

Introduction to the Symposium on Contemporary Social Issues

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Eardley***

This Symposium contains a selection of the papers that were presented to the Australian Social Policy Conference held at the University of New South Wales in July 2005. In choosing which of the many papers to include, we took account of both the quality of the contributions and their relevance and likely interest to readers of *The Economic and Labour Relations Review*. The 2005 ASPC was a particularly auspicious occasion for its organiser, the Social Policy Research Centre, which was celebrating its 25th anniversary. Partly in recognition of this fact, the overall theme for the conference 'Looking Back, Looking Forward', a topic that provided an opportunity to reflect on the legacy of past economic and social policies, on recent and current achievements, and on future challenges.

The end of the long economic boom in the mid 1970s led to the realisation that new social policies were needed to cope with the challenges presented by the emerging economic and social environment. Now, more than three decades after the first oil shock signalled the collapse of the post-war Keynesian consensus, economic growth has returned, but inequality is growing and social change continues to be rapid. After more than a decade of strong economic growth, most Australians have experienced rising material prosperity yet persisting social concerns continue to attract attention, and many feel that the quality of their life has

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not improved to anything like the same degree as their real income. Those who have missed out the benefits of this long economic boom have fallen further behind, making it harder to adjust to and overcome, the many factors that have contributed to their disadvantage. With government increasingly focused on deregulating the economy and keeping a tight rein on spending programs, the state's role in improving social conditions and creating equitable outcomes is in retreat. In its place, increasingly unregulated market forces are generating large financial benefits for those able to compete, with inadequate account taken of the adverse consequences for those deemed 'surplus to market requirements'.

The labour market has assumed growing importance as an arena where market forces play out in ways that shape people's economic and social futures. Those in demand have flourished, while others have been cast aside, as unemployed, under-employed or employed in casual and insecure jobs. People's ability to compete in the modern labour market has thus become an increasingly important determinant of their own economic success, but also of the future prospects of their families and their children. These pressures look set to intensify under the new industrial relations reforms that did not even feature on the policy agenda when the ASPC was held, and few participants could have predicted the changes that have occurred with such rapidity since that time. Even so, the central importance of the labour market is clear from the papers that follow, most of which see it as a major determinant of people's wellbeing in the broad (economic and social) sense.

In her Invited Plenary Address, Holly Sutherland reviews the Blair Government's policy approach to ending child poverty (a policy goal that will be familiar to an Australian audience), analyses the impact of recent policy changes and examines what more needs to be done to achieve the stated goal of ending child poverty within a generation (i.e. by 2020). She begins by drawing on a range of national and international evidence to show where the UK began its effort, identifying some of the factors that will contribute to and detract from its achievement of the overall goal and the interim targets set along the way. She uses a range of policy analyses, including micro-simulation techniques, to estimate what more is going to be needed to achieve the targets, in the process highlighting the magnitude of the task. In a conclusion that sits in stark contrast to the Howard Government's rejection of poverty targets (or even of the usefulness of the notion itself) she concludes that 'targets provide an important focus

and involve the government in holding itself to account, and in providing information such that progress can be assessed'. How well the UK can achieve its child poverty reduction targets will be observed with great interest in Australia, which has much to gain from studying the kinds of insightful analysis presented in this paper.

The paper by Peter Whiteford reviews arguments about the nature and impact of the welfare state that were first raised by the late Professor Fred Gruen in a Plenary Address to one of the first ASP conferences. Whiteford has been researching social issues in government and university settings in Australia for over two decades (including an extended period at SPRC in the 1990s) and is now working in the OECD's social policy division. This gives him unique access to the extremely valuable OECD data on social spending, and his paper (which was voted by participants as the best paper presented at the conference) brings these data to bear on some current issues about the design, impact and sustainability of the Australian welfare state. His detailed knowledge of the strengths and limitations of the data, combined with a deep understanding of policy similarities and differences allows Whiteford to challenge some of the 'myths' that dominate much of the current debate, just as Fed Gruen did two decades ago. His devastating critique of the use of 'churning' to argue that welfare spending can be significantly reduced without having major adverse effects on beneficiary incomes is essential reading for anyone interested in unpicking the simplistic remedies that emanate from bodies like the Centre for Independent Studies. But Whiteford's even-handed approach sees him equally critical of bodies that sit on the left of the political spectrum, and his conclusions for the future of Australian social policy are worthy of a wide readership.

The paper by Tony Eardley present results from an important study of the impact of breaching on social security clients that was undertaken for the Department of Family and Community Services. Breaching is one aspect of the government's mutual obligation approach that has received too little attention, yet is has major implications for both the success of the policy (does breaching improve compliance?) and the living standards of those who are breached (how do they manage when deprived of their income support?). Public debate over the impact of breaching has largely been based on supposition and anecdote, but the research reported by Eardley provides valuable new information that paves the way for a better understanding of the issues involved and a more informed policy response to them. The research relied on a national telephone survey with those who had been breached, supplemented by a small number of in-depth

interviews and a postal survey of welfare agencies. The information gathered indicates that the basic principle underlying breaching is supported, even though it imposes severe hardship on some people, although many think that there is scope for improving how the regime is administered. Perhaps of greatest significance is the finding that a large proportion of those who had been breached indicated that it had made them more determined to find work. Overall, the findings provide the basis for reforming the current system to make it more effective, and recent reforms to the system have benefited from the study.

Nicholas Biddle's paper examines the relationship between health and education for both Indigenous and non-Indigenous populations. After a thoughtful review of the complex issues involved in trying to separate out causes and effects, the paper uses data from the 2001 National Health Survey to compare self-assessed health status and the incidence of chronic conditions and relate them to education levels and a range of risk factors. The empirical work indicates that there is a positive association between education and health, which implies that those with low education have poorer health, but this relationship is more pronounced among Indigenous Australians. Establishing directions of causality remains a problem, however, and as Biddle notes, the (panel) data required to make progress in this area in relation to the Indigenous population do not currently exist. The paper provides yet more evidence that the conditions and opportunities available to Indigenous Australians still lag far behind those available to others in the population. It identifies improved access to education as a factor that can contribute to narrowing the health divide that exists between Indigenous and non-Indigenous Australians, although there are many other factors that also require attention in this extremely challenging area.

The final paper, by Mark Adam and Paul Flatau, uses data from the first two waves of the *Household Income and Labour Dynamics in Australia* (HILDA) survey to examine the linkages between job insecurity and mental health outcomes. Although the adverse psychological effects of unemployment and joblessness have been widely researched, this is the first study to examine whether similar effects exist for those who are employed in insecure situations. Using some sophisticated indicators of mental health status, the authors show how these are systematically related to employment status, but also to perceptions of job security among those in employment. The analysis also indicates that, at least on some measures, where job security declines over time, there is a tendency for mental health to decline. The authors note that these effects have adverse consequences for family and social networks as well as for the individuals involved, and

may result in a decline in human capital that can have self-reinforcing effects over time. Clearly, these outcomes will need to be monitored closely as part of the overall assessment of the new industrial relations reforms, given that many expect these to lead to an increase in job insecurity.

Together, the five papers provide an excellent showcase for the strength and vitality of social policy, as well as for the importance of the issues it raises for our economic progress and the development of Australian society generally. The variety of methodologies employed, combined with the increasing range and complexity of the data analysed point to the growing sophistication of a subject that is of on-going significance to our social goals and the effectiveness of the policies introduced to achieve them.