

# Welfare Politics in Australia: A Radical View

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(A review of Adam Graycar's Welfare Politics in Australia, Macmillan, Melbourne, 1979).

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Ever since the first days of the 'welfare state', a great deal has been written and spoken about social welfare, with many writers contributing usefully to the subtlety and penetration of our conception of welfare practice. The latest addition to this growing body of literature is Adam Graycar's Welfare Politics in Australia.

The book is useful for some facts and figures about welfare in Australia, but these are placed within a fragile and, I suspect, hastily assembled theoretical structure. Not that it is easy to identify what the book's theoretical structure is, because Graycar disappears behind the presentation of an eclectic collection of often contradictory perspectives, leaving it to our 'values' and 'the political system' to determine how we should approach social welfare.

The few points where the author does 'appear' and take a position constitute a collection of theoretical premises which fall into two categories. Some are a restatement of arguments from sociology and political science which have long ago been discredited and transcended, making it curious that Graycar should choose to resurrect them. The others, in support of the first set, are developments of explicitly conservative themes oriented towards the maintenance of the state, private property, and the private accumulation of socially produced wealth.

The premises in the first category can be summarised as follows:

- 1) Welfare is essentially a benevolent institution:

As stated, social policy is concerned with formulating and implementing strategies to bring about change that will 'beneficially' affect the welfare of the members of the society. (p.4).

- 2) The state is a basically neutral body, designed to referee competing claims from various interest groups in the interests of society as a whole:

The political system, which is concerned with setting and achieving society's goals, provides machinery for the resolution of conflict, for the regulation of struggles among the proponents of ideas and interests, and for the processing of demands made on the authorities. (p. 30).

- 3) The character of state policies depends on 'our' values and how they are worked out in party politics:

The argument in this book is that social policy depends for its development on an amalgam of values, political structural conditions, and policy techniques.  
(p. vi).

We need to go through each of these points in turn.

First, no great imagination is required to see that welfare's effects are not simply, or even primarily, 'beneficial'. While 'benefit' might be presented as the goal of welfare practice, Jeffrey Galper (1975) has pointed out that

... social services do not operate in a vacuum. They are established within a political and economic context ... which acts to subvert the welfare concept by organising the role of the social services so that they support and reinforce conformity, among both clients and workers, to the very institutions and values that generate the problem to which the services were addressed in the first place.  
(p. 46).

Certainly it is as false to see welfare simply as a capitalist plot to pacify and repress the workers as it is to see it as societal benevolence. Yes, the welfare system does relieve the oppression and suffering of the 'powerless poor'; but it also regulates their potential rebelliousness, mystifies the origins of their poverty and suffering, and their links with other groups, and through its selectivity, maintains the basic social inequalities which continually reproduce poverty. (Piven & Cloward, 1974; Roe, 1975; Tulloch, 1980). If benevolence is how Graycar presents the matter, his work must be identified as part of the ideology of welfare.

Like all ideology, the notion of welfare as benevolence is not simply a fiction or a lie - it does have a grounding in welfare workers' and their 'clients' real experience of welfare. Rather, the 'falseness' of ideology lies in the presentation of a partial truth as the whole truth. Graycar's work is ideological to the extent that he skates over the other functions of welfare under patriarchy and capitalism - social control of the unemployed, aged, 'deviant', organisation of the form and structure of domestic life, enforcing moral standards, and so on (Wilson, 1977).

Graycar's only response to the writers who assert that repression is an integral part of the social functions of welfare (e.g., Higgins, 1978) is to attempt to dismiss the point because repression is not the result of a conscious conspiracy:

There is unbelievable ignorance, rigidity, conservatism, arrogance, moral one-upmanship, snooty condescension, and incompetence in the social welfare apparatus. This does not mean that there is necessarily a conspiracy to repress the poor and the non-conformists. There is no doubt that the repression is a key feature of welfare relations, but it is arguable whether this has occurred by design, or through ignorance and incompetence.  
(p. 20).

The problem is that this is not the argument - none of the theorists he refers to ever claim the existence of a 'conspiracy'. What they identify are the objective, structural social forces which constitute the forms that welfare practice takes, and for that purpose any discussion of the intentions of welfare workers is largely irrelevant.

Second, Graycar's view of the state is basically that of pluralist theorists such as Dahl, who argued that there is no ruling class, that power is spread more or less evenly and diffusely over a society consisting of a variety of basically equal interest groups. Now even if the work of theorists like Hunter (1953), Mills (1956) and Domhoff (1967), examining the power of elites, did not convince you, Ralph Miliband in his The State in Capitalist Society, should have done so. Miliband demonstrated in painstaking detail that

... the pluralist-democratic view of society, of politics, and of the state in regard to the countries of advanced capitalism, is in all essentials wrong - that this view, far from providing a guide to reality, constitutes a profound obfuscation of it.

(p. 6)



The point is that while we are all formally equal in our access, via the ballot-box, to the 'political system', the power rooted in wealth far overwhelms the power of the franchise. As Frances Fox Piven (1976) points out,

The pluralists had erred ... by failing to recognize the manifold ways in which wealth and its concomitants engulfed electoral-representative procedures, effectively barring many people from participation while deluding and entrapping others into pre-determined electoral 'choices'. The pluralists have also erred by ignoring the consistent bias toward the interests of elites inherent in presumably neutral governing structures no matter what the mandate of the electorate.

(p. 298)

While the state has been pressured by an organised working class to adopt policies which make it possible to maintain the ideology of 'the general interest', it is still firmly rooted in the class structure, through its personnel, its internal structures, and its relationship to wider social and economic processes. The experience of the A.L.P. between 1972 and 1975 ought to be clear enough indication of the power that owners of capital have over the state (Sexton, 1979).

Third, while Graycar has a great deal to say about 'values', he says very little about the social conditions which determine the possibility of particular values being realised, except to attempt to minimise their significance. No recognition is given of the fact that the objective interests of different groups in Australian society are irreconcilably in conflict; in fact he deliberately denies the significance of such objective limits to a happy consensus: "Questions about the fiscal limits (of the welfare state) are primarily political and value questions" (p. 207).

In opposition to this perspective, it should be pointed out that, while history is made by human beings,

... they do not make it just as they please; they do not make it under circumstances chosen by themselves, but under circumstances directly encountered, given and transmitted from the past . (Marx, 1950:225)

The object of an adequate sociology of welfare cannot be only 'people' and their 'values' for "sometimes these lie at the very heart of inadequate explanations of the world" (Johnson, 1979: 70), but rather the whole complex set of social relations in which they and their 'values' are made as social products.

The clues to why Graycar adopts such sociologically untenable arguments are to be found in the second category of premises and in his very brief defense against the kind of criticisms I have mentioned, where he makes some general comments about the wider social formation. There are three basic premises: 1) that class is not a significant division in Australian society; 2) that the major division is between wage and salary earners and welfare recipients; and 3) that the welfare of all members of Australian society can only be guaranteed in an economy characterised by high profitability.

First, the criticism of all Graycar's arguments about the State, social policy and values revolves around the simple observation that class and power relations intrude into and structure those areas of social life. In Graycar's words:

To some theorists the essence of political life is the class struggle. By virtue of their very existence classes must inevitably be in conflict with one another and, it is argued, this conflict circumscribes politics and policy.

To which he replies, briefly:

It is hard to argue that class is the basic division in Australia, for in many cases the differences between many blue-collar and white-collar workers in income, in residential allocation, in education, in the extent to which they indulge in and are exploited by consumerism, are slight.  
(p. 183)

There are two things which make this 'argument' breathtakingly simple-minded. One, it is empirically wrong - the differences and inequalities which exist in income, housing, education, and patterns of consumption in Australia are huge. Two, differences between the social status of occupations have very little to do with class relations - they relate to the ideology surrounding those relations, but they tell us little about the objective characteristics of class structure. Class under capitalism is about the source and form of any group's income and wealth; it revolves around the relationships between that class which possesses and controls the large amounts of capital required to set up and organise nearly every aspect of our daily lives - employment, housing, food, transport, energy, and so on - and that class which does not. One may identify a 'middle' class which neither owns large amounts of capital nor has an objective interest in allying itself with the working class (Wright, 1976; Walker, 1979); but this points to the complexity of class relations in advanced capitalism, rather than the existence of some other 'classless' dynamic. The concept of class is certainly not about some facile distinction between blue-collar and white-collar occupations (c.f. Wright, 1980 for a better analysis of class and occupation).

The follow-up to Graycar's point about class is an assertion about taxation:

... the major division in Australia (is) not that between classes, but rather between those in work and those not of work, namely between taxpayers and non-taxpayers.  
(p. 198)

Here Graycar carefully ignores the major group of 'non-taxpayers' - the owners of capital. As Russell Mathews has pointed out, "the essential problem is not to make the rich pay higher rates of tax, or even more tax than the poor; it is to make the rich pay any tax at all (Mathews, 1980: 106).

While wage and salary earners have been hit very hard by taxation, the most significant fruits of this have not gone to social welfare, but to an effective reduction in the proportion of tax on company profits and unearned income from interest, rent and dividends. (A.M.W.S.U., 1979; Austin, 1980). This division is the real origin of the difficult economic situation of both Australia's wage and salary earners, and welfare recipients, and it is in its essentials the division which Graycar chooses to deny: class. How the Australian taxation system treats you depends on the source and form of your income; in other words, on your relationship to the ownership and control of the means of production. It has been precisely the kind of argument put forward by Graycar which has obscured this, blamed it all on social welfare, and set up an artificial division and hostility between the working and middle classes and welfare recipients: 'the poor' and 'the unemployed'.

Finally, Graycar makes some comments about the economic basis of social welfare which seem to be little more than apology for and defence of the continued existence of capitalism. He talks about "the hopes that increased affluence could guarantee high and equitable standards of living and deal a mortal blow to poverty ..." (p.vi) without specifying whose affluence he is talking about; and he later writes:

The welfare state, or any organised form of state allocation, depends for its continued existence on some form of economic surplus, or profit, that is available for distribution.  
(p. 30)

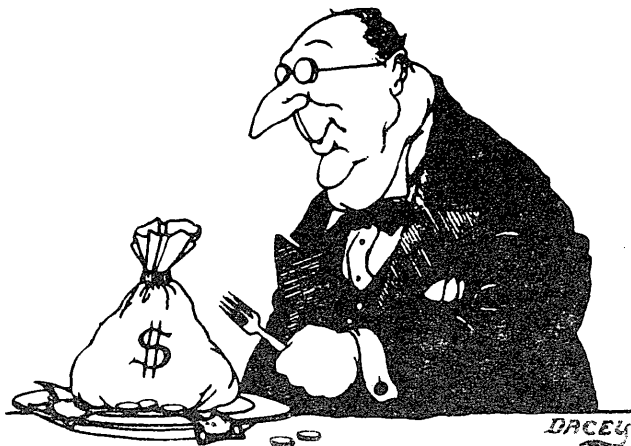
Graycar gets this idea from Morris Janowitz (p. 205), who explains in more detail that the funds for welfare services come out of the profits of private enterprise (Janowitz, 1976; 18). Hence the equation Graycar comes up with: healthy, profitable private enterprise = healthy social welfare; for only if profits are high is there enough 'surplus' around to distribute to the poor.

Unfortunately, this understanding of the economics of taxation and welfare is unsatisfactory. On the one hand Graycar has contradicted his own, correct, argument that the costs of the welfare state have been made to bear most heavily on wage and salary earners, creating a 'backlash' against the welfare state. Now he tells us it comes out of the profits of private enterprise - why, then would there be a backlash from wage and salary earners? On the other hand, the state spends as much, if not more, of its taxation revenue on the subsidies, infrastructure, and so on, essential to the operation of private enterprise as it does on welfare. As Corwin and Miller (1972) point out:

The non-poor receive more by the way of government handouts than do the poor. Even more striking, the non-poor receive subsidies in a way that facilitates the creating of wealth.  
(p. 213)

The little tax that the state extracts out of the profits of private enterprise goes right back to facilitate the creation of even more profit, rather than becoming available for distribution, alms-like, amongst 'the poor'.

By now the limitations of Graycar's book should be clear. At one point he makes the rather cryptic comment that "poverty and destitution have always been characteristic of human organisation" (p.21). If we follow Adam Graycar's line of thinking, they certainly always will be!



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