



Tackling poverty: Time for fresh thinking and a look at the evidence¹

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Lawrence Mead isn't a household name in Australia. This is strange when his thinking on welfare reform has been embraced by Labor and Coalition Governments for the last 14 years. Mead is the US academic who coined the term: "new paternalism" and enthusiastically defines it as "the close supervision of the poor." It has proved to be a politically savvy way to make the case for tougher social policy. If voters are told often enough that their taxes are being wasted on people who are ungrateful, undeserving and unrepentant then they are happy to rush to judgment.

But the *close supervision* motif only makes sense when you believe that people who are 'doing it tough' are living examples of moral failure. The truth is that *close supervision* is a costly business. For example, extending compulsory income management to a majority of people receiving Centrelink benefits in the Northern Territory will cost \$350 million. It is a stunning waste of resources when the only rigorous study of the impact of compulsory income management in the Northern Territory Intervention

showed "no beneficial effect on tobacco and cigarette, soft drink and fruit and vegetable sales".

But there's something else that is purchased with this wasteful expenditure, a pearl of great political price: a *moral high ground*. Why is this such a precious commodity? Because the truth is that a country as prosperous as ours has no excuse for our relatively high rates of poverty and homelessness.

That poverty didn't rate a mention in the recent election campaign would not have surprised Professor Peter Saunders, arguably Australia's leading researcher on poverty. Saunders has sagely remarked: "The 'p-word' is still not used in polite political circles and it languishes on the margins of the welfare reform debate. Social exclusion is not faring much better. To date, those driving the national social policy agenda have focused almost entirely on a very narrow conception of social exclusion, defined as a lack of economic or social participation".

The lack of evidence to support the effectiveness of current approaches to welfare mean it is time to ask why we embrace policies which stigmatise those in need, invest little in building their capacities, cost a bucket yet achieve nothing? The time has come for some fresh thinking on how to break the cycle of poverty.

Paternalistic approaches to welfare are not new. For the last 25 years we have happily imposed more conditions on people receiving income support, monitored their behaviour under the guise of 'tough love', and imposed financial penalties on those who fail to comply.

The new kids on the block are the use of income quarantining and threats to suspend welfare payments as means to address complex problems such as school truancy and child neglect. If the problems were not so serious - and resources to address them so precious - it would be easy to say anything's worth trying. However when the evidence suggests the policies are impotent or harmful we don't have that luxury. Instead we need to ask the following questions of policy makers who want even greater 'conditionality'.

When there is no evidence that the long-term unemployed spend their meagre Newstart Allowance recklessly, why seek to manage their income? To do so would cost around half a billion dollars. There are 4 unemployed people for every job vacancy. Why not invest in job creation?

What is the case for trialling a scheme in which parents may have their welfare payments suspended or cancelled if their child is skipping school when similar schemes in the United States have had no impact on school attendance but led to higher levels of child maltreatment in families who were sanctioned?

It is this lack of evidence that begs us to ask why bipartisan enthusiasm for conditional approaches to welfare continues to grow and whether the theoretical case is really as compelling as it seems.

Noel Pearson has recently argued for more dramatic and 'imaginative' extensions of welfare conditionality by tying Federal income management to a range of state government programs working with people experiencing addiction, homelessness or who are under child protection orders. Pearson is dismissive of the capacity for 'secondary programs' to address entrenched problems. Instead he calls for 'incentive packages' to ignite self interest as the fundamental engine of change.

While we agree with Pearson that greater investment in early intervention measures is urgently needed, it is folly to ignore the suite of intensive support programs funded by governments and community organisations that we know make a difference. The

challenge is to make sure they are available to those in need.

Pearson says that the 'capabilities approach' of Nobel Prize-winning economist Amartya Sen has been a critical influence on his thinking. Sen argues that the state should support its citizens to develop capabilities such as good health, literacy, and the ability to participate in community life so that each person can lead a life they value.

Like Pearson, we believe there is an urgent need to assist those among us who are poor or struggling to develop their capabilities. However, we believe that Sen's framework leads to a more nuanced and compassionate approach to public policy and that Pearson's prescriptions for those who are 'irresponsible' are inconsistent with Sen's vision.

Sen is circumspect about the power of unfettered self interest to drive personal and social change. He stresses the need for governments to invest in education, health, nutrition, literacy, social support and social security programs to tackle inequalities of capabilities. But Sen also demands that we give thought to UUhow we work with those in need. Do our interventions and supports promote human agency? Do they empower people so they can lead a life they value? At no point in Sen's work does he suggest that paternalistic and punitive welfare policies provide an incentive to change harmful behaviour.

A first principle for good public policy is that the solution to a problem must follow from its conditions or causes. In Anti-Poverty Week it is vital that, faithful to the tried and true rather than the tired and ideological, we abandon the approaches that hinge on the "close supervision of the poor". It is time to invest our energies and resources in policies that respect, listen to and empower those who have been pushed to the edges of the lucky country.

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