SIX SOCIAL POLICY MYTHS

Policy experts often think alike, even when the evidence contradicts them. This is how billions of dollars get spent on government programs that don't work, argue CIS researchers **Jennifer Buckingham**, **Andrew Norton**, **Phil Rennie**, **Jeremy Sammut**, and **Peter Saunders**

One of the most famous statements in Western sociology was made by W. I. Thomas in 1928. 'If men define things as real,' said Thomas, 'they are real in their consequences.'[1]

What he meant was that people act on the basis of what they believe to be true, not on the basis of what is objectively the case. If, for example, we believe someone is a brilliant artist, then we will act accordingly towards them, and if enough of us act in this way, the person will become 'brilliant.' Critics will praise the work, collectors will buy it, galleries will display it, and students will learn to regard it with due reverence. In the end, the question of whether the artist really is original or insightful becomes unimportant, for if he or she is defined as such, that is what they become.

People do not always agree on their 'definition of the situation.' You might believe an artist is brilliant while I think he or she is talentless. What matters in these situations is who has the power to impose their definition as the prevailing one. Who writes the catalogues? Who runs the galleries and the art schools? Who mounts the exhibitions? Professional 'experts' or officials in positions of authority often hold this power, and what they *think* they know becomes the accepted orthodoxy.

As in art, so too in social policy. In Australia today, there is a 'social policy establishment' that defines what 'social problems' are and prescribes the policies needed to resolve them. It includes academics working in universities and research institutes, welfare state professionals, political activists working in the nonprofit sector, social affairs journalists and commentators employed in the media, and bureaucrats employed in federal and state governments to research social problems and advise ministers on the best solutions.

Most of these people believe similar things and think in similar ways. They were educated in the same kinds of degree courses, reading the same books and internalising the same basic theories and perspectives. They interact regularly at seminars and conferences where they reaffirm the core ideas they share. They referee each other's writings, award each other research contracts, and evaluate each other's job applications. They often live in the same neighbourhoods, send their children to the same schools, and read the same newspapers and periodicals. Collectively, they 'know' what our society is like, and they 'know' what needs to be done to improve it.

The core beliefs and assumptions of this group of 'experts' are rarely challenged, and when they are, the challenge is generally ignored or waved away as self-evidently absurd and wrongheaded.

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This is not because these people consciously act in bad faith. They genuinely believe they are open to ideas and that they are self-critical, even impartial. But when everybody around them thinks as they do, and sees the world as they see it, it is difficult for them to take contrary 'definitions of the situation' seriously when they occasionally encounter them.

One illustration: members of the social policy establishment 'know' that income inequality is a 'problem.' They do not have to think about this; it is intuitive, common-sense, shared knowledge. The possibility that greater inequality might be a desirable thing (for example, as a way of strengthening work incentives or rewarding risk) is completely alien to their way of thinking, and probably never occurs to them—it would be like an art critic wondering whether Rembrandt was any good with a paintbrush.

This egalitarian orthodoxy shapes the public policy agenda in all sorts of ways without people even realising it. A few years ago, for example, the highly regarded and scrupulously 'non-political' Australian Bureau of Statistics (ABS) published a set of measures to chart Australia's 'social progress,' and it chose greater income equality as one of its key indicators.[2] The only way 'progress' could be made on this indicator is by increasing taxes on those who work and/or by increasing the value of welfare payments for those who do not, thereby compressing the gap between high- and low-income households. These are highly contentious policies, and are certainly not the sort of programs a non-partisan government research organisation should be promoting. But the egalitarian presumption is so deeply ingrained in the social policy community that it simply never occurred to the researchers at the ABS that their definition of income equalisation as 'progress' was an intensely politicised one.

The social policy establishment occupies a position of considerable potential power and influence, for 70% of the total federal government budget goes on 'social' spending (education, health, welfare and family payments, housing, and community services).[3] The assumptions that inform the thinking of social policy experts can have enormous consequences in shaping government programs worth billions of dollars, which impact directly on millions of people's daily lives. As W. I. Thomas might have put it, when social policy experts define a problem as real, it is real in its fiscal consequences.

It is therefore worth reflecting on the assumptions that drive social policy thinking in Australia, and asking how well they stand up to critical scrutiny. In what follows, we consider just six of the social policy establishment's many shared myths. All of them drive expensive policies that almost never work, yet are rarely questioned.

MYTH 1: All children can benefit from an increase in government spending on institutional child care

The most recent federal budget contains $2.6 billion in government subsidies to offset the cost of child care for families. The core justification offered for an outlay of public funding of this magnitude is that children benefit from child care. The government needs to spend more so that more children can benefit.

Most child care subsidies are for formal, centre-based child care. These subsidies are generally referred to as a 'social investment.' The logic here is that formal child care has benefits for children, which flow on to society as a whole as the children grow up to be more productive and better-socialised adults.

Social policy 'experts' have little doubt about this, for various reports by government agencies and early childhood researchers down the years have made strong claims about the value of formal child care. However, a close reading of the research literature used to support these claims reveals that the evidence is inconclusive and often contradictory. The prevailing belief is a myth.

The most frequently cited child care research comes from a number of American studies, including the High Scope/Perry Preschool Study, the Abecedarian Project, Project CARE, Head Start, and Early Head Start.[4] Each of these studies involved children from low-income or disadvantaged homes, who were provided with a combination of centre-based care and home visits, and in some cases, health and parenting services.

The problem is not that these studies or their results are questionable, but that their findings have been generalised out of context. For example, the High Scope/Perry Preschool Project is the source of the oft-repeated claim that each dollar spent on child care has a sevenfold future payoff in terms of reduced crime, welfare, early school leaving, and teenage pregnancy. But this project involved a small number of very low-income, low-IQ children aged three and four, who attended preschool part-time. It is fallacious to apply the results of these programs to the broader population, yet there are 'experts' who continue to do so.[5]

Another common mistake is to confuse centre-based child care for infants as young as six weeks old with part-time preschool programs for three- and four-year-olds. These are very different forms of non-parental care, and they tend to have very different effects.

While research on preschool in the year or two before school is largely positive for all children, the evidence on child care for babies and infants must be interpreted much more cautiously. Here, it is important to compare formal child care with parental care, but there are few studies that have actually done this, for it does not fit in with dominant research perspectives in this field. This makes it difficult to draw any firm conclusions.

There was, however, a large American study by the National Institute of Child Health and Development that found children in centre-based care had a greater risk of behavioural problems than those cared for at home, and that this risk increased the longer the child spent in care. A Swedish study, by contrast, found that the earlier children began formal child care, the better their academic and social outcomes when they reached school age. However, the effects in the Swedish study did not persist beyond the primary years.[6]

Australian research on child care is sparse. One group of Australian researchers, including Linda Harrison of Charles Sturt University and Judith Ungerer of Macquarie University, has found mixed results—some positive, some negative—on the relationship between child care and later academic, social, and behavioural outcomes. But Kay Margetts of Melbourne University has found that children who had been in child care for extensive periods (with the exception of preschool) had more trouble adjusting to school on a variety of measures.[7]

What all this adds up to is that the research literature provides no strong evidence that child care is good (or bad) for all children. You would never know this from listening to the public policy experts in this field. They talk and act as if the research is clear and the issue is done and dusted. The truth is that governments are being pushed to commit ever-increasing amounts of taxpayers' money to funding something that does not deliver the claimed payoffs. Australian child care advocates are convinced of the case for more child care and greater subsidies, but the evidence does not support their claims.

MYTH 2: More government spending on education and training can solve the problem of joblessness

Spending on child care is what Americans call a 'motherhood and apple pie' issue. No politician is going to come under fire for offering to help families with their child care costs.

Lots of social policy issues are like this. Governments find it is 'safer' to spend money than to resist demands for more 'government help,' so budgets keep increasing even if no good is coming from the funded programs. When everyone agrees that something is a 'good thing,' scepticism is drowned out, and government squanders billions of dollars on feel-good policies that achieve little.

Education and training is a classic example. The Labor government led by Kevin Rudd says it is committed to expanding education and training expenditure. As with the expansion of child care, there are few voices raised in dissent. We all believe in the value of education, and it is difficult to argue against spending more money on training when thousands of unskilled workers are jobless while employers are complaining of skilled labour shortages. But will this extra spending achieve anything?

Although unemployment has fallen to thirty-year lows, there are still over 1.5 million working-age people on welfare benefits. Many of them are capable of working, but they are often unskilled and unqualified, and demand for unskilled labour has been falling. Technological change and competition from abroad have driven down levels of unskilled employment, and unskilled men in particular have been dropping out of the labour force in substantial numbers. In 1981, three-quarters of unskilled men had full-time jobs; today, fewer than 60% do.[8]

In light of these trends, it seems to make sense to spend more money equipping unemployed people to compete in the new skills economy and educating youngsters so they will not leave school without qualifications. The new Labor government favours such a strategy. So, too, does the Business Council of Australia, which has been arguing for more government training for unskilled jobless people, and the Australian Industry Group, which wants 90% of youngsters to stay in education or training to year 12 (the figure is currently 75%).[9] The welfare lobby has also long supported training rather than Work for the Dole for those on unemployment benefits, and teachers and lecturers are happy to support any policy that will increase demand for their services. Here is a policy that nobody is disposed to question. Yet it rests on a major, unexamined fallacy.

The 'experts' point to evidence that on average, qualified people enjoy higher levels of employment and earnings than unqualified workers. They assume these advantages could accrue to anyone. But this assumption does not hold, for what is true for the average case is not necessarily true for the marginal case.

Take schooling. Three quarters of students currently stay to year 12, and most of them benefit from higher earnings and better job prospects as a result. But this doesn't mean the remaining quarter would enjoy these same outcomes if they also stayed on, for the more we extend schooling, the deeper we delve into the ability pool. Recent research by the Australian Council for Educational Research (ACER) finds that, far from benefiting from more education, low ability students often lose from it. On average, they *increase* their unemployment risk by three percentage points and *reduce* their earnings by 5% by staying at school for two additional years. They are better off leaving after year 10 and getting a job or an apprenticeship.[10]

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It is a similar story when training jobless adults. Basic literacy and numeracy training can help those who lack these skills, and courses that refresh the skills of women returning to the labour force after having children are useful in enhancing their job prospects. But vocational skills training aimed at unskilled adults rarely achieves much, and courses for the young unemployed rarely achieve anything at all.[11]

The point that is persistently overlooked in the education and training debate is that some people are simply not cut out for year 12 schoolwork, a university degree, or a technically skilled job. It is true that qualifications often bring rewards, but unless we are willing to dumb down standards, not everyone can get qualified. Our social policy experts are unwilling to grapple with this truth. They prefer to assume that almost everyone has the ability to get qualified, and that the problem is simply lack of government spending on education and training programs.

Anything the government can do to improve the quality of education should be welcomed, but we should resist demands from social policy experts to throw more money at training schemes that won't work, or to require more pupils to remain at school or undertake TAFE courses when they will gain nothing from the experience.

MYTH 3: High tuition fees are pricing students from poor backgrounds out of university

Ever since the introduction of the Higher Education Contribution Scheme (HECS) in 1989 ended free university education, concern has been expressed that access to higher education will become increasingly limited to students from affluent backgrounds. The evidence shows this is yet another social policy myth, but it is a stubbornly resistant one, and people in high places seem to believe it. Just two months before he became prime minister, Kevin Rudd told *The Australian* that HECS was preventing 'children from working class families from going to university.'[12]

The current maximum student HECS payment ranges from about $4,000 a year for nursing and teaching courses to $8,500 a year for law, commerce, and medicine (this compares with a flat rate of $2,400 per year for all courses when Labor lost office in 1996). During its time in office, the Coalition substantially increased student charges for Commonwealth-subsidised university places twice (in 1997 and 2005), but the evidence shows this had no negative impact on low-socioeconomic-status (low-SES) enrolments.

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National enrolment figures collected by the Commonwealth education department use students' home postcodes as proxies for their socioeconomic status. These data show that 15% of commencing university students live in the 25% of postcodes with the fewest people holding higher qualifications or working in high-skilled jobs. Low-socioeconomic-status students are therefore 'underrepresented' in universities, but two rounds of cost increases have left their level of underrepresentation unchanged. After rounding up or down, every survey since data collection started in 1991 has found the same 15% low-SES share of commencing university enrolments.

Other sources also cast doubt on the theory that HECS deters students from working-class families. Researchers from ACER analysed data from a dozen social surveys, conducted between 1984 and 2001, which asked their respondents questions about their educational achievement and their parents' occupation. They found that working-class people born between 1960 and 1969, who had free university education available to them from 1974 to 1988, had much lower rates of university qualification than the cohort born between 1970 and 1980, all but the oldest of whom incurred HECS charges.[13] Contrary to the theory that HECS deters low-SES people from pursuing university education, the proportion of them becoming graduates actually increased at the same time as tuition costs rose.[14]

School leavers born before the late 1970s avoided the Coalition's HECS increases, which raises the possibility that ACER's results were contingent on the lower pre-1997 HECS fees. But census statistics show this is not the case. Looking at university attendance rates of eighteen- and nineteen-year-olds living at home (so that we can use census household information to reveal their parents' occupation), we find an increase of two percentage points in the number of children of blue-collar parents going to university between 1996 and 2001. Only a tiny further increase was recorded between 2001 and 2006, but both results are trending up, rather than exhibiting the downward trend predicted by the HECS-deterrent theory.

The census also includes information on household income. Strikingly, the more a working-class family earns, the *less* likely it is that their sons will go to university, although for daughters, university attendance rates do increase slightly as household income rises. The children of the poorest professional families have higher university enrolment rates than the children of the most affluent working-class families, which suggests that parental occupation has more of an impact on children's educational outcomes than parental income.[15]

None of these data sources include school results. Given that prior academic achievement is the main basis for university entry, this is a major omission, but as we have already seen, most policy experts are quite happy to ignore individual capabilities and achievements when analysing education outcomes. A fortunate exception is the Longitudinal Survey of Australian Youth (LSAY), which records students' tertiary entrance scores. A study based on LSAY respondents subject to the 1997 but not the 2005 tuition cost increases finds that once we take account of school examination performance, university entry rates are the same regardless of socioeconomic status. A person's family background has a big influence on whether they go to university, but it operates indirectly, via school results, and has little or nothing to do with income.[16]

It is interesting to ask why HECS does not deter low-SES students from going to university. Part of the explanation lies in income-contingent student loan schemes. With student debt repayments tied to their income, the government takes the risk of unsuccessful higher education investment. But part of the explanation is also that young working-class Australians are perfectly capable of making intelligent decisions about their own future careers. The HECS-deterrent theory implicitly assumes they are too dimwitted to calculate the financial benefits of a university education, or too prone to irrational 'debt aversion,' to grasp the available educational opportunities, but the evidence shows they are not.

There is a delicious irony in the fact that the social policy myth-peddlers fail to see what is obvious to the intelligent young people they claim to be worried about: that if you have the ability to benefit from a degree, the cost of fees will be far outweighed by longer-term financial returns.

MYTH 4: Poverty in Australia is getting worse, and higher welfare spending is needed to counter it

Australia's welfare lobby repeatedly claims that poverty in Australia is too high and is getting worse.[17] In one of the latest examples, an alliance of welfare groups claimed that over 11% of Australian households are living in poverty, and that their numbers are rising despite the sustained economic boom.[18]

The Uniting Church president described this as 'scandalous.' A St Vincent de Paul activist said it showed the need for a 'national vision' instead of current 'piecemeal programs.' The head of the Australian Council of Social Service (ACOSS) came right to the point by demanding 'more funding for essential services.'[19] As usual, the welfare lobby paraded 'shock' poverty statistics to justify calls for bigger government ('a national vision' is code for more committees, meetings, and grand plans) and more spending. More than $70 billion is spent annually in Australia on social security and welfare payments alone, but groups like ACOSS say we should be spending even more.

The welfare lobby persistently produces wildly exaggerated and misleading reports about the size of our poverty problem. They think if they can get us to believe that huge numbers of our fellow citizens are suffering, our sense of 'fairness' will lead us to support their demands for more government spending. They even called their latest report *Australia Fair*. But there are at least three reasons why we should refuse to go along with this.

The first is that the welfare lobby's definitions of 'poverty' are entirely arbitrary. This latest report, for example, says anyone is 'poor' who has less than half the median income (which is where the 11% figure comes from). This is a definition commonly used by poverty researchers, but no coherent rationale is ever offered for choosing this as the cutoff point. The report gives the game away when it says that you could define the 'poverty line' as 60% of median income, in which case 19% of Australians would fall below it and be considered 'poor.' Presumably, you also could define it as 40% of median income, in which case there would be very little 'poverty' at all. Clearly, the 'poverty problem' expands or contracts according to how you choose to define and measure it.[20]

Secondly, the report is not measuring 'poverty,' but income inequality. Its half-median income criterion is a measure of income dispersion, not of hardship or deprivation. The report shows that the proportion of the population receiving less than half the median income has grown from 10% to 11% in the last three years. It calls this an increase in 'poverty,' but all the statistics really tell us is that incomes have become slightly more spread out over these three years.

Comparing the incomes of people at the bottom with those higher up tells us about the difference between them, but it tells us nothing about whether they are 'poor' or 'rich.' This slight increase in the income spread has actually coincided with a rapid rise in real incomes at all levels, so everyone has been getting better off. To describe this as a 'growth of poverty' (and even as 'sad and scandalous,' as the Uniting Church did) is absurd.

The third reason for taking reports like this with a pinch of salt is that they take a static snapshot rather than looking at people's incomes over time. Household incomes fluctuate, so most people who appear under any arbitrarily-drawn 'poverty line' do not stay there long. Research following a panel of Australian households over several years found 12% had less than half the median income in the first year, but only 6% had an income this low for two years running, and just 4% stayed under the line for three years.[21] Sustained 'poverty,' as against a temporary income drop, is thus much less common than the welfare lobby would have us believe.

This is a crucial and often overlooked finding, because we know that people adjust to fluctuating incomes through their lifetime by borrowing, saving, and varying their spending. This means that households' actual living standards (the thing the poverty researchers say they are worried about) vary much less dramatically than their week-to-week incomes do.

The Melbourne Institute reports that people living on low incomes for relatively short periods tend not to consume less food, clothing, transportation, gas, electricity, health insurance, alcohol, meals out, or home maintenance than other people do. Living temporarily on a low income does not necessarily translate into poor living standards. To take account of this, the Melbourne Institute suggests combining income and consumption into a single measure of 'poverty.' On this basis, only 3% of the population comes out as 'poor' at any one time, and just 1% remains 'poor' over two successive years. The study concludes: 'Existing income-based measures [of poverty] are seriously in error. The results they give are much too high.'[22]

This is not a message the welfare pressure groups seem willing to listen to. They have an interest in perpetuating the poverty myth, for it is the foundation for their campaigns for bigger government and higher taxes.

MYTH 5: Higher spending on preventive medicine will reduce health costs in the future

One of the favourite strategies of social policy experts arguing for increases in government spending is to claim the money will result in savings 'in the long run.' We have already seen one example of this in the claim that child care subsidies are really an 'investment' in future adults. Claims like this are most common in the area of health.

Over the last thirty years, a 'public health' profession has developed around the idea that people make unhealthy lifestyle decisions (smoking, overeating, failing to exercise), and that education can change this. The rising incidence of 'lifestyle disease' is predicted to result in unsustainable demands on the Australian health system in coming decades unless something is done to rectify people's ignorance. What is needed, it is claimed, is an increase in government spending on preventive 'health promotion.' The Australian Chronic Disease Prevention Alliance argues that 'Investing in promoting increased levels of physical activity and healthy eating in Australians would reduce the burden of chronic disease now and in the future.'[23]

Yet even the experts admit that evidence on the effectiveness of 'lifestyle interventions' is 'limited' and of 'poor quality.'[24] Indeed, such evidence as we have suggests that 'prevention' strategies have done little to change people's behaviour.

Australian governments have conducted public health campaigns since the 1960s. A report prepared in 2003 for the Commonwealth Department of Health and Ageing found that despite an estimated $810 million 'investment' in thirty-five coronary heart disease programs alone, 'There was little change in the amount of physical exercise taken and the proportion of overweight persons increased.'[25] Likewise in the United Kingdom, where a series of reports and action plans culminated in a review in 2004 that found that 'levels of physical activity have remained relatively stable over the last decade, [and] obesity levels have been rising.'[26]

Public health experts sometimes claim that health education programs have been successful in that levels of public ignorance have declined. And it is true that most people nowadays know the lifestyle modifications they need to make to protect their health, even though they fail to act accordingly.[27] But this is a curious definition of 'success.' We now know that simply telling people what they should do to protect their health does not always mean they will do it, and that many people choose not to modify high-risk—but often pleasurable—behaviours when the risk of future harm remains relatively remote.

Faced with lifestyle resistance from members of the public, public health professionals have begun to shift their strategy. Rather than unhealthy behaviour being a matter of personal responsibility, it is now presented as a 'social problem' reflecting government's failure to act. Problems like the 'obesity epidemic' are attributed to a lack of government spending,[28] or to government failure to implement effective public health programs.[29] A Labor Party document released last year, co-authored by Kevin Rudd, captures this shift. It complains that preventive health has not been made sufficiently 'accessible to ordinary Australians struggling to find the time in their busy lives to look after their own health.' It goes on, 'We can't expect people to take better care of their health if we won't help provide the health services they need.'[30] So, if you eat too much and fail to exercise, blame the government.

It sounds plausible when experts tell us that it is more efficient and effective to intervene to change the behaviours that cause obesity and chronic illness than to spend money on secondary care geared to curing the consequences of unhealthy lifestyles. But this assumes that preventive interventions really do work.

Such evidence as we have suggests that 'prevention' strategies have done little to change people's behaviour.

The experts say it does. They point to international evidence that shows preventive primary care achieves better health outcomes at a lower cost.[31] But this evidence is not as authoritative as is sometimes claimed. It consists of studies, mainly from the United States, that purportedly show a higher ratio of primary care providers to population produces better health outcomes measured by lower mortality. But the authors of these studies admit they contain no evidence that access to and receipt of primary care reduces obesity (that it modifies individual behaviour) or that it lowers the incidence of chronic disease.[32] They also admit that improved health outcomes depend on an 'appropriate balance' between primary and secondary care.[33]

Meanwhile, a 2002 cross-country analysis of primary care across thirteen OECD countries found that those (including Australia) that had weaker primary care systems but spent more on secondary care achieved better health outcomes than the stronger primary-care-oriented countries.[34] Of course, prevention is better than cure, but only when it works.

MYTH 6: Higher social expenditure creates a more caring society

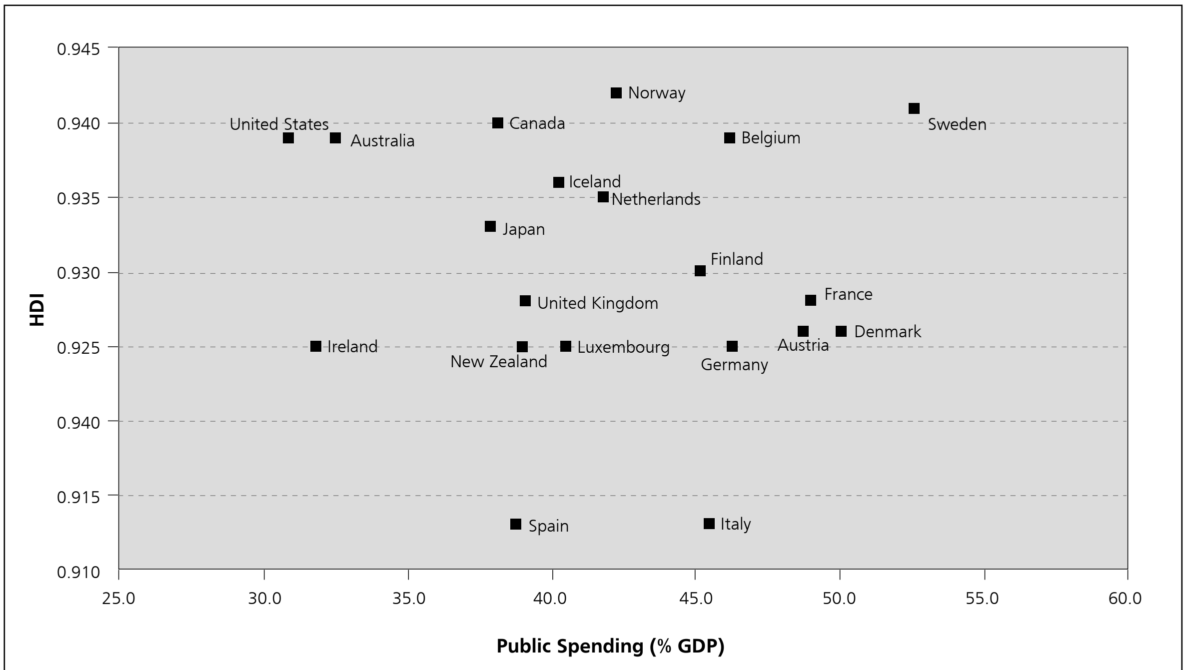
The unifying theme that underlies all of the myths we have examined is the belief that social problems require additional government spending to put them right. If only the government would spend more on child care, education and training, universities, anti-poverty programs, and preventive health care, these 'problems' could be put right. These claims reflect a generally unexamined assumption that more government spending is in itself a 'good thing,' and that you can judge how caring, decent, and civilised a country is by looking at the size of the government social expenditure budget.

University textbooks assert the 'under-funding of social services' as a fact,[35] and politicians urge us to assess their effectiveness by pointing to all the extra money they've spent (the inputs), while rarely talking about the outcomes they've achieved—the actual results of the spending. Yet when we look more closely at these outcomes, we generally find little relationship with levels of government spending.

Charles Murray's 1985 book *Losing Ground* found that from 1950 to 1980 the American government increased its social spending twentyfold, yet the proportion of people in poverty remained exactly the same while other social indicators such as crime and unemployment actually got worse. The same is largely true in other countries, too.

Economists Vito Tanzi and Ludger Shuknecht have studied the growth of government in Western nations during the twentieth century, and the benefits this spending produced. Using basic indicators such as literacy rates, life expectancy, poverty, inequality and crime, they conclude that most public spending since 1960 has produced little or no benefit in terms of improved social outcomes. Countries with smaller governments have performed equally well (or better) on these criteria over the same period of time. This is clearly demonstrated by figure 1, which shows the lack of relationship between public spending and a country's score on the UN's Human Development Index.

Figure 1: Public spending versus Human Development Index (HDI)



Source: Vito Tanzi[36]

Further evidence comes from newly industrialised countries like Singapore, Hong Kong, South Korea, and Chile. These countries have rapidly caught up with the West in terms of social outcomes, but have done so with a much lower level of public spending.

So how can it be that huge increases in public spending so frequently produce such miserable results? There are two likely explanations.

The first is 'churning.' A large proportion of government spending is recycled straight back to the people who paid the tax in the first place. In Australia, around half of all health and education spending goes to middle- and upper-class households.[37] This means a lot of public spending is not 'new,' but is displacing private spending that would have happened anyway—and which would have been far more effective, because individuals can usually allocate their own money more efficiently than politicians or bureaucrats can.

Yet even the part of government spending that is redistributed from rich to poor hasn't made much of a difference. Government spending keeps rising, but the 'problems' never go away. What this suggests is that many social problems, like poverty and crime, are not caused by lack of money and cannot be rectified by more spending. If they could, we would have fixed them decades go. Instead, much social spending goes towards alleviating the consequences of problems rather than their causes.

Anti-poverty programs, for example, alleviate the symptoms of poverty (lack of money) without addressing the factors that generate such hardship (such as drug, alcohol, and gambling habits, or the continuing growth of sole parenthood). Similarly, education programs focus on providing more schooling and training while ignoring the fundamental problems of teacher quality, curriculum content, and the like. The one thing governments are good at is raising and spending money, but this is often not what is needed to tackle the problems they are trying to solve.

Here, then, is the biggest myth of all—the meta-myth, if you like—which is embedded in the shared consciousness of the social policy establishment. It is the assumption that government is the appropriate agency for resolving people's problems, and that we as individuals bear no responsibility for sorting out our own lives. For as long as this myth persists, 'social problems' will continue to grow, government budgets will continue to expand, and job opportunities for social policy experts will continue to multiply.

Endnotes

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9 See Peter Saunders, *What Are Low Ability Workers To Do When Unskilled Jobs Disappear? Part 1: Why More Education and Training Isn't the Answer*, CIS Issue Analysis 91 (Sydney: The Centre for Independent Studies, 2007).

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11 'Evaluations of public training programmes in OECD countries suggest a very mixed track record … the most consistently positive results were recorded for adult women. The findings were less optimistic with regard to adult men: some programmes gave positive results, others not. The most dismal picture emerged with respect to out-of-school youths: almost no training programme worked for them.' John Martin, 'What Works Among Active Labour Market Policies,' OECD *Economic Studies* 30 (2000/01), 93.

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13 Gary N. Marks and Julie McMillan, 'Australia: Changes in Socioeconomic Inequalities in University Participation,' in Yossi Shavit and others (eds), *Stratification in Higher Education: A Comparative Study* (Stanford: Stanford University Press, 2007).

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16 Buly A. Cardak and Chris Ryan, *Why are High Ability Individuals from Poor Backgrounds Under-represented at University?* La Trobe University School of Business Discussion Paper A06.04 (Bundoora: La Trobe University School of Business, 2006).

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22 Bruce Headey, 'HILDA's Household Financial Accounts: Their Value for Developing Improved Assessments of Economic Well-being and Poverty,' paper presented to the 2005 HILDA Survey Research Conference, Melbourne, (19–20 July 2007), 25.

23 Australian Chronic Disease Prevention Alliance (ACDPA), *Chronic Illness: Australia's Health Challenge—The Economic Case for Physical Activity and Nutrition in the Prevention of Chronic Disease* (Melbourne: ACDPA, 2004), 6.

24 As above, 9, 14. In 2005, Monash University's Centre for Health Economics reviewed the best international studies to assess the link between preventive programs, behavioural change, and health outcomes. It concluded that 'There are critical gaps in the evidence relating to lifestyle interventions across all these areas … In general, evidence from which to assess community-wide interventions is incomplete and what is available is of poor quality … Least satisfactory is the evidence concerning physical activity and multiple risk factor interventions, particularly in relation to retention of behaviour change.' Leonie Segal, Duncan Mortimer, and Kim Dalziel, *Risk Factor Study—How to Reduce the Burden of Harm from Poor Nutrition, Tobacco Smoking, Physical Inactivity and Alcohol Misuse: Cost–utility Analysis of 29 Interventions* (Melbourne: Centre for Health Economics, 2005), 7-8.

25 Applied Economics, *Returns on Investment in Public Health: An Epidemiological and Economic Analysis prepared for the Department of Health and Ageing* (Canberra: Department of Health and Ageing, 2003), 3.

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27 Peter Baume, 'It's All About Health', *On-line Opinion* (5 October 2007), http://www.onlineopinion.com.au/view.asp?article=6441.

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