

# THE SOCIAL FOUNDATIONS OF A FREE SOCIETY

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At the last CIS lecture, on 1<sup>st</sup> November, Wolfgang Kasper introduced our new 'Economic Freedom Watch'. The idea is that we shall measure the extent of economic freedom in Australia, using a variety of statistical indicators, and we shall then regularly monitor whether economic freedoms are being extended or lost over time.

Sitting listening to Wolfgang introduce this new initiative, I began to wonder if we could not also develop a '*Social Freedom Watch*'. Given that social changes can be a lot more difficult to measure than economic changes, this would not be easy, but we might nevertheless try to monitor increases or decreases in things like government spending on welfare, the number of people who fall victim to crime, the number of parents able to exercise effective choice over how their children are educated, or the amount of money spent by the government in an attempt to modify the way we behave.

And then I realised that, to a large extent, CIS already publishes a 'Social Freedom Watch' – it is called *State of the Nation*, and it is currently in its third edition.

*State of the Nation* does not calculate a 'freedom index', it is true, but it does contain a wealth of information on social trends from which we can derive answers to many of the sorts of questions I have just outlined. It tells us, for example, that the real cost of welfare spending by government has gone up *five-fold* since the 1960s; that there are *forty times* more property crimes today than there were in the 1930s; and that increasing numbers of parents are paying to have their children educated outside of

the government schooling system (the percentage of pupils in private schools exceeded 30% for the first time last year).

(*State of the Nation* does not, incidentally, give us an answer to my fourth question concerning government spending aimed at changing the way we think and behave, but I have recently tracked down a relevant statistic that could usefully be included and updated in future editions. A report in *The Australian* tells us that, in the last year, the Commonwealth government spent \$156 million of our money on advertisements telling us what the government is doing for us and how it wants us to behave. Last year, among other things, our money was spent telling us not to use so much water, reminding us to put on our seat belt when getting into a car, urging us to get off the sofa and do more exercise, and even pleading with us not to fall off ladders.)

The kinds of statistics gathered together in *State of the Nation* do not only tell us something about the current state of personal freedom in Australia. They also tell us something about the current state of Australian *society*.

We read, for example, that the fertility rate is at an all time low – to reproduce the current size of population, women would need on average to have 2.1 children over the course of their lifetime, but by 1999 this figure had dropped to just 1.7. Without future immigration, Australian society will literally start to shrink.

We also come across a range of statistics indicating that the family is going through major upheavals. Marriages are down, divorces are up, and ex-nuptial births have been going through the roof (up from 4% of all births in 1953 to 29% in 1999).

Perhaps connected with what has been happening to the family, young people seem to be experiencing increasing problems. The male youth suicide rate, for example, has been climbing steadily since the 1960s and lurched upwards alarmingly in the mid-nineties. Teenage unemployment in 1999/2000 stood at 20% (and this is reckoned to be an under-estimate). A majority of teenagers now reports that they have taken illegal drugs, and deaths from overdoses have increased from 1.1 per hundred thousand in 1979 to 11.3 per hundred thousand twenty years later.

One of the founders of modern sociology, Emile Durkheim, suggested that social statistics like these can be used in much the same way as a medical practitioner uses a clinical thermometer. They give us an easily observable measure of the underlying state of health or pathology of our society. Durkheim suggested that, in any society, there will be a ‘normal’ rate of fertility, marriage, divorce, suicide, unemployment, drug abuse, crime or whatever, just as there is a ‘normal’ level of body temperature in a healthy living human being. But just as we start to panic if we see somebody’s temperature suddenly rise, so too, according to Durkheim, we should start to panic if we detect sudden and dramatic changes in things like suicide rates, crime rates and divorce rates. This is because statistics like these are the external and visible signs that something is going wrong in the social fabric – they are the social equivalent of the mercury surging towards the 40°C mark. And just as it is the task of doctors to diagnose ills and prescribe remedies, so Durkheim believed that the whole point of sociology was to try to identify the causes of the underlying pathology revealed by social statistics, and to find ways of putting it right.

As I see it, this is the task that social research at the CIS has been addressing and must continue to address in the future. Of course we are interested in describing and analysing shifting patterns in personal freedoms and individual liberties – as we note in every book that we publish, “The Centre’s major concern is with the principles and institutions underlying a free and open society.” But what is distinctive to the Centre’s *social* research programmes is the recognition that individual liberty and what I have called ‘social health’ are inextricably linked.

### **The prerequisites of individual liberty**

Several centuries of accumulated wisdom in the classical liberal tradition tell us that individual freedom requires certain basic economic, political, legal and social conditions to be in place.

The *economic* prerequisites of individual freedom include a system of production and consumption based on private ownership of property together with a relatively free market for the exchange of goods and services. As Milton Friedman pointed out at the start of *Capitalism and Freedom*, it is possible to find examples of totalitarian

regimes coexisting with free market economies, but there has never been a liberal and democratic regime coexisting with a command economy. The free market is not a sufficient condition of a free society, but it is a necessary one.

There are also certain *political* prerequisites of a free society. In particular, the State must ensure that individuals are free from the threat of violence and that they can enjoy the fruits of their endeavours without coercive intrusions from others. We cannot enjoy our liberties if we are constantly threatened by conquest from abroad or by the forcible expropriation of our possessions by others around us, so we look to the State to defend us against external aggression and to maintain domestic order.

This links to the *legal* prerequisites of a free society. The ‘Rule of Law’ – the principle that everybody is subject to the same set of rules established in advance and favouring no group over any other – is a crucial condition of liberty, for it is the individual’s safeguard against the arbitrary use of power, and it ensures a level of predictability in the behaviour of others which is necessary for social intercourse to take place.

Finally, and for our purposes this evening most importantly, there are clearly some key *social* preconditions of a free society. Certain types of social institutions, and particular kinds of social values and norms of behaviour, promote individual liberty, others close it down.

Again, Durkheim can help us here. He argued that individuals can only flourish in a well-balanced, spontaneously coordinated, ‘healthy’ society. A society which suppresses change and squashes individuality destroys the basis for human freedom and happiness – but so too does a society which allows itself to be turned upside down in perpetual turmoil, or which emphasises individuality at the expense of any recognition of the obligations, duties and responsibilities which individuals owe to others.

For Durkheim, a healthy society is therefore neither ‘fatalistic’ (unchanging) nor ‘anomic’ (changing chaotically); it emphasises neither ‘egoism’ (individual gratification at the expense of others) nor ‘altruism’ (social duty at the expense of

individual expression). It balances stability and change, individual self-interest and social responsibility.

In order to gauge whether or not these things are in balance, we look to social statistics. When suicide rates start to rise, or divorce rates start climbing, or the crime rate escalates, these are signs that something is out of balance and that social health is giving way to social pathology.

To sum up: Individual liberty requires a free market; it requires personal security; and it requires a Rule of Law. But in addition to all this, it also requires a balanced, healthy, society.

### **The ‘Social Foundations’ research programme**

I took up my present post, as Director of Social Policy Research Programmes at the CIS, less than three months ago. Following in Barry Maley’s footsteps, my task is to develop a new research programme called ‘Social Foundations’ which will start where the ‘Taking Children Seriously’ programme (developed and directed by Barry) left off.

The specific focus of this new programme is to identify “the essential foundations for effective adulthood and social participation” in Australia. Whereas the ‘Taking Children Seriously’ programme focused mainly on those social institutions – primarily the family and the education system – which play the key role in childhood socialisation, this new successor programme has a broader scope, for it is concerned to identify and analyse the key social institutions which promote a strong, harmonious, and well-balanced society.

Clearly, the family and the education system remain central to this concern, for their role is crucial. The *family* is still the pivotal institution in society, for not only do we entrust families with producing and raising each new generation, but most of us are in one way or another deeply-embedded members of a family or kinship system which commands our primary allegiance. Formal *education* agencies also play a key role in shaping our society, for they are instrumental in transmitting shared knowledge,

norms and values across the generations, as well as in preparing people for their adult roles and placing them in the occupational system.

Beyond the family and the education system, however, are other institutions which also influence the state of social health. There is, for a start, that area of 'civil society' beyond the family or the household but below the level of the State. This consists of patterns of voluntary and relatively informal cooperation between neighbours, friends, workmates or co-members of voluntary organizations which engender mutual trust and create social bonds of reciprocity. These patterns used to be called '*community life*'; more recently they have come to be identified by the concept '*social capital*'.

We also need to consider the social arrangements put in place to provide for those members of society who either cannot or will not fend for themselves and their families. A society lacking compassion for those who fall on hard times, and which does nothing to support those who cannot support themselves, will almost certainly be a fractious and deeply unhappy place in which to live. Equally, a society which tolerates or even encourages fecklessness and dependency among large numbers of individuals who could and should be looking after themselves will soon undermine social harmony by taxing the industry of the virtuous in order to support the selfishness of the idle. We must, therefore, have regard for the nature of the institutions that sustain or deliver social *welfare*.

Finally, we have also to include in our analysis some recognition of the fundamental importance of a shared *culture*. A harmonious society can tolerate considerable individual diversity – indeed, it requires it if it is not to become inward-looking and stagnant. But the weight of over a century of sociological theory and research tells us that no society can function effectively without some common area of norms, values and beliefs. A free society depends upon a common cultural commitment to certain basic principles and ideas – respect for social rules, tolerance of individual differences, openness to novelty and risk, recognition of personal responsibility, and so on. To the extent that social values like these start to change, there are likely to be profound social ramifications.

Here, then, are the five institutional foci for our new ‘Social Foundations’ programme – family life, the education system, community life, the social welfare system, and the values, norms and beliefs comprising the common culture. Over the next three years, we shall be investigating what is happening in Australia in all five of these areas. Our aim in each case will be to identify trends which threaten the health of a free society, to analyse their causes and – like Durkheim’s sociological physician – to try to outline some of the ways in which we might begin to put things right.

### **Taking stock**

As a first step in the development of this admittedly rather ambitious programme, I thought I would devote the remainder of this paper to an intellectual stock-take of what we already know in each of these five areas as a result of research and analysis undertaken over the last few years by colleagues and associates working at or with the Centre for Independent Studies.

Since joining the CIS in September, I have devoted many hours to reading back through its various monographs, as well as *Policy* articles and *Issue Analysis* papers. It is an impressive output, and it is obviously impossible to do justice to all of this research material in one short lecture. What we can do, though, is try to pull together some of the most important findings. This will not only help consolidate where we have got to so far; it should also enable us to see more clearly some of the issues which remain to be investigated in the new research programme.

### **Family life**

Of all the areas of research in which CIS has been involved in recent years, the family has been the most central and has attracted most attention. This is not surprising, for as Brigitte Berger argued in her 1995 Bonython Lecture (reprinted in *Home Repairs*), the family “is the most basic building block on which all other social forms rest” (page 4). Indeed, Berger goes on to argue that “it was the genius of the bourgeois family to provide a balance between individualism and social responsibility...between acquisitiveness and altruism” (page 11). The family, in other words, has created the very ‘balance’ which Durkheim identified as fundamental to healthy societal

functioning. However, according to Berger, this “fortuitous balance” was destroyed by the changes in family life which took place after the 1960s. It is precisely this unravelling of family strength, and its effects on the rest of society, which has formed the core focus of CIS research on social issues up until now.

This work began Barry Maley’s *Marriage, Divorce and Family Justice* published in 1993. Barry followed that up with *Wedlock and Wellbeing* (1996), *Children’s Rights* (1999) and *Family and Marriage in Australia* (2001), and his work has been supplemented in various ways by other studies such as Lucy Sullivan’s *Taxing the Family* (2001), Jennifer Buckingham’s *Boy Troubles* (2000), and the collection of essays published in 1996 under the title, *Home Repairs*.

### ***Family structure and personal wellbeing***

The key lesson to be drawn from all of this work is that, on average, children benefit from growing up with both of their natural parents, and parents are more likely to stay together if they are married. The evidence for both of these propositions is now compelling.

This evidence has been collected in many different countries, including Australia, and it covers a range of different indicators of child wellbeing. In *Wedlock and Wellbeing* Maley summarised some of the key research findings from the UK, the USA and Australia showing (for example) that infant mortality rates are much higher in the case of ex-nuptial births; that child abuse is more likely to occur when parents are separated (or even when they are not married); that children from intact families perform better at school on all sorts of academic indicators; that children of single parents are twice as likely to have been expelled or suspended from school; that children in step or blended families are twice as likely as those with natural parents to develop mental health problems; that children brought up by a single parent, or with a step-parent, are more likely to engage in delinquent behaviour; and that they are much more likely to become homeless.

Summarising and updating all this evidence in his latest book, Maley concludes: “Children reared within marriage are more adequately reared, more law-abiding,



better performing, and happier, on average, than those who are not” (2001, page 172). This is not a function of household income, as some critics of marriage have tried to suggest, for the associations hold even when we control for income. Besides, if household income were the cause of the problem, we should expect the various measures of child wellbeing to improve when single parents re-partner, but this is rarely the case. Indeed, on many indicators, children do even worse when they are reared in step or blended families than when they are brought up by only one parent.

In *Children's Rights*, for example, Maley reports that, while children in single parent families are three times more likely to be abused than those living with both of their natural parents, those in blended or step families face five times the risk of abuse. Non-biological father-figures are four times more likely to sexually abuse the children in their care than are biological fathers (pages 5-7).

Fathers turn out to be pivotal in so much of this research – particularly when it comes to the raising of boys. Ninety per cent of single parent families are female-headed, which means the great majority of the children growing up with only one natural parent are missing a father. In *Boy Troubles*, Jennifer Buckingham explored what happens in a society where substantial numbers of young males are raised without a father.

We noted earlier that crime rates have been escalating in Australia. The vast majority of crimes are committed by young males. Looking at those who become chronic offenders, Buckingham found that the key risk factors have to do with family background and the home environment – factors like having criminal parents, coming from a large family, a history of being subjected to harsh and erratic discipline, poor parental supervision and (most importantly) a history of neglect and abuse. A number of these risk factors are correlated with family type – we have already seen, for example, that children in blended/step families or those raised by sole parents are much more likely to suffer abuse or neglect than those raised by two natural parents. Not surprisingly, therefore, Buckingham found that: “An intact family is a significant protective factor” (page 8), and she concluded that the increase in the number of broken families was almost certainly a major cause of the increase in juvenile crime over the last thirty years.

This link between family structure and crime was also analysed in Lucy Sullivan's *Rising Crime in Australia* and in Barry Maley's essay on 'Crime, violence and the Australian Family' in *Home Repairs*. Sullivan suggested that, in addition to family breakdown, other factors such as the spread of pornography and drug-taking were probably contributing to rising crime rates, while Maley saw family structure as mediating the effects of personal characteristics such as low intelligence.

Buckingham builds on these insights, describing a 'pathway' into chronic criminality in which family background factors, individual characteristics such as low intelligence, and environmental factors such as unemployment and involvement in a drug subculture all play a part. Not everybody from a broken family gets involved in crime – but a strong home and family background is a good safeguard against becoming habitually criminalized.

A similar pattern emerges in respect of educational performance. Buckingham reports that, even controlling for income, children with divorced or separated parents do worse at school than those from intact families, and the performance of boys suffers more than that of girls when parents break up (*Boy Troubles*, pages 42-3).

So why are boys particularly affected by family break-up? The answer probably has something to do with the need for a positive male role model. Buckingham, for example, concludes: "For boys particularly, the absence of a father in the home is a deprivation... Boys look for models and guidance from the men and other boys with whom they have contact. But if such contact is devoid of strength or character, or if it is emotionally and morally 'thin', a developmental influence of the greatest importance will be missing or misdirected" (page 72; see also Alison Rich, *Beyond the Classroom* (2000), for a comparable explanation).

Not only do boys need their fathers, but there is also evidence that men need their wives. Barry Maley reports that people who are married live longer, are healthier, are less prone to suicide, are less likely to suffer injuries, are in better mental health and report higher levels of happiness and contentment than those who are single or separated/divorced. While this is true for women as well as men, it is men who show the greater benefits – married women, for example, live on average four years longer

than single women, but the equivalent difference among men is a staggering ten years (*Wedlock and Wellbeing* page 6).

Nor is cohabitation as good as marriage in generating positive outcomes, for even those unmarried couples who have children are ten times more likely to split up than married parents. For children and adults alike, therefore, it seems that marriage is the key to wellbeing.

### ***The unintended consequences of government policies in undermining family life***

As well as documenting the crucial importance for child development of the two-parent family based on marriage, the CIS has over the years traced the ways in which government policies have (deliberately or inadvertently) helped subvert precisely this family form.

Many factors have led to the decline of marriage and the traditional family, not least the changing role of women in society, but research has shown that the impact of these factors on family changes has to some extent been reinforced by the actions of government. Of particular importance have been changes in the tax and welfare systems, and reforms to family law.

In *Taxing the Family*, Lucy Sullivan shows how successive tax and benefit changes between the 1950s and the 1990s had the (largely unintended) effect of penalising families with young children, particularly those where the mother remains at home and the family relies solely on the male wage. When Australia moved away from the ‘male breadwinner’ Basic Wage system in the 1950s, it compensated families through a system of child endowments and tax allowances which ensured that even those families enjoying a total income above Average Weekly Earnings (AWE) effectively paid no tax. Gradually, however, all this changed – the child endowment became a family allowance and its value declined with inflation, the family tax allowances and rebates were withdrawn, and governments came to focus their attention on using the welfare system to help ‘poor families’ rather than using the tax system to support working families.

The result of all this has been that general taxation has risen to pay for the increasing cost of welfare benefits, and this has dramatically reduced the take-home pay of working families on modest incomes (so much so that they have themselves been drawn into reliance on top-up welfare payments). Sullivan shows that by the late 1990s, many two-parent, single-earner families were little better off in per capita terms than single parent families relying totally on state benefits: “Tax and welfare regulations since the late 1980s have meant that the majority of families with one-parent full-time in the workforce will live at very little, if at all, above the level provided by welfare for the unemployed family” (page 45).

These changes have had at least three unintended consequences.

First, finding that it no longer pays to work, some families have given up and now rely instead on state benefits. This has, of course, made things even harder for all the others, for the more families that rely on state welfare, the greater the tax burden on other families who are then themselves dragged into increasing welfare dependency. We end up chasing our tails.

Second, some families have been driven to augment the male wage with a second income, which normally means the mother seeking employment. The jury is still out on whether this harms or benefits the child, but what is clear is that it has created new demands on the government to help finance child care. Maley tells us that the federal budget for child care increased from \$65 million in the early eighties to \$1239 million by the mid nineties - *Wedlock and Wellbeing*, page 17). By subsidising those mothers who go out to work while giving nothing to those who choose to stay at home to look after their children, the government has effectively influenced the decisions that couples make about how they want to organise child rearing - despite the persistent claims by feminists to the contrary, there is a clear bias in government policies in favour of working mothers.

Third, people have been discouraged from having children, for the costs are simply too great. Those who have gained most from tax and benefit changes over the last thirty years have been single people and childless couples, for while governments have sought to reduce the income gap between richer and poorer individuals (‘vertical

equity'), they have ended up increasing the income gap between childless people and families raising children ('horizontal equity'). Maley estimates that the real living standards of couples with dependent children are now about three-fifths of the rest of the adult working population.

Both Lucy Sullivan and Barry Maley argue that the route out of this mess is for government to return to the earlier strategy of supporting all families through the tax system, rather than targeting money on those with little or no earned income. At present, the federal government spends ten times more money supporting the children of parents who have split up than supporting those whose parents are still together (*Marriage, Divorce and Family Justice* page 89). It would make more sense to reduce the tax paid by families to enable more of them to stay together and maintain their economic self-reliance. The aim, therefore, should be to rectify the horizontal inequity which has emerged over the last thirty years, and to keep the government neutral as between different family choices and lifestyles.

Sullivan suggests that this can be achieved by a system of universal tax rebates (effectively an Earned Income Tax Credit). A credit covering all the basic costs of raising a child could be given to all families with dependent children while, all other forms of state support are withdrawn. Maley similarly argues that children should have their own income tax threshold, which should be credited to the parents, so that horizontal equity between those raising children and childless households can be re-established. Like Sullivan, he too suggests that all other forms of support, including child care allowances, should then be abolished.

At the same time as the tax and welfare system has been chipping away at the self-reliant two parent family, changes in family law have been eroding marriage from a very different direction. The key change was the 1975 Family Law Act which abolished the need to demonstrate 'fault' in divorce proceedings. Barry Maley has argued persuasively in a series of CIS publications that this has had profound and negative consequences.

His basic argument is that the 1975 reform changed the public perception of what marriage means and thereby helped contribute to the rising divorce rate which had

prompted the reform in the first place. By abolishing fault as the ground for divorce, the State has sent out a message that married people no longer have serious and binding responsibilities to each other: “The law cannot help being a moral educator of one kind or another. If it says that the responsibilities of marriage may be unilaterally abandoned, that is the morality it teaches and confirms” (*Marriage, Divorce and Family Justice*, page 22).

Maley does not call for a return to the pre-1975 law, but rather suggests that, where one party in a divorce feels aggrieved by the behaviour of the other, courts should be free to take fault into account in the settlement they impose. He further argues that, where children are involved, custody should normally be vested in both parents, and that current legislative trends treating cohabiting couples as having the same rights and responsibilities as married couples should be reversed (for they too are undermining the social, legal and moral distinctiveness of marriage).

The basic message from this tradition of CIS family research, therefore, is that, while there may not be a lot that governments can do to promote virtuous and socially beneficial behaviour, they could certainly stop undermining it. We know that children are best raised by their two natural parents, and that this is most likely to happen if the parents are married to each other. Barry Maley makes clear in his latest book that, if no children are involved, it really is no business of the government whether people get married or not, but there is a strong case for governments to support and encourage marriage where couples decide to have children. For much of the last thirty years, however, they seem to have been doing precisely the opposite.

### ***Future directions in family research***

Although the ‘Taking Children Seriously’ programme has now finished, the family will be a continuing focus of our research in the new ‘Social Foundations’ programme.

The arguments and evidence regarding the effects of family structures on child wellbeing are now well established and widely accepted. I would agree with the American family expert, David Popinou, who wrote in his essay in the CIS

monograph *Shaping the Social Virtues*: “The relative success of the two-parent family can be considered a confirmed empirical generalisation, indeed, about as confirmed a generalisation as one can draw from the social sciences” (1994, page 12). In Australia, the 1998 Senate report, *To Have and To Hold*, vindicated virtually everything that CIS researchers have been saying on this topic down the years, and Barry Maley’s *Family and Marriage in Australia* effectively wraps up the argument. There is no more to be said - family type exerts a significant, independent effect on child wellbeing. Those who are not convinced by now (and it was clear at a recent CIS seminar that some academics and voluntary sector leaders continue to believe that focusing on family structure as a key causal factor in child outcomes is in some way mistaken) never will be. For the time being, therefore, our work on this topic is done.

Three immediate issues remain, however.

One concerns fertility. I noted at the start of this talk that the Australian fertility rate is well below replacement level. This is an issue which is causing much concern in Canberra, and the work of demographers like Peter MacDonald at the ANU is being taken very seriously in government circles and in the media. On the basis of international fertility data, MacDonald argues that the countries which are maintaining their birth rates most successfully are those which are spending most money on things like maternity and paternity leave and State-provided child care. He interprets his findings by arguing that women will be reluctant to have children unless motherhood can fairly effortlessly be combined with maintenance of a career.

Arguments like these should set alarm bells ringing in the ears of all libertarians, for here is an apparently reasonable case for a huge increase in government interference in the workplace as well as a massive increase in public expenditure. If Lucy Sullivan and Barry Maley are right, MacDonald’s proposals for even higher government expenditure on child care would be disastrously counter-productive, for this would raise taxes on working families even higher (driving even more into welfare dependency), it would further exacerbate the horizontal inequity which has hit families with children so hard up until now, and it would encourage even more women who would prefer to stay at home with their young children to go out to work

instead. Clearly, therefore, MacDonald's analysis needs to be answered, and this means that CIS needs to develop some serious work on fertility.

In an earlier study, Barry Maley suggested that high divorce rates might be discouraging women from having children (*Marriage, Divorce and Family Justice*, page 29), for women will be disinclined to make career sacrifices and to take on a lifetime commitment if they think that the father might wander off (without censure) at any moment. It is important that this and other plausible explanations for falling fertility rates should now be seriously investigated to see if they are any better than the explanations that Peter MacDonald is offering.

A second area for future work is reform of family law. We have seen that in *Family and Marriage in Australia*, Barry Maley proposes various changes involving the role of fault in divorce settlements, the legal status of married and cohabiting couples, child custody arrangements following divorce, and so on. The aim in all of this must be to secure a greater sense of fairness in the divorce process, as well as ensuring as far as possible that fathers maintain a continuing presence in the lives of their children. In future work, CIS will need to put further flesh on the bones of these proposals, as well as evaluating new developments overseas (particularly in America) where the importance of fathering is now being made explicit in policy initiatives.

It may also be that we shall need to explore innovations in marriage as well as divorce - e.g. the development of covenant marriages (for those who want them) in some parts of America is something that may be worth exploring in an Australian context. We should also monitor the Australian government's experiments with relationship education vouchers and other initiatives linked to the 'Strengthening Families' strategy being undertaken in the Department of Family and Community Services.

Finally, we need to think about how our evidence on the social significance of different family structures can be reconciled with the new values and ethics of our 'post-industrial society'. In his 1999 Reith lecture on the family, Anthony Giddens ended by referring to his grandmother who, he said, had spent her entire life married to his grandfather and who had lived a thoroughly miserable existence as a result. Giddens contrasted this situation with what he called the 'dialogic democracy' of



relationships today, by which he meant that we all today have higher expectations of our partners and are in turn expected by them to make greater effort than used to be the case in the past. If we are not satisfied with the result, we retain the right to exit.

What is going on here is what some sociologists refer to as the ‘individualisation’ of contemporary social relationships. But what is entailed in this process is not just fragmentation of old moralities and practices - it is the negotiation of new ones. Even if we wanted to turn back the clock to the 1950s, we know we cannot. Brigitte Berger was surely correct to argue in her Bonython Lecture that, “A wholesale return to the Victorian age – as some of my friends on the political right advocate – is neither possible, nor is it desirable” (*Home Repairs*, page 8), but neither she nor anybody else writing for CIS has yet mapped out how we should go forward.

The really challenging task for the next stage of our family research, therefore, is to find a way of reconciling the compelling evidence that the breakdown of the traditional family has created a social disaster with the equally compelling recognition that the traditional family cannot be resurrected. This means we need seriously to investigate what Carol Smart has called ‘new moral terrains’ of family life. If we fail to address this, then our research findings will increasingly fail to connect with the many of those we are seeking to inform.

## **Education**

CIS research on schooling and higher education has consistently focused on the themes of accountability, choice and performance.

In respect of higher education, Andrew Norton has published a series of articles in *Policy* (building to a monograph due next year) in which he makes the case for increased competition between universities free to charge full-cost fees. Under the present system, he argues, many students take courses they did not want (for subject quotas are set by the university producers), and end up with degrees that often do them no good (Norton shows that humanities and social sciences graduates have problems finding jobs and end up on relatively low salaries when they do get

employed). “Higher education in Australia is,” he concludes, “a public policy disaster area” (‘Liberalising learning’, *Policy* Autumn 2000, page 21).

Meanwhile, at school level, work by Mark Harrison (*A Private Education for All* 1996), Ken Gannicott (*Taking Education Seriously* 1997), Alison Rich (*Beyond the Classroom* 2000) and Jennifer Buckingham (*Families, Freedom and Education* 2001), as well as the analysis of the causes of high youth unemployment by Graeme Dorrance and Helen Hughes (*Working Youth* 1996), has built into a devastating critique of the performance of government schooling and has developed a compelling case for introducing a system enabling effective parental choice.

The overall conclusion that has been reached in all this work is that government schools and government-funded universities are driven more by a concern for the producers of education services than for the interests of consumers; that they under-perform in respect of student achievement (although producer interests try to disguise the fact by hindering the publication of relevant information); that their students are often ill-equipped for the world of employment; and that fundamental reform is required involving the introduction of market relations into the provision and purchase of formal education.

### ***School choice***

I noted at the start of my talk that Australian parents are increasingly voting with their feet - over three in ten are now buying schooling for their children in the private sector. Critics of the private education system often suggest that parents only make this choice because private schools are much better endowed with resources than are government schools, but both Mark Harrison and Jennifer Buckingham painstakingly demonstrate that private schools do not, on average, enjoy higher revenues per student. They produce better results, it is true, and parents prefer them - but this has little to do with the amount of money they have to spend (Buckingham calculates that average expenditure per student in government schools in 1999 came to \$6,425 - just \$352 less than in private schools - page 18).

Nor are the parents who send their children to private schools necessarily better off than those in the government sector. Their average incomes are higher, but Buckingham reports that a quarter of them have incomes below Average Weekly Earnings (page 37), and Harrison points out that in 1986, nearly a half of the children from the wealthiest families (income over \$50,000) attended government schools while nearly one-fifth of those from the poorest backgrounds (under \$18,000) were educated privately. “The current system,” he says, “does not give much to those poor whose children attend private schools and gives generously to rich families who use public schools” (page 14). Indeed, the system effectively taxes poor people who choose to educate their children privately, for it forces them to pay for the government schools that they do not want to use, but returns only a small subsidy to the private schools that they do want to use.

The solution to all this is well-known. Transfer the funds from the producers (the schools and the teachers) to the consumers (the parents) and let them decide how they want to spend the money. This way, good schools prosper, bad schools reform or go to the wall, and overall standards improve. We might do this (initially at least) by moving towards charter schools, as recommended in Ken Gannicott’s book, or (more daringly) by introducing a means-tested education voucher (as proposed by Mark Harrison), or (even more radically) by means of a tax credit (Jennifer Buckingham’s favoured strategy). The case for vouchers is well known - the advantage of a tax credit over vouchers is that it would certainly involve less bureaucracy, and it would mean that parents could spend their own money rather than being given a hand-out from the government.

Is any of this likely to happen? Back in the 1980s, Kent County Council in the UK offered to run a trial education voucher scheme throughout the county. It never happened because the teacher unions blocked it (see Arthur Seldon’s *The Riddle of the Voucher*, 1986). The dilemma of any reform designed to shift power from producers to consumers is precisely that, the more pressing the need to do it (i.e. the stronger the power of the producer interests), the more difficult it is to achieve (because they are more likely to be able to block it). And in Australia, the teacher unions are very strong and have proved themselves very obstructive in the face of proposed reforms. I shall return to this in a moment.

A further problem raised by our work on school choice concerns curriculum content. We noted earlier that education is crucial partly because it transmits the core norms and values of our culture from one generation to the next. But how is this collective requirement to be reconciled with the principle that parents should be allowed to choose among different kinds of schooling? Is it really a good idea in a country like Northern Ireland, for example, to continue to allow Protestants and Catholics to send their children to strictly sectarian schools? Is it a good idea in a country like Australia to allow, say, Muslim parents to send their children to strict Islamic schools which might instruct them in values which run counter to the liberal tradition on which Australian society is founded?

Jennifer Buckingham recognises the problem in *Families, Freedom and Education*, but to my mind, she does not really answer it. She suggests that “education must have the welfare of *children* at heart, not the potential benefits to a society” (page 55, emphasis in original) – in other words, if parental choice clashes with social cohesion, parental choice must be given priority. But I think the problem cannot be brushed aside so lightly.

Ken Gannicott spends more time wrestling with this dilemma (*Taking Education Seriously*, chapter 6) but he too fails to resolve it. His argument is basically that there is no reason to believe that government schools will be any good at transmitting a common culture, but this ducks the question rather than answering it. The fact that government schools may fail to promote social cohesion does not mean that the role of education in transmitting a common culture can therefore be ignored, nor does it mean that an extension of parental choice will not make the present situation even worse.

I do not have an answer to offer – but it is clear that the tension between individual liberty (in this case, the exercise of free parental choice) and social cohesion (the requirement that all must to some extent be exposed to a common culture) is a real one, and it is one that CIS will need to address more explicitly in the future. I shall have more to say about this in the discussion of our fifth area of research, concerned with issues of cultural change.

### ***Employability and the content of education***

In addition to analysing the case for extending school choice, CIS research on education has also focused on the link between the education system and the labour market.

Labour market economists have explained the high rates of unemployment among young people in Australia with reference to a number of different factors. Graeme Dorrance and Helen Hughes, for example, point to government regulations (such as the youth minimum wage) which drive up the price of inexperienced labour beyond its real value; to the state welfare system, which creates work disincentives; and to family socialisation, which sometimes fails to inculcate a work ethic in the young. But one of the key factors they also flag is the education system.

A key issue here is the employability of young people – or the lack of it. Dorrance and Hughes claim, not only that many school leavers today “appear to be less articulate, literate and numerate than those of a generation ago”, but also that they lack social skills too, for schooling today places “less emphasis and reward for punctuality, neatness, cooperative behaviour and respect for teachers” (*Working Youth*, page 13). If true, this would be a devastating indictment of public education policy over the last thirty years – but as Dorrance and Hughes themselves admit, “the hypothesis that standards have declined has not...been tested” (page 40). They have to rest their argument on mainly anecdotal evidence suggesting, for example, that employers frequently complain about the knowledge and attitudes of those seeking their first job, and that universities and colleges are having to organise remedial education for Year 12 students with poor basic skills. But there is little hard data around by which we could measure any changes which may have taken place in the academic and social skills of young people.

Dorrance and Hughes make a number of recommendations for change to education policy including increased vocational training and apprenticeships and an overhaul of the TAFE system, but given the need for good quality data on student performance levels, perhaps their most pressing recommendation was the one calling for the

adoption of rigorous, nationally organised, external examinations along the lines of the Scholastic Aptitude Test in the USA. This latter recommendation was also made by P.A.McGavin in his 1992 CIS book, *Wages and Welfare*, for he too identified falling “skills of literacy, numeracy and social poise” as a major factor in high youth unemployment, and like Dorrance and Hughes, he saw the solution as lying in the development of “objective standards of educational performance” (page 34).

### ***Future directions in education research***

The concern of Dorrance and Hughes about falling educational standards, and the need to establish some objective way of assessing performance, links back to our first theme of expanding school choice, for parents can only exercise effective and knowledgeable choice between schools if they have clear and objective information on standards to enable them to make comparisons. At the moment, however, most of the information on comparative school performance is simply not available to parents, nor even to the research community. The data exist – it’s just that we are not allowed to see them.

It has been a repeated theme in CIS research on education that the information needed to gauge whether standards are rising or falling, or how different schools rate against each other, is being suppressed by producer interests within the government educational system. Mark Harrison, for example, complains that “resistance by teachers’ unions and education bureaucrats” has blocked the development of the kind of objective, external testing of students that Dorrance and Hughes say we need in order to raise the employability of school leavers (page 2). He identifies a trend since the war – abolition of inspectors, abolition of external examinations, weakening of curriculum control – which has made teachers successively less accountable to parents and employers by increasingly obscuring any effective measures of how well they are doing their jobs. And in Issue Analysis Number 16 (*Code of Silence: Public Reporting of School Performance*), Alison Rich details the way in which the NSW Teachers Federation has stopped the state government from publishing the results of basic skills testing and has diluted the value of school annual reports.

There is a clear case for CIS to develop future research on the linked issues of curriculum content, declining standards and comparative school performance. At the moment, we simply do not know whether, for example, core skills of literacy and numeracy are being taught successfully, whether there is a conscious or unconscious bias creeping into the school curriculum as a result of the introduction of new subjects and/or changes in teaching practice, whether school and college students are any less employable today than they were in the past, or whether certain kinds of schools practicing particular philosophies of pedagogy produce better results than others. These are pressing questions, and we need to start addressing them head-on.

The problem, however, is the power of the teacher unions and the educational establishment which remain implacably opposed to any effective attempt to monitor and evaluate performance. It may be, therefore, that our next task will have to be to investigate the power of organised producer interests in shaping and controlling education policy. Do the teacher unions really represent the views and values of their members? Has industrial action helped undermine public confidence in the public schooling system? Do teachers themselves send their own children to government schools? And how can better information about school and student performance be made more widely available in the face of continued resistance from education bureaucrats and the teacher unions?

## **Community**

While family change has been central to recent CIS social research priorities, the question of community strength has received rather less of our attention. Family and community are, however, closely related to each other, and both play a crucial role in generating and sustaining the social ties on which the health of our society depends. This has recently been recognised by the Commonwealth government which has developed a combined strategy to strengthen *both* of these social institutions under the direction of a department called, significantly, the Department of Family and Community Services – although whether government can do much to create strong and vibrant communities, any more than it can create strong and cohesive families, must remain one of the key questions in any social research in this area. As with

family life, so too with community life, it may be that the best thing that governments can do is simply to get out of the way.

This question of the role of government in creating or squashing the conditions for an effective community life forms a key focus of the two main pieces of research which the CIS has completed in this area – *Social Capital: The Individual, Civil Society and the State* (1997), which contains essays by Andrew Norton, Martin Stewart-Weeks, Gary Sturges and Mark Latham, and *Social Capital Stories* (1998), by Martin Stewart-Weeks and Charles Richardson, which reports original qualitative research based on twelve NSW households. As their titles imply, both of these books tie analysis of community strength to the concept of ‘social capital’. They are complemented by two earlier collections of essays, *Shaping the Social Virtues* (1994) and *Markets, Morals and Community* (1996), both of which contain contributions from Andrew Norton, and by Sam Gregg’s recently-published analysis of the social responsibilities of business enterprises, *The Art of Corporate Governance* (2001).

### ***Social capital***

The concept of social capital derives from the work of some prominent sociologists in Europe (notably, Pierre Bourdieu) and America (people like James Coleman, Robert Putnam and Francis Fukayama). In Australia, it has been employed mainly by the left (e.g. in Eva Cox’s 1995 Boyer lectures, *A Truly Civil Society*) as a way of criticising the social consequences of market-based liberalism and individualism, but although it is an inherently collective concept (like ‘society’, it refers to a level of reality beyond individuals), it need not be inherently a tool of political collectivism. Indeed, community strength and vitality has long been a focus of classical liberal writing as much as that by socialists, and a concept like social capital is one that eludes capture by any one political philosophy. This, for many, is precisely its attraction, although it can make it a slippery concept to work with when, like CIS, you are trying to promote a specific political and moral agenda based in the principles of classical liberalism.

CIS research on social capital has basically addressed three questions: what is it?; is it declining?; and how is it affected by the capitalist market system on the one hand, and government policies on the other?



Social capital is defined in *Social Capital Stories* as “The quality of relationships between individuals that affect their capacity to address and resolve problems they face in common” (page 2). Following Putnam and Fukuyama, social capital involves relationships of trust and reciprocity between people, for when groups of people trust each other and know that they can rely on each other for help and support over an extended period of time, their capacity for acting upon and resolving common problems is enormously enhanced. Social capital, in other words, allows people to achieve things in common that they would not be able to achieve left to their own devices, and in this sense it helps overcome the various obstacles identified in Mancur Olsen’s work on the logic of collective action, for it ensures that people will cooperate rather than defect (if the prisoners in the Prisoners’ Dilemma Game only trusted each other, they would both benefit).

It is important to remember, however, that social capital can be a force for ‘bad’ as well as for ‘good’ when viewed from the perspective of the wider society. As Martin Stewart-Weeks points out in *Social Capital Stories*, “High levels of social capital and a strong civil society can reflect fragmentation in which groups or sectional interests can further their passions at the expense of the common good” (page 7). As social anthropologists have long recognised, community strength *always* involves closure – there can be no ‘in-group’ without outsiders against whom a group’s identity is defined and established – which means that strong groups within a society can result in intense fragmentation and conflict between them. Again, this insight points us towards an analysis of the importance of shared culture – an issue I shall address at the end of my talk.

Because it is such an elastic and contested concept, and because there is still little agreement about how it might be measured, researchers tend to differ in their assessment of whether stocks of social capital are, or are not, declining. In his essay in *Shaping the Social Virtues*, for example, Andrew Norton suggests that in Australia, “There are few signs of marked deterioration” (page 55). He bases this judgement on evidence relating to indicators like the level of charitable donations (up from \$101 million in 1981 to \$1.1 billion by 1993) and participation in voluntary work (1.3 million Australians voluntarily worked 95 million hours for charities in 1993, and

time use surveys indicate an increase in average time devoted to voluntary activities since the 1980s). Similarly, Martin Stewart-Weeks points out, in *Social Capital Stories*, how much voluntary activity still goes on in community-level organizations like life-saving clubs, bush fire brigades, meals on wheels, and countless organizations aimed at helping the homeless, rehabilitating drug addicts, and so on.

Mark Latham, by contrast, suggests in his essay in *Social Capital* that we do have a problem. Social capital, he believes, has diminished in Australia, just as Putnam claims it has declined in the United States, and he supports his claim with data showing, for example, that only 17% of Australians are now regular church goers, that there are one-third fewer scouts now than in the 1960s, that the number of Masons has dropped by two-thirds since the war, that participation in political parties and trade unions has been on the slide for a long time, and so on.

It seems that some indicators point to a decline in social capital while others point in the opposite direction. This reflects the problems we have in specifying how it should be measured. One of the few easy and accessible measures is rates of organisational memberships, but as many critics of Putnam's original thesis have pointed out, just because fewer people might be joining ten-pin bowling clubs and leagues does not mean that they are now 'bowling alone' – it simply means that formal organization is giving way to informal structures, which might nevertheless be every bit as cohesive.

Perhaps a better way of gauging whether or not social capital is in decline might be through evidence of levels of trustworthiness, for we have seen that trust is a key feature of social capital. Here, the trends seem somewhat clearer – in his essay in *Shaping the Social Virtues*, for example, Norton notes that only 57% of Australians think that other people can usually be trusted to tell the truth, 20% of respondents in a survey organised by the insurance industry admitted that they had padded out an insurance claim, and 28% of Year 12 male students admitted to having stolen something from a shop in the last twelve months while 40% said they would keep a wallet if they found it. Indeed, the escalation in crime rates that we discussed earlier would itself seem to indicate that stocks of social capital are dwindling.

Assuming (a) that it is a ‘good thing’ and (b) that we do not have enough of it, what could be done to strengthen social capital in Australia? Despite the arguments of critics of the free market like Eva Cox, CIS work has suggested that market relations are themselves cooperative and that market transactions often rest on trust and reciprocity in order to function effectively. In his essay in *Markets, Morals and Community*, for example, Andrew Norton points out that the prosperity generated by market economies tends to de-commodify social relations as people are freed up to pay more attention to non-material and more intimate aspects of their lives (page 51), and in a recent article in *Policy* (Autumn 2001), he reports data from the World Values Survey that show the countries with the highest levels of trust between their citizens tend to be capitalist – “not what you would expect if markets undermined trust” (‘The Market for Social Capital’, page 44).

Rather than focusing on whether market societies erode social capital, therefore, it is a much more pertinent question to ask whether governments do so. Ever since Edmund Burke spoke of the crucial social role played by the ‘little platoons’ of family, church and community, liberals and conservatives have been arguing against socialists that the one thing guaranteed to flatten voluntary, communal activity is the steamroller of State intervention. Barry Maley states this ‘crowding out’ thesis explicitly in his contribution to *Shaping the Social Virtues*: “When the state takes over responsibility for millions of people in relation to sickness, disability, unemployment, poverty, sole parenthood, education, old age, etc., more often than not it displaces private and voluntary arrangements formerly in place... the welfare state, from the perspective of sustaining personal and civic virtue, has perverse consequences” (‘Morals and Modernity’, page 95). It is only when government leaves people with something to do that they will feel inclined or impelled to come together to do it.

This ‘crowding out thesis’ appears fairly compelling. Historical work, such as David Green’s research on the fate of the Australian and British friendly societies, seems to bear it out, and Martin Stewart-Weeks concludes his report on the qualitative research on NSW families undertaken by the CIS by suggesting that the “one thing” that is “unequivocally clear” from the study is that “voluntary associations have little future...unless they have a job to do” (page 110).

However, even if we agree that state intervention tends to erode social capital, it may not follow that pulling the state out of civil society will automatically re-establish it. Bonds of trust and reciprocity take a long time to develop, and once destroyed, the habit of communal self-help may not grow back. In his contribution to *Social Capital*, Mark Latham explicitly warns against “simply winding back the functions of government” (‘The Search for Social Capital’, page 41), and he makes the case for developing new forms of government activity which work ‘horizontally’ rather than ‘vertically’ and which ‘enable’ community self-help rather than displacing it. His warning is well-taken, and it may be that future CIS work in this area should begin to investigate some of the experiments in ‘social enterprise’ in Australia and elsewhere which are seeking to energise local communities without making them dependent on government provisions.

### ***Corporate social responsibility***

Do business organizations have any special responsibility to serve the ‘social community’ over and beyond their prime tasks of employing labour to produce socially useful goods and services in order to generate profits for their shareholders?

In *The Art of Corporate Governance*, Sam Gregg argues definitively that they do not, and in this he is supported by David Henderson’s essay ‘The case against corporate social responsibility’ in *Policy* (Winter 2001). Both authors claim that business already serves society by adding to the stock of wealth, and that this prime function is likely to be undermined if corporations start trying to meet other, very different objectives.

Organisations, says Gregg, have a purpose (a ‘telos’), and the purpose of corporations is to serve the interests of their owners, the shareholders. For boards to elevate any other objective to a status equivalent to that of maximising shareholder wealth would (unless explicitly endorsed by shareholders themselves) be immoral and a betrayal of trust. Despite this, there are increasing demands from pressure groups and governments that corporations should recognise the claims of ‘stakeholders’ other than their shareholders and should adopt a ‘triple bottom line’ when evaluating their

activities (i.e. they should take account of environmental and social as well as financial outcomes).

Gregg shows how this attempt to force businesses to be more 'ethical' is itself ethically completely muddled. How, for example, are we to identify relevant stakeholders in any given company once we go beyond the interests of those who actually own it? How are we to determine which stakeholders' interests should prevail in cases where their preferences collide? How are we to determine whether a firm's output is ethically good or ethically bad, given that commodities like drugs and weapons can be put to desirable and undesirable uses? Gregg concludes that "the notion of a triple bottom line is intellectually unsustainable" (page 61).

Nevertheless, increasing numbers of companies are taking such arguments on board, and the more that do so, the more pressure comes to be exerted on those which continue to focus on the task for which they were established in the first place. Both Gregg and Henderson warn that the demands for greater corporate social responsibility are inimicable to the long term interests of the companies themselves, and they suggest that such demands often originate from organizations hostile to private enterprise and the capitalist system.

### ***Future directions in community research***

We have already noted that one aspect of future research in this area might involve analysing and evaluating some of the new developments in community enterprise which are attempting to recreate social capital in deprived neighbourhoods while avoiding further dependency on government agencies. A number of examples are discussed in Mark Latham's essay, 'Making welfare work' (in his book edited with Peter Botsman, *The Enabling State*, 2001; see also Andrew Mawson's contribution in the same volume).

Perhaps Latham is right to claim that state intervention in itself need not be debilitating – it all depends on the *form* that state aid takes, for it can enable community self-help if provided in the right way. This is a claim that deserves serious investigation, and there is clearly a policy momentum building up around

these sorts of ideas. But before we get too excited, we might recall that the 1970s 'community action' movement made much the same sorts of claims for 'bottom-up' community self-help, and that ended up with taxpayers handing out large sums of money to young radical activists who used much of it to finance agitprop activities and propaganda designed to win over poor neighbourhoods to their anti-capitalist ideology. Like the demands on businesses to be 'socially responsible', new forms of community intervention could turn out to be cuckoos in the capitalist nest.

The other way in which CIS might develop research in this area in the future would be through a return to our earlier concern with 'civic virtue'.

For me, the most important insight to come out of the literature on social capital is the prominence afforded to the importance of trust as a basis for social stability and vitality. In her work on *Rising Crime in Australia*, however, Lucy Sullivan points to the decline in levels of public honesty and public decency since the 1970s – small things, like the widespread evasion of fares on public transport, and the huge increase in street begging, vagrancy and small-scale disorderly conduct (page 31). Such developments do much to undermine the trust on which social capital depends, for they make public spaces more threatening and they help confuse public conceptions about the right and proper way to behave.

To some extent the responsibility for these changes can be laid at the door of government. Sullivan points out, for example, that many state governments loosened vagrancy and loitering laws in the 1970s, and this has clearly opened the way for an increase in such behaviour. In much the same way, legalisation of brothels has resulted in an increase in prostitution, legalisation of safe injecting rooms has led to an increase in illicit drug use, and so on. As I noted in a Bert Kelly lecture delivered here last year, we seem to be 'chasing our tails', for as public standards of behaviour become less decorous, so governments respond by easing the laws that govern them, thereby shifting the publicly-recognised boundary between 'acceptable' and 'unacceptable' behaviour still further.

In his essay in *Shaping the Social Virtues*, David Popenoe makes the crucial observation that: "Young people need to hear a consistent message about what is right

and wrong from all the important adults in their lives; they need not only a social community but a moral community” (‘The roots of declining social virtue’, page 9). The moral community is, however, threatened by a decline in standards of public civility – by, for example, the widespread disregard for norms of politeness and propriety, as well as by the increasing disinclination of most of us to do anything about it when standards of civility are publicly flouted. A new project in this area would try to measure changes in social civility by collecting data on the minutiae of social life – things like littering, graffiti, swearing in public, begging and ‘road rage’ – and linking such trends to wider changes in the quality of civic life.

## **Welfare**

More than ten years ago, before the launch of the ‘Taking Children Seriously’ programme, CIS ran a ‘Social Welfare’ research programme. This published a number of monographs including Suri Ratnapala’s *Welfare State or Constitutional State?* (1990), which showed how welfare policy typically undermines the rule of law by benefiting special interests; James Cox’s *Private Welfare* (1992), which argued the case for greater reliance on private agencies to deliver and administer welfare programmes; and P. A. McGavin’s *Wages and Welfare* (1992), which linked the growth of welfare dependency to the influence of government regulation of wages and the labour market.

Since the early 1990s, the debate over welfare policy has intensified in all western countries, and particularly in the English-speaking world, but with the end of the ‘Social Welfare programme’, CIS publications in this area have become somewhat sporadic. The most significant monographs to have appeared in recent years have been Michael Jones’s *Reforming New Zealand Welfare* (1997), which argued the case for a move away from New Zealand’s peculiarly generous age pensions to a new system of individual retirement accounts, and Lucy Sullivan’s *Behavioural Poverty* (2000), which argued that state welfare has created more poverty than it has abolished.

Complementing these two major works, CIS has kept the welfare debate going mainly through the pages of *Policy* where articles by researchers such as Helen Hughes have

appeared alongside overseas commentaries from academics like Charles Murray and the arguments of home-grown politicians like Tony Abbott and Mark Latham.

Drawing all this work together, we can identify two principal themes. One has to do with poverty – its extent, its causes and its persistence despite increasing levels of state expenditure designed to reduce or eradicate it. The other relates to policy innovation – the extent to which the welfare system can be reformed or rolled back in order to avoid some of its least desirable consequences. These are both areas where further research is planned for the future.

### ***The poverty debate***

In *Reforming New Zealand Welfare*, Michael Jones summarises the current state of academic research on poverty. He shows how little agreement there is among researchers on how to define or measure poverty – in a damning table using British statistics, for example, he shows how estimates of the proportion of different types of households defined as being in poverty vary wildly according to the approach adopted for measuring it. The proportion of elderly single person households in poverty, for example, varies from a low of 1% to a high of 74%; the proportion of non-employed lone parent, one-child households in poverty varies between 23% and 84%; the proportion of dual earner households with one child deemed to be in poverty is somewhere between zero and 47%; and so on. As Jones says, “Poverty statistics often lack credibility” (page 79), and there is “widespread disillusionment” with social research in this area (page 80).

Given the huge variability in measures of poverty, it is not surprising that different Australian studies persistently come up with very different findings regarding the numbers of people who are poor. As a general rule, left-leaning academics and policy professionals report relatively high, and worsening, rates of poverty, and a left-leaning media eagerly reports their findings. Wedded as they are to relative measures of poverty, these researchers tend to confuse the distinct issues of inequality and poverty, and they tend also to adopt criteria of measurement which magnify the numbers of people found to be below what is inevitably an arbitrary ‘poverty line’. All of this has been challenged from time to time in CIS publications.



The definition and measurement of poverty is a technically arid yet politically explosive issue. Australian public opinion generally prefers lower taxes to higher welfare expenditure (see Simon Blount's 'The fair go in Australia', *Policy* Summer 2000/2001), but there is also an understandable reluctance to support expenditure cuts and policy changes which would increase 'poverty'. Research claiming that poverty is a major problem, and that it is getting worse, therefore feeds popular unease about this issue and helps reduce popular support for the sorts of welfare reforms that many of us believe are both necessary and desirable in this country. It follows that CIS must remain active in the debate over the definition and measurement of poverty.

The latest example of the recurring battle over the poverty data occurred in a recent *Policy* article, where Helen Hughes took issue with research suggesting that poverty in Australia has been increasing. The 1975 Commission of Inquiry into Poverty, which established the use of the Henderson poverty line, suggested that 8.2% of Australians were poor (i.e. with incomes below the poverty line); this fell to 6.4% after housing is taken into account. Twenty years later, researchers were estimating the corresponding figures at 14.4% and 11.2% respectively. Hughes claimed that, for a variety of reasons (including under-reporting of incomes), "These results exaggerate the extent of poverty in Australia" ('The politics of envy', *Policy*, Winter 2001, page 14). Estimating the proportion of the population living in poverty at no more than 5%, she claimed that social welfare researchers and professionals have "a vested interest in exaggerating the extent of poverty" (page 17).

So is poverty in Australia running at more than 14%, or at under 5%? Disagreements like this arise because different researchers apply different criteria to the measurement of poverty. Michael Jones, however, offers a glimmer of hope, for he suggests that there is now an emerging consensus around certain key points.

For example, we know that reported income data severely underestimate incomes towards the lower end of the distribution, and that data on expenditure generally provide a more reliable guide to household living standards. It follows that we should not make any estimates about poverty without at least including data on expenditure

(despite this, however, much Australian work continues to rely solely on income data).

We also know from overseas panel surveys that there is a large amount of movement in and out of poverty – households below the poverty line in one year are often substantially above it just twelve months later. This is crucial to an understanding of what the data are telling us, for it suggests that semi-permanent poverty is almost certainly a lot smaller than most estimates lead us to believe (we shall be able to check this fairly soon when results from Australia's new panel survey on household income and expenditure start to become available). As Mark Latham recognises, the kind of policies suited to dealing with poverty as a fluctuating problem may be very different from those designed to support a relatively permanent stratum of poor households ('Myths of the welfare state', *Policy*, Spring 2001).

As well as debating the extent of poverty, CIS research has also questioned its causes. Influenced, perhaps, by Charles Murray's *Losing Ground*, there has been a tradition of work seeking to demonstrate that, far from curing the problem of poverty, the welfare state has actually made it worse. The key study here was Lucy Sullivan's *Behavioural Poverty* (2000).

According to Sullivan, the growth of state welfare has influenced the way poor people behave. The more money that is spent on relieving poverty, the more the numbers of recipients have swollen (another example of what I referred to earlier as 'chasing our tail'). The Sole Parent Pension, for example, makes it possible for single mothers to live independently of the father of their child, so more and more women end up doing just this. Austudy payments enable pupils and students to leave home and live independently of their parents – so increasing numbers of young people have done exactly that. The welfare state, in other words, rewards people who engage in certain types of self-destructive behaviour – which means we should not be surprised when the supply of such behaviour increases in response.

Sullivan concludes that the main causes of poverty today are 'behavioural' – in other words, people become reliant on state welfare largely because they have engaged in

lifestyles and behaviours which are inherently unsustainable. It is central to her thesis that the very existence of state welfare further encourages such behaviour.

Linked closely to this idea is the argument that the welfare state erodes the very will to work. The federal Minister for Employment, Tony Abbott, famously referred recently to ‘job snobs’ – young people who have become reluctant to take unattractive entry-level jobs, preferring instead to rely on state welfare payments, and he subsequently justified his claim in an article for *Policy* (‘Against the prodigal state’, *Policy* Spring 2001). Abbott’s argument gains some support from earlier CIS work by P. A. McGavin who concluded his *Wages and Welfare* by warning that the existence of the welfare system has encouraged young people to be haughtily dismissive of so-called ‘dead-end jobs’ and has helped foster their belief that they have a ‘right’ to a decent standard of living irrespective of whether or not they do anything to earn it. My own work based on focus group interviews with young unemployed Australians also suggests that *some* of them do lack a will to work and seem to believe that they have a right to an income even if they choose not to earn it (see Peter Saunders and Wendy Stone, ‘Australian youth and the dependency culture’ in my edited collection, *Reforming the Australian Welfare State*, 2000).

Of course, most people do still want to work – Andrew Norton’s essay in *Shaping the Social Virtues* makes clear that the work ethic is still strong, and my research similarly confirms that the great majority of young people have a strong commitment to work and are witheringly dismissive of those who seek to live off the efforts of others. This conclusion tends to support both McGavin and Dorrance and Hughes who warn that we should not become too preoccupied with the problem of people’s attitudes to work. Both of these books suggest that the principal explanation for enduring and widespread dependency on welfare in Australia lies not in people’s unwillingness to take jobs, but in the perverse incentive structures created by the interaction of the income support system and government regulation of the labour market – i.e. the so-called ‘poverty trap’.

The argument here is two-fold. First, the minimum wage and the welfare state income floor mean that employers have to pay higher wages for low-skilled entry-level jobs than is economic. The result is that the jobs disappear and unemployment

rises. Secondly, the combination of minimum wage legislation and provision of in-work income support means that work incentives for those with low levels of skills entering relatively low-wage jobs are often very weak – they can get almost as much income not working as they can in employment.

Since these books were published, the problem of the poverty trap has been exhaustively analysed by the 2000 McClure Report, *Participation Support for a More Equitable Society*, and government policy has begun to acknowledge and to attempt to deal with it. The key message from earlier CIS work that still holds good, however, is that welfare reform and labour market reform have to go hand in hand, for it is simply not possible to move people from welfare into work if there are no jobs for them to do.

### ***Welfare reform***

How should or could the Australian welfare system be reformed?

We saw earlier in the discussion of family issues that one basic strategy should involve a reduction of the tax burden on working families so that more of them can return to self-sufficiency rather than being sucked into the income support system. There is a huge amount of tax and benefit ‘churning’ whereby people lose money to the government out of one hand and receive it back in the form of benefits with the other. Logically, the first thing that government should do is to stop driving people into dependency on welfare by taking away so much of their income in tax in the first place.

There are various ways in which the tax burden might be reduced. We saw earlier that in *Taxing the Family*, Lucy Sullivan proposes replacing the current array of family welfare benefits with a single tax credit for families with children, and this idea has also been supported by Barry Maley. This could certainly help rectify the imbalance which has developed between families with children and other types of households, and it would support mothers who work and those who stay at home. Sullivan estimates, however, that her proposal would actually cost 1 billion dollars *more* than the government is currently spending on family support – which suggests

that, while families with children might benefit, other households would end up paying even higher taxes than they do at present.

For more radical solutions, we might reconsider the arguments for a 'Negative Income Tax' to replace the whole array of current pensions and benefits. Like voucher schemes in education, the idea of NIT has been around for a long time (both ideas, in fact, were developed as far back as 1962 with the publication of Milton Friedman's *Capitalism and Freedom*), and the case for it was recently set out again by John Humphreys in his essay 'Reforming wages and welfare policy' (*Policy*, Autumn 2001). But it too has its problems – not least the continuing work disincentive that is built into any income support system that guarantees a basic minimum income irrespective of whether people do anything to earn it (what Lucy Sullivan aptly calls the "ethic of obligation-free welfare" – *Behavioural Poverty* page 30).

Asked in a recent interview in *Policy* ('Beyond the welfare state', Spring 2001) about his views on NIT, Charles Murray dismissed it on the grounds that it would create work incentives *and* that pressure would still come onto government to make some form of additional provision for those who squander their NIT payments and end up destitute. Murray has himself come to the conclusion that no welfare reform will in the end work except for complete abolition of the whole system – something that is almost certainly too drastic for Australians to countenance!

What Australians might want to look to, however, is what has been happening in the USA where the 1996 federal government's welfare reform has proved spectacularly successful in getting people off the welfare rolls and into jobs. Of course, things that work in the US may not work here – there are important differences between the two welfare systems (the US system is mainly concerned with single parent families, many of whom are black, while the Australian system is much more comprehensive), and the much higher level of labour market regulation in Australia means that welfare clients may well experience more difficulty here in actually finding jobs.

Alternatively, we might also pick up on ideas emerging in Europe. In his article in *Policy* ('Myths of the welfare state', Spring 2001), Mark Latham explores the new agenda of 'asset-based welfare' which seeks to enable poorer households to

accumulate assets through, for example, ‘welfare savings accounts’, ‘lifelong learning accounts’ and various schemes making it easier to access home ownership, share ownership and superannuation. These ideas have begun to permeate thinking in Australia (the idea of a welfare savings account, for example, appears in the 2000 Welfare Reform report), and in the UK, the Blair government’s new baby bond represents a first attempt to put them into practice (under this scheme, the government opens a 1,000 pounds saving account for every new-born child and creates incentives for low-income parents to add to this as the child grows up; at age 18, the money can then be put towards a deposit on a house, the cost of education, the start-up costs of a new business, a superannuation scheme, or some other approved use). Indeed, Michael Jones’s proposal in *Reforming New Zealand Welfare* for individual superannuation accounts to replace the existing state age pension scheme arguably represents another example of asset-based welfare.

### ***Future directions in welfare research***

The problem of state welfare must figure centrally in future work in the Social Foundations programme, for the welfare state is today the most significant area of state intervention in civil society. Welfare expenditure is constantly rising, thereby increasing taxation without ever reducing the ‘social need’ which it is intended to address. The proportion of the Australian work-age population that relies almost completely on state income support has risen from just 3% in the mid-1960s to 14% today – this in a period when the prosperity of the country has doubled – and people who would in an earlier period have been able to support themselves without help from government are now in a position where they pay over taxes on the one hand in order to receive benefits back with the other. There is widespread recognition of the need for reform, and this is a debate in which CIS must be a central player.

Our starting position will be to go back to basics. The problems which the welfare state was developed to tackle are not the problems we face today, for economic growth has transformed the capacity of most people to look after their own needs. Even fifty years ago, we could not have expected the great majority of Australians to house themselves, provide for themselves in old age, finance the education of their children and cover their health costs without some outside help, but today this would

probably be a reasonable expectation – if only ordinary people were not also expected to shoulder an enormous tax burden. One task for future CIS research, therefore, is to investigate how many households could now fend for themselves if they were left alone to do so, and how big the residual problem of ‘social need’ really is. Put another way, how much of a welfare state do we still need?

This line of research will, of course, inevitably link to the continuing debate over poverty, and here we shall need to accomplish two things. First, we need to engage philosophically with the problem of inequality and poverty, for (as I noted in a lecture I delivered at CIS in 1999), there is a tendency among ordinary Australians to equate economic equality with ‘fairness’ and inequality with ‘unfairness’. It is important that this assumption be challenged by demonstrating that egalitarianism can result in gross ‘unfairness’ and that unequal outcomes can be ‘fair’.

Secondly, we need to continue to engage methodologically with the claims that poverty in Australia is a large and growing phenomenon. This will almost certainly mean producing a monograph in which we challenge the various definitions of ‘relative poverty’ and systematically demonstrate how the application of different criteria and assumptions results in very different estimates of the size of the poverty problem.

Finally, we shall need to research various welfare initiatives and ideas from different parts of the world and to gauge their potential applicability in Australian conditions. We need, for example, to think about how far the American experience could be transplanted into this country, and we need to explore more thoroughly the case for and against schemes such as earned income tax credits, asset-based welfare schemes, and a negative income tax.

As a result of all this work, we should aim to be in a position where we can with some confidence estimate how many people in Australia could now look after themselves without state help, how many still need some sort of support, and the best way in which such support could be provided without creating further dependency.

## Culture

The final area of activity for the Social Foundations programme is one which has only been addressed tangentially in the Centre's work up until now – yet it is central to almost all the other research that we do. This concerns changes in the shared values, beliefs and behavioural norms which govern social behaviour.

This issue is important for two reasons. The first concerns the strength of people's commitment to values of personal freedom and autonomy. A free society arguably requires that individuals desire the sort of personal autonomy which allows them to make their own decisions about their own lives, and that they are willing to accept the responsibility for the consequences of their actions when things go wrong. There are signs, however, that these values may be weakening.

In a stimulating essay on 'The elite gatekeepers' in the Winter 2000 edition of *Policy*, for example, Barry Maley shows how the perpetual search by intellectuals and the media for 'victims' of the capitalist system (women, workers, ethnic minorities, gays) is encouraging individuals to deny responsibility for their own lives and to look instead to government to guide them on how they should live. We are many of us being seduced into the comfortable but ultimately debilitating role of 'victim', and this leads us to look to Government as the "universal therapist" which will tell us how to live our lives and how to sort out our problems. This, says Maley, is what accounts for the "constant television and radio hectoring about not driving too fast, not eating too much, getting more exercise, following safe work practices and so on, ad nauseam" (page 38) – the very trend which I identified at the start of my talk when I discussed the rising cost of government advertising.

The second reason why analysis of changing values, norms and beliefs is important has to do with society's need for a 'common culture'. We saw in the discussion of social capital how trust is a fundamental precondition for social cooperation. But to trust people, you have to be able to understand them, relate to them, and empathise with them. This requires a certain commonality of values, beliefs and norms of behaviour.



Classical liberals are likely to feel uncomfortable with talk of the need for a common culture, for this seems to fly in the face of our commitment to the principle that all individuals should be as free as possible to make up their own minds about how they should think and behave. We saw when discussing the issue of school choice, for example, that policies designed to allow parents the maximum freedom to decide on the schooling their children receive run into the problem that schools still have an essential function to perform in transmitting core elements of a common culture. If children are raised in completely different cultural traditions which are reinforced by the different schools they attend, they are unlikely to bond together very easily once they grow into adult citizens, and society will be the poorer for it. There is a real dilemma here which we shall have to confront and explore in our future work.

These two issues – the erosion of key values of personal autonomy and responsibility on the one hand, and the need to ensure some degree of adherence to a common culture on the other – provide us with the rationale for this relatively new departure into research on cultural change. I shall briefly indicate the sorts of research questions which need to be addressed in respect of each of these themes.

### ***Do we still value our freedoms?: the growth of a risk-averse society***

Back in 1985, the CIS published an essay by the American political analyst Aaron Wildavsky entitled *Trial Without Error*. Wildavsky argued that societies can handle risk in either of two ways, which he called ‘anticipation’ and ‘resilience’.

An anticipatory strategy involves avoiding or minimising risks by being ultra-cautious. This means that government or other centralised systems of authority will seek to ban or regulate behaviour whose consequences are uncertain – they err on the side of caution. An example of this is the so-called ‘precautionary principle’ urged by many environmentalists – i.e. the principle that if you cannot be sure that something is safe, you should probably avoid doing it (e.g. you avoid nuclear power generation, you stop the planting of genetically modified crops, and so on). If applied rigorously, this principle would result in a huge increase in regulation (much of which would turn out to be unnecessary and extremely costly) and a massive reduction in innovation.

Applied retrospectively, for example, it would certainly have stopped the industrial revolution before it ever got started.

The alternative strategy is resilience. This involves compensating people (through insurance or by means of legal redress) for any harm that befalls them as a result of others' activities. Wildavsky argues that this is by far the better strategy, for it allows flexibility and innovation. We proceed on the basis of trial-and-error, and this allows us to learn from our mistakes.

In broad principle, Wildavsky's analysis is compelling. Our problem today, however, is that our culture has become so cautious and risk-averse that *both* of these strategies of managing risks have been expanding. Government is almost certainly over-regulating (Barry Maley shows in his essay in *Shaping the Social Virtues* that the Commonwealth government introduced 264 new Acts and 6,137 pages of statutes in 1992, as compared with just 80 Acts and 281 pages of statutes in 1950) but individuals are also over-compensating when things go wrong (litigation in areas like medicine, workplace injuries and public liability has massively increased in volume and in the value of awards over the last ten years, with the result that insurance premiums are mushrooming – average Australian medical insurance costs for obstetricians, for example rose from \$50 per annum in 1975 to \$25,000 in 1995).

A key reason for over-regulation is that governments will always opt for the line of least resistance. From the point of view of politicians and government bureaucrats, it is better to impose unnecessary costs by over-regulation (even though the result will be inefficiencies and the thwarting of potentially beneficial innovations) than it is to be exposed later as having failed to prevent an avoidable mistake. It has been calculated by American cost-benefit analysts that only 17 out of 92 US federal regulations introduced since 1990 to govern the environment, health and safety have actually benefited the American public more than they cost – but this does not stop government from regulating, and none of these regulations have been rescinded. Many regulations fail to achieve their intended effect (see, for example, Charles Murray's discussion of road deaths and the federal speed limit - *What it means to be a libertarian*, 1998, chapter 2), but still they remain in force.

Too great an emphasis on the compensatory principle is, however, proving just as damaging as excessive regulation. A recent NSW Parliamentary Report, for example, found that the number of public liability claims against local councils has more than doubled in the last ten years. The result is that insurance premiums have become much more expensive, and one-third of councils have consequently withdrawn services like playgrounds, swimming pools and patrolled beaches for fear of being sued by members of the public suffering accidents in these facilities. Voluntary groups, too, have been hard hit – Rotary can no longer donate children’s playgrounds because they cannot be insured, and community groups are finding that insurance premiums on hall hire are becoming so prohibitive that they can no longer afford to convene meetings. So much for social capital!

The irony in all of this is that we have become increasingly risk averse at a time when social life is generally much safer than ever before. Notwithstanding the gloomy claims of sociologists like Anthony Giddens and Ulrich Beck, it can be shown that economic growth has promoted rather than reduced the overall level of safety in our lives. US data on deaths from unintentional injury, for example, show a 57% fall over the last century – despite the invention and spread of the motor car – precisely because working and living conditions have become safer with increased affluence. Despite (or perhaps because of) this much safer environment, however, we have become increasingly afraid of taking a risk on future growth.

A society that has become scared of its own shadow, where individuals look to pin responsibility on others when mishaps befall them, and where citizens expect government to protect them from all risk, is a society where liberty is threatened and stability is being bought at the expense of progress. In our research we shall seek to document the growth of regulation and litigation, to find its causes, and to trace its unintended but socially deleterious consequences.

### ***A common culture***

In 1993, the CIS published a collection of essays on multiculturalism edited by Chandran Kukathas (*Multicultural Citizens: The Philosophy and Politics of Identity*). In this volume, various authors discussed (often in fairly abstract terms) whether

social cohesion requires that everybody subscribes to a common set of values, whether there is any such thing as a distinctive Australian cultural identity, whether government is justified in establishing policies designed to protect and preserve the cultures of minority groups within the population, and whether there is much support among ordinary Australians for such policies. Precisely these issues have, of course, resurfaced in recent months following the controversy surrounding the Australian government's handling of the problem of illegal asylum seekers and the widespread popular concerns about Islamic terrorism raised by the events of September 11<sup>th</sup> and the ensuing Afghan war, which makes it appropriate that we should return to them now.

It can be argued that any society requires a certain level of shared culture if it is to function as a cohesive entity rather than fracturing into warring factions. This raises peculiar problems for classical liberals, however, for as Chandran Kukathas has recently pointed out, a liberal society is grounded in the principle that individual differences in moral beliefs and ethical values should be tolerated. Kukathas argues that a liberal society should tolerate even those who do not share the basic liberal values and who may well try to flout or undermine them ('Can a liberal society tolerate illiberal elements?', *Policy Winter* 2001). Whether or not we agree with this conclusion, however, what Kukathas has done is to highlight a dilemma that goes to the heart of the CIS commitment to maintaining a free society. Whether we tolerate those who are intolerant or we act to constrain them, it seems that liberalism itself is likely to be threatened, and this is an uncomfortable dilemma which cannot be sidestepped. As Kukathas himself puts it: "The choice confronting libertarians is an invidious one [f]or neither interpretation...produces an outcome which seems particularly hospitable to liberty" (page 43).

This dilemma underlies our proposed analysis of multiculturalism. All mainstream political parties in Australia have been committed to multiculturalism for quarter of a century. It is a policy which not only emphasises tolerance of different cultures, but which actively supports them with government funding and ethnic recruitment targets, and which seeks to maintain the differences between them by explicitly rejecting the goal of assimilation into a mainstream culture or integration into a 'melting pot' culture.

If, however, we believe (as most classical sociologists believed) that social integration requires some degree of common commitment to a core set of norms, values and beliefs, then the multiculturalist strategy is potentially a dangerous one, for it explicitly denies that there is any need to encourage newcomers to engage with a common culture.

Multiculturalism is based in an assumption of ethical relativism. It holds that no culture can be evaluated against any other and that each is valuable in its own terms. This leads, however, to incoherent policies in practice, for it offers no guidance on which culture is to prevail in situations where systems of ethics or beliefs turn out to be incompatible with one another. Western liberal principles of sexual equality, for example, clearly clash with traditional Islamic beliefs about the role of women, just as the liberal principle of free speech and free expression of opinion is incompatible with Islamic sensitivities about blasphemy (as was made vividly explicit by the Salman Rushdie fatwa). Which, therefore, is to prevail? (Much as we might admire the politician's guile revealed by Roy Hattersley, the British shadow Home Secretary at the time of the Rushdie affair, his suggestion that the hardback edition of *Satanic Verses* should remain on sale in accordance with the liberal principle of free speech, while the paperback should be pulped in deference to Muslim sensibilities about blasphemy, does not recommend itself as a way out of this dilemma).

Multiculturalism is also an unpopular policy, and we need to understand why. It is not because Australians are racist. Most Australians are happy to acknowledge the social benefits of cultural variety (72% of respondents in a 1994 survey thought Australia was a better place for having so many people here from different parts of the world), but they oppose what they see as 'special treatment' for minorities, and most (61% in the same 1994 survey) believe that immigrants should learn to live and behave as the majority do. There is clear evidence from opinion survey evidence like this that educational and political elite groups are dramatically out of step with the views of most ordinary Australians on this issue (a gap which also became obvious in commentaries following the Liberal victory at the recent federal election).

In future research, CIS will reconsider the issue of multiculturalism which was first addressed in our 1993 collection of essays. Has the policy of multiculturalism improved relations between different ethnic groups in Australia, or has it generated suspicion and resentment and thereby generated fissures and conflict? Is the government's commitment to multicultural policies contributing to popular opposition to increased immigration (as the 1988 Fitzgerald Committee report suggested might be the case), or is it necessary in order to make further immigration work? What are the alternatives to multiculturalism (e.g. assimilation, or integration) and how might they work? What effect has the imposition of ethnic 'targets' (i.e. quotas) had on public sector employment practices and on school and college admissions policies? How much public money is spent on supporting 'multicultural' activities, and with what effect? And how are multicultural policies working in other parts of the world?

## **Conclusion**

It is nearly Christmas. Like the three ghosts who visit Scrooge in *A Christmas Carol*, I have this evening conjured up the ghosts of CIS research past, present and future to parade before you.

Most of my emphasis has been on the past. CIS is this year celebrating its 25<sup>th</sup> anniversary, and it is fitting that we should reflect on some of what has been achieved over this time in the area of social research. It is also appropriate at a time when the highly successful research programme 'Taking Children Seriously' is coming to an end to take stock to see what we have learned from it, for only in this way can we identify those questions which still remain to be answered.

While concentrating on the past, however, I have also tried to sketch out what the future might hold. Like all ghosts, it might appear a bit scary. It is important that CIS should not lose its relevance or its vitality, and that means that new research questions must be taken on board. We cannot simply recycle old, tried and tested nostrums and orthodoxies, however comforting that may be, and no matter how well they have served us in the past.

I know that some of the areas for future work that I have identified will be seen in some quarters as ‘challenging’ but in others as vaguely ‘threatening’. All this talk of exploring ‘new moral terrains’ in family life, this flirting with suspiciously ‘Third Way’ ideas like asset-based welfare, this assertion that school choice might run counter to the need for schools to transmit a common culture – these are all uncomfortable areas for us to recognise and move into. In the end, however, CIS develops its ideas, or it stultifies. I hope that I have said enough this evening to convince you that what has been achieved in the past is remarkable, but also that what lies ahead in the future is enormously exciting and stimulating.