

**Submission to Inquiry into Intergenerational Welfare Dependence by  
Associate Professor Philip Mendes (Acting Head of the Department of  
Social Work, Monash University)**

I have been critically examining Australian social welfare policies for over 25 years. Throughout this period, the term welfare dependency has frequently been used (some would say misused) by policy makers and commentators to, in my opinion, simplify what is a far more complex and multi-causal problem. What follows is a brief presentation of some of the key concerns I have raised in numerous publications over that period.

**Defining Welfare Dependency**

On opening the Inquiry Discussion Paper, I assumed there would be a coherent definition of welfare dependency at the very beginning. But it took until page five to locate a sub-heading Dependence under which it was suggested that dependence referred to the amount of welfare payments, the proportion of family income derived from welfare, and the length of time that welfare was claimed. The author could equally have referred to terms such as long-term financial poverty or disadvantage.

Elsewhere, I have defined what is popularly meant by welfare dependency as the following:

The increasing (and prolonged) financial reliance of individuals or families on income support payments for their primary source of income (Mendes 2004).

Having said that, I'm still not convinced that a condition called welfare dependency actually exists because such an indeterminate psychological concept cannot arguably be tested in the real world. Rather, it assumes an ideal world in which anyone who wants work can find work at a living wage, and all citizens enjoy equal opportunities from the time of birth. In contrast, the real world is based on social and economic inclusion and exclusion, and fundamental inequities. However, this Inquiry has chosen to explore this abstract psychological concept, rather than real material-based social problems such as poverty and disadvantage. The question is why?

## **Welfare dependency as a key aspect of the neoliberal policy agenda**

The term welfare dependency is overwhelmingly linked to what is known as neoliberal philosophy which the Inquiry Discussion Paper (p.11) labels the individual or behavioural approach. The Discussion Paper contrasts that approach with what they call the resources and opportunity or Structural approach that attributes social disadvantage to inequitable social and economic structures, and argues for social investment to increase the life chances of children from disadvantaged families. The Paper suggests rightly in my opinion (p.12) that effective policies need to move beyond this rigid dichotomy. I have personally long argued that responses to social disadvantage need to target both individual agency and structural inequities (Mendes 2017).

But the Paper then firmly adopts the language and aims of neoliberalism in regards to reducing so-called welfare dependency. In doing so, the Paper arguably capitulates to the neoliberal political agenda which is to undermine public sympathy for disadvantaged people by shifting attention from the social context of disadvantage and the real deprivation and hardship caused by poverty to the individual flaws of the disadvantaged. And the blame for this dysfunctional behaviour is paradoxically attributed not to the broader social and economic structures which create financial disadvantage, but rather to the welfare system and welfare providers which attempt to relieve it (O'Connor 2001).

## **So what do neoliberals believe, and why do they talk about welfare dependency?**

Neoliberals as a group argue that the welfare state is a bad thing, that welfare spending should be massively reduced, that income support should not be used as a means of redistributing power and promoting greater social and economic equity, that some form of paternalistic government regulation should be employed to discourage reliance on welfare, and that ideally the type of non-government or volunteer relief and services (that failed dismally to protect the poor and unemployed during the Great Depression) should replace government provision (Mendes 2017).

Neoliberals attribute poverty to individual rather than structural deficits. People are poor or unemployed due to particular behavioural characteristics such as incompetence or immorality or laziness. For example, the famous

American neoliberal political scientist Lawrence Mead argues that long-term poverty is the result of anti-social or self-destructive behaviour by disadvantaged people such as poor time management, aggressive or non-cooperative behaviour in the workplace, illegitimacy, and crime.

Welfare programs are assumed to have a 'perverse' effect: that is they produce poverty instead of relieving it. As noted by Hirschman (1991), this 'perversity thesis' dates from the time of the Poor Laws in England when critics of social assistance argued that it promoted idleness and mendicancy, instead of relieving distress.

One of the strongest contemporary critics of the benefit dependency culture has been the influential American neoliberal political scientist Charles Murray. Murray argues that the welfare state, by providing automatic support for the disadvantaged, has undermined individual responsibility and made it profitable for the poor to become dependent on welfare. Consequently, greater welfare spending has failed to alleviate and even worsened social problems such as poverty, unemployment, single parenthood and crime. Murray claims that the solution to the problem is to scrap the entire US federal welfare and income-support structure for working-aged persons and force individuals to rely on their own resources and those of family and friends.

Neoliberals construct welfare recipients as holding fundamentally different values and attitudes to the rest of the community. Dependence on welfare is interpreted as an **addiction** not dissimilar to that of helpless dependence on drugs, alcohol or gambling. This is arguably the weakest component of the welfare dependency approach, the argument without any evidence that reliance on income support can be diagnosed as some type of personal pathology or mental health condition. Regardless, the culture of poverty thesis of ethnographer Oscar Lewis is inducted to identify values, attitudes and behaviours unique to welfare recipients. This 'dependency culture' is then allegedly transferred to the children of welfare recipients leading to what has been called inter-generational welfare dependence.

Neoliberals believe the state should act to motivate and discipline welfare recipients, and reintegrate them with mainstream social values and morality, such as self-reliance and the work ethic. Income support should shift from being a right or entitlement to a privilege. Welfare dependent individuals should be given incentives to choose employment over welfare. For example, neoliberals suggest various measures that restrict the availability of

income support payments including longer waiting or qualifying periods, tougher eligibility criteria, and shorter periods of eligibility.

### **The limitations of the neoliberal/welfare dependency argument**

There are two fundamental limitations that render this argument unsuitable for application to the real world. Firstly, there is little evidence that people who are reliant on income support payments actually hold fundamentally different values and attitudes to the rest of the community.

For example, a longitudinal study of the US welfare system discussed by Mark Rank in *Living on the Edge* found that claimants shared the values and principles of Middle America, and that any significant differences related to opportunities and resources rather than to individual motivations. Sociologist Tracy Shildrick conducted years of research in deprived neighbourhoods in the UK, and found no evidence of ‘intergenerational cultures of worklessness’ or ‘families who have never worked for generations’. To the contrary, she identified a strong commitment to paid work, but noted that many people sought stable and decently paid jobs, but instead were trapped in a pattern of low paid casual employment (2018, p.7). Similarly, a study of 51 families living in poverty in Northern Ireland reported that bad individual choices and behaviour cannot in isolation be blamed for disadvantage given the range of structural factors such as illness and family violence and abuse that framed the lives of many of these families (Daly and Kelly 2015).

Australian research cited by Fred Argy in *Where to From Here?* suggests that most of the unemployed are miserable rather than content, and would far prefer work to welfare. A study of 150 Australian income support recipients by John Murphy and colleagues (2011) found that most were actively engaged in social and/or economic participation. Many were involved as volunteers in local neighbourhood activities such as school parents groups, sporting groups, churches, and political groups including the Council for the Single Mother and Her Child. At least one third (including two-thirds of the single parents and half of the unemployed) were employed – mainly in part-time work – and closely linked to workplace social networks. Many of those not working had significant work histories, but were currently limited by factors such as age discrimination, disability, caring responsibilities and inadequate employment support services.

No research has been completed which shows that irresponsible behaviours such as drinking and gambling are more prevalent among income support recipients than other community members.

Secondly, the model totally ignores the different life opportunities that those growing up and living in poverty experience compared with those who enjoy greater social and economic resources. The finding that children of the poor and unemployed - deprived of adequate educational, training and employment opportunities – are more likely to end up poor and unemployed is hardly surprising.

### **Towards effective intervention: Co-design program development with service users**

The Discussion Paper asks whether conditional welfare measures including current compulsory income management programs in Australia are likely to be effective in reducing long-term reliance on income support payments. This question might be more adequately constructed as asking whether such measures will reduce chronic social disadvantage. The answer from international evidence is at best ambiguous (Bray 2016; Dwyer 2018; Watts and Fitzpatrick 2018), almost certainly reflecting the fact that the major solutions to disadvantage lie not in altering the choices and behaviour of individuals, but rather in changes to broader social and economic systems including particularly the varied education, training and employment opportunities available in specific locations or postcodes.

Increasingly, policy makers are recognizing that top-down paternalistic approaches to social problems do not work (Harris, 2018), and instead turning to co-design approaches. Co-design which is sometimes called co-production refers to a bottom-up process whereby policy makers partner as equals with excluded groups such as service users and carers. Their experiential knowledge and capabilities are utilized via a process of mutual education to define a social problem, identify needs to be met and an associated range of potential service options, plan and implement a program, and evaluate the outcome. Co-design or co-production processes emphasize the importance of facilitating participation by diverse groups, and ensuring access for all who want to participate which often means paying service users for their time and/or funding skills training for them. Additionally, the result of a co-design process must be subject to negotiation with

participating groups, and cannot be predetermined (Beresford, 2013; Yeates & Amaya, 2018).

Co-design processes are generally informed by community development principles. By community development, I refer to the employment of local community structures and networks to address social needs and empower groups of people (Boyle, Coote, Sherwood & Slay, 2010; Coote, 2015). A community development approach to a social problem such as unemployment or substance abuse would involve engaging with community members who were unemployed or substance users, consulting with those community organizations that are involved with and have knowledge of the experiences of disadvantaged groups, and ensuring that the local community per se plays a key role in both defining the causes of the problem, and identifying potential policy solutions. Key principles would be the *inclusion* of all local residents including potentially marginalized minority groups such as illicit drug users and the homeless in the policy development process, and the *empowerment* of disadvantaged groups by giving them the capacity alongside other community members and organisations to *participate* in the development and implementation of policy strategies (Kenny, 2011). Empowerment goes well beyond mere consultations with service users which they often view as tokenistic, rather it aims to redistribute power and control to service users so that they have the authority to genuinely influence service delivery and policy change (Beresford, 2010; Gregory, 2018).

In the case of welfare dependency/chronic social disadvantage, a co-design process based on community development principles would involve the following: the select Committee or associated policy makers would convene public meetings in those localities known to have high numbers of persons long-term reliant on income support. These meetings would seek to engage two principal groups: long-term income support recipients and representative service user organisations; and representatives of the key non-government and government services that currently work with these disadvantaged groups. These two groups would seek via open discussion to consensually identify the problem and its causes (whether it is welfare dependency or financial poverty, and whether the cause is personal actions or lack of jobs or limited housing), the potential solutions, and a service delivery plan. Additionally, those two groups would later participate in a review or evaluation to determine whether the programs had worked, and to plan future service and policy strategies.

## References

Argy, Fred (2003) *Where to From Here? Australian egalitarianism under threat*. Allen and Unwin, Crows Nest.

Beresford, P. (2010). Service users and social policy. In I. Greener, C. Holden & M. Kilkey (Eds), *Social policy review* 22 (pp.227-251). Bristol: Policy Press.

Beresford, P. (2013). *Towards inclusive user involvement: Beyond the usual suspects*. London: Shaping our lives.

Boyle, D., Coote, A., Sherwood, C. & Slay, J. (2010). *Right here, right now: Taking co-production into the mainstream*. London: New Economics Foundation.

Bray, Rob (2016) Seven years of evaluating income management – what have we learnt? Placing the findings of the New Income Management in the Northern Territory evaluation in context. *Australian Journal of Social Issues*, 51(4), 449-468.

Coote, A. (2015). *People, planet, power: Towards a new social settlement*. London: New Economics Foundation.

Daly, Mary and Kelly, Grace (2015) *Families and Poverty: Everyday life on a low income*. Policy Press, Bristol.

Dwyer, Peter (2018) *Welfare conditionality: Sanctions, support and behaviour change*. University of York.

Harris, M. (2018). Guerilla policy: new platforms for making policy from below. In P. Beresford and S. Carr (Eds), *Social policy first hand: An international introduction to participatory welfare* (pp.323-326). Bristol: Policy Press.

Hirschman, Albert (1991) *The Rhetoric of Reaction*. Harvard University Press, Cambridge.

House of Representatives Select Committee on Intergenerational Welfare Dependence (2018) *Discussion Paper: Inquiry into Intergenerational Welfare Dependence*. Parliament of the Commonwealth of Australia. Canberra.

Kenny, S. (2011). *Developing Communities for the Future*. Cengage, Melbourne.

Mendes, Philip (2004) Is there such a thing as welfare dependency? *Arena Magazine*, No.69, pp.31-35.

Mendes, Philip (2017) *Australia's Welfare Wars*. 3<sup>rd</sup> edition. UNSW Press. Sydney, pp.68-72 & 163-169.

Murphy, John; Murray, Suellen; Chalmers, Jenny; Martin, Sonia and Marston, Greg (2011) *Half a Citizen: Life on welfare in Australia*. Allen & Unwin, Sydney.

Murray, Charles (1984) *Losing Ground. American Social Policy, 1950-1980*. Basic Books, New York.

O'Connor, Brendon (2001) The intellectual origins of welfare dependency. *Australian Journal of Social Issues*, 36 (3), pp. 221-236.

Rank, Mark Robert (1994) *Living on the Edge: the Realities of Welfare in America*. Columbia University Press, New York.

Shildrick, Tracy (2018) *Poverty propaganda: Exploring the myths*. Policy Press, Bristol.

Watts, Beth and Fitzpatrick, Suzanne (2018) *Welfare Conditionality*. Routledge.

Yeates, N. & Amaya, A. (2018). Making social policy internationally: a participatory research perspective. In P. Beresford and S. Carr (Eds), *Social policy first hand: An international introduction to participatory welfare* (pp. 147-60). Bristol: Policy Press.



## Byline

**ASSOCIATE PROFESSOR PHILIP MENDES** has been a social work and social policy practitioner and educator for over 30 years, with particular experience in the fields of income support, young people transitioning from state out-of-home care, social workers and policy practice, community development, and illicit drugs. He has numerous publications in local and international journals, and is the author or co-author of 12 books including *Australia's Welfare Wars* three editions (2003, 2008 & 2017), *Harm Minimisation, Zero Tolerance and Beyond: The Politics of Illicit Drugs in Australia* (2004), *Inside the Welfare Lobby: A history of the Australian Council of Social Service* (2006), *Young people leaving state out-of-home care: Australian Policy and Practice* (2011) *Young people transitioning from out-of-home care: International Research, Policy and Practice* (2016), and *Empowerment and control in the Australian welfare state: A critical analysis of Australian social policy since 1972* (2018)