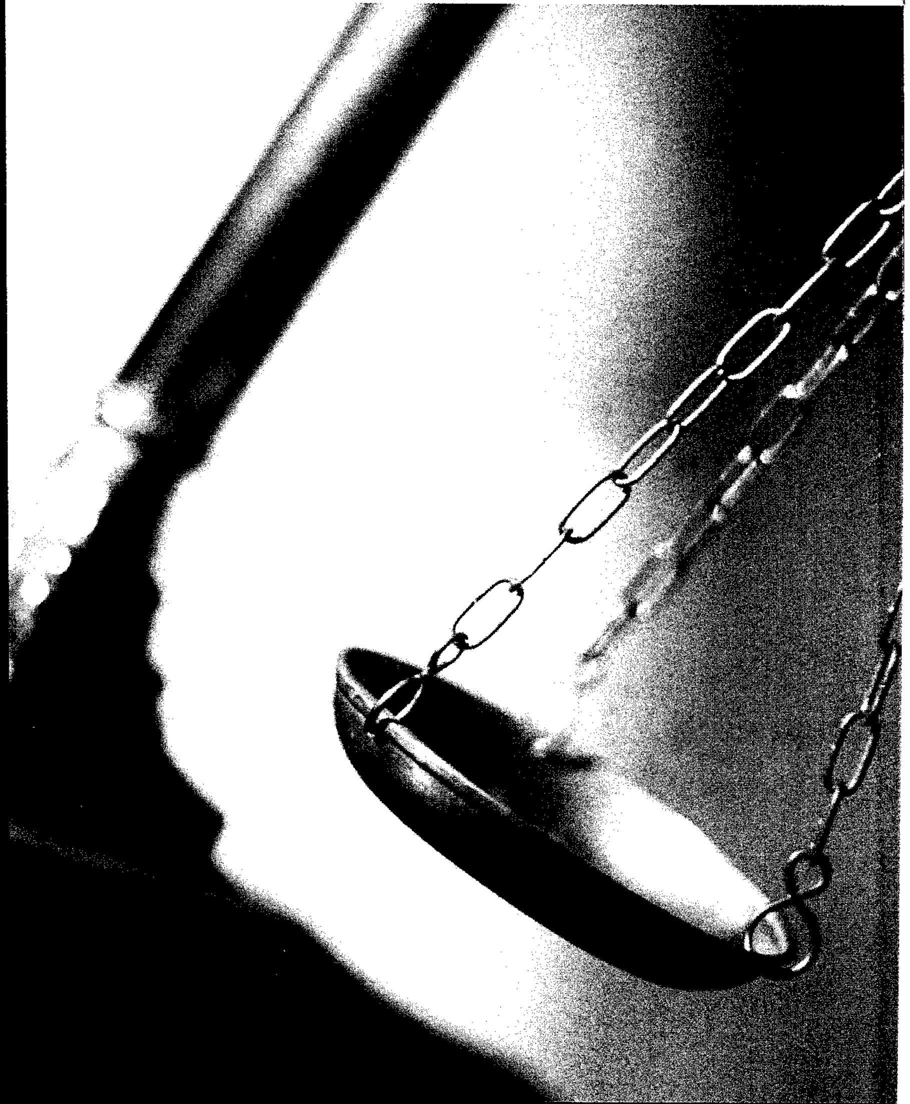
A FAIR SOCIETY?
Common Wealth for the Common Good: Ten Years On



• Veronica Brady IBVM • Michael Costigan • Julian Disney AO
• Bruce Duncan CSsR • Robert Fitzgerald AM • Thomas Keneally AO
• Lowitja O'Donoghue AC • John Phillips AM • John Warhurst

NO. 46

ACSJC

CATHOLIC SOCIAL JUSTICE SERIES

PRINT POST APPROVED PP 241613/00099 NOVEMBER 2002 LIBRARY CATALOGUE NO. ISSN 1324-6879

Published by the Australian Catholic Social Justice Council
19 Mackenzie St
North Sydney NSW 2060 Australia

First published 2003
Editor: Margaret Zucker
Production editor: Bruce Pollock
Typesetting and page make-up: Graphic Type
Cover photograph: courtesy of photolibrary.com

Printed in Australia by Lindwall and Ward Pty Ltd

National Library of Australia
Cataloguing-in-Publication Data

A FAIR SOCIETY?
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ISBN 1-86420-236-X
1. Poverty.
2. Wealth creation and distribution.
3. The common good.

The opinions expressed in ACSJC Social Justice Series papers do not necessarily reflect the policies of the Australian Catholic Social Justice Council. These papers are published to provide information and to stimulate public discussion.

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POVERTY AND INEQUALITY SINCE 1992

Bruce Duncan CSsR

Dr Bruce Duncan CSsR coordinates the program in social justice studies at Yarra Theological Union in Melbourne and is a consultant on ethics and economics with Catholic Social Services Victoria. He is a member of the Catholic Commission for Justice, Development and Peace of the Archdiocese of Melbourne. A PhD graduate in politics and economics from Sydney University, this Redemptorist priest is one of the leading Australian experts on the Church's Social Teaching. He has written many articles on the subject and is the author of The Church's Social Teachings: from Rerum Novarum to 1931 *and of a monumental study of the Catholic anti-Communist movement in Australia, titled* Crusade or Conspiracy? Catholics and the Anti-Communist Struggle in Australia.

Concern about poverty, equity and the distribution of income and wealth was central to the 1992 Catholic Bishops' statement, *Common Wealth for the Common Good: a statement on the distribution of wealth in Australia*. This 198-page document examined the causes of the growth in poverty and the inequality of income, and made a number of recommendations to enhance social equity and reduce poverty.

Ten years later, we can ask how Australia compares on these issues.

- Has poverty been reduced?
- And have changes in the distribution of income and wealth reduced or increased inequalities?

One must stress, however, that in 1992 unprecedented numbers of Australians were experiencing acute social distress from the very high levels of unemployment and deepening poverty during a severe recession. Hence one would expect that lower unemployment would have lifted many people out of poverty and improved equality. Certainly, the official unemployment rate has halved and hence wage incomes for many people have greatly improved. But at the same time rapid changes in the economy have reshaped patterns of distribution, with the benefits going disproportionately to upper-income groups, though middle and some low-income people have also benefited.

Nevertheless, many low-income people have become mired in prolonged economic disadvantage.

Difficulties in methodology

Analysis of income distribution and the causes and extent of poverty is a complex and difficult task. The first nationwide study of income distribution took place only in 1969, with later surveys taken every four or five years until 1990. But the method was changed in 1994-95, making comparability difficult (Saunders, 2002, 158). Hence problems confront researchers about the reliability of data, not just from changes in the methods of data collection over time but from differing methods of analysis (see Saunders, 2001, 280 ff; and Harding and Greenwell, 2002, 1-2, 21 ff). Debates also hinge on the definition of poverty, estimates of various types of income and their relationship to levels of human wellbeing, and the composition of low-income groups.

The notion of a "poverty line" is unavoidably a somewhat arbitrary construct to approximate the material means of sustenance needed to maintain a reasonable but minimal standard of living. In Australia it does not generally refer to the desperate poverty leading to acute hunger or starvation – though some indigenous groups may not be far from this – but to "primary" poverty, reflecting a significant degree of hardship for people trying to meet their basic needs for food, housing, health care, education and cultural participation (see Saunders, 2002, 145 ff).

The benchmark for the Henderson poverty enquiry in September 1973 was the disposable income needed to meet the basic needs of a family of two adults and two dependent children (see Saunders, "Setting the policy agenda: the origins and impact of the Henderson Report", in Fincher and Nieuwenhuysen, 1998, 52-70). This poverty line has since been indexed to half household disposable income per capita, and hence has risen with living standards, sparking debate about whether it is still a useful indicator of poverty.

In addition, in April 2002, the Australian Bureau of Statistics cautioned about the reliability of its recent statistics for income poverty for the lowest 20 per cent of income units since their reported incomes seemed unexpectedly low. The ABS anticipated that corrections would revise the income of the lowest quintile upwards by about 11 per cent. At the time of writing, this matter still awaits clarification.

Meanwhile, a study for Canberra's National Centre for Social and Economic Modelling (NATSEM), by Ann Harding and Harry Greenwell (2002, 21), found that spending by the bottom decile of households increased markedly between 1993-94 and 1998-99. Why was this, and how could they be spending much more than their income? The authors suggest that part of the explanation could be that the percentage of retired households had increased from 19 per cent in 1989-89 to 24 per cent in 1998-99, with their expenditure reflecting dissaving. In addition, there was a marked drop in the numbers of children in these households (pp 19-20), suggesting a change in the composition of the decile to younger adults with some capacity for borrowing. These matters also need further clarification.

Poverty

Professor Peter Saunders, director of the Social Policy Research Centre at the University of New South Wales, has written a series of publications on income and poverty in Australia and argued for more vigorous social intervention to lift people out of economic disadvantage, especially by expanding employment opportunities.

He analysed income levels not just as wages and salaries, but estimated social transfers and the effects of income tax, so as to distinguish market income, gross income and disposable income for households, with OECD equivalence scales to determine individual income. He concluded that in 1997-98, redistribution through the mechanisms of the welfare state reduced income inequality by about one-third (2001, 290).

Nevertheless, poverty remained a major problem. Following the standard practice of adopting a poverty line of half median (taken at the mid-point of a ranking) income, Saunders later estimated that the overall annual income poverty rate of prime-aged Australians in 1996/97 reached 18.1 per cent for single adult units, and 11.4 per cent where units included two adults. He judged the poverty rate for jobless couples with no children to be over 50 per cent, but rising to more than 70 per cent for those with children (Saunders, "The impact of unemployment on poverty, inequality and social exclusion" in Saunders and Taylor, 2002, 182-83).

Saunders estimated levels of income poverty, 1989-90 to 1996-97, and found an increasing overall poverty trend, though he noted improvements for some groups, notably sole parent units, and some sharp swings in the poverty rate of the aged, since their incomes are often close to the poverty line.

Estimates of income poverty rates (%) in Australia 1989-90 to 1996-97

Income unit type	1980-90	1994-95	1996-97
Single person			
Non-aged	19.8	19.4	25.5
Aged	27.9	31.1	31.7
All single people	20.4	22.3	26.9
Couples without children			
Non-aged	6.3	7.1	9.1
Aged	6.7	19.8	13.9
All couples without children	6.4	11.7	10.6
Sole parent unit	58.0	39.8	36.9
All income units	**16.7**	**18.3**	**20.7**

From Saunders, 2002, 159.

These figures also need further interpretation. It is not clear to what extent people are living in income poverty for limited periods but with good income prospects (eg, university students), or living off assets for various reasons. (For Saunders' discussion about problems with the types and measurement of incomes, see 2002, 114 ff.)

Poverty and unemployment

Although the Australian economy grew at over 4 per cent a year between the end of the recession in the early 1990s to the year 2000, and national income increased by one-third after inflation, the burdens of adjustment fell heavily on those retrenched – almost 700,000 in the three years to July 1997 (Saunders, 2002, 4) – or unemployed. Unemployment rose in September 1993 to 920,000 (almost 13 per cent) but only slowly drifted down to 615,300 (6.1 per cent) by December 2002. In 2001-02, 23 per cent (146,000) of the unemployed were jobless for a year or more. About two-thirds of long-term unemployed people are male, 60 per cent were not married, and 86 per cent were looking for full-time work (Saunders, 2002, 34).

Certainly the official unemployment figures have improved greatly, though these must also be interpreted carefully since they do not include many people who have been moved on to disability payments, who are working reduced hours in casual or part-time work and would like more employment, and people discouraged from seeking work. Even people working only one hour a week are not counted in the unemployment figures (Bell, "Contours and dynamics of unemployment", Saunders and Taylor, 2002, 14).

Far from Australia returning to the low-poverty days of the early 1970s, poverty has become entrenched in sections of the population (see Cameron and Duncan, 2002). Unemployment is widely recognised as being the major cause of income poverty, overtaking old age as the single most important factor inducing poverty. Over recent decades, increases in pensions and other entitlements have lifted many of the aged and families with children out of poverty, but prolonged high unemployment is weighing particularly heavily on older workers, those with minimal levels of education, migrants of non-English-speaking background, and indigenous people (Taylor, "Unemployment and family life", in Saunders and Taylor, 2002, 70 ff).

Restructuring and down-sizing in Australian industries cost 3.4 million jobs by 1999, affecting nearly one-third of families (Edgar, 2001, 23, 65). Other jobs were being created, but not enough to soak up unemployment. With well over 10 unemployed people for every vacancy by 2000 (Taylor, in Saunders and Taylor, 2002, 80), Australia had one of the highest average rates of unemployment during the 1990s among OECD countries (Bell, in Saunders and Taylor, 2002, 23). Moreover, many people had periods of casual or part-time work, and though not unemployed were not earning enough to lift them out of income poverty. Many workers have not been able to make the shift from employment in the traditional primary and secondary sectors to the service industries, because of age, lack of skills or their regional location.

Some new aspects to poverty in Australia

However, poverty took on some disturbing new features during the 1990s. First, it disproportionately affected children. In 1992 the number of children in homes where no one had a job was 680,000 (17.7 per cent) (Catholic Bishops, 1992, 199; and ABS figures). The percentage rate of such children had grown from 11 per cent in 1979 (Taylor, in Saunders and Taylor, 2002, 81) to affect almost one in five children (19.7 per cent, or 770,000 children) by 1998, and only slipping back slightly by 2001 to affect 17.9 per cent of children, or 701,000. (Derived from ABS, Australian Social Trends 2002: Population; National Summaries and Family – National Summary Tables). As Saunders argued, the consequences are likely to be "a cycle of deprivation that is transmitted across generations". (Saunders, "The impact of unemployment on poverty, inequality and social exclusion", in Saunders and Taylor, 2002, 177. See also Saunders, 2002, 199; and Taylor, in Saunders and Taylor, 2002, 70.)

Second, in contrast to earlier periods, unemployment during the 1990s was increasingly concentrated in low-income households, as demonstrated in the contrast between "job-rich" two-income households and "job-poor" households where no one is in paid employment (Saunders, in Saunders and Taylor, 2002: 179).

In their chapter on "Inequality and economic change" in *Work rich, work poor: inequality and economic change in Australia*, Jeff Borland, Bob Gregory and Peter Sheehan (2001, 4) note that average real wages have grown 25.4 per cent in Australia during the 1990s, but well-paying jobs are concentrated in upper-income households, often with two people in full-time employment. Many in low-income groups have been increasingly forced to take part-time or casual work, if they can find work at all.

Moreover, 87 per cent of the jobs created during the 1990s paid less than $500 a week ($26,000 a year). Income differentials among males have widened: managers and administrators increased earnings by 41.5 per cent, but earnings fell for the three lowest income occupations. Hence the growth in the number of jobs alone is a misleading indicator of social wellbeing (p 16).

By March 1996, the poverty rate among unemployed people reached almost 75 per cent, with the unemployed constituting more than 25 per cent of all below the poverty line. However, unemployed individuals need not automatically be living in poverty, as other members of their family or household may be supporting them (Saunders, "The impact of unemployment on poverty", in Saunders and Taylor, 2002, 179). Nevertheless, one study found that the unemployed in 1994/95 received personal income only 21 per cent that of wage and salary earners. Not surprisingly, the unemployed in single-adult households are concentrated (71 per cent) in the bottom fifth of income units (Saunders, in Saunders and Taylor, 2002, 186).

Between 1990 and 1999, over 70 per cent of the growth in employment was in part-time jobs. Moreover, from 1985 to 2000, 42 per cent of the total job creation was in the low-wage services sector (Bell, "The contours and dynamics of unemployment", in Saunders and Taylor, 2002: 38, 40). The switch out of manufacturing into service industries has favoured female employment, with a drastic decline in male employment opportunities. During 1991-97, there was only 3.6 per cent growth in full-time male jobs, but 41.2 per cent in part-time male jobs (Bell, in Saunders and Taylor, 2002, 33). Many people working in casual or part-time jobs were also living in income poverty.

In 2000, including those not listed as unemployed because they were not officially in the labour force, more than 300,000 families with children under 15 had no family member in paid employment; that is, one in six of all Australian families with a child under 15. More than 140,000 families with children under 15 had one or both parents "officially" unemployed, with sole parents making up a quarter of all unemployed parents with children under 15 (Taylor, "Unemployment and family life", in Saunders and Taylor, 2002, 65).

Third, unemployment was concentrated more spatially in regions or suburbs. Tony Vinson, in *Unequal in life: the distribution of social disadvantage in Victoria and New South Wales* (1999, 45), demonstrated that flawed policies were concentrating disadvantaged groups in various localities and effectively denying equality of opportunity, even across generations. In contrast to 1976, the extent of unemployment in the 1990s varied greatly between low- and high-income areas. Between 1976 and 1991, "the poorest 5 per cent of neighbourhoods had lost 38 per cent of their employment and 23 per cent of their household income", with male unemployment increasing from around 5 to 16 per cent (Bell, in Saunders and Taylor, 2002, 28).

Costs of unemployment

The costs of unemployment are difficult to estimate but very considerable, affecting government finances and services, as well as lost output. The unemployed also pay a punitive personal cost, often resulting in high stress, ill health, loss of skills, social exclusion, pressure on relationships and families, housing problems, racial and gender inequality, criminal behaviour and loss of social values and responsibility. (For a discussion of the difficulties in estimating the costs of unemployment, see Tony Eardley, "Identifying and quantifying the costs of unemployment", in Saunders and Taylor, 2002, 47 ff.) The economic costs of unemployment have been estimated as high as $40 billion a year (M. Watts, "The dimensions and costs of unemployment in Australia", in S. Bell, *The unemployment crisis in Australia*, 2000, 22).

Debates about philosophical assumptions

Responses to poverty and unemployment are influenced by one's assumptions in economic and social philosophy. The currently influential philosophy of "economic rationalism" or "economic neo-liberalism" is based on a competitive individualism, emphasising free choice over concerns about social equity. However, the philosophical assumptions tend to be obscured by the technical language of neo-classical economics (see Saunders, 2002, 24, 44), in the belief that the market would generally ensure the best social outcome, with minimal assistance from the state. Hence social policy has taken a back seat to economic policy. Saunders rightly argues that the market should be seen as a means to achieving social objectives, not simply as an end in itself (2002, 8).

Proponents of neo-liberalism see individual motivation and welfare dependency as the key factors in unemployment, instead of structural factors, notably the lack of employment opportunities. As Saunders writes: "Neo-liberal economic orthodoxy argues that the roots of unemployment can be traced to a lack of motivation among the unemployed, to labour market imperfections and to the harmful effects of the social security system on the incentive to work. Unemployment would only fall if wages declined…" (Saunders, 2002, 96).

A weakness in this neo-liberal explanation for high unemployment – that motivation is the key to the problem, not structural issues – is that it fails to explain why Australia embraced full employment from 1945 to the 1970s, and then motivation suddenly failed, leading to prolonged high unemployment.

The neo-liberal argument also ignores the fact that most unemployed people are desperate for work. As Janet Taylor wrote, "Overwhelmingly, studies find unemployed people want to work. The barriers they face need to be recognised and addressed not by coercion but by support." (Taylor, in Saunders and Taylor, 2002, 82.) Moreover, Saunders (2002, 106-111) has found that very few people blame the unemployed for their plight, and that there is strong community support

for governments to do more to reduce unemployment, especially for older people, those with children and long-term unemployed.

Instead of the reduction of poverty being seen as a major goal of economic policy, governments under the influence of neo-liberal philosophy have targeted welfare dependency, thus shifting the blame for poverty on to the victims rather than acknowledging failures in economic policy. Saunders argues that "the first step in 'ending poverty' requires reinstating poverty alleviation as a legitimate end of welfare policy" (Saunders, 2002, 57-58).

Social and distributive justice

As Church social teaching has long stressed, social equity does not demand absolute equality in wealth, but it does recognise that people need a certain minimal income and/or wealth to maintain themselves and their families at a reasonable standard of living that allows them to exercise responsible life choices. Social equity requires a certain "equality of opportunity", but recognises that natural inequalities in aptitude, specific needs and degrees of effort and life choices will unavoidably result in different degrees of wealth and income. Debates focus on the values supporting social equity and the mechanisms of redistributive justice. What constitutes a reasonable standard of living for all while preserving incentives and "equality of opportunity" so as to secure social stability and increased prosperity?

The churches strongly support the ethical principles of social and distributive justice underlying the welfare state, though the mechanisms about how to achieve better and more effective outcomes are always subject to improvement and political debate. Particularly in the last two centuries, western societies recognised that a fair and equitable society was preferable to extreme class divisions with the threat of class war and revolution. Modern Catholic social teaching has defended the right to private property, but not as an absolute right, since it is to be used for the good of all and distributed equitably so that all people have the means and opportunity to secure a decent livelihood.

One of the main means of ensuring social and distributive justice is the taxation system, not just to maintain minimal levels of protection and security but to provide essential services of education, health care, infrastructure etc, so all have the opportunity to play an active and productive role in life. There will rightly be debate about levels and the use of taxation revenue, but arguments that taxation is essentially unjust, particularly in providing welfare spending, effectively allow the better-off to shirk their obligations to others.

All who can are required to pay taxes, particularly since they have benefited more from the public goods and services provided by previous and current generations. How much money would Australian business people be able to make in Burkina Faso? Not much, I expect. The reason Australia is so prosperous is because of the labour of millions of people over many decades, which some can benefit from more than others.

Income is not simply the result of effort by individuals, and those who benefit most from this common wealth are ethically required to contribute more back to it. Taxation must also be compulsory, since a charity-based welfare system would always be hobbled by inadequate resources and free-loading by wealthy individuals, as history repeatedly shows. In addition, a growing problem is that without the redistributive mechanism of inheritance taxes, how will Australia ensure a reasonable equality of opportunity across generations and prevent a widening class division?

Inequality of wealth

Despite the importance of the matter, little is known about economic inequality and the distribution of wealth in Australia, the last census of wealth – as distinct from income – being taken in 1915. Estimating the changes in wealth distribution in Australia, Simon Kelly notes that, roughly speaking, in 1915 the concentration of family wealth was very high, with the top quintile of the population owning almost 90 per cent of the wealth. However, after World War II wealth became more widely distributed, so that by 1967 the top quintile held less than 54 per cent of the wealth. By 1998, wealth was again being more strongly concentrated in the top quintile, increasing its share of wealth to 63 per cent (Simon Kelly, 2002, 1-2). According to Australian Treasury estimates, wealth in the 1990s grew at 9.7 per cent a year in nominal terms (5-6 per cent in real terms), and Kelly estimated growth in household (excluding business) wealth over the nine years to 2002 at 3.9 per cent (2002, 10).

Distribution of personal wealth in 1915, 1967 and 1998

Wealth quintiles and percentages	1915 census	1967 survey	1998 survey
1st Quintile	0.0	0.9	0.4
2nd Quintile	0.4	7.8	4.0
3rd Quintile	2.0	15.1	11.1
4th Quintile	7.8	22.7	21.6
5th Quintile	89.7	53.5	62.8
Top 5%	66.2	24.6	28.8
Top 1%	39.5	9.3	10.4

Source: Kelly, 2002, 2

In Saunders' view (2002, 18), "inequality rose sharply through the 1980s, with this trend continuing into the 1990s". Harding and Greenwell concurred (2002, 21): "There is strong evidence that income inequality increased between the late 1980s and mid-1990s and there is some evidence to suggest that it has continued increasing since then." The increase in inequality was driven by "a decline in the income share of the bottom 10 per cent" and a marginal decline in the income of the middle 20 per cent of Australians during the 1990s, "and an increase in the income share of the top 10 per cent". Peter Dawkins attributed "about half the increase in inequality over the last 20 years (that inherent in Australian Bureau of Statistics income survey data) … to changes in the distribution of employment" (in Saunders and Tsumori, 2002b, xiii).

Growing inequality derived from the increasing reliance on the market mechanism to determine wage levels and the distribution of wealth through the bargaining process. Particularly significant were the reduction of the powers of the Conciliation and Arbitration Commission, the weakness of trade unions and the de-unionisation of large sections of the workforce, and the introduction of workplace agreements. Julia Kaul (2001, 47) argued that, "The Government is no longer seen as responsible for ensuring the equitable distribution of wealth," and has placed increasing reliance on market mechanisms to determine income distribution.

Conclusion

Though it is clear that inequality has increased in Australia, there is considerable debate about the nature and causes of poverty, the concept and level of a "poverty line", the statistics about how many are in poverty, and the best measures to alleviate poverty. Assumptions in social philosophy also play a critical role in how one evaluates this debate. While neo-liberals minimise or altogether reject concepts of social or distributive justice, the churches and others must defend and develop their philosophy of social justice, and encourage practical measures to shape a more just society.

Other OECD countries ensure that income support for unemployed citizens is sufficient to prevent them falling into poverty. Australian policy makers need to avoid ideologically following down the US path of welfare reform and consider what can be learned from the European experiences with a much greater emphasis on social equity and social cohesion (see Goodin et al, 1999).

It is clear from the range of experience in Europe and elsewhere that economic constraints can be configured in quite different ways to secure greater social justice, equality of opportunity and increased social participation. One's philosophy of justice can make a profound difference to social and economic policies. In Australia it is vital that the philosophy behind neo-liberal economic policies be debated and contested with a view to shaping a fairer and more inclusive society.

Saunders wrote (2001, 294): "How much inequality a society is prepared to accept is something over which it has a choice." Though it is basically a political decision, it is not simply a matter of "moral views about justice and inequality", since one must recognise constraints from "incentive structures and how these affect entrepreneurship, competitiveness and productivity and ultimately, economic growth".

As Peter Dawkins suggested, it would be very helpful if some of the experts in poverty and inequality in Australia would meet "to seek some agreement about useful ways forward" to define and measure poverty, and consider capacity building and alternative measures along the lines pioneered by Amartya Sen (Saunders and Tsumori, 2002b, xiv).

Appendix

The Poverty Debate and the Centre for Independent Studies (CIS)

There has been some debate about the extent of poverty in Australia after a report by the National Centre for Social and Economic Modelling (NATSEM) and the Smith Family in 2000 estimated that 2.4 million Australians (13 per cent) were living in poverty, an increase from 11.3 per cent in 1990 (Harding and Szukalska, 2000).

The Centre for Independent Studies challenged the claims in this study and argued to wind back policies of redistribution and income support. The CIS champions the neo-liberal economic philosophy imported from the United States and has some influence with the Howard Government.

By a curious coincidence, the CIS is headed by another Professor Peter Saunders, formerly of the University of Sussex, who argues a classic neo-liberal line that it is "immoral for the government to take money away from people who are maintaining themselves and their families through their own efforts and to redistribute it to people who have no intention of even trying to achieve self-reliance" (Arndt, 2002).

The CIS Saunders and his colleagues argued that the Smith Family Report did not follow the convention of using half the *median* (ie, mid-point in a series) income as the poverty line, instead using half *mean* (ie, average) income, which resulted in a higher poverty line. So instead of reaching an estimation of the numbers in "relative poverty" as about 1-in-12, the Smith Family Report concluded 1-in-8 was in poverty, and that poverty had worsened in the last 10 years.

The CIS authors argued that the Smith Family had relied on income surveys in which low-income groups understate their income (especially because of income from the "black economy"), instead of relying on more accurate expenditure surveys (Tsumori, Saunders and Hughes, 2002, 1). Using half median income as the poverty line, the poverty rate was no more than 8.7 per cent (instead of 13 per cent), "only half a percentage point higher than the 1990 figure". Moreover, they wrote that the average income of poor families had increased by $38 a week during the 1990s (2002, 3; also Saunders and Tsumori, 2002b, 14.). Saunders and Tsumori in effect argued that the concept of "relative poverty" be abandoned.

Helen Hughes of the CIS claims that the bottom quintile of households under-reported their income by 20 per cent because of their involvement in the "black economy" (2002,16), but she gave no estimates of how the "black economy" affected other income groups. She argued (p 13): "Since the 1970s, the proportion of people in poverty has fallen and the real value of low incomes has risen more than that of middle and high incomes. The rich have not benefited at the expense of the poor." Hughes contended that not more than 5 per cent of the population were below the poverty line. "It is now widely agreed that low incomes have risen more rapidly than middle and high incomes in Australia from the 1970s, with accelerating rises from the mid-1990s ... Trends in the 1980s and 1990s are in dispute." (p 16). Hughes blamed the social welfare sector for exaggerating the extent of poverty and income inequality because of its "vested interest" (p 17).

The CIS's Saunders also argued that the welfare policy debate is driven by the "politics of envy", with "anger and resentment" that some people are better off than others (Saunders and Tsumori, 2002, 36). Increasing state welfare spending "does not abolish poverty, it reproduces it" (p 37). The authors challenged ACOSS figures that one-fifth of the Australian population was poor, arguing that no more than 5 per cent were in long-term poverty (p 32).

In their paper *Poverty in Australia: beyond the rhetoric*, the CIS Saunders and Kayoko Tsumori advocated cuts to taxes and welfare spending, and following down the US road of welfare reform to eliminate the welfare mentality and so-called dependency. "There is no need any more for the majority of the population to have these services organised and provided for them by politicians and bureaucrats ... The embarrassing secret of the 21st century welfare state is that most of us do not need it any more." (2002b, 83) Instead they advocate moving from "universal mass welfare" to "a system of individual household purchasing" to enhance control of one's own spending and reduce the "spiralling upward trend in government spending" (2002b, 85). "Taking money from people who work hard and save to give it to people who do not want to work and who have little regard for the future is unlikely to strike many ordinary Australians as fair." (2002b, 92)

Although the CIS has highlighted problems with the definitions of poverty and methodological matters that need clarification, its views and philosophical assumptions are often in profound disagreement with the social justice tradition of the churches. Particularly troublesome is its failure to distinguish between social equity and egalitarianism, implying an extreme socialistic meaning to the latter term; and its libertarian individualism in philosophical assumptions.

Saunders and Tsumori argue against "egalitarian ethics", asserting that there are "other moral positions, just as lucid and just as compelling, which hold that redistribution to bring about equality is the antithesis of 'social justice' and fairness", and which "require us to recognise the egalitarian redistribution of people's incomes is profoundly unjust and a negation of 'progress'." (2002b, 75)

The Church does not accept such a claim to moral relativism, and on the contrary insists that social and distributive justice are essential foundations for a just and prosperous society.

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