

*THE ENDS AND MEANS OF WELFARE: COPING WITH  
ECONOMIC AND SOCIAL CHANGE IN AUSTRALIA*  
by PETER SAUNDERS

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In his book *The Ends and Means of Welfare*, Australian economist Peter Saunders attempts to move from a “welfare sociology” to a “sociology of the welfare state” (or, more precisely, to a sociologically sensitised “political economy of welfare”). His research is concerned with the operations of the welfare state and attempts to locate it within the wider functioning of the economy and society. The New Zealand comparison that leaps to mind is with the (late great) Royal Commission on Social Policy (1988), which attempted to fulfil a grander purpose: not only to examine the New Zealand welfare state, but to completely rework the institutional design of New Zealand society. Whatever the lessons researchers in New Zealand might draw from the Australian welfare experience, or from Saunders’s analysis of that experience, I hope that the main impetus we gain from his book is to think more broadly about the welfare state, perhaps using the wider framework Saunders develops.

Such a broad perspective cannot avoid confrontation with political perspectives, and nor can they be entirely avoided in this review-essay. However, the position taken must be to faithfully report the voices of the people in relation to welfare issues. These voices are, in this book, expressed through survey data. The difficulty, though, is that the voices of the people are constrained to some degree by the sampling, the framing of questions and the data analysis of any study. Moreover, community attitudes must be interpreted in some depth, bearing in mind the experiences and institutional frameworks that shaped their formation, and being alert to the differences among different social groupings. The only guard against importing incorrect findings or argumentation is the rigours of the academic arena, although critical academic attention is not easily brought to bear on a particular research project or policy argument.

THE SCOPE AND CENTRAL THREAD

The crux of Saunders’s concern is crisply delivered in his preface. While there is some evidence of increasing economic prosperity in Australia, this is accompanied by signs of increasing social difficulty. Yet the welfare-reform political agenda (alongside the neo-liberal or economic-rationalist political agenda for reforming the Australian economy) focuses mainly on shrinking the welfare state.

After more than a decade of intensive reform, the Australian welfare system is still seen by those driving the neo-liberal economic reform agenda as an obstacle whose shape and purpose need to conform to the new reform imperatives. The focus has shifted away from the powerful distributional effect of welfare to its alleged detrimental effects on incentives, yet an increasing proportion of the population is reliant on welfare benefits to supplement increasingly insecure and dispersed market incomes. The issue of “welfare dependency” ... has emerged as the main focus of the welfare reform agenda. (p.vi)

This narrow focus of public attention has been reinforced by the media: controversially, Saunders suggests that such focusing constitutes “manipulation” by the media.

The question remains as to whether it is possible for economic means by themselves to deliver social goals. Since this approach seems not to be working in contemporary Australia, it is timely and important, according to Saunders, to redesign a welfare state that might not only be better at delivering its services in line with widely shared goals, but that would retain wider citizen support.

To redesign the welfare system, much expertise needs to be brought to bear. The Australian welfare reform focus is too narrow to allow consideration of the extent to which broader goals, such as social cohesion, are being achieved. Moreover, the complexity of the welfare system is inadequately comprehended by narrow economic frameworks that fail to embrace “the issues with which it deals, its avenues of response, its design and impact, its technicalities and judgements, its economics and sociology, its history and institutions, its programs and politics” (p.vii).

To obtain a grasp of this complexity and, also, to provide a framework within which to measure social progress, it is important to probe community values. Economic policy is largely considered a straight technical matter because economists (or, at least, the institutional leaders of the economy) have (with almost complete success – albeit, from some viewpoints, wrongly) ensured that the ends of economic policy never need be debated as they are universally shared. However, in contrast, “because social policy rests on value judgements (about ends as well as means) its development is an outcome of the political process” (p.10). In turn:

It is the ideals and practical possibilities of different groups in society and how these influence and play out in the context of existing social structures, class interests and power relations that drive the political process. The role of party politics is to articulate ideas, develop programs and mobilise support for the necessary ameliorative legislation and compensatory interventions. This support takes two forms, support within the political systems (having the “numbers”) and broad support within the community for the policies and

programs that are linked to specific goals. This latter form of support for policy is generally referred to as "legitimacy". (p.11)

It is the goal of Saunders's book to explore "community perceptions of social (and economic) problems and the likely impact of responses to them in order to understand the nature of political support for policy reforms" (p.11).

Within this broad political-economy framework, Saunders nests a second framework that involves consideration of the changing operations of the other institutions with which the welfare state interacts. This particularly includes the changing nature of work and the changing nature of households, which complexly affect the ways that welfare support does or does not work.

There are regular and routinised ways through which community attitudes to welfare are probed, including polling. However, the attitudinal profiles that are collected in routine "attitudinal research" often reflect the electorate's apparent volatility in reacting to political or politicised events. The inconsistencies of the public's attitudes are difficult to understand, in large part because the analysis is foreshortened. Therefore more systematic data collection and analysis is required, and Saunders's book is very concerned to provide a more sophisticated understanding of welfare attitudes.

## MEANS AND LIMITATIONS

This leads us to consideration of Saunders's survey, which is the main empirical basis for the book, together with supplementary evidence from other somewhat-related surveys. (See p.12 on other surveys drawn on in the book, and the appendix for a description of the Coping with Economic and Social Change survey.) The book draws on some 2,400 responses to a postal questionnaire with a response rate of approximately 60% carried out in late 1998. This survey collected information on:

- standards of living and perceptions of change
- perceptions of poverty and its causes
- attributions of the causes of, and solutions to, unemployment
- personal characteristics of the respondent (p.266).

Again, there is a parallel with New Zealand's Royal Commission on Social Policy (1988), which also commissioned a survey, although its results arrived too late to be added into the policy argument mix. (See also my report on "Public views of the welfare state" in the May 1987 series of Royal Commission reports.)

For the most part, the data analysis is entirely descriptive. Saunders does, though, attempt an interesting categorisation of broad attitudes in order to distinguish

alternative basic orientations to change: individualists, collectivists and fatalists. This scale is deployed in more substantive chapters. However, since the scale does not cover all respondents (in fact, not much more than half) this typology is not a resounding success.

Finally, there is a significant limitation. Saunders is only concerned with the core of the welfare state: the way individuals or households are provided with support to supplement or augment their labour market incomes. This is, as indicated late in the book, "the social security system or the welfare system as it has come to be called when referring solely to provisions for those of working age" (p.215). Services such as education or health are not considered.

## THE SUBSTANCE

The substance of Saunders's book is delivered through work in three broad areas:

- longer-term economic and social performance
- specific parts of the socio-economic landscape: employment and unemployment, income and living standards, poverty and social exclusion, and inequality
- what needs to be done to address the problems identified earlier in the book.

Before these issues are tackled Saunders reviews several crucial distinctions which inform the whole book; those between:

- economic and social policy (Saunders argues that they cannot be separated)
- objective and subjective indicators (Saunders is much concerned, for example, with vexatious complications such as the only weak relationship between income and happiness)
- the ends and means of policy (a distinction which gives the book its title: public attention to both is required).

He also examines the notion of the "crisis of the welfare state", suggesting that this is endemic, and subverts the development of a longer-term perspective.

Saunders's first empirical chapter sets the scene by looking at the (unfortunate) co-occurrence of rising economic prosperity with several indicators of increasing social malaise.

The actions taken to promote increased material prosperity are transforming two important aspects of society that need to be considered. The first relates to the issue of sustainability, the ability to maintain current material and non-material living conditions into the future. The second is concerned with the changing nature and consequences of the social relations that people face in their lives. (p.7)

Another early chapter expands on the consequences for the welfare state driven by the work features he describes.

At a time when the total number of people participating in the labour market is increasing, the length of working life is declining. Longer periods spent in formal education are delaying initial labour market entry, while early retirement is bringing forward labour market exit for many people. The total number of hours worked while in the labour market is changing with increasing numbers working part-time and others working very long hours. The increase in casual employment is eroding the non-wage benefits associated with permanent jobs and making it more difficult for those affected to plan their lives beyond the immediate requirements of the job. Workers' entitlements are put at risk as companies are becoming increasingly vulnerable to competitive forces over which they have limited control. (p.87)

The main part of the book examines experiences and attitudes within an integrated, nested framework that progressively incorporates work income, total income, social exclusion and inequality. Attitudes to "mutual obligation" (the balancing of provisions and requirements) are explored in the penultimate chapter. The final chapter takes the assumption that the welfare state needs to be redesigned in order to deliver social justice, and suggests the sorts of approaches needed to achieve this politically as well as more technically.

Finally, there are also consequences for social research of this kind which flow from recently changed funding arrangements in Australia. This study was able to be conducted because the University of New South Wales Social Policy Research Centre was secure, based on longer-term institutional funding. This funding was subsequently split, on a contestable basis, among several research centres. As Saunders darkly warns, shorter-term and more focused grants may inhibit the development of research opening up wider and more long-term issues.

## CONCLUSIONS

What are we to make of all this? Oddly, the only previously published review of *The Ends and Means of Welfare* is a rather acerbic lambasting from Saunders's namesake – but ideological mirror image – Peter Saunders (2002). The "other" Saunders identifies some apparent inconsistencies and accuses (with only scattered evidence) Saunders of driving the study from an undisclosed, iron-clad, old-style socialist ideology. This accusation centres on a particularly telling and, I think, entirely accurate passage:

Many welfare programmes redirect resources back to those who originally provided them... Neo-liberal critics of the "income churning" this implies have argued that the net distributional impact could have been achieved with [a]

far smaller state sector if the gross flows between individuals and the state could be netted out... This view is arithmetically accurate but politically naive as it ignores the role of broadly based programs in underpinning the support of the middle classes, without which the welfare state would founder politically. (p.59)

Class lies at the very centre of recent welfare debates, and we must confront this.

Saunders's book contains a wealth of empirical findings and many very useful nuggets – such as references (p.74) to Australian studies showing preparedness by the public to pay increased taxes! The array of facts is all but impossible to digest, let alone summarise or critique in a brief review. Much of the data provided will be valuable for cross-Tasman comparison. The details of argument and fact need thorough working through, and some of the points raised by “the other Saunders” need to be considered. However, rather than focus on checking out these details for Australia, we should set to rights our equivalent understandings of the New Zealand situation.

The architecture of Saunders's book is impressively grand, and there are many interesting insights and wonderfully written passages. However, I would have liked the author to be more explicit about how the various parts of the book fit together, as I found that to get a good grasp of the book as a whole required a lot of reading and re-reading. There are also several very important questions that are not fully answered:

- Does the limitation to mainstream redistribution issues affect understandings of the wider welfare system?
- Should “sociological” as opposed to “political economic” factors be far more closely considered?
- Does the considerable deployment of objective (economic) data crowd out more extensive analysis of subjective attitudinal and values material? (After all, social distributions are held to be important, but are barely broached as a topic for analysis.)
- Does the “integrated framework” of the three main substantive chapters really hold that material together?

More deeply sociological issues, such as the effects on social relations and identity, are barely touched on.

However, as I intimated in my introduction, whatever the usefulness and the limitations of Saunders's answers, there is much stimulation in how he frames his questions. His work begs a New Zealand equivalent.

## REFERENCES

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