2002).

Second, for services aiming to strengthen enduring and secure relationships, the “outputs” required are relationships built over time. The experience of attachment and the development of trust cannot be achieved within short-term interventions. However, the logic of the business rules almost always favours “episodes”, focusing on the visit, the intervention, or
Improving economic and social certainty for families

Significant changes to the risk management practices of government are needed to reduce the impacts of uncertainty on families and children. This applies both to the management of the significant forces of globalisation, economic change and individualism, and to the management of child and family services.

How can the forces of change be better managed? And how can the management of child and family services be improved?

Managing change

The forces of significant change will continue to exert a strong influence for the foreseeable future. However, improved management is needed, especially by governments who need to take more responsibility, and bear more of the risks, for dealing with intractable problems such as unemployment and poverty. How to do this is the subject of continuing and important debates. There is general agreement, however, that we cannot return to the securities of past arrangements – either economic or social (and this includes the conventional family) (Esping-Andersen 2001; Saunders 2002; Carney and Ramia 2002). We will need a different welfare state configuration with changes to the roles and contributions of governments, families, markets and community organisations.

In Australia, one such configuration has been coined “the new social settlement” (O’Donnell and Hancock 2000: 7). It entails the search “for an acceptable and achievable blend between the old ideas of social citizenship and the framework established by new welfare” (Carney and Ramia 2002: 145). And it is generally accepted that this blend “must thus involve theorising, designing and implementing policies that draw on new ideas that span the traditional left–right divide. There is no going back to a bureaucratic model of standardised state provision because it is not possible to unravel the choices and market mechanisms that are now intertwined in the social fabric.” (Saunders 2002: 10)

For children and families in Australia, whatever the configuration of the new social settlement, the earlier analysis about the impacts of change on families points to a number of fundamental areas that need attention. These areas include better employment outcomes, housing security, minimum income guarantees, and a rebalancing of the household economy.

We need improved employment outcomes, especially the generation of more jobs, so that families with children have the option of having at least one parent in paid work or, in many cases, two parents, as is increasingly required for family economic security (Esping-Andersen 2001). Housing security requires an increased supply of low-cost, secure housing in areas of employment opportunities, in “ways that offer security of tenure and the personal freedom associated with ownership” (Wulff 2001: 63). Further, a minimum income guarantee for families with children would provide the safety net to protect children from poverty.

Rebalancing the household economy requires action to allow parents to combine paid work and family responsibilities. Here, the challenge is to alleviate the difficult choices faced, particularly by women, between work participation and caring. This means improving the access by low-income families to family-friendly work practices (including maternity and parental leave arrangements) and affordable child care, continued and improved income support for caring of young children at home, and reducing the gender division of unpaid, caring work (Gray and Stanton 2002).

Action in these four areas – generating jobs, improving housing supply, ensuring a minimum income, and balancing work and family – are the basic requirements for providing social and economic certainty for families. But governments’ sense of responsibility (and capacity) for achieving these things is limited by their approaches to risk and uncertainty. The old social settlement was marked by the preparedness of governments to commit to full employment, to undertake a new and bold approach to housing families, and to develop new payments for families at risk. The new social settlement must be marked by a similar commitment, even if it needs to be achieved in a less bureaucratic way, that is more responsive to different needs, and capable of working in partnerships with business and the community.
**Improving certainty through service delivery**

Changes designed to deliver greater economic and social certainty such as those outlined above need to be complemented with changes to the way that services are delivered to troubled families. This means redesigning contracts so that their primary focus is the delivery of long-term secure relationships for children, within their families, substitute families, and supportive communities. It is in the realm of relationships that governments and service providers have opportunities to improve children's experience of security and attachment. While contracts based on *interventions* are the vehicles preferred by the market for defining and delivering personal services, it is contracts based on *relationships* that challenge the current distribution of risk between families, providers and purchasers.

The role of relationships in the experience of care has been missing in public policy since the introduction of the contract as the principal vehicle for implementing government policy and managing risk. George Soros (2002) has observed: “Lasting relationships have been replaced by individual transactions. A transactional society undermines social values and loosens moral constraints. Social values express a concern for others. But a transaction economy is anything but a community.”

In their work on relationship-based social policy, Henderson and Forbat (2002) point out that even in the realm of informal care within the family “the importance of the interpersonal or relational component of care exchanges is not an understanding that is woven through policy” (p. 677). The feminist understanding of care as “emotional labour”, essentially constructed and “subsumed” within the distinctive meaning of relationships (p. 684), is the essential element of support programs for families and substitute care for children.

Services working to address the consequences of uncertainty in the lives of families and children must be able to deliver certainty in relationships if they are to be part of the solution rather than the problem. Most providers do in fact struggle to build relationships of trust and certainty. But in doing so, they continually confront the limitations imposed by a market logic which, eschewing dependency, always favours short-term contracts for short-term interventions.

While Australian state governments commit themselves in principle to achieve long-term outcomes for children, appropriate strategies to operationalise these commitments are largely absent (Wise 1999). Such strategies would involve systems for purchasing services that valued and delivered continuing and secure relationships to families and children. They would require bi-partisan political agreements to safeguard long-term support of families in local communities, and secure continuing relationships for children in out of home care. The significance of these objectives for the futures of children transcends marginal political differences and the reluctance of risk adverse governments to enter long-term agreements.

Long-term contracts would be a significant vehicle for improving the commitment, security and confidence of providers working to support and strengthen vulnerable families. In addition, long-term contracts would enhance their readiness to invest in local community networks and partnerships. Stronger communities are those where local relationships are based on trust, and trust can only be built on the basis of actions and communications, which take place over time (Cox and Caldwell 2000).

Long-term relationship-based contracts would require new performance measures to drive a radically different approach and to meet appropriate accountability requirements. Production and turnover figures based on short time frames must give way to the targets of continuity, persistence and the preservation of relationships within families, between family members and local services, and between providers and their local communities.

Rather than being rewarded for increased throughput, the casualisation of their workers, and early discharge or closure, providers would be supported for practices which foster staff retention, protect staff from the stressful effects of intensive relationship-based work, and reward innovation in continuity rather than rapid discharge and closure. Unit costs for relationship-based contracts would be higher and require a greater commitment to family support services from governments over the long term.

However, this increase in expenditure must be seen in the context of the costs now arising from existing policy failure, and the futility of short-term interventions for families who are bearing the greater burden of uncertainty (National Crime Prevention 1999; FaCS 2000; Tomison and Poole 2000).

**Conclusion**

The central proposition of this paper is that there is now an unfair and untenable re-distribution of risk to vulnerable families and children (Marris 1996; Culpitt 1999). This problem arises from governments’ responses to the forces of globalisation and change at the levels of both their policies and business practices. In particular, risk management policies in the sectors of employment, income and housing are compounded by management or business practices that favour short-term, fragmentary and emergency interventions and services. Increasingly it is assumed that the community will fill in the gaps (FaCS 1999, cited in Cox and Caldwell 2000).

The outcomes for vulnerable families include not only reduced participation in the economy and greater insecurity, but also the experience of services which fail to support relationships based on continuity and trust. As Cox and Caldwell (2000) point out, the processes of contracting are directed to issues of price and outputs, not the quality of relationships (p. 68). Further, fostering the conditions that strengthen families are not compatible with the prevailing orthodoxy of short-term, instrumental and fragmented interventions (p. 43).

There is increasing recognition of the damaging effects of these policies and practices for the attachments, security and long-term relationships of

This paper argues that governments have a clear responsibility to address the distribution of risk and take appropriate action to enhance rather than diminish opportunities for secure and trusting relationships. But as stated by Culpitt (1999: 4), the prevailing unfair distribution of uncertainty to those most vulnerable to its impacts will only be changed if governments are prepared to identify the moral cause of justice as more important than the minimising of their own risk.

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