Earlier this year, the editorial team of *Family Matters* commissioned a set of papers for a special issue of the magazine devoted to the question of social policy and its impact on family life in Australia. Every author that we approached agreed to write something for us, and this issue is the result.

**Overview of themes**

In inviting people to write for us, we were particularly keen to generate papers looking at the changing system of state welfare and how it relates to family life. Reform of the welfare and social security systems is at the forefront of political debate in many western nations, including Australia, and in September this year the Minister for Family and Community Services, Jocelyn Newman, announced that welfare reform was to be a key priority in the Federal government’s legislative program. In putting together this special issue of *Family Matters*, we hope to contribute to the debate which will inevitably follow from the government’s determination to reform the Australian welfare state.

Any reform of the welfare state obviously has important implications for Australian families. This is because, in some significant ways, the modern welfare state and the family can be seen as functional substitutes for each other. Obviously the state cannot supply the affection that we look for in family life, any more than the family can supply the range of services and level of support that the state can provide. But in general, the more the welfare system does, the less the family is likely to be required to do, and vice versa. This is why welfare policy and family policy are so closely linked – change in one will normally imply change in the other.

Given that so many of the problems being confronted in Australian public policy are also being addressed in other developed countries, it made sense for us when putting this issue together to solicit contributions both from within and from outside Australia. There are some striking similarities in the issues and debates currently taking place in the English-speaking countries such as Britain, the United States and Australia, and these are reflected in several of the papers.

From America, we have a paper by Lazerence Mead, Professor of Politics at New York University, and a key influence on recent welfare reform debates in all three of these countries. Mead is author of two influential books – *Beyond Entitlement* and *The New Politics of Poverty* – which have helped shape both the Clinton and Blair governments’ welfare reforms, and he will be visiting Australia in July 2000 when he will be a keynote speaker at the Australian Institute of Family Studies conference in Sydney.

Mead’s paper is in turn criticised and evaluated by Frank Field, the British Labour Member of Parliament who has for years been a leading advocate of social security reform in the United Kingdom. Formerly the head of the Child Poverty Action Group, Field has been a leading figure in social policy debates in Britain since the 1970s, and in 1997 Tony Blair made him a junior minister in Britain’s new Labour government, responsible for ‘thinking the unthinkable’
Two other contributors focus on labour market policy. Belinda Probert, a sociologist at the Royal Melbourne Institute of Technology, critiques the impact of labour market deregulation on women’s ability to combine career and child rearing, and Bruce Bradbury, of the Social Policy Research Centre, looks at comparative rates of child poverty across different developed countries and suggests that low earned income levels (associated with more loosely regulated labour markets) are the main reason why these rates are higher in the English-speaking countries.

In addition to inviting contributions from academics, we also approached politicians. We have contributions from both Jocelyn Newman, the Minister for Family and Community Services, and her opposite number on the Labour benches in Parliament, Wayne Swan. The Minister outlines her government’s family policy and defends its record while Wayne Swan draws attention to declining fertility rates in Australia and argues that government needs to offer more support to parents if we are to arrest this worrying trend.

Our list of Australian federal politicians is completed with Kevin Andrews, who as chair of the House of Representatives Standing Committee on Legal and Constitutional Affairs was responsible for the influential report, To Have and To Hold. This report did much to alert the government to the social and economic costs of the rising number of fragmented families in Australia, and it contributed to the development of the new National Families Strategy which seeks to develop early interventions to prevent family breakdown.

With papers from Australians as well as eminent figures from overseas, from academics as well as politicians, from socialists, liberals and conservatives, from feminists and from those who remain sceptical about some of the changes that feminism has brought about, we have deliberately ensured that a wide range of opinions is represented in this issue of Family Matters. By bringing all these different contributions together, this special issue continues to redeem a promise contained in the current Research Plan of the Australian Institute of Family Studies (which is itself grounded in the duties of the Institute as specified in the 1975 Family Law Act).

While insisting that the Institute should not be partisan and should avoid polemics, the Research Plan commits us to getting involved in public debates, and it explicitly recognises the importance of publishing work which is at the cutting edge of current arguments and which some may therefore consider ‘contentious, unpopular or against the grain of contemporary thinking’ (Saunders 1999: 1-2). Readers will doubtless agree wholeheartedly with some of the papers that follow while disagreeing vehemently with others. That is all to the good. Some of the approaches represented here have too often been ignored or crudely caricatured by opinion leaders in the academic and policy communities. It is time all sides began reading what the others have to say.
The welfare state and social cohesion

There is strong and widespread popular support for the welfare state in both Australia and the United Kingdom. Although the welfare systems in the two countries are very different (Australia has always been more committed than the UK to targeted benefits), there is in both countries a recognition of the duty of the collectivity to support those who cannot support themselves, and the idea of withdrawing such support and telling people to fend for themselves is generally seen as callous and uncaring. The welfare state in these countries has a moral dimension underlying it – it is widely seen as a necessary feature of a decent and compassionate society.

This idea of the welfare state as a moral system was probably strengthened by the experience of World War II, and it is explicitly defended in some of the most significant writing on social policy since the war. Marshall’s essay on ‘Citizenship and social class’, published in 1950, argued, for example, that ‘social rights’ were, together with legal and political rights, one of the basic elements of modern citizenship. In Marina Warner’s view, the capitalist market system fragments society by emphasising individual self-interest, but the welfare state unifies it by granting equal rights of entitlement to everybody. Seen in this way, the welfare state functions as a form of social cement, tempering the individualism of the market with a good strong dose of social altruism (the same idea can be found in Titmuss, Townsend and other leading social policy writers over the last 50 years).

Of course, if the welfare state is an inherently moral arrangement which promotes both the well-being of unfortunate individuals and the cohesion of the whole society, then it is difficult to see how any man or woman of goodwill could possibly criticise it. Over the last 20 or 30 years, however, criticisms have been mounting.

Some of the early critics were socialists. They complained through the 1960s and 1970s that the welfare state was not redistributing income and wealth as radically as they had hoped, that ‘poverty’ (variously defined) was still widespread, that the middle class was benefiting more than the poor from services like higher education and from a ‘hidden welfare state’ of tax breaks, and even that the welfare state itself was little more than a means for ‘legitimating’ continued capitalist domination by providing a ‘sticking plaster’ solution to the deep-seated ills of a capitalist market economy.

With the advance of the so-called ‘New Right’ in the 1980s, however, these sorts of criticisms were heard less often. In the Thatcher/Reagan era, socialists and social democrats turned from attacking the welfare state for its inadequacies to defending it against those who sought to reduce its scope and influence.

The ‘New Right’ (or ‘neo-liberal’) critique of welfare in the 1980s rested on two arguments. The first was that the cost of modern welfare state systems was spiralling and that radical cuts would be needed to prevent social security, health and other welfare budgets from absorbing an ever-increasing proportion of total national income. The second, and arguably more important, was that the modern welfare state was not a ‘moral system’, as had so often been claimed, but had rather evolved into a system which was in some respects ethically questionable.

Far from promoting social cohesion, as people like Marshall had claimed, the neo-liberals claimed that the modern welfare system was creating social fragmentation. The true spirit of the modern welfare state was not altruism but self-interest, for the huge welfare budget was encouraging more and more people to get as much as they could for themselves out of the communal pot. Nor was the system particularly effective at helping the poor. Indeed, rather than solving social problems, the welfare state had created new ones, for it had fostered the emergence of a new ‘underclass’.

On the basis of such arguments, neo-liberals concluded that it was not only economically ‘rational’ for governments to cut their welfare budgets, but also that it was in some sense ‘right’ for them to do so.

During the 1990s, some of the key elements of this neo-liberal critique of welfare were assimilated into mainstream policy agendas. In the United States, President Clinton endorsed a Republican-inspired overhaul of the welfare system which aimed to cut dramatically the numbers of claimants. In Britain, Tony Blair’s New Labour government went further than either the Thatcher or Major Conservative governments had ever dared go and introduced a new ‘Welfare to Work’ policy which required that the young unemployed should work or undertake training in return for their benefits. In Australia, this principle of ‘reciprocal obligation’ had already been introduced by the ‘Working Nation’ reforms of Paul Keating’s Labor government of the early 1990s, and John Howard’s Coalition government has toughened it up in its ‘Work for the Dole’ strategy (a strategy which is still developing, as Senator Newman’s speech in September made clear).

Thus, in all three countries, we have seen ‘left’- as well as ‘right’- leaning governments explicitly committing themselves to stemming the rising cost of social security and welfare and attempting to encourage greater self-reliance by linking rights of entitlement to a reciprocal duty to work or train.

The politics of the welfare state are still highly contested, of course, but leading politicians on the left as well as the right seem today to be converging in their recognition that something went wrong over the last 50 years of the welfare state, and that the time has come to put it right.

Increasing reliance on state welfare

Even at the time of the English Poor Law Reform of 1832, when classical liberalism was at its strongest and the commitment to the minimal ‘night watchman
state’ was at its height, most informed opinion accepted that some collective provision needed to be made for those who, through no fault of their own, could not support themselves or their dependents. However, the problem has always been how to distinguish those who ‘deserve’ help from those who do not (a related problem has been how to ensure that provision of aid to deserving cases does not encourage others to abandon their self-reliance).

The critique of welfare which has developed in the Anglophone countries since the 1980s basically argues that the system has now expanded to a point where it seems to be supporting substantial numbers of people who could support themselves (in addition to those genuinely deserving cases who really need help), and that it is actually encouraging people to rely on the state rather than working for a living. The main evidence for these claims is the extraordinary growth in the numbers of claimants during a period of rising affluence.

In Australia, for example, statistics recently released by the Department of Family and Community Services reveal that the number of people ‘of workforce age’ claiming income support has risen by 1200 per cent since the mid-1960s. It is, however, barely credible to suggest that the level of ‘need’ has increased 12-fold in the last 35 years, for the real wealth of the country has doubled in this time and inequality has not widened sufficiently to account for anything more than a small fraction of this increased demand for state support.

Similarly, Australians have never been healthier than they are today, yet the number of recipients of Disability Pension has almost doubled in ten years (to 578,000), and it is projected to rise by another 30 per cent in the next six years. This pension now costs five thousand million dollars per year.

In Britain, as Alan Buckingham’s paper points out, many of these trends have gone even further than they have in Australia. In both countries, political leaders have begun to ask why the demands on the welfare state are constantly rising when the need for such support should be falling.

Of course, many of those who claim benefits really do need them. However, critics have begun to ask why people are ‘in need’ in the first place. The most severe critics of state welfare, people like Charles Murray, argue that in many cases, the ‘need’ is self-inflicted and in principle avoidable. Murray argued in Losing Ground that when people know that support will be available, and that they will no longer therefore be required to accept responsibility for the consequences of their own actions, they are more likely to behave recklessly and to end up needing support. The welfare state, in other words, undermines the ethic of personal responsibility and thereby creates the very need which it was established to abolish.

Murray points to the rising trend in sole parenting as an example of government aid actually increasing the size of the problem that it is meant to be tackling. Certainly this is an area of government provision which has become hugely more costly in recent years. In Britain, the single parent benefit now absorbs 10 per cent of the social security budget – more than one and half times the cost of unemployment benefits, getting on for one-third of the cost of aged pensions, and more than the total cost of the entire higher education system. In Australia, where Parenting Payment is aimed at all low income parents, nearly two-thirds (63 per cent) of its 600,000 recipients today are lone parents.

The point that Murray makes about these sorts of figures is that single parenthood is for most people inherently unsustainable without outside financial support. Previous generations knew this, which is why the two principal routes to single parenthood (unmarried pregnancy, and divorce or separation) were (by today’s standards) uncommon. When governments started to provide financial support, however, single parenthood became economically viable. This meant that more people were able to countenance a course of behaviour which would have been disastrous a generation earlier.

In his article, Lawrence Mead takes issue with Murray’s belief that welfare payments have promoted the growth of single parenthood. Mead argues that there is no evidence that the welfare system has caused the weakening of the two-parent family (although he does suggest that the recent American welfare reforms may result in a fall in the numbers of young unmarried mothers). Most welfare economists today would probably side with Mead rather than Murray, for there is little evidence that financial incentives have more than a marginal effect on fertility rates.

We should not, however, lose sight of Murray’s point that lone parenthood would not have been a viable option for most people without state benefits. In Britain, around 90 per cent of lone parents are dependent on income support; in Australia it is around three-quarters. Provision of benefits may not have caused the increase in the rate of single parenting, but it has enabled it to continue (a point also made in Buckingham’s paper). The number of single-parent families in both countries continues to expand, and it does seem that these governments are now locked into an ever rising spiral of expenditure as their policies underpin the increasing levels of need which they are intended to overcome.

The problem of welfare dependency

The contemporary critique of the welfare state does not end with the argument that benefits are now being paid to those who could work as well as those who cannot, nor with the assertion that the welfare state is creating more dependency than it is resolving. The argument goes further than this, for it is also now increasingly held that, in the end, the unconditional distribution of cash payments to those in need does the claimants themselves no favours.

The proposition is that the modern welfare system has unintentionally undermined people’s traditional commitment to self-reliance and has fostered in its place a growing culture of welfare dependency which destroys individual competence and efficacy. In their different ways, and from their very different political perspectives, Lawrence Mead, Frank Field and Noel Pearson all agree that the welfare system has resulted in a debilitating culture of dependency among long-term claimants, and that this is a problem which has now to be tackled.
Mead argues that many claimants have only a weak sense of personal efficacy. They would in principle like to work and take responsibility for their own lives (Mead rejects Murray's view that many claimants deliberately avoid work), but they feel unable to do so. Even when jobs are relatively plentiful, they find it hard to find them and hard to keep them. They find it difficult organising their lives. They are in Mead's words 'dutiful but defeated'.

Mead attaches no 'blame' to these individuals and he accepts that in many cases, the culture of poverty and dependency which they exhibit can be explained as the product of factors, such as racism, which go back many generations and which lie outside of their power to fix. He is also clear that their capacity to cope has often been blighted by poor parenting and disrupted family lives when they were young. None of this, however, changes the fact that long-term reliance on welfare makes these people's lives even worse. What they need, according to Mead, is not a fortnightly welfare cheque, but rather a combination of 'help and hassle' to break the cycle of dependency and push them into self-reliance.

Frank Field thinks that Mead over-emphasises the significance of the culture of dependency and pays insufficient attention to structural labour market problems. Put simply, the main problem for some people is simply that the jobs have disappeared.

Field's critique in some ways echoes the comments of William Julius Wilson in his debate with Mead back in 1987 (Mead and Wilson 1987). In that debate (and in his book, The Truly Disadvantaged), Wilson claimed that the main cause of long-term unemployment among American inner city blacks is that the manufacturing jobs have left town. In his reply, and in his later work, Mead insists that the problem is not so much the non-availability of jobs, but the scarcity of attractive jobs. In the United States, he claims, there are plenty of jobs that the non-working poor could do, but they are generally in the service sector, pay the minimum wage, and offer few career prospects. Unless they are pushed, Mead believes that many long-term unemployed people will simply find reasons or excuses for avoiding such work.

Even if this argument stands up in the vibrant and low-unemployment economy of the United States, can it equally be applied to Britain and Australia? Field thinks not. He suggests that in the British inner cities, it was the collapse of traditional male jobs in manufacturing which generated long-term welfare dependency which then eventually resulted in many claimants losing what Field calls the 'habit of work'. He nevertheless agrees with Mead that the resulting culture of dependency has become a problem and he concurs with Mead's strategy of 'help and hassle' as the way to break it. The principal difference between Field and Mead is that Field insists that, in areas of high unemployment, governments need to intervene on the demand side (to help create more jobs) as well as on the supply side (to push more people into the labour force).

Noel Pearson argues in his paper that long-term reliance on state welfare has undermined the resilience of Aboriginal Australia. Like Field's analysis of the inner city working class in Britain, Pearson traces the original cause of the problem to a change in the local economy (in this case, the achievement of equal wages for white and black workers in the pastoral industry resulted in a massive reduction in the number of jobs for unskilled Aboriginal workers who then migrated with their families to a life on social security in the towns). But also like Field, Pearson is in no doubt that the resultant reliance on welfare has made people 'passive', has 'dismembered' them, and has been 'counter-productive for individuals and . . . corrosive of society'.

In Pearson's view, the basic problem is that the modern state welfare system demands too little from those at whom it is targeted. Human beings take pride in themselves through their achievements, and they realise their capacities through the exercise of personal responsibility and initiative. Until recently, however, the welfare state has required little of claimants in the way of achievement and has not encouraged an enhanced sense of self-efficacy. If nothing much is asked of them, the long-term recipients of state welfare are likely to become passive and demoralised – which, according to Pearson, is exactly what has happened.

Pearson's concerns are addressed to the problems he witnesses among Aboriginal communities in Cape York, but his argument has a wider applicability. One key reason why governments in Australia, Britain and the United States are now so interested in reforming the post-war welfare state system is precisely that they are concerned about the dependency and lack of personal responsibility which it seems to have encouraged among increasing numbers of their citizens, white as well as black.

**Tackling welfare dependency**

The origins of the contemporary critique of the welfare state lie in the United States, and it is also in the United States that welfare reform aimed specifically at reducing the size of the rolls and cutting dependency on state aid has gone furthest.

In his paper, Mead claims that the cycle of dependency can only be broken by linking welfare payments to compulsory work requirements, and he maintains that in the United States recent experience of welfare reform vindicates this belief. The changes (which mainly affected unemployed single mothers since the principal cash benefit in the American welfare system was aimed at this group) limited any one individual's lifetime entitlement to welfare to just four years and obliged claimants to work in return for their welfare cheques. Unlike the mutual obligation reforms in Britain and Australia, therefore, these rules apply to single parents on welfare (help is offered in sorting out child care). A further difference is that training is not available as an alternative to work in the reformed American system.

Mead suggests that the reforms have succeeded. Work levels in the United States are rising, poverty is falling and the numbers on welfare are plummeting as claimants look to get off the rolls and find a job paying a proper wage. According to Mead, the American welfare rolls have been halved in five years, and in Wisconsin (where the experiment has gone furthest), they are down 90 per cent with no apparent increase in child poverty rates.
The welfare reforms in Britain and Australia have not gone as far as in the United States. For example, both countries allow claimants to opt for education or training courses to fulfil their obligations, yet Mead believes that what long-term claimants lack is not so much skills as a work orientation, and he is clear that only real work experience will put that right. Buckingham supports this, and in his paper he cites a recent OECD international comparative study which found that training schemes for the unemployed rarely lead to subsequent employment.

Another difference between the United States and Britain and Australia is that the latter two countries have not demanded that lone parents work for their benefit. Again, Buckingham cites evidence from Britain that participation by lone parents in the Blair government’s ‘Welfare to Work’ scheme has been disappointingly low precisely because it has been voluntary. He believes that most lone parents do not really want employment but would rather stay at home with their children.

Whether this preference for staying home with their children is a ‘good’ or a ‘bad’ thing is obviously open for debate. The point is, however, that the voluntary element of ‘Welfare to Work’ (in Britain) and ‘Work for the Dole’ (in Australia) is premised on the assumption that claimants like single parents do want work – that what they lack is not the will to work, but the opportunity to do so. If this were the case, however, these schemes would run successfully on a voluntary basis – and the evidence from the UK pilot scheme which invited sole parents to participate is that they do not.

None of this should be taken to imply that Australia and Britain should now follow America in toughening up the welfare reform process. The United States context is very different from that in both Britain and Australia, and what works in one place may not work in another.

In Britain, for example, Field is surely right when he suggests that, even if it were deemed desirable, it is simply not politically feasible at this time to enforce employment requirements on single parents with young children in return for benefits, and this appears to be true of Australia too. A recent survey by the Social Policy Research Centre (Eardley 1999) found strong (80 per cent) public support in Australia for compulsory work in return for dole for younger claimants, but only 40 per cent supported extending the principle to the over-fifties, just 20 per cent felt it should apply to those claiming Disability Benefit, and only 18 per cent believed it was reasonable to demand that sole parents should find full-time work once their child/ren started primary school (although more than half thought that they should find part-time work).

Clearly, as Mead himself recognises, there is also a legitimate argument to be had about whether it is better for the children of lone parents to have a parent at home looking after them all day, or whether it is preferable that they should grow up with the role model of an adult earning a living. Mead argues that children in two-parent families are better off if one parent works and the other stays at home, but that children living with only one parent do better if that parent goes out to work.

American evidence tends to support Mead’s contention that children of lone parents often do better if that parent goes out to work, but the explanation may be more complex than Mead allows. Given the (economic and cultural) poverty often associated with their home backgrounds, children of lone parents sometimes benefit from time spent outside the home in institutional day care where they receive more mental stimulation and contact with peers. This would suggest that any move to enforce work obligations on lone parents would have to ensure that good quality child care provisions were in place if the children were to benefit in the way that Mead foresees.

The reform agenda

In her article, the Minister for Family and Community Services, Senator Jocelyn Newman, does not directly address issues of welfare reform, but her paper (which outlines and defends the recently-launched National Families Strategy) needs to be read in conjunction with her speech on ‘The future of welfare in the twenty-first century’, delivered to the National Press Club on 29 September this year.

The Howard government has made clear its commitment to welfare reform, and in her speech the Minister emphasised the need to tackle welfare dependency, possibly by extending the principle of ‘reciprocity’ to groups such as older workers, those on Disability Pension, and sole parents with school-age children. In her speech, Senator Newman announced the establishment of a ‘reference group’ to guide the development of a Green Paper on comprehensive welfare reform, and she made clear her own view that part of the problem to be tackled was Australia’s dependency culture: ‘... there are examples around Australia where job opportunities are available and our entrenched culture of welfare dependency has meant that certain members of our community are not only prepared, but feel entitled to exploit the social safety net instead ... Where there are jobs available, even though they may fall short of the initial expectations of the jobseeker, it is neither fair nor moral to expect the hardworking men and women of this country to underwrite what can only be described as a destructive and self-indulgent welfare mentality’ (Newman 1999: 5-6).

It is important to recognise that most contributors to the debate on welfare reform accept the need for government to play an enabling role in helping people break long-term dependency on welfare. Government, in Mead’s terms, must help as well as hassle, and the new reform agenda is not simply about cutting the rolls by forcing claimants into work.
This is made explicit in the paper by Pearson who distinguishes ‘positive’ and ‘negative’ welfare. Negative welfare hands over cash to claimants but does nothing to help them resolve their situation. Positive welfare, on the other hand, enables people rather than just supporting them. But as Pearson makes clear, enabling people to develop self-reliant life strategies still costs money, and as the Wisconsin state government found, welfare reform may reduce the number of claimants but it does not necessarily reduce government’s bill overall.

The wider context

One obvious area where help may need to be offered is in provision of child care. As we saw above (and as the Minister recognised in her Press Club speech), if sole parents are to be enabled and required to find work, then they will need support in looking after their children. Not only this but, as Belinda Probert argues in her paper, workplaces too must become more adaptable and ‘family-friendly’ so that parents of school-age children can more easily combine their work and child care commitments.

It is interesting to note that Probert suggests that recent labour market reforms may be undermining parents’ ability to combine work and child rearing. She points out that more affluent families can buy full-time commercial child care, but others need jobs which offer the flexibility to take time off at irregular periods (for example, during school holidays or when children fall ill). This, of course, is particularly the case for low income sole parents – the very group which is currently highly dependent on welfare.

Probert claims, somewhat controversially, that the move away from national collective bargaining towards individual contracts and enterprise-level bargaining may be undermining family-friendly policies in the workplace. She thinks that unions negotiating at national level are more likely than individuals or groups negotiating at the level of the individual firm to get these sorts of provisions written into employment contracts. Wayne Swan agrees with this, and in his paper he cites evidence that only one in ten Enterprise Bargaining Agreements contains ‘family-friendly’ clauses.

The key issue addressed in Swan’s paper is the falling birth rate in Australia, and he argues for a ‘raft of new policy approaches’ to tackle the problem. The essence of his argument is that fertility is falling because the costs of having children have been rising. He deduces from this that the government should reduce the cost to parents of raising children (for example, through increased tax relief, targeted benefits, provision of child care and other related interventions). Swan believes, however, that much of the current government’s policy runs in the opposite direction. For example, he maintains that the government has been cutting child care rather than expanding it (a charge denied by the Minister), and he believes that the new Goods and Services Tax will harm those with families. This latter claim is not supported by another of our contributors, David Johnson, who finds that the new tax package is likely to benefit most families, albeit unevenly.

Swan’s paper raises an interesting and important issue regarding the impact on people’s behaviour of perceived financial incentives. He suggests that people will start to have more children if the cost of doing so is reduced. This assumes that fertility is to some extent dependent upon economic calculation (an assumption which Charles Murray also makes, although from a very different perspective, when he argues that welfare benefits create an incentive for young single women to have babies). This may be true, but ongoing work at the Australian Institute of Family Studies by Christine Kilmartin suggests that falling fertility rates may have more to do with rising levels of education than with the increasing cost of children. Furthermore, Swan himself notes that fertility rates are higher among low income women, but if fertility rates really did reflect the economic costs of children, then we should expect rates to be lowest among those who can least afford to have babies.

This issue of financial costs and incentives and their impact on family life also arises in the paper by Lucy Sullivan. She argues that governments need to redirect money from single people to families with children if families are to cope with the costs of raising children. She suggests that this used to happen, but that an unintended result of tax changes from the 1970s onwards, together with legislation intended to equalise wages for men and women, has been that families with children have become disadvantaged.

The Howard government has explicitly tried to redress this imbalance in its 1996 and 1999 tax changes, and in his paper, Kevin Andrews claims that the new tax regime is family-friendly. However, Sullivan maintains that, taken together, the contemporary wages and tax systems still result in the ‘relative poverty’ of families with children (relative, that is, to people without children). She concludes that we need to rethink our conceptions of ‘social justice’ to reflect the inequality in spending power between people with children and those without (horizontal equity). Her argument can usefully be read in conjunction with Bruce Bradbury’s paper which suggests that relatively high rates of childhood poverty in the English-speaking countries are explained more by family income levels in these countries than by their lower levels of state welfare provisions (as compared with, say, the Nordic countries).

What we learn from all of these papers is the importance of looking at government policies taken together. Welfare reform aimed at getting more sole parents back into the workforce, for example, may well be undermined if labour market reforms reduce the capacity of parents to combine child rearing with paid employment, or if tax changes create a
disincentive for lone parents to work. A point made by Andrews is that we need a specific family policy (such as the National Families Strategy) precisely because policies developed in isolation may well generate unintended, unforeseen and unwelcome effects on family life unless somebody in government takes explicit responsibility for monitoring their impact on family wellbeing.

**What can/should governments do?**

One of the great dilemmas for government is knowing when to stop. In a democracy, electoral competition puts constant pressure on the party in government to be seen to ‘doing something’ whenever a new problem arises. Evidence that youth suicide rates are rising, that physical and sexual abuse in families is more widespread than people had thought, that youth homelessness is spreading, that couples with children are getting divorced in high numbers, that welfare dependency seems to ‘run in families’ – these are just some recent examples where the federal government in Australia has felt it necessary to take action.

But as Mead reminds us, the government’s ability to modify people’s behaviour, particularly in the area of personal relations and family life, is probably very limited. Governments can easily make a rod for their own back by introducing policies which attempt to achieve the impossible, for the persistence of the social problems that they promised to tackle will then be taken to indicate that they have not done enough. Each successive failure simply builds up the pressure for yet another, even more ambitious, intervention.

There is also the problem of knowing whether policies are actually working. Preventative measures can undoubtedly represent money well spent, but they are inherently difficult to evaluate. If one aim of the National Families Strategy is to reduce the rate of family breakdown, for example, it is always going to be difficult to assess whether rates of breakdown would have been higher had the government not intervened with its various preventative policies and programs.

Yet another difficulty is knowing whether government is the appropriate agency for tackling a particular problem. In his paper, for example, Andrews suggests that, if we want to strengthen the family, we should be sure to use families wherever possible to deliver services to their members. This is a sound principle – if you want families to thrive, then make sure you leave them with something to do. But how does this principle square with the equally sound advice that families need support if they are to function effectively?

Child care can again provide an illustration here. If government increases its provision of child care places, as contributors like Probert and Swan would advocate, this will presumably strengthen families in one area (for it will enable more women to combine workplace and family commitments), but it could weaken family bonds in another (for many families who currently rely on other kin members to look after children will now use formal, state child care facilities instead).

This is a recurring dilemma, and it is one to which governments are now becoming more alert as they seek to develop alternatives to old-style, centralised and statist forms of social and welfare support. In the welfare agenda that is now emerging, the key question will no longer be the crude measure of how much is being spent, but will rather be the more complex issue of the form that the support is taking.

**Conclusion**

One does not have to subscribe to theories about a new ‘Third Way’ in politics to recognise that traditional boundaries between left and right are blurring. Clearly people like Lawrence Mead, Frank Field and Noel Pearson still disagree fundamentally over many things, but what is surely more striking is just how much common ground there now is between them. It is important that here in Australia we move beyond the old lines of battle. This is probably what the Minister had in mind when she concluded her recent Press Club speech with a plea to the media to ensure that ‘the debate that our community must have does not become a sterile exercise characterised by cheap political point scoring and sensational headlines’. Original and innovative thinkers on both left and right have begun to move beyond the old agenda and to open up a new one. We are pleased to bring so many of them together here for the first time in this special issue of *Family Matters*.

**References**


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