

# RE-MORALISING THE WELFARE STATE



**PETER SAUNDERS**

# **Re-moralising the Welfare State**

Peter Saunders

CIS Occasional Paper 131



**2013**

Published March 2013  
by The Centre for Independent Studies Limited  
PO Box 92, St Leonards, NSW, 1590  
Email: [cis@cis.org.au](mailto:cis@cis.org.au)  
Website: [www.cis.org.au](http://www.cis.org.au)

Views expressed in the publications of The Centre for Independent Studies are those of the authors and do not necessarily reflect the views of the Centre's staff, advisers, directors, or officers.

---

National Library of Australia Cataloguing-in-Publication Data:

Saunders, Peter, author.

Re-moralising the welfare state / Peter Saunders.

9781922184115 (paperback)

CIS occasional papers ; OP131,

Welfare state.

Public welfare administration.

Social policy.

Welfare recipients--Employment.

Other Authors/Contributors:

Centre for Independent Studies (Australia) issuing body

361.61

---

©2013 The Centre for Independent Studies  
Cover design by Ryan Acosta  
Copy edited by Mangai Pitchai  
Cover image by © Oleggolovnev | Dreamstime.com

# Re-moralising the Welfare State

Peter Saunders

## **Introduction: The perpetual dilemma of welfare**

Ever since the English Parliament passed the *Poor Law Relief Act* in 1601, obliging every parish to levy a poor rate to relieve the suffering of the indigent, the welfare state has been torn between two competing objectives. On the one hand, there has been a commitment to using tax revenues to ensure that people in genuine need can be supported rather than left to suffer. On the other, there has been a concern that self-reliance should not be weakened, that anyone who can look after themselves and their dependents without outside assistance should do so, and that the availability of state assistance should not be allowed to undermine people's autonomy and spirit of independence.

If governments make welfare more generous, they encourage people who can work to claim benefits instead, worsening the problem of joblessness and poverty. But if governments make access to welfare more difficult, they may deter those who really need help from applying for it.

People on the Left and Right of politics have tended to respond to this dilemma by emphasising just one objective at the expense of the other:

- The Left generally seizes the moral high ground by emphasising the importance of alleviating human need and suffering. The overriding priority, it says, is to care for the vulnerable. If that is expensive and necessitates higher taxes on everybody else, so be it; if a few people at the margins claim benefits when they should be working, then that's a price worth paying for a decent, inclusive welfare system that looks after all its citizens.
- The Right has tended to respond to this emotional appeal by emphasising hard-headed pragmatism: The system is becoming

too expensive, they say, and work incentives are being eroded by high taxation and generous out-of-work benefits.

The problem for the Right is that its arguments appeal more to the head than the heart. The public may recognise the validity of its claims—we all know there is no bottomless pot, many of us sense that taxes are too high, and most of us know about somebody fleecing the welfare system—but pitched against the Left's ethical agenda, such arguments struggle to attract strong, popular appeal. The human urge to appear compassionate trumps pragmatism every time.

In Australia, public debate about welfare reform in recent years has been strongly shaped by this skew in the moral agenda towards the Left. Indeed, many people on the Left seem to believe they alone argue from an ethical position, and that those who disagree with them are not only wrong but also immoral. Take, as an example, the tortured debate over single parent benefits:

- Some years ago, I proposed that single parents claiming welfare support should be expected to look for part-time work once their youngest child started school.<sup>1</sup> Left-wing critics immediately responded with emotive words and images to cast the argument in simple terms as good-versus-evil. The executive director of Catholic Social Services, Joe Caddy, described my proposal as 'staggering in its harshness'; feminist academic Elspeth McInnes wrote to *The Australian* claiming that my ideas would lead to 'homelessness and starvation for infants and mothers and more beggars in the street.'<sup>2</sup> The implication was that anybody agreeing with my proposal must be so lacking in compassion that they are indifferent even to the cries of starving babies.
- Today, almost 10 years on, the principle that single parents should look for work once their children go to school has been accepted by both major parties, but the emotional rhetoric coming from the Left on this issue continues as strongly as ever. Mission Australia chief Toby Hall attacked as 'harsh and unfair,'<sup>3</sup> the Gillard government's decision to reduce the age of the youngest child from 8 to 6 as the age at which single parents had to look for work; the Australian Council of

Social Service (ACOSS) followed this up with a letter to the Parliamentary Joint Committee on Human Rights seriously suggesting that this policy change constituted ‘a violation of human rights, as defined by the core United Nations treaties.’<sup>4</sup>

The Left commonly assumes that its concern to relieve the need and suffering of others is the *only* moral principle to be considered when devising welfare policies. This assumption is reinforced when the Right’s arguments against increased welfare spending are invariably practical rather than ethical. But there is a second moral principle that both sides overlook all too often, and it is just as firmly embedded in people’s sense of right-and-wrong as the *need* principle. It is the principle of proportionality, or more simply *fair treatment*.

### **Beyond the need principle**

Jonathon Haidt’s book *The Righteous Mind* investigates the origins of our most fundamental moral ideas, and why we cling so tenaciously to our version of what is right in arguments with people whose political or religious beliefs differ from our own.<sup>5</sup> He wants us to accept that political and ethical positions radically different from our own still have moral validity, and he does it by demonstrating from a variety of fascinating psychological experiments that we humans share some very basic and innate ‘gut feelings’ (he calls them ‘intuitions’) about how to behave.

Haidt thinks these intuitions evolved over hundreds of thousands of years as natural selection favoured those of our ancestors who knew without having to think too much how to respond quickly and appropriately to the behaviour of others. If his theory is correct, it means our fundamental rules governing right and wrong behaviour are not arbitrary or artificial, but reflect deeply embedded moral instincts.

Haidt claims that philosophers who have tried to logically explain morality, deriving rules from a few basic axioms (e.g. that something is wrong if it harms others), have got things the wrong way around. Our brains are already wired to tell us what is good and bad, right and wrong. We learned this in the course of hundreds of thousands of years of individual and group evolution. It is only since we developed language that we have felt the need to reflect on why we feel the way

we do. Using language, we select arguments that fit our intuitions. Ethical thinking is confirmatory, not exploratory.

Infants and children still have to be taught the specific rules of their particular society, of course, but they are born with instinctive feelings about the right and wrong way to behave, and formal laws and social norms are mapped onto these intuitions in the course of their socialisation. Haidt doesn't just assert this; he demonstrates it by drawing on a wide range of experimental and other evidence.

For example, show a six-month-old infant a puppet struggling to get up a hill. Now introduce a figure that tries to help the puppet's efforts, and another that does its best to hinder them. Which of these two figures does the infant select to cuddle afterwards? The helper, of course. And if the climbing puppet is later shown embracing the hinderer, the infant stares perplexed, for this is not what its brain is hardwired to expect. At as early as six months, long before parents or school teachers teach us appropriate rules or reason with us about why something is the right course of action, we already know it is right to help and care for others, and wrong to hinder them for no reason.

This 'care instinct' is only one of six 'moral foundations' Haidt identifies in his book. Deriving from the nurturing of babies and young children, he says we have a natural urge to look after the weak and defenceless ('care'), but we also naturally feel rage against people who don't pull their weight ('proportionality' or fairness). We react against being dominated and pushed around (the 'liberty' instinct), but we also share an acute sense of hierarchy ('authority') and have strong feelings of responsibility to the group ('loyalty'). We also have an instinctive feeling of revulsion and awe triggered by exposure to certain symbols and objects in our environment ('sanctity').

Haidt is a man of the Left, but he identifies a fundamental weakness in socialist and social democratic ideologies. Conservatism, he says, expresses all six of these basic moral sentiments to a greater or lesser degree, but the traditional politics of the Left express only two or three.<sup>6</sup> This means the Right understands the Left far better than the Left understands the Right.

Leftists feel the 'care' instinct very strongly, which is why their rhetoric and programs echo with calls for compassion for the less

fortunate. They also emphasise the ‘liberty’ instinct in their hostility to big capitalist corporations and support for minority rights. But there is little room in modern left-wing sentiment for the authority instinct (doing as you are told), the loyalty instinct (putting your own group or nation first), or the sanctity instinct (the religious sense of being part of something bigger and more important than yourself). The proportionality instinct (ensuring people don’t take what they don’t deserve) is only weakly expressed.

Haidt’s analysis has clear and obvious implications for current debates over welfare policy. Take the recent exchange between Shadow Treasurer Joe Hockey and left-wing sociologist and former director of the Australian Institute of Family Studies, Don Edgar. In a speech in April 2012, Hockey criticised what he called the ‘culture of entitlement’ in Western welfare states and contrasted it with the tradition of ‘filial piety’ in Asian countries, where families expect to care for their own members with much less assistance from government.<sup>7</sup> Edgar immediately responded to this speech with an indignant article in *The Age* that provides a clear illustration of the problem Haidt identifies with the Left’s stunted moral compass.<sup>8</sup>

Edgar’s article strongly emphasised what Haidt calls the ‘care instinct’ (‘The goal,’ Edgar said, ‘should be to raise up the disadvantaged’). The article also appealed to the ‘liberty instinct’ with its attack on the ‘upper echelons of society,’ whom Edgar dismissed as ‘individualistic’ and ‘greedy.’ But Edgar entirely missed the other four moral considerations, particularly any recognition of the importance of what Haidt calls ‘proportionality.’

For the last 40 years, evolutionary psychologists have known that human beings ‘evolved a set of moral emotions that make us play “tit for tat”... we cooperate with those who have been nice to us, and we shun those who took advantage of us.’<sup>9</sup> Those of our ancestors who always took from those around them but never gave would soon have been shunned by the group and are unlikely to have survived; those who gave unconditionally to anyone who needed it would have been mercilessly exploited by the group, and are unlikely to have flourished. The inevitable evolutionary outcome was a deeply ingrained sense of fairness as proportionality—the gut



sense that people should be rewarded in proportion to what they have contributed.

Haidt shows how strong this instinct is by reporting some recent experimental research showing that many of us are so determined to punish those who attempt to free-ride on the rest of the group that we are prepared to sacrifice our own interests to ensure it happens:

- Set up a game where each player can choose whether to contribute money to a common pot. At the end of each round, the pot is supplemented according to how much is in it, and the total is distributed equally among the players. The players change in each round, so there is no chance to establish norms of trust or reciprocity. In this situation, the rational strategy is to contribute nothing and free-ride on the contributions of others. But this is not what most of us do. We continue to contribute, but our contributions start to fall in each round as we see others benefiting from our generosity.
- Now introduce a new rule by allowing players to pay to have others penalised for not contributing. Again, the rational strategy is never pay to punish, for the players continue to change at the end of each round, so you will not gain from any reformed behaviour your punishment brings about in others. Nevertheless, 84% of participants in this experiment paid to punish, and once they were allowed to do so, the value of contributions to the communal pot also skyrocketed.

As Haidt explains:

We hate to see people take without giving. We want to see cheaters and slackers 'get what's coming to them'. We want the law of karma to run its course, and we're willing to help enforce it.<sup>10</sup>

Incurring costs yourself to inflict deserved punishment on free-riders makes sense, for as this experiment demonstrated, group cooperation and beneficial collective outcomes strengthen when

free-riders are punished rather than allowed to gain from their actions. Put another way, punishing free-riders promotes virtue and benefits the collectivity. Conversely, when the threat of punishment is removed, people behave more selfishly and the group as a whole loses out.

The Left seems blind to this aspect of morality. Those activists who attacked my suggestion that single parents should look for work once their children start school were basically saying that other parents (including other single parents) should continue to pay taxes so these parents could stay at home all day. But as Haidt's work shows, indulgence of free-riding like this is felt to be deeply unfair and immoral by those who have to pay for it, and it threatens their future willingness to cooperate on which any community life has ultimately to be based.

Edgar's article responding to Hockey similarly showed no awareness of this instinctive principle of fairness. Edgar even concluded his attack by explicitly denying we should pay any attention to the moral principle of proportionality: 'We should not pit the "deserving" against the "undeserving poor",' he warned. But a concern with 'just deserts' is precisely what the morality of proportionality is all about. We humans share a strong gut feeling that while it is right to help those who cannot help themselves, it is also right to ensure that the undeserving get penalised or excluded from sharing the benefits of collective effort and cooperation. It's not just that this is a sensible thing for groups to do—it is that we feel deeply in our souls it is the right thing to do.

The morality of the welfare state has, therefore, to be founded in more than one principle. Of course any welfare policy must ensure that people in need have support if they cannot support themselves. But the ethics of state welfare go beyond this, for a welfare state has to be fair to everybody: not just the recipients, but the donors too.

### **Three fairness rules**

Applying Haidt's moral principle of 'proportionality,' or fairness, to the organisation of welfare suggests three key rules to be followed when developing any new social policy intended to relieve some need.

First, fairness requires that those receiving help should not thereby gain access to a better life than those providing it. This obviously means people living on benefits should not be better off financially than people who are working and paying taxes, but it also means the demands made upon them in return for the help they receive should be no less onerous than the demands made on people who work for an income. This principle, that being on welfare should not be preferable to working, was established at the time of the 1834 English Poor Law reform, when it was called the principle of 'less eligibility,' but the modern welfare state has often disregarded it.

Second, fairness requires discrimination. The ethical requirement that we care for those in need should not translate into giving everyone in need the same, unconditional support. People who 'earn' a right to support through years of contributing to the common fund should be treated differently when they require assistance from those who have contributed little or nothing in the past. And people who need assistance through no fault of their own should be treated differently from those who wilfully or recklessly put themselves in a position of dependency on others. While everyone in need should be eligible for help, they should not all be helped in the same way. Again, this principle of distinguishing the 'deserving' and the 'undeserving' lay at the heart of the nineteenth century Poor Law reform, but as we have seen in the comments of Edgar, it is often strongly resisted by people on the Left today.

Third, fairness demands that people should take responsibility for themselves before requesting assistance from strangers. Sometimes, there is no other option but to rely on state support, but it should be a last resort. As Hockey indicated in his comments on Asian 'filial piety,' wherever possible it is right that people should take responsibility for themselves and their dependents, and we should rely on the support of strangers only when we cannot support ourselves or call on family members to help us. It hardly needs adding that this ethical principle of independence and self-reliance was, like the previous two principles, very familiar to the Victorians.

**Rule 1: Less eligibility**

The principle of ‘less eligibility’ requires that people who work should always enjoy a more desirable lifestyle than equivalent people who rely on welfare benefits. This moral precept applies to money (you should always be better off if you work) and time (if you claim benefits you should not enjoy a more desirable lifestyle than those who work). Neither objective is easy to deliver.

**a) Money**

The Australian welfare system has long suffered from the problem of high ‘effective marginal tax rates’ as people enter paid employment and reduce their reliance on welfare benefits. All income support systems face this problem to a greater or lesser degree, for as people earn more, their entitlement to welfare benefits falls, and their exposure to income tax rises. In some cases, this can mean they end up no better off working than when they were living on benefits. Australia suffers this problem more acutely than many other countries because it relies more heavily on means testing, although recent reforms, including the raising of the tax-free threshold, should ease the problem to some degree.

In Britain, the Coalition government has made it a top priority to ensure that work always pays better than welfare by introducing a combination of four measures: raising the tax-free allowance (so workers earn more before paying income tax); increasing ‘earnings disregards’ (so families can earn more doing part-time or low-paid jobs before their welfare benefit starts to be withdrawn); capping total benefit entitlement (so no household on benefits can get more than what the average working family earns); and replacing a complex array of separate benefits and entitlements with a single payment that will taper out at a single, uniform rate as earnings rise. The last of these measures—the new Universal Credit—is at the centre of this reform agenda.

The Universal Credit replaces a range of existing payments for working-age claimants. The change will cost a hefty £3 billion to implement, but the government expects that savings will be achieved as 300,000 additional people are encouraged by the stronger financial

rewards to take up part- or full-time employment.<sup>11</sup> Most will go into part-time jobs, for the extension of income disregards and the application of a steady taper throughout the income range should make it more worthwhile to combine welfare with a few hours of paid work.<sup>12</sup> Most of these 300,000 households will, therefore, not actually leave welfare but continue to claim some welfare payment, along with some part-time earnings.

While this reform is commendable, it is also limited, for the financial incentive to abandon welfare for work will remain very modest. The government talks of ‘large earnings incentives’ delivered by the Universal Credit,<sup>13</sup> but given a progressive income tax system and a means-tested benefits system, it is impossible in any modern welfare state to deliver substantial rewards when people move from welfare into low-paid jobs. The best that the Universal Credit can guarantee is that nobody moving from benefits into work will lose more than 76 pence (in income tax payments and lost benefit entitlements) from each £1 they earn.<sup>14</sup> With the minimum wage worth £5.93 per hour, people moving off benefits into low-paid jobs could still only be looking at an effective net hourly return of £1.50 or so (about AU\$2.25).

It seems unlikely that such a small reward will be enough to prompt many people on welfare to accept what will often be unpleasant, low-paid, low-status work. Focus groups with members of the public carried out by the UK Department of Work & Pensions confirms that ‘The degree of financial incentive was not seen as sufficiently compelling to those who did not value work for other reasons.’<sup>15</sup> The guarantee of an extra few pounds per week isn’t going to be enough to get these people out of the house, which is why the third fairness rule (discussed below)—that you should be expected to take responsibility for yourself and your family even if the financial rewards are unattractive—is so important.

It is therefore clear from the British experience of developing the Universal Credit that even drastic changes to the structure of the benefits system will not by themselves incentivise the work-shy. The minister responsible for the UK reform, Iain Duncan Smith, claims that economic incentives are much more important than ethical

precepts in getting people off welfare and into work: ‘It’s no good teaching [claimants] about moral purpose, or lecturing them about their obligations ... The one factor that governs decisions at that level is money.’<sup>16</sup> But he is plainly wrong. Given the choice between having no job and living on a very low income, and having boring, dirty or physically demanding employment for a slightly higher income, there will always be a significant number of people who opt for the former, no matter how much governments tweak the benefit taper rates. As Lawrence Mead warns: ‘Advocates of “making work pay” argue that one can promote work by subsidising wages ... But nothing ensures that recipients now receiving cash will in fact choose to work instead.’<sup>17</sup>

Fairness demands that the tax and benefits systems be structured in such a way that working always makes people better off than remaining on welfare. The United Kingdom has shown this can be done—albeit at a significant cost. But the UK reform also confirms that there has to be more to welfare reform than simply making work more enticing. In the end, reform has to be driven by clear moral principles. Appealing only to people’s pockets and purses is never going to be enough.<sup>18</sup>

## **b) Time**

Over the last 15 years or so, many Western countries have gradually introduced ‘activity requirements’ for people who claim welfare benefits for extended periods of time.

In Australia, the policy of ‘mutual obligation’ was introduced in 1997 and has gradually been extended to include all unemployed people under the age of 50 who have been on benefits for six months. Mutual obligation requirements can be discharged in various ways (e.g. through part-time employment, community work, attendance in language and literacy courses, or placements with the Australian Defence Force reservists or the Green Corps), but the default is a Work-for-the-Dole placement organised by a voluntary sector agency involving two days per week of work. Since 2007, Australians who have been unemployed for more than two years have been required to accept Work-for-the-Dole placements for 25 hours per week for 10 months.<sup>19</sup>

In the United States, workfare is more demanding. The federal government's 1996 reform required all states to engage at least 70% of their welfare claimants in work-related activities for at least 30 hours per week. Welfare numbers fell from 4.6 million families (most of them single mothers) in 1996 to 1.6 million in 2008. In 21 states, the falling caseload completely offset the work participation requirement, and only 11 states had to engage more than 10% of their welfare claimants in work-related activities.<sup>20</sup> At least one-third, and up to one-half, of the fall in welfare numbers in the United States can be directly attributed to welfare reforms.<sup>21</sup>

Many on the Left are uneasy about mutual obligation or workfare programs, saying they often make little or no difference to people's subsequent job prospects. And in this, they are right:

- OECD research finds that training and education programs can help certain categories of jobseekers prepare for re-entry to work (particularly mature-age women returning to the labour force after raising children), but they have little impact on the employment prospects of the young unemployed or of mature-aged males, and they have little or no effect on people's subsequent earnings.<sup>22</sup>
- Mandated work experience schemes are also generally ineffective in securing people long-term employment. In the United Kingdom, various New Deal schemes had disappointing results in getting participants into sustainable, full-time jobs.<sup>23</sup> Participation in Australia's Work for the Dole, and various temporary work-placement schemes in the United States, have been found to have little improvement on subsequent employment prospects.<sup>24</sup>
- Schemes designed to raise motivation are also ineffective. In the United Kingdom, some lone parents and people with health problems have to attend Work Focused Interviews as a condition of receiving their benefits, but these have been found to be ineffective for those with 'deep rooted negative attitudes.'<sup>25</sup> A compulsory three-day motivation course for long-term unemployed claimants similarly generated 'lack of enthusiasm and engagement' by many participants, with

some becoming aggressive or violent, and the course appears to have had little overall beneficial effect.<sup>26</sup>

Activity conditions do succeed in getting people off benefits and into work, but they do it not by giving them the skills and opportunities they were previously lacking, but by making a life on benefits appear less desirable, relative to a life in paid employment, than it was before. This is the real (but often hidden) purpose of schemes like these, and it works, for if you have to engage in 'work-like' activities to qualify for benefits, you might as well take a real job and get paid better for doing it. Activity conditions are thus an effective strategy for preventing free-riding.

It is, of course, desirable that activity requirements tied to welfare benefits should help participants find jobs, and in some cases, they can improve people's time-work discipline, re-acquaint them with the routines of working, help them brush up their vocational skills, or develop their confidence before returning to work. But the main impact of all these programs comes not from participating in them (the 'program effect'), but from avoiding them (the 'compliance' or 'deterrence' effect). Faced with a demand that they participate in an intensive 'work-related activity,' people who can find work generally prefer to get a job and be paid a wage, rather than stay on welfare and get only a benefit.

Research across the Western world confirms that, whenever activity conditions are applied to welfare claims, the average duration of unemployment shortens and employment entry rates rise.<sup>27</sup> Even very small conditions can make a difference. When single parents in the United Kingdom are moved from Income Support onto Job Seekers Allowance, for example, they step up their search for work to avoid the inconvenience of having to sign in at the Job Centre every fortnight.<sup>28</sup> Internationally, simply requiring unemployed applicants to attend an initial interview typically leads to a reduction of 5% to 10% in welfare rolls.<sup>29</sup>

When the activity condition is made more onerous—especially when it entails actual work—the flight from welfare is even more pronounced. In two under-reported UK pilot programs carried out just before the change of government in 1997, unemployment fell



25% compared with surrounding areas when a workfare trial was introduced.<sup>30</sup> In Australia, when Work for the Dole was introduced, one-third of those referred to it failed to turn up, preferring instead to drop out of the welfare system.<sup>31</sup> In the United States, workfare conditions that deliberately mimic real employment have driven down the rolls by encouraging existing claimants to leave welfare and discouraging new applicants from joining it.<sup>32</sup>

A review of workfare schemes in the United States, Canada and Australia shows a significant reduction in welfare rolls by deterring people from claiming and by encouraging existing claimants to leave the system. In Toronto, the introduction of a 'work first' scheme with a strong workfare component led to a 54% reduction in welfare caseloads. But in none of these countries did participation in the programs itself enhance employment prospects to an appreciable extent.<sup>33</sup>

Workfare and other similar forms of conditional welfare have been strongly resisted by left-wing critics precisely because they often seem to offer little advantage to participants. But these critics emphasise only the care principle in welfare while overlooking the fairness principle. The principal case for activity conditions is that they make welfare systems fairer by extending the sorts of demands routinely made of people in work to those claiming benefits:

- Critics argue that forcing people to undertake work-related activities is wrong if it does not lift them out of poverty or raise their self-esteem, and they complain that many workfare tasks are 'menial, badly-paid and repetitive.'<sup>34</sup> But they forget that many people work all their lives in jobs that are badly paid, unattractive, and do nothing to bolster self-esteem, yet these workers do not expect to be offered welfare as an alternative.
- Critics say that imposing activity conditions on welfare claimants stops them looking for work, and that time spent on the activity could be better spent on job search.<sup>35</sup> But people in jobs commonly look for new employment while holding down an existing, full-time position, so why shouldn't welfare claimants do the same?

- Some critics say people on welfare ‘contribute to society’ in some way other than by working, and this establishes their right to financial support.<sup>36</sup> In the case of full-time carers (e.g. people caring for disabled partners, or parents caring for infants) this is a strong argument, but it is much weaker when extended to other claimants. Many people ‘contribute’ through voluntary work and parenting but also hold a full-time job.
- Some critics go so far as to claim that welfare conditionality undermines basic human rights.<sup>37</sup> In Britain, the Coalition’s conditional welfare proposals were attacked by a journalist for ‘creating a class of chain-gang conscripts’,<sup>38</sup> and we saw earlier how Australia’s mutual obligation policies have at various times been attacked as ‘exploitative,’ ‘unjust’ and in breach of international human rights laws. But workers are required every day to carry out instructions in the workplace in return for their wages, so why is it wrong to require welfare recipients to do likewise?

The basic point is that conditional welfare places the recipient in a similar situation to that of an employee. An activity is required in return for a payment. If the activity helps the recipient find paid work later on, that is a bonus. But requiring the activity is in itself the expression of a crucial moral principle of fairness.

## **Rule 2: Discrimination**

The principle of discrimination requires that we treat people who have made a prior contribution more generously than those who have made little or no contribution. It also requires that people whose actions have contributed to their own misfortune should be treated differently from those who need help despite behaving responsibly. Everyone in need should be offered assistance, but they should not all be offered the same assistance under the same conditions.

### **a) Taking account of prior contributions**

In the nineteenth century, working class families in Britain and Australia commonly made their own welfare arrangements. Millions of workers voluntarily insured themselves and their families against

loss of earnings, either by buying commercial insurance policies or by joining mutual, friendly societies.<sup>39</sup> But in both countries, the growth of state provision undermined these self-help and mutualist traditions.

In Britain, a compulsory state scheme for health and unemployment insurance was introduced in 1911, and was strengthened by Sir William Beveridge in the 1940s. Beveridge understood how important it was that people not get something for nothing, so he insisted that benefits should be earned through national insurance contributions. Basic payments ('national assistance') were available as a last resort for those who had not paid in or had run out of entitlement, but Beveridge wanted these back-up payments kept at subsistence level so they would not undermine the desire to work, and he thought behavioural conditions should be attached to them so claimants would make every effort to return to self-reliance as quickly as possible.<sup>40</sup>

Over the last 65 years, however, the distinction between earned benefits and unearned welfare payments has been eroded in the United Kingdom, and replaced by an effectively universal, tax-funded right to assistance.<sup>41</sup> Britain is one of the few OECD countries where claimants with no record of work-based contributions receive the same value of cash benefits as those who have accrued insurance entitlements.<sup>42</sup>

Australia is even more unusual, for it never even developed a state insurance system. The federal government introduced an age pension in 1909 (followed by an invalid pension in 1910) but this was financed out of general taxation, and was means tested.<sup>43</sup> This established need (along with residency) as the only criterion governing access to welfare benefits; prior contributions were ignored, and still are. Two attempts were made (in 1928 and 1938) to introduce a contributions-based insurance system, but both were voted down, and when federal unemployment benefits were introduced after World War II, they too were paid at a flat rate out of general taxation and without regard to prior work record. This has continued since with all federal welfare benefits.

The erosion of insurance-based benefits in the United Kingdom, and their complete absence in Australia, means that in neither country does prior work record count for much when entering the welfare system. But the fairness (proportionality) ethic suggests it should.

People with a strong contributions record have arguably earned the right to spend some time (say up to six months) drawing benefits while they search for appropriate new employment. Those with few or no contributions, however, have earned no such entitlement, and fairness suggests they should take the first available job, or be enrolled in full-time activity of some form if they fail to do so. There is a strong moral case for pulling those with weak work records into intensive activity early, while leaving those with stronger work records time to look for new, suitable employment themselves.

### **b) Taking account of behaviour**

Provision of welfare used to be tied to behavioural conditions. In Australia, the first age pensions were contingent on recipients being of good character,<sup>44</sup> and in Britain, Beveridge wanted national assistance made conditional on behaviour.

Public support for behavioural conditions attached to receipt of welfare has always been strong, for such rules express an instinctive sense of fairness. This is particularly true where people's behaviour appears to have contributed to their inability to provide for themselves. In Britain, 77,000 people receive disability benefits because an addiction to drugs or alcohol has rendered them unfit for work.<sup>45</sup> Not surprisingly, 89% of the British public think welfare benefits for these drug and alcohol abusers should be linked to a requirement that they undergo treatment for their addiction (only 4% oppose this)—but experts worry that such a policy might deter addicts from claiming at all.<sup>46</sup>

In Australia, the federal government has gone further than Britain in linking receipt of welfare to behavioural conditions. The end-of-year Family Tax Benefit payment for families on welfare is now conditional on possession of a Healthy Kids Check certificate.<sup>47</sup> Income management schemes for welfare recipients in remote communities have been successfully implemented.<sup>48</sup> And in 2012, income management schemes were extended in four states to cover jobless youth, long-term welfare recipients, and 'vulnerable' households with child protection problems.<sup>49</sup>

In the United States, behavioural conditions have been taken further still. A number of states have used welfare rules to promote marriage and reduce single parenthood, welfare payments for women who have more children while on benefits are often capped, and young girls who get pregnant have been required to live with their parents.<sup>50</sup>

Again, there is a clear fairness principle at work in some of these schemes—in particular, the capping of benefits for welfare parents who produce more children while on benefits. Most of us sense that if you cannot afford to support the children you already have, it is irresponsible to produce even more. It is not fair on your existing children, and it is not fair on those who have to pay more tax to support the new ones. As John Stuart Mill recognised a century and a half ago:

To bring a child into existence without a fair prospect of being able, not only to provide food for its body, but instruction and training for its mind is *a moral crime*, both against the unfortunate offspring and against society.<sup>51</sup>  
[emphasis added]

If you are already in a position where you cannot afford to raise your children, you should not expect additional taxpayer assistance if you knowingly make your situation even worse. It is a simple matter of fairness.

### **Rule 3: Personal (and family) responsibility**

Research recently published by the University of Adelaide estimates that Australian parents give \$22 billion each year to their adult children. They also provide \$30 billion worth of unpaid work (such as babysitting or practical help) to their children and elderly parents. *The Age* quoted the author of the study, Lisel O'Dwyer:

It's a staggering transfer of time and money, \$50 billion a year, between older people and their children and parents ... It represents a huge saving to the government.<sup>52</sup>

This statement nicely reveals the Left's blindness to the proportionality principle in social policy. Family members helping each other only represents a 'huge saving to the government' if you think the government should be paying and providing for everything, and that mutual aid between parents, grandparents and children is somehow inappropriate. O'Dwyer's statement needs standing on its head: Government welfare payments and services save families billions of dollars each year, not the other way around.

As the welfare state has expanded, so the norm of family mutual assistance has been weakened, and many people now assume that it is the government's responsibility to bail them out. It apparently never occurs to them to ask first for help from family members, for family aid has been 'crowded out' by the growth of state aid.

I recently discussed a clear example of this in a report on child support policy in Britain.<sup>53</sup> My concern was sparked by a story in the UK *Daily Telegraph*, which named 'Britain's most feckless father' as Jamie Cumming, a 34-year-old unemployed man from Dundee. Cumming has fathered 15 children with 12 different partners in the space of just 16 years, with two more babies expected at the time of writing.<sup>54</sup> Cumming is not expected to pay for the support of these children. As an unemployed man, the most he can be required to give is £5 per week towards the upkeep of all his abandoned kids.<sup>55</sup> In Australia, his commitment would be even smaller.

A story like this is almost guaranteed to make us feel furious, for it is a flagrant breach of the ethical principle of fairness. The people who end up paying for Cumming's expanding brood are strangers, people who go to work, earn wages, pay their own way, support their own families— and are then required to pay taxes to support his children as well as their own. There is also a glaring unfairness in comparison with non-resident fathers who work. They are expected to pay substantial sums out of their earnings to support the costs of raising their children, yet those who do not work get away with paying almost nothing.

Such unfairness arises when welfare policy is exclusively needs-focused. Abandoned mothers and their children need financial support, and men who live on welfare benefits are not expected to

provide it because they don't earn. Other people must therefore pay. But gut moral instinct tells us that it is the parents' responsibility to pay for the costs of raising their own children. More than three-quarters of the British public think the main responsibility for maintaining children when couples separate should fall on the parents, less than a quarter think it should be shared between the parents and the government, and just 1% think the government alone should become responsible (which is effectively what happens when both the residential and absent parents are living on benefits).<sup>56</sup>

Allowing jobless men to ignore their obligations undermines the moral principle of personal responsibility because it sends a message to men and women that irresponsible fatherhood is normal and acceptable. But the child support system should be enforcing this morality, not eroding it. The current policy is the result of a pragmatic judgment by past governments that chasing low-income men for child support costs more money than it raises, and is not therefore a sensible strategy. But the morality of fairness requires that men's child support obligations should be fully enforced wherever possible, even if such a policy is expensive to enforce (remember Haidt's experiment where participants were willing to pay from their own pockets to punish free-riders).

Predictably, left-wing welfare advocates have repeatedly found themselves on the wrong side of this moral argument. In Britain, poverty expert Jonathon Bradshaw and his colleagues warn that 'very few' non-resident parents have 'any significant paying capacity,' and they worry that deducting any child support—even a sum as small as £5 per week—from their benefit will leave them short of a basic safety net income.<sup>57</sup> Australia's Belinda Fehlberg similarly assures us that there is no point in 'pursuing 'welfare dads' because they have no money, and that extracting a meaningful contribution from them towards the costs of their children's upkeep is 'impossible.'<sup>58</sup>

Experience in other countries proves this is not impossible. In a review of international child support systems, Christine Skinner and her colleagues looked at 14 Western countries and calculated the typical value of the child maintenance award that each would have made in 2005 in the case of two unemployed parents with a young child who are separated and live on welfare.<sup>59</sup> In most countries, as in

Britain, the father would have to pay very little, and in some, he would not be required to make any contribution at all. But two countries stand out from the list.

One is the United States, where an unemployed father would have to pay six times more than in Britain. The other is Germany, where he would be required to pay more than seven times more. Given the experts' advice that even £20 per month is unaffordable, how do these two countries succeed in demanding so much more from their men on welfare?

In the United States, provided an absent father is not permanently disabled, his child support liability is usually assessed on the assumption that he is working full-time at the minimum wage—even if he has no job.<sup>60</sup> An absent father who tells the court he is unemployed and cannot pay is usually ordered to look for a job and start payments as soon as he finds one, or to join an available local work program.<sup>61</sup> If he remains unemployed, his arrears start adding up and various sanctions may be applied, including loss of driving licence; withdrawal of passport; and sequestration of funds from personal bank accounts, pensions, benefits payments, and income tax refunds. Fathers who persistently refuse or fail to pay may be imprisoned for up to six months (in 2002, about 10,000 men were in jail at any one time for non-payment of child support).

In Germany, the law on child maintenance is set down in the Civil Code, where it is governed by the overarching principle of 'solidarity of the generations.'<sup>62</sup> Section 1601 of the code stipulates that 'lineal relatives' (children, parents and grandparents) are under a legal obligation to maintain each other wherever one party is in need and another has the ability to pay. If one or both parents lack the financial means to support their children, grandparents become liable. Even if financial fault clearly lies with only one parent (e.g. the father defaults on his child support payments), both sets of grandparents are required to pay, although their liability will vary according to their incomes. Wherever possible, the family pays rather than the state.

I have discussed the German principle of generational solidarity at a number of seminars and conferences in Britain and Australia, and on every occasion, somebody ventures the opinion that it is 'unfair'



to expect grandparents to pick up the tab if the parents fail in their responsibilities to their children. But if it is unreasonable to expect grandparents to contribute to the upkeep of their grandchildren, how much more unreasonable is it to expect complete strangers to do so, through their taxes? The German civil code gives families real duties and real functions to discharge. It offers a clear alternative to the British and Australian assumption that, whenever a need arises, the taxpayer (through the state) must be required to pay. It therefore represents a fairer—and more ethical—solution to the problem of funding child care.

## **Conclusion**

We are used to thinking of the modern welfare state as a ‘moral system’ because it mobilises collective obligations to support anybody in need of help. As Haidt’s work shows, this institutional expression of the caring instinct is consistent with a deeply felt moral imperative that has evolved within us over many thousands of years. The modern welfare state is in this sense an ethical system.

However, we too often forget that there is a second, equally important, instinctive moral principle that has similarly evolved over thousands of years and with which we should also expect modern welfare systems to comply—the principle of fairness, ‘proportionality,’ or just deserts. This principle has too often been neglected in social policy debates, probably because Left ideas have come to dominate social policy thinking, and as Haidt’s work shows, left-wingers tend to be remarkably one-eyed in their moral compass.

In this essay, I have identified three rules that should guide any social policy which aims to respect this neglected ethic of fairness.

The first—the less eligibility rule—is that nobody should be better off on welfare than they would be in work. This not only means that benefits should be structured so that people are always better off if they take on more hours of work (something the United Kingdom has tried to engineer in its move to a Universal Credit), but also that activity conditions attached to receipt of benefits should be no less onerous than those experienced in employment. The principal case for mutual obligation (or workfare) is not that it improves

the employment chances of recipients (which it often fails to do), but that it replicates the obligations of employment for those on benefits. Put simply, it is morally wrong to expect people to work all day and pay taxes if the recipients are allowed to sit at home all day watching television.

The second rule is that welfare systems should offer support to anyone in need, but that the nature of this support should differ according to the contributions they have made and the circumstances by which they came to request assistance. It is an ethical mistake when people on the Left repeatedly reject the distinction between 'deserving' and 'undeserving' cases, for while it can be difficult to draw this distinction in practice in every case, the attempt to do so lies at the heart of the fairness ethic. Those who have paid into the system (through taxes or other contributions) should have entitlements that others have not earned, and those whose irresponsible behaviour has contributed to their neediness should expect behavioural conditions to be attached to payments from which other recipients should be exempted.

The third rule is that individuals should accept responsibility for themselves and for their dependents before the state demands that strangers support them through their tax payments. In the United States, lacking a source of income is regarded, not as a legitimate excuse for opting out of financial obligations owed to one's children, but as a problem to be rectified by finding a job as swiftly as possible. Germany's civil code reinforces family obligations by requiring that parents pay for the upkeep of their children, and that when they can't or won't do this, the grandparents become responsible.<sup>63</sup>

There are lessons in all this for countries like Britain and Australia. The fairness instinct is too often neglected as the Left emphasises the moral duty of care, while the Right emphasises purely practical concerns, such as cost and the erosion of the work ethic. In the end, welfare policy should be shaped by the public's sense of what is right, which makes it crucial that the moral agenda of the welfare debate be extended to encompass the instinct of fairness as well as the impulse to caring.

## Endnotes

- 1 Peter Saunders and Kyoko Tsumori, *The Tender Trap*, Issue Analysis 36 (Sydney: The Centre for Independent Studies, 2003).
- 2 Letter to the editor, *The Australian* (13 June 2003). See also Peter Saunders, *Australia's Welfare Habit* (Sydney: The Centre for Independent Studies, 2004), 103.
- 3 Patricia Karvelas, 'New start needed for broken welfare system,' *The Australian* (24 May 2012).
- 4 Letter from ACOSS (Australian Council of Social Service) (15 June 2012).
- 5 Jonathon Haidt, *The Righteous Mind* (Allen Lane, 2012).
- 6 Libertarians (or classical liberals) are also lopsided in their moral values according to Jonathon Haidt, and strongly emphasise the 'liberty' and 'proportionality' foundations at the expense of the other four.
- 7 Michelle Grattan, 'Hockey blasts attitude of entitlement,' *The Age* (19 April 2012).
- 8 Don Edgar, 'No more poor excuses,' *The Age* (26 April 2012).
- 9 Jonathon Haidt, *The Righteous Mind*, as above, 136.
- 10 As above, 180.
- 11 The white paper (DWP (Department of Work & Pensions), *Universal Credit: Welfare that Works* (London: 2010)) suggested the reform will reduce costs by cutting the number of jobless households by 300,000; save £1 billion a year on fraudulent and erroneous payment; and reduce another £500 million on administration costs.
- 12 DWP (Department of Work & Pensions), *Universal Credit: Welfare that Works*, as above, 59.
- 13 As above, 54.
- 14 As above, 54.
- 15 Tim Ross, 'Welfare reform will not get workshy off dole,' *The Daily Telegraph* (28 December 2011). This Department of Work & Pensions research was hushed up by the government.
- 16 Quoted in Richard Woods and Kevin Dowling, 'How to get benefit Britain working,' *The Sunday Times* (3 October 2010).
- 17 Lawrence Mead, *Government Matters: Welfare Reform in Wisconsin* (Princeton University Press, 2005), 20.
- 18 The British Prime Minister David Cameron appears to have acknowledged this in a recent well-received speech on welfare reform at Dartford on 25 June 2012.

- 19 More details in Peter Saunders, 'Australia: From Entitlement to Employment,' in Lawrence Kay and Oliver Hartwich (eds), *When Hassle Means Help* (London: Policy Exchange, 2008).
- 20 Richard Crisp and Del Roy Fletcher, 'A comparative review of workfare programmes in the United States, Canada and Australia,' *Research Report* No. 533 (London: Department of Work & Pensions, August 2008), 7. Dann Finn and Rosie Gloster, 'Lone parent obligations,' Research Report No. 932 (London: Department of Work & Pensions, 2010), 4.
- 21 A paper for the OECD (Organisation for Economic Co-operation and Development) by Herwig Immervoll estimates one-third ('Minimum income benefits in OECD countries,' *Social Employment and Migration Working Papers* No. 100 (Paris: OECD, 2010). See also Douglas Besharov and Peter Germanis, 'Welfare reform four years later,' in Douglas Besharov, et al. (eds), *Ending Dependency* (London: Civitas, 2001); Robert Rector and Peter Fagan, 'The Continuing Good News About Welfare Reform,' *Heritage Foundation Background Paper* 1620 (February 2003). For a meta-review of many different studies, summarising the impact of financial incentives, mandatory work conditions, and sanctions on both employment and family patterns, see Jeffrey Grogger and Lynn Karoly, *Welfare Reform: Effects of a Decade of Change* (Harvard University Press, 2005). I have discussed some of the evidence in Peter Saunders, *Australia's Welfare Habit* (Sydney: The Centre for Independent Studies, 2004), Chapter 4.
- 22 John Martin, 'What Works Among Active Labour Market Policies,' *Economic Studies* 30 (OECD, 2000/01), 98; Herwig Immervoll, 'Minimum income benefits in OECD countries,' as above, 41–42.
- 23 Nicholas Boys Smith, 'Reforming Welfare' (London: Reform, November 2006), 24; Adam Bogdanor, *Not Working: Why Workfare Should Replace the New Deal* (London: Policy Exchange, 2004), Chapter 2.
- 24 Australian and North American workfare evaluations are reviewed by Richard Crisp and Del Roy Fletcher, 'A comparative review of workfare programmes in the United States, Canada and Australia,' as above.
- 25 Paul Gregg, *Realising Potential: A Vision for Personalised Conditionality and Support* (London: Department of Work & Pensions, 2008), 38.
- 26 Del Roy Fletcher, et al. 'Qualitative Evaluation of the Jobseeker Mandatory Activity,' Research Report No. 553 (London: Department of Work & Pensions, 2009).

- 27 Julia Griggs and Martin Evans, *Sanctions Within Conditional Benefit Systems* (Joseph Rowntree Foundation, 2010), 20.
- 28 Rosie Gloster, et al. 'Lone Parent Obligations,' Research Report No. 645 (London: Department of Work & Pensions, 2010), 7.
- 29 Cited in Robert Goodin, 'False Principles of Welfare Reform,' *Australian Journal of Social Issues* 36 (2001), 189–206.
- 30 Nicholas Boys Smith, 'Reforming Welfare,' as above, 23.
- 31 DEWR (Department of Employment & Workplace Relations), *Work for the Dole: A Net Impact Study* (Canberra: Commonwealth of Australia, 2000), 12.
- 32 In the United States as a whole, about half of the reduction in welfare dependency achieved by the 1996 reforms were due to existing claimants leaving welfare, and half due to a reduction in new claims—see Herwig Immervoll, 'Minimum income benefits in OECD countries,' as above.
- 33 Richard Crisp and Del Roy Fletcher, 'A comparative review of workfare programmes in the United States, Canada and Australia,' as above, 14. Paul Gregg agrees, concluding that workfare 'has some deterrence effect but has little impact on the employment outcomes of participants,' *Realising Potential*, as above, 88.
- 34 Alan Deacon and Ruth Patrick, *A New Welfare Settlement?* Symposium on Prospects for the Coalition, University of Lincoln (6 July 2010), 9.
- 35 Richard Crisp and Del Roy Fletcher, 'A comparative review of workfare programmes in the United States, Canada and Australia,' as above, 9.
- 36 Alan Deacon and Ruth Patrick, *A New Welfare Settlement?* as above, 9, suggest that 'volunteers, service users and parents' all make 'contributions' to society, which should entitle them to unconditional welfare assistance.
- 37 Amir Paz-Fuchs, *Conditional Rights in Social Policy* (Oxford University Press, 2008).
- 38 Mary Riddell, 'The man in chains who seeks to liberate the poor and needy,' *The Daily Telegraph* (9 November 2010).
- 39 On Britain, see David Green, *Reinventing Civil Society* (London: Institute of Economic Affairs, 1993). On Australia, see David Green and Lawrence Cromwell, *Mutual Aid or Welfare State* (Allen & Unwin, 1984).
- 40 Nicholas Boys Smith, 'Reforming Welfare,' as above, 14.
- 41 There is still a distinction between contributory and non-contributory benefits, but in practice it no longer has much significance for working-

- age assistance. The main significance of so-called ‘National Insurance’ contributions in Britain today is in establishing entitlement to the state retirement pension, but even this has been severely eroded over the years. See Antony Seely, *National Insurance contributions: an introduction* House of Commons Library Briefing Paper, 6 February 2012
- 42 The others are New Zealand, Australia and Ireland. See Herwig Immervoll, ‘Minimum income benefits in OECD countries,’ as above, Table 4.
  - 43 Michael Jones, *The Australian Welfare State*, fourth edition (Allen & Unwin, 1996), 25.
  - 44 As above, 20.
  - 45 James Kirkup, ‘77,000 on welfare because of addiction,’ *The Daily Telegraph* (30 July 2012).
  - 46 YouGov survey for the *Daily Telegraph* (23–25 July 2008). For an example of expert opposition to such a policy, see Michael Spencer, Jordana Muroff, and Jorge Delva, ‘Conditional Welfare: A Family Social Work Perspective on Mandatory Drug Testing,’ *Journal of Family Social Work* 4 (2000), 3–14.
  - 47 Patricia Karvelas, ‘Welfare payments linked to child health checks,’ *Brisbane Courier Mail* (11 August 2010).
  - 48 Two-thirds of claimants say the policy has been beneficial—see AIHW (Australian Institute of Health and Welfare), *Report on the Evaluation of Income Management in Northern Territory* (AIHW, August 2009).
  - 49 Paul Kelly, ‘Big news but no one’s listening,’ *The Australian* (19 June 2010). See also DHS (Department of Human Services), ‘Income management.’ Others who are not covered by the scheme (e.g. age and disability pensioners) can opt into it if they wish.
  - 50 Jeffrey Grogger and Lynn A. Karoly, ‘The Effects of Work-Conditioned Transfers on Marriage and Child Well-Being: A Review,’ *Economic Journal* 119 (2009), 2. Few of these policies have had any effect on marriage and sole parenting rates in the United States.
  - 51 John Stuart Mill, *On Liberty* (Penguin Classics, 1985), 176.
  - 52 Adele Horin, ‘Generation IOU: parents fork out \$22 billion a year to help their adult children,’ *The Age* (26 July 2012).
  - 53 Peter Saunders, *Father Figures: How Absent Fathers on Welfare Could Pay Meaningful Child Support* (London: Policy Exchange, March 2012).
  - 54 Donna Bowater, ‘Seventeenth child on way for “jobless predator”,’ *The Daily Telegraph* (28 November 2011).

- 55 This is known as the ‘flat rate’ of child support, which applies if the non-resident parent’s net weekly income is between £5 and £100. The flat rate is currently £5—no matter how many children are involved—but the government has announced it will rise to £10 later this year (Rowena Mason, ‘Absentee fathers will have benefits docked,’ *The Daily Telegraph* (2 July 2012)).
- 56 Daphne White, *Attitudes Towards Child Support and the Child Support Agency*, In-house Report No. 100 (London: Department for Work & Pensions, 2002), Table 4.2. Among separated parents, opinion shifted somewhat, with almost 60% accepting that parents had the main responsibility and 40% saying the responsibility should be shared with the government (Figure 2.1).
- 57 Jonathon Bradshaw, et al. *Absent Fathers?* (Routledge, 1999), 9 and 231.
- 58 Belinda Fehlberg and Mavis MacLean, ‘Child Support Policy in Australia and the United Kingdom,’ *International Journal of Law Policy and the Family* 23 (2009), 16.
- 59 Christine Skinner, Jonathon Bradshaw, and Jacqueline Davidson, *Child Support Policy: An International Perspective*, Research Report No. 405 (London: Department for Work & Pensions, 2007). See especially Figure 5.1, 72.
- 60 McLanahan and Carlson, ‘Welfare reform, fertility and father involvement,’ *Future Child*, 12 (2002), 156.
- 61 Elaine Sorensen, ‘Rethinking Public Policy Toward Low-income Fathers in the Child Support Program,’ *Journal of Policy Analysis and Management* 29 (2010), 604–610.
- 62 This discussion draws on Dieter Martiny, ‘Family law,’ in Joachim Zekoll (ed.), *Introduction to German Law* (The Hague: Kluwer Law International, 2005) and Sandra Harbich, ‘Großeltern zahlen für ihre Enkel.’
- 63 In Japan, too, the Liberal Democratic Party is submitting a bill to the Diet tightening up the Livelihood Protection Law to enforce the duty of relatives to support family members in need—see Editorial, ‘Bottom line of welfare,’ *The Japan Times* (14 June 2012).







**The Centre for Independent Studies** is a non-profit, public policy research institute. Its major concern is with the principles and conditions underlying a free and open society. The Centre's activities cover a wide variety of areas dealing broadly with social, economic and foreign policy.

The Centre meets the need for informed debate on issues of importance to a free and democratic society in which individuals and business flourish, unhindered by government intervention. In encouraging competition in ideas, The Centre for Independent Studies carries out an activities programme which includes:

- research
- holding lectures, seminars and policy forums
- publishing books and papers
- issuing a quarterly journal, **POLICY**

For more information about CIS or to become a member, please contact:

### **Australia**

PO Box 92, St Leonards,  
NSW 1590 Australia  
Ph: +61 2 9438 4377  
Fax: +61 2 9439 7310  
Email: [cis@cis.org.au](mailto:cis@cis.org.au)

**[www.cis.org.au](http://www.cis.org.au)**

### **Council of Academic Advisers**

Professor Ray Ball  
Professor Jeff Bennett  
Professor Geoffrey Brennan  
Professor Lauchlan Chipman  
Professor Kenneth Clements  
Professor Sinclair Davidson  
Professor David Emanuel  
Professor Ian Harper  
Professor Helen Hughes AO  
Professor Wolfgang Kasper

Professor Chandran Kukathas  
Professor Tony Makin  
Professor Kenneth Minogue  
Professor R. R. Officer  
Professor Suri Ratnapala  
Professor David Robertson  
Professor Steven Schwartz  
Professor Judith Sloan  
Professor Peter Swan AM  
Professor Geoffrey de Q. Walker

# Re-moralising the Welfare State

The Left thinks high welfare spending signifies compassion. The Right believes it rewards irresponsible behaviour. Saunders argues both sides are right.

The left says people who need help must be cared for, irrespective of circumstances. Recent work in evolutionary psychology shows this principle derives from a deep instinct for compassion which we all share.

The right says everyone should pull their weight and nobody should 'free-ride'. This too is deeply embedded in human instincts — the sense that reward should be in proportion to contribution.

A just welfare system should express both of these moral instincts – caring and proportionality. Saunders spells out how welfare should be organised to achieve this.

First, people who get welfare should not be better off than those who assist them. This applies both to the money they receive, and the free time available to them.

Second, not everyone should be helped in the same way. A moral welfare system demands distinctions between more and less deserving cases.

Third, before anyone calls on the assistance of strangers, they should seek help closer to home. Saunders discusses Germany, where grandparents have a legal obligation to provide for their grandchildren if parents fail to do so.

These three simple rules appeal to our instinctive sense of fairness. Applying them to our welfare system would ensure it is just as well as compassionate.



**Peter Saunders** is a Senior Fellow at The Centre for Independent Studies who now lives in Britain. From 2001 to 2008, he ran the Centre's Social Foundations program, writing on welfare reform, poverty, and other social policy issues. Before that, he was Research Manager at the Australian Institute of Family Studies, and he spent 25 years at Sussex University, where he was Professor of Sociology.

His books include *Social Theory and the Urban Question* (1981/1986), *A Nation of Home Owners* (1990), *Privatisation and Popular Capitalism* (1994), *Capitalism: A Social Audit* (1995), *Australia's Welfare Habit* (2004), *The Government Giveth and the Government Taketh Away* (2007), *Social Mobility Myths* (2010), and *When Prophecy Fails* (2012). He is also co-author of two student text books, *An Introduction to British Politics* (1984) and *The Survey Methods Workbook* (2004). His work has been translated into German, Italian, Korean, Romanian, Portuguese and Mandarin.

He has written extensively for newspapers in Australia and Britain and appears regularly on radio and TV discussing his work. In 2008, the *Sydney Morning Herald* described him as 'the most prominent liberal intellectual in Australia.' In Britain, *The Daily Mail* has hailed him as 'that rare beast—a sensible sociologist.' *The Guardian* is less impressed: It has attacked him as 'an ideas wrecker.'

---

CIS Occasional Paper 131  
ISBN 978-1-922184-11-5  
ISSN 0155 7386

[www.cis.org.au](http://www.cis.org.au)

