

**Reshaping Australian Social Policy:
alternatives to the breadwinner welfare state.**

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Abstract

Over the past two decades, one of the leading areas of welfare state change has been in respect of women's access and entitlement to a range of social policy programs and benefits. The debates which led to these changes have called into question many of the assumptions which underpin welfare state provision in Australia and have gradually shifted our institutional model of welfare state provision from being one which confers social citizenship on women via a male breadwinner towards a model which addresses social rights on an individual basis. Because the welfare state remains an important element in gender equality strategies, the incomplete nature of changes to the institutional structure of the Australian welfare state has created uncertainty about the basis of social policy and raises a several issues for future social policy development:

- the need to consider the implications of adopting an individual rights model;
- changing employment conditions which overturn the basis on which the Australian welfare state was premised; and
- the possibility of finding alternative pathways - institutional designs - outside the breadwinner/individual dichotomy.

Introduction

The welfare state has been a central institution of the advanced industrial nations for most of this century. At the core of this institutional structure are policies, programs and practices which have developed over time around income security, community and personal social services, public housing and health. In the post-war period, the influence of Keynesian economics has seen other spheres of public policy – in particular employment, wages and taxation policy – either harnessed directly to the welfare state framework (as in the Scandinavian countries) or at the very least recognised as being critical to the effective functioning of the core areas of welfare state activity (as in the Anglo-American countries). The scope of the welfare state is such that it has the capacity to affect the life course on many fronts: it is a source of economic and social well-being through the provision of transfer income, social services and public sector employment. The extensive interconnections of social policies with the individual's well-being also means these policies may influence critical life course decisions which people make. Many feminist writers have noted, for example, the differential impact of welfare state policies on men and women (Orloff, 1993). Gender differences in the administrative characteristics of social policy can lead to delayed entry to the labour force, early retirement decisions and even the timing of child-bearing (Guillemard, 1991; Myles, 1990). In this way, the welfare state both reflects and entrenches gender roles and the division of women's lives into public and private spheres.

Over the past two decades, one of the leading areas of welfare state change has been in respect of women's access and entitlement to a range of social policy programs and benefits, in particular to those programs and policies which support and reinforce gains made in the areas of wages and employment.¹ Notable changes include: increasing public child care provision, gaining equal access to existing income security provisions and the creation of new entitlements which particularly meet the needs of women across the life course.

The debates which led to these changes have called into question many of the assumptions which underpin welfare state provision in Australia (Cass, 1995), and have gradually shifted our institutional model of welfare state provision from being one which confers social citizenship on women via a male breadwinner towards a model

¹ See Mitchell (1995) for a discussion of wage and employment outcomes for women.

which addresses social rights on an individual basis.² The resulting institutional structure is best described as being a hybrid, where policy assumptions based on the 'norm' of a male breadwinner family co-exist with newer policies which recognise gender equality and individual social rights. The incomplete nature of this structural change, coupled with a radical shift in Australia's wages system and the election of a conservative government, raises the possibility that the position of Australian women may deteriorate under this hybrid structure.

Because the welfare state remains an important element in gender equality strategies, the incomplete nature of changes to the institutional structure of the Australian welfare state has created uncertainty about the basis of social policy and raises a number of issues for future social policy developments. Before turning to the concerns which are likely to occupy policy-makers in the future there are some prior theoretical issues which require discussion.

First, we need to consider the implications of adopting an individual rights model. For most of the 1980s, working towards this model – exemplified by reference to the Scandinavian countries – appeared to be an accepted ideal for equality strategies, with very little discussion of either its content or appropriateness in the Australian context. Thus in Section 1, an account is given of the male breadwinner and individual rights models of welfare state design. The contrast between these ideal-type models is then used as a backdrop for the discussion in later sections which highlight changing conditions in the Australian welfare state and the possibility of finding alternative pathways (institutional designs) outside the breadwinner/individual dichotomy.

Although the shift towards an individual rights model in Australia is incomplete, there are several arguments to support the need for a re-evaluation of the implications of adopting the individual rights institutional design. Section 2 sets out some of these arguments and also discusses current trends in welfare, employment and wages policies which indicate that pursuing an individual rights model may not be a realistic nor desirable alternative over the medium term.

Having considered the problems and issues arising from the breadwinner-individual hybrid transition, we need to consider what alternative patterns of welfare state

² A path of change which is also characteristic of most of the welfare states of the OECD in the post-war period (Lewis, 1992).

provision may be practicable over the long-term. This issue is taken up in Section 3 of the study.

1. Models of welfare state institutional design

The comparative welfare state literature has a strong tradition of theorising and modelling different types or ‘worlds’ of welfare.³ Typically, these models take the nature and/or level of benefits conferred on men as the dependent (or classifying) variable, to be explained in terms of level of industrialisation, and class or interest group politics. In recent years however, feminist scholarship has pointed out that models built around the benefits conferred on men provide an inaccurate – if not misleading – view of the nature of women’s social citizenship rights in many countries (Lewis, 1992). The theoretical and applied work undertaken to redress the gap between mainstream theory and the reality of women’s entitlement has advanced the development of analytical models and generated new empirical evidence which can now be employed to re-examine the role and impact of the welfare state.⁴ Sainsbury (1994:150-169) for example, has developed a framework which stresses the relationship between market, state and family as the starting point of a gendered analysis of the welfare state and arrives at two distinct models of welfare state design. These two models and the dimensions which characterise each are set out in Table 1 – the breadwinner model and the individual model.

³ See for example, Titmuss (1974); Furniss and Tilton (1977); Esping-Andersen (1990).

⁴ The collection of papers edited by Diane Sainsbury (1994), *Gendering Welfare States*, provides a useful cross-section of feminist scholarship on this subject.

Table 1: Models of welfare state provision

Dimension	Breadwinner model	Individual model
<i>Familial ideology</i>	Strict division of labour {Husband=earner {Wife=carer	Shared roles {Husband=earner/carers {Wife=earner/carers
<i>Entitlement</i>	Differentiated between spouses	Uniform
<i>Basis of entitlement</i>	Breadwinner	Other
<i>Recipient of benefits</i>	Head of household	Individual
<i>Unit of benefit</i>	Household or family	Individual
<i>Unit of contributions</i>	Household	Individual
<i>Taxation</i>	Joint taxation Deductions for dependents	Separate taxation Equal tax relief
<i>Employment and wages policies</i>	Priority to men	Aimed at both sexes
<i>Sphere of care</i>	Primarily private	Strong state involvement
<i>Caring work</i>	Unpaid	Paid component
Reference:	Netherlands	Sweden

Source: Sainsbury (1994: 153)

In this study I follow the models developed by Sainsbury for several reasons. First, her work best captures the wider institutional setting of the welfare state – including not just social security entitlements – but also the structure of the taxation system; the inclusion of women in wages and employment policies; the provision and financing of care work; and, most importantly, the familial ideology implied in the design of welfare state programs.

Second, in devising these models, Sainsbury takes as her starting point the characteristics of welfare states of the 1960s and delineates two formative institutional designs which have subsequently addressed women's social rights in quite different ways. She does this because during the 1970s and 80s these different institutional designs have changed in response to social, economic, demographic and political pressures – including those of the women's movement – to arrive at the welfare states of today. The similarity of both the pressures on welfare states from the women's movement and the initial conditions of women's employment means that, when looked at from the perspective of women, most of the industrial welfare states are more similar than they were thirty years ago. For this reason, her framework provides useful markers for shifts between these two basic structures and thereby introduces a dynamic element into welfare state analysis, especially when compared with the mainstream models which are more 'fixed' in respect of men's entitlements. Nevertheless, as Sainsbury's schema indicates, these two basic designs have very different outcomes for women, perhaps not so much in crude terms such as the levels of benefits or the services they

provide, but more in terms of the life-course and labour market decisions that each may influence. For example, the breadwinner model by virtue of its strict division of labour is generally associated with far lower labour force participation of women. This in turn affects women's entitlements to social insurance benefits and may further reduce pressure on the state to provide the types of services (eg: child care) which improve women's labour force participation.

Third, Sainsbury's analysis makes a similar institutional design point to that raised by Goodin (1996) which is that founding institutional characteristics have a strong influence on subsequent developments, even if, in theory, the subsequent institutional overlays may appear similar. For example, the introduction of identical welfare policies into older institutional structures which have quite significant differences in their implementation, access and use will produce quite different outcomes.

To illustrate this point, let us consider a policy change which gives women full and equal access to unemployment benefits. In the individual model, where women gain these entitlements under a system similar to men, the criterion for access – like that of men – will rest on their prior attachment to the labour market. The benefit will be paid to them irrespective of their partner's labour force status and income. Under the breadwinner model, the institutional structure reinforces the supposition that a woman will be, at best, a secondary earner and so her entitlement may be conditional upon either her husband's labour force status and/or his income. Although the change in theory is the same, the patterns of the older employment and social security structures will re-assert themselves and have a differential impact on the outcome. In the former case the woman picks up her entitlement in her own right, recognising her as a primary labour force participant, while in the latter her entitlement may be curtailed by virtue of her assumed economic dependency on her husband.

In what follows I employ the Sainsbury model at various points to track the shifting institutional structure of the Australian welfare state and later, to propose an alternative design structure that incorporates some specifically Australian features into the individual rights model.

The Australian model (1969 – 1995)

The gendered nature of the Australian welfare state has been documented by many writers over the past fifteen years and the characterisation of Australia as developing

from a male breadwinner model is an accepted part of the mainstream literature.⁵ In some recent work Sheila Shaver (1995) has noted that since the 1970s the Australian social security system has gradually shifted the basis of entitlement from a 'logic of gender difference to one of gender equality.' In her analysis Shaver illustrates her argument by reference to numerous changes in the pension and benefits system in respect of sole parents, aged, widows and carers entitlements. While this provides us with evidence that change is occurring, it is far from clear that changes of this nature are sufficient to promote the types of institutional change which create greater equality, a point which Shaver makes herself (1995: 157). This is not to say that the efforts to make such changes are not worthwhile. They are in fact institutional adaptations which complement changes that have already occurred in the labour market, taxation and wages policies.

A fuller appreciation of the shifting design of the Australian welfare state can be gained by analysing the pattern of change across the wider dimensions identified by Sainsbury. Adapting Sainsbury's model to the current structure of Australia's welfare state provision, the first column of Table 2 suggests that Australia has moved strongly toward the individual rights model in many areas. To begin with, there are some elements of our institutional structure which have always been tied to the individual's social rights such as separate taxation and equal tax relief.

Table 2: Australian models of welfare state provision

Dimension	Current Australian pattern	Proposed 'transitions' model
<i>Familial ideology</i>	Shifting roles Husband=primary earner Wife= secondary earner} primary carer}	Flexible division of labour between: (i) spouses (ii) family and state
<i>Entitlement</i>	Minor gender distinctions remain	Uniform and /or by income
<i>Basis of entitlement</i>	Categorical unit	Life-course or labour force status
<i>Recipient of benefits</i>	Varies with category	Individual
<i>Unit of benefit</i>	Family (implicit in income test arrangements)	Individual/family
<i>Unit of contributions</i>	Not applicable, except for superannuation (individual)	"Smoothed" over the life-course, according to care responsibilities and/or labour force status
<i>Taxation</i>	Separate taxation Equal tax relief	Separate taxation Equal tax relief
<i>Employment and wages policies</i>	Aimed at both sexes	Aimed at both sexes Enables smooth transitions between work & care

⁵ See for example, Baldock and Cass (1983); Castles (1985); Bryson (1992); Shaver (1995).

<i>Sphere of care</i>	Moderate state responsibility	Strong state responsibility
<i>Caring work</i>	In transition from unpaid to modest payment	Paid component

The first major move toward an individual rights model was in the area of ‘equal pay’ which was introduced following a ruling by the Conciliation and Arbitration Commission in 1969. This was not effectively phased in until 1975 and it has taken nearly 20 years for Australian women to reach parity (now around 90 per cent) on an hourly wage basis. In 1986 Equal Employment Opportunity/Affirmative Action Legislation was passed by the federal government. In addition, as employers, the various state and federal governments have expanded women’s employment in the health, education and welfare sectors and pursued equal access to labour market support programs. To complement the changes in the wages and employment areas, in the period between 1989 and 1995 public child care provision grew strongly and new financial support payments were introduced to meet the costs of child care whether children are cared for at home or outside the home.

Moving to the five dimensions in the top half of Table 2, those which characterise the income support system, change is also evident. The primary basis of income support entitlement in Australia is not determined by an income test, as is often perceived to be the case, but rather categorical eligibility. In other words, claimants are eligible for benefits only if they first meet the criteria of the category of payment (eg: entitlement to a retirement pension is on the basis of the age of the claimant). Income and assets test arrangements are secondary criteria which determine the level of benefit payable to the relevant unit. In the past, both the categorical and income test criteria have largely assumed the male breadwinner family as the norm and so categorical entitlements revolved around the extent to which a claimant matched this norm and this was reinforced by a family income test which assumed the sharing of income within a household/family unit. As noted earlier, by 1990 entitlement to income support was open to both husband and wife, although family based income tests may have had some perverse effects which to some extent have neutralised the uniformity (Mitchell and Dowrick, 1994).

The recipient of the benefit will vary with the category of entitlement but the benefit is usually paid to the claimant. In some instances, such as child related payments, the benefit is directed to the mother, even though the father can technically make the claim. In some areas the unit of benefit has theoretically moved toward a more individualised

basis, notably in relation to retirement and unemployment payments. However, the reality is that family income and asset tests imply that the entire unit is held to benefit from the transfer. The unit of contribution, in the past, has been an irrelevant consideration in the Australian context since all transfers are funded from general revenue. This has now changed in relation to retirement benefits with the introduction of mandatory employee superannuation contributions which are tied to the individual.

Taking these various dimensions of the Australian welfare state together, we can begin to assess the patterns of change which have brought about the hybrid character of the present institutional design. I begin with the labour force participation of women as a central motivation for change in the Australian welfare state. In the thirty years between 1966 and 1996, women's labour force participation rose from 36 per cent to just over 50 per cent. For married women the change was much greater, increasing from 29 per cent to just over 55 per cent. The adjustment to such rapid social change, came not from within the private sphere (the family) but in the public sphere as women's lobby groups pushed the state to support these changes through family-friendly employment policies, equal wages and the provision of child care. In Diagrams 1 to 3, I compare the changing patterns of women's labour force participation in Australia with The Netherlands (a breadwinner state) and Sweden (an individual rights state) in order to illustrate the extent to which women's labour force participation patterns are aligned with particular types of welfare state provision.

The characterisation of Australia as a breadwinner model can be seen from the pattern of participation of women in 1970 in Diagram 3. The pattern is similar to that of The Netherlands (Diagram 1), where women's participation peaks in their early twenties, followed by a major exodus from the labour force upon marriage or birth of children, leaving less than half their number by 30 years of age. While the base level of participation has increased substantially in The Netherlands the pattern of exit remains similar to that of 1970. In both instances, the pattern of welfare state support policies were very similar with income support policies directed to the male breadwinner, whether directly through the social security system or indirectly, through the taxation system. Employment and wages policies favoured men and public provision of child care was non-existent.

The level and age profile of women's participation in Sweden (Diagram 2) stands in strong contrast to both Australia and The Netherlands. While similar rates of participation are observed for women in their early twenties, labour force attachment for women is maintained across the major part of the life course, showing significant

decline only after 55 years of age. While a slight dip in Swedish women's participation can be observed during the child-bearing/rearing years in 1970, by 1990 this is no longer observed. The levelling out of this dip in Sweden is attributed to a combination of welfare state policies affecting child income support, generous maternity and parenting leave and extensive child care provision.

Diagram 1: Women's age participation profile, The Netherlands.

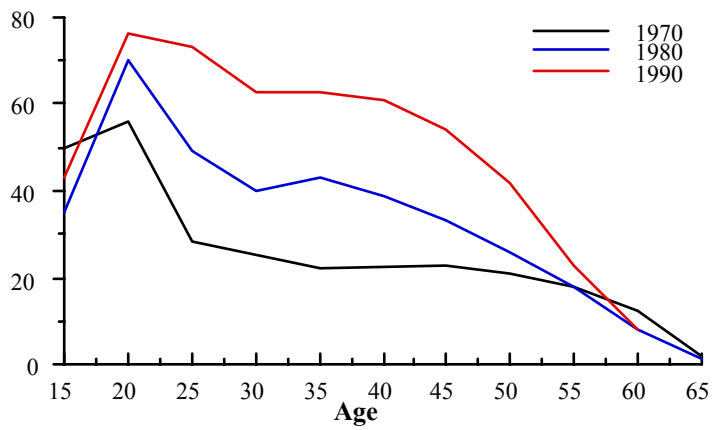


Diagram 2: Women's age participation profile, Sweden.

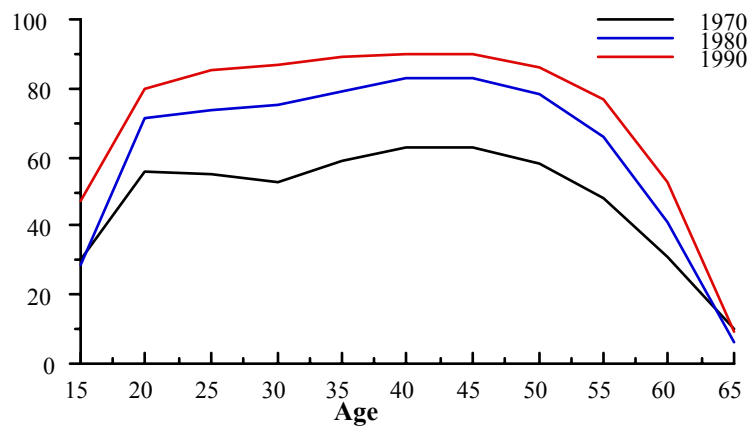
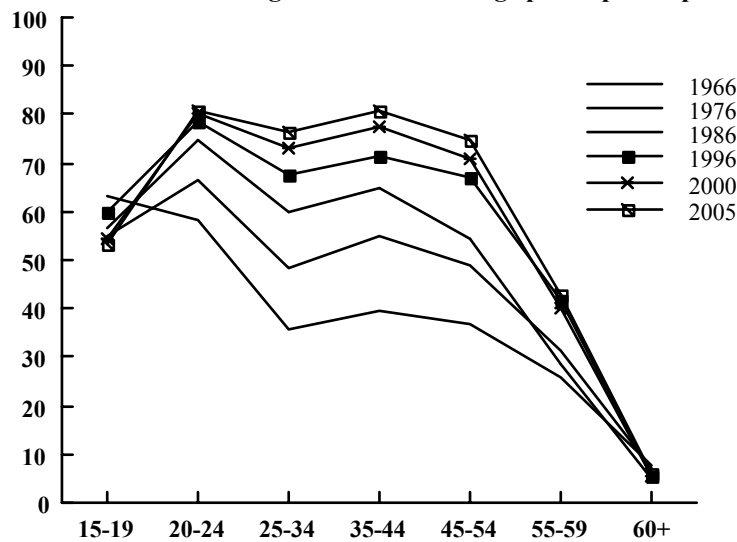


Diagram 3: Women's age participation profile, Australia.



In Australia, a significant shift away from the male breadwinner pattern had occurred by 1980 and became more prominent by 1990 – women were returning to the labour force after the birth of children resulting in a second peak of participation around 35 years – although this declined rapidly for women in their 40s and by 50s. This seems to indicate that age cohort effects are quite strong in Australia and, as the ABS projections in Diagram 3 show, the cohort which returned to the labour force in 1990 is likely to remain longer than the previous cohorts. The shift of Australian women's participation patterns towards those of Swedish women, is also reflected in the increasing similarity of welfare state policies in both nations. Employment and wages policies in Australia moved toward greater equality; the social security system addresses women as individuals, rather than as dependents; and Australia is now closer to Sweden than to The Netherlands in terms of its child care policies.

Although the pattern of women's participation in Australia has moved away from a strict division of market versus care work between husbands and wives, it is clear that there is not the same shared breadwinner role as in the individual model proposed by Sainsbury, and represented here by Sweden. Rather as I have indicated in Table 2, we have a shifting pattern of roles which varies with age⁶ – so that older women are more likely than younger women to adhere to a strict division of labour – and within that division of labour, women have become secondary earners while remaining as primary carers.⁷ This is reflected in other aspects of the welfare state structure: while wages and employment policies are strong, the lesser public provision of care and modest level of payments for care work remain as vestiges of the division of labour inherent in the breadwinner model.

While the framework of social citizenship in Australia seems to have shifted away from the breadwinner model and toward the individual model, the extent to which this transition has been effectively made is a matter for empirical investigation. In some areas it may be a matter of degree (eg: wages/employment; paid child care); in others apparent shifts may be masked or offset in practice by other institutional features (eg: uniformity of entitlement may be offset in practice by the effects of income tests); and in some instances changes may be reinforcing, rather than weakening, the breadwinner model (eg: the lag in labour force participation may mean that women have a lesser

⁶ These age differential roles are acknowledged in certain Social Security payments. For example, Partner Allowances for the wives of unemployed men are restricted to women over 40 years of age without recent labour force experience.

⁷ See for example the evidence in Bittman (1991).

basis of entitlement as is the case in the current arrangements for the Superannuation Guarantee Charge).

This apparent unevenness in the institutional structure of the Australian welfare state indicates that after a long period of commitment to a breadwinner model we are now entering a period of transition in our welfare state arrangements. It is therefore of interest to evaluate whether the individual model represents a feasible and/or desirable aim for gender equality strategies. We also need to consider whether other changes in the economy and the Australian welfare state may require the scope of our search for an 'ideal type' of institutional design to be broadened beyond the breadwinner/individual dualism. These issues are considered in the following section.

2. Evaluating the individual model in the Australian context

Although Sainsbury (1994:167) makes the point that her models are ideal types and that in the 1960s Sweden 'deviated from the breadwinner model but did not fit the individual model either', it is implicit in her argument that over time Sweden has evolved into the nearest approximation of the individual welfare state. Thus it seems reasonable to suggest that an assessment of the individual model should closely follow the developments and outcomes observed in the Swedish welfare state. In what follows, I raise challenges to the individual model – and what it implies in practical terms – by reference to Sweden.

Decommodification and the life course

One of the interesting debates which feminist critics of mainstream welfare state theory have generated – especially in relation to Esping-Andersen's work – concerns the apparent necessity that in order for women to become fully enfranchised as social citizens in the welfare state, their labour needs to move through the following stages: pre-commodification (care work), to commodification (in the labour market) and finally decommodification (entitlement to support by the welfare state, weakening dependence on the market). Despite Sainsbury's insistence that the Swedish welfare state derives its individualist character from an enfranchisement of women on the basis of motherhood and the valuation of caring work, it is difficult to separate the level of social citizenship enjoyed by Swedish women today from their initial, and continuing, high levels of labour force participation across the life course. In essence, achieving decommodification is strongest in the individual welfare state model and seems to be premised on high levels of labour force participation, for both men and women, across the life course. While a high level of participation is not, in itself, a necessarily

undesirable aim, the extent to which welfare state development overall – and individual access to social programs in particular – should be contingent on participation is an issue which merits some debate.

There are a number of objections which can, and have been, made to this progressive movement towards decommodification, especially as it affects women.⁸ For the purposes of this analysis, the major objection I raise concerns the apparent necessity to surrender a great deal of the shaping of the life course to the welfare state. The process of commodification followed by de-commodification deeply affects, and may even distort, the choices which women (and men) can make at different points in their lives. In their analysis of the relationship between the welfare state and the life course, Falkingham and Hills (1995) begin with the connections Rowntree observed in 1902 between the life course and material well-being. In particular, Rowntree noted the fluctuation in income observed during certain life course events eg: birth of children, sickness, widowhood and old age. For a greater part of the 20th century, the welfare state has sought to even out such fluctuations so that the dramatic loss in income and consequent fall in living standards, has a minimal impact on families.

Over the past two decades however, rather than reacting to such life course events, the role of the modern welfare state has gradually shifted away from income smoothing to a more proactive role. According to Guillemard (1991) and Myles (1990), the welfare state now dictates the shape and timing of key events in the life-course. The web of welfare state programs and policies governs entrance and exit to the labour force; determines what is and isn't included as "work"; provides (or doesn't provide) services which allow women to move into the paid labour market; and through the provision of maternity, child benefits and child care may even determine the timing of women's decisions to raise children.

The welfare state, especially in its individual conception, appears as a two-edged sword. While it can – and does – smooth out life course fluctuations in income, the cost of achieving this is an ever greater encroachment of the state on personal decisions in respect of market and care work. Moreover, a drive toward uniformity (as in the individual model) may limit the choices that can be made between market and care work, not only between the sexes but also between family units and the state.

⁸ Orloff (1993); Hobson (1994).

A second concern I have with the individual model is that despite an underlying familial ideology of equal status between men and women as breadwinners, it is apparently not very successful in promoting changed gender roles in relation to care and household tasks. Empirical work by Bittman (1991) and Baxter (1994), both employing time use data, shows that it is just as hard in Sweden to get men involved in care and domestic work as it is in Australia. It would seem then that while the individual model does have definite advantages for advancing some aspects of equality in the public sphere, the same is not true for the private sphere.

Taking these points together, my view is that while the individual model, as exemplified by Sweden, may provide a relatively generous system of support for women, this support is strongly conditional on their collective commodification in the labour market. The individual model however, does not seem to necessarily lead to equality in the private sphere – either in theory or in practice – and if we accept that decommodification may have some undesirable consequences in terms of encroachment on personal determination of the life course, then pursuit of an individual model as an ideal-cum-strategic aim for achieving equality may be questionable.

Changing employment patterns

For some time now, the increasing labour force participation rates of women in Australia have held centre stage in debates over social security and child care arrangements. These have tended to overshadow emerging debates over the trend toward transitory employment relations. The *standard employment relation* describes a pattern of employment which is full-year, full-time and carries the almost certain prospect of life-time tenure in the same industry, if not the same job. By contrast, *transitory employment relations*, include work which is casual and non-permanent part-time or part-year. In addition, during the individual's working life she/he may have to re-train and move into several different areas of employment, rather than following a single career track. The numbers currently affected by this pattern are probably around 15 per cent of the labour force, but some writers argue that this may rise rapidly after the turn of the century and that as much as 60 per cent of the working population will work outside the standard employment relation. This includes not just the lower skill levels of the service sector where women currently predominate, but also professionals who will increasingly work on a contract basis.

One way of thinking about this is that, in the future, many more men will have employment patterns similar to most working women of today. But, whereas women

now have interrupted patterns due to child bearing and rearing, men will have similar interruptions due to contract employment; the need to re-train; and to move in and out of the labour force in concert with the business cycle. A number of arguments have been put forward to explain the cause of these changes for example, the sectoral shifts in the economy from the manufacturing to the service sector giving rise to “post-industrial” forms of work; heightened competitive pressures on the economy which require more flexible working arrangements; and the encouragement of the latter by government deregulation of the system of industrial relations. Whatever the cause, it is clear that the role of the welfare state will become increasingly important in providing social and economic stability to support these transitory employment relations.

To date, Australian responses to this trend have been rather backward looking. Langmore and Quiggin (1994) for example, argue for a form of neo-Keynesian revision premised on a return to full-time employment. However, they and other analysts may be missing an opportunity in their critique of the loss of full-time male employment, to make a more radical revision of labour force participation along the lines of freeing up men to take greater child care responsibilities.

A resurgence of fiscal welfare?

It is interesting to note that while women are placing greater reliance on equality strategies via the welfare state, and remain comparatively optimistic about its emancipatory capacities (Meyer, 1994), men are opting out of the public welfare state through various means and reconstituting a private system of welfare which Titmuss (1974) identified as occupational and fiscal welfare. Here, I have in mind the changes to superannuation which benefit workers in a standard employment relation (mostly men), in the short term through tax savings; and in the long-term, through increased benefits in retirement. More recently, the Howard Government has reconstituted tax rebates for male breadwinners with “dependent” wives and children. These new paths of entitlement have been the subject of vigorous attention by feminist scholars who have identified substantial inequity in such changes (Cox, 1992; Rosenman, 1995; Sharp, 1995; Mitchell, 1997).

The viability of existing models in an era of retrenchment

The introduction to this study emphasised the expansionary tendencies of the welfare state over the greater part of this century. The historical evidence suggests that the expansion and diversification of the modern welfare state was relatively unconstrained in cost terms, supporting policies which led to increased coverage of the population and

enrichment of programs, funded out of the dividends of growth. However, after almost 70 to 80 years of constant growth in welfare state programs, and in public support for the welfare state, we have entered a period where we are witnessing declines in expenditure on some income transfer programs; restrictions, cutbacks and privatisation of health and personal social services; and falling public support for welfare programs in favour of tax cuts. These trends are evident both in Australia and elsewhere and raise questions about the constraints which may be placed on adopting alternative institutional designs. In particular, our evaluation of existing models and their outcomes may no longer be valid as we have no guide to the robustness of these models in a climate of considerable change.

Similarly, Pierson (1994: 8) argues that retrenchment of the welfare state is in ‘no sense a simple mirror image of welfare state expansion.’ In other words, the constructs which we have developed to analyse and explain the welfare state in its era of expansion, may give us very little purchase on the patterns of retrenchment. So we shouldn’t necessarily expect, for example, Esping-Andersen’s “worlds of welfare” to provide us with a guide to how retrenchment will proceed in different OECD nations.

Technical limitations on changing institutional designs

While cost constraints are an important issue, there are other institutional design concerns which may prove more decisive. In his work on institutional design, Goodin (1996) argues that incremental change in institutions is observed as a norm for several reasons:

- Co-ordination or coherence demands – that old and new policies be compatible; that there is a preference for smooth transitions.
- Changes in political and social values move more slowly than environmental change – adherence to the original values which shaped the older policies (eg: moral, compassionate, social justice values) exerts a stronger effect than values which underpin newer choices.
- There are technical limitations on change – the administrative complexities involved in implementing new policies, eg: financing and distributional mechanisms.

These concerns are especially important in the context of the welfare state as it is an extensive institution in two senses. First, the sheer size and number of interdependent policies, programs and practices covered by the wider understanding of the welfare state implies that the co-ordination demands are extremely high. Second, the welfare state is extensive over time – it may affect people’s behaviour (eg: saving for retirement) for periods of up to 40 years – and therefore it may be both difficult and undesirable to “change the rules” too often.

In summary, moving towards a Swedish-style individual model as a basis for re-designing the Australian welfare state has a number of problems: in practice, it seems to be linked to a pattern which requires citizens, whether male or female, to participate in the labour market as a preferred state. The incorporation of individual social rights doesn’t necessarily promote gender equality in responsibility for care. The model is untested in a climate of economic restraint and may have problems in maintaining its relatively strong outcomes over the long-term. As changes in Australia to date indicate, it may also prove difficult to mesh with the existing institutional structure.

3. A life course and labour force transitions model

This is not to say that the current pattern of provision represents a satisfactory set of arrangements, or that the trajectory of change is desirable. In my view, the current set of arrangements are best described as a hybrid institutional form or *partial individual model* where women are stranded between the breadwinner and individual models and may be subject to the worst features of both. On the one hand, married women have entered the labour market at a rapid pace over the 1980s and are now viewed as necessary, if secondary, earners in the family. On the other hand, patterns of care and the rules of welfare entitlement, have remained relatively unchanged from the former legacy of the breadwinner model. In strategic terms, this pattern of change may require us to re-direct our efforts in the welfare state arena away from the detail of social security administrative arrangements – and indeed much of the public welfare system – and engage in what Eveline (1995) has described as strategic reversals and the politics of advantage. For example, we should consider the many structural barriers that prevent men from participating fully in caring and housework.

Janeen Baxter (1994) asks “why don’t men do more housework?”. I think part of the answer to this question is tied up in two features of the design of our welfare state institutions. First, it is much more difficult for men to exit from the labour force to become full-time carers. Despite legislative changes to the social security system which

theoretically make it possible for men to draw a limited range of benefits and become involved with child-rearing and domestic work, the reality is that the administration of benefits in relation to the *work test* presumes a primary breadwinner role. This may reinforce existing psychological and social barriers eg: being labelled as a dole bludger. Second, the economic reality is that most husbands earn around 15 to 20 per cent more than their wives (on an hourly basis) which again makes it difficult for couples to decide to share child care at home. Thus the removal of these sorts of penalties on care participation may provide one avenue for re-thinking the institutional design of our welfare state.

The changes to our retirement income policy which have prompted a withdrawal of men from the public welfare system and its apparent reconstitution in the private sector – partially funded from the tax system it should be stressed – has elicited a strong response from sections of the women's movement (Cox, 1992). Criticism of this change has quite rightly pointed to the relative disadvantage women face under this change, but perhaps stronger challenges need to be made in terms of re-integrating such occupational welfare back into the public sector, or at least expanding women's potential to participate, for example, through government funding of both women's and men's contributions during periods out of the labour force.

A third consideration is formulating a response to the emerging transitory employment relations trend. As I noted earlier, analysis of this change to date has been dominated by critics who seek ways in which to re-establish the standard employment relation that characterised the breadwinner welfare state. An alternative agenda might seek to use this change more constructively and highlight the opportunity presented to men to undertake care work during periods out of the labour force, rather than to get on the treadmill of re-training or work placement programs.

This is not, by any means, an exhaustive account of current changes – and possible adaptations to change – which could be the subject of future debate and analysis. Rather than proceeding to sketch out some policy prescriptions to address some of these issues, my purpose here is to shift debate away from specific policies and programs towards a more design-oriented consideration of the welfare state. In this section, I again employ Sainsbury's multiple dimension model to propose an alternative to the breadwinner/individual dichotomy which builds on some of the existing characteristics of our institutions while shifting some of the core assumptions about earning and caring roles within the family.

Adapting to change

In proposing the institutional design framework set out on the right hand side of Table 2, I have paid particular attention to several issues arising from the critique of the individual model as well as changes which are specific to the Australian model. These are:

- Paying greater attention to the current trend towards de-commodification and what this implies for women without a similar re-evaluation of care work. This requires an explicit discussion and re-formulation of the familial ideology which shapes the design of welfare policy, programs and practices.
- Extending the theme of “transition” from the life course to include transitions – especially for men – in labour force participation. This requires that equal status in welfare state support be given to individuals whether they choose to take up life course or labour force responsibilities and involves the removal of a range of disincentives which currently limit the participation of men in care work.
- Providing legitimate pathways of choice between work and welfare that do not disadvantage those who choose to move beyond the traditional breadwinner family model.⁹ For example, adjusting contributions rules for retirement benefits to ensure continuity between care and market work.

Dimensions of a transition model

A central aspect of the framework I have proposed is the necessity to pay attention to the shifting character of familial roles. What I present here is only one way of thinking about this issue; there is clearly a great deal of room for debate. As noted earlier, the movement of women into the labour force in sizeable numbers has broken up the strict division of roles characteristic of the breadwinner welfare state, with the proviso that this shift may not obtain across all age cohorts. What we appear to have moved to is a situation where women are secondary earners in the household but maintain primary care/domestic responsibilities and this dual burden is reinforced by wage differentials and moderate, though changing, care provision and income support.

⁹ The notion of allowing greater choice to social security recipients, for example, was canvassed by the former Labor Minister for Social Security Peter Baldwin, in his paper *Beyond the Safety Net* (1994). While Baldwin’s notion of ‘choice’ is informed by a consumerist/client-based approach to income support recipients, there are some similarities in our arguments in respect of removing certain administrative controls over access based on categories and moving toward self-election of the basis of income support.

On the surface, the presumption of ‘shared roles’ which Sainsbury argues as the hallmark of the individual rights model, has great appeal as a model for change. However as I have indicated, in practice, this has not eventuated in the Swedish welfare state and I have reservations about what buying fully into this model implies for women’s citizenship being conditional on an unequal labour market.

A more realistic conception of roles, and one which anticipates the loosening of the standard employment relation and the evolving pattern of transitory employment relations, is to premise welfare state structures on a flexible division of labour which will allow both partners to engage in alternating patterns of market work and care work across the life course. This model would imply changes in a number of areas, for example:

- To allow men greater access to social security benefits during time spent out of the labour force. Rather than having to claim on the basis of being “unemployed” men could opt for a care based payment and not be required to submit to work tests.
- During those periods spent out of the labour market – for both men and women – the government should contribute to the superannuation accounts of those who undertake care work.
- In other parts of the economy, current moves to make employment conditions more responsive to care participation should be encouraged.
- State responsibility for care should be guaranteed, especially where both partners are in the labour force.

The transitions framework described above represents one possible starting point for debate and re-consideration of alternatives to the breadwinner welfare state. This framework is a direct challenge to the long-held view that the Swedish model represents an ideal institutional design around which strategies for equality should be built. While current trends in the labour market seem to be leading us into a period of greater transience in employment patterns, I argue that rather than being a source of yet more gloom for the welfare state, there is now room for an alternative agenda which focuses on the increasing availability of men to undertake care work.

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