

# LETTERS

Letters intended for publication should be clearly addressed to the Letters Editor, *Family Matters*. Letters for the next (Winter) issue should be sent before 28 July 2001.

## ■ A DIFFERENT VIEW OF WELFARE DEPENDENCY

I would like to comment on two edited collections published by the Australian Institute of Family Studies last year (2000) – *Social capital and public policy in Australia*, edited by Ian Winter, and *Reforming the Australian welfare state*, edited by Peter Saunders.

I liked *Social capital and public policy in Australia* very much. The idea of “social capital” relates closely to the material on “solidarity” which is dominant in the European Union. The idea of solidarity, which has developed from Catholic social teaching, emphasises mutual responsibility and the process of including people in society. The Anglo-Saxon tradition has tended to see welfare as developing from the actions of the state. In much of Europe, by contrast, welfare has grown from the actions of mutual societies, trades unions, professional organisations and voluntary effort: several countries have based their welfare systems principally, or even wholly, on voluntary membership.

In *The welfare state: a general theory* (Sage 2000), I took this argument as the basis for a revised view of the “welfare state”. The book explains the welfare state as a development of pre-existing arrangements in society, rather than the imposition of measures by governments. *Social capital and public policy in Australia* develops another line of reasoning about the important relationship of mutual responsibility and welfare. The book is thoughtful, inventive and stimulating.

I didn't, however, like *Reforming the Australian welfare state*. There is a growing literature on the dynamics of welfare receipt and the influence of the life-cycle. There are examples in: G. Room (ed.), *Beyond the threshold*, Policy Press 1995; R. Walker, *Poverty dynamics*, Avebury 1994; L. Leisering & R. Walker (eds), *The dynamics of modern society*,

Policy Press 1998; or the series of occasional papers from the Zentrum für Sozialpolitik at Bremen. What this literature shows, fairly consistently, is that when early retirement is excluded, working-age dependency is largely transitory and related to labour market status.

Despite the gloss put on it by some of the writers, the evidence in *Reforming the Australian welfare state* mainly shows the same. For example, we read (p.87) that “at the age of 33, a quarter of lone parents had spent over half of their economically active careers jobless and collecting benefit”; this means that three-quarters hadn't. And “20 per cent of young people from families on income support received unemployment benefit” as young adults (p.107): if that's right, then 80 per cent didn't. This hardly supports the argument for a pervasive dependency culture.

The references to transmitted deprivation also seem not to take into account much of the existing work on this topic, such as: M. Brown & N. Madge, *Despite the welfare state*, Heinemann 1982; A. B. Atkinson et al., *Parents and children*, Heinemann 1983; and S. Machin, “Childhood disadvantage and intergenerational transmissions of economic status”, in A. B. Atkinson & J. Hills (eds) *Exclusion, employment and opportunity*, LSE 1998.

The evidence in those books is not dissimilar to the evidence in *Reforming the Australian welfare state*, but in the those books it's taken to show that intergenerational continuity doesn't really happen. The highest level of intergenerational continuity reported in *Reforming the Australian welfare state* is 26 per cent, for poor African-Americans (p.94). That's extraordinarily high, but it still means that 74 per cent of poor African-American children are not poor as adults. Further, it implies that on the

basis of intergenerational continuity, only 7 per cent will be poor after two generations, less than 2 per cent after three, and one descendant in 250 after four continuous generations. The usual chances of poverty without intergenerational continuity for anyone in the general population are far, far higher, which is why transmitted deprivation has largely been abandoned as an explanatory model.

The best UK evidence, which is not referred to in the book, covers longitudinal evidence from 1950 to 1990 (reported in I. Kolvin et al., *Continuities of deprivation*, Avebury 1990). The normal attrition of the figures between generations, coupled with the effects of marriage and partnering (poor people do not necessarily, or even mainly, marry other poor people), means that the descendants of poor people are indistinguishable from the rest of the population after a couple of generations.

The argument of *Reforming the Australian Welfare State* is often contentious. It is inconsistent to point to a huge recent increase in dependency and then to argue that this results from cultural transmission, which is an argument for continuity, not an explanation for change. Further, there is nothing in the evidence to support the view that long-term dependency is the problem. The use of a focus group of schoolchildren (Chapter 6), for example, can say nothing about long-term trends. There may be grounds for concern about short-term trends in dependency, but the book fails to take the opportunity to make that case. The authors' arguments about long-term dependency are not supported by the evidence.

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Letters should be about 300 words, and may be edited.

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