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A Free and Just Society

The Honorable Kevin Andrews

As a guest in the United States of America, may I begin by quoting another observer of your nation. More than a century and a half ago, Alexis de Tocqueville perceptively observed:

Among the laws that rule human societies, there is one which seems to me more precise and clear than all others. If men are to remain civilised or to become so, the art of associating together must grow and improve in the same ratio in which equality of conditions is increased.¹

It is this sense of mutual association that Tocqueville observed in America that stands at the heart of a well-functioning democratic nation. It is not a new notion.

In his famous oration to commemorate the Athenians who died in the Peloponnesian War against Sparta, Pericles extolled democracy and praised the ancient city-state as the envy of the world. He reminded his fellow citizens that democracy comprised not only a constitution with equality before the law and opportunity for all, but the day-to-day relations of Athenians with each other. It is the “laws themselves” that are obeyed, including the “unwritten laws that it is an acknowledged shame to break.”²

Although Pericles did much to extend democracy to the citizens of Athens, many of the greatest thinkers of the time doubted this new form of government. Plato believed that democracy deteriorates into “license,” and Aristotle, although less severe, noted that constitutions can be captured by groups interested in only their selfish ends.

Talking Points

- Debate has been framed almost exclusively in economic terms, ignoring the social, cultural, and spiritual dimensions of life that undergird democracy.
- If social justice is to succeed as a policy response to poverty, it must address the causes, such as family breakdown, economic dependence and worklessness, educational failure, addictions, and serious personal debt.
- Work is a foundation and expression of human dignity and should always be a primary focus of constructive welfare reform.
- Civil institutions are important because they are not created or controlled by the state. The essence of the voluntary sector is that individuals gather together to address local issues that need a response. Government should not be allowed to seduce community groups into becoming its mouthpiece or an extension of itself.

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214 Massachusetts Avenue, NE
Washington, DC 20002-4999
(202) 546-4400 • heritage.org

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A cursory survey of the 20th century illustrates their misgivings. Nations with apparently democratic constitutions were in fact totalitarian regimes that denied even the most basic human rights to many people. Some remain so. In other places, democracy flowered, only to wither as special groups replaced government by the people.

Despite the trappings—the formal constitutions, the grand national councils, and the political titles—fundamental elements of democracy have been missing from many systems of government. As Jean Bethke Elshtain has written, “Democracy is not simply a set of procedures or a constitution, but an ethos, a spirit, a way of responding, and a way of conducting oneself.”³

It is the habits, dispositions, and culture of people that undergird democracy. Consequently, a state without public discussion and civil association lacks a democratic life force. As Tocqueville observed 150 years ago of the United States, it is the association of people in a myriad of groups and organizations that underpins the modern democratic experiment.

This web of associations, what Edmund Burke referred to as “the little platoons” to which we belong, has become known as civil society.⁴ They are the relationships and institutions that are neither created nor controlled by the state. “The essential task of civil society—families, neighbourhood life, and the web of religious, economic, educational, and civic associations—is to foster competence and character in individuals, build social trust, and help children become good people and good citizens.”⁵ Hence, democracy is built upon the virtues of personal and civic responsibility.

The notion is not new. Adam Smith in *The Theory of Moral Sentiments* posited the centrality of ethical

values, including care for others, as a necessary basis of the market system.⁶ It is a peculiarity of the modern era, however, that national debate has been framed almost exclusively in economic terms, ignoring the social, the cultural, and indeed the spiritual dimensions of national life.

There are three bases to a just and healthy society: a vital market, an efficient and caring state, and a vibrant community.

There can be little debate, given the history of the last century, that a vital market is a necessary element of economic growth, adequate social welfare, and democratic freedom. The fall of the Berlin Wall marked more than the end of a particular ideological regime; it marked also the failure of the command system, both as a harbinger of economic progress and as a vehicle for human rights. The recent failures of financial regulation, caused in part by the unwise idea that easy credit can be extended to people with an inability to repay their loans, has been grasped by some to attack the free market generally. It would be unwise to confuse a failure of appropriate regulation with the overall good generated by free markets.

However, the market alone does not and cannot deliver a just society. There will always be the poor, ill, disabled, unemployed, and those in need of care. There will be projects of societal interest, including the defense of the nation, the promotion of adequate health and education, the protection of the environment, and the provision of the infrastructure necessary for an adequately functioning community. There is no question about the need for programs to support the poor and the vulnerable, for example, but there are real questions about the kind of programs that are appropriate today.

1. Alexis de Tocqueville, *Democracy in America*, ed. Richard D Heffner (New York: Mentor, 1956), p. 201.
2. Pericles, *Oration*, in William Safire, ed., *Lend Me Your Ears: Great Speeches in History* (New York: W. W. Norton & Co., 1992).
3. Jean Bethke Elshtain, *Democracy on Trial* (New York: Basic Books, 1995), p. 80.
4. Edmund Burke, *Reflections on the Revolution in France* (London: J. M. Dent, 1960), p. 44.
5. Council on Civil Society, *A Call to Civil Society* (New York: Institute for American Values, 1998), p. 6.
6. Adam Smith, *The Theory of Moral Sentiments* (1759). Michael Novak refers to democratic virtues in a similar way; see Michael Novak, *On Cultivating Liberty: Reflections on Moral Ecology*, ed. Brian C. Anderson (Lanham, Md.: Rowman & Littlefield, 1999).

Sometimes the debate about the role of the market and the state is simplified to two opposing propositions, one in favor of the market and the other in favor of the state. Both are important. The question, for example, should not be one of intervention versus non-intervention. All governments intervene in the economy. The real issue is for what purpose the intervention is made and how adequate is the outcome.

Both markets and governments can lead to injustice. The notion that all aspects of society can be treated as a commodity can lead to untrammelled consumerism, in which the interests of some ultimately are ignored. Even in economic terms, this is dangerous, as Australians have found with very low savings, rising debts, and increasing interest payments in the 1980s and early 1990s. On the other hand, the suppression of the market and the all-knowing hand of government in many parts of the world last century led to some of the worst forms of totalitarianism imaginable. A just and healthy society requires a balance between the market and the state. It is here that the community is important.

Because individuals gain meaning and identity from their relationships with others, a liberal democracy dedicated to full and free human development cannot afford to ignore the conditions that are most conducive to the fulfillment of that ideal. If we do, then liberal democracy neglects the very basis of its own maintenance. It is in the institutions of civil society—in families and in voluntary associations—that democracy is sustained by balancing the power of both market and state and by helping to counter both consumerist and totalitarian tendencies. The Harvard scholar Mary Ann Glendon writes:

The myriad of associations that generate social norms are the invisible supports of, and the sine qua non for, a regime in which individuals have rights. Neither the older political and civil rights, nor the newer economic and social rights, can be secure in the absence of the social arrangements that induce those who are

disadvantaged by the rights of others to accept the restrictions and interferences that such rights entail.⁷

In other words, if we cannot preserve and support the institutions of community in which relationships are developed and nurtured, then we are not merely placing at risk the welfare of many people, particularly the young and the elderly; we are weakening the very foundations of democracy itself. As many have observed, of all political systems, democracy most depends upon the competence and character of its citizens. A liberal democracy presupposes civic virtue to a higher degree than any other form of government.

In recent years, political discussion in many Western nations has been dominated by the goal of reducing the size of government. As government, including the burgeoning welfare state, is viewed as the problem, limiting and decentralizing it is adopted as a solution. There are limits to this approach. If the welfare state cannot solve our social crisis, then dismantling it, by itself, will not necessarily reverse all social problems. Hence, the need to strengthen the institutions of civil society.

Civil society embraces those relationships which are independent of the state but provide an environment in which children are formed in the virtues of citizenship and in which adults are encouraged to practice them. Of these institutions, the family is the most important, as it is the first and most critical environment for the development of human competence and civic virtue.

If the human person is at the center of every social institution, then the family, as the primary place of socialization, needs to be a community of free and responsible persons who are encouraged to live marriage as a project of love which contributes to the vitality of civil society. How we support marriage, then, as the protective institution of family, particularly the welfare of children, is of profound importance. It is, in the words of Glendon, a “seedbed of virtue.”⁸

7. Mary Ann Glendon, *Rights Talk: The Impoverishment of Political Discourse* (New York: Free Press, 1991).

8. Mary Ann Glendon, *Seedbeds of Virtue: Sources of Competence, Character and Citizenship in American Society* (Lanham, Md.: Madison, 1995).

Significance of Ideas

I have begun with a discussion about ideas because they are important. They shape the public culture. They inform political discussions. They limit the role of government. They define the relationships between individuals, families, and the institutions of civil society. They underpin policies and programs. In short, they inform us about how we should live together.

There are certain ideas that I believe are important:

- That the dignity of the individual is the foundation of all other relationships;
- That the political and economic freedom of the individual is central to societal well-being and that personal responsibility underpins such freedom;
- That the covenantal relationships of love, loyalty, friendship, and trust exist outside the political sphere but are essential to the health of society;
- That social order and shared values underpin a healthy society;
- That government should be limited without forgetting that the protection of the poor and the weak are pivotal political challenges;
- That functional families are crucial for the raising of children and the stability of society;
- That society is a partnership across generations;
- That we belong to a nation, not a series of segregated groups; and
- That our Western, liberal democracy best enhances individual freedom and human dignity and is worth defending.

Stated this way, social justice is one factor in the creation and maintenance of a well-functioning society. But it is not an end in itself. It is here that the welfare state can be self-defeating. By this, I do not mean that social security is unnecessary or inappropriate. However, if the welfare state becomes an object in itself rather than a means to an end, it is unlikely to relieve individuals of their plight.

Consequences and Causes

A problem is that the modern welfare state largely involves accepting the consequences of societal

dysfunction and is loath to tackle the causes. This arises from a number of factors.

First, the emphasis on individualism has led to a reluctance to interfere with other people's choices. There is a fear of being accused of moralizing should one seek to address the causes. Even holding out an aspiration is criticized as demeaning the poor or the afflicted, insensitive to their plight, or paternalistic.

Yet this is a modern notion. As recently as a century ago, poverty, for example, was seen as a moral issue. A distinction was drawn between the deserving and the undeserving poor. Taking a sense of responsibility for one's own situation was a central feature of policy responses.

Indeed, Disraeli's famous reference to "two nations" was less about poverty as such and more about the lack of connection he observed between the rich and the poor. His books, such as *Sybil, or the Two Nations*, describe the breakdown of society and reinforce the significance of the mediating institutions of society.

A sense of community responsibility was reflected in the institutions that developed in the later part of the 19th century. For a century in Australia from the 1860s, friendly societies flourished. Later, credit unions and building societies reflected the self-help and mutual obligation ideas of the era. Not only did they build communities, but they encouraged discipline, responsibility, and thrift among individuals.

While the lack of universal provision can be criticized, the replacement of these institutions by the welfare state also robbed the community of many of its vital organic links. Local concern for local problems and local organization came to be replaced by the central state. Public servants, removed physically and emotionally from the communities they were to serve, turned to regulation and administrative programs. The impersonal program, increasingly delivered by someone paid to do so, replaced the personal encounter motivated by charity and concern to contribute to a healthy community.

Further developments have compounded the alienation of communities. In many places, governments have realized that central bureaucracy is not the solution. As a consequence, other sectors have

been employed, usually by contractual arrangements to deliver services.

While this has overcome one set of problems, it has helped create others. Governments, subject to financial and other scrutiny, impose burdensome administrative arrangements on the service providers. They also seek the best value for public monies, often by competitive tendering for services. This can result in an emphasis on process, red tape, and time-consuming administration. It also fosters powerful vested interests, dependent upon government funding and therefore vocal advocates for more funding.

Having deployed the civil sector as its agent, government can also seduce it to become the mouthpiece for the latest fad or manifesto. If “social inclusion,” for example, becomes the government’s public relations cliché, agencies will spend time ensuring that their programs are “socially inclusive” in order to continue to receive funding. I will return to this theme later.

Rights and Responsibilities

A second problem is the modern emphasis on rights and the abandonment of responsibilities. Over the past half-century, the language of rights—originally understood as freedoms and liberties, especially liberty against the state—has been employed to countenance all manner of things. Rights have become the dominant language of our culture.

Although the Universal Declaration of Human Rights directly refers to rights, it also contains a notion of obligation. Both the U.N. Declaration and the American Declaration of the Rights and Duties of Man issued at Bogota, Colombia, in 1948, upon which the U.N. document was based, provide not only that all men and women are born free and equal in dignity and rights, and that human beings are endowed with reason and conscience, but also that they should act towards one another in a spirit of brotherhood. The individual is situated in a framework of community and family.

The U.N. Declaration, for example, provides that everyone has duties to the “community in which alone the free and full development of his personal-

ity is possible.” It also refers specifically to the rights and responsibilities of spouses to a marriage.

We must, I believe, continue to assert the place of obligation in public discourse and private behavior if we wish to sustain our modern, rights-giving democracies and build civil society. Unless we appreciate that a right can exist only when some person or body has a responsibility to deliver the subject matter of the right, we run the risk of neglecting the foundation upon which our societies exist.

Worse still, so-called rights are now being demanded in the name of groups. This is a danger to liberal democracy, as Jonathan Sacks has written:

Liberal politics does not deny the significance of groups. We are who we are because of the various groups to which we belong. What liberal politics did, however, was to create space for such groups outside the political domain in that crucial region between the individual and the state known as civil society. We belong to this neighbourhood, that church, this professional body, these charitable organisations. They give us our sense of identity, our ideals, our opportunity to be bound to others in bonds of altruism. But in the political domain we enter on equal terms with everyone else, as individuals possessed of inalienable dignity. The shift from individuals to groups, far from being an advance, was a regression to a pre-modern political dispensation; from the nation state to the corporate state, the state as a composite of different classes and confessions.⁹

The Causes of Poverty

If social justice is to succeed as a policy response to poverty, then it cannot concentrate only on the consequences for individuals and society. It must address the causes.

What, then, are the causes of poverty today? In *Breakdown Britain*, the Centre for Social Justice identified five causes:

- Family breakdown,
- Economic dependence and worklessness,
- Educational failure,

9. Jonathan Sacks, *The Home We Build Together* (London: Continuum, 2007), p. 54.

- Addictions, and
- Serious personal debt.¹⁰

Coming from Australia, it is difficult to challenge this list. Take the trends about family, for example:

- People are marrying less;
- Couples are marrying later;
- Most couples cohabit before marriage, and cohabitation is less stable than marriage;
- More people remain unmarried;
- The birth rate has fallen below replacement levels;
- Divorce has increased;
- One in three children are born out of wedlock; and
- Single-parent families have increased.

The largest decline in partnering is amongst non-professional women. Conversely, divorce rates for degree-qualified women have declined. In Australia, 45 percent of women aged 30–34 with no post-school qualifications are lone parents; and for women aged 35–39, the proportion rises to 55 percent.

Men who are (1) partnered and (2) married are now predominantly drawn from the ranks of the better-off.

Marriage and economic prosperity appear to be linked. Conversely, divorce and lone parenthood are related to economic hardship. A recent study by the National Centre for Social and Economic Modelling (NATSEM) confirmed that both men and women are worse off economically as a consequence of divorce.¹¹

One in five children under 15 has the double disadvantage of living in a family with low financial resources and only one parent responsible for day-to-day care.

Divorce also impacts on workforce participation. According to the NATSEM study, most women are in part-time work before separation. This fits the

common model of work in Australia, where one partner works full time and the other—most often the wife—works part time. While three-quarters of women remain in part-time work post-separation, one-tenth leave the labor force, and one-tenth move to full-time work. The majority are therefore endeavoring to survive on inadequate income.

For women who were working full time while married, 80 percent remain in full-time employment, 5 percent move to part-time, and the remaining 15 percent leave the labor force altogether.

David Popenoe's summary of the impact of these changes applies equally to Australia as it does to the U.S.:

First, rising rates of divorce and unwed child-bearing, which mean the steady disintegration of married, mother–father child raising unit. Second, the growing inability of families to carry out their primary social functions: maintaining the population level, regulating sexual behavior, socializing children, and caring for family members. Third, the transfer of influence and authority from families to other institutions, such as schools, peer groups, the media, and the state. Fourth, smaller and more unstable family units. And fifth, the weakening of familism as a cultural value in relationship to other values, such as personal autonomy and egalitarianism.¹²

Taken together, these data reveal a steady displacement of a marriage culture with a culture of divorce and single parenthood.

The Impact of Change

If these developments were associated with an improving lifestyle for our children, they might be applauded. Generally, our GDP, our health, and our educational levels have risen, but consider the evidence of what is happening:

- Youth suicide has increased markedly;

10. Social Justice Policy Group, *Breakdown Britain: Interim Report on the State of the Nation* (London: Centre for Social Justice, December 2006).

11. National Centre for Social and Economic Modelling, *Love Can Hurt, Divorce Will Cost* (Canberra: NATSEM, 2005).

12. Cited in Kevin and Margaret Andrews, *With This Ring: Rebuilding a Culture of Marriage* (Melbourne: Threshold Publishing, 1997), p. 11. See generally David Popenoe, *Disturbing the Nest: Family Change and Decline in Modern Societies* (New York: Aldine De Gruyter, 1988).

- Reports of child abuse rise each year;
- Alcohol and drug abuse amongst teenagers has multiplied;
- Violence has increased;
- Welfare beneficiaries are much higher than two or three decades ago; and
- Single-parent families, even after government benefits, continue to be amongst the poorest groups in the community.

While the causes of these problems are complex, a recurring factor is the breakdown of marriages and the disintegration of family structures. Take two Australian examples:

- The report of the Prime Ministerial Taskforce on Youth Homelessness, *Putting Families in the Picture*, found that the majority of young people and families identified conflict in their relationship as the main reason for imminent or early home-leaving by young people;¹³ and
- The *National Action Plan for Suicide Prevention* stated in part: “Young people with suicidal behaviours are less likely to be living with their biological parents and more likely to be from separated, divorced or single parent families, or from families where there are interpersonal conflicts.”¹⁴

This is not to say that family problems are the only causes of youth homelessness and suicide. These tragedies can strike any family without apparent reason or cause.

Nonetheless, many scholarly and official reports attest to a recurring association between a range of social pathologies and marriage and family breakdown. Conversely, a series of studies reveal that healthy family life is the optimal environment for the well-being of both adults and children.

In his recent book, *The Home We Build Together*, Jonathan Sacks says, “The fact that we have deconstructed the family morally, psychologically, economically, politically, is the single most fateful cultural development of our times.”¹⁵

Society has an interest in functioning families and healthy children. Society has an interest in promoting the institution of marriage because it seeks to unite men and women and to promote child rearing in a setting which provides male and female models. As the demographer Kingsley Davis has written:

The genius of marriage is that, through it, the society normally holds biological parents responsible for each other and for their offspring. By identifying children with their parents and by penalising people who do not have stable relationships, the social system powerfully motivates individuals to settle into a sexual union and take care of ensuing offspring.¹⁶

David Blankenhorn and Allan Carlson put the economic consequences succinctly when they said, “No amount of public investment in children can offset the private disinvestment” arising from dysfunctional families.¹⁷

In summary, a society that does not concern itself with the crucial role of its mediating structures, such as family and community groups, undermines the very basis of its success. Rebuilding these structures, supporting and strengthening them, and encouraging their important role is essential for a free and just society.

Let me turn, then, to some developments in Australia. While I draw upon our local experience, both in a policy and practical sense, an important qualification should be stated: There is much in common in the economic, social, and cultural life of the

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13. Prime Ministerial Taskforce on Youth Homelessness, *Putting Families in the Picture* (Canberra: Department of Community Services, 1998).
14. National Advisory Council on Youth Suicide Prevention, *National Action Plan for Suicide Prevention* (Canberra: The Council, 1999).
15. Jonathan Sacks, *The Home We Build Together* (London: Continuum, 2007), p. 213.
16. Kingsley Davis, “The Meaning and Significance of Marriage in Contemporary Society,” in Kingsley Davis, ed., *Contemporary Marriage* (New York: Russell Sage Foundation, 1985), pp. 7–8.
17. Allan Carlson and David Blankenhorn, “Marriage and Taxes,” *The Weekly Standard*, February 9, 1998.

industrialized nations, but there are also differences. I do not pretend that our experiences in Australia are universally applicable. Rather, I offer an overview by which others may make a comparison, which may be useful even if not precisely applicable.

The industrialized nations are confronting many similar social, cultural, and political trends. To learn from one another, we must tell each other of our national and cultural experiences. With this aim in mind, let me reflect on three examples from Australia.

Welfare Reform

Work is a social good which, in turn, is a foundation and expression of human dignity. Seen this way, it is work or employment and finding it for all who wish to participate that should always be a primary focus of national policy.

Not only does work enable us to express ourselves as human beings and fulfill our material needs; it enables us to contribute to society as a whole: to our families, our community, and the nation. At issue, then, is how we ensure work for all those who are capable of it. None of us exist in isolation. We have a duty to allow each of our fellow citizens to participate in the work of society according to their ability.

Sixty years ago, the Australian authors of the 1945 *White Paper on Employment* proclaimed that “full employment is a fundamental aim of the Commonwealth Government.”¹⁸ It was an objective that sustained us for several decades. But the changes wrought by the transition to a modern, globally competitive economy undermined this aim, returning us to levels of high unemployment in the late '80s and early '90s. While many areas of the nation were experiencing close to full employment by 2005, there still remained many Australians unable to participate.

Policy Objectives

Having regard to these principles, what should be the objectives of our policy for welfare reform?

All people should be able to contribute, according to their ability, to the economic life of the

nation. People with disabilities, for example, both want and are generally able to contribute. This is equally true of others locked out of employment because of age, personal circumstances, or changing industrial trends.

Some want to characterize welfare reform in purely economic terms. This misses the point. When the great majority of people, whatever their physical, mental, or social situation, want to contribute positively to society, the issue is both social and moral. To miss the chance to increase the opportunities for more people to participate in the workforce would be to betray our obligation to our fellow men and women.

Welfare to Work

Australians wish to be secure in the knowledge that a safety net and social support system will always be available to them if it is genuinely needed. However, at a time of strong jobs growth and emerging labor and skill shortages, the number of working-age people in receipt of income support grew by 2005 to over 20 percent of all working-age Australians, or more than 2.7 million people.

Only a small percentage of this number had participation requirements tied to their income support. 700,000 were on the Disability Support Pension (DSP), and 630,000 receive a Parenting Payment. Both of these payments are more generous than the Newstart Allowance received by the unemployed. There were more people receiving the DSP than there were on unemployment benefits.

What this highlighted was that people with disabilities, in particular, had a very low rate of participation in the workforce. Less than 10 percent of people receiving DSP undertook any work, including many people who had significant work capacity.

Participation requirements that were placed on sole parents were very low by international standards. Sole parents were on income support for an average of 12 years; however, many did engage in some form of workforce participation during this time. Figures from June 2002 showed that around 41 percent of Parenting Payment (Single) recipients were working, and 42 percent of those not working

18. Commonwealth of Australia, *Full Employment in Australia* (Canberra: Commonwealth of Australia, 1945), ¶ 1.

wanted to work. Not surprisingly, the incidence of work and the preference for work was higher for those with older children.

While these figures were encouraging, they also demonstrated that sole parents faced very real barriers to participation. In order to continue to boost the participation rates of sole parents, there were a number of issues that needed to be addressed. These included the provision of more family-friendly workplaces, availability of affordable before- and after-school child care, and timely payment of child support.

Many people on income support were also reluctant to move into employment and lose access to not only their benefits, but also other forms of special assistance. The importance of the pensioner concession card (PCC), mobility allowance, and home help, for example, could not be underestimated. People wanted to be secure in the knowledge that we understood that if their employment did not work out, they should not be left worse off.

In my discussions about welfare reform, including the representatives of those who are facing barriers to greater participation in the workforce, such as people with disabilities, they made it clear to me that they wanted to contribute and participate in the social and economic life of our nation. We needed to assure people that if they had a go and it didn't work out, they would not be left worse off. We needed to reassure them that they would be given the opportunity to have another go if their initial foray into the workforce wasn't successful.

Approximately one-quarter of all DSP recipients in Australia suffer from a psychological/psychiatric condition. Such conditions are often episodic, and due regard had to be given to how we could more appropriately deal with the situations that many of these people find themselves in when they have an episode that leaves them unfit for work.

There are substantial barriers which prevent people with disabilities from participating both in the workforce and in everyday life. They include physical barriers, such as access to transport, and mental and psychological challenges. Whatever shape or form they come in, these barriers have been unfortunately reinforced by negative community atti-

tudes and a low expectation of people with disabilities. This has contributed to many people with disabilities feeling a sense of disempowerment.

Governments, business, and the disabled themselves must work together and set about removing these barriers and negative stereotypes.

Increasing participation is not just a matter of moving more people into the workforce. We must also address the demand for their services. Business needs to be educated about the benefits of employing people with disabilities. We can learn from companies such as Westpac, McDonald's, Telstra, and IBM who can see the benefits for themselves and their employees.

There is also a role for the Commonwealth to play, given the declining number of people with disabilities in the public service. The Australian government can do more by taking the lead and making a commitment to increasing employment of people with a disability in the public service.

People with disabilities acknowledged that they wanted to be more economically active. The Disability Support Pension should not be a dead-end payment, as many see it today.

The principal object of reform, therefore, was to encourage and assist more and more people to contribute and participate positively.

The 2005 Reforms

Two major changes were made to Australian welfare in 2005.

First, sole parents were required to seek work and to move from Parenting Payments to the unemployed benefit when their youngest child turned six.

Second, if people with a disability had the capacity to work between 15 and up to 30 hours per week without ongoing support in the open labor market, then they would not be eligible to claim the disability support pension. They have to apply for another payment, typically Newstart, and are required to look for work. A person's work capacity is assessed by a new Comprehensive Work Capacity Assessment service. People who were receiving the disability support pension on May 10, 2005, were not be affected by these changes.

The details of the reforms are set out in Appendix A.

The results of the reforms have been mixed. As of June 2008, there were 732,367 recipients of the Disability Support Pension, a 2.6 percent increase on the 714,156 recipients as of June 2007. These figures suggest that the rapid growth in the number of recipients has slowed markedly. However, as existing recipients were grandfathered, the large number in receipt of the DSP will take many decades to reduce.

In 2007–08, the number of Parenting Payment (Single) recipients declined by 8.8 percent, from approximately 395,500 to 360,600. The number of Parenting Payment (Partnered) recipients also declined by 12.8 percent, from approximately 144,400 to 125,900 in June 2008. Overall, the numbers had fallen from 600,000 in 2005 to 486,000 in 2008.

Indigenous Welfare

In 2007, the Howard government launched major changes to indigenous welfare.

There are approximately 517,000 indigenous Australians, which represents 2.5 percent of the total population. On almost all measures of welfare, indigenous Australians fare poorly by comparison to the rest of the population. Appendix B provides a summary.

Cradle-to-grave poverty amongst indigenous Australians remains one of Australia's most urgent social issues, despite the fact that aboriginal people gained constitutional recognition and land rights in recent decades. The situation is the result of a series of developments, including failed policies of the past. These included a homelands movement which resulted in small, isolated communities cut off from economic activity and dependent on welfare; an aboriginal Community Development and Employment Project (CDEP) that effectively provided funds for not working; a permit system that kept these communities isolated from the rest of the nation; a system of representation that descended into nepotism and corruption; and the corrosive impact of

alcohol and drug use and pornography on communities and individuals.

From 1996, the Howard government had commenced reforms of indigenous affairs, abolishing ATSIC, the indigenous representative body, and replacing it with a new appointed Council and changes to the CDEP to encourage indigenous people, who are mostly young, to get real jobs.

The spur for more drastic action was the publication of a report, *Little Children Are Sacred*, in 2007, which had been commissioned by the Northern Territory government.¹⁹ The authors of the report visited 45 indigenous communities and found widespread sexual abuse of children in every one of them. It described family and community dysfunction and the corrosive combination of welfare, alcohol, drugs, and pornography.

As a result, the Australian government intervened, having powers to override a Territory (but not the States). In summary, the intervention involved:

- The management of the income of all people in receipt of welfare in the communities;
- Increased health checks for aboriginal children and notification requirements in relation to suspected abuse;
- More police in the communities;
- Connecting the receipt of welfare to school enrollment and attendance;
- Bans of the supply of alcohol and pornography to aboriginal communities;
- Phasing out of the CDEP program;
- Allowing indigenous people to individually own land via a long-term leasing arrangement;
- Introducing food standards for community stores; and
- Abolishing the permit system.

It is too early to judge the success or otherwise of these changes. In some cases, the new Labor government is proposing to reverse some of them, such as reintroducing the permit system.

19. Board of Inquiry into the Protection of Aboriginal Children from Sexual Abuse, *Little Children Are Sacred* (Darwin: Northern Territory Government, 2007).

There is little doubt, however, that the reforms will have a significant impact on the lives of individuals and communities. What remains to be done is to fully integrate indigenous people into the economic life of the nation by encouraging them to work and own property individually. This remains one of Australia's great challenges.

Supporting Marriage and Family

During the 1950s, church and other organizations commenced offering marriage preparation and counselling. The Catholic Church, for example, conducted "Pre-Cana" programs for engaged couples. In each state, Marriage Guidance Councils were established, following the British model.

These developments were given official recognition in the 1961 when the national Parliament first legislated for marriage. (The States had previously regulated marriage.) The Marriage Act 1961 included provision for the government to fund organizations providing marriage education and counselling services. Interestingly, the divorce rate had fallen during the 1950s. In 1961, it was at the lowest level it was ever to reach since World War II.

The funded agencies and others continued to provide marriage support services. As the incidence of divorce increased, particularly following the introduction of no-fault legislation in 1975, more effort and funding was spent on marriage counselling, and little on preventive education.

In 1980, my wife Margaret and I, along with a small group of like-minded couples, established the Marriage Education Programme in Melbourne. In almost 30 years, we have provided marriage education courses to some 20,000 people. The work is undertaken on a voluntary basis, apart from the employment of an administrative assistant. We receive a small grant from the federal government. Otherwise the work is self-funding. It is an example of a group of people recognizing a need and responding to it. It is an example of how government can support the voluntary sector.

Following the election of the Howard government in 1996, I established an inquiry into strate-

gies to strengthen marriage and relationships in Australia. The resulting report, *To Have and to Hold*, noted the significant costs of marriage breakdown for individuals and society and recommended increased funding for programs of education, skills training, and prevention.²⁰

The publication of the report was seminal in the discussion of marriage education policy. It was the first time that a legislature had undertaken a thorough review of the field, and it became a stimulus for other policy discussions.

The report led to increased government funding for marriage education and related services, but suggestions for a more equitable basis for the funding were ignored. A pilot scheme of education vouchers was introduced and, although successful, was never implemented universally.

More recently, the Howard government established 65 Family Relationship Centres around the country to act as a gateway to family support services. Their introduction had its origins in the ongoing dispute about child support.

Soon after the introduction of a child support scheme in the late 1980s, there was an ongoing campaign against what was seen as an inequitable system, especially towards non-custodial parents, invariably fathers. Soon after my election to Parliament, I was appointed to an inquiry into the scheme. The cross-party committee agreed that there were inequities that should be remedied. Yet within an hour of the release of the report, the then Minister categorically ruled out any substantial change. Apart from the substantive issues involved, the curt response was unproductive. It was part of the reason, I believe, why child support remained a political issue for so long.

The issues had not been resolved when the Howard government was elected in 1996. On regular occasions, government MPs would raise the issue in the Party Room. Many of the MPs complaining about the inequity were women. As a consequence, further inquiries were established, leading ultimately to further reforms and the creation of the Family Relationship Centres.

20. House of Representatives Committee on Legal and Constitutional Affairs, *To Have and to Hold: Strategies to Strengthen Marriage and Relationships* (Canberra: Parliament of Australia, 1998).

Whether these centres will fulfill the expectations for them remains to be seen. The government set out a series of key performance indicators at the time of their introduction against which future judgments can be made.

However, there is one lesson that clearly emerges from the events of over a decade. It is that marriage breakdown and child support are the tail that wags the body of family policy. As a consequence, government support for marriage education has been caught in the crossfire of debate about the causes, meaning, and consequences of family breakdown over the past four decades.

Numerous inquiries have been conducted, and hundreds of millions of dollars are now expended on the consequences of marriage breakdown. Despite the fact that marriage breakdown costs the nation billions of dollars each year and leaves both men and women substantially worse off, little is spent by way of comparison on prevention.

Yet the research indicates that programs of prevention, education, and skills development can enhance the prospects of successful marriage. More needs to be done.

A Final Reflection

Before concluding, I would like to make a final reflection on the role of organizations in the third sector. It relates to their relationship with government. Having been a minister responsible for the delivery of government programs and the member of an agency in receipt of modest government funding, I believe there is a tension that needs to be addressed.

In this context, Australia is different from both the U.K. and the U.S. Government funding of third- or charitable-sector services has become commonplace in Australia over the past 50 years. For example, the Australian government has provided funding to non-government schools since the late 1950s. As I indicated earlier, family support agencies, many of which are conducted by the various churches, have been funded since the 1960s. Hospitals and aged-care homes conducted by religious and charitable organizations are funded by government in a similar way to state-owned facilities.

More recently, the Howard government abolished the government-run Commonwealth Employment Program and began funding employment services provided by private providers. Some of the largest employment service providers in Australia are auspiced by religious groups, such as the Salvation Army. In many other areas, ranging from community health services to programs for refugees and newly arrived migrants, governments fund community organizations that provide services.

This is different from the U.K., where, in my observation, more services are directly provided by government, whether at national or local level. It also differs from the U.S., where the debate about church and state influences policies and programs in a way that does not occur in Australia.

I remarked earlier that there is a danger that government can seduce community groups into becoming its mouthpiece. There is also a danger that government will see the voluntary sector as just an extension of itself.

I was reminded of this concern when reading the speech of a former New Zealand Labour Government Minister to a conference on social inclusion in Melbourne recently. In it, Steve Maharey, now Vice-Chancellor of Massey University, Palmerston North, New Zealand, and formerly a New Zealand government minister for nine years, said:

- Community organisations have to accept that they must have professional management and rely less on volunteers. Volunteering is still vital but the core of a community group of any size needs to be paid and accountable.
- There are too many community groups. While new groups will always appear in response to a need, if real progress is to be made rationalisation of numbers is essential.
- Local communities need volunteer centres where induction and training can be provided.
- There has to be full funding of the work community groups are asked to do.²¹

While aspects of these statements are unremarkable, taken together they raise a concern. There is a sense in these remarks that the voluntary sector is viewed as another arm of govern-

ment to be directed, regulated, and funded like an agency of the state.

The essence of the third or voluntary sector of civil society is that individuals gather together to address issues that they perceive as in need of a response. Most often, this is at a local level. Surely there cannot be too many community groups. The suggestion that there are too many groups smacks of a command approach and bureaucratic control.

The institutions of civil society are important because they are neither created nor controlled by the state. While public funding requires accountability and some services require training, skills, and a professional approach, this is entirely in the capability of many volunteers. We should guard against unnecessary state control of the civil sector.

—*The Honorable Kevin Andrews was elected to the Australian Parliament in 1991. He chaired the House of Representatives Legal and Constitutional Affairs Committee (1996–2001), which published To Have and to Hold in 1998. He also served as the Australian Minister for Ageing (2001–2003); Minister for Employment and Workplace Relations (2003–2007); and Minister for Immigration (2007). He is currently Deputy Chairman of the House Economics Committee and Chairman of the Coalition Policy Review. He is married to Margaret, and they have five children. This address was delivered at the International Conference on a Conservative Vision for a Free and Just Society, sponsored by The Heritage Foundation and held in Washington, D.C., on November 19–20, 2008.*

21. Steve Maharey, *Presentation*, Partnerships for Social Inclusion Conference, Centre for Public Policy, University of Melbourne, 2008.

APPENDIX A 2005 WELFARE REFORMS

Parents—Availability to Work

Parents out of the workforce for long periods of time are in danger of losing the skills and self-confidence necessary for them to return to work. Single parents spend around 12 years on average on income support. It is not surprising that some parents find it difficult to transfer back into work after extended periods out of the labor force.

Under the 2005 measures, the core requirement for principal-carer parents on income-support payments is to look for part-time work if they have the capacity and availability to do so, generally when their youngest child turns six and is ready for school. If they are unable to find work, they continue to keep their income support. In many cases, parents meeting their requirements through part-time work retain part-rate income support.

These reforms were in line with community expectations and are modest by international standards.

From July 1, 2006, new applicants were eligible for Parenting Payment (Single) when their youngest child is aged less than eight. For Parenting Payment (Partnered) applicants, this applies when their youngest child is less than six. Once their youngest child turns either six, for Parenting Payment (Partnered) recipients, or eight, for Parenting Payment (Single) recipients, they typically go on to Newstart. Single principal-carer parents in receipt of Newstart allowance also have access to the pensioner concession card, the pharmaceutical allowance, and the telephone allowance.

Parents on Parenting Payment (Single) or Parenting Payment (Partnered) on June 30, 2006, can stay on that payment under current eligibility provisions until their youngest child turns 16. However, they have a job search requirement from the latter of July 1, 2007, or when their youngest child turns seven.

Special Family Circumstances

The government recognized that some principal-carer parents—for example, registered and active foster carers, distance educators, home schoolers, or those who have large families or a disabled child—

may be unavailable for work because of the need to focus fully on their caring responsibilities.

If a parent has special family circumstances such as these, they are taken into account when determining their participation requirements under the Welfare to Work changes, and the parent may be eligible for a temporary exemption. Circumstances where the parent has multiple caring responsibilities or cannot find suitable child care are also taken into consideration.

Income Supplement

All principal-carer parents who are registered and active foster carers, home educators, or distance educators are exempt from participation requirements for a period of up to 12 months at a time and receive a new rate that tops up their income-support payment to the equivalent of the Parenting Payment (Single) rate. This applies for the period of the exemption and is reviewable.

The new rate was indexed from July 1, 2006, so that it continues to cover any difference between Parenting Payment (Single) and Newstart allowance.

Victims of Domestic Violence

Principal-carer parents who are subject to family breakdown associated with domestic violence are temporarily exempted from participation requirements. Others who have been subjected to domestic violence are temporarily exempted from participation requirements under current, more general exemption provisions.

Additionally, principal-carer parents who have undergone a highly stressful family breakdown may be eligible for a period of stabilization before participation requirements commence. This will give them time to adjust before looking for work.

Improved child-care provisions assist parents returning to the workforce. The measures provide the additional outside-school-hours child care necessary to reduce barriers that parents face in moving from welfare to work, as well as addressing the high demand for places. Principal-carer parents with part-time work requirements are not expected to

take up work if it occurs outside school hours and no suitable child care is available, or if the cost of care would result in a very low or negative financial gain from working.

The government, recognizing that some parents may have barriers to overcome as they enter or re-enter the workforce and committed to providing assistance to those with obligations to seek work, will provide additional employment focused services to help jobless parents find work.

Extra Employment Services

A new employment preparation service was established through Job Network to assist parents with school-age children to find work and overcome barriers to employment by equipping them with skills to re-enter the workforce. The government also provided additional employment-related services to parents with special needs. Parents who have significant non-vocational barriers, such as substance abuse or homelessness, to overcome before looking for work are referred to the personal support program.

Parents with a part-time requirement who are not working may be required to undertake an annual mutual obligation activity, including part-time Work for the Dole.

People with a Disability—Capacity to Work

The government committed to maintaining a sustainable and adequate safety net for people with disabilities who are unable to work. At the same time, we believed long-term dependence on the disability support pension is not the best option for people who have the ability to work reasonable hours without ongoing support in the open labor market.

In 1980, 2.3 percent of working-age people were claiming the disability support pension. By June 2005, this proportion had more than doubled to over 5 percent, or 705,000 people. Only around 10 percent of DSP recipients were in the paid workforce in Australia, while the average among OECD²² countries was around 30 percent. The changes in income-support arrangements and the

increased funding for employment services and the Workplace Modifications Scheme were designed to encourage and assist people with disabilities to test their capacity to work.

From July 1, 2006, the focus shifted to the capacity people have to work, not their incapacity or their inability to work. If people with a disability have the capacity to work between 15 and up to 30 hours per week without ongoing support in the open labor market, then they are not eligible to claim the disability support pension. They need to apply for another payment, typically Newstart or youth allowance (other), and are required to look for work. A person's work capacity is assessed by a new Comprehensive Work Capacity Assessment service.

People who were receiving the disability support pension on May 10, 2005, were not affected by these changes.

Access to Other Benefits and Support

People with disabilities have access to the full range of vocational and prevocational programs to help them with job preparation and job search activities. Places in vocational rehabilitation and employment services were guaranteed for Newstart and youth allowance (other) recipients with disabilities who have part-time work capacity.

These people also get the pensioner concession card, pharmaceutical allowance, the telephone allowance, and other concessions available to card holders. Job seekers with a disability and a part-time requirement are also eligible for a \$312 employment entry payment.

Mobility allowance was increased to \$100 per fortnight for people on Newstart allowance or youth allowance (other) with an assessed work capacity of at least 15 hours per week and for those people on the disability support pension being assisted by an employment services provider. If these people increase their hours of work and move off income support and continue to work, they retain eligibility for this mobility allowance.

People with disabilities and a part-time requirement who are not working may also be required to

22. Organisation for Economic Co-operation and Development.

undertake an annual mutual obligation activity, including part-time Work for the Dole.

Mature-Age Job Seekers

Although the participation rate in the labor market had been rising steadily among mature-age Australians, too many mature-age people often experienced difficulties finding work.

Under the changes, Newstart recipients aged 50 to 64 were required to seek full-time work—the same requirements applying to younger job seekers. People aged 60 or over are not required to participate in Work for the Dole, nor are people aged 50 or over unless they are not genuine in their effort to find work. However, job seekers aged 55 or over are able to fully meet their activity requirements through part-time work and/or voluntary work totalling at least 15 hours a week.

Mature-age job seekers are supported by increased employment assistance. They also benefit from the new Employment Preparation Service, which is able to assist mature-age people to update their skills and prepare them for the modern labor market.

Getting the Very-Long-Term Unemployed Back into Work

The Welfare to Work measures also increase the assistance provided under the Job Network active-participation model to very-long-term unemployment benefit recipients.

The new Wage Assist measure provides additional incentives to employers to take on very-long-term unemployed job seekers in full-time, ongoing employment. To help develop the work habits needed to enter the labor market, job seekers who are not genuine in their efforts to find work can be required to participate in full-time Work for the Dole for 25 hours per week.

Very-long-term unemployed job seekers with major employment barriers can also be referred to a Comprehensive Work Capacity Assessment to identify whether another payment, such as the disability support pension, or a specialist program, such as vocational rehabilitation or disability open employment services, is appropriate.

More Generous Taper Rates for Newstart Allowance

Many people moving from welfare to work, or increasing their earnings, benefit from an enhanced allowance income test.

Under the existing Newstart personal income test, there was no payment reduction for the first \$62 of income per fortnight, while payment was reduced by 50 cents in the dollar for income between \$62 and \$142 per fortnight and 70 cents on the dollar thereafter. The new income test is more generous. The \$62-per-fortnight free area is unchanged, but the income range over which the 50 cents-on-the-dollar reduction applies was increased from \$142 to \$250 per fortnight, with payment being reduced by 60 cents on the dollar thereafter. The rate at which someone's income affects their partner's allowance was also reduced from 70 cents on the dollar to 60 cents on the dollar.

These changes improved rewards from part-time work and help people move from welfare to work.

Youth allowance (other than for full-time students or new apprentices), widow allowance, partner allowance, mature age allowance, and sickness allowance were also changed in line with the changes for Newstart allowance.

A Fair but Firm Compliance Regime

This reform abolished the existing breaching regime, under which job seekers could incur long-lasting financial penalties regardless of any subsequent efforts to meet their requirements.

The new compliance framework more clearly linked participation to payment and rewards those who are willing to re-engage quickly. A job seeker without a record of repeated non-compliance who commits a participation failure, such as missing an interview with an employment service provider, is given the opportunity to avoid any financial penalty by quickly re-engaging with that provider.

Job seekers who persist with their non-compliance despite being repeatedly warned lose their payments. As a deterrent to repeated participation failures or more serious failures, such as refusing a job offer, an eight-week non-payment period applies. The reforms also introduced a more equita-

ble means of deterring income-support recipients from deliberately failing to declare or underdeclaring their earnings in the form of a recovery fee set at 10 percent of the debt incurred.

There are special arrangements for vulnerable people, such as dependent children, under the new compliance framework, including case management and limited financial assistance where vulnerable people and third parties may be unduly affected by non-payment periods. Vulnerable clients, such as people with intellectual disabilities, are clearly flagged so that their circumstances are taken into account in cases of non-compliance.

Existing legislative safeguards relating to the imposition of penalties, such as the need for requirements to be reasonable and the need to consider a job seeker's reasons for non-compliance, continue to apply for both vulnerable and non-vulnerable job seekers. In addition, the existing review and appeals system was retained. This allows any job seeker to

ask Centrelink to review any adverse decision and, if not satisfied with the outcome of that review, to appeal the matter to an external tribunal.

Work First Approach

RapidConnect is a "work first" approach designed to provide assistance to job seekers as soon as possible. Connecting job seekers to their Job Network member quickly is designed to reduce frictional unemployment and improve job seekers' chances of finding a job.

Under RapidConnect, a job seeker who contacts Centrelink to inquire about Newstart or youth allowance is referred directly to Job Network. Job seekers who do not connect with their Job Network member may experience an impact on their income support. This "work first" approach was at the cornerstone of the government's Welfare to Work measures.

Source: Kevin Andrews, *Second Reading Speech*, Employment and Workplace Relations Legislation Amendment (Welfare to Work and other measures) Bill, 2005.

**APPENDIX B
INDIGENOUS BENCHMARKS**

Health

Life expectancy	17 years less
Infant mortality	Twice as high
Youth mortality	Four times as high
Circulatory disease	Twice the death rate
Diabetes	Threefold incidence
Youth suicide	50% higher

Education

Attendance:	
Pre-school	84% (vs. 94% non-indigenous)
Primary	83% (vs. 93%)
Secondary:	
Govt.	74% (vs. 89%)
RC	91% (vs. 92%)
Year 11 dropout	27% (vs. 19%)
Year 12 completion	43% (vs. 76%)

Literacy and Numeracy

Reading benchmarks achieved:	
Year 3	78% (vs. 93% all students)
Year 5	63% (vs. 87%)
Year 7	64% (vs. 90%)
Writing benchmarks achieved:	
Year 3	74% (vs. 93%)
Year 5	74% (vs. 94%)
Year 7	72% (vs. 90%)
Numeracy benchmarks achieved:	
Year 3	80% (vs. 94%)
Year 5	66% (vs. 91%)
Year 7	49% (vs. 82%)

Employment

Unemployment rate	14.2% (vs. 4.3%)
Youth unemployment	28.0% (vs. 9.2%)
Long term rate	4.7% (vs. 0.9%)

Family

Marriage:	
Registered	24% (vs. 50%)
De facto	16% (vs. 9%)
Ex-nuptial births	82% (vs. 33%)
Family violence	5.5 times higher

Source: "Benchmarking Indigenous Disadvantage," *The Australian Polity*, No. 1 (2008), pp.18-24.

Table B-1 • HL 1118  heritage.org