

The
CAMBRIDGE
HANDBOOK
of
SOCIAL
SCIENCES
in
AUSTRALIA

Edited by
Ian McAllister, Steve Dowrick
& Riaz Hassan

This page intentionally left blank

The Cambridge Handbook of the Social Sciences in Australia

The Cambridge Handbook of the Social Sciences in Australia is a high-quality reference on significant research in Australian social sciences. The book is divided into three main sections, covering the central areas of the social sciences – economics, political science and sociology. Each section examines the significant research in the field, placing it within the context of broader debates about the nature of the social sciences and the ways in which more recent institutional changes have shaped how they are defined, taught and researched.

Ian McAllister is Director, Research School of Social Sciences, Australian National University.

Steve Dowrick is ARC Senior Fellow, School of Economics, Australian National University.

Riaz Hassan is Professor of Sociology, Flinders University of South Australia.

The Cambridge Handbook of the Social Sciences in Australia

EDITED BY

Ian McAllister

Australian National University

Steve Dowrick

Australian National University

Riaz Hassan

Flinders University of South Australia



CAMBRIDGE
UNIVERSITY PRESS

CAMBRIDGE UNIVERSITY PRESS

Cambridge, New York, Melbourne, Madrid, Cape Town, Singapore, São Paulo

Cambridge University Press

The Edinburgh Building, Cambridge CB2 2RU, United Kingdom

Published in the United States of America by Cambridge University Press, New York

www.cambridge.org

Information on this title: www.cambridge.org/9780521822169

© Ian McAllister, Steve Dowrick and Riaz Hassan 2003

This book is in copyright. Subject to statutory exception and to the provision of relevant collective licensing agreements, no reproduction of any part may take place without the written permission of Cambridge University Press.

First published in print format 2003

ISBN-13 978-0-511-07042-6 eBook (EBL)

ISBN-10 0-511-07042-X eBook (EBL)

ISBN-13 978-0-521-82216-9 hardback

ISBN-10 0-521-82216-5 hardback

Cambridge University Press has no responsibility for the persistence or accuracy of URLs for external or third-party internet websites referred to in this book, and does not guarantee that any content on such websites is, or will remain, accurate or appropriate.

Contents

List of figures and tables	vii
List of contributors	x
Preface and acknowledgements	xviii
Introduction	1
Part 1 Economics	15
1 Privatisation John Quiggin	17
2 Competition Policy and Regulation Stephen P. King	31
3 Economics and the Environment Jeff Bennett	45
4 Health Economics Jane Hall	60
5 Immigration Glenn Withers	74
6 Labour Market and Industrial Relations Jeff Borland	94
7 Income Distribution and Redistribution Peter Saunders	118
8 Taxation Patricia Apps, Glenn Jones and Elizabeth Savage	138
9 Innovation Peter Sheehan and George Messinis	153
10 International Trade and Industry Policies Kym Anderson	168
11 The Macro Economy Graeme Wells	186
12 Money and Banking Bruce Felmingham	203
Part 2 Political Science	221
13 Political Theory Chandran Kukathas	223
14 Federalism and the Constitution Brian Galligan	234
15 Legislative Institutions Campbell Sharman	249
16 Political Parties and Electoral Behaviour Simon Jackman	266
17 Electoral Systems David M. Farrell and Ian McAllister	287
18 Gender Politics Patty Renfrow	305
19 Interest Groups and Social Movements Ian Marsh	323
20 Environmental Policy and Politics Elim Papadakis	345
21 International Relations Christian Reus-Smit	358
22 Political Economy Stephen Bell and John Ravenhill	374
23 Public Policy and Public Administration John Wanna	406
Part 3 Sociology	431
24 Patterns of Social Inequality Kathryn Dwan and John S. Western	433
25 Families and Households Janeen Baxter	462
26 Gender Perspectives Chilla Bulbeck	480

vi Contents

27	Work and Employment	Bill Martin	499
28	Crime and Deviance	Sharyn L. Roach Anleu	518
29	Health and Illness	Jake M. Najman	536
30	Population	Peter McDonald	554
31	Race, Ethnicity and Immigration	Christine Inglis	573
32	Urban and Regional Sociology	Scott Baum and Patrick Mullins	590
33	Rural Sociology	Stewart Lockie, Lynda Herbert-Cheshire and Geoffrey Lawrence	604
34	Religion and Spirituality	Gary D. Bouma	626
35	Cultural Studies, Australian Studies and Cultural Sociology	Philip Smith and Brad West	638
36	Sociological Theory	Peter Beilharz	654
37	Social Policy and Social Welfare	Adam Jamrozik	666
	Author index		678
	Subject index		696

Figures and Tables

Table 6.1	Part-time employment as percentage of total employment, 1971 to 2001 (August)	95
Table 6.2	Labour-force participation rate (per cent) by age and gender, 1971 to 2001 (August)	96
Table 6.3	Educational attainment of employed persons, 1971 to 2001 (August)	96
Table 6.4	Indigenous labour-force status, 1971 to 2001 (Census)	96
Table 6.5	Employment by occupation, 1989 to 2002 (May)	97
Table 6.6	Employment/population rate: Females in couples with dependants, 1980 to 2000 (June)	97
Figure 6.1	Rate of unemployment and measures of hidden unemployment, 1971 to 2001	98
Table 6.7	Proportion of workers in casual jobs by gender, 1984 to 2001	99
Table 6.8	Distribution of duration of current job by gender, 1975 to 2000	99
Figure 6.2	Average weekly earnings for employees, 1981 to 2000	100
Figure 6.3	Ratio of female to male earnings, 1968 to 2001	100
Table 6.9	Real earnings by percentile in earnings distribution by gender, 1975 to 2001 (Index = 100, 1975)	101
Table 6.10	Trade-union membership, 1976 to 2000	102
Figure 6.4	Working days lost in industrial disputes per employed person, 1971 to 2001 (August)	102
Figure 6.5	The labour market: A simple analytic framework	103
Table 6.11	Coverage of agreements and awards, 2000	105
Table 7.1	Comparison of aggregates derived from the ABS income surveys to corresponding items from the household income account (\$ million and ratios)	123
Table 7.2	Estimates of household income distribution and redistribution in 1998–99 (percentage shares of household income in each income category)	124
Table 7.3	Changes in the distribution of gross annual family income among families, 1968–69 to 1999–2000	126
Table 7.4	Changes in the distributions of weekly income and expenditure since 1975–76 (Gini coefficients)	127
Table 7.5	Changes in the distribution of weekly income, 1990 to 1999–2000	128
Table 7.6	Distribution of full-time non-managerial earnings, 1975 to 1998 (percentages of median earnings)	129
Table 7.7	Income distribution in selected countries around 1995	132
Table 11.1	Foreign liabilities in Australia (proportion of GDP)	187

viii Figures and Tables

Table 11.2	Scale of government	190
Figure 11.1	Monetary indicators: Annual percentage change, annual rate, and level	195
Figure 11.2	Unemployment rate: Percentage of the labour force, seasonally adjusted	197
Table 12.1	Asset values and market shares of Australian financial institutions, June 1997 to June 2001	212
Table 12.2	Australian measures of monetary aggregates	214
Figure 16.1	The party vote in House of Representatives elections, 1901 to 2001	268
Figure 16.2	Scatter plots of ALP vote share against various social-structural indicators	273
Table 16.1	Party identification and House of Representatives vote, 1987 to 2001	275
Table 16.2	Self-assessed social class and vote	277
Table 17.1	House of Representatives and Senate electoral systems since 1901	288
Table 17.2	Variants of MPV in Australia	290
Table 17.3	Variants of PPV in Australia: Upper-house (UH) and lower-house (LH) systems	293
Figure 17.1	Proportion of seats affected by the distribution of preferences, House of Representatives elections, 1949 to 1998	296
Table 17.4	Australian PPV systems and proportionality, 1946 to 2002	297
Table 17.5	Average disproportionality, classified by district magnitude and assembly size in thirteen PPV cases	298
Figure 18.1	Gender gap in Australia, 1967 to 2001	311
Figure 18.2	Women in parliament, 1966 to 2001	313
Table 18.1	Women in national parliaments (lower house), 2002	314
Table 18.2	Women in national parliaments (upper house), 2002	316
Figure 24.1	A conceptual model of the structural bases and dimensions of inequality	435
Table 24.1	ABS occupational categories, Wright's class structure, Goldthorpe's occupational groups and the colloquial terms commonly used to describe different groupings	439
Figure 24.2	Proportion of employed Australians located in each occupational category, November 2001	440
Figure 24.3	Proportion of employed Australian men (n=5.1 m) and women (n=4.1 m) located in each occupational category, November 2001	441
Figure 24.4	Average weekly earnings of male and female, Australian employees located in each occupational category, May 2000	444
Figure 24.5	Individual weekly income of Indigenous and non-Indigenous Australians in each occupational category, Census 1996	446
Figure 24.6	Retention rates from years 10 to 12 at government and non-government schools, 1976 to 2001	448

Figure 24.7	Retention rates of male and female children from years 10 to 12, 1976 to 2001	449
Table 24.2	Difference in retention rates between Indigenous and non-Indigenous students, years 9 to 12, 1994 to 2001	450
Table 24.3	Highest level of qualification in the working-age population, 1991 to 1996; Indigenous education participant and attainment	451
Figure 24.8	Age-standardised mortality ratio for Australian men and women, 1996 to 1998	454
Figure 25.1	Crude marriage rates, Australia, 1900 to 2000	464
Figure 25.2	Fertility rates, Australia, 1921 to 2000	465
Figure 25.3	Crude divorce rates, Australia, 1901 to 2000	467
Table 25.1	Mean hours per week spent by men and women on housework tasks, 1986, 1993 and 1997	473
Table 29.1	Life expectancy in selected countries, 2000	538
Figure 29.1	Social structure and health: A causal model	539
Table 29.2	Life expectancy (years) at birth, 1901 to 1998–2000	541
Table 29.3	All-case age-specific mortality rates and ratios, Australian males, 1981 and 1999 (deaths per 100,000 population per year)	543
Table 29.4	Life expectancy at birth for four Indigenous populations (1980s)	546
Table 30.1	Percentage of state or colony population in the capital city, 1861 to 1971	559
Figure 34.1	The size and proportion of selected Australian religious groups in the 1947, 1971, 1996 and 2001 censuses	629

Contributors

Kym Anderson is professor of economics and associate dean (research) in the School of Economics, and foundation executive director of the Centre for International Economic Studies, at the University of Adelaide. He has been a research fellow of Europe's London-based Centre for Economic Policy Research since 1992, and a fellow of the Academy of Social Sciences in Australia since 1994.

Patricia Appis is professor of public economics in the Faculty of Law, University of Sydney, adjunct professor, Faculty of Business, University of Technology, Sydney, and research fellow at the Institute for the Study of Labour (IZA), Bonn, and the Economics Program, Research School of Social Sciences, Australian National University. Her research focuses on taxation and welfare policy, and she specialises in modelling household decisions on labour supply, saving behaviour and fertility. She is a fellow of the Academy of Social Sciences in Australia.

Scott Baum is an Australian Research Council research fellow in the Centre for Research into Sustainable Urban and Regional Futures at the University of Queensland. Trained in sociology and economics, his research interests are in the socioeconomic aspects of urban and regional transformation, including distributional equity, housing and global city functions. He holds a PhD in sociology from Flinders University of South Australia.

Janeen Baxter is associate professor in sociology in the School of Social Science, University of Queensland. She has published extensively in the area of gender inequality in paid and unpaid work. She is involved in a longitudinal study of household organisation and labour-force involvement over the life course, and is writing a monograph on this project (with Edith Gray, Australian National University), examining the effect of marriage on various social outcomes for men and women.

Peter Beilharz is professor of sociology and director of the Thesis Eleven Centre for Critical Theory at La Trobe University. He co-founded the journal *Thesis Eleven* in 1980. He was professor of Australian studies at Harvard University, 1999–2000, and has been a visitor at Amsterdam, Tokyo, São Paulo, Mexico City, Canberra, Chapel Hill and Manila. He is author or editor of sixteen books, including *Labour's Utopias*, *Transforming Labor*, *Postmodern Socialism*, *Imagining the Antipodes* and *Zygmunt Bauman – Dialectic of Modernity*.

Stephen Bell is associate professor in the School of Political Science and International Studies at the University of Queensland. His research interests focus on business politics, political economy and the politics of economic policy. He has published widely in leading Australian and international journals and is the author or editor of six books.

His most recent books are *Ungoverning the Economy: The Political Economy of Australian Economic Policy*, *The Unemployment Crisis: Which Way Out?* and *The Institutional Dynamics of Australian Economic Governance: The State, the Market and Networks*. He is working on a book dealing with the politics of monetary policy and the policy independence of the Reserve Bank of Australia.

Jeff Bennett is professor of environmental management in the National Centre for Development Studies at the Australian National University. His research interests focus on the development and application of techniques used to estimate non-market environmental values and the role of the private sector in providing nature-protection benefits.

Jeff Borland is professor of economics at the University of Melbourne. He has also held visiting positions at the Australian National University, University of Iowa, and University of Wisconsin–Madison. His main research interests are analysis of the operation of labour markets in Australia, and applications of microeconomic theory to labour markets. He was elected in 2002 as a fellow of the Academy of Social Sciences in Australia.

Gary D. Bouma is professor of sociology at Monash University, priest in the Anglican Diocese of Melbourne, chair of the Christian Research Association and vice-president of the World Conference on Religion and Peace (Australia). His research in the sociology of religion examines the emergence of spiritualities and the management of religious diversity in plural multicultural societies, religion and public policy, and gender factors in clergy careers.

Chilla Bulbeck holds the remaining named chair of women's studies in Australia, at Adelaide University's Department of Social Inquiry, where she teaches gender studies and social-science subjects. She has published widely on issues of gender and difference, including *Re-Orienting Western Feminisms: Women's Diversity in a Post-Colonial World* (Cambridge University Press, 1998), *Living Feminism: The Impact of the Women's Movement on Three Generations of Australian Women* (Cambridge University Press, 1997), and *Australian Women in Papua New Guinea: Colonial Passages 1920–1960* (Cambridge University Press, 1992).

Steve Dowrick is professor of economics at the Australian National University and Australian Research Council senior research fellow. His current research concerns international comparisons of real income and the sources of economic growth.

Kathryn Dwan holds a Bachelor of Science (Hons) and a Bachelor of Arts, and is completing her doctoral thesis at the University of Queensland. Her thesis focuses on the interactions between general practitioners and federal health bureaucrats, and the consequences for the delivery of health care. She is working with John Western on a long-term longitudinal study of the professions in Australia, and was part of the team that recently undertook a nationally representative survey of IT use among Australian GPs.

David M. Farrell is a Jean Monnet chair in European Politics at the University of Manchester. A specialist in the study of parties and electoral systems, David Farrell edits the

journals *Party Politics* and *Representation*. He is author of *Electoral Systems: A Comparative Introduction* (Palgrave, 2001), and is completing a book with Ian McAllister on Australia's electoral systems.

Bruce Felmingham is reader in the School of Economics at the University of Tasmania. He was formerly dean of the Faculty of Commerce and Law (1999 to 2001). He has authored or co-authored many journal articles on a broad range of economic and finance topics, and is a co-author of *Money and Finance in the Australian Economy* with William Coleman.

Brian Galligan has been a professor of political science at the University of Melbourne since 1995, and previously was a professor in the Research School of Social Science at the Australian National University. His research interests are focused on Australian politics and political economy. Areas of particular interest include constitutional design, the politics of the High Court, citizenship and rights protection, and Australian political history and political economy.

Jane Hall is professor of health economics in the Faculty of Business at the University of Technology, Sydney, and the founding director of the Centre for Health Economics Research and Evaluation. Her research interests cover individual decision-making about health services and the consequences for health care utilisation and expenditure, and for individual and social welfare. She has a strong commitment to the translation of research into policy.

Riaz Hassan is professor of sociology at the Flinders University of South Australia. He has also been visiting professor at the University of California, Los Angeles, and Yale University. His publications include *Faithlines: Muslim Conceptions of Islam and Society* (Oxford University Press, 2002) and *Suicide Explained: The Australian Experience* (Melbourne University Press, 1995), and he edited *Singapore: Society in Transition* (Oxford University Press, 1977). He has published many papers in professional journals. He is a fellow of the Academy of the Social Sciences in Australia.

Lynda Herbert-Cheshire is a postdoctoral research fellow with the School of Social Science at the University of Queensland. Her recently completed doctoral thesis, entitled 'Self-help as discursive practice', examined the rise of self-help in contemporary rural-development policy in Australia. Her current research interests lie in issues of rural governance, community development and socioeconomic change in single-industry and peri-urban regions.

Christine Inglis is director of the Multicultural Research Centre at the University of Sydney and a former vice-president of the International Sociological Association and president of its Research Committee on Ethnic, Race and Minority Relations. Her research focus is on migration and ethnic relations in Australia and the Asia-Pacific. Current projects examine the migration of British and Chinese professionals, and transnationalism and identity among Chinese, Filipino, Turkish and Vietnamese in Australia.

Simon Jackman is an associate professor in the Department of Political Science, Stanford University. He is a graduate of the University of Queensland and the University of Rochester, and spent 1996–97 at the Australian National University. He has published widely on Australian electoral politics and electoral systems. His current research focuses on politics in the United States, France and Australia.

Adam Jamrozik is associate professor in the Department of Sociology, Flinders University. For a number of years he worked as senior research fellow at the Social Welfare Research Centre (later renamed the Social Policy Research Centre), University of New South Wales. His publications on social policy and related areas include such books as *Social Change and Cultural Transformation in Australia*, *The Sociology of Social Problems* and *Social Policy in the Post-Welfare State*.

Glenn Jones is a senior lecturer in economics in the School of Economics and Financial Studies, Macquarie University. His research falls into the broad area of public economics, with an emphasis on modelling the equity and efficiency effects of policy reforms, using utility-consistent models of behaviour estimated at the level of individual decision units. The major areas of application are labour supply and work disincentives, and tax-transfer policy.

Stephen King is professor of economics at the University of Melbourne and professor of management (economics) at the Melbourne Business School. He specialises in applied microeconomics, regulation and industrial organisation, and his research has been published widely in Australian and international journals. He has been consulted by government and private organisations on issues relating to national competition policy and regulation, and has provided expert evidence on infrastructure industries to regulatory tribunals and the courts in Australia.

Chandran Kukathas teaches political theory in the School of Politics, University College, University of New South Wales, at the Australian Defence Force Academy. He is the author of *Hayek and Modern Liberalism* (Oxford University Press, 1989) and co-author of *The Australian Political System* (Addison Wesley Longman, 2nd ed., 1998). His latest book, *The Liberal Archipelago: A Theory of Diversity and Freedom*, will be published by Oxford University Press in 2003.

Geoffrey Lawrence is professor of sociology and head of the School of Social Science at the University of Queensland. He was previously foundation professor of sociology and executive director of the Institute for Sustainable Regional Development at Central Queensland University. Recent books include *A Future for Regional Australia: Escaping Global Misfortune* (Cambridge University Press, 2001) and *Environment, Society and Natural Resource Management: Theoretical Perspectives from Australasia and the Americas* (Edward Elgar, 2001).

Stewart Lockie is director of the Centre for Social Science Research and senior lecturer in Rural and Environmental Sociology at Central Queensland University. His current

research addresses food production and consumption, natural-resource management in agriculture, social-impact assessment and coastal-zone management. He is coeditor of *Critical Landcare* (Centre for Social Science Research, 1997), *Rurality Bites: The Social and Environmental Transformation of Rural Australia* (Pluto Press, 2001), *Consuming Foods, Sustaining Environments* (Australian Academic Press, 2000) and *Environment, Society and Natural Resource Management: Theoretical Perspectives from Australasia and the Americas* (Edward Elgar, 2001).

Ian Marsh is associate professor in political science in the Research School of Social Science at the Australian National University. He is the author of *Beyond the Two Party System*, and his current research interests are in the erosion of the electoral standing of the major parties; interest groups and (particularly) new social movements as agents of representation; the erosion of systemic strategic policy-making capacity; and debates about 'correct' policy responses to globalisation and 'the knowledge economy'.

Bill Martin is associate professor in the Department of Sociology, Flinders University. His current research interests are in the professions and management, social class, organisations, and social stratification.

Ian McAllister is director of the Research School of Social Sciences at the Australian National University. He has recently co-authored *How Russia Votes* (Chatham House, 1997) and *The Australian Political System* (Addison Wesley Longman, 1998). He has directed the Australian Election Study since 1987, and was president of the British Politics Group of the American Political Science Association in 2001–02. His main research interests are in the areas of comparative political behaviour, political parties, voters and electoral systems.

Peter McDonald has been head of the Demography and Sociology Program in the Research School of Social Sciences of the Australian National University since 1996. He is also co-director of the Australian Centre for Population Research. In recent years, his research has focused on explanations of low fertility rates in advanced countries, and the implications of population dynamics for ageing and the labour force. He is a fellow of the Academy of the Social Sciences in Australia and a council member of the International Union for the Scientific Study of Population.

George Messinis is a research fellow, Innovation and Pharmaceuticals Projects, Centre for Strategic Economic Studies, Victoria University. He holds a PhD in economics from the University of Melbourne. His research interests are multidisciplinary, and he has specialised in consumer psychology and knowledge, having published articles in this area in leading international journals.

Patrick Mullins is a reader in sociology at the University of Queensland. He conducts research into social aspects of urbanisation in the post-Fordist era, social polarisation and household consumption.

Jake M. Najman has a joint appointment as director of the Queensland Alcohol and Drug Research and Education Centre, School of Population Health, and professor of sociology in the School of Social Science, University of Queensland. He has co-authored and coedited six monographs and more than 150 research papers, and is a fellow of the Academy of Social Sciences and a board member of the Queensland Fertility Group Research Foundation. He serves on the National Health and Medical Research Council's National Illicit Drug Strategy Research Committee, and the council's Chronic Disease Research Committee. He is also a member of the Wesley Research Institute.

Elim Papadakis is professor of modern European studies in the School of Social Sciences, and director of the National Europe Centre, at the Australian National University. He is author of several books including *Environmental Politics and Institutional Change* (Cambridge University Press, 1996), and numerous articles and chapters on environmental policy and politics. In 1999 he was co-recipient of the Robert M. Worcester Award for an article published in the *International Journal of Public Opinion Research*, and in 2001 of the Henry Mayer Prize for the best article published in the *Australian Journal of Political Science*.

John Quiggin is an Australian Research Council professorial fellow in economics. He is prominent as a research economist and as a commentator on Australian economic policy. He has published more than 600 research articles, books and reports in fields including risk analysis, production economics, and the theory of economic growth. He has also written on policy topics including unemployment policy, microeconomic reform, privatisation, competitive tendering, and the economics of education.

John Ravenhill is chair of politics, University of Edinburgh, on leave from his chair in the International Relations Department, Research School of Pacific and Asian Studies, Australian National University. His recent books include *APEC and the Construction of Pacific Rim Regionalism* and *The Asian Financial Crisis and the Architecture of Global Finance*, both published by Cambridge University Press.

Patty Renfrow lectures in the School of Business at the University of Queensland. She has a longstanding interest in gender issues in politics and the public sector, and is conducting research on gender and voting in the Australian electorate.

Christian Reus-Smit is senior fellow and head in the Department of International Relations, Research School of Pacific and Asian Studies, Australian National University. He is the author of *The Moral Purpose of the State* (Princeton University Press, 1999), co-author of *Theories of International Relations* (Macmillan, 2001), and coeditor of *Between Sovereignty and Global Governance* (Macmillan, 1998).

Sharyn L. Roach Anleu is professor of sociology at Flinders University, Adelaide, and immediate past president of the Australian Sociological Association. She is one of three

editors of the *Journal of Sociology*, and is the author of *Law and Social Change* (Sage, 2000) and three editions of *Deviance, Conformity and Control* (Longman, 1991, 1995, 1999). She is undertaking research with Kathy Mack on magistrates and their courts in Australia.

Peter Saunders has been the director of the Social Policy Research Centre at the University of New South Wales since 1987. He was elected a fellow of the Academy of the Social Sciences in Australia (ASSA) in 1995, and is a member of the Australian Research Council Expert Advisory Committee on the Social, Behavioural and Economic Sciences. His main research interests include inequality and income distribution, poverty, social security and the economics of the welfare state.

Elizabeth Savage is a senior lecturer in the Centre for Health Economics Research and Evaluation, University of Technology, Sydney. Her research focuses on behavioural modelling, welfare measurement and policy simulation, with applications in the areas of taxation, family assistance, public-sector pricing, health insurance and health care utilisation. She has undertaken research for the Productivity Commission, Office of the Economic Planning Advisory Commission, World Bank, the New South Wales Committee on Ageing, and the National Women's Consultative Council.

Campbell Sharman was a member of the Political Science Department at the University of Western Australia for many years, and remains involved with the UWA Australian Government and Politics project and its associated website. He holds an honorary position at the University of British Columbia, where he is continuing work on the analysis of long-run data on elections, parties, representation and parliamentary government in Australia and Canada. He is joint editor of *Australian Government and Politics: The Commonwealth, the States and the Territories* (Cambridge University Press, 2003).

Peter Sheehan is director of the Centre for Strategic Economic Studies at Victoria University. His primary research interest is the impact of the knowledge economy, including the application of knowledge (innovation), in developed and developing countries. In addition to an extensive academic career at the University of Melbourne, Australian National University and Victoria University, he has filled senior roles in the Australian and Victorian governments, and with small, innovating Australian companies.

Philip Smith is an associate professor in the School of Social Science, University of Queensland. From the beginning of 2003, he will take up an appointment in the Department of Sociology at Yale University.

John Wanna is professor of public policy in the School of Politics and Public Policy at Griffith University. His research interests include public policy, public-sector management, government–business relations and budgetary processes, and community power and urban politics.

Graeme Wells is a reader in economics in the School of Economics at the Australian National University. Prior to joining the ANU in 1989, he was in the economics depart-

ment at Victoria University of Wellington. He has held visiting positions at the University of Oslo, the New Zealand Institute of Economic Research, the New Zealand Treasury, University of California at Santa Barbara, and the University of Guelph. His research interests are in applied macroeconomics and monetary economics.

Brad West is a lecturer in the Department of Sociology, Flinders University of South Australia. He is the coeditor (with D. Walker) of *War and Peace* (University of Queensland Press, forthcoming).

John Western obtained his PhD from Columbia University in the early 1960s. He has thirty years of experience in basic and applied social research, with an emphasis on the professions and work, social stratification and social inequality, and the criminal justice system. In particular, he is the author of *Social Inequality in Australian Society* (1983), and in his retirement aims to bring to a close the thirty-year longitudinal study of the professions in Australia, as well as revisiting his book on social inequality.

Glenn Withers is professor of public policy at the Australian National University. He is a Monash and Harvard graduate, and publishes in policy economics, labour economics and cultural policy. He has also chaired a number of government inquiries and bodies, including the National Population Council and the Economic Planning Advisory Commission. He was made an Officer of the Order of Australia for services to applied economics, and is a fellow of the Australian Academy of Social Sciences.

Preface and Acknowledgements

As the title makes clear, this is a book that examines the current state of social-science research about Australia. The aim of the book is to provide a comprehensive summary and evaluation of what we know about Australian society at the beginning of the twenty-first century. Most contemporary works dealing with the social sciences take an explicitly international perspective: for example, world summaries can be found in the *World Social Science Report* (UNESCO, 1999), the *Handbook of Social Science Research*, by Gary Bouma and G.B.J. Atkinson (Oxford, 1996), and the *Social Science Encyclopedia*, by Adam Kuper and Jessica Kuper (Routledge, 1989). Particular studies dealing with individual disciplines have also generally followed this international emphasis. Why, then, a book that examines Australia only?

While Australian social science – like that of its overseas counterparts of similar size – has been derivative of the international social sciences, the past half century has seen the emergence of a more independent, innovative research culture with specific contributions to make. In many important respects, this distinct contribution has been lost or ignored in international works of social-science scholarship, and often only those contributions by Australians that address international problems have warranted attention. Yet Australia has maintained a social-science research culture for at least as long as its international counterparts, with a research council being formed during World War II and a research-only faculty immediately afterwards. After the natural scientists, social scientists are the largest group of scholars working in Australian universities.

A second reason for examining social-science research about Australia is the international contribution social science has made in dealing with distinctively Australian problems. The relative newness of the country, the comparatively small size of the political and governmental elites, and a longstanding tradition of constructive interchange with government at all levels on matters of policy have all combined to make Australian social scientists more influential at a practical and policy level than many of their counterparts overseas. Distinctive Australian contributions, stemming from the analysis of local conditions and problems, have been particularly innovative. For example, Australia's academic contributions to social welfare, to the study of immigration and ethnicity, and to the design of electoral systems have all stemmed from our distinctive local conditions, and from a readiness on the part of government and the bureaucracy to formulate policy based on the results of this research.

Any overview of an area as diverse and complex as the social sciences is necessarily likely to be selective. When the overview is based on the social sciences within a single country, the selectivity is likely to be even more marked. The chapters that constitute this *Handbook* contain many insights and observations, but many other works are necessarily excluded, either because of space limitations or because of the structure of the chapters. We combine the contributions around the three core social sciences – economics, political science and sociology – and the introduction discusses why we have

followed this tripartite distinction. But throughout the *Handbook*, we treat these three fields as generic; each incorporates much overlap, between each of them, and also with other areas of scholarly research.

An intellectual endeavour as large and complex as the *Handbook* incurs many intellectual debts. First and foremost, we are grateful to Peter Debus, from Cambridge University Press, who offered both encouragement and patience as the project took shape. We are also grateful to three anonymous referees for the original proposal, who all provided important insights and constructive comments that were invaluable at the planning stage. Kate Hoffmann assisted in the preparation of the sociology section of the book. Most obviously, we are grateful to the forty-five contributors who provided the entries contained herein.

I.McA., Canberra

S.D., Canberra

R.H., Adelaide

Introduction

In Australia, as elsewhere among the advanced societies, social-science knowledge and thinking has moulded, in subtle but often important ways, the shape of modern society. While most social-science research is by its nature academic in focus, the ideas and debates that it generates have important and tangible consequences for how modern society is organised. It would be difficult to understand, for example, current thinking towards social policy without reference to debates concerning redistributive justice, or approaches to multiculturalism without taking into account academic research on citizenship. In practice, most contemporary public policy is grounded firmly in social-science knowledge, frequently using information that has been painstakingly accumulated and analysed over several decades. As a consequence of this continuing interplay between ideas and outcomes, the influence of social science on the form and character of society is and remains one of the major themes of the modern age.

This book provides an overview of the current state of social-science research about Australia at the beginning of the twenty-first century. While the focus of the contributions is on research that is relevant to Australia, the contributions necessarily also encompass the broader development of the social sciences outside Australia, as well as the emerging changes introduced by the growth of interdisciplinary work and the internationalisation of social science. Each contribution describes the range of research that has been conducted in the particular field, places it in context, explains why and how it is significant, and evaluates its contribution towards a better understanding of Australian society. The major criterion for selecting the material to be included in each of the contributions is its theoretical or empirical significance in furthering our understanding of how Australian society functions.

The development of the social sciences

Although there is no single definition of what constitutes the social sciences, it is generally agreed that the focus of social-science research is on human behaviour as it occurs in groups. These forms are reflected most obviously in patterns of group behaviour, but also in more formal expressions of human activity, such as the institutions of

society, which are created to order and regulate behaviour. Human behaviour is also reflected in culture, which accumulates over time as a consequence of continuous patterns of human behaviour, and in turn socialises and shapes the behaviour of each succeeding generation.

While social science aspires to emulate the scientific method found in the natural and physical sciences, controversy has always surrounded whether or not an objective scientific method can be applied to human behaviour. The formative work in this field was Thomas Kuhn's *The Structure of Scientific Revolutions* (1962), which laid out the key events in the development of a scientific method in the natural sciences. While a vigorous debate has always surrounded how well this model can be applied to the social sciences – critics emphasise the number of unique events and vast range of variables inherent in human behaviour – it is clear that most of the social-science disciplines adhere most closely to what Kuhn called the prescientific phase of 'random fact-gathering'. For this reason, social science is sometimes referred to as social studies, particularly where it encompasses fields of study that are more traditionally located in the humanities, such as history, philosophy and art.

This last point raises the question of which disciplines actually constitute the social sciences. Once again, opinions vary widely. Many classifications point to the break between philosophy and science in the eighteenth century – what C.P. Snow (1959) called the 'two cultures' – as the defining event in the formation of the social sciences. It has been argued that this fundamental division – between science, based on empiricism and observation, and philosophy, based on speculation or deduction – has structured the formal organisation of universities and, as a consequence, our intellectual choices, for the past two centuries (Wallerstein 1996). As universities expanded during the course of the nineteenth century, their formal academic structure and methods of instruction reflected this division. In turn, scholarly journals emerged to promote research and debate in these disciplines, and major libraries used them as a basis for classification. As the division became ever more formalised, the options for reorganisation of the social sciences have become ever more limited.

Wallerstein's (1996) influential study has identified three major lines of demarcation that emerged as a consequence of this rift between philosophy and science. The first is what he calls the past–present division, which places history on one side of the divide, and political science, sociology and economics on the other. Furthermore, because these last three disciplines (or significant parts of them) wanted to be objective, they adopted quantification as a primary method of analysis during the twentieth century, further emphasising their focus on contemporary problems. The second line of demarcation is an intellectual one, between the study of the countries that were most industrialised at the turn of the century and the rest. As a result, other disciplines, such as anthropology and oriental studies, emerged to study these less-advanced societies. And the third line of demarcation identified by Wallerstein is the division of social science itself into three separate disciplines: political science, sociology and economics (Wallerstein 1996).

From the 1930s, with the *Encyclopedia of the Social Sciences*, most observers have agreed that the 'core' social-science disciplines are economics, political science and sociology

(for a review of the debates, see Whittington 1989). These disciplines have been regarded as central to the social sciences because, in many important respects, they share a scientific approach to problem-solving; for that reason, psychology has often been added to the list, as have, on occasion, anthropology and geography. In recent years, as a result of the influence of quantification on the discipline, history has also sometimes been included. The main difficulties in arriving at any generally agreed set of social-science disciplines are the rapid pace of change within the area; the increasing specialisation that is taking place within the disciplines, sometimes as a result of technological change in data processing; the inevitable fragmentation that follows from specialisation; and, not least, the different patterns of development that take place from country to country (Wagner, Wittrock and Whitley 1991).

The increasing diversity that is the hallmark of the social sciences in the late twentieth century has meant that disciplinary boundaries are becoming weaker. Notwithstanding this diversity, however, the majority of universities in the advanced societies, and the majority of the academic staff who work in them, are organised around, and identify themselves by, disciplinary labels. For this reason, the organisation of this book follows this traditional, tripartite division of the social sciences into economics, political science and sociology. But as the chapter headings make clear, there is very considerable diversity, and even overlap, between the fields of academic endeavour within each of the three areas. Political economy, for example, covers political science and economics; interest groups and social movements covers political science and sociology; and work, employment and technology covers sociology as well as economics. The headings of the three subsections in this book – economics, political science and sociology – should be regarded as generic titles for related forms of intellectual activities, rather than as cohesive, disciplinary labels.

The social sciences in Australia

The social sciences have developed in different ways across different countries, but in general most countries followed the pattern outlined in the previous section (for reviews, see Dogan and Pahre 1990; Wagner, Wittrock and Whitley 1991). As we would expect, the American model – given that region's size and economic development – has been most influential in the evolution of the social sciences, largely because it was most easily diffused across the advanced societies (Mancias 1991). The American model also places considerable store by academic independence, with scholars being shielded from political pressure – always an important consideration in the social sciences. By contrast, the Continental European model is more state-centred, because the state organises, funds and controls the universities. As a consequence, the social sciences, particularly in Germany and Italy, evolved in institutions that were defined by their relationships to the state (Schiera 1991).

Australian social science has developed as a hybrid of these two models. The attractiveness of the American model stemmed from Australia's increasingly close association with North America, particularly after the end of World War II, when many American

scholars were recruited to work in Australian universities. The ideal of academic independence in Australia – while lacking the philanthropic private sector that underpins it in the United States – has also been a cornerstone of Australian academic culture. Nevertheless, as in Britain, where many of the earliest founders of Australian social science originated or were trained, the influence of the state was crucial to the funding of universities.

Although many of the individual disciplines that form the social sciences in Australia were established early in the century, the social sciences as such did not achieve a corporate identity until 1942, when the Social Science Research Committee (later the Social Science Research Council) was formed. This new priority was given institutional form when the Australian National University (ANU) was established in 1946; of the four foundation research schools, one was dedicated to social sciences, the other three to medicine, Pacific studies, and the physical sciences, respectively. The Research School of Social Sciences remains one of the largest schools in the ANU today and houses some 100 academic staff. The social sciences gained their own learned society in 1971 when the Academy of the Social Sciences in Australia took over the functions of the Social Science Research Council (see *Academy of the Social Sciences in Australia* 1998).

Citation studies show the contribution that the Australian social sciences make internationally, and also allow a better understanding of the structure of the social sciences within the country. Based on an analysis of citations between 1983 and 1994, a study found that over that period, Australia's share of total publications in the Social Science Citation Index in economics and sociology declined substantially, while psychology and business studies increased significantly (*Academy of the Social Sciences in Australia* 1998:12). Overall, however, Australian economics attracted more citations than those of its counterpart countries internationally, while political science and sociology both attracted fewer citations. A more recent study by Katz (1999) found that in economics, Australia's share of the total citations between 1981 and 1997 was 3.3 per cent, compared to 10.7 per cent for the UK and 64.8 per cent for the US; in political science, Australia's share was 4.8 per cent, compared to 12 per cent for the UK and 57.7 per cent for the US; and in sociology, Australia attracted 2.9 per cent, compared to 7.4 per cent for the UK and 59.4 per cent for the US. While Australia's international contribution is necessarily small, parts of the social sciences clearly gain considerable international attention.

Economics

The practice of economics in Australia differs substantially from that of the other social-science disciplines in that a substantial amount of research is conducted outside the universities. Research employment is divided between the universities (with an increasing number of specialised research centres), government and business. While this means that economic research is probably better funded than other areas of social science in Australia, the diversity of interests behind the funding inevitably puts pressure on the 'objectivity' of the research. We see this most obviously as economists are called upon by businesses to argue a particular case, whether in lobbying governments, or in legal disputes with regulators or other businesses. Government research bureaus operate in the context of political agendas. In contrast to the UK, there is no tradition of trans-

parency in competition between macroeconomic models. University research centres are typically reliant on funding from government department contracts. These pressures put the onus on the economic academy to step back from the fray of competing interests and deliver less partial analyses. While some economists still like to lay claim to 'scientific objectivity' in their pronouncements, a more reasonable and achievable role for the academy is to encourage transparent debate and to insist that the pronouncements and prescriptions of the free-marketeers and the market-interventionists are subject to the same requirements of logical consistency and conformity with evidence.

The heyday for economists in government probably occurred in the 1980s, under the treasurership of Paul Keating, when every public servant (and every pub conversationalist) was expected to sound knowledgeable on such arcane matters as the J-curve in the balance of payments or the relationship between the money supply and the rate of inflation. Macroeconomic modelling and policy research was (and continues to be) carried out within the Commonwealth Treasury and the Reserve Bank of Australia – in addition to the now-defunct Economic Planning and Advisory Council, which played a key role in the 1980s Prices and Incomes Accord between the federal government and the trade unions, and the Industry Commission, which investigated policy concerns in relation to competition and trade protection. Specialised federal-government research bureaus abounded – analysing the microeconomics of markets for labour, for immigration, for transport, for agricultural products, for mining products and for industrial production – some of which have since disappeared, either through abolition or through absorption into the Productivity Commission.

The economic context necessarily influences the focus of economic research. The arrival of high unemployment and high rates of price inflation in the 1970s stimulated intense debate on the macro economy, with sharp distinctions between the Keynesians and the monetarists (followed by the neo-Keynesian and the new classical schools); similar economic conditions and similar economic debates occurred in the other industrialised economies. Some degree of consensus, or at least grudging coexistence, has been achieved between rival schools of macroeconomic thought – around an uneasy compromise between 'short-run Keynesian' and 'long-run neoclassical' analyses. Graeme Wells discusses the state of research around these and other still-contentious macroeconomic issues such as the 'natural' rate of unemployment and the conduct of fiscal policy.

Since the 1983 floating of the Australian dollar in the foreign exchange market, the supply of bank credit and the interest rate are largely in the hands of the Reserve Bank and the domestic banking system. Here, Bruce Felmingham charts the course of institutional and policy development, particularly the stages of deregulation of the financial sector. The concomitant reduction in tariff protection for Australian manufacturing and service industries has led not only to an increase in trade, but also to important shifts in patterns of production and trade, as analysed in the chapter by Kym Anderson, who also highlights the contributions of Australian economists to the development of national and international trade policies and institutions. While international flows of finance, goods and services have been increasingly deregulated, Glenn Withers surveys the effects of, and debates around, the highly controlled flow of people into Australia –

finding that the supply-side and demand-side effects of immigration largely balance out in terms of their net impact on unemployment and growth in living standards.

The longstanding institution of industrial tribunals setting (once gender-specific) minimum wages and conditions, the successes and failures of the 1980s Accord between government and unions, and the subsequent move towards bargaining at the level of the individual enterprise, have led to a strong Australian focus on the operations of labour markets and institutions. Jeff Borland surveys the changes that have occurred in the Australian labour market and industrial-relations system over the past few decades, particularly the decline of the male 'breadwinner' as the principal subject, the rise in educational attainment (most particularly among females) and the rising concentration of unemployment within households and neighbourhoods. Peter Saunders examines research into the consequences of these labour-market changes, as well as changes to the tax and welfare system, for the distribution of income. He highlights the methodological problems, charting a clear course through the complexities of definition and measurement.

The weight of economic activity has shifted towards the service sector of the economy, most noticeably with the contraction of jobs in manufacturing and the expansion of the financial, education and health sectors over the past few decades. These structural changes have not been unique to Australia; they are common to most of the advanced industrialised economies. The rapid rate of technological progress in industrial sectors allows increasing production of goods with a shrinking industrial labour force. As real incomes rise, consumers tend to demand relatively more services, where production is often labour-intensive. Jane Hall describes the results of research into the most complex and politically sensitive of the service sectors – the health sector – where both supply and demand are part market-driven and part government-operated. Rising affluence is also expressed in the increasing weight being given to environmental concerns in the economic and political arenas. Jeff Bennett describes the evolution of Australian research into the problems of valuing and regulating activities that impact on the environment and the availability of natural resources.

As Australian governments have moved in the 1990s towards deregulation of markets and the privatisation of public enterprises, so there has been an expansion of research in the areas of competition policy and regulation. Stephen King reviews research on the motivation for, and the effects of, the development of policies promoting competition – and the areas where governments have sought to directly regulate, particularly where natural (or unnatural) monopolies dominate. John Quiggin presents a critical review of research into the motives for and effects of the privatisation programs of Australian governments, an area where claims of fiscal benefits and productivity improvements are hotly contested. Productivity growth is addressed from a very different angle by Peter Sheehan and George Messinis, who examine sources of growth in the operation of the national system of innovation, a system that derives from the interaction of private incentives to invent and experiment with the public operation of research-and-development activities and the incentives of the tax system. Patricia Apps, Glenn Jones and Elizabeth Savage examine the structure and impact of the tax system, particularly in the light of recent moves from progressive income taxation

towards flat-rate consumption taxation, on incentives to participate in the labour force and on the distribution of economic welfare. They emphasise significant developments in the economic theory of optimal taxation.

The growing emphasis of Australian research on microeconomics is reflected in the selection of topics within the economics section of this handbook. The brief for contributors has been to concentrate their surveys on what research has to tell us about the state of, and changes in, Australian society and economy. Inevitably, this focuses attention on research with a strong empirical content. But it would be remiss to ignore the contributions that Australians have made to the global body of economic theory and to global and/or regional policy development. Australians have continued the tradition established in the 1950s and 1960s of contributing to our understanding of how small economies can successfully trade and grow within the global economy, with more recent contributions assessing the merits of global and/or regional and/or bilateral trade agreements.

Significant contributions continue to be made by Australians to quantitative methods in economics, including the building of sophisticated models that simulate the workings of the regional and/or global economy, and the development of econometric theory (the application of statistical analysis to economic data). A distinctive Australasian school of thought has arisen in the analysis of decision-making under uncertainty, emphasising alternatives to the standard model based on expected utility. Over the past twenty years, Australians have made significant contributions to the theory of public goods and to economic-welfare analysis, including the analysis of household decision-making. Australian research on the funding of higher education has contributed to policy development overseas. A fascinating research program, based at Monash University, is currently rewriting the corpus of microeconomics and macroeconomics, based on formal modelling of the Smithian division of labour.

Political science

Political science as a discipline in Australia owes its origins to the establishment of several groups in the 1930s, notably the Department of Public Administration at Sydney University and the Australian Institute of Political Science, and the publication of an outlet for academic work in the area, the *Australian Quarterly* (Aitkin 1985; Zetlin 1998). The discipline's professional association, the Australasian Political Studies Association, was established in 1952. Prior to the expansion of the universities following the 1957 Murray Report, the majority of university staff in political science had been trained outside Australia; by the late 1970s, for the first time, more staff had received their training in Australia than outside the country (Tatz and Starr 1978). This period also saw a shift in emphasis, from the concerns of the British discipline, to those of North America, in line with broader changes of emphasis within Australian society during the 1970s (Galligan 1984).

As in most other countries, political theory was the major preoccupation of the discipline in the early years of consolidation, and it remains a strong theme in Australia today, with considerable international visibility. Australian political theory has remained a vibrant subdiscipline largely by absorbing the criticisms made of it by radical theory,

cultural studies and, more latterly, postmodernism. It has also been distinctive in maintaining a practical focus, and Chandran Kukathas outlines the contribution that it has made to contemporary political debates and issues, which he places in three categories: globalisation and economic rationalism; multiculturalism and immigration; and indigenous rights and citizenship. Australian political theorists have been some of the most active in the world in analysing these problems.

A major concern for political theory has been the intersection between liberal values and the operation of political institutions, the latter also an early preoccupation of the discipline. This is covered by Brian Galligan in his review of federalism and the constitution, where he examines the development of the federal system and the challenges that it faces. He identifies the countervailing trends of fiscal centralism and the desire of the states for greater decentralisation as the major challenge for the twenty-first century. This theme is continued by Campbell Sharman in his examination of research on legislative institutions, where he reviews the major debates about Australia's representative institutions, at the state and federal levels, and about the link they provide between society and government. He argues that the Commonwealth Parliament is largely atypical of its counterparts overseas. These institutions have given rise to a distinctly Australian tradition of public policy and public administration, as John Wanna outlines in his chapter. This tradition has its origins in the federal system, as well as on the diverse international influences to which it has been exposed during the course of the twentieth century.

The behavioural revolution of the 1960s that has profoundly influenced American and, to a lesser extent, European political science has largely failed to take hold in Australia. The establishment of the Australian Consortium for Social and Political Research in 1976 by a group of universities (and now representing almost all of them) has facilitated access to data and the provision of training in empirical research. However, this innovation has largely benefited other disciplines, as well as the state and federal public services. Nevertheless, there is a tradition of research and analysis in the areas of political parties and electoral behaviour, and Simon Jackman reviews the range of studies that has been conducted and its contribution to broader debates and concerns in the discipline. Central to his analysis is the importance of strongly disciplined political parties in shaping the form and character of political behaviour.

David Farrell and Ian McAllister examine how parties and voting behaviour intersect with electoral institutions. Australia has been distinctive in designing electoral systems that are internationally innovative, particularly in the development of preferential voting systems, and in the use of compulsory voting; these provide the two main themes in chapter 17. Institutional arrangements have also been an important influence on gender politics. Although women gained the vote in Australia earlier than in any comparable society, except for New Zealand, women's electoral representation has been slow to develop. Patty Renfrow traces the development of gender politics in Australia, focusing on voting behaviour, women in parliament and women's representation.

Over the past three decades, interest groups and social movements have acquired an independent standing in the Australian political system, though, as Ian Marsh outlines, their precise role and contribution has been the subject of considerable debate. Never-

theless, these numerous groups and movements – covering almost every conceivable aspect of Australian society – are now a central component within the decision-making processes of government. Among the various groups vying for political attention and influence, some of the most important are those promoting environmental concerns and policies, and as Elim Papadakis argues in his chapter, such groups have attained considerable prominence in the policy world. Environmental issues are also important because of their relevance to and intersection with international relations, as well as with the policy priorities of many younger, better-educated voters.

One of the most rapidly growing areas of research in political science is international relations and international political economy. While retaining a focus on the region, the study of international relations in Australia in recent years has tended to displace the traditional emphasis on area studies and, to a lesser extent, the study of foreign policy. Christian Reus-Smit examines the various approaches to international relations in Australia, covering critical theory, realist and rationalist approaches, as well as constructivism, feminism and normative scholarship. The study of international relations runs in parallel with international political economy; in turn, Australia's specific circumstances mean this international dimension is strongly related to the domestic, and for that reason, Stephen Bell and John Ravenhill provide a single, extended chapter that examines these national and international dimensions to political economy, focusing particularly on the causes and consequences of the transition to neoliberalism that began in the 1970s.

Sociology

The rise of sociology as a social science became possible when, in the post-enlightenment era, reason and rationality began to be applied to the study of interhuman life. This perspective found its most pervasive expression in the works of classical social theorists like Max Weber, Emile Durkheim, Karl Marx, Auguste Comte and Herbert Spencer. In its early stages, sociology's rise to prominence and its institutionalisation as an academic discipline owed much to its inherently conservative view of society. It can be argued that sociology arose in nineteenth-century Europe as a conservative response to socialism, which advocated radical social reforms. This intellectual orientation allowed sociology to secure a place in academia in the US, where it expanded rapidly. In its formative years in the US, sociology's main focus was the study of social structures and amelioration of social problems in a rapidly urbanising and industrialising, and largely immigrant society (Martindale 1960; Ashley and Orenstein 2001).

The intellectual orientation of Australian sociology owes much to its American variant. But its institutionalisation as an academic discipline was relatively slower in Australia. The established elite universities were slow in their acceptance of sociology as an academic discipline. Most of them still do not have sociology departments, although sociology is now taught as part of other programs in the social sciences and humanities. The establishment and expansion of sociology in Australia was considerably aided by the establishment of the Australian National University in 1946, where one of its research schools was devoted to social sciences, including sociology. In the 1960s, establishment of several new universities gave further impetus to the expansion of sociology, where it became an

integral part of their social science and humanities undergraduate and graduate curriculum (see Bourke 1981; Richmond 1996; Baldock 1994). This expansion led to the establishment of the Sociological Association of Australia and New Zealand in 1963. In 1988 the association changed its name to the Australian Sociological Association. Its *Journal of Sociology* is well-established, with national and international circulation.

Australian sociology is seen to have four intellectual foci, namely stratification and class analysis, critical sociology and postmodernism, cultural studies, and social networks (Baldock 1994; Walter and Crook 1990; Haralambos et al. 1996). However, the rapid growth of sociology over the past two decades makes it difficult to identify major centres devoted to particular paradigms (Western 1998). The 2001 membership directory of the Australian Sociological Association lists thirty-seven areas of research interests of Australian sociologists, headed by feminism, gender and sexuality, health, medicine and the body, industrial sociology, methodology, family and deviance, social control and criminology (Baxter and McGee 2001).

According to Western (1998), feminist sociology, class analysis, social stratification and social mobility, sociology of migration and ethnic relations, sociology of health and illness, and social theory and social policy analysis are the main areas of strength of Australian sociology. There is an increasing trend towards multidisciplinary research, which is blurring the disciplinary boundaries. This is especially evident in research in feminist sociology, urban and regional studies, health and illness, population and immigration, cultural studies and industrial sociology. The contributions in the 'Sociology' section of the handbook reflect these trends.

The contributions by Dwan and Western, Baxter and Bulbeck explore various aspects of inequality in Australia. Dwan and Western examine the nature and extent of social inequality and provide a general overview of the patterns of class, gender and ethnic inequalities in Australia. Baxter's contribution focuses on four themes: family diversity, family life, women's paid and unpaid work, and the role of the welfare state in regulating family life. She points out the centrality of feminism to much Australian sociological work on the family. Bulbeck's paper further highlights the role of feminist sociology in challenging the public and private divide, and how work, ethnicity and sexuality are constructed to support the existing power structures.

The chapters by Martin, Roach Anleu and Najman deal with subjects that have attracted much attention in Australian sociology but are undergoing a theoretical 'rethink'. Martin, in his paper on 'Work and Employment', argues that the current fragmentation of sociology of work, employment and industry is a sign of maturity. He gives an overview of the current state of this subfield before offering an outline of a new synthesis. Roach Anleu's contribution on 'Crime and Deviance' examines theoretical and empirical work undertaken in the field and concludes by addressing the current supposed crisis in the sociology of crime and deviance. Najman's contribution on the sociology of health and illness examines studies of sociocultural determinants and inequalities of health and health outcomes, and concludes by examining prospects for developing social policies for better public health.

Papers by Peter McDonald and Christine Inglis deal with the Australian population and its ethnic diversity. McDonald provides a critical overview of the demographic

processes before and after the European settlement of Australia, and examines population policy and Australia's population futures. Inglis's contribution focuses on the studies of race and ethnic relations and on indigenous groups, and offers an assessment of the future challenges for research on immigration, ethnicity and ethnic relations in Australia. The papers by Baum and Mullins, and Lockie, Herbert-Cheshire and Lawrence deal with topics that, like feminism, have been most influenced by interdisciplinary research. Baum and Mullins's paper documents the change and continuity in the studies of urban and regional sociology and critically examines the social forces that are shaping new directions in urban and regional research in sociology. Lockie, Herbert-Cheshire and Lawrence's contribution provides a critical assessment of the major organising themes in Australian rural sociology, namely the farm, the community, regional development, food and the environment. Gary Bouma's contribution offers an overview of the research into Australian religious life and identifies the range of issues covered in this research.

The papers by Smith and West, Beilharz and Jamrozik deal with subject areas that are becoming more prominent in Australian sociology. Smith and West review the growth of cultural studies and cultural sociology. They see cultural sociology as a powerful alternative theoretical perspective for the analysis of Australian culture. They also offer a methodological critique of the political stance that has prevented cultural studies from influencing public policy. Beilharz's contribution provides a 'road map' of social and sociological theory and the intellectual traditions that have shaped it. Sociological theory largely reflects Anglo-American intellectual traditions and is dominated by the leftist populist discourse. The chapter also includes a thematic analysis of social and sociological theory in Australia. Jamrozik's chapter gives an overview of different approaches and foci of social policy and explores the influence of political science, economics, public administration, social history and social work on social policy. The paper argues that the relationship between social policy and social welfare is coincidental, and concludes with an analysis of underlying contradictions of the critiques of social policy in Australia in recent years. Altogether the chapters in the sociology section offer a first comprehensive map of sociology and sociological enterprise in Australia.

Challenges to the social sciences

By their very nature, the social sciences are shaped by, and respond to, change within society. The extent of social change during the course of the latter half of the twentieth century – in communications and information, economic conditions and markets, and social structure, to name but three – has had a major impact on the outlook and organisation of social sciences at the beginning of the twenty-first century.

The main challenge for the social sciences, noted by the Gulbenkian Commission (Wallerstein 1996; see also Dogan and Pahre 1990: chapter 12), is the growth of interdisciplinary research, following more than a century of specialisation and consolidation. Interdisciplinary research has become a major priority for the social sciences as a result of two main changes. First, the problems social scientists are confronted with have become ever more complex and interrelated, transcending traditional disciplinary

boundaries. As these problems have become more intractable, scholars have appropriated the ideas, innovations and methodologies of other disciplines to try to solve them. The pressures (mainly financial, but sometimes political) to find solutions have provided a further incentive for innovative thinking.

The second change fostering interdisciplinary research concerns the structure of higher education itself. At one level, social science has become more international, as scholars have moved more easily and more frequently between countries, and as global communications have facilitated the free flow of information and ideas. At the same time, as student numbers in universities have increased, some researchers have migrated to external research-only agencies. By their nature, these bodies are small and multi-disciplinary, further leading to the cross-fertilisation of ideas. Women's studies represents one of the earliest and most important of these multidisciplinary areas, but a whole range of other, mainly policy-related areas have followed. Currently, one of the fastest-growing areas of interdisciplinary research is regulation studies, which encompasses law, criminology, economics, political science and sociology, among others. The study of regulation is the logical consequence of the privatisation of many government services in the late twentieth century to create what is sometimes called the 'new regulatory state'.

Indicators of the extent of this cross-fertilisation include the frequent observation that many recent books defy classification under any single disciplinary label. This is a trend that is, of course, hardly new; in the postwar years, for example, social psychology was the inspiration behind much behavioural political science, while economics informed much early work in sociology. But what is new is the scale of this cross-fertilisation, and the extent to which it is occurring across a range of established disciplines in many countries (Dogan and Pahre 1990:129 ff.). Concepts now move easily between disciplines; for example, concepts such as status, values, system and ecology have all moved far beyond their progenitors. At the same time, methods are frequently shared between disciplines; formal modelling, for example, has its origins in economic theory, but is now widely used in political science. The journals that reflect much of this work have also become noticeably cross-disciplinary, if not in their titles then most often in content (see Dogan and Pahre 1990:124–5).

The second major challenge to the social sciences is how to remain relevant to, but independent of, government and the state. The essence of the social sciences, unlike the natural sciences, is that there is no core problem to solve. This raises the issue of relevancy, particularly with government, for scholarly endeavour will necessarily be spread across a diverse range of areas and disciplines, with varying degrees of success in providing answers to the problems raised. A closely related problem is how to contribute to policy debates, yet remain objective and independent while still providing informed advice and analysis. These problems are, of course, intrinsic to the social sciences and were identified at the turn of the century (Mancias 1991). But they have remained salient up to the present and, if anything, have become more pressing in the second half of the twentieth century as policy-related research funded by government has increased.

A related challenge is how to preserve academic independence in the face of strong structural and market forces. This is reflected in the current debates about the use of performance indicators in universities, and the application of basic cost-benefit prin-

ciples to their management; these changes are sometimes encapsulated in the term 'the new evaluative state' (Neave 1998). The emphasis on performance indicators has emerged from reforms within the public sector, where it was designed to increase efficiency and accountability, and to reduce costs and perceived waste (Hood and Scott 1996). Governments have progressively extended these new evaluative mechanisms to universities in most of the advanced societies, to foster better strategic planning and enterprise. The underlying assumption is that market competition within and between universities provides a more effective means of regulation and control than traditional models of academic collegiality.

How the social sciences will respond to these major challenges remains to be seen. What is clear is that the degree of social change in the twentieth century and, to an even greater extent, the prospects for change in the twenty-first, greatly enhance the importance of the social sciences to modern society. The revolutions in global communications and information, the collapse of communism and the triumph of democracy, and the increasing reliance on the free market to regulate and modernise society at a time when inequalities are increasing, all present major problems – and opportunities – for social scientists. How the social sciences act to deal with these problems, and, to an even greater degree, how their solutions are received by politicians and policy-makers, may in many respects shape the development of the social sciences for many decades to come.

References

- Academy of the Social Sciences in Australia. 1998. *Challenges for the Social Sciences and Australia*. 2 vols. Canberra: AGPS.
- Aitkin, D.A. 1985. 'Political science in Australia: Development and situation' in *Surveys of Australian Political Science*. Edited by D.A. Aitkin. Sydney: Allen and Unwin.
- Ashley, D., and D.M. Orenstein. 2001. *Sociological Theory*. New York: Allyn and Bacon.
- Baldock, C.V. 1994. 'Sociology in Australia and New Zealand' in *International Handbook of Contemporary Developments in Sociology*. Edited by R.R. Mohan and A.S. Wilke. Westport, CT: Greenwood Press.
- Baxter, J., and T. McGee. 2001. *The Australian Sociological Association Directory 2001*. Brisbane: Australian Sociological Association.
- Bourke, H. 1981. Sociology and the social sciences in Australia, 1912–1928. *Australian and New Zealand Journal of Sociology* 17:26–35.
- Dogan, M., and R. Pahre. 1990. *Creative Marginality: Innovation at the Intersections of Social Sciences*. Boulder, CO: Westview Press.
- Galligan, B. 1984. The state of Australian political thought. *Politics* 19:82–92.
- Haralambos, M., R. van Krieken, P. Smith and M. Holborn. 1996. *Sociology: Themes and Perspectives (Australian Edition)*. Melbourne: Addison Wesley Longman Cheshire.
- Hood, C., and C. Scott. 1996. Bureaucratic regulation and new public management in the United Kingdom: Mirror-image developments? *Journal of Law and Society* 23:321–45.
- Katz, J.S. 1999. *Bibliometric Indicators and the Social Sciences*. Swindon: Economic and Social Research Council.
- Kuhn, T. 1962. *The Structure of Scientific Revolutions*. Chicago: University of Chicago Press.
- Mancias, P.T. 1991. 'The social science disciplines: The American model' in *Discourses on Society: The Shaping of the Social Science Disciplines*. Edited by P. Wagner, B. Wittrock and R. Whitley. London: Kluwer.

- Martindale, D. 1960. *The Nature and Types of Sociological Theory*. Boston: Houghton Mifflin.
- Neave, G. 1998. The evaluative state reconsidered. *European Journal of Education* 33:265–85.
- Richmond, K. (ed.). 1996. *Sociology in Australian Universities 1997–98*. Melbourne: Australian Sociological Association.
- Schiera, P. 1991. “Science and politics” as a political factor: German and Italian social sciences in the nineteenth century’ in *Discourses on Society: The Shaping of the Social Science Disciplines*. Edited by P. Wagner, B. Wittrock and R. Whitley. London: Kluwer.
- Snow, C.P. 1959. *The Two Cultures and the Scientific Revolution*. Cambridge: Cambridge University Press.
- Tatz, C., and G. Starr. 1978. ‘Political science in Australia’ in *Handbook of Contemporary World Political Science*. Edited by W. Andrews. New York: Greenwood.
- Wagner, P., B. Wittrock and R. Whitley (eds). 1991. *Discourses on Society: The Shaping of the Social Science Disciplines*. London: Kluwer.
- Wallerstein, I. 1996. *Open the Social Sciences: Report of the Gulbenkian Commission on the Restructuring of the Social Sciences*. Stanford, CA: Stanford University Press.
- Waters, M., and R. Crook. 1990. *Sociology One: Principles of Sociological Analysis for Australians*. Melbourne: Longman Cheshire.
- Western, J.S. 1998. ‘Sociology’ in *Challenges for the Social Sciences and Australia*. Vol. 1. Academy of the Social Sciences in Australia. Canberra: AGPS.
- Whittington, C.A. 1989. ‘General sources’ in *The Social Sciences: A Cross-Disciplinary Guide to Selected Sources*. Edited by N.L. Herron. Englewood, CO: Libraries Unlimited.
- Zetlin, D. 1998. ‘Political science’ in *Challenges for the Social Sciences in Australia*. Vol. 1. Academy of the Social Sciences in Australia. Canberra: AGPS.

Part 1

ECONOMICS

Privatisation

John Quiggin

Unlike many elements of the program of microeconomic reform undertaken in Australia since the 1970s, the policy of privatisation was adopted, and its implementation begun, before any significant discussion of the issues had been undertaken by the economics profession, in Australia or abroad. The comprehensive program of microeconomic reform advocated by Kasper et al. (1980) contains hardly any discussion of privatisation in the strict sense of the term, although related policies, such as voucher systems of educational finance, were canvassed.

Even in the UK, privatisation was, and to some extent has remained, 'a policy in search of a rationale' (Kay and Thompson 1986). The most important early statement of the rationale for privatisation was probably that of Beesley and Littlechild (1983).

By the time the first important Australian contributions to the literature (Domberger and Piggott 1986; Hartley 1986; Abelson 1987a, 1987b) appeared,¹ a political consensus in favour of privatisation had been established, although the official pronouncements of the Labor Party, then in government, did not reflect this until the end of the 1980s. From this point until the mid-1990s, privatisation in Australia proceeded apace, with bipartisan political support. Enterprises privatised in this period included the Commonwealth Bank, Qantas, the Commonwealth Serum Laboratories, and the State Electricity Commission of Victoria.

Despite the backing of both major parties, privatisation has never enjoyed strong electoral support, and public opposition to privatisation appears to have hardened over time. The popularity of private infrastructure schemes has also declined, though more sophisticated versions of the idea, under the name public-private partnership (PPP), are still being pursued.

The course of the debate within the economics profession has followed a broadly parallel course. The survey by Domberger and Piggott (1986), drawing largely on literature from the UK, set the tone for the first decade of the debate. While broadly supporting privatisation, Domberger and Piggott focused on the need for the creation of competitive markets. This argument contributed to the rise of national competition policy as the dominant element of the economic policy agenda of the 1990s (see chapter 2, by Stephen King).

From the early 1990s, more critical views of privatisation emerged. Two basic strands may be observed in the literature. The first, arising primarily from the literature on regulation, raised concerns about the relatively simplistic versions of property-rights theory that had been used to justify privatisation of firms that would require continuing regulation. In the Australian context, the most important issues have risen in relation to reform initiatives in which privatisation of public enterprises is combined with the abolition of old regulatory structures and the creation of new ones, sometimes misleadingly referred to as 'deregulation'.

The second strand, and the most distinctive to Australia, raised questions about the fiscal rationale for privatisation. Beginning with the refutation of simple fallacies such as the idea that the proceeds of asset sales could be treated as a substitute for tax revenue, this debate ultimately centred on the complex issue of the optimal rate of return to public investments.

The main focus of this chapter will be on the development of these critical views of privatisation and on the responses made by supporters of privatisation. The first section deals with the issues of ownership, regulation and competition and their implications for privatisation. The second section is a survey of the debate over the fiscal implications of privatisation. The related debates on private infrastructure projects and competitive tendering are discussed in the third and fourth sections.

Privatisation, competition and regulation

The starting point in the economic case for privatisation is the claim that private enterprises are, on balance, more efficient than publicly owned enterprises. Although the results of empirical studies have been mixed, the majority have either found support for the hypothesis of superior private efficiency or have found no significant differences (Borcherding, Pommerehne and Schneider 1982). The only sector where a consistent pattern of public-sector superiority has been found is that of water supply (Bhattacharyya, Parker and Raffiee 1994).

Among Australian contributors to this literature, Davies (1971) concluded that the privately owned airline Ansett was more efficient than its public competitor, TAA. By contrast, Forsyth and Hocking (1980) found no significant difference, a result they attributed to the regulatory framework of the 'two airlines policy'.

At least three explanations for a finding of superior private-sector efficiency may be considered. First, the property rights associated with public ownership may be inherently less effective than those of private companies in ensuring that managers and employees pursue the objectives for which the enterprises are established. Second, the difference in performance may reflect other factors, such as the fact that private enterprises typically operate in competitive markets, while public enterprises are often statutory monopolies. Third, public enterprises may pursue goals other than efficiency (as measured in the studies in question).

The early debate over privatisation, summarised by Domberger and Piggott (1986), focused on the relative merits of the first explanation, which implied that pri-

privatisation was the central policy issue, and the second, which implied a need for regulatory structures more favourable to competition. Meanwhile, a range of reforms to the operations of government business enterprises were undertaken. These reforms made the objectives and behaviour of public enterprises more like those of private firms, and, in the process, eliminated many of the efficiency differences observed in earlier empirical work. The success of efforts by government organisations to improve profitability and standard measures of efficiency suggests that differences in goals rather than property rights or market structure is the main explanation for the results reported by studies such as those of Borchering, Pommerehne and Schneider (1982).

In exploring this issue further, it is useful to consider a range of possible organisations, with traditional government departments at one end of the spectrum (say, the left) and private enterprises at the other (say, the right). The following range of reform options, a modified version of those discussed by the Industry Commission (1990) may be considered:

1. full cost pricing;
2. competitive tendering;
3. commercialisation;
4. corporatisation; and
5. privatisation.

Most government business enterprises, and particularly those involved in infrastructure provision, experienced some or all of these reforms during the 1980s and 1990s. Each step along the reform spectrum involves an increase in reliance on profit as the primary guide to management decisions, and a reduction in direct public accountability. These two changes are directly linked: increases in profitability arise precisely because managers are not subject to constraints imposed through public accountability, and are therefore free to manage enterprises so as to increase revenues and reduce costs.

The process of commercialisation and corporatisation involved the elimination of many of the differences between private and public enterprises. In general, this process consisted of the adoption of private-sector practices by public enterprises. However, the experience of the 1980s and 1990s produced one important countervailing trend. In contracting with private enterprises for the provision of services previously undertaken by the public sector, governments exploited the private-sector tradition of commercial confidentiality to restrict parliamentary and public scrutiny of their actions.

This misuse of commercial confidentiality eventually produced a reaction, including a number of adverse legal decisions. In Victoria for example, the Civil and Administrative Tribunal required the publication of private prison contracts, despite the opposition of the Kennett government. Most Australian governments have now adopted policies requiring contracts to be open to scrutiny in the same way as if the work had been undertaken by government.

The interaction between ownership and regulation is examined by King and Pitchford (1998). In their model, managers of firms may undertake actions that increase profitability but generate negative (real or pecuniary) externalities. Examples include

the adoption of monopolistic pricing practices and reductions in the quality of public services. Intuitively, it is evident that the sharper the incentives for managers to maximise profitability, the greater the likely magnitude of negative externalities.

King and Pitchford (1998) formalise this intuition. They consider three possible organisational structures: traditional public ownership, private ownership, and the intermediate case of the corporatised government business enterprise. The last of these is modelled as having incentives for maximisation of reported profit, which is assumed to be measured with greater error than would apply to a private firm. The greater the magnitude of negative externalities and the more intractable the information problems associated with external regulation, the stronger the case for public ownership.

The analysis of King and Pitchford (1998) points up shortcomings in the theoretical framework underlying national competition policy (NCP). The claimed desirability of competitive neutrality between public and private providers rests on an assumption that any outcome achievable through ownership can also be achieved through external regulation. As King and Pitchford show, this assumption is incorrect.

The importance of this point should not be overstated. In practice, the competitive-neutrality provisions of NCP have been applied primarily to the relatively limited area of infrastructure services where private enterprises (potentially) compete with corporatised government business enterprises. Competitive neutrality is irrelevant in sectors of the economy where there are no public enterprises, and is inappropriate for 'core' public-sector activities, such as health and education.

An area that would generally be regarded as part of the core public sector, but has been subject to extensive privatisation in Australia, is that of prisons and detention centres. Like other writers on the topic (Brown 1994; Moyle 1994), King and Pitchford (1998) cast doubt on the appropriateness of the regulatory mechanisms associated with privatisation of prisons.

Fiscal impacts of privatisation

Although economists stressed arguments about the effects of privatisation on the operating efficiency of the enterprises concerned and the competitiveness of the markets in which those enterprises operated, most of the public debate about privatisation concerned its effects on the fiscal position of governments. The debate over privatisation may be separated into two phases. In the first, a range of fallacious claims about the beneficial fiscal effects of privatisation, mostly based on the apparent impacts reported in budget papers, were refuted. This led to the formulation of the 'equivalence proposition', namely that in the absence of market or government failure, privatisation will have no effect on the fiscal position of governments.

The second phase of the debate focused on possible sources of market or government failure that would render the conclusion of the equivalence proposition inapplicable. In Australia, the debate focused primarily on claims that privatisation generally reduced the net worth of the public sector and that this reduction was a result of inefficient risk-spreading by private capital markets.

Fallacies

Most of the early political discussion of privatisation was concerned with its fiscal implications. Advocates of privatisation, such as Hawke (1994:391), argued that the proceeds of privatisation could be used to finance public expenditure.

This fallacious argument is based on the cash system of accounting employed by Australian governments until the late 1990s, under which the proceeds of asset sales were treated either as current income or as negative expenditure. Hence, a budget deficit could be converted to a surplus by selling assets. Such a procedure confounded the capital and current accounts of the government sector. An ad hoc solution was to develop measures of the 'underlying' deficit, excluding the impact of asset sales. A more comprehensive response was the shift to accrual accounting, undertaken by Australian governments in the 1990s.

Although it is now generally recognised that the use of asset sales to 'finance' current expenditure is bad public policy, old habits die hard. Political commentators still refer to the 'war chest' generated by asset sales, which can supposedly be used to finance election promises. Moreover, although governments now publish accrual accounts, attention has remained focused on the cash accounts, and particularly the reported 'deficit' or 'surplus'.

Other aspects of accounting procedures exacerbate these problems. In particular, because the cost of lease payments is normally not capitalised, governments and private firms that wish to generate spurious reductions in measured debt levels have frequently resorted to arrangements involving the sale and leaseback of assets.

The other main fallacy associated with analysis of privatisation is the use of dividends, rather than earnings, as a measure of the income forgone through asset sales, including privatisation. This fallacy is, in part, like the current-income fallacy, due to conventions of budget accounting, under which the budget statements are prepared for the general government sector, excluding public trading enterprises. The income of public trading enterprises is taken into account only to the extent that it is remitted to the general government sector in the form of ordinary dividends, special dividends and returns of capital. Earnings that are retained and reinvested are disregarded.

In addition to this budget convention, arguments about privatisation incorporate more general fallacies about dividends and earnings, of the kinds refuted by Modigliani and Miller (1958). Some interesting testimony on this point comes from Senate evidence presented by the Department of Finance in hearings on the proposed first-stage privatisation of Telstra. The department's representative reported that he had been advised that:

The Modigliani–Miller theory ... elegant though it may be, does have a number of assumptions that underpin it that really have very little to do with real life ... As long as the retained earnings are retained and the shares are not sold, the value is irrelevant. [Hansard 1996]

The fact that even government officials presented as expert witnesses in support of privatisation are unacquainted with the basics of modern finance theory, or reject it as irrelevant, may be seen as implying that proposals for privatisation are unlikely to be supported, within government, by sound economic analysis. Alternatively, proponents of privatisation might suggest that this is further evidence that governments should not be entrusted with the ownership of business enterprises in the first place.

The equivalence proposition

Much of the early economic analysis of privatisation implicitly assumed that privatisation yielded net fiscal benefits to the public sector. In the first Australian volume dealing with the financial implications of privatisation (Davis and Harper 1993), the majority of contributors assumed that these implications were favourable, and focused particularly on (predicted) improvements in credit ratings.

Forsyth (1993), writing in the same volume, appears to have been the first contributor to the Australian debate to make explicit the point that, *prima facie*, asset sales should have no effect on public-sector net worth, just as would be the case with asset sales by a household or private company. Similarly, while selling income-generating assets and using the proceeds to repay debt will normally improve the credit rating of a private company, it will not, in general, increase that company's market value.

Forsyth's basic point will be referred to as the *equivalence proposition*. Changes in public-sector net worth arising from privatisation can arise only if the price for which the asset is sold differs from its market value, or if the value of the asset in public ownership is different from its value in private ownership.

One consequence of the equivalence proposition is that, because privatisation is only likely to be beneficial where private buyers can introduce improvements in efficiency, it will not normally be sensible for governments to delay privatisation in order to introduce such improvements themselves. In practice such delays are often observed. King (1995) argues that failure to introduce improvements could be considered an indicator of low commercial value by potential purchasers.

The equivalence proposition establishes a *prima facie* presumption that the net worth of the public sector should be unaffected by asset sales. Since the proposition was not clearly enunciated in the UK debate, it is not surprising that the UK literature of the 1980s contained no serious attempt at an empirical assessment of the impact of privatisation on public-sector net worth.

The first empirical analysis of the equivalence proposition was that of Quiggin (1995), who examined a number of privatisations, including those of British Telecom, the Commonwealth Bank and Telecom New Zealand. In each case, the interest savings derived from using the proceeds of privatisation to repay debt were less than the earnings forgone as a result of privatisation.

These analyses are open to the objection that the earnings may have been higher following privatisation than would have been the case under continued public ownership. To meet this objection, Quiggin analysed proposals for privatisation that had not been implemented, comparing the interest savings associated with the sale prices estimated by the proponents of privatisation with the earnings actually observed under continued public ownership. Quiggin analysed a proposal for the privatisation of the Commonwealth Bank by Coughlin (1987) and proposals for the privatisation of Telstra and other public enterprises put forward as part of the *Fightback!* program (Hewson and Fischer 1991). In both cases, earnings under continued public ownership exceeded the interest savings that would have been generated under privatisation, on the basis of proponents' estimates of sale prices.

In response to the analysis of Quiggin (1995), critics including Domberger (1995), Hathaway (1997) and Officer (1999) argued that any apparent benefits from public

ownership were offset by hidden costs such as the expected losses from government guarantees of the debt of public enterprises. To explore this question in detail, it is necessary to consider the sources of possible violation of the equivalence proposition.

Causes of fiscal non-neutrality

The presumption that privatisation will be fiscally neutral may be overturned for a number of reasons. As the equivalence proposition states, the sale price of an asset or enterprise may exceed its value in continued public ownership if private buyers expect to achieve efficiency improvements. The relevant issues are discussed in more detail below in relation to competitive tendering.

Even if public and private values are equal, privatisation will not be fiscally neutral if assets are sold at a price that is below market value. This is a common outcome in cases of privatisation by public float. In the Australian case, where most privatisations by public float have been undertaken in a series of tranches, the initial tranche has almost invariably been underpriced. Notable examples include the first-stage floats of the Commonwealth Bank and Telstra. A similar pattern was evident in the UK (Vickers and Yarrow 1989). As Domberger (1995) observes, most initial public offerings in the private sector exhibit a similar, though less dramatic pattern. The frequency of underpricing in public floats has led to a widespread preference for sale of enterprises by tender, normally to multinational corporations.

The issue of underpricing is related to debate on methods of privatisation, a topic addressed by many of the contributors to Davis and Harper (1993). Grant and King (1993) examined the issue from the perspective of the literature on auctions. Australian practical experience with auctions, particularly the farcical auction of pay-TV rights in 1993, has attracted overseas attention, notably that of McMillan (1994). A detailed description of the pay-TV fiasco is given by Westfield (2000).

Cost of capital

The issue of the cost of capital has been the most controversial and distinctive aspect of the Australian debate over privatisation. In many ways, the debate recalls the controversy surrounding the Arrow–Lind theorem, which showed that for small risks uncorrelated with national income, or, more precisely, aggregate consumption, the appropriate discount rate for public investment projects was the real bond rate (Arrow and Lind 1970).

The main line of debate is between those including Walker (1994), Brown (1996), Kriesler (1996) and Grant and Quiggin (2002, forthcoming) who argue that the cost of capital to government may be calculated by adding an appropriate social-risk premium, normally less than 1 percentage point, to the real bond rate, and those including Domberger (1995), Hathaway (1997) and Officer (1999) who argue that the government should base all analyses on private-sector costs of capital.

The first explicit discussion of the issue in the Australian context was that of Walker (1994), who argued that private-sector financing of infrastructure projects was more costly than public financing using funds borrowed at the government bond rate. As Walker observed, the same argument was applicable in the analysis of privatisation. Walker did not distinguish explicitly between two components of the margin between the private cost of capital and the riskless government bond rate.

The first is the allowance needed to compensate for the risk of default on private borrowings, so as to yield an average return equal to the riskless bond rate. Since governments must bear the cost of failures in public projects, this allowance does not reflect a true difference in the cost of capital, but merely a difference between the face value of the rate of return and the actual expected value.

The second, and empirically larger, component of the margin is an allowance for pure risk. In the commonly used capital asset pricing model (CAPM), this allowance is the 'equity premium' reflecting the difference in returns between the market portfolio and the riskless bond rate. Under the standard CAPM assumptions, the expected rate of return for any asset i is

$$r_i = r_0 + \beta_i \rho$$

where r_0 is the rate of return on a riskless asset, β_i is the coefficient in a regression of returns for asset i against returns for the market portfolio, and ρ is the risk premium for the market portfolio.

The equity premium ρ may be interpreted as the product of the market price of risk and the riskiness of the market portfolio. In commonly applied versions of the CAPM, the price of risk (ρ) is a free parameter that may be used to fit observed data.

If the CAPM is to be given economic content, however, it must be placed in the context of a life-cycle optimisation model, yielding a consumption-based capital asset pricing model, commonly denoted CCAPM. In the CCAPM, the price of a given risk is determined by risk aversion and the covariance between that risk and aggregate consumption, exactly as proposed by Arrow and Lind (1970).

The basic risk-pricing equation for CCAPM may be written as:

$$\rho = \sigma \text{cov}(r, \Delta \log c)$$

where σ is the coefficient of relative risk aversion, r is the return on the market portfolio, and $\Delta \log c$ is the rate of change of aggregate consumption. The covariance term is around 0.2 per cent, which implies that, for plausible values of σ , the equity premium should be less than 1 percentage point. The 'equity premium puzzle', observed by Mehra and Prescott (1985), is that the observed value of the equity premium in long data series has been around 6 percentage points, and Australian evidence suggests a higher premium of around 8 percentage points (Officer 1985)

The equity premium puzzle has important implications for the privatisation debate (Grant and Quiggin 2002, forthcoming). If the discount rate applicable to public enterprises is calculated on the basis of CCAPM, the appropriate rate will be close to the real bond rate, or around 4 per cent. By contrast, the average real discount rate for a comparable private project will be around 8 per cent.

In general, if the equity premium is large because of market failure, the CCAPM rate will be appropriate in discounting the returns of public enterprises. By contrast, if capital markets are perfect, but investor preferences differ from those assumed in CCAPM, the market rate is appropriate.

These points are illustrated by some Australian contributions to the literature on the equity premium. Grant and Quiggin (forthcoming) show that if adverse selection

problems prevent insurance against systematic risk, as in Mankiw (1986), the optimal discount rate in the evaluation of privatisation will be less than the market rate for projects with similar risk characteristics.

A similar conclusion arises from the model of Swan (2000), where the equity premium arises from transactions costs associated with trade in imperfectly liquid equity. In this model, asset prices are determined optimally and the real bond rate is equal to the social opportunity cost of capital. By virtue of its superior ability to issue a liquid security, the government enjoys a cost advantage relative to issuers of private equity. Hence, as Grant and Quiggin (forthcoming) observe, the appropriate rate of discount for public projects is the bond rate.

The argument that, in the presence of market failure, governments should use the CCAPM rate of discount has been the subject of vigorous debate. Hathaway (1997) argues that the observed market risk premium proves that the CCAPM is flawed, and therefore should be disregarded. Hathaway's argument rests on the implicit assumption that capital markets are perfectly efficient. If so, the market rate of return is the one that should be used in discounting the returns of public enterprises. But most studies of the equity premium puzzle suggest that the observed rate of return is inconsistent with the efficient markets hypothesis.

Officer (1999) presents a different argument. He observes that the rate of return to high-quality corporate bonds is close to the government bond rate and suggests that the equity premium must therefore be irrelevant in the privatisation debate. In response, Quiggin observes that, regardless of the value of the risk premium ρ , the CAPM equation implies that for any asset with sufficiently low β , the rate of return must be close to the real bond rate. In particular, even if ρ is distorted by market failures, and is therefore not an appropriate guide to public investment policy, the rate of return to high-quality corporate bonds must still be close to the government bond rate.

Private infrastructure projects, BOOTS and PPPs

Many of the issues associated with the privatisation debate also arise in relation to infrastructure projects. In many cases, ownership of infrastructure has been transferred, at least nominally, to the private sector. Early deals of this kind were frequently sham transactions designed to evade controls on borrowing imposed by the Loan Council, and subsequent deals have left the public sector to bear much of the risk normally associated with ownership.

A particularly popular way of packaging infrastructure projects in Australia has been the build, own, operate and transfer (BOOT) system. Under this system, a private enterprise constructs the project in return for access to a stream of user charges, such as the revenue from a toll. After a period sufficient to cover the cost of construction, the user charges are abolished and the asset is handed over to the public sector. From the viewpoint of cash-based systems of public accounting, the government pays nothing during the period of private ownership, and receives a free asset at the end. The biggest single Australian example has been the CityLink road project in Melbourne.

Despite their superficial appeal, BOOT schemes have not been viewed favourably by Australian economists. The EPAC Infrastructure Taskforce (EPAC 1995a, 1995b), Harris (1996), the Industry Commission (1996), Quiggin (1995) and Walker (1994) all conclude that such projects typically involve a misallocation of risk and the imposition of distorting prices and charges.

The risk in revenue flows is usually related to the planning of the transport network as a whole, rather than to the construction of a particular project. Hence, in most cases, it is preferable for the construction and maintenance of the project to be undertaken by competitive tendering, with ownership passing to the network owner (normally the relevant state government) on completion of the construction phase.

Second, the set of road-user charges associated with most toll-road projects, including BOOT schemes, is ad hoc and arbitrary, being dictated by historical accident rather than economic considerations. On average, the pricing system is perverse, raising the cost of using new, uncongested roads, then eliminating charges later, when roads are likely to be congested.

Finally, in cases where private ownership is optimal, the commitment to transfer the asset to public ownership must reduce welfare.

Partly in response to such criticisms, attempts have been made to replace ad hoc BOOT schemes with a systematic policy framework, commonly referred to as public-private partnerships (PPPs). The model for these schemes is the Private Finance Initiative introduced in the United Kingdom under the Thatcher Conservative government and continued, in a modified form, under the Blair Labour government.

The efficient allocation of risk has become the central feature of official policy statements such as that of Department of Treasury and Finance, Victoria (2000), while the objective of reducing public debt is no longer discussed. Politically, however, it seems clear that the achievement of cosmetic reductions in debt levels remains central to the appeal of private financing initiatives.

Competitive tendering and contracting

The economic case for privatisation is based primarily on the claim that private ownership can lead to improvements in efficiency. Although the sources of the improvement in efficiency are not always spelt out, the central claim is that private owners will reduce the dissipation of resources in rent-seeking activities by managers and employees. Many of these putative benefits can be obtained without a change in ownership, by contracting out the provision of labour-intensive services.

In Australia, the most widely used estimate of the cost savings associated with contracting out has been that, on average, the cost of providing public services will be reduced by 20 per cent as a result of contracting out. This estimate is derived originally from the work of Domberger, Meadowcroft and Thompson (1986, 1987), and has been used by the Industry Commission (1996) and other government agencies.

Critics of contracting out have argued that many of the apparent reductions in the cost of service provision arise from reductions in wages and conditions, increases in work intensity and reductions in service quality. Most Australian studies of contracting

out of public services have found that service quality deteriorated (Evatt Research Centre 1990; Rimmer 1993; Egan, Montesin and Adena 1995; Fraser 1997), a finding consistent with international evidence. The main studies finding improvement or no change are those undertaken by Domberger and his co-authors (Domberger, Hall and Li 1995; Domberger, Doyle and Hall 1996).

In the private and public sectors, outsourcing has been used as a device to reduce wages. Although the Industry Commission (1996) found no systematic pattern of wage reductions following contracting out, the ACTU submission to the same inquiry found a number of cases where wages were reduced (ACTU 1995).

Quiggin (1994) argued that increases in work intensity were the most important source of cost savings associated with contracting out. By contrast, the Industry Commission (1996) argues that it is impossible to distinguish between increases in work intensity arising from contracting out and general changes in the labour market.

Conclusion

Policies of privatisation, private provision of infrastructure, and competitive tendering have been adopted in many countries in recent years. Nevertheless, the policy debate on these topics has, in most cases, been conducted on a national basis. Despite some early influences from the UK, the Australian literature has developed themes that have attracted little attention elsewhere. The most important of these themes relate to risk and its allocation. In particular, the Australian debate has shown that the fiscal viability of privatisation depends, in large measure, on whether systematic risk is better borne by governments or the private sector, or, in other words, on whether the high price of systematic risk observed in private capital markets is consistent with the hypothesis of capital market efficiency.

A second theme that has been developed more in Australia than elsewhere is that of redistribution. The crucial question is whether the apparent benefits of privatisation and competitive tendering reflect genuine improvements in efficiency or simply transfers of wealth and risk between different groups in society.

Notes

I thank Nancy Wallace for helpful comments and criticism. This research was supported by an Australian Research Council Senior Fellowship and Australian Research Council Large Grant A00000873.

1 An earlier contribution, published in a UK journal, was that of Forsyth (1984).

References

- Abelson, P. 1987a. Privatisation: A survey of the issues. Paper presented at the 16th conference of Australian and New Zealand Economists, Surfers Paradise, Queensland.
- . 1987b. *Privatisation: An Australian Perspective*. Sydney: Australian Professional Publications.

- ACTU. 1995. *Submission to Industry Commission Inquiry into Competitive Tendering and Contracting*. Melbourne: Australian Council of Trade Unions.
- Arrow, K., and R. Lind. 1970. Uncertainty and the evaluation of public investment decisions. *American Economic Review* 60(2):364–78.
- Beesley, M., and S. Littlechild. 1983. Privatisation: Principles, problems and policies. *Lloyds Bank Review* (149):111–37.
- Bhattacharyya, A., E. Parker and K. Raffiee. 1994. An examination of the effect of ownership on the relative efficiency of public and private water utilities. *Land Economics* 70(2): 197–209.
- Borcherding, T., W.W. Pommerehne and F. Schneider. 1982. Comparing the efficiency of private and public production: The evidence from five countries. *Zeitschrift für Nationalökonomie Journal of Economics Supplement* 2:127–56.
- Brown, A. 1994. 'Economic and qualitative aspects of prison privatisation in Queensland' in *Private Prisons and Police: Recent Australian Trends*. Edited by P. Moyle, pp. 194–218. Sydney: Pluto Press.
- . 1996. *Should Telstra be Privatised?* Working Paper 8. Brisbane: School of Economics, Griffith University.
- Coughlin, P. 1987. 'The Commonwealth Banking Corporation: A case for privatisation' in *Privatisation: An Australian Perspective*. Edited by P. Abelson. Sydney: Australian Professional Publications.
- Davies, D. 1971. The efficiency of public versus private firms: The case of Australia's two airlines. *Journal of Law and Economics* 14(1):149–65.
- Davis, K., and I. Harper (eds). 1993. *Privatisation: The Financial Implications*. Sydney: Allen and Unwin.
- Department of Treasury and Finance, Victoria. 2000. *Partnerships Victoria*. Melbourne: Department of Treasury and Finance.
- Domberger, S. 1995. What does privatisation achieve? — A comment on Quiggin. *Australian Economic Review* 95(2):43–7.
- Domberger, S., G. Doyle and C. Hall. 1996. *Competitive Tendering and Contracting: A Response to the Critics*. CTC Research Team Working Paper CT02-96. Sydney: Graduate School of Business, University of Sydney.
- Domberger, S., C. Hall and E.A.L. Li. 1995. The determinants of price and quality in competitively tendered contracts. *Economic Journal* 105(433):1454–70.
- Domberger, S., S. Meadowcroft and D. Thompson. 1986. Competitive tendering and efficiency: The case of refuse collection. *Fiscal Studies* 7(4):69–87.
- . 1987. The impact of competitive tendering on the costs of hospital domestic services. *Fiscal Studies* 8(4):39–54.
- Domberger, S., and J. Piggott. 1986. Privatisation policies and public enterprise: A survey. *Economic Record* 62(173):145–62.
- Egan, J.T., H.J. Montesin and M.A. Adena. 1995. *NSW Teachers Federation School Cleaning Services Survey 1994*. Canberra: INSTAT Australia.
- EPAC. 1995a. *Interim Report EPAC Private Infrastructure Task Force*. Economic Planning Advisory Commission. Canberra: AGPS.
- . 1995b. *Final Report of the Private Infrastructure Task Force*. Canberra: AGPS.
- Evatt Research Centre. 1990. *Breach of Contract: Privatisation and the Management of Australian Local Government*. Sydney: Pluto Press.
- Forsyth, P. 1984. Airlines and airports: Privatisation, competition and regulation. *Fiscal Studies* 5(1):61–75.
- . 1993. 'Privatisation: Private finances and public policy' in *Privatisation: The Financial Implications*. Edited by K. Davis and I. Harper, pp. 8–22. Sydney: Allen and Unwin.

- Forsyth, P.J., and R.D. Hocking. 1980. Property rights and efficiency in a regulated environment: The case of Australian Airlines. *Economic Record* 56(153):182–5.
- Fraser, L. 1997. *Impact of Contracting Out on Female NESB Workers: Case Study of the NSW Government Cleaning Services*. 2nd edn. Canberra: Ethnic Communities' Council of NSW.
- Grant, S., and S. King. 1993. 'Auctions and privatisation: A nontechnical introduction' in *Privatisation: The Financial Implications*. Edited by K. Davis and I. Harper, pp. 131–49. Sydney: Allen and Unwin.
- Grant, S., and J. Quiggin. 2002. The risk premium for equity: Implications for Clinton's proposed diversification of the social security fund. *American Economic Review* 92(5):1104–15.
- . Forthcoming. Public investment and the risk premium for equity. *Economica*.
- Hansard. 1996. *Senate Environment, Recreation, Communications And The Arts References Committee*. 26 July:751.
- Harris, A.C. 1996. Financing infrastructure: Private profits from public losses. Paper presented at the NSW Auditor-General, Public Accounts Committee, Parliament of NSW Conference, 'Public/Private Infrastructure: Still Feasible?', Sydney, 31 July.
- Hartley, P.R. 1986. *Privatisation: Lessons from Public Utilities*. Perth, WA: Australian Institute for Public Policy.
- Hathaway, N. 1997. Privatisation and the cost of capital. *Agenda* 4(1):1–10.
- Hawke, R.J. 1994. *The Hawke Memoirs*. Melbourne: William Heinemann Australia.
- Hewson, J., and T. Fischer. 1991. *Fightback! Taxation and Expenditure Reform for Jobs and Growth*. Canberra: Panther Publishing and Printing.
- Industry Commission. 1990. *Annual Report, 1989–90*. Canberra: AGPS.
- . 1996. *Competitive Tendering and Contracting by Public Sector Agencies*. Melbourne: AGPS.
- Kasper, W., R. Blandy, J. Freebairn, D. Hocking and R. O'Neill. 1980. *Australia at the Crossroads: Our Choices to the Year 2000*. Sydney: Harcourt Brace Jovanovich.
- Kay, J., and D. Thompson. 1986. Privatisation: A policy in search of a rationale. *Economic Journal* 96(381):18–32.
- King, S. 1995. Privatisation and reformation. *Economic Record* 71(212):18–26.
- King, S., and R. Pitchford. 1998. Privatisation in Australia: Understanding the incentives in public and private firms. *Australian Economic Review* 31(4):313–28.
- Kriesler, P. 1996. Why privatize airports? *Economic and Labour Relations Review* 7(1):120–31.
- McMillan, J. 1994. Selling spectrum rights. *Journal of Economic Perspectives* 8(3):145–62.
- Mankiw, N.G. 1986. The equity premium and the concentration of aggregate shocks. *Journal of Financial Economics* 17:211–19.
- Mehra, R., and E.C. Prescott. 1985. The equity premium: A puzzle. *Journal of Monetary Economics* 15(2):145–61.
- Modigliani, F., and M. Miller. 1958. The cost of capital, corporation finance and the theory of investment. *American Economic Review* 68(2):261–97.
- Moyle, P. 1994. 'Private contract management of corrections in Victoria: Some pressing issues that will challenge policy makers' in *Private Prisons and Police: Recent Australian Trends*. Edited by P. Moyle, pp. 27–36. Sydney: Pluto Press.
- Officer, R. 1985. 'Rates of return to shares, bond yields and inflation rates: An historical perspective' in *Share Markets and Portfolio Theory*. Edited by R. Brown, R. Ball, F. Finn and R. Officer, chapter 14. Brisbane: University of Queensland Press.
- . 1999. 'Privatisation of public assets' in *Privatisation: Efficiency or Fallacy? Two Perspectives*. Edited by Committee for Economic Development of Australia (CEDA). Melbourne: CEDA.
- Quiggin, J. 1994. The fiscal gains from contracting out: Transfers or efficiency improvements? *Australian Economic Review* 27(3):97–102.

- . 1995. Does privatisation pay? *Australian Economic Review* 95(2):23–42.
- Rimmer, S.J. 1993. Aspects of competitive tendering and contracting in local government administration. PhD thesis, University of New England.
- Swan, P. 2000. Does 'Illiquidity' Rather Than 'Risk Aversion' Explain the Equity Premium Puzzle? *The Value of Endogenous Market Trading*. Working Paper 18. Sydney: School of Business, University of Sydney.
- Vickers, J., and G. Yarrow. 1989. 'Privatization in Britain' in *Privatization and State-Owned Enterprises*. Edited by P. Macavoy et al., pp. 209–46. Boston: Kluwer Academic Publishers.
- Walker, B. 1994. Privatisation: A re-assessment. *Journal of Australian Political Economy* 34:27–52.
- Walker, B., and B.C. Walker. 2000. *Privatisation: Sell Off or Sell Out? The Australian Experience*. Sydney: ABC Books.
- Westfield, M. 2000. *The Gatekeepers*. Sydney: Pluto Press.

Competition Policy and Regulation

Stephen P. King

Background

In 1993 the Independent Committee of Inquiry on National Competition Policy released its final report (Hilmer 1993). The report and subsequent government policies led to a wave of Australian economic research on competition policy and regulation. This chapter surveys that research.

For many types of markets, economists view competitive conduct as desirable. When consumers can choose between actively competing suppliers, those suppliers can only profit by producing high-quality products that satisfy consumers' needs, using cost-efficient production, and then selling these products at prices that match or undercut their competitors. Competition leads to a socially desirable mix of goods and services being produced efficiently and sold to those consumers who most value the products. In economic parlance, competition promotes technical, productive and allocative efficiency.

Competition need not be desirable in all circumstances and need not naturally arise in markets. Competition policy and regulation involves laws, rules and institutional structures that deal with firms' behaviour in markets where competition is either limited or absent.

The *Trade Practices Act 1974* is Australia's pre-eminent legislative instrument for dealing with competition issues.¹ First enacted in August 1974, the act replaced earlier ineffective laws. The act covers consumer protection and competition laws.

The Independent Committee of Inquiry on National Competition Policy (the Hilmer Committee) was established by the Keating Labor government in 1992, primarily to review the competition provisions of the Trade Practices Act. The inquiry followed so-called microeconomic reform and deregulation in the financial sector and airlines (Forsyth 1992a; Quiggin 1996), and the political and economic forces underlying this reform also motivated the Hilmer inquiry.

One motivation was the perceived poor performance of the Australian economy. The Industry Commission (1990) argued that Australia's productivity growth in the late 1980s was low compared to other OECD countries. It estimated that reforms in transport, utilities and industry assistance could lead to a 6.5 per cent increase in real GDP in the

long term (Industry Commission 1990:30).² Other economic research (for example, Albon 1988) also suggested significant potential gains from reform in utility industries.

Other factors driving microeconomic reform have been noted. Johns (1992) believes that technological change together with demand growth and public perceptions were crucial. Studies, such as that by the Industry Commission (1991b), which argued that technological changes made it feasible for electricity generators to compete for customers, motivated change. In contrast, Maddock (1995) argues that disaffection with high taxes led to a political climate that made public-enterprise reform a necessity. Pusey (1991) argues that the dominance of economists in the Canberra public service drove change that was aligned with orthodox economic ideas (albeit see Keating 1993). Gerritsen (1992) provides a political perspective on the forces underlying microeconomic reform.

The Hilmer Committee recommended a number of changes to part IV of the Trade Practices Act and the extension of the act to government businesses. It also recommended the establishment of a third-party access regime for essential infrastructure, the restructuring of public monopolies, and processes to review regulation and advise government on competition issues. Many of these ideas were highlighted by earlier economic research. Forsyth (1992b) noted areas for ongoing microeconomic reform, including regulation, natural monopoly, the vertical relationships between firms, and infrastructure access.³ Similar issues were raised by Fels and Walker (1993), as well as the extension of the Trade Practices Act to cover government businesses. Freebairn (1995) argues, however, that the Hilmer inquiry 'missed' some important areas for reform.

The Council of Australian Governments accepted the major recommendations of the Hilmer Report in 1994, and in 1995 the prime minister and the leaders of all state and territory governments signed the Competition Principles Agreement to implement these recommendations. At the same time, the states agreed to further reforms in electricity, gas, water and road transport.⁴ The Hilmer reforms have led to an infrastructure access regime being established under part IIIA of the Trade Practices Act, the extension of the act to previously exempt bodies such as government businesses and professional associations, a systematic review of all legislation that affects competition, and extensive reforms to utility industries including energy, transport, water and (though not formally under the Hilmer process) telecommunications.

Much of the post-Hilmer research on competition policy and regulation has centred on government agencies that have either been created to implement the Hilmer agenda or have been drawn into the process. There are three key agencies: the Australian Competition and Consumer Commission (ACCC), the Productivity Commission (PC) and the National Competition Council (NCC). The ACCC has a significant ongoing role in implementing the Hilmer reforms through the competition laws, and the regulation of telecommunications, airports, and interstate electricity and gas transmission, and as arbiter for infrastructure access. The ACCC has only a small research role, but its activities have spurred research activities by independent social scientists.

The PC has a direct research role and part of its brief is to initiate research on industry and productivity issues. Its inquiries have included the impact of competition pol-

icy on rural and regional Australia, telecommunications regulation and law, and reviewing the infrastructure access regime established under the Hilmer reforms.

The NCC oversees the progress of competition policy and provides independent research to the government on competition-policy issues. Its research includes an inquiry into the Australian postal system (NCC 1998) and a review of taxi regulation (Deighton-Smith 2000).

Competition laws

Australia's main competition laws are found in part IV of the *Trade Practices Act 1974*. Section 45 of the act makes it illegal for firms or other market participants to make a contract or arrangement, or arrive at an understanding that has either the purpose or effect of substantially lessening competition. In particular, section 45A makes price-fixing illegal. Section 46 prevents a firm with substantial market power from using that power with the purpose of damaging competition. Section 47 limits various types of exclusive dealing, while section 48 bans resale price maintenance. Finally, section 50 prohibits mergers or other acquisitions that would substantially lessen competition.

These competition laws are similar to those found in the United States, Canada and Europe. For example, section 45 of the act is similar (at least in economic terms) to section 1 of the US *Sherman Antitrust Act 1890*. Consequently, much of the research by Australian economists on these issues is not specific to the Australian laws. Rather, the research is placed in an international context and is equally applicable to any relevant jurisdiction. Ziss (1995, 2001) and Damania (1997) provide recent examples.

Australian-oriented research falls into two categories. First, there is the analysis of Australian industry. This focuses on whether Australian industry tends to have competitive features (for example, small market size) that distinguish it from international markets, and the effects of such differences on competition. Creedy and Dixon (1998, 1999) consider the welfare effects of monopoly power in Australia and show that the burden of loss due to the exercise of such power falls disproportionately on poorer households. Hyde and Perloff (1998) consider market power in the Australian retail meat sector, while Dawkins, Harris and King (1999) present a series of papers that analyse the performance of large Australian firms. Feeny and Rogers (2000) analyse concentration and profitability in Australia, and conclude that profitability tends to rise when a firm's market share exceeds 30 per cent. They consider this in the context of the ACCC merger guidelines and argue that the ACCC threshold of 40 per cent is about right (see also Bhattacharya 2002).

The second type of research involves economic analysis of Australian competition laws. Brunt (1990) discusses the approach to market definition in Australian trade-practices cases, while Round (1994) brings together a number of papers analysing different facets of the laws. Smith (1996) considers the Australian approach to mergers, and Round and Miller (1993) compare this approach to the US. Gans, Hanks and Williams (2001) look at how Australian courts have dealt with competition policy when industries have a natural monopoly technology.

The part IIIA infrastructure access regime

The Hilmer reforms resulted in two types of essential facilities access regime in Australia: a general regime under part IIIA of the Trade Practices Act, and a variety of industry-specific regimes. These differ in application, administration and the way the access price is set. The part IIIA regime is 'light-handed', while industry regimes involve direct access price regulation. In this section we focus on the part IIIA regime.

Part IIIA access is based on negotiation. If parties cannot agree on facility access then one party can apply to the NCC for declaration of the relevant service provided by the facility. But declaration only creates a right to negotiate. If, after further negotiation, agreement is not reached, either party can apply to the ACCC for arbitration and an access decision determined by the ACCC.

The regime was designed to apply to facilities with natural monopoly technology, so that access rather than facility duplication is socially desirable. It was also designed to minimise the use of the courts. Appeals to the courts were meant to be a last resort.

There has been extensive debate about the part IIIA access regime. Some researchers questioned the rationale behind the Australian approach. Abadee (1997) argues that the access regime is not needed and that a better approach would implement access through the courts, particularly under section 46 of the Trade Practices Act. This approach was explicitly rejected by the Hilmer Committee (Hilmer 1993:242–4). In part, this rejection reflected a historic reluctance by Australian courts to 'set prices' under access-type disputes brought under section 46 (see also O'Bryan 1996; Rose 1999). It also reflected the time delay involved in court proceedings.

The individual declaration tests have been extensively analysed. The Hilmer Report was concerned about natural monopoly facilities (Hilmer 1993:240). However, natural monopoly was not formally defined in the report. King and Maddock (1996a, 1996b) note that an essential facility involves more than just a natural monopoly technology. In addition, a facility is only essential at the 'wholesale' or 'upstream' level of production if: there are no alternative inputs that can substitute for the input produced by the natural monopoly facility; and there are no alternative outputs that compete with and are reasonably substitutable for the final product produced using the natural monopoly input. They argue that an essential facilities access regime is only applicable when the 'natural monopoly' and 'essentiality' requirements are both met. In other circumstances, access may be used as a tool of reform, but the nature of that access is different from the essential facility access envisaged by the Hilmer Report.

Robertson (1994) argues that the focus on essential facilities, rather than on the promotion of competition and the protection of the competitive process, was misguided. The relevant declaration tests under section 44G of part IIIA do not specifically refer either to essential facilities or to natural monopoly technology. Rather, they consider whether it is 'uneconomical for anyone to develop another facility to provide the service'. Initial interpretation of this test by the NCC was ambiguous, but the Australian Competition Tribunal has interpreted it as a natural monopoly test focusing on the social desirability of facility development. King (2000) and Clough (2000) discuss the relevance and interpretation of the natural monopoly test.

The part IIIA regime exempts services that are ‘the use of a production process’. The Federal Court decided that the services provided by a railway line owned by Hamersley Iron for transporting iron ore in Western Australia were ‘the use of a production process’, and so the services could not be declared. This raised concerns about the ability to declare services when a firm is integrated into downstream markets (Calleja 2000; King and Maddock 1999a).

The reliance of the regime on negotiation has been questioned. Negotiations may be difficult and protracted and result in court disputes (for example, Rose 1999). If successful, negotiations may help access-seekers and the access provider to implicitly collude to limit downstream competition (King and Maddock 1996a, 1999b). Amiti and Maddock (1996) argue that integrated firms might manipulate negotiations by setting high internal-transfer prices, then offering these same prices to access-seekers.

As this chapter is being written, a report into part IIIA of the Trade Practices Act by the Productivity Commission is awaiting release. The inquiry reflects concern about the access code, highlighted by economic and legal research. At the same time, many commentators have argued that the current regime needs adjustment not replacement (for example, Evans 2000).

Access pricing and public utility reform

National competition policy has resulted in a move from government ownership and control to either private ownership or ‘corporatisation’ and arms-length regulation (see chapter 1, by John Quiggin). This industry reform and ‘re-regulation’ has led to significant research, particularly on price regulation and the affects of reform on industry performance.

Public utility industries, such as telecommunications, electricity, gas, rail and water, are characterised by a natural monopoly technology so that it is most efficient to only have one firm providing the relevant service. The single firm is, however, usually regulated to avoid it setting monopoly prices to consumers.

Not all segments of utility industries involve a natural monopoly technology, and the Hilmer Report recommended reforming utilities by separating natural monopoly elements from potentially competitive sectors. But controversy often surrounds the extent or even existence of a natural monopoly. This is exemplified by the debate between Quiggin (1998a) and Maddock (1999).

Access price regulation

I first consider general research relating to the direct regulation of access prices. Then I survey the Australian research on reform in two key sectors – telecommunications and energy.

The economic problem underlying access pricing is simple. It is usually desirable to have the price of a product equal to the marginal cost of production. But with a natural monopoly technology, average cost usually exceeds marginal cost, so marginal cost pricing will bankrupt the infrastructure firm. The standard economic response is to use

nonlinear Ramsey pricing (see Laffont and Tirole 2000). But access pricing deals with an input, not a final product, making price regulation more difficult.

One proposed solution is the efficient components pricing rule (ECPR). This rule was developed by a range of US economists (for example, Baumol and Sidak 1995) but gained international prominence in a New Zealand telecommunications dispute. Much Australian and New Zealand research is critical of the ECPR, showing that it is only economically desirable under very specific conditions (Pickford 1996; Albon 1994). In other circumstances it limits competition and maintains monopoly profits.

A low access price encourages efficient use of infrastructure facilities, but deters long-term private investment in such facilities. Regulatory pricing needs to balance the short-term and long-term incentives. King (2000) shows that when only one firm can invest in a facility that will be subject to access, any access pricing regime may discourage some socially desirable investment. Gans (2001) and Gans and Williams (1999) note that this changes when there is more than one potential investor. They show how the firms will trade off the potential gains from owning the facility with the benefits of waiting and buying access. If the regulator has sufficient information, it is possible to design an access pricing scheme that creates 'investment competition' between the firms and results in a socially optimal level of investment over time.

Australian regulators have adopted two main approaches for access regulation. The first, mainly used in telecommunications, is called total service long-run incremental cost (TSLRIC) pricing. For other industries, such as gas and electricity, Australian regulators have developed a building-block approach. While the name is uniquely Australian, this approach copies UK practice. The regulator determines an asset base for the regulated firm, an allowed rate of return, and allowed levels of depreciation and operating costs, and, bringing these elements together, determines an allowed level of pricing. These prices then form price caps or maximum prices until the next review.

Researchers have noted similarities between the building-block approach and rate-of-return regulation (Forsyth 1999). Rate-of-return regulation has been extensively analysed in the overseas literature and has a number of well-known problems (Small 1999).

There has also been research into specific aspects of the building-block approach. Guthrie, Small and Wright (1999) compare alternative ways of developing an asset base under this approach. Small (1998) considers how the allowed rate of return should be calculated when a firm faces uncertainty over future demand.

Telecommunications

Telecommunications reform precedes the Hilmer Report. Telecom Australia was separated from the Postmaster General's Department in 1975 and controlled domestic telephone services, while the Overseas Telecommunications Corporation (OTC) had controlled overseas telecommunications since 1946. Major reform commenced with the *Telecommunications Corporations Act 1989*, and in 1992 Telecom and OTC were merged to form Telstra. Optus gained a licence to compete in duopoly with Telstra until competition was opened in July 1997 (Maddock 1992; Quiggin 1996). The Productivity Commission (2001) has produced a comprehensive study of the telecommunications industry in Australia and evaluates its regulatory structure.

Telecommunications reforms have centred on Telstra's competitors gaining access to the public switched telephone network owned by Telstra. It is generally argued that the customer access network (CAN), the 'last link' in the telephone network between a switch and a customer's phone, involves a natural monopoly technology. At the same time, changes in technology mean that the nature and even the existence of this natural monopoly is subject to dispute. For example, the increase in mobile-phone usage for voice calls and the increasing importance of data calls for telecommunications may mean that access to the CAN for data calls will be more important than access for standard voice services in the near future.

Because of the complexity and changing nature of telecommunications, most researchers agree that there is a need for telecommunications laws beyond general competition laws. The New Zealand 'light-handed' regime, which relied on standard laws regarding abuse of market power, is widely regarded to have failed (Ahdar 1995) and is being replaced by a more standard regulatory approach. Even those who are sympathetic to the goals of the New Zealand light-handed approach suggested that it required modification. For example, Carter and Wright (1999a) argue that a 'bill and keep' rule might be a second-best regulatory alternative.

The telecommunications access regime instituted by the *Telecommunications Act 1997*, is based on the general part IIIA access regime discussed previously. Some researchers have questioned the applicability of this regime to telecommunications. For example, Daly and Stoeckl (2000) criticise the declaration tests for telecommunications. Even though the regime is relatively new, it was modified in 1999 (Staats 1999) and has been through a major review by the Productivity Commission, with a variety of suggestions for modifications (Productivity Commission 2001; Gilbertson 2001).

Telecommunications raises issues of equity and community services obligations (CSOs) at the retail level. Telstra is subject to a variety of price constraints and minimum service standards. These constraints involve 'cross-subsidies', particularly from urban customers to rural and remote customers. The basic charge for a phone connection is constrained, in part to help all people afford a telephone connection. Albon (1988) estimated the cost of these pricing restrictions at more than \$200 million. Quiggin (1997a), however, argues that any welfare evaluation must consider the cost of compensation to those made worse off by pricing reform. Once the tax cost of compensation is included, he suggests that socially optimal pricing generally involves setting fixed phone-access charges (or fixed access charges for other utilities) below the standard Ramsey price.

The success or failure of industry reform is often measured by the change in consumer prices. There have been a number of studies of telecommunications pricing over the past ten years. Muir, Jennings and McAnally (1999) found that in the eighteen months after July 1997, retail prices on some telecommunications services dropped rapidly. Not surprisingly, price falls were greatest for those products where new entry was relatively easy and where pre-deregulation profits were highest. Further, consumers also benefited through an extended range of services.

Telecommunications raises issues of bilateral access. If there is more than a single network provider, each with its own retail customers, then these networks need to cooperate if the customers on one network are going to be able to call customers on the

other. Carter and Wright (1994) provided one of the first analyses of such 'symbiotic' production, and noted the applicability both to telecommunications and postal services.

When otherwise competitive firms have to cooperate and set prices that act as transfers between the firms, two issues arise. First, a dominant incumbent firm might use these prices to stifle competition. Alternatively, otherwise competitive firms might use these transfers as a collusive device to moderate competition. Carter and Wright (1994, 1999b) investigate both of these issues. Intuition suggests that the problem in each situation will be a high marginal price between the two firms. However, Gans and King (2001) show that the reverse can hold when telephone companies can set non-linear retail prices. In such circumstances, low interconnection prices moderate competition between network owners to 'sign up' customers to their networks.

Australian economists have been active in empirical analysis of Australian and international telecommunications markets. Much of this research is centred on the Communications Economics and Electronic Markets Research Centre at Curtin University. Recent examples of this research include Madden, Savage and Tipping (2001) and Bloch, Madden and Savage (2001). Economists have also contributed to research on international telecommunications issues such as number portability (Gans, King and Woodbridge 2001; Aoki and Small 1999).

Energy

Significant reform occurred in the electricity and gas industries in all Australian states throughout the 1990s. However, the extent of reform differed between the states. For example, Victoria broke up its former monopoly electricity generator, and separately sold its operations. In contrast, South Australia retained a monopoly generator while New South Wales divided its generation into three government-owned entities. The National Electricity Market was also established and customers were able to choose between competing energy retailers.

In the early stages of reform, research focused on the proposed structure of the electricity market (Spalding 1995), the pricing of transmission services (King 1996a, 1996b) and the structural reforms (Melanie and Weston 1995). There has been ongoing debate over the extent of the benefits from electricity reform. Using a computable general equilibrium (CGE) model, Whiteman (1999) estimates these benefits and contrasts his results with earlier estimates from Quiggin (1997b) and the Industry Commission (1995). Whiteman's results tend to lie between previous estimates but favour the more pessimistic conclusions drawn by Quiggin.

The development of the National Electricity Market has exposed potential problems. Rix (1999) argues against 'full retail contestability' and, in fact, this process has been suspended in Queensland due to concerns over potential price rises for small rural customers. Quiggin (2001) raises three concerns over the structure of the National Electricity Market: the distortion to pricing signals created by the capped maximum price; the inability of most customers to respond to price signals due to the lack of time-of-day metering; and the potential for abuse of market power. Brennan and Melanie (1997, 1998) argue that market power is exacerbated by the lack of struc-

tural reform in generation by New South Wales and South Australia. However, Gans, Price and Woods (1998) argue that an active forward market for electricity sales can reduce concerns about generator market power.

Gas-industry reform has been less dramatic than that of electricity. Rose and Moore (1995) provide an overview of the early post-Hilmer reforms. Warr (1999) provides an overview of the reforms in both gas and electricity retailing. Access to pipelines has allowed interconnection of the Cooper and Gippsland basins so that customers in south-eastern Australia face alternative suppliers. Lawrey (1998) considers the pricing of access to gas-transmission pipelines, particularly noting the issues of spare capacity and interruptible supply. Research has also looked at the potential for inter-energy competition between electricity and gas. Weston and Melanie (1996) argue that interfuel competition between gas and electricity will be particularly important in the domestic sector. The potential for this competition led King and Maddock (1996a) to conclude:

The most effective short-term constraint on gas prices is likely to be interfuel competition rather than gas-on-gas competition ... Given this, the rush to establish access regimes for gas pipelines appears misguided.

Other industries

Competition policy has resulted in significant reforms in other sectors such as transportation and water. However, there has been less economic research on these areas post-Hilmer than in telecommunications and electricity. Some of the work is relatively descriptive; for example, discussing issues of trading and infrastructure access in the water industry (Beare and Bell 1998). Freebairn (1998) and Gans (2000) consider rail reforms post-Hilmer, but both focus on issues of rail access and raise many points that overlap with general research on access pricing as discussed above. There has also been work – pre-Hilmer and post-Hilmer – on postal reform (Albon 1985; King and Maddock 1996a; NCC 1998) and reform of the taxi industry (Swan 1979; Deighton-Smith 2000).

The costs and benefits of the Hilmer reforms

Ten years after the Hilmer Report, have the reforms been ‘worthwhile’? Various studies have estimated the benefits from the reform process. These are summarised in Quiggin (1998b). The best-known estimates are the Industry Commission (1995) and Quiggin (1997b). The Industry Commission use a CGE model to estimate gains of the order of 5.5 per cent of gross domestic product (GDP). Quiggin (1997b) criticises the assumptions used by the Industry Commission. With his revised assumptions, Quiggin estimates the gains at between 0.7 and 1.1 per cent of GDP.

Supporters of the reform process claim that these estimates ignore a range of dynamic gains from increased competition. Quiggin (1998b) argues that these so-called dynamic gains have little foundation in economics. Further, Quiggin (1996, 1998b) argues that

overstated claims of benefits from reform have had adverse consequences, drawing attention away from those who lose through the reform process and away from potentially more important issues like unemployment.

Determining the gains or losses from a diverse set of policy reforms is difficult. The Productivity Commission (1998) provides a set of relevant papers but these reach few definite conclusions. Lawrence, Diewert and Fox (2001) develop a method to break down the benefits of reform between different groups in society – owners, workers and customers. They apply this method to Telstra (Telecom Australia and OTC until 1992) between 1984 and 1994. However, the method has not been used to examine the distribution of gains from more recent reforms.

As Gregory (Productivity Commission 1998:428–9) notes, ‘Perhaps the most interesting unresolved question is why micro reform has not led to unambiguously better macro outcomes in Australia and New Zealand’. While there is potentially a wide range of answers to this question, two stand out. First, our understanding of economic growth, its measurement and its causes is relatively poor. Second, the diverse reforms have included beneficial and misguided policies. As Quiggin (1996:221) notes:

there are some elements of the microeconomic program, such as waterfront reform and egg industry deregulation, for which nearly all economists would agree that the net benefits have been positive. In other instances, for example the laying of duplicate cable telephone systems by Telstra and Optus, nearly all commentators agree that there has been a social loss.

In brief, the debate over the gains from the Hilmer reforms reflects a lack of input from economic research into parts of the reform process, and the need for further research into how competition policy interacts with the wider economy.

Notes

I would like to thank Anthony Niblett for his excellent research assistance, and John Quiggin and Steve Dowrick for comments on an earlier draft.

- 1 For a background to the act, see Clark and Coronos (1999).
- 2 See also Industry Commission (1991a, 1992) and Quiggin (1996:199–200). Dowrick (1993) argued that the Industry Commission case was overstated.
- 3 A natural monopoly refers to a production technology where it is more efficient to provide all output from only one firm rather than have multiple competing firms supplying the same output. This technology is most common in utility industries where there are large fixed costs of production (for example, the cost of a dam in water, the cost of the track network in rail) and relatively low marginal costs (for example, the cost of an extra telephone call in uncongested periods is close to zero).
- 4 King (1997) provides a short economic survey of the Hilmer process and the key reforms.

References

- Abadee, A. 1997. The essential facilities doctrine and the national access regime: A residual role for section 46 of the Trade Practices Act? *Trade Practices Law Journal* 5:27–47.

- Ahdar, R. 1995. Battles in New Zealand's deregulated telecommunications industry. *Australian Business Law Review* 23:77–116.
- Albon, R. 1985. 'Competition or monopoly in Australia's postal services' in *CIS Policy Monograph* 7. Sydney: Centre for Independent Studies.
- . 1988. The welfare costs of the Australian telecommunications pricing structure. *Economic Record* 64:102–12.
- . 1994. Interconnection pricing: An analysis of the efficient component pricing rule. *Telecommunications Policy* 18:414–20.
- Amiti, M., and R. Maddock. 1996. Entry and entry deterrence under the new access code. *Australian Economic Review* 29:286–92.
- Aoki, R., and J. Small. 1999. *The Economics of Number Portability: Switching Costs and Two-Part Tariffs*. CRNEC Working Paper. Auckland: University of Auckland.
- Baumol, W., and J.G. Sidak. 1995. *Toward Competition in Local Telephony*. Cambridge, MA: MIT Press.
- Beare, S., and R. Bell. 1998. Efficiency of water use and access rights to infrastructure. *Australian Commodities Forecasts and Issues* 5:494–503.
- Bhattacharya, M. 2002. Group profit, market share and efficiency: Evidence from Australian manufacturing. *Review of Industrial Organization* 20:187–99.
- Bloch, H., G. Madden and S. Savage. 2001. Economies of scale and scope in Australian telecommunications. *Review of Industrial Organization* 18:219–27.
- Brennan, D., and J. Melanie. 1997. National electricity market: Strategic behaviour. *Australian Commodities Forecasts and Issues* 4:79–88.
- . 1998. Market power in the Australian power market. *Energy Economics* 20:121–33.
- Brunt, M. 1990. Market definition: Issues in Australian and New Zealand trade practices litigation. *Australian Business Law Review* 18:86–128.
- Calleja, N. 2000. Access to essential facilities: Have the Hilmer reforms been successfully implemented? *Trade Practices Law Journal* 8:206–22.
- Carter, M., and J. Wright. 1994. Symbiotic production: The case of telecommunication pricing. *Review of Industrial Organization* 9:365–78.
- . 1999a. Bargaining over interconnection: The Clear-Telecom dispute. *Economic Record* 75:241–55.
- . 1999b. Interconnection in network industries. *Review of Industrial Organization* 14:1–25.
- Clarke, P., and S. Coronos. 1999. *Competition Law and Policy: Cases and Materials*. Melbourne: Oxford University Press.
- Clough, D. 2000. Economic duplication and access to essential facilities in Australia. *Australian Business Law Review* 28:325–50.
- Creedy, J., and R. Dixon. 1998. The relative burden of monopoly on households with different incomes. *Economica* 65:285–93.
- . 1999. The distributional effects of monopoly. *Australian Economic Papers* 38:223–37.
- Daly, A., and N. Stoeckl. 2000. Declaration of telecommunications services. *Agenda* 7:113–24.
- Damania, R. 1997. Debt as a collusive device in an oligopoly supergame. *Journal of Economics* 66:249–69.
- Dawkins, P., M. Harris and S. King (eds). 1999. *How Big Business Performs: Private Performance and Public Policy*. Sydney: Allen and Unwin.
- Deighton-Smith, R. 2000. Reforming the taxi industry in Australia. National Competition Council Staff Discussion Paper, Melbourne.
- Dowrick, S. 1993. 'Australia's long-run macroeconomic performance' in *Economic Rationalism: Dead End or Way Forward?* Edited by S. King and P. Lloyd, pp. 236–57. Sydney: Allen and Unwin.
- Evans, L. 2000. Access under the Trade Practices Act. *Competition and Consumer Law Journal* 8:45–61.

- Feeny, S., and M. Rogers. 2000. The role of market share and concentration in firm profitability: Implications for competition policy. *Economic Analysis and Policy* 30:115–32.
- Fels, A., and J. Walker. 1993. 'Competition policy and economic rationalism' in *Economic Rationalism: Dead End or Way Forward?* Edited by S. King and P. Lloyd, pp. 161–91. Sydney: Allen and Unwin.
- Forsyth, P. 1992a. 'A perspective on microeconomic reform' in *Microeconomic Reform in Australia*. Edited by P. Forsyth, pp. 3–23. Sydney: Allen and Unwin.
- . 1992b. 'Regulation after deregulation: Regulation and competition in a privatised, corporatised or deregulated environment. A survey' in *Conference of Industry Economics, Papers and Proceedings*. Bureau of Industry Economics Occasional Paper 8, pp. 62–93. Canberra: AGPS.
- . 1999. 'Monopoly price regulation in Australia: Assessing regulation so far' in *1999 Industry Economics Conference: Regulation, Competition and Industry Structure*. Melbourne: Productivity Commission.
- Freebairn, J. 1995. Competition policy: Some neglected issues in the Hilmer Report. *Australian Economic Review* 28:27–42.
- . 1998. Access pricing for rail infrastructure. *Economic Record* 74:279–85.
- Gans, J. 2000. An evaluation of the draft access pricing principles for access to the Victorian rail network. Mimeograph, Melbourne Business School, University of Melbourne.
- . 2001. Regulating private infrastructure investment: Optimal pricing for access to essential facilities. *Journal of Regulatory Economics* 20: 167–89.
- Gans, J., F. Hanks and P. Williams. 2001. The treatment of natural monopolies under the Australian Trade Practices Act: Four recent decisions. *Australian Business Law Review* 29:492–9.
- Gans, J., and S. King. 2001. Using 'bill and keep' interconnect arrangements to soften network competition. *Economic Letters* 71:413–20.
- Gans, J., S. King and G. Woodbridge. 2001. Numbers to the people: Regulation, ownership and local number portability. *Information Economics and Policy* 13:167–80.
- Gans, J., D. Price and K. Woods. 1998. Contracts and electricity pool prices. *Australian Journal of Management* 23:83–96.
- Gans, J., and P. Williams. 1999. Access regulation and the timing of infrastructure investment. *Economic Record* 75:127–37.
- Gerritsen, R. 1992. 'The politics of microeconomic reform: A bear's eye view' in *Microeconomic Reform in Australia*. Edited by P. Forsyth, pp. 24–41. Sydney: Allen and Unwin.
- Gilbertson, T. 2001. Telecommunications specific competition regulation in Australia: What next? *Competition and Consumer Law Journal* 9:66–87.
- Guthrie, G., J. Small and J. Wright. 1999. Pricing Access: Forward versus Backward Looking Cost Rules. CRNEC Working Paper. Auckland: University of Auckland.
- Hilmer, F.G. 1993. *National Competition Policy: Report by the Independent Committee of Inquiry*. The Hilmer Report. Canberra: AGPS.
- Hyde, C., and J. Perloff. 1998. Multimarket market power estimation: The Australian retail meat sector. *Applied Economics* 30:1169–76.
- Industry Commission. 1990. *Industry Commission: Annual Report 1989–90*. Canberra: AGPS.
- . 1991a. *Industry Commission: Annual Report 1990–91*. Canberra: AGPS.
- . 1991b. *Energy Generation and Distribution*. Report No. 11, May. Canberra: AGPS.
- . 1992. *Industry Commission: Annual Report 1991–92*. Canberra: AGPS.
- . 1995. *The Growth and Revenue Implications of Hilmer and Related Reforms*. Canberra: AGPS.
- Johns, B. 1992. 'Regulatory reform and competition policy in Australia' in *Conference of Industry Economics, Papers and Proceedings*. Bureau of Industry Economics Occasional Paper 8, pp. 45–61. Canberra: AGPS.

- Keating, M. 1993. 'The influence of economists' in *Economic Rationalism: Dead End or Way Forward?* Edited by S. King and P. Lloyd, pp. 57–81. Sydney: Allen and Unwin.
- King, S. 1996a. Efficiency and access: Analysing the draft access code for Australian electricity transmission. *Australian Economic Review* 29:292–8.
- . 1996b. 'Infrastructure access: The case of electricity in Australia' in *1996 Industry Economics Conference: Conference Proceedings*. Productivity Commission, pp. 183–94. Canberra: AGPS.
- . 1997. National competition policy. *Economic Record* 73:270–84.
- . 2000. 'Access: What, where and how' in *Achieving Better Regulation of Services*. Conference proceedings. Melbourne: Productivity Commission.
- King, S., and R. Maddock. 1996a. *Unlocking the Infrastructure: The Reform of Public Utilities in Australia*. Sydney: Allen and Unwin.
- . 1996b. Competition and almost essential facilities: Making the right policy choices. *Economic Papers* 15:28–37.
- . 1999a. 'Issues in access' in *1999 Industry Economics Conference: Regulation, Competition and Industry Structure*. Melbourne: Productivity Commission.
- . 1999b. Light handed regulation of access in Australia: Negotiation with arbitration. *Information Economics and Policy* 11:1–22.
- Laffont, J.J., and J. Tirole. 2000. *Competition in Telecommunications*. Cambridge, MA: MIT Press.
- Lawrence, D., E. Diewert and K. Fox. 2001. Who benefits from economic reform: The contribution of productivity, price changes and firm size to profitability. Paper presented to the Canadian Economics Association, Montreal, 1 June.
- Lawrey, R. 1998. Pricing and access under national competition policy: The case of the natural gas pipeline sector. *Australian Economic Review* 31:91–106.
- Lynden, G. 1999. Has competition policy been watered down? *Trade Practices Law Journal* 7:152–70.
- Madden, G., S. Savage and C. Tipping. 2001. Understanding European Union international message telephone services demand. *Information Economics and Policy* 13:127–36.
- Maddock, R. 1992. 'Microeconomic reform in telecommunications: The long march from duopoly to duopoly' in *Microeconomic Reform in Australia*. Edited by P. Forsyth, pp. 243–59. Sydney: Allen and Unwin.
- . 1995. Australian lessons in implementing competition reform. *Economic Papers* 14:31–40.
- . 1999. The premature burial of Australian telecommunications: A response to John Quiggin. *Agenda* 6:39–50.
- Melanie, J., and L. Weston. 1995. Electricity generation: Structural and regulatory reform in Australia. *Australian Commodities Forecasts and Issues* 2:358–72.
- Muir, J., B. Jennings and F. McAnally. 1999. Price competition in Australian telecommunications. *Agenda* 6:111–26.
- NCC. 1998. *Review of the Australian Postal Corporation Act*. National Competition Council. Melbourne: Commonwealth of Australia.
- O'Bryan, M. 1996. Access pricing: Law before economics? *Competition and Consumer Law Journal* 4:85–101.
- Pickford, M. 1996. Pricing access to essential facilities. *Agenda* 3:165–76.
- Productivity Commission. 1998. *Microeconomic Reform and Productivity Growth*. Workshop proceedings, Productivity Commission and Australian National University. Canberra: AusInfo.
- . 2001. *Telecommunications Competition Regulation*. Productivity Commission Inquiry Report No. 16. Canberra: AusInfo.
- Pusey, M. 1991. *Economic Rationalism in Canberra: A Nation-Building State Changes its Mind*. Melbourne: Cambridge University Press.

- Quiggin, J. 1996. *Great Expectations: Microeconomic Reform and Australia*. Sydney: Allen and Unwin.
- . 1997a. Efficiency versus social optimality: The case of telecommunications pricing. *Information Economics and Policy* 9:291–308.
- . 1997b. Estimating the benefits of Hilmer and related reforms. *Australian Economic Review* 30:256–72.
- . 1998a. The premature burial of natural monopoly: Telecommunications reform in Australia. *Agenda* 5:427–40.
- . 1998b. Micro gains from micro reform. *Economic Analysis and Policy* 28:1–16.
- . 2001. Market oriented reform in the Australian electricity industry. *Economic and Labour Relations Review* 12:126–50.
- Rix, S. 1999. National competition policy: Parliamentary democracy, public policy and utilities. *Competition and Consumer Law Journal* 7:170–83.
- Robertson, D. 1994. Government business enterprise and access to essential facilities. *Competition and Consumer Law Journal* 2:98–133.
- Rose, P. 1999. Third party access to upstream facilities. *Australian Mining and Petroleum Law Association Yearbook* 1999:164–94.
- Rose, P., and C. Moore. 1995. Competition issues in the Australian gas industry: An overview. *Australian Mining and Petroleum Law Association Bulletin* 14:76–85.
- Round, D. (ed.). 1994. *The Australian Trade Practices Act 1974: Proscriptions and Prescriptions for a More Competitive Economy*. Studies in Industrial Organization, vol. 19. Boston: Kluwer Academic.
- Round, D., and R. Miller. 1993. The Australian merger guidelines: A comparison with the U.S. merger guidelines. *Review of Industrial Organization* 8:211–29.
- Small, J. 1998. *Real Options and the Pricing of Network Access*. CRNEC Working Paper. Auckland: University of Auckland.
- . 1999. *The Design of Economic Regulation for Utilities: A Primer*. CRNEC Working Papers. Auckland: University of Auckland.
- Smith, R. 1996. Assessing mergers under the Trade Practices Act. *Australian Economic Review* 29:274–8.
- Spalding, B. 1995. Competition in the electricity supply industry. *Economic Analysis and Policy* 25:71–83.
- Staats, D. 1999. Telecommunications competition and access rules given more teeth. *Telemedia* 3:68–72.
- Swan, P. 1979. *On Buying a Job: The Regulation of Taxicabs in Canberra*. CIS Policy Monograph 1. Sydney: Centre for Independent Studies.
- Warr, S. 1999. Gas and electricity: Competition in retailing. *Australian Commodities Forecasts and Issues* 6:343–54.
- Weston, L., and Melanie, J. 1996. Electricity and natural gas: Implications of energy market reforms for inter-fuel competition. *Australian Commodities Forecasts and Issues* 3:372–83.
- Whiteman, J. 1999. The potential benefits of Hilmer and related reforms: Electricity supply. *Australian Economic Review* 32:17–30.
- Ziss, S. 1995. Vertical separation and horizontal mergers. *Journal of Industrial Economics* 43:63–5.
- . 2001. Horizontal mergers and delegation. *International Journal of Industrial Organization* 19:471–92.

Economics and the Environment

Jeff Bennett

Context

There is a growing interest in the use of economics to better understand the ways in which Australian society interacts with the environment. Two driving forces buoy this interest. First, higher real incomes and increased educational standards have been reflected in growing levels of community concern on environmental issues. This has been reflected in the political agenda. Second, while most environmental resources are renewable, such has been their rate of use (either directly as a harvest or indirectly as the external effect of other actions) that stocks have been depleted, some irreversibly.

Together, the increase in demand for the environment and the decrease in supply have resulted in growing relative scarcity of environmental resources. Once these resources were considered to be either 'free', or a liability in that they created a barrier to the development of other resources. Now they are regarded by most as having value. Environmental resources are used as inputs into the production of goods and services (for example, shelter belts on farms). They are consumed directly (such as protected natural areas as tourism and recreation sites). The environment contributes to the utility of people who have no direct contact with the resource (including the 'existence value' of endangered species).

The relative scarcity of environmental resources has attracted the attention of economists interested in applying their analytical tools to allocation and distribution issues. Particular attention has been given to resource-use choices where scarcity has become most apparent – sometimes because of lobby-group/media amplification of the situation. Key points of focus have included water and air pollution, global warming, remnant vegetation, forests, biodiversity (including species protection), salinity and rivers.

The conventional approach taken by economists to matters environmental centres on the concept of 'market failure' arising through the presence of externalities – where the impact of one person's actions affect the wellbeing of a third party – or public goods – where it is impossible to exclude users and one person's use of the good does not impact on its availability to others. Therefore much of the economic research in the area has focused on the development of strategies for government intervention. This has

either been to create new policies or to reform existing approaches. Research into environmental economics in Australia has therefore focused on two fundamental questions:

- What is the optimal allocation of environmental resources?
- How can the economic system be organised to achieve that allocation?

The research effort has been focused on achieving a better understanding of the position Australian society has with respect to the environment. This has involved the identification of potential improvements in the use of environmental resources and how those identified improvements can be achieved.

The first focus – identifying available improvements – has involved two different yet related types of work. The first involves the identification and refinement of decision-making frameworks that are appropriate to the allocation question. The second follows from the first. Given that some decision-making frameworks – notably cost-benefit analysis – are data intensive, a need has arisen for accurate and reliable information regarding the values generated by alternative policy scenarios. Hence, research has focused on the development of methods designed to estimate the benefits and costs of environmental outcomes.

The second focus – what changes to institutional and organisational structures are required – has been concerned with the development of market-based policy instruments and the role that may be played by the private sector in the provision of environmental goods and services.

The structure of this chapter will follow these two foci. It begins with an examination of the state of knowledge regarding decision-making frameworks and their informational requirements, and progresses to a review of the development of policy instruments. In doing so, it refers to recent Australian studies that have been carried out across a variety of high-profile environmental issues. The chapter takes a very ‘micro’ perspective of environmental economics.

To provide a balancing ‘macro’ perspective, the chapter includes a section on broader environmental issues – such as the relationship between international trade and the environment, and the question of incorporating the state of the environment into the system of National Accounts – that have captured the attention of Australian economists. Some brief thoughts regarding potential future directions conclude the chapter.

Issues of allocation

Decision-making frameworks

The welfare-economics-based approach to public-sector decision-making regarding the allocation of resources is to apply cost-benefit analysis (CBA) (Sinden and Thampapillai 1995). This approach has been criticised (Hamilton 1994) on a number of grounds when applied to allocations involving environmental impacts.

First, to account for the impact of time on values, CBA involves the discounting of future benefits and costs. For all but trivial rates of time preference, the discounting process effectively eliminates from the decision calculus those benefits and costs that

occur beyond fifty years into the future. Given that decisions with environmental implication frequently involve impacts over several generations (for example, the costs of containing nuclear-industry waste and the climate-change benefits of carbon-emission control measures), it is argued that the use of CBA disadvantages future generations: resource changes are implemented that involve environmental costs being borne by future generations so that the current generation can enjoy immediate short-term gain.

The use of CBA to assess decisions involving environmental impacts has also been criticised because of its anthropocentric base. The failure to take into account the rights of non-human species is argued to be too narrow.

Both of these criticisms are matters of distribution. CBA is seen to favour the present over the future and humans over other species.

Further criticism is levelled on the grounds of an inappropriate consideration of intragenerational distributional issues. Specifically, the welfare foundations of value used in CBA centre on the concept of willingness to pay. The budget constraints of individuals necessarily limit that willingness. Those with greater wealth are able to pay more. Conversely, the poor have less capacity to pay and assessments of their values for CBA purposes will consequently be smaller for any normal good.

These distributional issues are often raised under the banner of 'sustainability' concerns (Pezzey 1989). The notion of sustainability embodies three elements: economic efficiency, ecological integrity and social cohesion. Outcomes are sought that are sustainable in that they are at the same time economically efficient, protective of the environment (and so ensure the wellbeing of non-human species) and able to maintain social structures within the current generation and across generations. CBA has predominantly been concerned with the selection of outcomes only on the basis of the economic-efficiency criterion.

The response of Australian environmental economists to these criticisms has been in two directions. The first is the development of CBA alternatives: techniques that provide decision-makers with information and recommendations regarding resource-use alternatives where environmental impacts are involved, but which also incorporate environmental and social factors explicitly. The second approach is the modification or extension of CBA to take into account environmental and social distributional impacts as required under the sustainability paradigm.

Alternative decision-making techniques

Multi-criteria analysis (MCA) has come to the fore as an alternative to CBA. The technique has been used to investigate alternative river-management options in New South Wales (Hill and Asim 1997) and to assess options for the protection of ecosystem services (Proctor 2002). The flexibility afforded by MCA allows for the introduction into the decision-making calculus of criteria that reflect all facets of sustainability. The diverse units in which the criteria changes are measured (for instance, number of species protected, hectares of remnant vegetation cleared, unemployment rate, net migration from rural areas, dollars spent on tree planting, profits forgone, and so on), 'standardised' using mathematical procedures and 'weighted' for aggregation purposes.

While the flexibility and breadth of coverage inherent in MCA is attractive, it comes at a cost. The technique has no rigorous theoretical basis for the selection of criteria, the standardisation of criteria measurements, the determination of weights or the aggregation process. As Gillespie (2001) points out in the context of an assessment of alternative urban-expansion options, the prospect is that MCA will involve double counting or omission of elements of value and the biasing of results through the standardisation, weighting and aggregation stages because of the subjectivity involved. It therefore remains open to manipulation to justify the selection of options that benefit individuals or vested-interest groups at the expense of broader community wellbeing.

Even less structured is the process of decision-making through public participation. Where environmental policy is formulated on the basis of public consultation, there is no guarantee that all those affected can be identified or wish to be involved. Given that only organised interests will become involved in the policy-making process, there is the danger of rent-seeking-driven policies prevailing, cynicism on the part of many of the people affected and even decision paralysis (Kerley and Starr 2000). However, Wills (2001) points out that local consultation may be the most effective mechanism for policy-makers to communicate information about the particular features of the decision to be made.

Another criticism levelled at the involvement of the general public in the decision-making process is that they lack the type of detailed specialist knowledge that is required to reach conclusions where complex environmental impacts are involved. To address this issue, techniques such as citizen juries have been investigated (Blamey et al. 2000). Taking the format of a trial, a citizen jury involves randomly selected members of the public being given detailed information – from a variety of sources and points of view – relating to a resource-use issue. The jury's conclusions are passed on to decision-makers as an indication of the preferences of the general public given exposure to all the information available.

Modifying cost-benefit analysis

One approach taken to dealing with elements of resource-allocation choices that go beyond the bounds of conventional CBA is to excise them explicitly from the analysis. This has been done through the use of threshold value analysis. Where a negative environmental impact is relevant to a resource-use decision, the net benefit to society of proceeding with the change is estimated using a conventional market-based CBA. A threshold value analysis then involves the environmental impact being described in biophysical terms and decision-makers being asked if the extent of the environmental damage is worth the net benefit of the change as estimated using conventional CBA. The impetus for determining the value to society of the environmental costs is thus handed from the analyst to the decision-maker.

A more sophisticated version of the threshold value approach incorporates differential growth rates through time of the environmental protection values and the net benefits achieved through the development of natural resources. This analysis is based on the relative scarcity of environmental assets growing faster through time than benefits derived from development (Bennett 1999). The differential arises because

environmental assets such as old growth forests that were the focus of the Regional Forestry Agreements in New South Wales and the Franklin River in Tasmania have few substitutes, while development outcomes such as sawn timber and hydro-electricity have many near-perfect substitutes resulting from technological advancement.

The threshold value analysis requires decision-makers to judge the relative costs of negative environmental impacts as an integral component of the analysis. The 'safe minimum standard' technique requires that judgement be made prior to any analysis. A deontic, or rules-based, approach is superimposed onto the consequentialist approach of CBA. That is, a priori rules regarding the extent to which environmental change is acceptable are set and only resource-use options that yield outcomes that conform to those rules are deemed feasible. For instance, if one option would result in the numbers of an endangered species falling below a prespecified level, it would be excluded from further consideration. Implicitly, this suggests that the costs of falling numbers in the species will always be greater than any associated net benefit. Rolfe (1995) likens this approach to Ulysses tying himself to the mast to avoid being seduced by the sirens' song.

The determination of the safe minimum standard is critical in any assessment of this approach. Rolfe argues that because the safe minimum standard is set by the current generation – perhaps by politicians facing a three-year election cycle – it is an unlikely mechanism to take into account any intergenerational equity or species-rights considerations beyond those held by the people of the current generation. Furthermore, Hohl and Tisdell (1993) argue that there can be no such concept of a safe minimum standard from a species-protection perspective because of biophysical uncertainties.

Allied to the notion of a safe minimum standard is the concept of the precautionary principle. Put simply, the application of this principle requires decision-makers to reject development options where there is uncertainty regarding the environmental consequences. This implies a safe minimum standard set at the status quo stock of any environmental asset given that it is impossible to have perfect knowledge regarding the future consequences of actions.

The setting of rules is taken a further step in the development of the duty-of-care concept (generally for natural resources by Industry Commission 1998, and for biodiversity protection by Young et al. 1996). While not setting absolute boundaries regarding environmental impacts, the setting of a duty of care establishes a right for society in general over the environment where actions taken by resource-owners cause negative impacts beyond a predetermined level. For instance, a landowner with a duty of care to protect stands of native vegetation that make up 20 per cent of a property's area would be required to pay for the right to clear more than 80 per cent of their property. Conversely, protecting an area beyond the 20 per cent level would require the landowner to be paid for the service provided to society. The setting of the right may not be at the status quo level. For instance, freehold title to land may have previously allowed total clearance of vegetation and so even if 50 per cent of a property is currently uncleared, the setting of a duty-of-care level at 20 per cent changes the rights of the landowner. The duty-of-care level becomes a *de facto* safe minimum standard should the cost of obtaining a licence to clear be set at a level beyond the net benefit to be gained from clearing.

Generating information for cost-benefit analysis

The alternative approaches to decision-making rely on modifications being made to the approach used in conventional CBA that involve departures from the principles of neoclassical welfare economics. Some of them involve society being forced into solutions where no trade-offs between costs and benefits are permitted. In this section, extensions to conventional CBA are outlined that remain consistent with the principles of welfare economics yet strive to incorporate environmental and social impacts along with economic efficiency in the decision-making process. They involve the generation of information regarding these additional – often non-market – impacts in a form that is consistent with the conventional CBA format.

Integrating environmental impacts into a conventional CBA format first requires the development of an analytical structure that affords integration. This has been the focus of the development of bio-economic models (for irrigation salinity, Heaney, Beare and Bell 2001; for farm forestry, Cacho, Greiner and Fulloon 2001). Such models attempt to link biophysical relationships with economic outcomes. They seek to extend the modelling done by biophysical scientists of the relationships between causes and effects in ecological systems so that the ‘causes’ are related to policy variables and the outcomes can be estimated in terms of attributes that are of importance to people. For instance, a bio-economic model of a stream may take the relationship between phosphate concentrations in the water and its level of biologically dissolved oxygen as estimated by an ecologist, and extend it to one that links the payment of superphosphate subsidies and the number of fish species present in the river system.

The contribution made by the development of bio-economic models is one of integration. They enable the work of biophysical scientists to become of direct relevance to policy decision-making and involve the cooperation of biophysical scientists and economists in the research effort. They help to ensure that the environmental impacts of resource-use changes are recognised.

However, an understanding of causes and effects is not sufficient information to support a complete extended CBA. The causes and effects must be converted into value statements. That is, if a policy to remove superphosphate subsidies was under consideration, the costs (including the dollar value of reduced farm outputs) and the benefits (including the non-monetary value people hold for protecting riverine fish species) must be estimated. A full bio-economic model requires the incorporation of value estimates.

The estimation of values associated with non-marketed environmental impacts has presented an obstacle to the extension of CBA as a tool of sustainability. Most criticisms levelled at CBA can be traced to issues of valuation. For instance, to estimate values, the preferences of the current generation of humans are the reference data set. Perhaps of greater importance is criticism that many of the techniques available to estimate non-market values are incapable of producing reliable, unbiased results.

Research of three types has been focused on investigating such claims. First, economists have considered the application of the so-called ‘revealed preference methods’ (RP) for estimating non-market values. Second, attention has been given to ‘stated preference’ (SP) value-estimation techniques. Finally, the transference of value estimates

derived from 'source' studies as components of CBAs of other cases – the practice of 'benefit transfer' – has been developed.

RP techniques are based on specific relationships between the non-marketed environmental good of interest and other goods for which well-functioning markets exist. Australian economists have shown most interest in the travel cost method in this category. This technique allows the estimation of values associated with the recreational use of natural areas through the relationship between those values and people's purchases of travel services in reaching a site. Studies by Common, Bull and Stoeckl (1999) and Beal (1995) have investigated technical issues that have proved problematic to the technique. For instance, the self-reporting of travel costs can be unreliable and the partitioning of those costs between sites for travellers with multiple destinations can be subjective. Notwithstanding those limitations, the technique has been used in New South Wales (NSW NPWS 1999) and Victoria (Read Sturgess and Associates 2000) to gain an understanding of the value of national parks in those states for policy purposes.

More problematic have been the SP techniques. These techniques involve respondents to a questionnaire being asked how they would respond to certain hypothetical circumstances involving trade-offs between environmental and social conditions and money. Their use of hypothetical scenarios means that situations – and hence values – that have never occurred before can be investigated. No relationships between the non-marketed good and marketed goods are required for the techniques to function. Hence even non-use values associated with the environment – including biodiversity existence values – can be targeted. The techniques are significant in their extending the realm of CBA to include environmental and social concerns, but questions have been raised as to their capacity to perform this task without introducing specific biases.

The Australian development of the SP techniques has been a process of evolution, because of the intensity of criticism levelled at the techniques from within and outside the profession.

The earliest applications of this type of non-market valuation technique used the open-ended question form of the contingent valuation method (Bennett 1984). Respondents to this type of questioning are simply asked to state their willingness to pay to achieve a specific but hypothetical improvement in the condition of the environment, or to avoid deterioration. Because of criticisms regarding the incentive compatibility of such questions, the contingent valuation technique was refined to a dichotomous choice or referendum style of questioning. Respondents were asked if they were willing to pay a predefined cost for a specified potential environmental change. Confidence in this version of the technique was sufficient to see it applied by the Resource Assessment Commission, a Commonwealth government agency, to inform a decision regarding the future of mining adjacent to Kakadu National Park (Imber, Stevenson and Wilks 1990). Such was the criticism – including concerns of strategic, framing, hypothetical and starting-point biases (Moran 1991) – levelled at that application that development of the technique was significantly slowed.

The demand for non-market-value estimates was not thwarted and Australian economists maintained their interest in developing SP techniques. While some research effort was devoted to further refining the contingent valuation method (Blamey, Bennett and Morrison 1999), attention was diverted to the use of conjoint techniques. In

particular, choice modelling (CM) became a focus (Bennett and Blamey 2001). This method extends the contingent valuation approach by asking respondents to make a sequence of choices between alternatives that offer varying levels of environmental (and social) outcomes at varying financial cost. The choices made allow a model of the impact on the probability of choosing an option of the levels of the environmental and social attributes used to describe option outcomes to be estimated. From this model, estimates of the marginal rates of substitution between money and each non-monetary attribute (the implicit prices) and the (monetary) extent of welfare changes associated with changes from the status quo to specific resource-use options as required for CBA can be determined.

Growing confidence in the accuracy of CM results has been demonstrated by studies commissioned by the National Land and Water Audit (Van Bueren and Bennett 2001) and the New South Wales Environment Protection Authority (Bennett and Morrison 2001). These studies involved the estimation of non-market values for the assessment of the specific resource-use issue under investigation and for benefit transfer.

The costs of undertaking SP studies are significant because they involve the collection of preference data through surveys. For many resource-use decisions, the costs of such surveys are not warranted given the expected net benefits to be generated. The process of using value estimates already derived in other contexts to inform decisions is therefore an attractive one. For instance, environmental-benefit estimates relevant to the development of catchment-management plans across a state may be estimated with reference to a study already completed for a specific catchment. The benefit transfer process is fraught with difficulties. Consistency between the source and target contexts in terms of biophysical conditions, the people concerned and the extent of the changes under consideration is necessary for benefit transfer to produce acceptable estimation errors. Developing an inventory of valuation studies to cover a wide variety of contexts and of models that describe relationships between estimates and their contexts will improve the potential of benefit transfer.

Incentive mechanisms

Australian environmental economists have recognised that determining resource uses that will improve the wellbeing of society is only the first step in securing such improvements. The next step is to ensure that institutional arrangements are in place that will see change occur in a cost-effective manner.

With environmental concerns being seen to arise because of 'market failure', the conventional policy reaction is for governments to install command-and-control regulations over actions that have environmental impacts – either positive or negative – or to own and manage assets that produce environmental benefits. The merits of this style of policy approach have been increasingly questioned given the prospects of 'government failure'. Policy is now assessed by comparing the extent of the transaction costs involved in market-based allocative processes and the costs of government involvement. Market failure is viewed not as a 'black and white' phenomenon but rather as a trade-off between the transaction costs involved and the net benefits that can be gener-

ated from trade (Wills 1997). In turn, the extent of the transaction costs is a function of the institutions – the rules of human behaviour – that underpin the exchange process. The better the institutional structure, the lower are the transaction costs and the greater will be the net benefits generated for society.

The policy focus of Australian environmental economists has therefore shifted towards the development of better institutions. This has involved a greater emphasis being placed on opportunities to harness the power of market forces to generate incentives for the private sector to deliver environmental outputs in association with their commercial activities.

One direction taken in this area of research has been to investigate the use of private property rights as a means of achieving environmental goals. Defining the duty of care to be maintained by resource-owners is one aspect of this direction (Industry Commission 1998; Young et al. 1996). The definition of rights so provided may be the basis of a regulatory approach whereby breaches are subject to sanction. However, it may also be the first step in the development of a resource market. For example, if a resource-owner has a duty of care to a specified level of environmental good provision, any supply that is offered beyond that level may be made available for sale. Any 'breach' of the duty may only be permitted if a right to do so is purchased from another resource-owner who has exceeded their duty. For instance, a duty of care may be set for the number of birds of a particular species on a property. Individual farmers may wish to build up the stocks of birds on their property in order to sell them to collectors. Other farmers whose cropping activities are disrupted by the presence of birds may wish to cull their flocks by way of purchasing the right to do so from a farmer holding a surplus. Comparative advantages can thus be exploited to achieve improved resource utilisation.

For this type of property-right approach to operate, not only do the rights need to be established, but the mechanism for trade to occur must be formed. The setting of the level of the duty of care holds complexities. The marginal benefits of the environmental good must be compared to the marginal costs of securing it. Again the question of information availability is relevant, especially given the non-marketed nature of many of the benefits of environmental goods. Establishing the mechanics of trade can also be problematic, particularly given the difficulties associated with monitoring and policing supply. The extent of the transaction costs involved must be assessed relative to the net benefits that would be generated from trade to establish if the policy would secure a net benefit to society (Challen 2000).

A variant of the duty-of-care approach to property-right definition is the establishment of a supply constraint or 'cap'. The setting of a cap – breaches of which precipitate a regulatory-style sanction – enables the establishment of a market for what otherwise may be an open-access resource. For instance, a cap on the level of nitrous oxide emissions in an industrial area establishes a right over the atmosphere as a waste sink for that pollutant (Collins and Smith 2000). Setting a limit on the amount of water that can be extracted from a river establishes rights over the water to be used for irrigation purposes (Quiggin 2001), as does the setting of maximum allowable salinity concentrations in a river system (NSW EPA 1994).

Setting the cap provides information challenges (Bennett 2002), the mechanics of the trading process can provide distortions (McKibbin 1998) and transaction costs

need to be considered (Crase, Dollery and Lockwood 2001). Distributional issues provide another dimension to the policy. The assignment of property rights involves the potential for a redistribution of wealth. For instance, if a cap is set that requires current users of the resource to pay for what they had previously enjoyed for free, then their wealth will be reduced. 'Grandfathering', whereby the existing resource-use pattern forms the basis of the definition of rights, overcomes the redistribution effect but may have efficiency consequences (AGO 1999).

Where the duty of care is set at a level above that currently supplied, society may not expect landowners to pay to expand supply for equity or ability-to-pay reasons. Australian environmental economists have sought methods to ensure cost-effective provision of supply expansions through market mechanisms. For instance, tenders to expand supply may be called (Stoneham, Eigenraam and Strappazon 2002). An auction allows any benefits enjoyed by the suppliers that offset their marginal costs of provision to be netted out from the costs to the public. This avoids some information asymmetries. However, the potential for strategic behaviour on the part of suppliers seeking to inflate the costs of their provision, given knowledge of the significance of their supply, is not avoided.

Attention has also been given to policy measures that enhance complementarities existing between the supply of commercial goods and non-marketed environmental outputs. Tourism that involves environmental assets has been a particular focus of this research.

Commercial ventures that rely on the existence of environmental public goods to stimulate demand for their products – for example, wildlife sanctuaries, ecotourism resorts and nature-based tourist guides – have an incentive to foster the provision of the public good (Huybers and Bennett 2000). Regulations that hinder the operation of such ventures also hinder the provision of the environmental goods and services that are available to all – such as the existence benefits of species protected in a sanctuary (Aretino et al. 2001). Regulations that prevent trade in environmental goods – such as the Convention on International Trade in Endangered Species (CITES) and domestic restrictions on the ownership of Australian native species – have also been questioned in terms of their negative impact on the market as a mechanism to provide incentives for environmental protection (Productivity Commission 2001b; RIRDC 1997).

The role of voluntary organisations in private-sector nature conservation has also been analysed. The relevance of free-riding behaviour as a rationale for public-sector involvement in the extension of the national-park estate has been questioned. The successful operation of privately funded and operated conservation estates, such as that of Australian Bush Heritage, has stimulated this interest. There has been a growth of private-sector conservation organisations seeking to act as 'middlemen' in organising transactions between the general public (the source of demand for environmental goods) and resource-owners who can supply the goods and services. For instance, Wetland Care Australia and Conservation Volunteers Australia have sponsorships from major Australian corporations to help fund environmental protection and restoration works on privately owned lands (Productivity Commission 2001a).

Some macro environmental issues

Given Australia's status as a small and relatively open economy, a key interest for many Australian economists has been international trade. Environmental concerns have begun to enter into this area of interest given two points of interaction. First, trade, and hence the 'globalisation' of economic activity, has been linked to declining environmental conditions (Tisdell 2000). Second, and in part as a consequence of the first interaction, domestic policies aimed at protecting the environment have been perceived as a potential threat to free trade (Anderson 2000).

The multifunctionality of agriculture reflects these points. Terms-of-trade pressures on Australian farmers – often the result of protectionist policies in Europe and the US – have encouraged their adoption of practices such as monoculture cropping, intensive herbicide and pesticide application and the use of genetically modified organisms that may have environmental impacts. Yet at the same time, governments have instituted schemes that have allocated significant funds to farmers and rural communities that undertake environmental-protection works. Young (2000) suggests that by failing to institute mechanisms whereby farmers are allowed to impact negatively on the environment without paying for the costs caused, Australia may be regarded as protecting its agricultural industries.

Anderson (2000) argues that, as in Europe and the US, paying farmers to provide environmental goods and services is consistent with World Trade Organisation principles of free trade, particularly if the payments are not made through supporting the price of the commodity being produced for export. This, however, may remain a question of degree rather than an absolute principle.

Gauging the performance of the Australian economy – in terms of the principles of sustainability – has also been a theme of research. The interest in environmental accounting that has developed at a corporate level (Western Mining Corporation 2001) has been reflected at a national level by essentially non-economic reporting formats such as State of the Environment, as well as formats that adopt an economic framework. Harris and Fraser (2002) demonstrate the difficulties in achieving this goal. To date the Australian Bureau of Statistics has not attempted to integrate environmental issues into the national accounts, but rather favours the development of satellite accounts (ABS 2000) that are not theoretically consistent with measures of gross domestic product. Hamilton (1997) attempts an integration but is unable to avoid the pitfalls set out in Harris and Fraser, such as mixing the conceptual underpinnings of the various elements of value that are aggregated to produce indicators of sustainability.

Potential future directions

The research endeavours of Australian environmental economists indicate the significance of information in the development of public policy. Even where market-based

mechanisms have been advocated as a means of avoiding the adverse impacts of information asymmetries, it is apparent that information relating to the overall level of supply being targeted requires the collection of information regarding marginal benefits of environmental protection. Similarly, on issues such as trade and the environment, the question of where to draw the line between protectionism and environmental stewardship is likely to be an empirical issue dependent on the extent to which domestic communities are willing to pay for environmental benefits. The future potential for environmental accounting – at national and corporate levels – will depend on the development of valuation methodologies that are consistent with underpinning theoretical constructs.

Perceived inadequacies in methods to generate information, especially on the magnitude of non-market environmental benefits and costs, has been at the core of moves to develop alternative decision-making frameworks. For instance, MCA has come to the fore partly because of the desire to integrate environmental impacts into decision-making without needing to estimate their values in dollar units.

Yet the methods devised to overcome the problems associated with non-market valuation have not achieved their goal. Rather they have sidestepped the problems and confronted the same problems in different guises along with additional difficulties. In eschewing the processes involved in cost-benefit analysis, those applying MCA face weighting issues and other problems including double counting and subjectivity in the selection of criteria.

There are also potential problems associated with pursuing policy initiatives without adequate analysis – including the estimation of the extent of environmental values. For example, the setting of caps or the extent of a duty of care without knowledge of the marginal benefits and costs involved can result in too much or too little environmental protection. The level of protection may become more a function of the relative power of the development/conservation lobby groups than of any notion of improving net social welfare.

So while the current emphasis in Australian environmental economics falls largely on the development of cost-effective market-based instruments of policy, the danger is that this research push is pre-emptive. Without more attention being paid to the development and consolidation of non-market valuation methods, there is a danger that rent-seeking behaviour will dominate in the policy context.

What Australian environmental economists have contributed is an increased recognition among decision-makers that the environment is a key element in the development of natural-resource management policy. Recognition has been generated at a specific level by analyses involving issues including water use, industrial pollution, forest harvesting, mineral extraction, global warming and land degradation. The specific cases have also spawned a greater general recognition.

Environmental economists have also contributed to the development of specific policy measures that account for the value of the environment to the community. These have included market-based approaches to the control of pollutants and the protection of biodiversity.

References

- ABS. 2000. *Water Account for Australia 1993–94 to 1996–97*. Cat. No. 4610.0. Canberra: Australian Bureau of Statistics.
- AGO. 1999. *National Emissions Trading: Issuing the Permits*. Discussion Paper 2. Canberra: Australian Greenhouse Office.
- Anderson, K. 2000. Agriculture's 'multifunctionality' and the WTO. *Australian Journal of Agricultural and Resource Economics* 44(3):475–94.
- Aretino, B., P. Holland, D. Petersen and M. Schuele. 2001. *Creating Markets for Biodiversity: A Case Study of Earth Sanctuaries Ltd*. Staff Research Paper. Melbourne: Productivity Commission.
- Beal, D. 1995. A travel cost analysis of the value of Carnarvon Gorge National Park for recreational use. *Review of Marketing and Agricultural Economics* 63(2):292–303.
- Bennett, J. 1984. Using direct questioning to value the existence of a preserved natural ecosystem. *Australian Journal of Agricultural Economics* 28(2):136–52.
- . 1999. A threshold value analysis of proposed forestry reserves. *Australian Forestry* 61(4):1–8.
- . 2002. What value the rural environment? *Policy Summer*:44–8.
- Bennett, J., and R. Blamey. 2001. *The Choice Modelling Approach to Environmental Valuation*. Cheltenham: Edward Elgar.
- Bennett, J., and M. Morrison. 2001. 'Estimating the environmental values of New South Wales rivers' in *Proceedings of the Third Annual Stream Management Conference: The Value of Healthy Streams, Brisbane, Queensland, 27–29 August 2001*. Vol. 1. Edited by Ian Rutherford et al., pp. 29–34. Clayton, Vic.: Centre for Catchment Hydrology.
- Blamey, R., J. Bennett and M. Morrison. 1999. Yea saying in contingent valuation surveys. *Land Economics* 75(1):126–41.
- Blamey, R., R. James, R. Smith and S. Niemeyer. 2000. *Citizens' Juries and Environmental Value Assessment*. Citizens' Juries for Environmental Management Research 1. Canberra: Australian National University.
- Cacho, O., R. Greiner and L. Fulloon. 2001. An economic analysis of farm forestry as a means of controlling dryland salinity. *Australian Journal of Agricultural and Resource Economics* 45(2):233–56.
- Challen, R. 2000. *Institutions, Transaction Costs and Environmental Policy*. Cheltenham: Edward Elgar.
- Collins, D., and S. Smith. 2000. Integrating emission charges and performance-based regulation. Paper presented at the International Conference on Environmental Taxation Issues, Cleveland, Ohio, 9–10 June.
- Common, M., T. Bull and N. Stoeckl. 1999. The travel cost method: An empirical investigation of Randall's difficulty. *Australian Journal of Agricultural and Resource Economics* 43(4):457–78.
- Crase, L., B. Dollery and M. Lockwood. 2001. Transaction costs and foregone welfare in the market for permanent water. Paper presented at the 46th Annual Conference of the Australian Agricultural and Resource Economics Society, Canberra, 13–15 February.
- Gillespie, R. 2001. Multi-criteria analysis – a critique from an economist's perspective. Paper presented at the 45th Annual Conference of the Australian Agricultural and Resource Economics Society, Adelaide, 22–25 January.
- Hamilton, C. 1994. *The Mystic Economist*. Canberra: Willow Park Press.
- . 1997. *The Genuine Progress Indicator: A New Index of Changes in Well-Being in Australia*. Canberra: Australia Institute.
- Harris, M., and I. Fraser. 2002. Natural resource accounting in theory and practice: A critical assessment. *Australian Journal of Agricultural and Resource Economics* 46(2):139–92.

- Heaney, A., S. Beare and R. Bell. 2001. Evaluating improvements in irrigation efficiency as a salinity mitigation option in the South Australian Riverland. *Australian Journal of Agricultural and Resource Economics* 45(3):477–94.
- Hill, C., and F. Asim. 1997. Multi-criteria analysis – a tool for wetland management decision making. Paper presented at the 41st Annual Conference of the Australian Agricultural and Resource Economics Society, Gold Coast, 20–25 January.
- Hohl, A., and C. Tisdell. 1993. How useful are environmental safety standards in economics? The example of safe minimum standards for protection of species. *Biodiversity and Conservation* 2:168–81.
- Huybers, T., and J. Bennett. 2000. Impact of the environment on holiday destination choices of prospective UK tourists: Implications for Tropical North Queensland. *Tourism Economics* 6(1):21–46.
- Imber, D., G. Stevenson and L. Wilks. 1990. *A Contingent Valuation Survey of the Kakadu Conservation Zone*. 2 vols. Resource Assessment Commission Research Report 3. Canberra: AGPS.
- Industry Commission. 1998. *A Full Repairing Lease – Inquiry into Ecological Sustainable Land Management*. Report 60. Canberra: AGPS.
- Kerley, B., and G. Starr. 2000. Public consultation: Adding value or impeding policy? *Agenda* 7:185–92.
- McKibbin, W. 1998. Global emissions trading: A post-Kyoto proposal. *Agenda* 5(3):299–310.
- Moran, A. 1991. *Valuing the Kakadu Conservation Zone: A Critique of the Resource Assessment Commission's Contingent Valuation Study*. Tasman Institute Occasional Paper 138. Melbourne: Tasman Institute.
- NSW EPA. 1994. *Using Economic Instruments to Control Salinity in the Hunter River*. Environmental Economics Series. Sydney: New South Wales Environment Protection Agency.
- NSW NPWS. 1999. *The Contribution of National Parks to Sustainable Rural and Regional Development*. NPWS Environmental Economics Series. Sydney: New South Wales National Parks and Wildlife Service.
- Pezzey, J. 1989. *Economic Analysis of Sustainable Growth and Sustainable Development*. World Bank Environment Department Working Paper 15. Washington, DC: World Bank.
- Proctor, W. 2002. Incorporating people's views into the valuation of ecosystem services. *Riprap: River and Riparian Lands Management Newsletter* 21:22–4.
- Productivity Commission. 2001a. *Constraints on Private Conservation of Biodiversity*. Commission Research Report. Canberra: AusInfo.
- . 2001b. *Harnessing Private Sector Conservation of Biodiversity*. Commission Research Report. Canberra: AusInfo.
- Quiggin, J. 2001. Environmental economics and the Murray Darling river system. *Australian Journal of Agricultural and Resource Economics* 45(1):67–94.
- Read Sturgess and Associates. 2000. *Economic Assessment of Recreational Values of Victorian National Parks*. Consultancy report for the Department of Natural Resources and the Environment, Kew.
- RIRDC. 1997. *Sustainable Economic Use of Native Australian Birds and Reptiles. Can Controlled Trade Improve Conservation of Species?* RIRDC Research Paper 97/26. Canberra: Rural Industries Research and Development Corporation.
- Rolfe, J. 1995. Ulysses revisited – a closer look at the safe minimum standard rule. *Australian Journal of Agricultural Economics* 39(1):55–70.
- Sinden, J., and D. Thampapillai. 1995. *Introduction to Benefit-Cost Analysis*. Melbourne: Longman.
- Stoneham, G., M. Eigenraam and L. Strappazon. 2002. Landholder entry into environmental schemes: An empirical examination of Victoria's 'Bushtender' policy. Paper presented at the 46th Annual Conference of the Australian Agricultural and Resource Economics Society, Canberra, 13–15 February.

- Tisdell, C. 2000. 'Free trade, globalisation, the environment and sustainability: Major issues and the position of the WTO' in *Working Papers on Economics, Ecology and the Environment* 39. Brisbane: Department of Economics, University of Queensland.
- Van Bueren, M., and J. Bennett. 2001. Towards the development of a transferable set of value estimates for environmental attributes. Paper presented at the 45th Annual Conference of the Australian Agricultural and Resource Economics Society, Adelaide, 22–25 January.
- Western Mining Corporation. 2001. *Toward Sustainable Development*. Community-Environment Report 2000. Melbourne: Western Mining Corporation.
- Wills, I.R. 1997. *Economics and the Environment: A Signalling and Incentives Approach*. Sydney: Allen and Unwin.
- . 2001. Community participation in pollution control. *Agenda* 8(3):209–22.
- Young, M. 2000. First or second best solutions? Looking back on Australian agri-environmental policy from 2020. Paper presented at the 44th Annual Conference of the Australian Agricultural and Resource Economics Society, Sydney, 23–25 January.
- Young, M., N. Gunningham, J. Elix, J. Lambert, B. Howard, P. Grabosky and E. McCrone. 1996. *Reimbursing the Future*. Canberra: Department of the Environment, Sport and Territories.

Health Economics

Jane Hall

The recognition of health economics as a specialised area of study within economics is often dated to the late 1960s and early 1970s, a period that coincided with the rapid growth of health care expenditure in all developed economies (Culyer and Newhouse 2000). Much of the increasing budget was borne by governments as new social programs were initiated to provide access for the poor, the elderly and otherwise disadvantaged groups. Yet there was no obvious gain in population health, and mounting criticism of the futility of, if not harm due to, modern medicine. Nonetheless, public demand for medical care continued to grow exponentially.

Economists' attention was thus drawn to the health sector. The analysis of health care as a special commodity, often dated to Arrow (1963), laid the foundations for the economic analysis of the health sector. There is nothing special about the economic analysis applied to this sector; as Fuchs (1989) has pointed out, it draws from finance and insurance, industrial organisation, labour, public finance, and welfare, but it requires also a detailed knowledge of health technology and institutions.

The field has grown rapidly and become increasingly specialised – for a description of its history, see Culyer and Newhouse (2000). There are now four health economics journals, the *Journal of Health Economics* (established in 1982), *Health Economics* (1992), the *Journal of Health Care Financing* (2000) and, more recently, the *European Journal of Health Economics*. The *Journal of Mental Health Policy and Economics* and *Pharmacoeconomics* are aimed at a particular clinical/policy audience. *Social Science and Medicine* carries a substantial health economics content, as do several health policy and technology assessment journals. In addition to the general economics journals, much health economics can be found in medical, public health and other journals aimed at health professionals.

In Australia, the beginnings of health economics are inextricably linked with the names of Deeble and Scotton and their work on the financing and delivery of health care. The policy impact of this was immense, providing the basis for universal, publicly financed health care, first as Medibank in 1975, and then as Medicare in 1984. However, from the 1960s to the 1980s, an academic base for Australian health economics was slow to develop; what little work was done was often prompted by official inquiries and constrained by the lack of data (Richardson and Wallace 1982). There have been substantial developments since then. The Australian Health Economics Soci-

ety, from its first meeting in 1979, has provided a focus for and publication of theoretical and applied research. Specialised university-based research centres have been established. Economists specialising in health are employed in economics and other departments in universities, in government and in the private sector.

Much Australian health economics research and analysis is also written for a health professional audience. Around 50 per cent of all articles are found in health (rather than economics) journals, but many of these are authored by clinical or health-services researchers. Therefore this does not adequately represent the output of economists whose research interests are focused on health, but it does illustrate that much of the work is applied rather than conceptual, theoretical or methodological. In the specialised health economics journals, which generally require conceptual, theoretical or methodological advances rather than non-innovative applications, the Australian contribution is around 1 per cent (a total of twenty-six papers) of the total.

These specialised journals do not reflect the contribution of health economics to policy development. The 'permeation of economic modes of thinking', as Culyer (1981:10) described this process, has been substantial, not just in universal insurance but also in the appraisal of new public health interventions, the evaluation of new hospital programs, the reimbursement of new pharmaceuticals and new medical procedures, hospital funding, the development of private health insurance incentives, and the limitations on medical care providers. The development of health economics and health policy have always been closely linked in Australia, and policy development and evaluation have been major stimuli for research. Hence, an understanding of the Australian health care system and recent policy development is necessary to place health economics research in its context.

The Australian health care system

The three major components of the Australian health care system are public and private hospitals; fee-for-service, private-practice medical care; and fee-per-item, subsidised prescription pharmaceuticals. Responsibility for policy and expenditure is divided between the Commonwealth government (medical benefits and pharmaceutical benefits) and the states and territories (public hospitals). There are substantial opportunities and incentives for cost-shifting, particularly but not only between the different levels of government (see Palmer and Short 2000; Senate Community Affairs References Committee 2000).

These arrangements, established after World War II, were not influenced by Australian economists and have remained unchanged by the introduction of universal, publicly financed health insurance (see Richardson and Wallace 1982). The new arrangements addressed universality (as there had always been at least 17 per cent of the population without insurance), fairness in financial contributions (the previous system of payment through tax-deductible insurance premiums was regressive), and the administrative costs of multiple insurers and insurance schemes (see Scotton 2001).

Private health insurance remained to cover in-hospital private treatment (although all Australian citizens are entitled to free public-hospital treatment) and ancillary services

(such as dental care and physiotherapy). It also remained highly regulated, with mandatory community rating (all purchasers paying the same premium irrespective of predicted claims). Health care financing remained the most significant difference in health policy between the two major political parties until recent years, when bipartisan support emerged for the continuation of a universal publicly financed scheme (1996) and for government support for private health insurance (1999). Recent measures have been introduced to encourage the purchase of private health insurance: first, a rebate on insurance premiums for the less well-off, and tax penalties for the wealthy; then a 30 per cent rebate on health insurance premiums; and, most recently, lifetime health cover, where the premium paid is related to the age at which the individual takes up health insurance. These are described in detail in Hall, De Abreu Lourenco and Viney (1999). While these measures constitute some move away from pure community rating, insurers cannot refuse insurance cover to any individual.

Hospitals are the most expensive component of the health system, with funding negotiated between Commonwealth and states every five years. Public-hospital budgets have been effectively capped, thus forcing hospitals to ration services by reducing services and/or costs. Access to and shortages in public hospitals – waiting lists and times for elective surgery, emergency departments being closed to new cases – remain a focus of public concern and political attention. The private-hospital system had grown in size and complexity before recent private-insurance initiatives. Within the public-hospital system, there is a complex interaction between private and public financing and provision. There have been substantial changes in the payment of hospitals, with some variation across the states and territories, in an attempt to improve efficiency.

Subsidised pharmaceuticals have been the major area of growth in health care expenditure over the past five years. The price is negotiated between the Commonwealth government and the manufacturer. Patients pay a fixed copayment. Formal economic evaluation, in addition to evidence on safety and clinical effectiveness, is required before new items are accepted on the subsidised list. Australia was the first country to require this.

For medical services, there is no control of the fee levels charged but there is a fixed rate of reimbursement from Medicare, thus effectively establishing a floor price. So for medical services and pharmaceuticals, although government has some influence on price, there are no substantive controls on quantity and thus there is no effective expenditure cap. The supply of doctors has increased significantly over the past fifteen years, accompanied by growing service utilisation and expenditure. General practitioners play an important gatekeeping role in the health care system in that their referral is essential to the use of specialist services, diagnostic services, pharmaceutical therapies and admission to hospital. Workforce growth has not corrected substantial imbalances in distribution favouring inner cities over rural, remote and outer-suburban areas. There is a significant shortage of trained nurses in the workforce, with most nurses leaving their field for other sectors.

The basic principle of the system is universal access to needed care irrespective of ability to pay. Although the structure of the system is designed to ensure that access is universal and not impeded by financial barriers, it is not clear that this has been

realised. The Pharmaceutical Benefits Scheme is limited to prescription drugs; the out-of-pocket cost of medical services varies with where people live; there is increasing reliance on private hospitals and private insurance; and the location of facilities and providers does not accord with the population distribution. There are population subgroups that appear to have substantially poorer access to health care in general, including those living in rural and remote Australia, the economically disadvantaged, and some immigrant groups (Duckett 2000).

Aboriginal and Torres Strait Islander peoples have the worst health of any Australian population group, with life expectancies some twenty years fewer than those of other Australians (AIHW 2001). Although stark health differences have been documented across many health indicators and over time, health care expenditure estimates were not produced until 1998. They showed that per capita spending on Aboriginal and Torres Strait Islander peoples was only 8 per cent higher than the national average and with different patterns of service use (Deeble 1998).

The international fashion for major health care reforms of the late 1980s and early 1990s, based on the ideas of Alain Enthoven (1978), was to separate purchaser and provider functions in health care delivery, and make greater use of competition to drive health care markets. In Australia, these found effect in a national plan for reform (National Health Strategy Australia 1991), but actual developments in the following fifteen years did not attempt anything so radical. Reforms, though often involving quite major reorganisations within state health services, were piecemeal at the national level; while these could be criticised as ad hoc and muddling through, they can also be seen, in retrospect, as an incremental approach to ensuring evolutionary rather than revolutionary reform (Hall 1999). The complexity of Australia's health system and frequent incremental policy changes provide many avenues for investigation and suggest a considerable research agenda for Australian health economics.

Insurance and financing

The value of private health insurance in a system with universal access to free hospital treatment is not immediately obvious and so there have been a number of papers modelling insurance purchase, either as individuals (Cameron et al. 1988; Cameron and Trivedi 1991; Hopkins and Kidd 1996; Ngui, Burrows and Brown 1989; Schofield 1997), or as household units (Wilson 1999). All of the studies included socioeconomic and health-related factors as explanatory variables. In general, the likelihood of having insurance was found to increase with age, being married, higher income and, to a lesser extent, poor health state.

Most commentators, including the Industry Commission (1997), have argued that adverse selection (and the consequent increase in premiums) was the major cause of falling insurance levels. Vaithianathan (2001) argued that the extent of adverse selection has been overstated, as the number of different insurance plans and extent of coverage suggests that insurers designed plans to discriminate across different risk groups. Cameron and McCallum (1996) argued that the reduced government subsidy to the

private funds and the increased size of the reinsurance pool may have contributed to the decline.

There has been limited empirical investigation of the impact of rising premiums, because the lack of data on these prices in the Australian Bureau of Statistics National Health Surveys has limited the extent to which this can be investigated. Butler (1999), by constructing a price variable from average premiums at the state level and expected benefits data by age, estimated a price elasticity of demand for hospital insurance of -0.5 and for ancillary insurance of -0.35 , with income elasticities around 0.2 .

A recommendation for lifetime health cover (the third stage of insurance incentives) came from the Productivity Commission review of the private health insurance industry. However, the proposals were not developed from any academic research but had been put forward by the insurance industry (Hall 2001a). The introduction of such proposals may have been subject to detailed and careful analysis, but if so this was not independent and not in the public domain. What analytical work there is has followed the policy implementation. It is still early to evaluate the effect of the various incentives, particularly lifetime health cover. Butler (2001) argued that the rebate (stage 2) was expensive (currently more than \$2 billion per annum) but had little effect; while the least-cost strategy, age-related premiums, was the most effective. However, this strategy has had considerable cost implications due to increased rebates.

It is not clear that the recent rise in insurance coverage will be sustained over time. In the absence of studies investigating the determinants of the demand for private health insurance based in theories of behaviour, forecasts remain conjecture.

Part of the rationale for the insurance incentives was that higher private insurance would lead to higher use of private hospitals and hence reduce the pressure on public hospitals. There have been few empirical studies of the interaction between insurance and hospital use. Cameron et al. (1988) modelled insurance choice and health-service utilisation using 1977–78 data (restricted to single persons over the age of eighteen) and found that the insured used more health services. Savage and Wright (2001), modifying Cameron's approach and using 1989–90 data, also found higher utilisation associated with insurance, by a factor of up to three in private-hospital length of stay.

Further reforms to health care financing depend on the directions chosen for public and private financing and, within the latter, user payments and insurance. While there are strong advocates for more reliance on market forces, these arguments are more often found in the popular media than the academic press. Scotton's proposals for managed competition, that the health care purchasing role be taken by insurers who compete for customers, have been developing since the 1980s and are comparatively well-documented (Scotton 1999). The key features of his plan are that budget-holders, including private insurers and public agencies, be allowed to compete; that all public funds be incorporated into a single pool; that public funds be distributed to budget-holders as risk-adjusted capitation payments; and that additional copayments for service delivery and top-up of insurance premiums be allowed. The expectation of lower insurance costs depends on competitive purchasing of health care through some funds pooling (discussed further below). Whether these theoretical benefits could be realised depends on the extent of profit-driven cost-cutting rather than better purchasing of

care. There is little Australian empirical research on which to base the setting of the appropriate capitation levels. Important issues are yet to be determined: whether competition across budget-holders will be driven by consumer preferences, quality and efficiency, rather than insurers attempting to select low-risk customers (that is, cream-skimming); the extent to which adverse selection will occur; and the differential impact of incentives and motivation across private for-profit, private not-for-profit, and public budget-holders.

Funding health-service provision

Funds pooling can be advanced without managed competition. In Australia, it has been progressed since the mid-1990s through a series of demonstration projects, the Coordinated Care Trials, in which funds were combined from medical benefits (Commonwealth), pharmaceutical benefits (Commonwealth), public hospitals (state) and the community health program (state) (see Duckett 2000). The results of evaluation studies were equivocal, showing that better care, improved health outcomes and lower costs were not readily attainable. In fact, setting up the trials produced evidence of underprovided care as well as duplication of service provision. The evaluators concluded that few of the demonstration programs were likely to remain financially viable (DHAC 2001). It can be argued that the demonstration programs were inadequately planned with insufficient data on which to determine the level of funds to be pooled, with weak incentives, and a narrow framework for evaluation, and so the results are not conclusive evidence of no benefit from funds pooling. This strategy is, however, likely to remain on the reform agenda in Australia because it is the only substantial reform that is being considered and developed internationally (Hall 2002; Maynard 2002).

The most important question about funds pooling is who holds and manages the funds, effectively becoming the purchaser of care. What follows from this is what incentives the purchasing agency faces, whether purchasers can be profit-seeking, as with managed competition proposals, and what effect this will have on service volumes and quality of care. At a practical level, the substantial information infrastructure required – to set the appropriate capitation rates, monitor cream-skimming in risk selection, and assess quality of care – is currently lacking (van Gool et al. 2002).

Hospital productivity and payment mechanisms

Support for private health insurance has also been justified on the basis that it will increase the use of private hospitals, which are presumed to be more efficient. Although private insurance and use of privately provided services are usually considered as linked, this does not have to be the case, because private patients are treated in public hospitals and publicly funded care could be purchased from private providers. Therefore, the comparative efficiency of public-sector and private-sector provision is an important issue.

Butler (1995), reporting on a major study of hospital cost functions, found some evidence that private hospitals were less costly than public, after adjusting for casemix (differences in types and severity of patients treated), scale and occupancy levels – but the analysis was limited by the lack of individual hospital data, and the inadequate classification of private hospitals. Casemix classification has advanced substantially since then. US work on diagnosis related groups (DRGs) was translated to Australia in the mid-1980s, largely due to the research and advocacy of Palmer (Duckett 2000). Adaptation and implementation have required a major research effort in the development of classification systems, comparative weights for different types of cases, and monitoring classification, most of which involves cost accounting rather than economic analysis. The result is that much more disaggregated data are now available on hospital outputs.

More recent studies support the view that the private sector is at best no more efficient than the public sector. Using DRGs to weight cost per admission, Duckett and Jackson (2000) showed that public hospitals were no more expensive than private hospitals and possibly less. There are a number of studies that focus on particular case types rather than hospital-wide efficiency. For example, Robertson and Richardson (2000) showed that heart-attack patients in private hospitals had the highest rate of procedures, and private patients treated in public hospitals had a higher rate, compared to standard public treatment. However, these findings do not address which is the ‘right’ rate; it is as plausible that public patients were undertreated as private patients overtreated. However, other studies find similarities in treatment between the two sectors (for coronary disease, Harper et al. 2000; for affective disorders, Goldney, Elzinga and Kent 1996).

There are numerous applications of stochastic frontier analysis or data envelopment analysis to US and European hospitals – although there remain unresolved issues concerning the conceptual basis, methodological approach, and data quality and availability. These techniques can be used to compare efficiency between public and private sectors, or to benchmark performance within groups of similar hospitals. The few Australian studies in this vein tend to explore the techniques, rather than reach definitive conclusions, and are working papers rather than peer-reviewed publications (Webster, Kennedy and Johnson 1998; Yong and Harris 1999).

The major change in the funding of hospitals, also driven by developments in casemix measures, has been towards payment on a per-case-type treated. This has been adopted by all states except New South Wales, and endorsed by the Commonwealth (Stoelwinder and Viney 2000). It has been argued that casemix funding provides incentives to treat as many patients as possible at as low a cost as possible, promoting technical efficiency. There has been little debate or critique, even though the incentives also encourage admitting easier patients (cream-skimming), skimping on quality, maximising readmissions, and pushing cases into more complex (financially rewarding) classifications. Nor does this funding mechanism address the issue of what level and mix of services are provided (allocative efficiency). Yet the substantial variations in service utilisation account for more variation in expenditure levels than cost per case.

Consumer and provider behaviour

While there have been several studies of consumer behaviour in respect of the purchase of health insurance, there is little research into health care use. Yet understanding what influences service use is crucial to predicting the effect of rising copayments. Similarly, investigation of consumer behaviour can contribute to understanding lifestyle choices and the household production of health, and therefore the development of effective public health policies. Health care consumers, generally poorly informed about their health and the effectiveness of available treatments, rely on expert advice – so provider behaviour and the interaction of consumers and providers are also important areas for research. For instance, the existence of informational asymmetries gives rise to the supplier-inducement hypothesis; that is, that doctors can influence the demand for their services so that provider incomes can be maintained despite an increase in doctor supply.

Utilisation has certainly increased over time with the doctor supply, and rising service volume has been associated with growth in doctor numbers and lower prices (higher bulk-billing rates) (Hall and van Gool 2001). Richardson (1999) concluded from econometric modelling that supplier-induced demand was indeed demonstrated. While these, and similar findings from other countries, have convinced most health economists of the existence of supplier-induced demand (Richardson 2001), the underlying theory and the interpretation of the empirical evidence remain contentious (Borland 2002). However, if the policy goal is to constrain the use of medical services, then the existence of supplier-induced demand is less critical, as supply-side controls will reduce utilisation and hence expenditure.

Supply-side controls have been used in Australia in limiting provider numbers through medical-school entry, the number of new practitioners accredited for the purpose of Medicare reimbursement, and targets for specialty training positions (Hall and van Gool 2001). The Australian Medical Workforce Advisory Committee (AMWAC) undertakes medical workforce planning, although there are several ways in which this approach could be strengthened (Borland 2002). The geographic distribution of the medical workforce has not been addressed by AMWAC (although a number of policy initiatives have been aimed at improving doctor supply in rural areas), and increasing supply has not improved the imbalance – arguably it has exacerbated it. Despite acute shortages in the nursing workforce, due particularly to low retention rates, this area has not been subject to extensive research and investigation in Australia. Understanding entry, exit and location decisions could do much to inform policy development.

Welfare assessment and evaluation

The structure of Medicare was intended to ensure equity of access to health care and equity in paying for it, but few commentators believe that equity goals have been met satisfactorily (Duckett 2000). Empirical work tends to treat utilisation of health care as equivalent to access, even though conceptually and in policy terms access is concerned with barriers to use (Mooney et al. 1992). Nonetheless, studies of utilisation can be

useful in highlighting where barriers may exist. Low socioeconomic groups are high users of health services, so considering use without adjustment for health status provides limited insight into access and equity.

Comparison of use of services with tax and other payments by income groups demonstrates the progressivity/regressivity of the system. The only comprehensive Australian study showed that the privately insured higher-income groups were favoured (Lairson, Hindson and Hauquitz 1995). However, this study used 1988–89 data, and given the substantial changes in financing and delivery patterns over the past ten years, this can be expected to have changed. There has been no empirical analysis of the impact of the recent health-insurance subsidies on the distribution of financing, although van Gool et al. (2002) show that there has been a redistribution in favour of the upper-income groups.

Evaluation requires a normative judgement as to what constitutes an improvement in social welfare, and thus a definition of the goals of the health care system. Empirical research can, however, investigate individual attitudes to health-system goals. Richardson and colleagues demonstrated that the maximisation of health outcomes should not be unquestioningly accepted as the social objective of health care (Nord 1995).

There have been several criticisms of the individualistic base of conventional economic analysis, particularly as applied to health care, primarily advancing the argument that relationships between individuals and thence externalities are important sources of wellbeing (Hall 1996). While this is a move to expand the concept of utility beyond narrow self-interest, it can be accommodated within a conventional welfare framework. Others go further, arguing that community has value in its own right (Mooney 1998; Shiell and Hawe 1996).

This work, in Australia as elsewhere, has been largely motivated by the increasing use of economic evaluation and the debate about whether health outcomes are what should be maximised. Alternative approaches to exploring social welfare have been neglected (Savage 2001).

Economic evaluation

The application of economic evaluation gained great impetus from the 1993 requirement that such evaluation be included in submissions for inclusion on the Pharmaceutical Benefits Scheme (PBS). This requirement has led to the development of groups specialising in pharmaco-economics, commissioned both by the industry (to prepare Pharmaceutical Benefit Advisory Committee submissions) and by government (to check the quality of evaluations submitted), resulting in numerous papers providing an introduction and 'how to' guidance for clinical researchers.

The requirement that economic evaluation contribute to listing decisions was advocated by pharmacologists, rather than economists – but the latter have been involved in the development of the details of implementation. Although the rationale for the evaluation requirement has been cost control and efficiency (Salkeld, Mitchell and Hill 1999), the design of the scheme does not allow efficiency to be addressed

explicitly. While there is some descriptive work on the operation of the economic evaluation guidelines (Birkett, Mitchell and McManus 2001), there has been little critique of this aspect (Viney and Hall 1995).

It might be expected that the focus on and funding for economic evaluation would have led to some major methodological work. The major problem here is the measurement and valuation of the benefits of health programs. In a study of breast-cancer screening, Hall, Gerard, Salkeld and Richardson (1992) explored whether preferences for health states were independent of time. Also in the context of breast-cancer screening, Clarke (1998) applied the travel cost method (using time spent in travel as a measure of utility gained) to estimate welfare gains. Cook, Richardson and Street (1994) compared *ex ante* to *ex post* values of health states in a study of gall-stone treatment. Apart from these, the applied studies do not tackle methodological issues, and the quality and rigour of the methods used are highly variable (Gerard, Seymour and Smoker 2000).

Quality-of-life measurement is a major topic area in health services and clinical research, but few instruments have the required properties for estimating validly combined survival and quality measures (such as quality-adjusted life years, or QALYs). The Australian Quality of Life measure (AQoL) is a multi-attribute utility measure, with weights for the various health states derived from preference surveys of Australian communities (Hawthorne, Richardson and Osborne 1999; Hawthorne, Richardson and Day 2001). This work is the most comprehensive investigation of the properties of quality-of-life instruments. Other work on measuring health-related quality of life has included the most appropriate method of eliciting such weights (Richardson, 1994), the form of the utility function over health and survival (Bleichrodt and Quiggin 1999), and the stability of preferences over time (Shiell et al. 2000).

Policy guidelines for pharmaceutical and medical benefits have prescribed health as the appropriate objective to be maximised in economic evaluation. This is of questionable relevance for many health programs, particularly screening programs where the immediate product of the interventions is information (Hall, Viney and Haas 1998) and it does not clearly accord with community preferences (Richardson 1994). Allowing a broader range of benefits than only health gains has led to new interest, internationally, in contingent valuation and the use of stated preference methods. In particular, the elicitation of preferences and willingness-to-pay estimates, using choice experiments, is increasing. There is a significant Australian contribution to developing these approaches and extending their application to the prediction of program uptake (Hall, Kenny et al. 2002; Hall, Viney, Haas and Louviere forthcoming).

However, the process instituted by the PBS provides highly prescriptive guidelines for the methods that are acceptable in the economic submissions. This limits the development of new approaches, such as developments in stated preference methods and the use of cost-benefit analysis. This prescriptive approach influences review in other applications of economic evaluation, so that the guidelines become not just the standard for drug evaluations for reimbursement decisions, but are seen as the gold standard to be applied in assessing grant applications and journal articles.

Conclusion

The conceptual, theoretical and empirical challenges in health economics are wide-ranging. Health care decision-making is complex, there are multiple sources of market failure, and welfare assessment is by no means straightforward. While the various administrative and survey health databases are extensive, there are often significant deficiencies and gaps that have limited the scope of research. Health economics in Australia, since the pioneering work of Deeble and Scotton, has been inextricably tied to health policy. The Australian health care system is a complex mix of public-sector and private-sector involvement in financing and delivery of services, of substantial variations in the funding and organisation of services within a universal framework, and of frequent, incremental policy changes. As a recent Senate inquiry noted:

[The] persistent problem with assessing proposals for reform is the lack of appropriate data to determine whether reforms are likely to achieve their objectives ... it was only possible to make a broad qualitative judgement of whether reforms would enhance equity and efficiency. [Senate Community Affairs References Committee 2000:196]

To date, there have been significant Australian contributions to health economics research on the demand for private health insurance, comparative efficiency of private and public provision, welfare assessment, and economic evaluation. The academic base for health economics has grown strongly – currently about half of the members of the Australian Health Economics Society are working from academic institutions. Nonetheless, the existing health economics capacity is spread thinly. Several important topics, such as labour markets and workforce issues, or equity in financing and access to care, have received little or no attention. In other significant policy areas, such as private health insurance, and the relationship between insurance and utilisation, although there are some important contributions, there is not a sustained research program, and frequent changes in policy settings limit the policy usefulness of what research has been done. The low levels and short-term nature of research funding have made it almost impossible for a critical mass of researchers to focus on and develop a specific area. Although there have been repeated recommendations for a national investment in health services and health economics research, so far there has been little by way of implementation.

Economics ways of thinking have transferred to health policy, much more so than was the case in the 1980s. But these ideas have not been backed up by in-depth and rigorous analysis, either as a precursor to policy development or as an evaluation of its implementation. For this to be achieved means a wider and more ambitious research agenda, supported by long-term programmatic funding for Australian health economics.

References

- Arrow, K.J. 1963. Uncertainty and the welfare economics of medical care. *American Economic Review* 53:941–73.
- AIHW. 2001. *Expenditures on Health Services for Aboriginal and Torres Strait Islander People 1998–99*. Canberra: Australian Institute of Health and Welfare.

- Birkett, D.J., A.S. Mitchell and P. McManus. 2001. A cost-effectiveness approach to drug subsidy and pricing in Australia. *Health Affairs* 20(3):104–14.
- Bleichrodt, H., and J. Quiggin. 1999. Life-cycle preferences over consumption and health: When is cost-effectiveness analysis equivalent to cost benefit analysis? *Journal of Health Economics* 18(6):681–708.
- Borland, J. 2002. 'The markets for medical specialists in Australia' in *Health Policy Roundtable*. Canberra: Productivity Commission.
- Butler, J.R.G. 1995. *Hospital Cost Analysis*. Boston: Kluwer Academic.
- . 1999. *Estimating Elasticities of Demand for Private Health Insurance in Australia*. Canberra: National Centre for Epidemiology and Population Health.
- . 2001. *Policy Change and Private Health Insurance: Did the Cheapest Policy Do the Trick?* Canberra: National Centre for Epidemiology and Population Health.
- Cameron, A.C., and L. McCallum. 1996. 'Private health insurance choice in Australia: The role of long-term utilisation of health services' in *Economics and Health 1995: Proceedings of the Seventeenth Australian Conference of Health Economists*. Edited by A. Harris, pp. 143–62. Sydney: School of Health Services Management, University of New South Wales.
- Cameron, A.C., and P.K. Trivedi. 1991. The role of income and health risk in the choice of health insurance: Evidence from Australia. *Journal of Public Economics* 45(1):1–28.
- Cameron, A.C., P.K. Trivedi, F. Milne and J.R. Piggott. 1988. A microeconomic model of the demand for health care and health insurance in Australia. *Review of Economic Studies* 55(1):85–106.
- Clarke, P.M. 1998. Cost-benefit analysis and mammographic screening: A travel cost approach. *Journal of Health Economics* 17(6):767–87.
- Cook, J., J. Richardson and A. Street. 1994. A cost utility analysis of treatment options for gall-stone disease: Methodological issues and results. *Health Economics* 3(3):157–68.
- Culyer, A.J. 1981. 'Introduction' in *Health, Economics, and Health Economics: Proceedings of the World Congress on Health Economics*. Edited by J. van der Gaag and M. Perlman. Amsterdam: North-Holland.
- Culyer, A.J., and J.P. Newhouse. 2000. 'The state and scope of health economics' in *Handbook of Health Economics*. Vol. 1a. Edited by A.J. Culyer and J.P. Newhouse. Amsterdam: Elsevier.
- Deeble, J. 1998. *Expenditures on Health Services for Aboriginal and Torres Strait Islander People*. Canberra: Commonwealth Department of Health and Family Services.
- DHAC. 2001. *The Australian Coordinated Care Trials: Final Technical National Evaluation Report on the First Round of Trials*. Canberra: Commonwealth Department of Health and Aged Care.
- Duckett, S.J. 2000. *The Australian Health Care System*. Melbourne: Oxford University Press.
- Duckett, S.J., and T.J. Jackson 2000. The new health insurance rebate: An inefficient way of assisting public hospitals. *Medical Journal of Australia* 172:439–42.
- Enthoven, A.C. 1978. Consumer-choice health plan (second of two parts): A national-health-insurance proposal based on regulated competition in the private sector. *New England Journal of Medicine* 298(13):709–20.
- Fuchs, V. 1989. 'Health economics' in *The New Palgrave: Social Economics*. Edited by J. Eatwell, M. Milgate and P. Newman. London: Macmillan.
- Gerard, K., J. Seymour and I. Smoker 2000. A tool to improve quality of reporting published economic analyses. *International Journal of Technology Assessment in Health Care* 16(1):100–10.
- Goldney, R.D., R.H. Elzinga and P. Kent. 1996. Casemix and affective disorders: A comparison of private and public psychiatric systems. *Australian and New Zealand Journal of Psychiatry* 30(4):511–15.
- Hall, J. 1996. Consumer utility, social welfare, and genetic testing: A response to 'Genetic testing: An economic and contractarian analysis'. *Journal of Health Economics* 15(3):377–80.
- . 1999. Incremental change in the Australian health care system. *Health Affairs* 18(3):95–110.

- . 2001a. *The Public View of Private Health Insurance*. Sydney: Centre for Health Economics Research and Evaluation.
- . 2001b. Health services research in Australia. *Australian Health Review* 24(3):35–8.
- . 2002. 'Discussant' in *Health Policy Roundtable*. Paper originally entitled 'International developments in health policy and lessons for Australia', pp. 48–54. Canberra: Productivity Commission.
- Hall, J., R. De Abreu Lourenco and R. Viney. 1999. Carrots and sticks – the fall and fall of private health insurance in Australia. *Health Economics* 8(8):653–60.
- Hall, J., K. Gerard, G. Salkeld and J. Richardson. 1992. A cost utility analysis of mammography screening in Australia. *Social Science and Medicine* 34(9):993–1004.
- Hall, J., P. Kenny, M. King, J. Louviere, R. Viney and A. Yeoh. 2002. Using stated preference discrete choice modelling to evaluate the introduction of varicella vaccination. *Health Economics* 11:457–65.
- Hall, J., and K. van Gool. 2001. 'Market forces: An examination of the Australian health care market and its impact on the medical workforce' in *5th International Medical Workforce Conference November 2000*. Sydney: Australian Medical Workforce Advisory Committee.
- Hall, J., R. Viney and M. Haas. 1998. Taking a count: the evaluation of genetic testing. *Australian and New Zealand Journal of Public Health* 22(7):754–8.
- Hall, J., R. Viney, M. Haas and J. Louviere. Forthcoming. Using stated preference discrete choice modelling to evaluate healthcare programs. *Journal of Business Research*.
- Harper, R.W., K.D. Sampson, P.L. See, J.L. Kealey and I.T. Meredith. 2000. Costs, charges and revenues of elective coronary angioplasty and stenting: The public versus the private system. *Medical Journal of Australia* 173:296–300.
- Hawthorne, G., J. Richardson and N.A. Day. 2001. A comparison of the assessment of quality of life (Aqol) with four other generic utility instruments. *Annals of Medicine* 33(5):358–70.
- Hawthorne, G., J. Richardson and R. Osborne. 1999. The assessment of quality of life (Aqol) instrument: A psychometric measure of health-related quality of life. *Quality of Life Research* 8(3):209–24.
- Hopkins, S., and M.P. Kidd. 1996. The determinants of the demand for private health insurance under Medicare. *Applied Economics* 28(12):1623–32.
- Industry Commission. 1997. *Private Health Insurance*. Canberra: AGPS.
- Lairson, D.R., P. Hindson and A. Hauquitz. 1995. Equity of health care in Australia. *Social Science and Medicine* 41(4):475–82.
- Maynard, A. 2002. 'The dialogue of the deaf' in *Health Policy Roundtable*. Canberra: Productivity Commission.
- Mooney, G. 1998. 'Communitarian claims' as an ethical basis for allocating health care resources. *Social Science and Medicine* 47(9):1171–80.
- Mooney, G., J. Hall, C. Donaldson and K. Gerard. 1992. Reweighing heat: Response to Culyer, Van Doorslaer and Wagstaff. *Journal of Health Economics* 11(2):199–205.
- National Health Strategy Australia. 1991. *The Australian Health Jigsaw: Integration of Health Care Delivery*. Canberra: Department of Health, Housing and Community Services.
- Ngui, M., C. Burrows and K. Brown. 1989. 'Health insurance choice: An econometric analysis of A.B.S. health and health insurance surveys' in *Economics and Health: Proceedings of the Eleventh Australian Conference of Health Economists*. Edited by C. Selby Smith, pp. 172–94. Clayton, Vic.: Public Sector Management Institute.
- Nord, E. 1995. Who cares about cost? Does economic analysis impose or reflect social values? *Health Policy* 34(2):79–94.
- Palmer, G.R., and S.D. Short. 2000. *Health Care and Public Policy: An Australian Analysis*. 3rd edn. Melbourne: Macmillan Education Australia.

- Richardson, J. 1994. Cost utility analysis: What should be measured? *Social Science and Medicine* 39(1):7–21.
- . 1999. ‘Supplier induced demand reconsidered’ in *Economics and Health 1998: Proceedings of the Twentieth Australian Conference of Health Economists*. Edited by J. Baldry, pp. 143–66. Sydney: School of Health Services Management, University of New South Wales.
- . 2001. Supply and demand for medical care: Or, is the health care market perverse? *Australian Economic Review* 34(3):336–52.
- Richardson, J.R.J., and R. Wallace. 1982. *Health Economics*. Canberra: Australian National University.
- Robertson, I.K., and J.R.J. Richardson. 2000. Coronary angiography and coronary artery revascularisation rates in public and private hospital patients after acute myocardial infarction. *Medical Journal of Australia* 173:291–5.
- Salkeld, G., A. Mitchell and S. Hill. 1999. ‘Pharmaceuticals’ in *Economics and Australian Health Policy*. Edited by G. Mooney and R.B. Scotton, pp. 115–36. Sydney: Allen and Unwin.
- Savage, E. 2001. Health and welfare measurement. *Australian Economic Review* 34(3):332–5.
- Savage, E., and D. Wright. 2001. *Health Insurance and Health Care Utilisation: Theory and Evidence from Australia 1989–90*. Sydney: Centre for Health Economics Research and Evaluation.
- Schofield, D. 1997. *The Distribution and Determinants of Private Health Insurance in Australia, 1990*. University of Canberra: National Centre for Social and Economic Modelling.
- Scotton, R.B. 1999. ‘Managed competition’ in *Economics and Australian Health Policy*. Edited by G. Mooney and R.B. Scotton, pp. 214–31. Sydney: Allen and Unwin.
- . 2001. ‘The making of Medibank’ in *Daring to Dream: The Future of Australian Health Care: Essays in Honour of John Deeble*. Edited by G. Mooney and A. Plant, pp. 1–21. Bentley, WA: Black Swan Press.
- Senate Community Affairs References Committee. 2000. *Healing Our Hospitals: A Report on Public Hospital Funding*. Canberra: Commonwealth of Australia.
- Shiell, A., and P. Hawe. 1996. Health promotion, community development and the tyranny of individualism. *Health Economics* 5(3):241–7.
- Shiell, A., J. Seymour, P. Hawe and S. Cameron. 2000. Are preferences over health states complete? *Health Economics* 9(1):47–55.
- Stoelwinder, J., and R. Viney. 2000. ‘A tale of two states: New South Wales and Victoria’ in *Health Reform in Australia and New Zealand*. Edited by A. Bloom, pp. 201–22. Melbourne: Oxford University Press.
- Vaithianathan, R. 2001. *An Economic Analysis of the Private Health Insurance Incentive Act (1998)*. Canberra: Centre for Economic Policy Research, Australian National University.
- van Gool, K., E. Lancsar, R. Viney, J. Hall and P. Haywood. 2002. Diagnosis and prognosis of Australia’s health information for evidence based policy. *Journal of Health Services Research and Policy* 7 Supplement 1:40–5.
- Viney, R., and J. Hall. 1995. ‘Health economics research and evaluation: The implications of industry sponsored research’ in *Economic Evaluation in Australian Health Care*. Edited by C. Selby Smith and M. Drummond. Canberra: AGPS.
- Webster, R., S. Kennedy and L. Johnson. 1998. *Comparing Techniques for Measuring the Efficiency and Productivity of Australian Private Hospitals*. Canberra: Australian Bureau of Statistics.
- Wilson, J. 1999. *An Analysis of Private Health Insurance Membership in Australia, 1995*. Canberra: National Centre for Social and Economic Modelling, University of Canberra.
- Yong, K., and A. Harris. 1999. *Efficiency of Hospitals in Victoria under Casemix Funding: A Stochastic Frontier Approach*. Melbourne: Centre for Health Program Evaluation.

Immigration

Glenn Withers

Since World War II, migrants or the children of migrants have provided 50 per cent of population increase and almost 60 per cent of workforce growth. As at 2001, 23 per cent of the population were overseas born, one of the highest shares for any country. Migrant labour directly increased Australia's postwar gross domestic product (GDP) growth rate by 42 per cent (Withers 1999). In this sense, modern Australia is a product of immigration.

In the Australian pragmatic tradition, there has been much focus in public discussion and in research on the linkages between immigration and the economy. In public debate over immigration, economic issues are often a central element. On the one hand, many supporters of substantial immigration base their position on immigration's perceived role in Australian development and prosperity. On the other hand, many opponents of high immigration take that position because of their concern that immigration is a source of national economic problems. In scholarly discussion, the economics of immigration has been a distinctive concern of Australian economists, as with like areas such as agricultural economics and international trade. For Australian economics the interdependence between resources, people and cross-border movements has been an abiding theme.¹

In the early postwar period, major names in Australian economics, such as Karmel, Corden, Bensusan-Butt, Kmenta and Arndt, found immigration a topic worthy of their close attention. In more recent times, economists such as Chapman, Cobb-Clark, Creedy, Junankar, McDonald, Nevile, Norman, Pope and others have been ongoing contributors. A recent trend has been for economic consultancies such as Econtech, Access Economics and the Centre for International Economics to provide valuable commissioned studies in the field. However, a brief flurry of high-quality official research work in the 1990s under the aegis of the Bureau of Immigration, Population and Multicultural Research stopped when that organisation was abolished in 1996.

The early postwar focus was upon the short-run macroeconomic impacts of immigration, and analysis in this vein has continued ever since. It has, however, diminished a little following the floating of the exchange rate in 1983 and the subsequent flow-on reforms that served to mute the traditional balance-of-payments crises and induced wage-inflation of concern to earlier economists. But it has become complemented by

a reawakened interest in some older themes concerned with the link to long-run growth and development and, increasingly in recent times, by microeconomic labour and social-welfare considerations. In all cases an eye on policy has been evident in the Australian work.

For the short-term issues the basic economic concerns have been the implications of immigration for unemployment, training, wages and inflation, public outlays and the balance of payments. For the long-run the central question is whether immigration increases per capita income and not just aggregate national income. There is also the question of how income growth is distributed, including between existing residents and newcomers, and effects on broader social considerations, including regional location and demographic ageing. And there are interesting questions concerning the linkages from the economy to immigration itself, both through the motivation for migration and through the influence the economy has on government and its migration policies. These are the issues that are looked at in this survey.²

The macroeconomics of immigration

In relation to the short-term economic issues for immigration, considerable policy concern has been evinced from time to time regarding perceived adverse consequences of migration. In almost each case, however, research has consistently shown a basically neutral outcome of immigration for the economy. This is not to say precisely neutral. Nor is it to say that a different outcome might not have occurred under different conditions.³ But the key point emerging from the economic research in these areas is to recognise that immigration has impacts on the supply and the demand sides of the economy, thus producing offsetting effects (Foster 1994).

Much of the popular public debate recognises only one side or the other for these impacts. Often this is understandable, because the offsetting effects may be subtle, indirect or complex. But this is not to imply they are not equally important. The precise balance of effects is a matter for empirical investigation, the results to date of which are now discussed for the major short-term impacts of labour-market outcomes, current account deficits, and public outlays and revenue, respectively.⁴

Labour-market outcomes

Particular concern often arises over the labour-market effects of immigration. A popular view is that immigration only adds to the number of workers and so increases the level of unemployment or, more specifically, that newly arrived migrants take jobs from existing residents.

Such a view is understandable. It does seem obvious that there is competition for jobs and that migrants may displace other residents. But this view misses the demand created by migration, for immigration can boost spending on goods and services, which in turn increases demand for the labour to produce those goods and services.

This is to say migrants are not only workers but are also consumers, a point stressed in the Australian literature as early as Karmel (1953). Moreover, many also bring capital

funds with them and they may induce others to spend – for example, domestic and foreign business investment to meet the greater consumer demand (Arndt 1964; Lloyd 1982, 1996).

This issue has been examined in a wide range of studies in Australia over different time periods and using different methodologies such as time-series analysis, structural modelling, and simulation, beginning with Harrison (1984), Pope and Withers (1985, 1993), through Ackland and Williams (1992), to Shan and Sun (1998) and Addison and Worswick (2002). The burden of evidence is that immigration has not caused any net increase in the unemployment rate in Australia.

This finding is in no way incompatible with the observed fact of higher average unemployment rates for recently arrived migrants. Settlement adjustment can take time and in the interim, expenditure effects may disproportionately benefit the employment prospects of existing residents. Chapman and Cobb-Clark (1999) show a significant benefit to local unemployed where immigration is accompanied by capital transfer. The conclusion is also consistent with an impact that can vary across industries, occupations and regions (Brooks and Williams 1995). Moreover, some migrant groups experience very low unemployment and others can have quite high rates. For instance, it is not surprising that many refugees, whose education and work have suffered massive dislocation as a result of their experiences, may have higher-than-average unemployment.

In contrast to public concern over perceived adverse unemployment consequences of immigration, a longstanding concern of the union movement has been instead the potential impact of immigration on training opportunities for existing workers. If immigration is used by employers to fill shortages of skilled workers, the fear is that this provides an incentive to avoid proper training of local employees. Of course, recruiting migrant workers is not costless. It is subject to problems of lags before they arrive, problems of compatibility of qualifications, and problems of firm retention. Migrant workers are also subject to the same minimum requirements for conditions of employment as existing residents. Nevertheless, employers do seek skilled migrants and the remaining issue is whether the numbers arriving displace local skill formation.

The answer, as with unemployment, is a matter of the balance between offsetting effects. In the case of training, as with jobs, migrant-created demand induces a need for new training slots wherever that demand is sourced. And while there could be particular imbalances from time to time in the process, the available research evidence (particularly Wooden 1990; Baker and Wooden 1991) finds at least an overall match of extra skill supplied and extra training induced, or possibly a small net gain (Stromback et al. 1993).

Finally, in terms of labour-market effects, it is possible that unemployment effects of immigration would be muted if adjustment in the labour market took place via changes in wages. Then imbalance between supply and demand effects would not be observed in unemployment, but rather in wage movements. Local workers would suffer from reduced wages, rather than from unemployment.

This is less likely to be the outcome for Australia, however, because the Australian labour market has been one of the most highly regulated among industrial countries. The extensive system of minimum wages in place since early in the twentieth century has meant limited capacity for wage reduction. Nevertheless, it is possible that wage-setting authorities may have responded endogenously to the presence of migration in

fixing wages, and in recent years the wages system has itself become increasingly deregulated. Or, again, the immigration could have induced inflation, so reducing real wages if not nominal wages. Empirical research, however, has found that there is no linkage from immigration to nominal wages (Norman and Meikle 1985), nor to price inflation (for example, Junankar and Pope 1990), thus confirming again a broad balance between aggregate demand and supply effects on the macro economy.

Current account deficits

With broad macro-balance being a consistent finding of labour-market studies in relation to immigration, it would be surprising if a different result held for the balance of payments on current account.

Nevertheless, this could be possible. The demand created by migrants could well be 'bunched', so producing foreign-borrowing requirements for that period (Argy 1990; Mitchell 1996), or, if migrants bring in fairly large sums of lifetime-accumulated funds when they arrive in Australia, there could be improvements on the current account, offset later by the prospect of remittances. Some have suggested migrants are irrelevant to much of Australia's exports (for example, agricultural and mineral products), but may be major importers, including of products from their source countries. Or will there be a foreign exchange benefit from visits from friends and relatives?

Clearly there are myriad transmission mechanisms for an effect on the current account – and there are further downstream induced effects. In addition, while it is likely that any one cohort may have a definable sequence of impact – for example, early borrowing and subsequent saving – overlapping cohort effects must also be taken into account. The only effective resolution of the issue can be empirical. And again the available evidence in this respect is that migrant arrivals are neutral with respect to the current account balance (Junankar et al. 1994), though an emigration 'brain drain' may have had a significant negative effect on the current account. Certainly the composition of departures is even more skewed to skilled persons than is arrivals. Within arrivals, there are studies showing high export pay-offs to particular migration categories – for example, business migrants (Access Economics 1998) – but overall there has been a basically neutral average impact.

Very major changes in migrant entry composition could shift outcomes somewhat. But the migration program itself represents an ongoing political balancing of competing humanitarian, economic and social objectives such that complete dominance by any one type of migration is unlikely for Australia – and hence so is dramatic change in impact. By contrast, there are US studies (for example, Borjas 1999) showing that the lower skill composition of US immigration has had more negative net consequences there for some workers (especially in local low-skill labour markets) than has been discernible for Australia (and for Canada).

Public outlays and revenue

As with labour markets and the current account, the effect of immigrants on the public purse is a matter of balance between demand-side and supply-side effects.

In the popular debate over immigration and the public purse, criticism of immigration focuses on the demand generated through migration for government spending

on welfare services, education and health, and wider infrastructure (for example, roads and water). But there is equally a need to examine the less evident supply effects for public revenue through income tax, indirect tax, user charges and the like.

There has been some debate over migrant-specific services where, in the early stages of settlement, it is likely that outlays do exceed revenue; for example, language classes (Rimmer 1988). Also it is likely that for a specific intake, there is a period where migrant-induced public expenditure exceeds revenue generated, but thereafter moderates. It equally needs to be recognised that, with adult migrants, expenditure on education, training and health costs prior to arrival have been incurred elsewhere, a major saving for the Australian taxpayer (Lander 1988), just as is receipt of pension for retirees who relocate to Australia on overseas pensions. Conversely those who retire overseas on Australian pensions constitute a budget cost (Whiteford 1991).

The net impact of the many considerations such as these will vary with the type of migrant, the type of expenditure or revenue and the level of government. It will also vary over time as the nature of public-sector activity alters; for example, greater requirements for self-funding in retirement for income support, health care and aged-care services. For the particularly politically sensitive area of social security, the finding is that despite extensive benefit reliance for some migrant subgroups (for example, refugees), there is no overall disproportionate demand for social welfare support ahead of tax contributions (Whiteford 1991; Hellwig et al. 1992). And indeed, adding up all outlays and revenues, the burden of the empirical evidence indicates that there has been a significantly positive contribution from immigration to the public purse in Australia (Centre for International Economics 1992; Cutts 1992; Mathews 1992; Access Economics 2002).

A particular policy issue of interest in this context is the position of illegal migrants. Given their restricted access to social support, it is possible that illegals make a larger net contribution to the public purse than legal migrants (Lukomskyj and Borowski 1991). However, no case for their toleration on these grounds has been made. The spillover cost to society of toleration of illegality is no doubt instinctively seen as too great. The public opinion reaction to the Tampa asylum-seeker issue in 2001 would seem to strongly affirm this view. The notion of 'queue-jumping' gained some prominence in public debate over the issue.

Long-run growth

A larger population results in a larger economy. A greater number of people generate more demand for goods and services and provide an increase in the number of workers available to meet that demand. A summary measure of the economy is GDP. Australia's GDP at the end of the twentieth century was some \$600 billion. Without migration it is likely that the economy might have been as small as half of its current size, a much-reduced presence in the world economy (Withers 1999).

However, the most common summary indicator of material standard of living for any country is not aggregate production but, rather, average real income. Broadly

speaking, income equals production, so that this is typically measured as GDP per capita, adjusted over time for movements in purchasing power due to price changes.

Underpinning real GDP per capita is productivity. A country's ability to improve its standard of living over time depends primarily on its ability to raise its output per worker. Migration can influence productivity in a number of ways. The two systematic avenues for this most examined by economists are capital accumulation and labour quality. Capital and labour are the two factor inputs that postwar ('neoclassical') growth theory has emphasised.

On the capital front, migration raises traditional concerns that have been present in various guises since at least the earlier 'classical' growth economics of Malthus. That is, more people added to existing resources and capital means ultimately diminished marginal productivity and so slowdown in growth. This view was reflected early in the Australian migration literature (for example, Bensusan-Butt 1950; Corden 1955).

There is a counterview, popular among some economic historians and enunciated by John Maynard Keynes. In observing US growth, Keynes (quoted in Thomas 1958) commented:

it was largely because of migration that the United States' economy was always growing rapidly and outstripping capacity. There was consequently less risk in under-taking investment, and capital formation was larger, more rapid and more confident.

The balance of such opposing pressures is an empirical question. And for Australia there have been empirical studies looking at the linkage historically and for more recent times, beginning with Kmenta (1966). These studies find a strong positive linkage between investment (and foreign capital flows funding that investment) and immigration. Moreover the linkage is such that immigration has kept private investment at a fairly constant share of (expanding) GDP, with public investment a more variable share according to changing policy criteria (Brain, Smith and Schuyers 1979; Baker 1988; Nevile 1990). However, this outcome may not have stopped some diminution of the level of capital per head below what it would otherwise have been, so imposing some pressure for actually experiencing declining productivity from this source.

This negative capital effect needs to be set against a possible positive benefit from labour quality. Various studies have shown that immigration has increased the average level of education, training and skills possessed in the Australian workforce (for example, Withers 1989). Some would add that this is reinforced by the greater energy, motivation and zeal of migrant workers. But these latter influences are difficult to measure.

The pay-off to higher skills is muted by some skill transferability problems and some problems with the fair recognition of overseas training. Foster, Marshall and Williams (1991) and McAllister (1995) documented substantial skill losses and misallocation. However, the average migrant skill levels in the later decades of the twentieth century were sufficiently higher than local workforce levels that such offsets would have had to have been huge to negate the benefit to workforce productivity overall.

Of course, a continued contribution of this kind does require close policy attention to the composition of migration, to selection criteria used, and to success in competition for such migrants with other settler countries (Cobb-Clark 1997). It also requires

close attention to post-arrival training. Chiswick and Miller (1992) and Iredale and Nivison-Smith (1995) show high returns from local training for migrants. The process of national competition policy developed in Australia from the 1980s is likely to help diminish restrictions on recognition of overseas qualifications where these have no 'public interest' defence. Flatau and Wood (1997) find some early evidence of improvement along these lines.

Given a potentially negative effect of immigration on productivity through capital accumulation and positive effect through skill enhancement, the question that arises is the balance of these effects. To answer this a range of studies using computable general equilibrium (CGE) models sought to quantitatively simulate the net implications of immigration from the 1970s. The conclusion of a certain subset of these studies was influential and came to be characterised as a finding that there is either a neutral or small positive effect of immigration on per capita income, though depending importantly upon how much skill content for new migrants was assumed (Foster 1996). More recently this view became transformed in some official circles into the judgement that 'there is no clear link'.

However, such conclusions were too uncritically reliant upon the results of CGE methodology. Such models do not directly estimate historical experience and are better for simulating resource-reallocation implications of policy changes than for analysing long-run growth experience. Conventionally, and for this reason, such models find very few policy changes (whether tariffs, industrial-relations arrangements, or so on) that have any greater benefit for per capita income growth than does immigration policy. Yet a willingness to attribute greatly enhanced growth performance to these other policies is common.

The problem for long-run growth is that such models do not easily allow for scale economies or diseconomies, which many see as important for sustained immigration over time (Perkins et al. 1990). Nor can they easily allow for behaviour changes arising from immigrants' different motivations and backgrounds. Nor can they adequately reflect various spillovers or externalities from both enhanced population scale and population composition; for example, capital vintages, new ideas, entrepreneurship, agglomeration, or global integration. They did sometimes allow for skill, however, and then quite positive results emerged.

To illustrate the general problem, in a major early contribution the Australian economist Salter introduced the notion of capital quality ('vintage') as well as quantity of capital as being important for productivity. A higher growth-rate of population will increase the share of recent vintage capital in the capital stock, so benefiting worker productivity and potentially offsetting any quantity-based capital-dilution effect.⁵

Increasingly, modern economics (notably endogenous growth theory) has come to stress such factors as these as of the essence for growth, rather than simply looking at direct capital and labour effects. And in Australia those studies that have directly estimated the historical linkage of immigration to per capita income have usually found a strong positive relation, as this newer analysis would postulate (for example, Withers 1988; Pope and Withers 1995). So too have those CGE models and structural macro-economic models, which have sought, by various ad hoc methods, to comprehensively

incorporate scale, skill and technology effects from migration (Centre for International Economics 1988; Perkins et al. 1990; Econtech 2001).

Alternative methodologies (for example, case studies, surveys) have also found substantial synergy from business migration for employment and export growth (Stromback and Malhotra 1994; Dawkins, Kemp and Cabalu 1995; Access Economics 1998), reinforcing the findings of the macroeconomic direct-estimation approach. So too have studies of migrants generally in relation to their impact on small business (Strahan and Williams 1988; Strahan 1990) and entrepreneurship (Collins et al. 1995). Notions of 'productive diversity' have extended the theoretical base for these findings (Beresford 1995; Cope and Kalantzis 1997).

The potential existence of a large positive linkage still seems counterintuitive to some. After all, if population is a source of positive benefit, why is Bangladesh poor and Sweden rich? And simple international cross-section studies do not find a strong relationship between population and per capita income growth. The answer to the question posed, and the puzzle emerging from cross-section data, is to ask another question: why is Chad poor and the USA rich?

From this response it should be seen that the link from population scale and growth to material standard of living is a conditional one: it also depends upon complementary conditions and policies; for example, whether investment in infrastructure and plant and equipment keeps pace. A rich industrial country that can properly invest for a growing workforce can obtain pay-offs from population that poorer countries need not. It is not that there is no link, only that the link is complex and conditional; for example, dependent on suitable education levels of migrants and investment in physical capital. The cross-section studies have not usually included sufficient of these additional variables, nor have they usually allowed for the interdependence of such variables with population. Nor have they distinguished migration-derived population growth from natural increase-based growth. Time-series analysis can control for many of these problems, but data sets are less readily available for most countries. Fortunately Australia is an exception to this rule and the historical data for Australia do support a significant positive impact on per capita income – sometimes even in contrast to the experiences of some other countries (Pope and Withers 1994) – so possibly reflecting ongoing increasing returns in Australia and balanced policy settings.

Issues in social economics

In interpreting the long-run growth economics, some related social-economics dimensions are also important. One such matter in the immigration field has been the need to elucidate who are the beneficiaries in the case of higher per capita income.

One proposition emerging from the CGE approach to answering this question is that migrants might benefit more than natives in this process (Parmenter 1990; Parmenter and Peter 1991; Peter and Verekiou 1996). This is because the models used emphasise how extra workers will bid down wages or create unemployment if wages are inflexible.

However, once again the result flows from the dominance of diminishing marginal returns in most such models, unless modified for longer-run historical rather than comparative equilibrium analysis. The results can in fact be otherwise once two factors are allowed for, namely the offsetting positive dynamic benefits discussed on pages 80 to 81, and the ownership of capital by existing residents. In the latter case, if the return to labour did decrease with immigration, the return to capital would increase. This capital is largely owned by residents. When housing stock is acknowledged as part of capital and when ownership of shares is widespread (for example, through compulsory superannuation), then capital return benefit can also be quite widespread.

Even for labour earnings, when Addison and Worswick (2002) use regression to analyse cross-sections from the official income-distribution survey for the years 1982 through 1996, no detrimental effects of immigrants on native earnings are detected. Nor is this altered when the specific impact on less-educated or younger Australian workers is investigated. This reinforces earlier compositional findings such as those by Saunders and King (1994). Addison and Worswick (2002:77) conclude that 'these results add to a growing body of literature that has consistently failed to find that immigration adversely affects the earnings of native-born Australians'.

A further calculation that has been made is of the benefit to migrants compared to their likely position in their home country had they not migrated (Withers 1986). The calculation does show that migrants have gained greater income increases on average (compared to the general trends in their source countries) than for the Australian-born. The usefulness of this depends upon views as to how far 'welfare' measures should acknowledge the direct benefits to migrants from their relocation.

As well as the various CGE, cross-section regression and growth accounting approaches to these compositional issues, as just discussed, there have been individual industry, region and occupation studies of the implications of immigration. Particular examples are Rod and Webster (1995) on food processing, Dawkins, Kemp and Cabalu (1995) on professional services, Dwyer et al. (1993) on tourism, and Crawford et al. (1996) on construction services. On regional issues as linked to immigration, there is a rich literature, but more from economic geographers and demographers than economists (Hugo 1995; Bell 1996; Murphy 1997). For particular areas, Preston (1991) has looked at Western Australia, Taylor (1991) at the Northern Territory, and Morrissey, Mitchell and Dibden (1992) have studied the Illawarra.

A further welfare-measurement issue is that of the adequacy of the economists' conventional focus on income. Measures such as GDP per capita have been criticised for ignoring a number of other relevant considerations ranging from crime through urban congestion to resource overexploitation. Attempts are in train to measure such extra effects – and these attempts are themselves subject to various methodological criticisms; for example, notions of a genuine progress indicator. Moreover, the linkage of the broader measures to immigration remains to be made. For example, in the important area of environmental pressures, economists have generally adopted a sceptical position on the strength of any such linkage to Australian population growth for most environmental concerns except those related to urban congestion and pollution (Clarke et al. 1990; Castles et al. 1998; Spiller, Gibbins and Swan Pty Ltd 2000).⁶

Rural and rural resource-use problems are seen instead to be the product of the practices of a small population linked to global market demand. Urban problems are seen as linked to local population, but better dealt with by direct environmental preventative policies and remediation than by reducing migration, which well serves other national objectives.

One exception to this general characterisation, though, might be greenhouse policy. Specifically, Turton and Hamilton (1999) use an accounting model to calculate whether the increased greenhouse pressure from migrant-induced population growth in Australia is offset by reduced emissions in source countries. They find a net increase globally from Australian immigration due to high Australian average per capita emissions relative to most countries. The implication is drawn that Australia could better meet international climate-control obligations by reducing immigration.

The difficulty with this analysis is that average emissions are used for source countries when migrants (often skilled) may be much higher-than-average emitters in those countries, but only average or less in Australia. Also, other environmental damage in the less-regulated source countries is not incorporated in the analysis, and the benefit from directing Australian policy at behaviour of all residents and not just migrants is not addressed. Moreover, it remains to be established for Australia whether concerns on this front will be offset by claims of Kuznets-curve benefits from higher per capita income being associated with improved environmental amenity.

A different issue in social economics that has occupied attention is the role of immigration in moderating the costs of demographic ageing. Immigration Minister Hurford in the early 1980s said that the benefits of immigration in reducing the relative costs of an ageing population were one of the key reasons for a Labor government agreeing to increase migration at a time of high unemployment. The issue has returned to the agenda in the late 1990s, because demographic projections indicate a major increase in the older age share of the population from 2030, as the baby-boom generation has retired or moves into retirement. With declining fertility also evident, this has raised the prospect again as to whether immigration has a role to play in creating a younger Australia than is otherwise in prospect.

While Australia has had a younger population profile than most OECD nations, standard demographic projections indicate a significant increase in the aged share of the population from 2030. Continuation of trends evident in the 1990s would double the share of aged by mid-century. This would still be a younger demographic profile than that for most industrial nations, but it would also nevertheless be a major shift for Australia's demography.

A view has been expressed that such concern is overstated for ageing and, moreover, that immigration is an inefficient instrument for responding to such concern anyway. It is said the immigrant numbers required for benefit are unacceptably large, and that anyway, Australia has progressed further than most countries in compulsory self-funding for retirement and in inducing private health insurance. In these circumstances the usual concern in population ageing, the transfer burden upon a smaller relative working-age population, is said to be manageable.

An alternative view is that the policy settings for full self-funding of aged care are far from guaranteed, particularly as the voting population itself increasingly ages. If so,

a package of measures to moderate the ageing effect could be helpful and immigration could have a role to play in this context (Alvarado and Creedy 1998). In particular it is further argued that traditional demographic projections (based on fixed migrant composition and fixed absolute levels of migration) might understate the benefits of migration for this purpose, so that the inclusion of immigration as one element of response to ageing is not unreasonable (Withers 2002).

Fitzgerald (2001) gives an overview of these issues, and the Productivity Commission (1999) and Treasury (2002) provide some interesting official contrasts. Most recently Guest and McDonald (2002) have provided simulation modelling that concludes that low fertility and declining population are good for living standards, because of the reduced need to provide for the young and to invest in a growing workforce. However, as with the CGE work in relation to immigration, discussed above, this simulation suffers from an absence of scale economies, capital vintage and endogenous technology with respect to population scale, which other research (above) supports as quite important empirically for Australia. Such 'extinction economics' must therefore be handled carefully in seeking any serious policy implications.

Also in the broad field of demographic economics, the implications of immigration for population distribution have been the subject of academic and policy review. Of particular concern has been the increasing concentration of migrant arrivals in Sydney. The presumed implications of this for infrastructure and service provision and for urban congestion have convinced some New South Wales-based politicians to support low immigration.

Critics of this stance point to the revenue generated by migrants as the source of solutions to such problems, along with enhanced urban policies generally. It is also pointed out that internal out-migration from Sydney has meant that the city's population growth has not been too far above the rate of natural increase, and that growth problems or benefits, as the case may be, are actually displaced much more to areas such as Brisbane and Perth, with double the population growth rate of Sydney. The benefits to Sydney from agglomeration and cosmopolitanism have also been stressed (Castles et al. 1998; Garnaut 2002).

Wider immigration economics

Economists have examined a wide range of other issues beyond the impact of migration on macroeconomic conditions, long-run growth and social issues.

Economists have also devoted significant attention to the post-arrival outcomes of migrants, particularly using the approach of 'human capital theory'. This relates earnings (and other labour-market outcomes) to the characteristics of individuals, and allows a statistical analysis of outcomes for migrants and non-migrants. Early studies held out the prospect of a reasonable convergence over time between migrants and existing residents, implying ultimately similar rewards for education and experience (Haig 1980; Chapman and Miller 1983; Stromback 1984). Subsequent work affirms some convergence and finds strong intergenerational mobility and like returns to qualifications and experience if acquired in Australia, so that simple 'discrimination' inter-

pretations of any residual difference based on ascriptive characteristics lack plausibility (Evans and Kelley 1986, 1989).

Nevertheless, cohort effects relating to external labour-market conditions were found to contaminate early results (Beggs and Chapman 1988). And there does remain a gap in returns to overseas qualifications and experience, especially for people of non-English-speaking background, that requires more complex interpretation (for example, Chiswick and Miller 1985; Kidd 1993; McDonald and Worswick 1999).⁷

Beyond human capital, an earlier literature associated with the economic historians has examined the role of wage, unemployment and transport-cost levels between source and host countries as explanators of migration movements (for example, Kelley 1965; Appleyard 1963; Pope 1981). This was not to deny other motives but, given those other motives, to measure the influence of such pecuniary factors. However, while the effect of economic influences is clear in earlier times, such as the less constrained migration movements of the nineteenth century (for example, Withers 1977), their role in more recent times tends to be masked. One reason for this is that entry is now well-controlled by Australian authorities, so that free responses are not being observed. That this is the appropriate explanation, and is not simply a reflection of absence of economic motivation, is demonstrated by analyses of trans-Tasman migration (Pope 1985; Brosnan and Poot 1987). For such movements no visa requirements apply, and there the economic variables play a reliable and significant role.

A related political-economy issue is whether the quotas set for visaed migration are responsive to economic forces. And certainly the Australian tradition has been to expand allowable entry during boom times and to contract it during recession. Two major exceptions exist in the postwar period – a rise in permitted migration during high unemployment under the first Hawke Labor government, and maintenance of low permitted migration during a period of sustained expansion under the first Howard government – each breaking the longer historical pattern previously evident. Formal modelling of intake policy has been provided by Jackson and McIntosh (1977), Caddy, Jackson and Powell (1978) and Kelley and Schmidt (1979). Lloyd (1993) produced a public-choice interpretation of the determination of migrant intake numbers and their composition.

In terms of the actual policies adopted, a number of academic research economists have participated in the decision-making process for government, including Appleyard, Neutze, Hogan, Rivett, Hughes and Withers, as members of official immigration advisory bodies or major inquiries. Shergold and Nieuwenhuysen have held appointments as heads of Commonwealth government agencies in the immigration and multicultural-affairs field. Withers chaired a population inquiry for the Hawke government (National Population Council 1991a, 1991b) and also an earlier committee that designed the contemporary immigration selection system for Australia (National Population Council 1988), including a floating points system linked to human capital pay-off variables, which ‘clears’ the immigration ‘market’.⁸

A broader economic logic has argued for auctioning settlement rights, as put forward by Harrison (1989) and Kasper (2002). The points system and capital requirements for business entry are a de facto equivalent to an auction, but they avoid the explicit sale of citizenship (regarded by many existing residents as a ‘merit’ or ‘invaluable’ good) at the

expense of reducing the financial transfer benefit to existing residents (though this may still be positive from spillovers).

Newer topics for economic focus have included the growth of temporary cross-border movements and asylum-seeker movements, both facilitated by the growth in cheap global transport. The blurring of boundaries between settler, long-term and short-term movements has increased as a consequence, and emigration flows are also rising correspondingly. Benchmark studies include Sloan and Kennedy (1992), Brooks, Murphy and Williams (1994) and Baker et al. (1996) for temporary migration (including business visitors, tourists and students), and Hughes on refugees (2002).⁹ Work on emigration is summarised in Hugo, Rudd and Harris (2002). Appleyard (1991) and Withers (1991, 1993, 1994) were active in recommending improved international regimes for bilateral, regional and global coordination of policies to better manage the growing international population flows.

Conclusion

Much Australian economic analysis of immigration has focused on the relatively short-run effects on aggregates such as unemployment, wages, inflation, public finance and the foreign debt. Yet the general finding in all of these areas is that the effects have been reasonably balanced or, where not, marginally positive for the Australian macro economy and for Australian residents.

Of course further work may be needed to examine and refine these findings. And there remains the long and arduous task of persuading decision-makers and public opinion that fear of generally adverse effects may mostly be myths. Economists faced just such a task earlier in recommending the benefits of tariff reduction and other market liberalisation, so it can be done.

But an even greater research priority might lie with examining implications for longer-run growth in per capita income and making those results known. There, an earlier view that immigration may even reduce or be neutral in its effects has been challenged by a re-examination of earlier studies and methodologies in the light of new growth economics and the new economic geography. A more positive and substantial contribution of immigration has correspondingly been claimed, and further testing is needed to confirm those claims. A distinctive Australian capacity to analyse immigration through innovative quantitative modelling will continue to assist in this. Australian work on structural and CGE modelling, particularly applied to immigration, has been at the forefront of world practice. More such work will be complemented by insight for detailed policy design that is increasingly becoming available from rich micro-data bases, including extensive longitudinal data (Cobb-Clark 2001)

The salience of a renewed focus on longer-term pay-offs, in productivity and also in relation to social outlays, is emphasised by the impending demographic transition that is now facing Australia for the first time since European settlement, namely the prospect of negative natural increase. The role of immigration (both permanent and long-term) in sustaining a prosperous economy with an ageing workforce is a core issue that is therefore likely to occupy economic analysis of immigration in Australia for some time to come.

Analysis could also be beneficially applied to the position of refugees and asylum seekers and to considering international policy arrangements for the management of global population movements. Economists have in the past led the way on international integration in relation to trade and capital flows. For instance, consider the role of Australian-derived notions such as 'effective protection' in intellectually underpinning international trade liberalisation. Or consider Australia's prominent role in international multilateralism ranging from the formation of the United Nations through to the Cairns Group and the Asia–Pacific Economic Cooperation initiative. There is also a role awaiting leadership in population flows. In many ways the Australian migration experience is a commendable achievement and an excellent platform for the assertion of a leadership role. Greater attention to integration of local scholarship in immigration economics into world learning would be a helpful additional step. There is a rich intellectual heritage as well as distinctive future research opportunities that could well be better projected beyond Australia itself.

Notes

- 1 This survey looks at post-World War II Australian research. A succinct review of previous discussion is given in Pope (1999).
- 2 This survey extends an earlier review by the author (Withers 2001). Other general surveys of Australian immigration economics are to be found in Wooden et al. (1994) and Castles et al. (1998).
- 3 For reasonable variations in migration-program composition, little difference in short-term macroeconomic outcomes is observed (Foster 1994; Cobb-Clark 2000). But longer-term effects – for example, on per capita income – can be more marked (Econtech 2001).
- 4 Recent surveys of the macroeconomic material are to be found in Foster and Withers (1992), Sloan and Villaincourt (1994), Foster (1996), and Junankar, Pope and Withers (1998). Much of the stimulus for analysis in these areas for the later decades of the twentieth century was Norman and Meikle (1985).
- 5 The same effect will also apply for human capital if a migration program is biased to younger entrants.
- 6 A different and abstract literature has addressed issues of optimal population and welfare (Pitchford 1987; Clarke and Ng 1990).
- 7 The effects of changes in selection policy since the mid-1990s are examined by Richardson, Robertson and Isley (2001) and Cobb-Clark (2001).
- 8 The capacity of the system to calibrate for sectoral/occupational shortages/surpluses has been reviewed by Baker, Sloan and Robertson (1994). Despite cautions by economists on such finetuning, political and bureaucratic imperatives seem to compel periodic inclusion of such criteria in selection.
- 9 A much earlier study of displaced persons is Appleyard (1955).

References

- Access Economics. 1998. *Evaluation of the Contribution of Business Skills Migrants to Australia*. Canberra: Department of Immigration and Multicultural Affairs.
- . 2002. 'The economics of migration' in *Migration: Benefiting Australia, Conference Proceedings, Sydney 7–8 May*. Canberra: Department of Immigration and Multicultural and Indigenous Affairs.

- Ackland, R., and L. Williams. 1992. *Immigrants and the Labour Market: The Experience of Three Recessions*. Canberra: AGPS.
- Addison, T., and C. Worswick. 2002. The impact of immigration on the earnings of natives: Evidence from Australian micro data. *Economic Record* 78(240):68–78.
- Alvarado, J., and J. Creedy. 1998. *Population Ageing, Migration and Social Expenditure*. Cheltenham: Edward Elgar.
- Appleyard, R. 1955. Displaced persons in Western Australia. *University Studies in History and Economics* 2(3):62–100.
- . 1963. The effect of unemployment on immigration to Australia. *Economic Record* 39(1):65–80.
- . 1991. *International Migration: Challenge for the Nineties*. Geneva: IOM.
- Argy, F. 1990. 'Immigration and the current account deficit' in *Australia and Immigration: Able to Grow?* Edited by M. Eason. Sydney: Pluto Press.
- Arndt, H.W. 1964. The national economy of Australia and migration. *International Migration* 2(1).
- Baker, L. 1988. 'Immigration and per capita investment' in *The Economics of Immigration: Proceedings of a Conference at the Australian National University 22–23 April 1987*. Edited by L. Baker and P. Miller. Canberra: AGPS.
- Baker, M., F. Robertson, A. Taylor and L. Doube, with T. Rhall. 1996. *The Labour Market Effects of Overseas Students*. Canberra: AGPS.
- Baker, M., J. Sloan and F. Robertson. 1994. *The Rationale for Australia's Skilled Immigration Program*. Canberra: AGPS.
- Baker, M., and M. Wooden. 1991. *Immigration and Training*. Canberra: AGPS.
- Beggs, J.J., and B.J. Chapman. 1988. 'The international transferability of human capital: Immigrant labour market outcomes in Australia' in *The Economics of Immigration: Proceedings of a Conference at the Australian National University 22–23 April 1987*. Edited by L. Baker and P. Miller. Canberra: AGPS.
- Bell, M. 1996. *Understanding Internal Migration*. Canberra: AGPS.
- Bensusan-Butt, D. 1950. Investment and immigration in Australia in the 1950s: Some problems of theory. *Economic Record* 26:201–16.
- Beresford, D. 1995. *Productive Diversity in the Tourism Industry*. Canberra: AGPS.
- Borjas, G. 1999. *Heaven's Door: Immigration Policy and the American Economy*. Princeton, NJ: Princeton University Press.
- Brain, P., R. Smith and R. Schuyers. 1979. *Population, Immigration and the Australian Economy*. London: Croom-Helm.
- Brooks, C., J. Murphy and L.S. Williams. 1994. *The Role of Skilled Temporary Residents in the Australian Labour Market*. Canberra: AGPS.
- Brooks, C., and L.S. Williams. 1995. *Immigrants and the Labour Market: The 1990–94 Recession and Recovery in Perspective*. Canberra: AGPS.
- Brosnan, P., and J. Poot. 1987. Modelling the determinants of trans-Tasman migration after World War II. *Economic Record* 63:313–29.
- Caddy, J., B.E. Jackson and A.A. Powell. 1978. *Determinants of Australian Migration*. IMPACT Working Paper B-07. Melbourne: Centre of Policy Studies, Monash University.
- Castles, S., W. Foster, R. Iredale and G. Withers. 1998. *Immigration and Australia: Myths and Realities*. Sydney: Allen and Unwin.
- Centre for International Economics. 1988. 'The relationship between immigration and economic performance' in *Immigration: A Commitment to Australia – Consultants' Reports*. Committee to Advise on Australia's Immigration Policies. Canberra: AGPS.
- . 1992. *Immigration and the Commonwealth Budget*. Canberra: AGPS.

- Chapman, B.J., and D. Cobb-Clark. 1999. A comparative static model of the relationship between immigration and the short-run job prospects of unemployed residents. *Economic Record* 75(231):358–68.
- Chapman, B.J., and P.W. Miller. 1983. 'Determination of earnings in Australia: An analysis of the 1976 census' in *Japanese and Australian Labour Markets: A Comparative Study*. Edited by K. Hancock, Y. Sano, B. Chapman and P. Fayle. Canberra: Australia–Japan Research Centre.
- Chiswick, B.R., and P.W. Miller. 1985. Immigrant generation and income in Australia. *Economic Record* 61:540–53.
- . 1992. *Post-Immigration Qualifications in Australia: Determinants and Consequences*. Canberra: AGPS.
- Clarke, H.R., A.H. Chisholm, G.W. Edwards and J.O.S. Kennedy. 1990. *Immigration, Population Growth and the Environment*. Canberra: Bureau of Immigration Research.
- Clarke, H., and Y.K. Ng. 1990. *Population Growth and the Benefits from Optimally Priced Externalities*. La Trobe Economics Research Paper. Melbourne: La Trobe University.
- Collins, J., K. Gibson, C. Alcorso, S. Castles and D. Tait. 1995. *A Shop Full of Dreams: Ethnic Small Business in Australia*. Sydney: Pluto Press.
- Cobb-Clark, D. 1997. The worldwide market for skilled migrants: Can Australia compete? *International Migration Review* 31(3):670–93.
- . 2000. Do selection criteria make a difference? Visa category and labour market status of immigrants to Australia. *Economic Record* 76(232):15–31.
- . 2001. The longitudinal survey of immigrants to Australia. *Australian Economic Review* 34(4):467–77.
- Cope, W., and M. Kalantzis. 1997. *Productive Diversity: A New Australian Model for Work and Management*. Sydney: Pluto Press.
- Corden, W.M. 1955. The economic limits to population increase. *Economic Record* 31:242–60.
- Crawford, L., J. Kelleher and L. Inge, with G. Searle, G. de Valence and M. Swivel. 1996. *Construction Services and Export Growth: The Contribution of Immigrants*. Canberra: AGPS.
- Cutts, L. 1992. *Immigration and Local Government Budgets*. Bureau of Immigration Research. Canberra: AGPS.
- Dawkins, P., S. Kemp and H. Cabalu. 1995. *Trade and Investment with East Asia in Selected Service Industries*. Canberra: AGPS.
- Dwyer, L., I. Burnley, P. Forsyth and P. Murphy. 1993. *Tourism–Immigration Interrelationships*. Canberra: AGPS.
- Econtech. 2001. *Economic Impact of the 2000/01 Immigration Program Changes*. Report prepared for the Department of Immigration and Multicultural Affairs. Canberra: Department of Immigration and Multicultural Affairs.
- Evans, M.D., and J. Kelley. 1986. Immigrants' work: Equality and discrimination in the Australian labour market. *Australian and New Zealand Journal of Sociology* 22:187–207.
- . 1989. Prejudice and discrimination in the labour market: Socioeconomic attainment of immigrants in Australia. Mimeograph, Department of Sociology, Australian National University, Canberra.
- Fitzgerald, V. 2001. 'Demography and growth' in *Reshaping Australia's Economy: Growth with Equity and Sustainability*. Edited by J. Nieuwenhuysen, P. Lloyd and M. Mead. Melbourne: Cambridge University Press.
- Flatau, P., and G. Wood. 1997. *Assessment of Overseas Qualifications*. Canberra: Department of Immigration and Multicultural Affairs.
- Foster, L., A. Marshall and L.S. Williams. 1991. *Discrimination against Immigrant Workers in Australia*. Canberra: AGPS.

- Foster, W. 1994. *The Macroeconomic Limits of Compositional Change in Australian Immigration: Results from the AEM-I Model*. Canberra: AGPS.
- . 1996. *Immigration and the Australian Economy*. Canberra: AGPS.
- Foster, W., and G. Withers. 1992. 'Macro-economic consequences of international migration' in *Nations of Immigrants: Australia, the United States and International Migration*. Edited by G.P. Freeman and J. Jupp, pp. 90–110. Melbourne: Oxford University Press.
- Garnaut, R. 2002. 'Immigration: Who wins and who loses?' in *Migration: Benefiting Australia, Conference Proceedings, Sydney 7–8 May 2002*. pp. 131–64. Canberra: Department of Immigration, Multicultural and Indigenous Affairs.
- Guest, R., and I. McDonald. 2002. Would a decrease in fertility be a threat to living standards in Australia? *Australian Economic Review* 35(1):29–44.
- Haig, B.D. 1980. Earnings of migrants in Australia. *Journal of Industrial Relations* 22:264–74.
- Harrison, D.S. 1984. The impact of immigration on a depressed labour market: The South Australian experience. *Economic Record* 60(168):57–67.
- Harrison, M. 1989. Auctioning the immigration quota. *Policy* 5:26–8.
- Hellwig, O., A. King, I. Manning and J. Perkins. 1992. *Immigrant Incomes and Expenditure*. Canberra: AGPS.
- Hughes, H. 2002. *Immigrants, Refugees and Asylum Seekers*. CIS Policy Monograph 54. Sydney: Centre for Independent Studies.
- Hugo, G. 1995. Australian and international treaties: Population. *Australian Geographer* 2(1):53–60.
- Hugo, G., D. Rudd and K. Harris. 2002. *Emigration from Australia – Economic Implications*. Canberra: Department of Immigration, Multicultural and Indigenous Affairs.
- Iredale, R., and I. Nivison-Smith. 1995. *Immigrants' Experience of Qualifications Recognition and Employment: Results from the Prototype Longitudinal Survey of Immigrants to Australia (LSIA)*. Canberra: AGPS.
- Jackson, B.E., and M.K. McIntosh. 1977. An econometric model of Australian migration. Paper presented at the 6th Conference of Economists, Hobart, May.
- Junankar, P.N., and D. Pope. 1990. *Immigration and Wages and Price Stability*. Canberra: AGPS.
- Junankar, P.N., D. Pope, C.A. Kapuscinski and W.A. Mudd. 1994. *Immigration and Australia's External Account Balances*. Canberra: AGPS.
- Junankar, P.N., D. Pope and G. Withers. 1998. Immigration and the Australian macroeconomy: Perspective and prospectives. *Australian Economic Review* 31(4):435–44.
- Karmel, P.J. 1953. 'The economic effects of immigration' in *Australia and the Migrant*. Edited by H.E. Holt, A.A. Calwell and W.D. Borrie. Sydney: Angus and Robertson.
- Kasper, W. 2002. *Sustainable Immigration and Cultural Integration*. CIS Policy Monograph 55. Sydney: Centre for Independent Studies.
- Kelley, A.C. 1965. International migration and economic growth, Australia: 1865–1935. *Journal of Economic History* 25(September):333–54.
- Kelley, A.C., and R.M. Schmidt. 1979. Modelling the role of government policy in post-war Australian immigration. *Economic Record* 55(June):127–35.
- Kidd, M.P. 1993. Immigrant wage differentials and the role of self-employment in Australia. *Australian Economic Papers* 32:92–115.
- Kmenta, J. 1966. An econometric model of Australia, 1948–61. *Australian Economic Papers* 5(December):131–65.
- Lander, D. 1988. 'Introductory remarks to chapter 4' in *The Economics of Immigration: Proceedings of a Conference at the Australian National University 22–23 April 1987*. Edited by L. Baker and P. Miller. Canberra: AGPS.

- Lloyd, P.J. 1982. 'The effects of immigration on economic growth via technological change and economies of scale' in *The Economics of Australian Immigration: Proceedings of the Conference on the Economics of Immigration, February 8–9 1982*. Edited by D. Douglas. Sydney: Sydney University.
- . 1993. 'The political economy of immigration' in *The Politics of Australian Immigration*. Edited by J. Jupp and M. Kabala. Canberra: AGPS.
- . 1996. 'Globalisation, foreign investment and migration' in *International Trade and Migration in the APEC Region*. Edited by P.J. Lloyd and L. Williams. Melbourne: Oxford University Press.
- Lukomskyj, O., and A. Borowski. 1991. *The Impact of Illegal Entrants on Government Benefits and Services*. Canberra: Bureau of Immigration Research.
- McAllister, I. 1995. Occupational mobility among immigrants: The impact of migration on economic success in Australia. *International Migration Review* 29(2):441–67.
- McDonald, J.C., and C. Worswick. 1999. The earnings of immigrant men in Australia: Assimilation, cohort effects, and macroeconomic conditions. *Economic Record* 75(228):49–62.
- Matthews, R. 1992. *Immigration and State Budgets*. Canberra: AGPS.
- Mitchell, W. 1996. Why high levels of net migration present problems for unemployment and external debt stabilisation. *People and Place* 4(1):40–5.
- Morrissey, M., C. Mitchell and M. Dibden. 1992. *Immigration and Industry Restructuring in the Illawarra*. Canberra: AGPS.
- Murphy, J. 1997. *Initial Location Decisions of Immigrants*. Canberra: AGPS.
- National Population Council. 1988. *Immigration Selection Systems, Report of a Working Party of the National Population Council*. Canberra: AGPS.
- . 1991b. *Population Issues and Australia's Future Environment, Economy and Society – Final Report*. Canberra: AGPS.
- . 1991a. *Population Issues and Australia's Future: Environment, Economy and Society. A Discussion Paper*. Canberra: AGPS.
- Nevile, J.W. 1990. *The Effect of Immigration on Living Standards in Australia*. Canberra: AGPS.
- Norman, N.R., and K. Meikle. 1985. *The Economic Effects of Immigration on Australia*. 2 vols. Melbourne: Committee for Economic Development of Australia.
- Parmenter, B.R. 1990. The economics of immigration. *Australian Economic Papers* 9(2):39–50.
- Parmenter, B.R., and M.W. Peter. 1991. A reinterpretation of the CIE projections of the long-run economic effects of immigration. *Economic Record* 67(December):331–7.
- Perkins, J., P. Brain, I. Manning and A. Klingender. 1990. *Immigration and Scale Economies*. Canberra: AGPS.
- Peter, M.W., and G. Verekiotis. 1996. The effect of immigration on residents' incomes in Australia: Some issues reconsidered. *Australian Economic Review* 1996(2):171–88.
- Pitchford, J. 1987. 'Optimum population' in *The New Palgrave: A Dictionary of Economics*. 4 vols. Edited by J. Eatwell, M. Milgate and P. Newman. London: Macmillan.
- Pope, D. 1981. Modelling the peopling of Australia: 1900–30. *Australian Economic Papers* 20(December):258–82.
- . 1985. The trans-Tasman connection: Facts and implications of Australia–New Zealand migration. *Journal of the Australian Population Association* 2(March):55–67.
- . 1999. The role of immigration in our economic development. *BCA Papers* 1(1):30–5.
- Pope, D., and G. Withers. 1985. Immigration and unemployment. *Economic Record* 61(June):554–63.
- . 1993. Do migrants rob jobs? Lessons of Australian history, 1861–1991. *Journal of Economic History* 53(4):719–42.

- . 1994. 'Wage effects of immigration in nineteenth century Australia' in *Migration and the International Labour Market, 1850–1939*. Edited by T.J. Hatton and J.G. Williamson, pp. 240–62. London: Routledge.
- . 1995. The role of human capital in Australia's long-term economic growth. Seminar paper, Australian National University, Canberra.
- Preston, A. 1991. *A Profile of Immigrants Settlement and Labour Market Patterns in Western Australia*. Western Australian Centre for Labour Market Research, Discussion Paper 91/1. Perth: Centre for Labour Market Research, University of Western Australia.
- Productivity Commission. 1999. *Policy Implications of the Ageing of Australia's Population*. Conference proceedings, Productivity Commission and Melbourne Institute of Applied Economic and Social Research. Canberra: AusInfo.
- Richardson, S., F. Robertson and D. Isley. 2001. *The Labour Force Experience of New Migrants*. Canberra: Department of Immigration and Multicultural Affairs.
- Rimmer, S. 1988. *Fiscal Anarchy: The Funding of Multiculturalism*. Perth: Institute of Public Policy.
- Rod, T., and E. Webster. 1995. *Immigration and Trade with East Asia in the Food Industry: The Contribution of Immigrants*. Canberra: AGPS.
- Saunders, P., and A. King, with C. Harrington. 1994. *Immigration and the Distribution of Income*. Canberra: AGPS.
- Shan, J., and F. Sun. 1998. *Immigration and Unemployment: New Evidence from Australia and New Zealand*. Department of Applied Economics Working Paper 2/98. Melbourne: Victoria University.
- Sloan, J., and S. Kennedy. 1992. *Temporary Movements of People to and from Australia*. Canberra: AGPS.
- Sloan, J., and F. Villaincourt. 1994. 'The labour market experience of immigrants' in *Immigration and Refugee Policy: Australia and Canada Compared*. Edited by H. Adelman, A. Borowski, M. Burstein and L. Foster. Toronto: University of Toronto Press.
- Spiller, Gibbins and Swan Pty Ltd. 2000. *Population Futures Study*. Canberra: Academy of Technological Sciences and Engineering.
- Strahan, K. 1990. Immigrant small business – addressing our balance of payments problems. Paper presented at the National Immigration Outlook Conference, Melbourne, 14–16 November.
- Strahan, K.W., and A.J. Williams. 1988. *Immigrant Entrepreneurs in Australia: A Report to the Office of Multicultural Affairs*. Canberra: Office of Multicultural Affairs.
- Stromback, T. 1984. The earnings of migrants in Australia. Bureau of Labour Market Research, Conference Paper 46, Canberra, April.
- Stromback, T., with G. Biffi, S. Bushe-Jones, J. Clarke, P. Dawkins, S. Nicholls and A. Preston. 1993. *Immigration, Skill Transfer and Industry Restructuring in Western Australia*. Canberra: AGPS.
- Stromback, T., and R. Malhotra. 1994. *Socioeconomic Linkages of South Asian Immigrants with their Country of Origin*. Canberra: AGPS.
- Taylor, J. 1991. *Immigration and its Labour Market Impact in the Northern Territory*. Canberra: AGPS.
- Thomas, B. 1958. *Economics of International Migration*. London: Macmillan.
- Treasury. 2002. *2002–03 Budget, Budget Paper No. 5, Inter-Generational Report*. Canberra: Commonwealth Treasury.
- Turton, H., and C. Hamilton. 1999. *Population Growth and Greenhouse Gas Emissions: Sources, Trends and Projections in Australia*. Australia Institute Discussion Paper 26. Canberra: Australia Institute.
- Whiteford, P. 1991. *Immigrants and the Social Security System*. Canberra: AGPS.
- Withers, G.A. 1977. Immigration and economic fluctuation: An application to late nineteenth century Australia. *Australian Economic History Review* 17(2):131–49.
- . 1986. *Migration and the Labour Market: Australian Analysis*. Centre for Economic Policy Research Discussion Paper 144. Canberra: Centre for Economic Policy Research, Australian National University.

- . 1988. 'Immigration and Australian economic growth' in *The Economics of Immigration: Proceedings of a Conference at the Australian National University 22–23 April 1987*. Edited by L. Baker and P. Miller. Canberra: AGPS.
- . 1989. 'The immigration contribution to the human capital formation' in *Australia's Greatest Asset: Human Resources in the Nineteenth and Twentieth Centuries*. Edited by D. Pope and L. Alston. Sydney: Federation Press.
- . 1991. Australasian immigration, economics and regional interdependence. *Australian Journal of International Relations* 1:38–50.
- . 1993. 'Human capital flows' in *Pacific Dynamism and the International Economic System*. Edited by C.F. Bergsten and M. Noland. Washington, DC: Institute for International Economics.
- . 1994. 'Migration' in *Managing the World Economy*. Edited by P.B. Kenan, pp. 311–40. Washington, DC: Institute for International Economics.
- . 1999. Australia's need for a population policy. *BCA Papers* 1(1):21–9.
- . 2001. 'Economics of immigration' in *The Australian People: An Encyclopedia of the Nation, Its People and Their Origin*. Edited by J. Jupp, pp. 774–8. Melbourne: Cambridge University Press.
- . 2002. Population ageing and the role of immigration. *Australian Economic Review* 35(1):104–12.
- Wooden, M. 1990. *Migrant Labour Market Status*. Canberra: AGPS.
- Wooden, M., R. Holton, G. Hugo and J. Sloan. 1994. *Australian Immigration: A Survey of the Issues*. Canberra: AGPS.

Labour Market and Industrial Relations

Jeff Borland

Over the past thirty years the Australian labour market has undergone a profound transformation. At the beginning of the 1970s the overwhelming majority of jobs were held by males working full-time. Most of those workers would have been the sole 'breadwinners' for their households. Low unemployment meant that there were few households without an adult in work. The majority of workers had not completed high school, and about one-third of the workforce was in agriculture and manufacturing-industry jobs. By the turn of the century none of these features can be recognised in the Australian labour market. Jobs (although not hours of work) are now almost evenly divided between males and females, and there are many households in which several members are employed. The rise of mass unemployment has meant that there is also a large group of households in which no member has a job. More than two-thirds of workers have completed high school or obtained a post-school qualification, and the finance, property and business services industry now accounts for more jobs than manufacturing industry.

It is the transformation of the Australian labour market that has provided the fundamental impetus for, and to a large extent defined the scope of, recent research work on labour-market and industrial-relations issues in Australia. That research has sought to document changes that have occurred, and to understand the sources and consequences of those changes in the Australian labour market.

The chapter has four main parts. The first section describes the key features of the Australian labour market today, and developments since the 1970s. The second presents a brief introduction to the concept of a labour market, and a schema for understanding the main determinants of labour-market outcomes. The third section reviews the main labour-market policies and institutions in Australia today, and their evolution over the past twenty to thirty years. A final section reviews research on a set of main themes on the operation of the Australian labour market. That research has covered a vast array of topics, and on any topic there is an extensive range of work to review. This is a point that is exemplified in journal publications in Australia. Between 1997 and 2001, about 25 per cent of articles published in the *Economic Record*, and 33 per cent of articles published in the *Australian Economic Review*, were on labour-economics-related topics. At the same time, there are at least four journals dedicated to labour-economics and indus-

trial-relations issues – the *Journal of Industrial Relations*, the *Australian Bulletin of Labour*, the *Australian Journal of Labour Economics* and the *Economic and Labour Relations Review*. The review of issues in this chapter will therefore necessarily be selective – but is intended to provide coverage of a representative range of research on major themes. Other recent reviews are OECD (2001), Dawkins (2000), Productivity Commission (1997) and Norris and Wooden (1996).

The Australian labour market since the 1970s: Main features

The labour force

The size of the labour force has grown from about 5.6 million persons to 9.8 million between 1971 and 2001. The number of part-time workers has increased almost five-fold, from about 500,000 to 2.5 million; growth in full-time employment, from about 4.9 million to 6.5 million, has been more uneven. The number of unemployed has increased from about 100,000 to almost 650,000 persons.

The aggregate employment/population rate has been relatively steady at about 60 per cent between 1971 and 2001. But employment/population rates by gender have altered dramatically. Whereas two out of three jobs were held by males in 1971, in 2001 just over one in two jobs was held by a male. The majority of the growth in female employment has been accounted for by higher employment rates for married females.

Part-time jobs now account for almost 30 per cent of total employment, compared to 10 per cent in 1971. A greater proportion of females than males is in part-time jobs; but very rapid growth in part-time employment has occurred for both groups (see Table 6.1).

The demographic and industrial composition of the labour force has changed in a variety of ways. Labour-force participation and employment have declined significantly for males aged 55 to 64 years, and have shown large increase for females aged 25 to 54 years. Employment and labour-force participation rates for the Indigenous population are lower than for the rest of the population by a substantial margin – for example, in 1996 the Indigenous employment/population rate was about 40 per cent. Agriculture and manufacturing industries, which in 1971 accounted for about 32 per cent of total employment, by 2001 constituted only about 17 per cent of the workforce. By contrast there has been substantial growth in the share of jobs in finance, property and business services, in community services, and in personal services. Educational attainment of the

Table 6.1 Part-time employment as percentage of total employment, 1971 to 2001 (August)

	Total	Males	Females
1971	10.4	3.0	25.7
1981	16.5	5.4	35.7
1991	22.7	9.2	41.0
2001	28.2	14.7	45.3

workforce has increased. The proportion of workers with a bachelor-degree qualification more than doubled to about 15 per cent between the late 1970s and late 1990s, whereas the proportion that had not completed high school fell from about one-half to one-third (see tables 6.2 to 6.4).

Most employment growth by occupation in the past fifteen years has been in the high-skill professional occupations, and low-skill elementary clerical, sales and service occupations. Adjustment by hours worked in each job, however, reveals that growth in hourly employment has been positively related to skill level across occupations

Table 6.2 Labour-force participation rate (per cent) by age and gender, 1971 to 2001 (August)

	15–24	25–34	35–44	45–54	55–64	65+
<i>Males</i>						
1971	73.7	97.4	97.8	95.2	84.6	22.2
1981	76.5	95.3	95.2	91.3	67.8	10.5
1991	70.1	94.2	93.7	89.7	60.6	9.1
2001	71.0	91.1	91.2	87.1	60.0	9.8
<i>Females</i>						
1971	56.4	40.6	47.9	42.3	23.6	4.0
1981	63.8	53.0	58.1	49.1	21.4	2.6
1991	64.8	65.6	71.8	62.5	25.0	2.4
2001	67.6	70.8	72.2	70.9	36.9	3.0

Table 6.3 Educational attainment of employed persons, 1971 to 2001 (August)

		Bachelor degree or higher (%)	Post-school qualification (%)	Not completed high school (%)
Males	1979	8.0	40.4	47.3
	1997	16.3	51.7	31.2
Females	1979	5.2	31.2	54.9
	1997	19.1	46.2	32.9

Table 6.4 Indigenous labour-force status, 1971 to 2001 (Census)

	Employment/ population rate (%)	Rate of unemployment (%)	Labour-force participation rate (%)
1971	41.4	9.3	45.6
1981	35.7	24.6	47.3
1991	37.1	30.8	51.4
1996	40.1	22.7	50.3

Source: Taylor and Hunter 2001: Table 1.

Table 6.5 Employment by occupation, 1989 to 2002 (May)

	Levels		Growth	Employment	
	1989 ('000)	2002 ('000)	(%)	Male (%)	Female (%)
Manager/administrator	610.9	711.3	16.4	75.0	25.0
Professional	1159.5	1744.8	50.4	49.9	50.1
Associate professional	809.2	1086.9	34.3	60.6	39.4
Tradespersons and related workers	1203.6	1186.0	-1.4	90.5	8.5
Advanced clerical and service workers	382.9	403.1	5.2	10.3	89.7
Intermediate clerical, sales and service workers	1317.3	1583.3	20.1	28.0	72.0
Intermediate production and transport workers	762.0	787.1	3.2	88.3	11.7
Elementary clerical, sales and service workers	642.0	912.9	42.1	35.0	65.0
Labourers and related workers	841.9	868.6	3.1	63.7	36.3

(Wooden 2000). A significant degree of occupational segregation by gender is apparent – males account for a disproportionate share of managerial and blue-collar manual jobs, whereas females account for a disproportionate share of clerical, sales and service jobs (see Table 6.5).

The employment/population rate of married females with dependant children has increased significantly over the past two decades; and the probability of both members of a couple family working has also risen (Dawkins, Gregg and Scutella 2002) (see Table 6.6).

Unemployment

In August 2001 the rate of unemployment was 6.6 per cent. Between the early and late 1970s the rate of unemployment increased from about 2 to 6 per cent. During the 1980s and 1990s it fluctuated between 6 and 10 per cent. Cyclical changes have involved sharp increases in the rate of unemployment, whereas reductions have taken a much longer time to occur. As a measure of 'workforce inactivity', the rate of unemployment may be a significant underestimate. Inclusion of persons classified as 'out of

Table 6.6 Employment/population rate: Females in couples with dependants, 1980 to 2000 (June)

	Employment/population (%)
1980	43.6
1990	58
2000	61.2

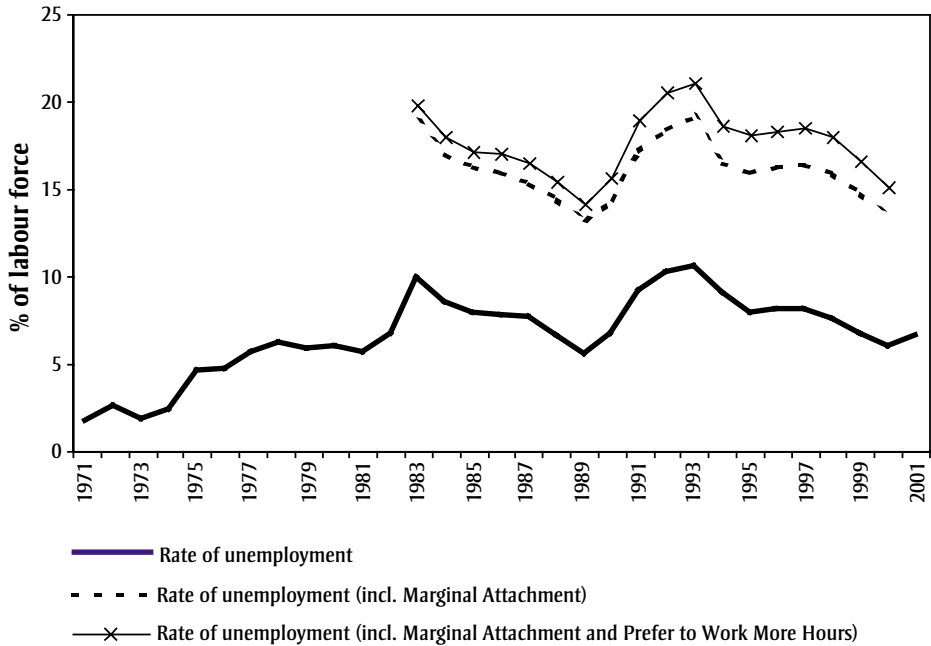


Figure 6.1 Rate of unemployment and measures of hidden unemployment, 1971 to 2001

the labour force’ but with marginal attachment, and persons working in part-time jobs who would like to and are available to work full-time, suggests that the proportion of the (expanded) labour force with some degree of inactivity was about 15 per cent in September 2000, as illustrated in Figure 6.1.

Many unemployed persons spend long periods out of work. In August 2001, just over 20 per cent had unemployment durations of more than one year. The proportion of long-term unemployed tends to vary with the business cycle – rising during recessions and decreasing in expansions. Since the early 1980s there does not seem to have been evidence of a trend increase in the proportion of long-term unemployed (Borland and Kennedy 1998).

The incidence of unemployment varies between demographic and skill groups. Young, less-educated and Indigenous labour-force participants, recent immigrants, and persons whose last job was in a blue-collar occupation account for disproportionately high shares of total unemployment. However, all groups have experienced increases in unemployment rates since the 1970s (Borland and Kennedy 1998).

Job quality

Weekly hours of work of males are fairly evenly distributed among one to thirty-four, thirty-five to forty, and more than forty hours. About 60 per cent of females work one to thirty-four hours, and 30 per cent work thirty-five to forty hours. Over the past thirty years the distribution of hours of work has changed considerably. A massive decline has occurred in the proportion of workers with a ‘standard’ working week (thirty-five to forty hours). At the same time, there have been large rises in part-time work, and in the proportion of workers who work more than forty-nine hours per week.

Table 6.7 Proportion of workers in casual jobs by gender, 1984 to 2001

	Males (%)	Females (%)
1984	9.4	25.7
1990	12.7	28.2
2001	23.6	31.5

The proportion of workers in jobs without leave entitlements is now over 20 per cent for males and over 30 per cent for females. For males this represents a considerable increase since the early 1980s; but for females there has been a smaller increase across time (see Table 6.7).

Job tenure has remained fairly stable since the mid-1970s. The proportion of male workers in short-tenure jobs (less than one year) is about 20 per cent, and for females is about 25 per cent. The most notable change has been a doubling of the proportion of females in long-tenure jobs (more than ten years) to about 20 per cent (and corresponding decrease in proportion in medium-tenure jobs) (see Table 6.8).

Earnings and labour productivity

Average real weekly earnings of employees increased rapidly between 1981 and 1984, and then declined by about 1.4 per cent per annum between 1984 and 1989. From 1990 to 2001, average real weekly earnings have increased at a fairly steady pace – by about 1.8 per cent per annum – as illustrated in Figure 6.2.

Labour productivity (GDP per hour worked) grew at about 1.2 per cent per annum between the 1970s and early 1990s. But from the mid to late 1990s the rate of growth in labour productivity accelerated to more than 3 per cent per annum. A similar pattern is observed in measures of multifactor productivity (Productivity Commission 1999).

Individual earnings display substantial variation with demographic and skill characteristics of workers. Earnings are positively related to educational attainment. Controlling for other characteristics, the return to an extra year of education appears to be about 5 per cent; and the earnings premium associated with a university degree relative to leaving school at Year 10 was about 30 per cent in the early 1990s (Borland et al.

Table 6.8 Distribution of duration of current job by gender, 1975 to 2000

Survey date	Current job duration			
	Males (%)		Females (%)	
	<1 year	10+ years	<1 year	10+ years
December 1975	20.9	25.2	27.3	10.8
February 1984	19.4	24.1	24.5	13.4
February 1992	18.4	28.7	21.2	16.8
February 2000	22.8	27.4	24.6	20.6

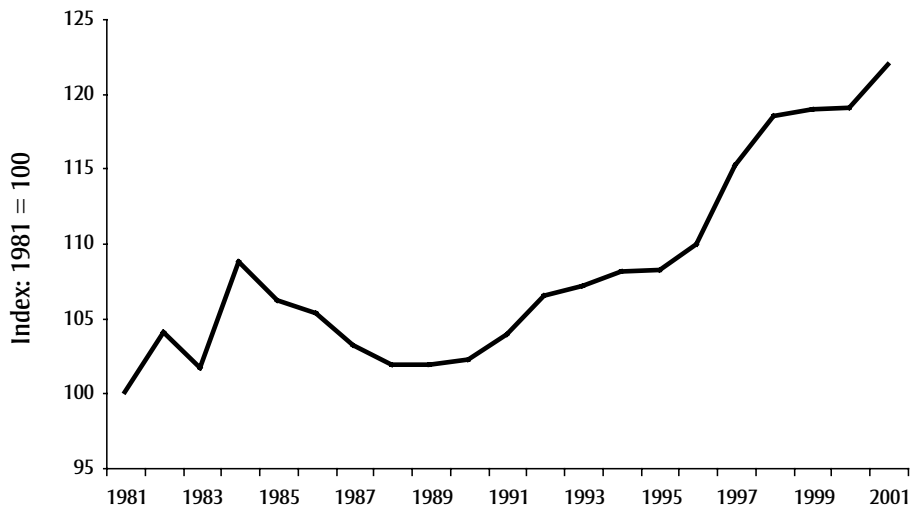


Figure 6.2 Average weekly earnings for employees, 1981 to 2000

2000: Appendix 1; Miller, Mulvey and Martin 1995). Earnings of immigrants from English-speaking backgrounds tend to be similar to those of Australian-born persons; however, immigrants from non-English-speaking backgrounds on average earn less than those groups (Wooden 1990). Earnings of Indigenous Australians and persons with a disability are significantly lower than the rest of the workforce (Daly and Hunter 1999; Wilkins 2002). There is significant interindustry and interoccupational variation in earnings (Preston 1997).

There is a variety of evidence that a gender earnings-gap exists in Australia. For example, weekly earnings of adult females working full-time in non-managerial jobs

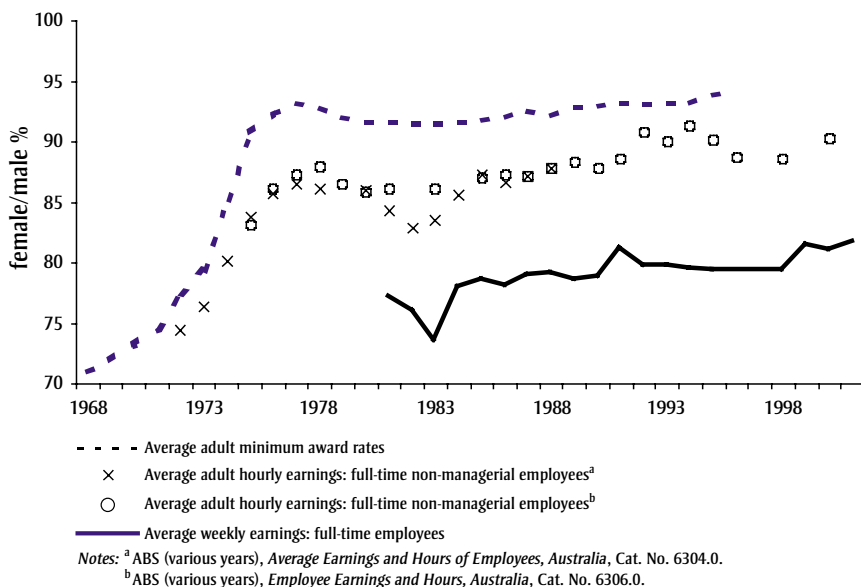


Figure 6.3 Ratio of female to male earnings, 1968 to 2001

Table 6.9 Real earnings by percentile in earnings distribution by gender, 1975 to 2001 (Index =100, 1975)

	Percentile				
	10th	25th	50th	75th	90th
<i>Males</i>					
1975	100	100	100	100	100
1982	90.9	96.3	102.8	106.2	101.6
1990	85.6	91.8	98.5	101.9	96.3
2001	101.3	106.7	116.5	132.2	137.5
<i>Females</i>					
1975	100	100	100	100	100
1982	96.9	100.2	103.8	105.4	—
1990	98.3	99.1	102.8	110.5	114.6
2001	126.9	122.0	127.2	142.2	153.9

in 2000 were only 90 per cent of the corresponding earnings of their male counterparts. A substantial narrowing of the gender pay gap did, however, occur from the early 1970s onwards. For example, the ratio of the average minimum hourly award-wage rate for female employees to male employees increased from 71 per cent in 1968 to 92.9 per cent in 1978, as illustrated in Figure 6.3.

Inequality in labour-market earnings has grown substantially since the mid-1970s. For example, between 1975 and 2001 real weekly earnings of full-time male employees in their main job have increased by just 1 per cent for a worker at the 10th percentile of the distribution of earnings, but by over 37 per cent for a worker at the 90th percentile. For females the corresponding increases are 26 per cent and 53 per cent. Recent years appear to have seen particularly rapid growth of earnings inequality. For males and females, about one-third of the increase in the 90–10 percentile earnings difference occurred between 1997 and 2001 (see Table 6.9).

Industrial relations

Trade-union membership is now confined to only about one-quarter of the workforce. This represents a large decline from density rates of more than 50 per cent in the mid-1970s (see Table 6.10).

Working days lost due to industrial disputes do not currently seem a significant phenomenon. On average, for each worker in 2001, one-twentieth of a day was lost due to this type of activity. This is a very significant decline compared to the mid-1970s, where a peak of one day per annum per worker occurred – as shown in Figure 6.4.

The idea of a labour market

The determinants and consequences of labour-market outcomes in an economy can be understood using a fairly simple framework. A possible framework is presented in

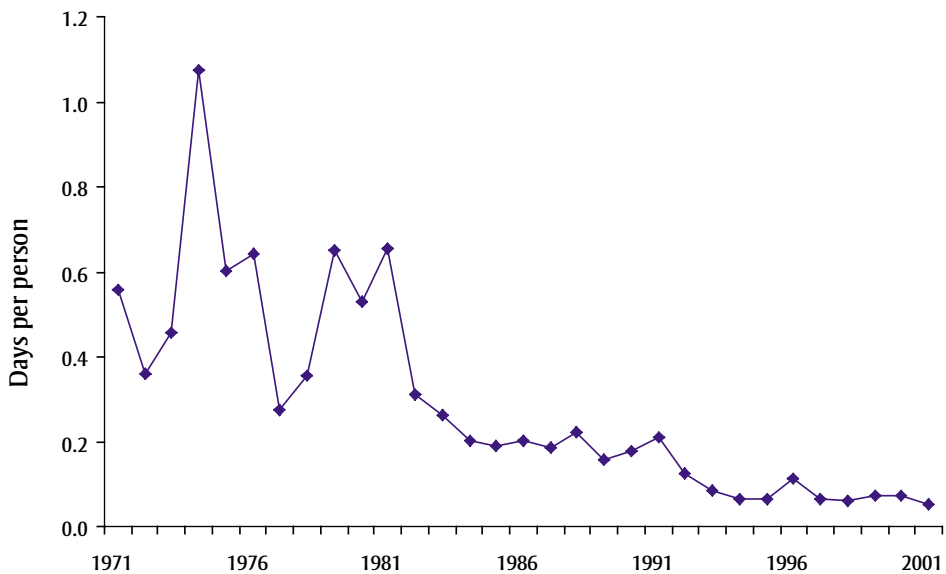
Table 6.10 Trade-union membership, 1976 to 2000

	Males (%)	Females (%)
1976	56	43
1982	53	43
1992	43.4	34.8
2000	26.3	22.8

Figure 6.5. In this framework, a set of ‘Causal factors’ determine ‘Labour-market outcomes’, and ‘Labour-market outcomes’ determine ‘Social-welfare outcomes’.

Individual agents in the labour market are – on the supply side – a set of potential workers who can supply labour inputs to production. Considerable heterogeneity is likely to exist between workers in the skills that are embodied in their labour inputs, and their demographic characteristics. On the demand side, individual agents are firms that require a set of production tasks to be completed in order to produce final output. Firms will organise the required set of labour inputs into jobs. Because workers differ in their skills, it is likely that the productivity of individual workers will differ between jobs.

Assignment of workers to firms can be thought of as occurring through a process whereby workers and jobs are ‘matched’. Some workers and jobs may remain ‘unmatched’ at any point in time – so that unemployment and job vacancies coexist. Each match between a worker and firm involves those parties agreeing to terms of the employment relation – wages to be paid to the worker, hours of work, tasks to be performed, and job ‘quality’. Aggregating overall job matches in the economy at a point in

**Figure 6.4** Working days lost in industrial disputes per employed person, 1971 to 2001 (August)

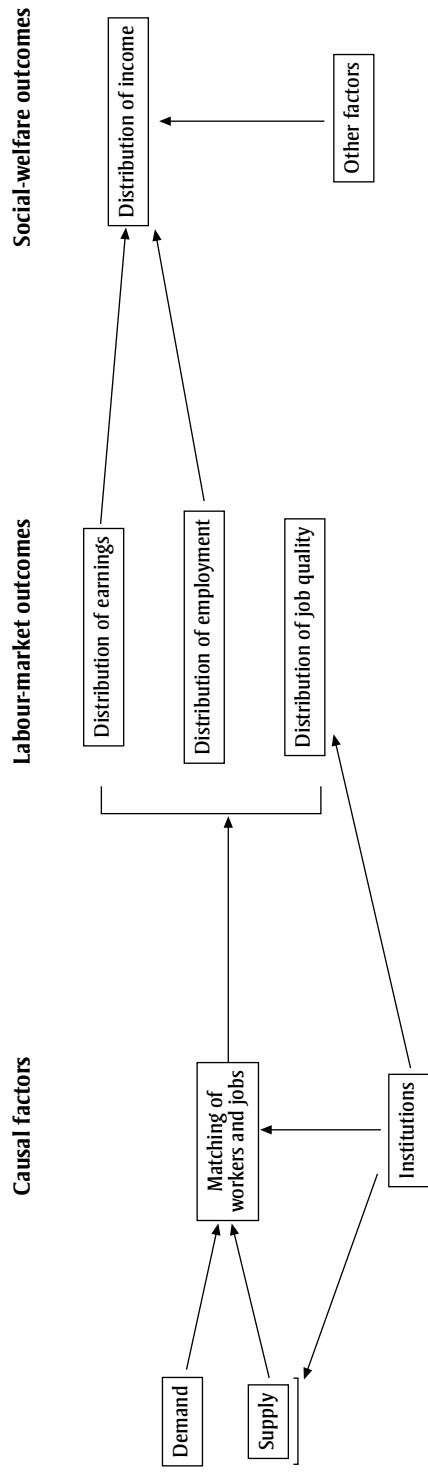


Figure 6.5 The labour market: A simple analytic framework

time gives rise to a distribution of earnings between workers, of jobs across potential workers, and of job quality.

In this framework the main determinants of labour-market outcomes can be usefully classified as demand factors, supply factors, and government policy/institutions. In this chapter a variety of types of government policy/institutions will be distinguished:

- regulation of wage-setting and workplace relations;
- active labour-market programs; and
- welfare policy.

These types of government intervention can affect labour-market outcomes in a variety of ways: by influencing labour demand or labour supply (for example, potential effects of welfare payments on labour supply behaviour); by influencing the ‘matching’ or bargaining process between workers and employers (for example, regulation of the role of trade unions and third-party arbitration in wage bargaining); and by directly specifying limits on labour-market outcomes (for example, minimum-wage regulation).

Institutions and policy development

Regulation of wage-setting and workplace relations

Responsibility for regulation of wage-setting and workplace relations in Australia is shared between federal and state governments. The role of government in wage-setting and the workplace is multidimensional. One area is regulation of minimum wages and working conditions. This derives partly from the awards/agreements system, whereby agreements between employers and workers specify minimum wages and conditions, and partly from legislation; for example, on unfair dismissals. A second area is determining the ‘locus’ of bargaining, and the role for third parties. The locus of bargaining is the level at which bargaining takes place; for example, economy, industry or firm level. Government legislation can specify the scope of agreements that can be made between workers and employers, or the requirements for agreements made at different levels. Government also determines the role of third-party institutions in wage-setting; for example, whether such a party exists, its formal structure, and its role. A third area is influence on the role of trade unions. Government regulation can affect the costs and benefits of collective organisation. In Australia the fundamental aspect of government regulation of trade unions has been the act of registration. Registration with an industrial tribunal and the principle of ‘exclusive jurisdiction’ have accorded benefits that have enhanced trade-union activity in two main ways: first, through increasing the extent of union coverage; and second, by ensuring a significant role for unions in the process of wage-bargaining (Dabscheck and Niland 1981:130).

For much of the postwar period, Australia’s system of regulation of wage-setting involved an award system, whereby minimum terms of employment were set out in a document ratified by a tribunal (such awards covered about 80 per cent of employees in the early 1990s – ABS 1990), and a strong role for trade unions and arbitration tri-

bunals. At the federal level the system of wage-setting was generally characterised as a three-tier system, with national wage cases, industry cases, and over-award agreements.

From 1983 to the mid-1990s, wage-setting in Australia was mediated through the Prices and Incomes Accord between the ACTU and the federal Labor government. Initially designed to bring wage inflation under control and limit strike activity, early versions of the Accord involved a high degree of centralisation, with no wage increases allowed beyond those granted in national wage cases (Chapman 1998). Gradually, however, under the Accord wage-setting evolved from centralisation to decentralisation, most notably with the 1991 decision of the Industrial Relations Commission to allow wage increases negotiated through enterprise bargaining (Mitchell 1992) and the *Industrial Relations Reform Act 1993*, which sought to encourage the spread of enterprise agreements (Green 1994).

Major changes to wage-setting regulation were introduced by the federal Coalition government through the *Workplace Relations and Other Legislation Amendment Act 1996*. The main provisions are:

- Enterprise agreements: introduce scope for agreements covering individual employees; restrictions on the role of unions, and on multiemployer agreements; and a 'global no disadvantage test', which specifies that provisions of an agreement are no less favourable to an employee than the relevant award.
- Award system: the role of the Industrial Relations Commission (IRC) is amended to focus on setting of minimum wages and conditions; the IRC are not able to arbitrate claims above the minimum safety net; and the IRC's jurisdiction to incorporate matters into awards is confined to about twenty allowable matters.
- Bargaining power: union preference clauses are outlawed, and compulsory unionism or discrimination based on membership or nonmembership of a union is prohibited; there is a limited right to strike while negotiating an agreement, but not during the period of operation of an agreement.

Changes to the regulatory structure for wage-setting do seem to have had a significant impact. Table 6.11 shows that by 2000 almost double the proportion of employees were covered by collective agreements as by awards, and that the role of the IRC was effectively limited to setting wages for about one-fifth of the workforce. However, debate remains about the extent to which those collective agreements represent enterprise agreements, and it is generally acknowledged that there has been very low take-up of individual agreements (Wooden 2001a).

Table 6.11 Coverage of agreements and awards, 2000

Type of wage-setting agreement	Percentage of employees covered
Registered collective agreements	42
Over-awards/unregistered agreements	22
Registered individual agreements/common law	14
Awards (safety net)	22

Source: Joint Governments 2000.

Active labour-market programs

Over the past twenty-five years, labour-market programs have been an important policy device for governments seeking to deal with the problem of high rates of unemployment in Australia. Several main types of programs have been implemented:

- Job-search programs: include counselling and monitoring about job search; job-search training; and provision of information about job vacancies.
- Work-experience programs: include public-sector employment; and private-sector wage subsidies and voluntary placement.
- Training programs: include formal classroom training (for example, basic education); and on-the-job training.

Not surprisingly, real expenditure by the federal government on labour-market programs has varied countercyclically and has increased strongly in contractionary periods where the rate of unemployment was rising.

The early history of labour-market programs is a story that reflects the political party in office. For example, under the Labor government from 1972 to 1975, most emphasis was placed on training programs and direct job creation. By contrast, under the Liberal government from 1975 to 1983, expenditure on direct job creation was reduced to zero and substituted with wage-subsidy schemes (Stretton and Chapman 1990).

The Working Nation program, introduced in a federal Labor government white paper of 1994, continued with the existing range of labour-market programs, but sought to change the processes associated with implementation of those programs and to more effectively target assistance to long-term unemployed. The Working Nation program had a number of main components:

- early intervention strategy: screening of persons unemployed for less than twelve months to establish whether they were 'at risk' of becoming long-term unemployed;
- expanded case management; and
- Job Compact: the offer of a job to all unemployment-allowance recipients who had been receiving benefits for eighteen months or more.

Under the federal Coalition government the Job Network has become the means of delivery of labour-market programs for unemployed persons. First introduced in 1997, the Job Network is a 'managed' market for private-sector provision of government-funded services. There are four main types of services that can be provided under Job Network, according to the assessed needs of job-seekers:

- job matching;
- job-search training (three weeks);
- Intensive Assistance (up to twelve months or more, including job matching, training, work-experience services); and
- New Enterprise Incentive Scheme (assistance for unemployed people starting a business).

Of these programs, Intensive Assistance is the most important, being targeted at the most disadvantaged job-seekers and accounting for 70 per cent of Job Network expenditure (Productivity Commission 2002:xvi).

Welfare policy

The Australian social-security system is primarily a social-assistance scheme. Payments are funded from general taxation revenue, and are based on a person's current need rather than on previous levels of earnings or duration of employment. Payments are generally available to all residents of Australia, subject to eligibility and duration of residency.

The main types of payments of relevance to labour-market outcomes are: payments for unemployed persons; payments for persons with disabilities; and payments to sole parents. Unemployment payments are available to claimants who are 'unemployed', are not a full-time student or working full-time or in substantial self-employment, and are available for and willing to undertake suitable work. Payment is subject to an activity requirement. Disability payments are available to claimants with a long-term or permanent disability who are assessed as unable to work full-time for at least the next two years. Sole-parent payments are available to a claimant who is single and is the primary carer of dependent children under sixteen years of age. There is no activity requirement for disability or sole-parent payments (FaCS 2000: Appendix 1).

The effects of welfare payments on labour supply are likely to derive from the level and structure of payments, and from eligibility requirements. Some discussion of these dimensions is provided for the main payment type with labour-market relevance – unemployment payments.

In examining the effects of social security on work incentives it is usual to distinguish between two types of situations: first, the incentives for a person receiving a benefit payment to shift from that benefit to full-time employment; and second, the incentives for a person receiving a benefit payment to increase work activity by some marginal amount (for example, an extra hour).

For the decision of whether to shift from a benefit payment to full-time employment, the result of the counterfactual exercise is often summarised as the 'replacement rate' – the benefit payment for an unemployed person divided by the earnings the person would receive in full-time employment. Unemployment payment replacement rates in Australia increased substantially in the mid-1970s, were stable to the mid-1980s, and then increased steadily to the mid-1990s. Of course, the actual replacement rate depends on the person's family circumstance and on the relevant market wage. The replacement rate relative to average weekly earnings for an adult with partner and two children was around 80 per cent in the mid-1990s; but relative to earnings in the bottom decile of the distribution of earnings could be over 100 per cent (FaCS 2000; Gregory 1996).

The incentive to work to earn an extra dollar of income can be characterised as an effective marginal tax rate (EMTR). This is the amount of an extra dollar of labour income lost to an unemployed person through income taxation and a reduced benefit payment. While reform of unemployment payment structure over the past decade has

considerably improved incentives to work while on payments, this is still an area of significant policy concern (Whitlock 1994; Reference Group on Welfare Reform 2000).

Receipt of unemployment payments is conditional on satisfying an activity test. That test requires a payment recipient to be undertaking active job-search or an approved (or required) activity to improve employment prospects. From the mid-1970s onwards, eligibility for payments has been made subject to an increasingly strict set of requirements – for example, in 1986 a requirement to make a fortnightly report on job-search efforts was introduced; and in 1991 the scope to require payment recipients to undertake activities to improve their employability was introduced. Under the federal Coalition government, since 1996, a range of reforms were implemented; for example, an increase in monitoring of job-search activity through the Jobseeker Diary, and the Mutual Obligation Initiative that now extends to all payment recipients aged eighteen to forty-nine years and with payment spells more than six months, and requires undertaking an approved activity such as training, volunteer activity or Work for the Dole.

Key issues

Employment

Research on the determinants of aggregate employment in Australia has focused on the role of wages. Studies tend to find a wage elasticity of employment between -0.4 and -0.8 , depending on the time period and group of workers (Freebairn 1998). There is some evidence of a higher wage elasticity for low-skill workers such as teenagers (Merri-lee, 1985), although a significant shortcoming of the Australian literature is an absence of convincing empirical analysis on this topic.

The composition of employment in Australia has changed dramatically on a variety of dimensions. One example is the growth in part-time jobs. Increases in part-time labour-force participation appear to be due to both supply and demand factors. On the supply side, there has been the movement into the labour force of persons who may be restricted in their maximum hours of work; for example, married females with children, and students (Lewis 1990). On the demand side, increases in part-time employment appear to have been primarily due to increases within industries rather than to shifts in the composition of employment towards industries with a high proportion of part-time employees. Factors that could explain the increase in demand for part-time employees are reductions in the relative cost of part-time workers, changes in the organisation of work that have broken production processes into tasks that can be undertaken by part-time workers, and deregulation of opening hours of retail businesses (Lewis 1990; Dawkins and Norris 1995). Examples of compositional changes in the industrial composition of employment and the rise of contracting out are examined by Wooden (1999).

While it is generally acknowledged that there has been a significant expansion in international trade and in the rate of technological change, the effects on labour demand have not been studied intensively. What evidence exists is for manufacturing industry. Studies by Fahrner and Pease (1994) and Murtough, Pearson and Wreford (1998) find that the effect of import substitution on aggregate employment has been

modest, and that the main negative influence on aggregate employment has been increases in labour productivity (part of which may reflect technical change). However, within a subset of industry groups – such as textiles, clothing and footwear, and motor vehicles and parts – import substitution has had a significant negative effect on employment.

Labour-force participation

Since the mid-1960s, labour-force participation of males (especially older males) has declined, and participation by married females has increased. Explanations for these changes in labour-force participation rates may be divided between supply and demand factors. Supply-side factors likely to have been associated with increasing participation by married females are higher wage rates for females following the 1969 and 1972 *Equal Pay* case decisions, higher levels of educational attainment of females, increased availability and lower cost of childcare services, changing attitudes to female labour-market participation, a reduction in the average number of children per family, extra labour-saving devices for undertaking household tasks, and changes in access to unemployment benefits for married females (Mitchell and Dowrick 1994; Kenyon and Wooden 1996). On the demand side, employment growth in industries with a high proportion of female employees and part-time jobs has facilitated labour-market entry by married females (Gregory, McMahon and Whittingham 1985). Decreases in participation by older males appear to have been primarily associated with declining labour demand. The availability of disability pensions (and, in earlier periods, war pensions) and high rates of home ownership in Australia explain why many older males choose early retirement over unemployment (Stricker and Sheehan 1981). Declining participation for older males is also likely to have been due to higher levels of asset ownership, which has led to increases in voluntary early retirement (Miller 1983).

Unemployment

Attempts to understand the sources of the rise in unemployment in Australia since the mid-1970s, and the development of policy options for dealing with unemployment, have been the most important research issues in labour economics over the past three decades.

A plethora of studies has sought to explain what specific factors might have caused changes in the rate of unemployment (Borland and McDonald 2000). From these studies it seems reasonable to characterise the causes of changes in the rate of unemployment as:

- Mid to late 1970s: the increase in unemployment was primarily due to increases in real unit labour costs. Some role was played by the slow rate of output growth and the increase in the unemployment benefit replacement rate.
- Early 1980s: the increase in rate of unemployment was due both to the increase in real unit labour costs and the slow rate of output growth.
- Mid to late 1980s: the decrease in unemployment was due both to the decrease in real unit labour costs and the fast rate of output growth. Evidence emerged of ‘hysteresis’ – persistence in unemployment due to growth in labour-force participation

as employment prospects improved, and to decreasing 'search effectiveness' of unemployed persons.

- Late 1980s to mid-1990s: the increase in rate of unemployment was attributable to the slow rate of output growth.

There is a consensus that the most important policy response to reduce unemployment is to maintain high rates of economic growth, and to avoid significant cyclical fluctuations in growth. Hence a key policy debate has concerned what is the maximum feasible rate of economic growth that will not cause inflationary pressures. In this debate there has been dispute over the appropriate way to represent the relation between growth, inflation and unemployment – with the main competing models being the non-accelerating inflation rate of unemployment (NAIRU) approach (Gruen, Pagan and Thompson 1999); the steady-inflation rate of growth (SIRG) model (Dungey and Pitchford 1998); and the equilibrium range approach (McDonald 2002). The other issue has focused on which policies will best promote 'labour absorption'. Here the key recent debate has centred on the 'five economists' plan' to replace living wage adjustments (through the IRC) with tax credits for low-wage earners in low-income families (Dawkins 2002).

Recent research has begun to document the adverse consequences of unemployment for the health and psychological wellbeing of the unemployed (Flatau, Galea and Petridis 2000), and on the distribution of income and distribution of employment across households (Harding and Richardson 1998; Dawkins, Gregg and Scutella 2002).

Distribution of earnings

Earnings inequality has increased significantly in Australia from the mid-1970s onwards for male and female employees (Borland 1999a). Among the advanced industrial economies, only the UK and US have had comparable or larger increases in earnings inequality. Earnings differentials between workers with different education levels were largely stable from the late 1970s to mid-1990s; although increases in the demand for high-skill workers appear to have occurred, the effects of that demand growth have been offset by the growth in supply of workers with high levels of educational attainment. Changes in earnings inequality that occurred from the early 1980s onwards appear to be due mainly to increasing inequality within groups of employees with the same educational attainment and years of labour-market experience. Some part of this increase can be attributed to the decline in union density, but a significant fraction of the rise in earnings inequality remains unexplained.

Job quality

The evolution of job characteristics has been a subject of substantial research effort over the past decade. One question addressed has been whether there has been a decline in job security. The answer appears to be no, at least with regard to the probability of involuntary job loss. Evidence suggests that job tenure has been stable for males and has increased slightly for females, and there is no upward trend in the probability of retrenchment. However, it does seem that workers felt less secure about the nature of their jobs in the 1990s than 1980s (Borland 2001).

A second issue has concerned the increase in the proportion of workers in jobs that the Australian Bureau of Statistics (ABS) defines as casual. Here, an important debate has occurred over whether that increase should be interpreted as a rise in 'precarious' employment (Campbell and Burgess 2001; Murtough and Waite 2001). Other research has considered explanations for the rise in ABS-defined casual employment. Demand-side factors that have increased the proportion of casual employees within all industries are found to be most important for explaining the growth in casual employment. Declining relative costs of casual labour, the greater share of employment of small firms, and changes in the organisation of work are some factors that could account for the higher demand for casual employees (Simpson, Dawkins and Madden 1995).

A final issue has concerned growth in the proportion of the workforce working for more than forty-nine hours per week. Wooden and Loundes (2002) show that this phenomenon was mainly confined to the period between 1983 and 1994, and occurred within all occupation groups; the main explanation was a labour-supply response to slow rates of growth in hourly earnings during the Accord period.

Labour-market dynamics

Research on labour-market dynamics is a relatively underdeveloped area in Australian research. Primarily this would appear to be due to the absence of longitudinal data sets.

Research on labour-market outcomes across time for workers has largely concentrated on studying patterns of flows between labour-force states and jobs, and using 'flows' data to understand aggregate outcomes such as the evolution of unemployment (Dixon 2002; Dixon, Freebairn and Lim 2002). Research on worker mobility between jobs has focused on the issue of whether casual and part-time jobs are 'stepping stones' or 'dead ends'. Some support is found for both hypotheses, although on average it appears that for young workers such jobs do improve subsequent labour-market outcomes, and that by contrast, a history of unemployment is a strong predictor of future unemployment (Gaston and Timcke 1999; Marks, Hillman and Beavis 2002; Knights, Harris and Loundes 2002; see also Dunlop 2001).

Research on dynamics of employment at the firm or establishment level has been primarily concerned with documenting patterns of job creation and destruction (Borland and Home 1994). Perhaps the key finding is that there is substantial heterogeneity in job dynamics, with differences in rates of job creation and job destruction between establishments being largely driven by idiosyncratic establishment-level factors.

Labour-market discrimination

Whether discrimination against certain groups – women, immigrants or Indigenous Australians – exists in the labour market has been an important ongoing topic of research. This research has estimated the extent of discrimination using the Oaxaca decomposition approach. Most interest has focused on gender pay discrimination. Studies find that wage discrimination against females of the order of 10 per cent still existed in the 1990s, although discrimination had decreased significantly since the late 1960s, mainly due to the 1969 and 1972 *Equal Pay* cases (Borland 1999b; Gregory and Daly 1990; Miller 1994). A potential explanation for the persistent wage gap is that it

has been difficult to implement the principle of 'equal pay for work of equal value' in female-dominated occupations.

Research on immigrants tends to find no evidence of wage discrimination against English-speaking-background immigrants, but discrimination in wage payments of 5 to 10 per cent against non-English-speaking immigrants compared to Australian-born workers (Beggs and Chapman 1988).

Research on the Indigenous population has primarily been concerned with employment outcomes. Employment/population rates for Indigenous Australians are significantly below those for the non-Indigenous population (in the early 1990s, about 40 per cent compared to 60 per cent). About three-quarters of that difference is generally found to be due to discrimination, although there is some sensitivity to the set of explanatory variables that are assumed to constitute 'justifiable' sources of differences in employment outcomes (Daly 1993; Borland and Hunter 2001).

Trade unions

There has been intensive investigation of the determinants of union density, and the effects of trade unions. The substantial decline in union density – beginning from the mid-1970s but most rapid during the 1990s – has attracted much attention. The main explanations appear to be the change in the industry composition of employment, and the decline of compulsory unionism (Peetz 1998). Differences in union density between industries can be related to differences in the wage gains from union membership for workers across industries (related, for example, to the proportions of part-time and full-time workers), and interindustry differences in costs of organisation due to differences in factors such as establishment size (Deery and DeCieri 1991).

Analysis of the effects of trade unions has focused on wages. Early studies tended to find union-relative wage effects of 5 to 15 per cent (Miller and Mulvey 1993). This posed something of a puzzle given the principle of 'common rule' in wage-setting in Australia, whereby wage awards made for union members would automatically extend to non-members of unions who were performing the same job. Subsequent research by Miller and Mulvey (1996) found that the estimated union effects were due to correlation between union density and firm size, and the failure of early studies to control for the effect of firm size on wages. More recently, Wooden (2001b) has examined enterprise-level data, and finds large union wage effects between workplaces where there is a high degree of unionisation and less-unionised workplaces; it is suggested that such effects are likely to have occurred only after the introduction of enterprise bargaining in the early 1990s. Other studies of union effects have considered impacts on worker turnover (negative), workplace productivity (negative), and employment (negative) (Miller and Mulvey 1993; Wooden and Hawke 2000).

Emerging issues

Effects of active labour-market programs and welfare policy

The availability of administrative data sets and a growing interest in behavioural effects of labour-market policy are spawning a rapid increase in this type of research. Thus far,

findings on labour-market programs seem broadly consistent with international evidence: some evidence suggests that job-search programs can have positive effects on labour-market outcomes, but it appears that work-experience and training programs generally have little impact (Webster 1998). There is increasing evidence of significant effects on labour supply from the structure and level of welfare payments. This finding is supported by studies of past policy changes such as the reform of the sole parent pension in the late 1980s (Doiron 2002), and by behavioural microsimulation analysis of the effects of policy changes based on structural modelling of labour supply (Duncan and Harris 2002).

Neighbourhood effects

How labour-market outcomes differ between local communities, and the possible consequences, has been a subject of significant recent research activity. One group of studies has documented an increasing divergence in employment/population rates and incomes between census collector districts from the mid-1970s onwards (Hunter 1995; Gregory and Hunter 1995). Other research has found evidence that labour-market outcomes of individuals are related to neighbourhood-level outcomes – through the occupational profile of workers in the neighbourhood, and the effect of neighbourhood-level employment rates on job-search methods (Heath 2000; Borland 1995).

Work and family

Increases in labour-force participation of females, particularly those with children, have signalled the decline of the male-breadwinner model of the Australian labour market and have meant that there is growing interest in the interaction between paid work and family issues. Issues such as the role of childcare as a means of achieving equity of opportunity to participate in the paid workforce, the effects of dual participation in the paid workforce by members of a couple on the distribution of household tasks and activities, and the nexus between participation in the paid workforce and the ‘make-or-buy’ decision on household services (such as cleaning) are emerging as questions of research interest (Apps and Rees 2001; Cass 2002; Wooden 2002; Venn 2002).

Note

I am grateful for excellent research assistance from John-Paul Cashen.

References

- ABS. 1990. *Incidence of Industrial Awards, Determinations and Collective Agreements, Australia*. Cat. No. 6315.0. Canberra: Australian Bureau of Statistics.
- Apps, P., and R. Rees. 2001. Household production, full consumption and the costs of children. *Labour Economics* 8:621–48.
- Beggs, J., and B. Chapman. 1988. Immigrant wage adjustment in Australia: Cross-section and time-series estimates. *Economic Record* 64:161–7.

- Borland, J. 1995. Employment and income in Australia – does the neighbourhood dimension matter? *Australian Bulletin of Labour* 21:281–93.
- . 1999a. Earnings inequality in Australia: Changes, causes and consequences. *Economic Record* 75:177–202.
- . 1999b. The Equal Pay case – thirty years on. *Australian Economic Review* 32:265–72.
- . 2001. 'Job stability and job security' in *Work Rich, Work Poor: Inequality and Economic Change in Australia*. Edited by J. Borland, R. Gregory and P. Sheehan, pp. 142–159. Melbourne: Centre for Strategic Economic Studies, Victoria University.
- Borland, J., P. Dawkins, D. Johnson and R. Williams. 2000. *Returns to Investment in Higher Education*. Economics of Higher Education Research Program Report No. 1. Melbourne: University of Melbourne.
- Borland, J., and R. Home. 1994. Establishment-level employment in manufacturing industry: Is small really beautiful? *Australian Bulletin of Labour* 20:110–28.
- Borland, J., and B. Hunter. 2001. Does crime affect employment status? The case of Indigenous Australians. *Economica* 67:123–44.
- Borland, J., and S. Kennedy. 1998. 'Dimensions, history and structure of Australian unemployment' in *Unemployment and the Australian Labour Market*. Edited by G. DeBelle and J. Borland, pp. 68–99. Sydney: Reserve Bank of Australia.
- Borland, J., and I. McDonald. 2000. Labour market models of unemployment. Working Paper 15/2000, Melbourne Institute of Applied Economics and Social Science, University of Melbourne.
- Campbell, I., and J. Burgess. 2001. A new estimate of casual employment. *Australian Bulletin of Labour* 27:85–108.
- Cass, B. 2002. 'Employment time and family time: The intersection of labour market transformation and family responsibility in Australia' in *Working Futures: The Changing Nature of Work and Employment Relations in Australia*. Edited by R. Callus and R. Lansbury, pp. 142–62. Melbourne: Federation Press.
- Chapman, B. 1998. The Accord: Background changes and aggregate outcomes. *Journal of Industrial Relations* 40:624–42.
- Dabscheck, B., and J. Niland. 1981. *Industrial Relations in Australia*. Sydney: George Allen and Unwin.
- Daly, A. 1993. The determinants of employment for Aboriginal people. *Australian Economic Papers* 32:134–51.
- Daly, A., and B. Hunter. 1999. Incentives to work: Replacement ratios and the cost of job loss among Indigenous Australians. *Australian Economic Review* 32:219–36.
- Dawkins, P. 2000. 'The Australian labour market in the 1990s' in *The Australian Economy in the 1990s*. Edited by D. Gruen and S. Shrestha, pp. 316–52. Sydney: Reserve Bank of Australia.
- . 2002. The 'five economists' plan: The original idea and further developments. *Australian Journal of Labour Economics* 5:203–30.
- Dawkins, P., P. Gregg and R. Scutella. 2002. The growth of jobless households in Australia. *Australian Economic Review* 35:133–54.
- Dawkins, P., and K. Norris. 1995. Growth of part-time work in Australia and the United Kingdom. *Labour Economics and Productivity* 7:1–27.
- Deery, S., and H. DeCieri. 1991. The determinants of trade union membership in Australia. *British Journal of Industrial Relations* 29:59–73.
- Dixon, R. 2002. *A Simple Model of Unemployment Rate Dynamics*. Department of Economics Research Paper 846. Melbourne: Department of Economics, University of Melbourne.

- Dixon, R., J. Freebairn and G. Lim. 2002. *Why Are Recessions As Deep As They Are? The Behaviour over Time of the Outflow from Unemployment*. Department of Economics Research Paper 842. Melbourne: Department of Economics, University of Melbourne.
- Doiron, D. 2002. Labour supply responses to large policy shifts among lone parents in Australia. Mimeograph, University of Sydney.
- Duncan, A., and M. Harris. 2002. Simulating the behavioural effects of welfare reforms among sole parents in Australia. *Economic Record* 78:264–76.
- Dungey, M., and J. Pitchford. 1998. 'Prospects for output and employment growth with steady inflation' in *Unemployment and the Australian Labour Market*. Edited by G. Debelle and J. Borland, pp. 208–34. Sydney: Reserve Bank of Australia.
- Dunlop, Y. 2001. 'Low paid employment in the Australian labour market, 1995–97' in *Work Rich, Work Poor: Inequality and Economic Change in Australia*. Edited by J. Borland, R. Gregory and P. Sheehan, pp. 95–118. Melbourne: Centre for Strategic Economic Studies, Victoria University.
- FaCS. 2000. *Interim Report of the Reference Group on Welfare Reform – Technical and other Appendices*, Canberra: Department of Family and Community Services.
- Fahrer, J., and A. Pease. 1993. 'International Trade and the Australian labour market' in *International Integration of the Australian Economy*. Edited by P. Lowe and J. Dwyer, pp. 177–244. Sydney: Reserve Bank of Australia.
- Flatau, P., J. Galea, and R. Petridis. 2000. Mental health and well-being and unemployment. *Australian Economic Review* 33:161–81.
- Freebairn, J. 1998. 'Microeconomics of the Australian labour market' in *Unemployment and the Australian Labour Market*. Edited by G. Debelle and J. Borland, pp. 110–33. Sydney: Reserve Bank of Australia.
- Gaston, N., and D. Timcke. 1999. Do casual workers find permanent full-time employment? *Economic Record* 75:333–47.
- Green, R. 1994. Wages policy and wage determination in 1993. *Journal of Industrial Relations* 36:99–116.
- Gregory, R. 1996. 'Wage deregulation, low paid workers, and full employment' in *Dialogues on Australia's Future: In Honour of the Late Professor Ronald Henderson*. Edited by P. Sheehan, B. Grewal and M. Kumnick, pp. 81–101. Melbourne: Centre for Strategic Economic Studies.
- Gregory, R., and A. Daly. 1990. *Can Economic Theory Explain Why Australian Women Are So Well-Paid Relative to Their US Counterparts?* Centre for Economic Policy Research Discussion Paper 226. Canberra: Centre for Economic Policy Research, Australian National University.
- Gregory, R., and B. Hunter. 1995. *The Macro-Economy and the Growth of Ghettos and Urban Poverty in Australia*. Centre for Economic Policy Research Discussion Paper 325. Canberra: Centre for Economic Policy Research, Australian National University.
- Gregory, R., P. McMahon and B. Whittingham. 1985. Women in the Australian labour force: Trends, causes and consequences. *Journal of Labor Economics* 3:S293–S309.
- Gruen, D., A. Pagan and C. Thompson. 1999. The Phillips curve in Australia. *Journal of Monetary Economics* 44:235–58.
- Harding, A., and S. Richardson. 1998. 'Unemployment and Income Distribution' in *Unemployment and the Australian Labour Market*. Edited by G. Debelle and J. Borland, pp. 134–64. Sydney: Reserve Bank of Australia.
- Heath, A. 2000. Youth education decisions and job-search behaviour in Australia. PhD thesis, London School of Economics.
- Hunter, B. 1995. Changes in the geographic distribution of urban employment. PhD thesis, Australian National University, Canberra.

- Joint Governments. 2000. The 1999–2000 Safety Net Review Case. Submission to the Australian Industrial Relations Commission, Canberra.
- Kenyon, P., and M. Wooden. 1996. 'Labour supply' in *The Changing Australian Labour Market*. Edited by K. Norris and M. Wooden, pp. 15–38. Canberra: AGPS.
- Knights, S., M. Harris and J. Loundes. 2002. Dynamic relationships in the Australian labour market: Heterogeneity and state dependence. *Economic Record* 78:284–98.
- Lewis, H. 1990. *Part-Time Work: Trends and Issues*. Canberra: AGPS.
- McDonald, I. 2002. Equilibrium unemployment: Theory and measurement in Australia using the Phillips curve. *Economic Record* 78:451–70.
- Marks, G., K. Hillman and A. Beavis. 2002. *Dynamics of the Australian Youth Labour Market: The 1975 Cohort, 1996–2000*. Camberwell, Vic.: Australian Council for Educational Research.
- Merrilees, W. 1985. The relationship between youth wages and youth employment: Estimate of the youth wage elasticity. Mimeograph in possession of J. Borland.
- Miller, P. 1983. *On Explanations for Declining Labour Force Participation among Older Males*. Centre for Economic Policy Research Discussion Paper 74. Canberra: Centre for Economic Policy Research, Australian National University.
- . 1994. Effects on earnings of the removal of direct discrimination in minimum wage rates: A validation of the Blinder decomposition. *Labour Economics* 1:347–63.
- Miller, P., and C. Mulvey. 1993. What do Australian unions do? *Economic Record* 69:315–42.
- . 1996. Unions, firm size and wages. *Economic Record* 72:138–53.
- Miller, P., C. Mulvey and N. Martin. 1995. What do twins studies reveal about the economic returns to education? A comparison of Australian and U.S. findings. *American Economic Review* 85:586–99.
- Mitchell, D., and S. Dowrick. 1994. *Women's Increasing Participation in the Labour Force: Implications for Equity and Efficiency*. Centre for Economic Policy Research Discussion Paper 308. Canberra: Centre for Economic Policy Research, Australian National University.
- Mitchell, W. 1992. Wages policy and wage determination in 1991. *Journal of Industrial Relations* 34:153–61.
- Murtough, G., K. Pearson and P. Wreford. 1998. *Trade Liberalisation and Earnings Distribution in Australia*. Canberra: AGPS.
- Murtough, G., and M. Waite. 2001. The growth of non-traditional employment: Are jobs becoming more precarious? *Productivity Commission Staff Research Paper*. Canberra: AusInfo.
- Norris, K., and M. Wooden (eds). 1996. *The Changing Australian Labour Market*. Canberra: AGPS.
- OECD. 2001. *Innovations in Labour Market Policies – The Australian Way*. Paris: Organisation for Economic Cooperation and Development.
- Peetz, D. 1998. *Unions in a Contrary World: The Future of the Australian Trade Union Movement*. Melbourne: Cambridge University Press.
- Preston, A. 1997. Where are we now with human capital theory? *Economic Record* 73:51–78.
- Productivity Commission. 1997. *Changing Labour Markets: Prospects for Productivity Growth*. Melbourne: Productivity Commission.
- . 1999. *Microeconomic Reforms and Australian Productivity: Exploring the Links*. Vol. 1. Report. Melbourne: Productivity Commission.
- . 2002. *Independent Review of Job Network: Draft Report*. Melbourne: Productivity Commission.
- Reference Group on Welfare Reform. 2000. *Participation Support for a More Equitable Society: The Interim Report of the Reference Group on Welfare Reform*. Canberra: Department of Family and Community Services.

- Simpson, M., P. Dawkins and G. Madden. 1995. The patterns and determinants of casual employment in Australia, 1984–1992. Paper presented at the 24th Conference of Economists, Adelaide, 24–27 September.
- Stretton, A., and B. Chapman. 1990. *An Analysis of Australian Labour Market Programs*. Centre for Economic Policy Research Discussion Paper 247. Canberra: Centre for Economic Policy Research, Australian National University.
- Stricker, P., and P. Sheehan. 1981. *Hidden Unemployment: The Australian Experience*. Melbourne: Institute of Applied Economic and Social Research.
- Taylor, J., and B. Hunter. 2001. *Indigenous Data from the ABS Labour Force Survey: What Can They Tell Us?* Centre for Aboriginal Economic Research Discussion Paper 214/2001. Canberra: Centre for Aboriginal Economic Research, Australian National University.
- Venn, D. 2002. Balancing work and family: Evidence from the Australian Time Use Survey. Mimeograph in possession of its author, University of Melbourne.
- Webster, E. 1998. Microeconomic evaluations of Australian labour market programs. *Australian Economic Review* 31:189–201.
- Whitlock, B. 1994. *Does the Social Security Income Support System Remove the Incentive to Work?* Centre for Economic Policy Research Discussion Paper 303. Canberra: Centre for Economic Policy Research, Australian National University.
- Wilkins, R. 2002. Labour market outcomes and welfare dependence of persons with disabilities in Australia. Work in progress. Melbourne Institute of Applied Economic and Social Research, University of Melbourne. <http://wff1.ecom.unimelb.edu.au/iaesrwww/lfsfs/stream1-22.html>
- Wooden, M. 1990. 'The labour market experience of immigrants' in *Australian Immigration: A Survey of the Issues*. Edited by M. Wooden, R. Holton, G. Hugo and J. Sloan, pp. 227–92. Canberra: AGPS.
- . 1999. Outsourcing and the use of contractors: Evidence from the AWIRS. *Economic and Labour Relations Review* 10:22–35.
- . 2000. The changing skill composition of labour demand. *Australian Bulletin of Labour* 26:191–8.
- . 2001a. Industrial relations reform in Australia: Causes, consequences and prospects. *Australian Economic Review* 34:243–62.
- . 2001b. Union wage effects in the presence of enterprise bargaining. *Economic Record* 77:1–18.
- . 2002. Childcare policy: An introduction and overview. *Australian Economic Review* 35:173–79.
- Wooden, M., and A. Hawke. 2000. Unions and employment growth: Panel data evidence. *Industrial Relations* 39:88–107.
- Wooden, M., and J. Loundes. 2002. *How Unreasonable Are Long Working Hours?* Working Paper 1/2002. Melbourne: Melbourne Institute of Applied Economics and Social Science, University of Melbourne.

Income Distribution and Redistribution

Peter Saunders

The study of how income is distributed and redistributed has traditionally been accorded a relatively low priority among economists. Reviewing the topic for the Academy of the Social Sciences, Richardson (1979:11) noted that the literature up to that point was 'diverse and on the whole fragmented', focusing largely on the distribution of full-time male adult earnings. A similar sentiment was expressed by the Commonwealth Taxation Review Committee (1975), which made reference to the absence of reliable data on the distributions of income before and after tax on which to base analysis of the distributional impacts of the tax system (Commonwealth Taxation Review Committee 1975:4.32). Yet throughout this period, Australia was widely regarded, nationally and internationally, as among the most equal of nations in terms of economic outcomes (Sawyer 1976).

This lack of interest in income distribution among economists has not been restricted to Australia. In his 1996 presidential address to the Royal Economic Society, Atkinson (1997) quoted Hugh Dalton, who noted in 1920 that the distribution of income between persons was rarely discussed in economics textbooks, primarily because of the belief that it involved; 'plodding statistical investigations, which professors of economic theory were content to leave to lesser men' (quoted in Atkinson 1997:297).

Over the past three decades, this situation has undergone a remarkable turnaround. Improvements in data quality and accessibility have given researchers the opportunity to explore the implications of alternative assumptions and examine how income distributions differ. These developments have challenged Australia's egalitarian reputation, because the emergence of growing income disparities has drawn attention to the extent and causes of income inequality and what governments could, and should, do about it. While many have argued that increased inequality has been an unavoidable consequence of globalisation, others have argued that national factors lie behind the increased income disparities that many countries have experienced. Thus, Treasury Secretary Ken Henry has argued that 'economic globalisation may be impacting on national income distributions, but these are overwhelmingly determined by what are essentially nationally-driven developments' (Henry 2002:4).

Although the measurement of income distribution remains dominated by economists, understanding how patterns of inequality emerge and studying the economic and

social consequences of inequality requires input from the other social sciences. The view that rising inequality is an inevitable consequence of changing patterns of supply and demand in the labour market has been shown to lack conviction as a complete explanation (Atkinson 1999). This has shifted the focus onto the role of social convention and the other institutions that shape and sustain specific patterns of inequality. These developments are particularly pertinent in Australia, given its record of 'comparative wage justice', its emphasis on welfare targeting and its reliance on progressive income taxation. Not surprisingly, the distributional impact of microeconomic reform has received considerable attention (Productivity Commission 1999).

Given the issues raised by these developments, it is necessary to be selective in the limited space available. The following discussion provides an overview of empirical research on what determines the overall income distribution and how it has changed. No attention is paid to the properties of alternative inequality indicators, nor to the growing literature on the consequences of inequality. A thorough discussion of the measurement issues can be found in Jenkins (1991) and Creedy (1994), while the contributors to Fincher and Saunders (2001) discuss the consequences of inequality.

The paper is organised as follows: The first section reviews some of the main methodological and measurement issues that arise when studying income distribution and estimating redistribution, while the second section describes some of the data issues. Section three summarises the main features of the Australian income distribution and how it has changed, while section four reviews the factors contributing to inequality. The final section compares the Australian income distribution with that existing in a range of other countries, and is followed by a brief conclusion.

Measurement and methodology

Why income matters

In a market economy, income provides an important source of purchasing power and provides access to the goods and services that determine material prosperity. How income is distributed thus has important implications for the relative living standards of different individuals and groups, and impacts directly on the wellbeing of society as a whole. The Australian Bureau of Statistics (ABS 2001a:186) has recently observed that:

The histories of various population groups throughout the world give testimony to the fact that gross inequalities in levels of income and wealth are associated with social conflict and political instability. As a result, the extent of economic inequality within society, and whether it is increasing or decreasing over time, is of considerable interest to governments, welfare organisations and the community as a whole.

Inequality also depends on 'the variety of physical and social characteristics that affect our lives and make us what we are' (Sen 1992:28) and cannot be usefully studied in a vacuum. However, the contingent nature of the relationship between income and wellbeing does not negate the value of exploring how the components of income are distributed. Income is the primary basis of the tax and transfer systems (particularly

in Australia) and thus determines the size of resource flows between individuals and the government that affect how a given level of total income is distributed among the population.

In practice, however, the definition of income for tax purposes is different to that used by the social-security (transfer) system, and both differ from the measure of income that is collected in household surveys – the source of most data on income distribution. In addition, many forms of income that are not captured in these sources – such as imputed income from ownership of consumer durables, the value of leisure, and domestic production – are a major component of living standards (ABS 2001a) and impact on patterns of inequality (Travers and Richardson 1993; Apps 2001).

The standard income framework

Most studies of income distribution distinguish between *private income* (PY) that is generated through the market, *gross income* (GY), which includes the value of transfers received (mainly through the social-security system), and *net or disposable income* (DY), which deducts income taxes paid to government. *Full income* includes an estimate of the value of non-cash benefits such as health care and education services that are provided free or subsidised by government, while *final income* deducts the estimated incidence of indirect taxes. (Travers and Richardson (1993) use the term *full income* to refer to a measure that includes the estimated value of leisure and the services flows from ownership of housing and other assets.)

This framework allows the distributional impact of different policy instruments to be estimated by comparing successive distributions in the overall distributional chain, although the sequence in which these comparisons are made should reflect how the tax and benefit systems actually function. (Thus, because cash transfers are often subject to income tax, they should be added to private (market) income before direct tax is deducted to derive disposable income, and while non-cash benefits are added to disposable income because they are not taxable, indirect taxes can be deducted from either disposable or final income.) What is missing from this approach is the role of structural factors such as the nature and distribution of economic opportunities that shape distributional outcomes and reflect how they relate to what people do and where people live.

Income from each of the above sources generally accrues to individuals, although the amounts involved sometimes depend upon the family circumstances of these individuals. However, most studies of income distribution combine individual incomes within nuclear families (or households), since it is assumed that incomes are shared within these units. This approach ignores any inequality within income units, mainly because very little is known about this aspect of the income distribution. The fact that families are of differing size (and will thus be able to sustain a different standard of living from a given level of income) is taken account of using an equivalence scale to adjust income for differences in the needs of families of different sizes and/or structures. Although equivalent income refers to the standard of living of the family (or income unit) as a whole, it also represents the wellbeing of each individual member of the unit. The distribution of equivalent disposable income among persons is thus the most appropriate for linking the study of income distribution to the broader question of the distribution of economic welfare.

The counterfactual

The redistributive impact of the tax-transfer system is often estimated using the above framework as the difference between the *observed* distribution of disposable income and the *observed* distribution of private (or market) income. The latter is *assumed* to reflect what the distribution of market income would be in the absence of taxes and benefits. This implies that the patterns of economic behaviour that determine market income are independent of the structure of taxes and benefits, which is patently absurd. If there were no income taxes, for example, many people would behave differently (in terms of labour supply or risk-taking), which would affect the distribution of market income, and this in turn would cause gross income to change.

Studies of distribution and redistribution can thus produce serious biases in the former, leading to incorrect estimates of the impact of the latter. As Whiteford (1997:47) has argued in the context of social transfers:

The standard approach exaggerates the basic inequality of market incomes and then exaggerates the amount of redistribution achieved by social policies ... To the extent that transfers displace private savings in large welfare states, both inequality and redistribution are exaggerated.

This does not mean that size is all that affects the distributional impact of policy: structure is also important, and that reflects the importance of distribution as an explicit policy goal. However, the problems involved in specifying an appropriate counterfactual are formidable, one study arguing that ‘we cannot either measure what slice of income can be ascribed to government redistribution, or isolate how government has changed the economic position of the different income classes’ (Reynolds and Smolensky 1977:11).

Market and non-market income

One final issue that can affect the conclusions drawn from comparing income distributions is that private income includes the return on market transactions only (for example, paid work or interest on investments), with no account taken of non-market income, including the time left after participating in (market) income-producing activities. Thus a two-earner couple where each partner earns \$30,000 a year has the same cash income as a single-earner couple with an income of \$60,000, yet the latter also benefits from the non-market time of the non-earning partner. By not taking account of differences in the time spent outside of the labour market, household cash-income rankings ignore the contribution that income from domestic production makes to the standard of living (Apps 2001).

Data

Official (ABS) surveys of household income and expenditure have been undertaken regularly since the 1970s, with the data made publicly available in confidentialised unit record file (CURF) format – the income surveys since 1981–82 and the expenditure surveys since 1975–76. However, changes in survey methodology have made it difficult for the CURF data to provide a consistent series of income-distribution data over

time, as ABS (2002) has recently acknowledged. In many respects, these data are still incomplete in their coverage of income and the population (for example, the homeless or those living in institutions) and do not therefore match the aggregate statistics (see below). There is also the underreporting of income that is a perennial problem with surveys of this type – even when they are conducted by official statistical agencies.

The accuracy and reliability of the available income-distribution data cannot therefore be presumed, and there has been a lively debate over the quality of the ABS household income data. The ABS (2001a:203) itself has acknowledged that:

the collection of data that accurately describes the economic wellbeing of households can be particularly difficult to obtain. This is partly because complete and accurate records of income, assets, liabilities and expenditure are rarely maintained by households themselves and the collection of such information can involve a great deal of work for respondents ... Finding practical ways for obtaining reliable data which usefully describes people's economic circumstances is therefore an on-going issue of concern.

The ABS data for those with low reported incomes have been described as 'so unreliable as to be virtually unusable' (Tsumori, Saunders and Hughes 2002:6). The Treasury has also questioned the reliability of some of the existing data (Henry 2002:30-31) and ABS (2002a:40) has acknowledged that the very low levels of recorded income for some households 'do not accurately reflect their living standards'. It is too early to assess the impact of these data problems on the measured degree of income inequality and how it has changed, but this is an issue that will require careful monitoring.

Table 7.1 indicates that the ABS income surveys do not capture all incomes, with the extent of the mismatch varying between different income sources and over time within them. These differences can partly be explained by conceptual and coverage differences, but a substantial discrepancy remains even after adjusting for these. The ABS (1999: Table A3.5) has recently shown that, in 1997–98, total gross income reported in the *Survey of Income and Housing Costs* amounted to \$313.1 billion, only 63.7 per cent of the National Accounts figure of \$491.8 billion. After adjusting for differences in data coverage, the two figures fall to \$305.8 billion and \$342.3 billion respectively, with the 'coverage ratio' increasing to 89.3 per cent. The implication of these kinds of findings is that the data need to be treated with caution, particularly when it comes to drawing conclusions about changes in income distribution.

The distribution and redistribution of income in Australia

The release of income data in CURF format has generated an explosion of research on income distribution in Australia. It is not possible to do justice to all of that work here. Reviews of the methods used and results obtained are provided in EPAC (1995), Harding (1996, 1997), Pappas (2001), Saunders (1994, 2001) and Whiteford (1997, 1998). Many of these studies have concentrated not only on how much inequality exists at a point in time, but also on how the income distribution has changed over time. This

Table 7.1 Comparison of aggregates derived from the ABS income surveys to corresponding items from the household income account (\$ million and ratios)^a

	1981–82	1985–86	1989–90	1993–94	1996–97
<i>Employee income</i>					
Income Survey aggregates	74,291	113,470	168,437	199,175	233,649
ASNA ^b (compensation of employees)	87,017	123,435	183,874	210,972	257,332
Ratio	0.85	0.92	0.92	0.94	0.91
<i>Government pensions and benefits</i>					
Income Survey aggregates	9,775	15,357	21,105	28,743	36,151
ASNA (social assistance benefits)	11,245	18,485	25,158	39,842	46,330
Ratio	0.87	0.83	0.84	0.72	0.78
<i>Property income</i>					
Income Survey aggregates	4,623	10,996	21,062	8,338	10,448
ASNA (property income receivable)	17,826	30,783	54,906	36,282	43,145
Ratio	0.26	0.36	0.38	0.23	0.24
<i>Disposable income</i>					
Income Survey aggregates ^c	85,152	127,226	186,914	211,737	251,153
ASNA (gross disposable income)	118,095	173,056	260,752	303,477	358,172
Ratio	0.72	0.74	0.72	0.70	0.70

Notes: ^a All Income Survey amounts are derived from annual income items.

^b Australian System of National Accounts.

^c Derived using an imputed income-tax variable.

has generated a debate over the factors driving distributional change, including the role and impact of market forces in setting the inequality profile, and of tax and transfer policies in moderating it.

The overall distributional profile

Table 7.2 presents estimates of the distribution of household income in Australia in 1998–99, derived from *Household Expenditure Survey* (HES) data. Information is provided on the income shares of each household quintile, the Gini coefficient (which summarises overall inequality) and the ratio of incomes at the 90th and 10th percentiles (P90/P10). The first three rows refer to the distributions of private, gross and disposable income, while the fourth includes an estimate of the income value of non-cash social-wage benefits. The fifth row adjusts household disposable income using the revised OECD equivalence scale, while the sixth row presents the same information for persons rather than households. (The revised OECD scale assigns a score of 1.0 to the first person in each household, 0.5 to all other adults and 0.3 to all dependent children. The original OECD scale reported in OECD (1982) set these scores at 1.0, 0.7 and 0.5, respectively.) The next row illustrates how the distribution of (person-weighted) disposable income varies if negative (private) incomes are reset to zero, while the final

Table 7.2 Estimates of household income distribution and redistribution in 1998–99 (percentage shares of household income in each income category)

Income measure	Quintile shares					Gini coefficient	P90/P10 ratio
	First	Second	Third	Fourth	Fifth		
<i>Alternative income measures</i>							
Private income	-0.5	5.4	16.5	27.8	50.8	0.529	—
Gross income	3.7	9.4	16.3	25.4	45.2	0.422	9.48
Disposable income	4.5	11.1	17.3	25.4	41.7	0.377	7.20
Disposable income plus indirect government benefits	6.4	12.7	18.0	24.8	38.1	0.321	4.78
<i>Alternative ranking methods</i>							
Equivalent disposable income (OECD scale; households)	6.4	12.1	17.4	24.8	39.3	0.335	4.22
Equivalent disposable income (OECD scale; persons)	7.1	12.9	17.8	24.3	37.9	0.312	3.97
Equivalent disposable income (as above; negative incomes reset to zero)	7.6	12.9	17.7	24.2	37.7	0.305	3.97
Equivalent current expenditure (OECD scale; persons)	8.4	13.1	17.4	23.2	37.9	0.295	3.90

Notes: See text.

Source: ABS 2001b (confidentialised unit record file).

row presents the distribution of equivalised (person-weighted) current expenditure on goods and services. (It should be noted that the ABS (2002b) has recently acknowledged problems with aspects of the 1998–99 HES data and foreshadowed the release of a revised CURF.)

The results imply that transfers and taxes both compress overall inequality and reduce the differential between those ranked at the top and bottom of the distribution. The Gini coefficient for disposable income is 11 per cent lower than that for gross income, which in turn is 20 per cent lower than that for private income. Inclusion of non-cash social-wage benefits as part of income causes a further decline (by almost 15 per cent) in inequality – although even after this adjustment the income share of the top quintile still exceeds that of the bottom three quintiles combined. (Johnson, Manning and Hellwig (1995) show that taking account of the social wage has an impact on the magnitude – and even the direction – of the change in inequality between 1981–82 and 1993–94, when private (market) income inequality rose by 5.6 per cent, but final income inequality declined by 5.1 per cent.)

The equivalence scale adjustment causes a reduction in disposable income inequality among households by more than 11 per cent (in terms of Gini coefficients) – an amount that is similar to the impact of the income-tax system. The similarity in the distributions shown in rows four and five of Table 7.2 suggests that the equivalence adjust-

ment has a similar impact to incorporating differences in the (implied) consumption of social-wage services (which are also primarily needs-determined). Moving from weighting by households to weighting by persons causes inequality of disposable income to decline by a further 7 per cent, while setting negative private incomes to zero causes a further decline of just over 2 per cent. The distribution of total goods and services expenditure shown in the final row is more equally distributed than any of the income measures, particularly at the bottom end, where consumption smoothing is used to offset downward income fluctuations. In summary, Table 7.2 highlights that while the tax, transfer and social-wage systems all have substantial distributional effects, the methods used to estimate these effects are also important.

Changes over time

Table 7.3 utilises official ABS data to examine distributional change over the longest period for which this is possible. Unfortunately, it is only possible to undertake this comparison for the distribution of income between families that contain more than one person, and individuals who live alone are excluded. This omission is not insignificant, because single-person households have grown as a proportion of all households over the period (see Saunders 2001: Table 1). The picture revealed by these estimates is one of decade-long swings around a rising inequality trend. Broadly speaking, inequality among families increased substantially over the 1970s, then increased modestly through the 1980s before rising more noticeably again in the 1990s. (The finding that inequality increased only modestly through the 1980s does not contradict those studies that show that it increased over this decade, because Table 7.3 shows the *distribution of gross income among families only*, whereas most of the other studies examine trends in the *distribution of disposable income among all income units*.)

Over the whole period, there was a substantial redistribution of 4.6 per cent of income away from the lowest three quintiles of families towards the top two quintiles, with the top quintile gaining most and the second quintile losing most. Since 1981–82, the top quintile has increased its income share at the expense of the second and third quintiles, with the shares of quintiles one and four staying constant.

The debate over how the income distribution has changed over the 1980s and 1990s has become embroiled in disputes over data quality and whether the distribution of income or of expenditure better approximates the underlying distribution of economic wellbeing. Table 7.4 summarises the estimates produced by three recent studies. Although the three studies use the same data, there are a number of differences in the way these data have been used in each study, including whether income taxation is included or not, how negative incomes (or expenditures) are treated, the coverage of households and the equivalence scale used. For example, Barrett, Crossley and Worswick include only households of persons aged between twenty-five and fifty-nine and exclude those in the bottom and top 3 per cent of the distribution. Despite these differences, the overall impression is one of increasing income inequality over the decade to 1993–94, but stable or declining consumption inequality. Inequality also appears to have increased in the

Table 7.3 Changes in the distribution of gross annual family income among families, 1968–69 to 1999–2000

Year	Quintile shares (%)					Gini coefficient	P90/P10 ratio
	First	Second	Third	Fourth	Fifth		
1968–69	6.8	12.9	17.8	22.8	39.7	0.33	4.75
1981–82	5.1	11.5	17.7	24.7	41.0	0.36	6.48
1986	5.6	11.3	17.6	24.5	41.1	0.36	6.02
1989–90	5.9	11.2	17.2	24.3	41.5	0.36	5.70
1994–95	5.6	10.9	17.0	24.2	42.3	0.37	5.90
1997–98	5.5	10.4	16.7	24.3	43.2	0.38	6.19
1999–2000	5.1	10.8	17.1	24.6	42.6	0.38	6.42
Change, 1968–69 to 1999–2000	-1.7	-2.1	-0.7	+1.8	+2.9	+0.05	+1.67

Sources: For 1968–69 and 1999–2000, Saunders 2001; for other years, the relevant IDS and SIHC unit record data.

period before that and in the five years following it. Income taxation appears to have moderated the increase in gross-income inequality slightly, although the results predate the tax cuts that accompanied the introduction of the GST in July 2000.

Additional insight into the factors driving changes in income inequality over the 1990s is provided by Table 7.5, which, in addition to the changes in market, gross and disposable incomes, also includes changes in the distribution of the wage and salary incomes of full-time workers. It is clear that market-generated inequality is not very large among the full-time workforce (reflecting past wage and labour-market policies), arising instead from inequalities in employment, unemployment and earnings patterns among the population. In 1999–2000, social transfers reduced (Gini) income inequality by 22.8 per cent, while income taxes reduced it by an additional 11.4 per cent. The two main distributive instruments of the government thus combined to reduce income inequality by almost one-third (31.6 per cent). The corresponding estimates for 1990 are 20.4 per cent (transfers), 14 per cent (taxes) and 31.5 per cent for the two combined – implying that the distributional impact of the transfer system has increased, while that of the (income) tax system declined. Thus while inequality in (full-time) wage incomes and market incomes increased somewhat over the 1990s, this was translated into smaller rises in inequality of gross and disposable incomes (before and after the equivalence adjustment), in contrast with the picture of rising inequality over the 1980s revealed in studies by Harding (1996) and Saunders (1993).

Income inequality between regions

The above discussion has focused exclusively on how income is distributed between families (or income units) and the role of the wage, tax and transfer systems in influencing patterns of inequality. Research by Gregory and Hunter (1995, 1996) has used census data to track how changes in inequality between neighbourhoods reflect

Table 7.4 Changes in the distributions of weekly income and expenditure since 1975–76 (Gini coefficients)

Study	Comments	1975–76	1984	1988–89	1993–94	1998–99	Change 1984 to 1998–99
<i>Income</i>							
Barrett, Crossley and Worswick (2000)	Gross income, equalised; excludes some households	0.259	0.280	0.275	0.302	—	7.9%
Blacklow and Ray (2000)	Disposable income, equalised	0.257	0.269	0.277	0.289	—	7.4%
Harding and Greenwell (2001)	Disposable income, equalised	—	0.298	0.295	0.306	0.311	2.7%
<i>Expenditure</i>							
Barrett, Crossley and Worswick (2000)	Non-durable expenditure, equalised	0.202	0.221	0.214	0.221	—	0.0%
Blacklow and Ray (2000)	Total expenditure, equalised	0.288	0.282	0.281	0.279	—	-1.1%
Harding and Greenwell (2001)	Current expenditure, equalised	—	0.298	0.301	0.278	0.302	-6.7%

Notes: See text.

Table 7.5 Changes in the distribution of weekly income, 1990 to 1999–2000

	Wage and salary income^a	Market income^b	Gross income^b	Disposable income^b	Equivalent disposable income
<i>1990</i>					
Gini	0.22	0.54	0.43	0.37	0.33
P10/P50	0.61	0.00	0.34	0.39	0.49
P90/P50	1.72	2.81	2.68	2.31	2.08
P90/P10	2.83	—	7.94	6.00	4.21
<i>1994–95</i>					
Gini	0.27	0.57	0.44	0.38	0.34
P10/P50	0.61	0.00	0.34	0.39	0.50
P90/P50	1.77	2.96	2.72	2.41	2.13
P90/P10	2.91	—	7.92	6.16	4.25
<i>1999–2000</i>					
Gini	0.27	0.57	0.44	0.39	0.35
P10/P50	0.60	0.00	0.33	0.38	0.50
P90/P50	1.83	3.08	2.84	2.45	2.13
P90/P10	3.07	—	8.52	6.37	4.28

Notes: ^a Covers full-time workers only. Includes wage and salary income from first and second jobs.

^b Covers all income units. Equivalent income is calculated using the 'original' (1.0/0.7/0.5) OECD equivalence scale and the distributions are weighted by income units.

Source: Saunders 2001: Table 5.

changes in employment patterns that are in turn a consequence of the decline in manufacturing industries. The unit of analysis employed in this work is the census collector district (CD), the smallest geographical area for which census data are available, generally covering between 200 and 300 dwellings. Analysis of areas at this level of detail is not possible using the ABS income and expenditure data because information on location is suppressed on the CURFs in order to protect respondent confidentiality.

Between 1976 and 1991, the lowest-ranked 5 per cent of neighbourhoods lost 38 per cent of their employment, while employment fell only marginally in the top 5 per cent (Gregory and Hunter 1996:322). Not surprisingly, these shifts translated into changes in the patterns of neighbourhood (gross) income inequality, with real annual household income declining by more than \$7,500 in the lowest-ranked 5 per cent of CDs, but increasing by \$12,500 in the top 5 per cent (Gregory and Hunter 1996: Figure 5). (Biddle, Kennedy and Williams (2002) estimate that city-wide and neighbourhood inequality increased between 1981 and 1996, particularly after 1986.)

These changes cannot be readily explained using the income framework described earlier without giving consideration to how the factors that determine the distribution of gross income vary across neighbourhoods. This perspective focuses attention on how economic and regional policies affect inequality, drawing attention to how the performance of different industries influences the demand for labour in different locations and how this affects employment and income patterns.

Factors contributing to inequality

The above discussion highlights how studies that describe patterns of inequality lead into consideration of the factors contributing to inequality. The three aspects of this that have been most frequently canvassed in the literature relate to the role of changes in earnings inequality, the impact of the transfer system (specifically the role of benefit targeting) and the relationship between low wages, unemployment and inequality. Another prominent example is the debate over the distributional impact of tax reform, particularly in the lead-up to the introduction of the GST in July 2000. However, this debate has been largely conducted in the political arena and has produced relatively few contributions to the research literature; an exception is the paper by Harding et al. (2000).

The role of earnings inequality on income distribution, which has already been touched on, has generated an extensive literature (Borland and Norris 1996; Borland and Wilkins 1996; Borland and Kennedy 1998; Norris and Mclean 1999; Saunders 2000; studies that examine the link between labour-market inequality and income distribution include Borland, Gregory and Sheehan 2001; Dawkins 1996; Gregory 1993). There is clear evidence from this research that the distribution of earnings among full-time non-managerial workers has been becoming more unequal for some time (particularly for men), as Table 7.6 indicates.

This change is large in historical terms and also relative to the labour-market experience of other countries (OECD 1993). Norris and Mclean (1999) show that the change largely reflects changes in earnings differentials within groups defined by their

Table 7.6 Distribution of full-time non-managerial earnings, 1975 to 1998 (percentages of median earnings)

	Lowest decile (P10)	Lower quartile (P25)	Upper quartile (P75)	Highest decile (P90)	Percentile ratio (P90/P10)
<i>Males</i>					
1975	76.0	85.6	121.1	141.2	1.86
1980	73.8	84.0	123.2	150.4	2.04
1985	72.5	80.7	125.7	154.1	2.13
1990	69.5	80.6	126.0	156.3	2.25
1995	67.7	79.4	127.8	160.7	2.37
1998	65.5	78.4	128.7	162.6	2.48
<i>Females</i>					
1975	80.2	88.8	115.3	136.5	1.70
1980	81.8	88.0	119.3	142.8	1.75
1985	78.6	87.3	121.2	147.9	1.88
1990	74.9	84.1	123.1	147.6	1.97
1995	73.4	84.1	125.3	152.0	2.07
1998	71.8	82.3	127.5	150.4	2.09

Source: Norris and Mclean 1999: Table 2.

occupational status and educational attainment, confirming the results of Borland and Kennedy (1998) – although Nevile and Saunders (1998) and Saunders (2000) show that experience has differed between the public and private sectors. All studies agree that there has been an increase in the demand for highly skilled workers, which has driven up their earnings relative to others, particularly for those at the very top of the earnings distribution (Saunders 2000). It is less clear what is driving these changes, although technical change has been identified as a prime suspect in a number of studies.

Studies by Mitchell (1991), Saunders (1994), Mitchell, Harding and Gruen (1994) and Whiteford (1997, 2000) draw on the international evidence to examine the distributional impact of Australia's means-tested transfer system. Do the (income distribution) ends justify the (targeting) means? This research raises issues about how to specify the appropriate counterfactual, but also over the ability of cross-section studies to capture the impact of social programs that are designed to redistribute incomes over the life cycle – an important topic in its own right that has generated a number of significant contributions (Harding 1993; Whiteford 1998).

The targeting literature has demonstrated that Australia scores well in terms of the efficiency with which cash transfers are directed to those in the lower deciles of the income distribution (Mitchell, Harding and Gruen 1994: Table 3; Whiteford 2000: Figure 7). However, it is also the case that poverty is high in Australia compared with other countries (Smeeding 1997), which suggests that efficiency in the targeting of social transfers does not guarantee effectiveness in terms of poverty relief. One reason for this apparent paradox is that heavy targeting can give rise to poverty traps that discourage market earnings and thus increase the risk of poverty. Other welfare-state programs such as childcare also have important effects on labour-force participation patterns, which have flow-on effects on the income distribution. Bradbury and Jäntti (1999) show that it is not the generous social benefits that protect families with children from poverty in large welfare states, but the high rates of labour-force participation (and hence market earnings) of mothers.

The impact of low wages and unemployment on income distribution has been examined in a number of studies, some of which have used microsimulation modelling techniques to estimate the impact of changes in unemployment on the distribution of income (Bradbury 1992; Harding 1995). Harding (1995) estimates that the simulated impact of the recession and other changes experienced between 1990 and 1993 had 'a profound impact on income inequality' – larger than the actual change experienced between 1982 and 1990.

These studies have focused attention on the difference between the *low wages of individual workers* and the *distribution of income between families* (Harding and Richardson 1998; Richardson and Harding 1999). Richardson and Harding (1999: Figure 4.1) show that workers receiving low wages span the entire distribution of equivalent disposable family incomes. They estimate that a 30 per cent cut in wages would have only a marginal impact on family income inequality – the Gini coefficient rising by less than 1 per cent – although the aggregate income effect would be substantial, requiring an additional 2 million full-time jobs to fully compensate the total income loss. (This low inequality impact partly arises because the Gini coefficient is relatively insensitive to changes at the extremes of the distribution. The impact on poverty is far higher, the poverty rate

increasing by 1.5 percentage points, or more than 20 per cent – see Richardson and Harding 1999: Table 4.4.) The flow-on effects on income distribution via unemployment are unlikely to be large, and a better strategy for promoting employment than that proposed by the ‘five economists’ (Dawkins 1999) would involve reducing unemployment directly, since most unemployed workers live in low-income families. Reducing unemployment will help to reduce inequality, but cutting wages is not an effective way of achieving this outcome.

International comparisons

Australia is not unique in having experienced an increase in income inequality in recent decades. Other countries have faced the same economic pressures and many (though not all) have experienced a widening of their income distribution as a consequence. The overall trend to inequality has been described as ‘one of the most important issues facing our societies and the world as a whole’ (Atkinson 1999:1) and has focused attention on the role of trade liberalisation and globalisation on income distribution (Lindert and Williamson 2001).

Reference has already been made to research conducted at the OECD in the 1970s, which suggested that Australia had a relatively equal income distribution (Sawyer 1976). That study was severely limited by the available data, which restricted the scope to improve cross-country comparability. These limitations have been overcome by the Luxembourg Income Study (LIS), which has gathered together cross-country income data that conform to a standard conceptual and definitional framework (Saunders and Hobbes 1988). The task of achieving full comparability of income-distribution data across countries is continuing (see Expert Group on Household Income Statistics 2001).

The LIS data set forms the basis of the most comprehensive comparative study of income distribution yet undertaken, commissioned and published by the OECD (Atkinson, Rainwater and Smeeding 1995). Table 7.7 updates those results using person-weighted household disposable income, adjusted for need using an equivalence scale equal to the square root of household size. (The estimates for Japan were generated within that country to conform to the LIS framework because Japan is not yet a member of LIS.) Countries have been ranked by the value of their Gini coefficient, and also shown are the percentile ratios that allow inequality at the lower and upper ends of the distribution to be compared.

The cross-country variation in inequality is quite remarkable. The Gini coefficient in the lowest-ranking country (the United States) is more than two-thirds (69 per cent) higher than that in Sweden, which has the most equal distribution. Australia ranks sixteenth highest out of the twenty-one countries included – hardly justifying its claim to egalitarianism, at least in terms of its income distribution. Gini inequality in Australia is about 43 per cent greater than in Sweden and 15 per cent less than in the US, with the Australian distribution exhibiting around 10 per cent more inequality than Canada, but around 10 per cent less than the United Kingdom.

The percentile ratios indicate that it is inequality at the bottom of the distribution rather than at the top that is mainly responsible for Australia’s inequality ranking. This

Table 7.7 Income distribution in selected countries around 1995

Country (year)	Gini	P10/P50	P90/P50	P90/P10
Sweden (1995)	0.222	0.603	1.562	2.589
Finland (1995)	0.226	0.594	1.591	2.677
Belgium (1992)	0.230	0.588	1.625	2.764
Luxembourg (1994)	0.235	0.591	1.726	2.919
Denmark (1992)	0.240	0.545	1.546	2.840
Norway (1995)	0.242	0.556	1.570	2.825
Austria (1987)	—	0.562	1.623	2.888
Taiwan (1995)	0.277	0.560	1.880	3.357
Netherlands (1994)	0.282	0.555	1.712	3.085
Canada (1994)	0.286	0.473	1.844	3.898
France (1994)	0.290	0.539	1.790	3.321
Germany (1994) ^a	0.300	0.545	1.735	3.185
Israel (1992)	0.305	0.497	2.049	4.121
Spain (1990)	0.306	0.499	1.974	3.958
Japan (1992)	0.315	0.460	1.920	4.174
Australia (1994)	0.317	0.455	1.919	4.222
Switzerland (1982)	0.323	0.545	1.847	3.390
Ireland (1987)	0.330	0.498	2.091	4.196
Italy (1995)	0.346	0.430	2.013	4.685
United Kingdom (1995)	0.346	0.463	2.089	4.515
United States (1997)	0.375	0.380	2.142	5.637
Average	0.290	0.521	1.821	3.495

Note: ^a Refers to the former West Germany only.

Source: Grodner and Smeeding 2000.

suggests that social-security transfers (the main source of income for those around the 10th percentile) are relatively low in Australia compared with many other countries. Thus, even though social transfers are relatively highly targeted in Australia, what matters for redistribution is not just the incidence of transfers in terms of their targeting, but also the absolute size of the amounts that are transferred. Tight targeting within the confines of a low social-security budget does relatively little to reduce inequalities, as Table 7.7 demonstrates.

Further analysis of the LIS data (Saunders 2001) indicates that income inequality increased between the mid-1980s and the mid-1990s in nine of the eleven countries for which data were available. Increasing inequality has thus not been an inevitable outcome over this period of increased deregulation, and some countries have managed to resist the trend to inequality by adjusting their tax and transfer policies – though nowhere did inequality decline to any noticeable degree. There has also not been a convergence of distributional outcomes in recent decades. This does not mean that there has not been a convergence of the distributional tendencies driven by market forces, since what is observed reflects the impact of those forces and of measures put in place to counteract them.

Attempts to explain the different distribution trajectories of OECD countries have been unable to identify an agreed set of causes. Changes in the labour market have obviously been important, and much of the increase in overall income inequality can be traced to the growth in earnings inequality (Gottschalk and Smeeding 1997). That in turn can be linked to changes in technology and in international trade that have resulted in increased employment and wages for highly skilled workers. The consensus view (referred to earlier) is that technology has been a more important factor than trade liberalisation in Australia, as it has in the US. Thus, Henry (2002:32) argues that:

As in the United States, the majority of the recent Australian changes in income distribution are thought to arise from technological and productivity changes that have produced strong growth in the employment of high wage workers, and in part time and casual employment, rather than changes in relative wages.

Changes in transfers and taxes have also played a role, not only in a deterministic sense, but also because these systems have been changed in ways that have affected the patterns of (pre-tax, pre-transfer) market incomes.

Conclusion

No longer is income distribution a subject that can be left as a pursuit for 'lesser men'; on the contrary, it has become one of the most exciting and prestigious areas of empirical economics. Better data and techniques have made it possible to study income distribution at a time when the forces that shape the distribution have themselves been rapidly changing – within and between countries. It is no longer possible for policy to ignore the distributional consequences of reforms, as is evident from recent debates over the impact of the GST, of labour-market deregulation, of industry restructuring, and of trade liberalisation.

The results presented here provide an overview of the nature of distributional change over this period, and the debates over data, method and interpretation to which they give rise. They suggest that the income distribution has become more unequal over the past two to three decades, with a somewhat less clear-cut picture emerging for the 1990s, in part reflecting concerns over data quality. It is also clear that there is no such thing as *the* income distribution, but rather that there is a broad range of distributions that focus on different aspects of how wellbeing is distributed among the population. A number of deficiencies have been identified in the data, and the impact of data revisions on the distributional picture described here will be an absorbing question for future inquiry in this very important area of research.

Note

The author acknowledges the excellent statistical support and comments provided by Peter Siminski.

References

- Apps, P. 2001. *Why an Earned Income Tax Credit Program is a Mistake for Australia*. Centre for Economic Policy Research Discussion Paper 431. Canberra: Centre for Economic Policy Research, Australian National University.
- Atkinson, A.B. 1997. Bringing income distribution in from the cold. *Economic Journal* 107:297–321.
- . 1999. *Is Rising Inequality Inevitable? A Critique of the Transatlantic Consensus*. WIDER Annual Lectures No. 3. Helsinki: World Institute for Development Economics Research.
- Atkinson, A.B., L. Rainwater and T.M. Smeeding. 1995. *Income Distribution in OECD Countries: The Evidence from the Luxembourg Income Study (LIS)*. Paris: OECD.
- ABS. 1999. *Income Distribution: Australia 1997–98*. Cat. No. 6523.0. Canberra: Australian Bureau of Statistics.
- . 2001a. *Measuring Wellbeing: Frameworks for Australian Social Statistics*. Cat. No. 4160.0. Canberra: Australian Bureau of Statistics.
- . 2001b. *Household Expenditure Survey: The Effects of Government Benefits and Taxes on Household Income, 1998–99*. Cat. No. 6537.0. Canberra: Australian Bureau of Statistics.
- . *Measuring Australia's Progress*. Cat. No. 1370. 0. Canberra: Australian Bureau of Statistics.
- . 2002b. 'Upgrading household income distribution statistics' in *Australian Economic Indicators*, April 2002. Cat. No. 1350.0, pp. 3–8. Canberra: Australian Bureau of Statistics.
- Barrett, G., T. Crossley and C. Worswick. 2000. Consumption and income inequality in Australia. *Economic Record* 76:116–38.
- Biddle, N., S. Kennedy and C. Williams. 2002. Neighbourhood income inequality in Australian cities. Mimeograph, Analytical Services Branch, Australian Bureau of Statistics, Canberra.
- Blacklow, P., and R. Ray. 2000. A comparison of income and expenditure inequality estimates: The Australian experience, 1975–76 to 1993–94. *Australian Economic Review* 33:317–29.
- Borland, J., B. Gregory and P. Sheehan (eds). 2001. *Work Rich, Work Poor: Inequality and Economic Change in Australia* Melbourne: Centre for Strategic Economic Studies, Victoria University.
- Borland, J., and S. Kennedy. 1998. *Earnings Inequality in Australia in the 1980s and 1990s*. Centre for Economic Policy Research Discussion Paper 389. Canberra: Centre for Economic Policy Research, Australian National University.
- Borland, J., and K. Norris. 1996. 'Equity' in *The Changing Australian Labour Market*. Economic Planning Advisory Commission Paper 11. Edited by K. Norris and M. Wooden, pp. 87–106. Canberra: AGPS.
- Borland, J., and R. Wilkins. 1996. Earnings inequality in Australia. *Economic Record* 76:7–23.
- Bradbury, B. 1992. Unemployment, participation and family incomes in the 1980s. *Economic Record* 68:328–42.
- Bradbury, B., and M. Jäntti. 1999. *Child Poverty across Industrialized Nations*. Innocenti Occasional Paper 71, Economic and Social Policy Series. Florence: UNICEF.
- Commonwealth Taxation Review Committee. 1975. *Full Report*. Canberra: AGPS.
- Creedy, J. 1994. Statics and dynamics of income distribution: An introductory survey. *Australian Economic Review* 4:51–71.
- Dawkins, P. 1996. The distribution of work in Australia. *Economic Record* 72:272–86.
- . 1999. A plan to cut unemployment in Australia: An elaboration on the five economists' letter to the Prime Minister, 28th October 1998. *Mercer–Melbourne Institute Quarterly Bulletin of Economic Trends* 1:48–57.
- EPAC. 1995. *Income Distribution in Australia: Recent Trends and Research*. Economic Planning Advisory Commission Paper 7. Canberra: AGPS.

- Expert Group on Household Income Statistics (Canberra Group). 2001. *Final Report and Recommendations*. Ottawa: Statistics Canada on behalf of the Canberra Group.
- Fincher, R., and P. Saunders (eds). 2001. *Creating Unequal Futures? Rethinking Poverty, Inequality and Disadvantage*. Sydney: Allen and Unwin.
- Gottschalk, P., and T.M. Smeeding. 1997. Cross-national comparisons of earnings and income inequality. *Journal of Economic Literature* 32:633–86.
- Gregory, R.G. 1993. Aspects of Australian and US living standards: The disappointing decades 1970–1990. *Economic Record* 69:61–76.
- Gregory, R., and B. Hunter. 1995. *The Macro-Economy and the Growth of Ghettos and Urban Poverty in Australia*. Centre for Economic Policy Research Discussion Paper 325. Canberra: Centre for Economic Policy Research, Australian National University.
- . 1996. 'Increasing regional inequality and the decline of manufacturing' in *Dialogues on Australia's Future: In Honour of the Late Professor Ronald Henderson*. Edited by P. Sheehan, B. Grewal and M. Kumnick, pp. 307–24. Melbourne: Centre for Strategic Economic Studies.
- Grodner, A., and T.M. Smeeding. 2000. 'Changing income inequality in OECD countries: Updated results from the Luxembourg Income Study (LIS)' in *The Personal Distribution of Income in an International Perspective*. Edited by R. Hauser and I. Becker, pp. 205–24. Berlin: Springer-Verlag.
- Harding, A. 1993. Lifetime vs. annual tax-transfer incidence: How much less progressive? *Economic Record* 69:179–92.
- . 1995. The impact of family, demographic and labour force change upon income inequality in Australia. *Australian Journal of Social Research* 1:47–70.
- . 1996. 'Recent trends in income inequality in Australia' in *Dialogues on Australia's Future: In Honour of the Late Professor Ronald Henderson*. Edited by P. Sheehan, B. Grewal and M. Kumnick, pp. 283–305. Melbourne: Centre for Strategic Economic Studies.
- . 1997. The suffering middle: Trends in income inequality in Australia, 1982 to 1993–94. *Australian Economic Review* 30:341–58.
- Harding, A., and H. Greenwell. 2001. Trends in income and expenditure inequality in the 1980s and 1990s. Paper presented at the 30th Annual Conference of Economists, Perth, 23–26 September.
- Harding, A., and S. Richardson. 1998. 'Unemployment and income distribution' in *Unemployment and the Labour Market*. Edited by G. Debelle and J. Borland, pp. 139–64. Sydney: Reserve Bank of Australia.
- Harding, A., N. Warren, M. Robinson and S. Lambert. 2000. The distributional impact of year 2000 tax reforms in Australia. *Agenda* 7:17–32.
- Henry, K. 2002. Globalisation, poverty and inequality: Friends, foes or strangers? Paper presented at the Economic and Social Outlook Conference 'Towards Opportunity and Prosperity', Melbourne, 4–5 April.
- Jenkins, S.P. 1991. 'The measurement of income inequality' in *Readings on Economic Inequality*. Edited by L. Osberg, pp. 3–38. New York: M.E. Sharpe.
- Johnson, D., I. Manning and O. Hellwig. 1995. *Trends in the Distribution of Cash Income and Non-Cash Benefits*. Report to the Department of Prime Minister and Cabinet. Canberra: AGPS.
- Lindert, P., and J. Williamson. 2001. *Does Globalization Make the World More Unequal?* NBER Working Paper 8228. Cambridge, MA: National Bureau of Economic Research.
- McLean, I.W., and S. Richardson. 1986. More or less equal? Australian income distribution in 1933 and 1981. *Economic Record* 62:67–81.
- Mitchell, D. 1991. *Income Transfers in Ten Welfare States*. Aldershot: Avebury.

- Mitchell, D., A. Harding and F. Gruen. 1994. Targeting welfare. *Economic Record* 70:315–40.
- Nevile, J., and P. Saunders. 1998. Globalization and the return to education in Australia. *Economic Record* 74:279–85.
- Norris, K., and B. Mclean. 1999. Changes in earnings inequality, 1975 to 1998. *Australian Bulletin of Labour* 25:23–31.
- OECD. 1982. *The OECD List of Social Indicators*. Paris: Organisation for Economic Cooperation and Development.
- . 1993. Earnings inequality, low-paid employment and earnings mobility. *OECD Employment Outlook* July:59–108.
- Pappas, N. 2001. 'Family income inequality' in *Work Rich, Work Poor: Inequality and Economic Change in Australia*. Edited by J. Borland, B. Gregory and P. Sheehan, pp. 21–39. Melbourne: Centre for Strategic Economic Studies, Victoria University.
- Productivity Commission. 1999. *Structural Adjustment – Exploring the Policy Issues*. Workshop Proceedings. Canberra: AusInfo.
- Radner, D. 1997. Noncash income, equivalence scales, and the measurement of economic well-being. *Review of Income and Wealth* 43:71–88.
- Reynolds, M., and E. Smolensky. 1977. *Public Expenditures, Taxes and the Distribution of Income*. New York: Academic Press.
- Richardson, S. 1979. 'Income distribution, poverty and redistributive policies' in *Surveys of Australian Economics*. Vol. 2. Edited by F.H. Gruen, pp. 11–62. Sydney: George Allen and Unwin.
- Richardson, S., and A. Harding. 1999. 'Poor workers the link between low wages, low family income and the tax and transfer systems' in *Reshaping the Labour Market. Regulation Efficiency and Equality in Australia*. Edited by S. Richardson, pp. 122–58. Melbourne: Cambridge University Press.
- Saunders, P. 1993. Longer run changes in the distribution of income in Australia. *Economic Record* 69:353–66.
- . 1994. *Welfare and Inequality: National and International Perspectives on the Australian Welfare State*. Melbourne: Cambridge University Press.
- . 2000. 'Trends in earnings distribution' in *Australian Social Trends, 2000*. Cat. No. 4102.0, pp. 145–8. Canberra: Australian Bureau of Statistics.
- . 2001. 'Household income and its distribution' in *2001 Year Book Australia*. Cat. No. 1301.0, pp. 280–95. Canberra: Australian Bureau of Statistics. (Updated and revised version in *Australian Economic Indicators*, June 2001. Cat. No. 1350.0, pp. 33–55. Canberra: Australian Bureau of Statistics.)
- Saunders, P., and G. Hobbes. 1988. Income inequality in Australia in an international comparative perspective. *Australian Economic Review* 3:25–34.
- Sawyer, M. 1976. *Income Distribution in OECD Countries*. Paris: Organisation for Economic Cooperation and Development.
- Sen, A. 1992. *Inequality Reexamined*. Cambridge, MA: Harvard University Press.
- Smeeding, T.M. 1997. *Financial Poverty in Developed Countries: The Evidence from the Luxembourg Income Study (LIS), Final Report to the UNDP*. Working Paper 155. Syracuse, NY: Maxwell School of Citizenship and Public Affairs.
- Travers, P., and S. Richardson. 1993. *Living Decently: Material Well-Being in Australia*. Melbourne: Oxford University Press.
- Tsumori, K., P. Saunders and H. Hughes. 2002. *Poor Arguments: A Response to the Smith Family Report on Poverty in Australia*. Centre for Independent Studies Issues Analysis 21. Sydney: Centre for Independent Studies.

- Whiteford, P. 1997. Measuring poverty and income inequality in Australia. *Agenda* 4:39–50.
- . 1998. 'Is Australia particularly unequal? Traditional and new views' in *Contesting the Australian Way: States, Markets and Civil Society*. Edited P. Smyth and B. Cass, pp. 197–214. Melbourne: Cambridge University Press.
- . 2000. *The Australian System of Social Protection – An Overview*. Department of Family and Community Services Policy Research Paper 1. Canberra: Department of Family and Community Services.

Taxation

Patricia Apps, Glenn Jones and Elizabeth Savage

Although the economics of taxation has a long history, dating back to Ricardo and Cournot, the modern theory of taxation has developed over the past thirty years, building upon advances in microeconomic theory. Central to these are duality, general equilibrium theory and the theory of second best. This displaced the earlier tax literature, which had used simple rules to guide and evaluate policy. The new literature made social-welfare maximisation the explicit goal of taxation, and demonstrated that the rules of the earlier literature failed to take into account information and incentive constraints that governments inevitably face when designing policy.

Imperfect information about the endowments of individuals prevents governments using personalised lump-sum taxes and transfers to redistribute. With lump-sum taxes, no individual can lower their tax liability by changing their behaviour. Once lump-sum taxes are ruled out, redistribution involves efficiency costs. Equity and efficiency must be addressed simultaneously. When taxes are based on imperfect indicators of endowments, such as income or consumption, taxation changes relative prices and this is the source of efficiency costs.

In modern tax theory, information and incentive constraints are explicit. The implications for tax policy are wide-ranging: what can be taxed influences what should be taxed and the optimal rates of tax; taxes with narrower bases and differential rates can be superior in social-welfare terms to broad-based, constant-rate taxes; efficiency cannot be inferred from counting the number of different tax rates. Empirical analysis is now central to tax design and evaluation of reforms.

While tax economics was making rapid advances in the international literature, in Australia there was ongoing tax-reform debate that tended to draw more from the earlier literature than the new developments. A number of prominent concerns emerged:

- The base of personal income tax (PIT) had been eroded by the growth of untaxed fringe benefits and capital gains.
- Self-employed taxpayers could lower tax by splitting income with their spouse. As a result, wage and salary earners faced an increasing relative burden.
- A shift in expenditure from manufactured goods to services had eroded the base of the wholesale sales tax (WST).
- The WST omitted many goods and services and applied different rates of tax.

- Australia's greater reliance on income taxation appeared to make it an outlier in the OECD, although when compulsory contributions for retirement were included, Australia was close to average.
- The company tax rate was high compared with such tax rates in Asia, and Australia's classical corporate tax system involved double taxation, in which dividends, not deductible from profits, were taxed at the corporate rate, and dividends distributed to shareholders were taxed at the marginal PIT rate of the recipient.
- Universal transfers were criticised for not directing payments to those with the greatest need.

The most commonly advocated policy reform was a change in the tax mix to increase the revenue from constant-rate consumption taxes and lower marginal tax rates (MTRs) on personal income, particularly for high earners. The Labor government's draft white paper of 1985 advocated a 12.5 per cent broad-based consumption tax (BBCT) with compensation for low earners, and cuts in PIT accompanied by the introduction of fringe-benefits tax (FBT) and capital-gains taxation (CGT) (Australia 1985). The BBCT was rejected at the tax summit of 1985, but PIT rate reductions and base-broadening were implemented. MTRs were reduced slightly at lower income levels, but the largest reduction occurred in the top income band (60 per cent to 49 per cent). FBT was imposed at the highest marginal rate and was levied on employers. Real capital gains were taxed at marginal PIT rates.

In 1991 the Liberal–National opposition proposed the *Fightback!* tax reform (Hewson and Fischer 1991), in which a major PIT reduction was financed by a constant-rate goods and services tax (GST). Largely because of its adverse distributional impact, the proposal was rejected and the Labor government was returned at the 1993 election. The Coalition government took a modified *Fightback!* reform to the 1998 election and this was implemented in 2000. A 10 per cent GST was introduced, with Senate amendments excluding most food. Other significant items receiving special tax treatment were financial services, and education and medical expenses. Large income-tax cuts were focused on higher earners, and increased income-tested family assistance predominantly benefited single-earner families.

Reform of the transfer system is linked to PIT reform. A major change has involved switching from a system of universal family payments to one highly targeted on household income. This effectively has moved the tax-transfer system towards joint taxation. Explicit proposals to switch PIT from an individual to joint income base had always been rejected in Australia, and subsequent proposals have focused on family payments. In 1983 a new joint-income-tested payment to working families, the Family Income Supplement (FIS), was introduced. In 1986 the Family Allowance (FA) was income-tested. In 1987, FIS payment levels were increased and eligibility extended to non-working families; FIS became FAS, the Family Allowance Supplement. In 2000, FA and FAS were combined into a single family-income-tested payment called Family Tax Benefit Part A.

The classical system of corporate taxation was replaced in 1986 by full imputation, and the rate of tax was raised to match the highest PIT rate. Resident shareholders

receive a credit in PIT for the corporate tax previously paid on company profits. Distributed profits are taxed at the shareholder's MTR. The company tax rate subsequently fell.

This survey provides an opportunity to review contemporary research about taxation in Australia over this twenty-year period. We examine research in a number of areas. In each area we first summarise the major results of the modern tax literature. Section one examines consumption and income taxes and tax-transfer interactions, and section two the tax mix. In the third section we focus on the treatment of savings and property taxes, including housing. Section four surveys the Australian literature on tax evasion, and section five discusses corporate taxation.

Commodity taxation, income taxation and tax mix

Consumption-tax theory

Ramsey (1927) provided the first formal solution to the optimal indirect-tax problem for an economy of identical individuals: minimising efficiency cost requires higher tax rates on goods with relatively lower (compensated) demand elasticities (Ramsey's inverse elasticity rule). An efficient set of taxes requires equiproportionate quantity reductions, not equiproportional price increases. This result was largely overlooked until Diamond and Mirrlees (1971a, 1971b), in the first papers of the modern tax literature, extended the analysis to address both equity and efficiency: optimal commodity taxes should cause lower proportional reductions in demand for goods consumed by those in the lower tail of the welfare distribution. A variety of empirical analyses found considerable variation in optimal tax rates across commodities, with low and sometimes negative rates on strong necessities such as food and fuel.

Australian research on consumption taxation

Several papers argue that the WST fails on equity, efficiency and simplicity grounds, and propose a switch to a constant-rate BBCT and away from PIT (Groenewegen 1984; Bascard 1989; Chisholm, Freebairn and Porter 1990). The arguments rely on the simple rules of the earlier tax literature, especially the claimed efficiency gains. Efficiency claims for constant-rate consumption taxes are criticised with reference to the modern tax literature (Jones and Savage 1989; Creedy 1993).

The claimed employment and efficiency advantages of a constant-rate GST are examined in Freebairn (1993), who compares it to a revenue-neutral proportional payroll tax. He finds the taxes equivalent in all respects, concluding that there is no theoretical justification for replacing the payroll tax with a GST.

Chisholm (1993) calculates efficiency effects of a number of indirect tax changes, assuming an economy of identical individuals. He uses a partial equilibrium Harberger approach and adopts a restrictive preference specification. He advocates a BBCT despite deriving efficiency gains from the variable-rate, indirect tax system he claims as optimal, arguing that a variable rate would be administratively complex.

Dixon and Rimmer (1999) use a dynamic computable general equilibrium model to analyse aggregate effects of changes in indirect taxes. They find that any short-run

employment gains of a GST depend critically on the wage response; and that the long-run welfare effects are likely to be negative.

A number of papers examine the distributional merits of a WST–GST substitution. Kakwani (1983) estimates the degree of progressivity of expenditure items and suggests that variation within tax categories in the WST warrants more tax rates. Warren (1986) compares the progressivity of a number of BBCT bases and finds little equity merit in exemptions except for food. Plumb (1994) estimates income elasticities of broad classes of expenditure using the 1989 *Household Expenditure Survey* (HES) and calculates distributional characteristics. Assuming fixed labour supply, he finds that the optimal set of tax rates tends towards the existing WST rates as aversion to inequality increases. Notable departures are private-education fees, which the WST undertaxes, and household supplies and services, which it overtaxes.

Creedy (1993) uses the 1984 HES to investigate inequality in tax regimes with varying exemptions. The largest redistributive effect arises from a food exemption, but he concludes that indirect taxation is a blunt redistributive instrument. Using hypothetical taxpayers, Quiggin (1993) shows that a tax on food is highly regressive. He argues that compensation for a GST is intrinsically difficult and likely to cause poverty traps, and that compensation in the *Fightback!* proposal is inadequate. A similar conclusion is reached by Saunders and Whiteford (1990) in their analysis of the Option C compensation package in the draft white paper of 1985.

Jones and Savage (1989) estimate a model of household behaviour on aggregate data and model equity–efficiency trade-offs from incremental movements in the variable-rate WST towards uniformity, using household data. They find that neither efficiency nor equity is enhanced by the change. Creedy (1999) uses the optimal reform approach of Ahmad and Stern (1984), and finds that equity and efficiency both influence the preferred direction of marginal reforms, with the impact of increasing inequality aversion varying by commodity.

Income-tax theory

The path-breaking paper on optimal income taxation in the modern literature is Mirrlees (1971), using an individual utility-maximising model in which individuals differ in earning capacities and labour supply is variable. Mirrlees and later Stern (1976) test the sensitivity of optimal tax rates to changes in model specification, and show how optimal progressivity increases with inequality aversion and decreases with the elasticity of substitution between consumption and leisure.

In a simple model consisting of two types of individual, rich and poor, Kesselman and Garkinkel (1978) compare universal and targeted transfers, and show that theory alone cannot determine whether an income-tested transfer is more efficient than a universal transfer. Under plausible conditions the universal scheme is more efficient than the income-tested one.

A key paper on the unit for income taxation is Boskin and Sheshinski (1983). In a household-utility-maximising model and with a tax system that allows different tax schedules for husbands and wives, they find that minimising the efficiency cost requires that married women face MTRs between one-third and one-half those of married men at the same income level. This flows from the higher compensated-labour-supply elasticities

of second earners in households and is a straightforward application of the Ramsey result. The tax model in Apps and Rees (1988), which treats the household as a small economy of utility-maximising individuals and allows exchange within the household, is extended in Apps and Rees (1999a) to address heterogeneity in household productivity as well as wage rates, and show that there can be equity as well as efficiency gains from progressive individual taxation compared with joint taxation.

Australian research on the PIT rate structure

The current Australian PIT has five MTRs, ranging from 0 to 47 per cent. Prior to changes in the mid-1970s, there were more than twenty bands and there was a top rate of 66.7 per cent (Smith 1993). Over most of its history, PIT's bands have not been indexed, allowing bracket creep and giving governments the opportunity to decide the timing of tax cuts.

Creedy and van de Ven (1999) use a dynamic-cohort lifetime simulation model to examine the redistributive effect of PIT. Income taxation and unemployment benefits contribute most to redistribution both for annual and lifetime incomes, with PIT having ten times the redistributive impact of unemployment benefits over the lifetime. Harding (1993) finds PIT and cash transfers are both progressive on a lifetime basis, but are less progressive than annual studies suggest.

To explore PIT efficiency costs, several studies adopt the Browning (1976) partial-equilibrium, Harberger-type method (Findlay and Jones 1982; Bascand and Porter 1986; Freebairn 1995). Using a small number of representative households and a single labour-supply elasticity, the approach finds relatively large marginal excess burdens, particularly at the higher end of the income distribution. G. Jones (1990) criticises the technique for lack of consistency with utility maximisation, and for applying a single elasticity to aggregate-income bands and to first and second earners within each band.

Apps and Savage (1986) compare the 1985 PIT, which involved MTRs from 0 to 60 per cent, with one raising the same revenue but having a reduced zero-rate threshold and a single 35 per cent rate. The reform shifts the tax burden from single-earner to two-earner couples and has the most adverse effects for those working couples with the lowest wage rates. These distributional effects are concealed when results for one-earner and two-earner families are combined.

Using an applied general equilibrium model incorporating public goods, Piggott and Whalley (1987) show that large tax cuts cause welfare losses because suboptimal public-goods provision outweighs gains from tax cuts. Using the ORANI general equilibrium model, Agrawal, Meagher and Parsell (1990) simulate short-term employment effects of flatter taxes and expenditure reductions. The macroeconomic effects depend upon fiscal and wage-fixing assumptions but the reforms are consistently regressive, with losses for all but the highest income ranges.

Several papers simulate the welfare effects of reforms using an explicit utility-maximising model estimated on individual data. Jones (1990) simulates a flatter tax regime funded by lump-sum taxes and finds modest efficiency gains but social-welfare losses even at low inequality aversions. Savage (1993b) models revenue-neutral reforms to the zero-rate tax threshold and finds social-welfare gains only for reforms that claw back the threshold at higher income levels. G. Jones (1993) focuses on the PIT

changes in *Fightback!*, finding modest efficiency gains if revenue losses are ignored. If revenue neutrality is enforced, efficiency falls and inequality rises, and social welfare is lower at all inequality aversions.

There has been interest in the removal of PIT deductions motivated by perceived inequity between taxpayers and with the aim of simplifying PIT to reduce compliance costs. In a study of work-related PIT deductions, Baldry (1994b) finds that half the growth between 1978 and 1991 is due to superannuation deductions. He argues that, because of their arbitrary nature, all work-related deductions be removed. The total compliance costs of personal income taxation in Australia in 1986–87 were estimated to be between 7.9 and 10.8 per cent of revenue (Pope and Fayle 1990).

Tax-transfer interactions and the tax unit

The interaction of PIT and income-tested transfers causes high effective MTRs (EMTRs), work disincentives and poverty traps. EMTRs are frequently over 70 per cent, and sometimes over 100 per cent, and the highest rates tend to fall on low-income, second earners. Creedy and Disney (1989) provide evidence of savings and work disincentives caused by the interaction of the income and asset tests of the age pension and PIT, reporting EMTRs of up to 80 per cent.

Expanded targeting over the past two decades, particularly of payments to families with children, has increased the number of families facing these high EMTRs, with the impact almost totally confined to families in the lower half of the distribution (Harding and Polette 1995). The third decile of family income is the worst affected, with more than a third having EMTRs exceeding 80 per cent. Dawkins, Beer et al. (1998) argue that full integration of the tax and transfer systems using a pure negative income tax appears not to provide a solution to high MTRs, because an unacceptably high PIT rate is required if social-security recipients are not to be made worse off.

Apps and Savage (1986) show how income-splitting reduces tax rates for single-earner couples and increases them for two-earner couples. The use of household income as the tax base is the source of a fundamental distributional problem because it fails to provide a reliable measure of family living standards. Household income omits household production and therefore is an inadequate base for taxation, for income-testing transfers and for judging distributional impacts. Jones and Savage (1996) simulate a revenue-neutral income-splitting reform taking account of female work disincentives and show that income-splitting increases inequality and inefficiency.

Piggott and Whalley (1996) challenge the claim that, on efficiency grounds, taxing individuals is always preferred to taxing households in a progressive income tax. They use a simple numerical example and a small general equilibrium model that introduces household production. Apps and Rees (1999b) show analytically that this result fails to hold in a more general model of labour supply and household production.

Fringe-benefits and capital-gains taxation

There are limited data to model FBT and CGT. Consequently the Australian research in the area is largely descriptive in nature. Collins (1989) provides a general overview of the FBT. Lloyd and McDonald (1986) apply the irrelevance-of-who-pays principle to refute the argument that the tax should be imposed on employees rather than

employers. The advantages and disadvantages of alternative design features of the CGT are discussed in Head (1984) and Swan (1984). Swan argues that an ideal CGT requires full adjustment for inflation, taxation on accrual and full loss offsets combined with a cash-flow-based company tax.

The mix of income and consumption taxation

Theory of optimal tax mix

Atkinson and Stiglitz (1976) show that income tax dominates a combination of income and consumption taxes, if goods and leisure are weakly separable. Without separability and with a fairly inflexible income tax, consumption taxes play a distributional role: if goods consumption and wage rates are related, goods for which high-wage individuals have a relative preference should attract higher rates of tax. Atkinson and Sandmo (1980) introduce time and establish that there is no efficiency rationale for a lower rate of tax on capital rather than labour income. When individuals differ in their endowments, tax rates on labour and capital income should be modified to achieve equity.

Australian research on tax mix

In Australia, research on tax-mix change is largely directed to modelling specific proposals. In a fixed-incidence analysis of a number of tax substitutions, Warren (1990) argues that because of its regressivity a BBCT should not be viewed as a means of flattening marginal PIT rates but solely as a WST replacement. Freebairn explores the use of a GST for general revenue-raising, finding that a tax-mix change brings uncertain net-efficiency gains and has politically contentious redistributive effects, and, if it is to maintain vertical equity, the new PIT rate schedule must be more progressive than the one it replaces (Freebairn 1997, 1999). Creedy and McDonald (1990) argue that unless the PIT threshold is increased, a revenue-neutral tax-mix change will induce wage increases. In an impact analysis of the *Fightback!* tax-mix change, Savage (1993a) shows that, when funding and timing are taken into account, 80 per cent of lower-income and middle-income earners lose, with large gains for those in the top 10 per cent of the income distribution.

Using the ORANI model, Meagher (1986) analyses macroeconomic effects of an Option C-type tax-mix change. In the absence of a fall in post-tax real wages, the change increases inflation, reduces employment, and pushes the balance of trade towards deficit, with larger effects the more the tax cuts are appropriated as increases in post-tax wages. Meagher and Parmenter (1993) use ORANI to model the Option C and *Fightback!* reforms and find similar results.

Savings and retirement

Savings and retirement-income theory

There are two types of retirement-incomes policy: a pay-as-you-go (PAYG) system, where current taxpayers fund benefits for current retirees, and a fully funded (FF) sys-

tem, where individuals fund their own retirement. FF schemes can achieve intertemporal reallocation for individuals within each generation, but cannot transfer resources between generations.

In a simple overlapping-generations model, where each individual within a generation is identical, transfers between generations may be necessary to promote efficient resource-allocation by adjusting intertemporal consumption and savings to the required growth rate. This maximises the sustainable level of individual lifetime utility across generations (Samuelson 1975). Optimal retirement-incomes policy must involve PAYG to some extent.

Australian research on savings and retirement

Atkinson, Creedy and Knox (1995) analyse investment incentives for superannuation and non-superannuation savings on retirement. The optimal decision depends on: the valuation criterion, the level of benefits, the individual's income level, the means test, the tax rates on income and superannuation benefits, and the person's life expectancy, as well as lifetime earnings and post-retirement rates of mortality. Atkinson, Creedy and Knox (1996) compare lifetime redistribution and progressivity of occupational superannuation against a means-tested age pension (the government strategy) with a universal pension and a corresponding smaller role for occupational superannuation (Institute of Actuaries' strategy). In terms of lifetime inequality and progressivity, they find little difference between the two.

Bateman and Piggott (1992) examine the complex interactions between the tax system, the social-welfare system and superannuation provisions. They conclude that superannuation reforms have reduced various dimensions of risk facing retirees. In contrast to most countries, where retirement benefits from pension saving must be taken as an annuity, Australia allows lump-sum benefits but has tax incentives encouraging annuities. Bateman, Kingston and Piggott (1993) conclude that the incentives are ineffective because they are nullified by provisions of the broader tax and social-security framework. Fitzgerald and Harper (1993) also examine the impact of government sponsorship of superannuation saving, and conclude that any impact on overall savings will be small because increases in private savings are, at least, offset by reductions in public savings caused by tax concessions to superannuation.

On the assumption that the 'best' pension tax is to tax benefits under PIT, Doyle, Kingston and Piggott (1999) propose a 'withholding tax' arrangement that has a similar incidence to a benefit tax and addresses cash-flow concerns of the revenue authorities. Simulations show that equity across contributors in different wage bands is broadly maintained by the policy.

Apps (1991) simulates the effects of alternative tax reforms in an ageing population, taking account of changes in the child-dependency ratio as well as the aged-dependency ratio. She shows that there will be no fiscal crisis associated with ageing, provided government policy does not discourage the labour supply of second earners through high EMTRs. The result takes account of the fall in demand for domestic childcare and consequent rise in wives' labour-force attachments and tax contributions, associated with demographic change.

Research on the tax treatment of housing

The current Australian tax system does not tax imputed rent, nor does it allow mortgage interest deductibility or tax the capital gains of owner-occupiers. It is often said to favour owner-occupied housing over business investments, and high-income, low-debt households over others.

Taxation of net imputed rent from owner-occupied housing and the deductibility of mortgage interest payments have been advocated in Australia on grounds of efficiency and equity. Anstie, Findlay and Harper (1983) set up a model of tenure choice and show that the mortgage interest-rate ceiling, removed following recommendations of the Campbell Report in 1981 and Martin Report in 1984, does not remove the distributional bias in the housing market in favour of the wealthy without the introduction of an imputed rent tax. Albon, Findlay and Piggott (1984) consider tax breaks on owner-occupier equity and debt, and argue that removal of the mortgage interest-rate ceiling may not result in a welfare gain without indexation of the income-tax base, and that the taxation of imputed rent would have to be accompanied by the deductibility of interest payments. Bourassa and Hendershott (1994) also support imputed-rent taxation and deductibility of interest based on an analysis assuming perfect capital markets.

In contrast, Yates (1982) finds that taxing imputed rent would have adverse distributional effects and make the tax system less progressive. Apps (1992) also rejects these policies as inefficient and inequitable, in an analysis that takes account of capital-market constraints and recognises that housing is a strong necessity and wealthy households tend to be highly geared.

Tax minimisation

Literature on evasion

Key variables in models of tax evasion are the penalty, the probability of audit and the rate of tax. Allingham and Sandmo (1972) show that increasing the probability of audit and the penalty decreases evasion, but the effect of changing the tax rate is ambiguous. Evasion increases with the tax rate if absolute risk aversion increases with income. These results run counter to the conventional wisdom that reducing tax rates will decrease evasion and that evasion will increase with income. The results are also sensitive to the penalty function. If the penalty is not a simple proportion of the amount evaded, the effect of the tax rate on evasion is ambiguous, even with decreasing absolute risk aversion. The optimal penalty rate should be greater or equal to the odds of not being audited times the tax rate.

Research on avoidance and evasion

The view that a significant proportion of the population evade their tax liability was part of the justification for base-broadening via FBT and CGT, as well as the expansion of consumption taxes. An overview of the theoretical literature on avoidance and evasion and a pessimistic evaluation of empirical research internationally and in Australia are presented in Baldry (1994a). Groenewegen (1984) argues that a shift from direct

to indirect taxation reduces tax evasion. This argument is disputed in Head (1985) and Warren (1990). Kesselman (1993) constructs a theoretical general equilibrium model and calibrates it to Australian data to show that a tax-mix shift does not reduce evasion.

Wickerson (1994) provides a discussion of approaches to quantifying the extent of tax evasion and some estimates for Australia. Hepburn (1992) provides estimates of the size of the cash economy in Australia over the period from 1950–51 to 1989–90 and uses this to estimate income-tax revenue losses and to examine the factors that influence the incentive to evade income tax. He concludes that the cash economy has grown rapidly to approximately 8 per cent of GDP in 1990, with implied tax-revenue losses of approximately \$6 billion.

Corporate taxation

The literature on corporate taxation

In a competitive model, input taxes are not optimal. Consequently the literature on corporate taxation examines the effects of taxation on the financial choices of firms. The interaction of PIT and corporate tax affects the cost of capital to the firm, and may influence investment behaviour and the mix of debt and equity. In a certain world without taxes, the value of the firm does not depend on the mix of debt and equity. With a classical corporate tax system, firms use only debt financing because debt is deductible but the interaction with PIT can reverse this, depending on the corporate tax rate and MTRs applying to dividends and capital gains (Stiglitz 1973). King (1977) examines the large variation by industry of effective corporate profits tax rates arising from deduction and subsidy provisions. Another stream of the literature regards the corporate profits tax as a tax on the supply of capital to the corporate sector and analyses incidence in the general equilibrium framework pioneered by Harberger (1962).

Australian research on corporate taxation

Hawtrey (1993) provides a survey of the taxation of financial transactions in Australia. In an Australian application of the Ramsey result, Tran and Reece (1989) estimate direct and cross-price elasticities for a model of ten financial assets and derive optimal tax rates for these transactions from 1967–68 to 1984–85. Diewert and Lawrence (1998) calculate dynamic deadweight losses for capital taxes in Australia, based on an economic model of the production sector, and suggest that reforms since the mid-1980s have fallen relatively heavily on capital and that the excess burden of capital taxation has increased markedly.

Most of the remaining research focuses on the move from the classical system of corporate taxation to full imputation. Swan (1983) investigates the tax advantages to investors of retained versus distributed profits caused by the non-taxation of capital gains and the classical system of corporate taxation. He advocates integrating the corporate tax and PIT, arguing that it would be more equitable and more efficient. Officer (1990) describes the form of imputation introduced in Australia and discusses potential effects on dividends, financing and investment policy, depending upon the residency of shareholders.

Using the King–Fullerton method, the effects of a move to imputation on effective rates of tax on saving and investment options are examined by Freebairn (1988), Mayo (1989) and R. Jones (1993). Bengé presents a model of an optimising firm and examines the effects of full imputation combined with CGT provisions, and presents numerical estimates of costs of capital under Australian depreciation provisions (Bengé 1997, 1998).

Looking ahead

Contrary to the common perception that we are highly taxed, Australia's tax–GDP ratio is one of the four lowest among OECD countries. But more important than the average level is the profile of tax burdens across different groups. Prior to the 1980s, Australia combined a highly progressive individual income-tax system with universal family allowances. Although the excessive use of tax minimisation schemes created an urgent need to reform the tax system, appropriate changes have never been at the centre of the tax-reform agenda, and promised reforms to the taxation of trusts have been abandoned. Instead the focus has been on increasing consumption taxes, reducing the progressivity of income tax, and switching to a highly targeted family-benefit system. The tax burden has shifted towards lower-income groups. The increased use of family income as the basis for phasing out benefits has moved the system away from its individual basis, increasing the tax burden on low and middle earners, particularly second earners in families.

Current debate suggests that future changes will involve more of the same. A wage–tax trade-off has been proposed as a means of reducing unemployment. The proposal (Dawkins, Lambert et al. 2000) involves a fall in pre-tax real wages for the low paid, compensated by an Earned Income Tax Credit (EITC) – a crucial feature being its withdrawal on the basis of family income. The effect is to extend targeting further across the income distribution, shifting the cost of welfare support for a growing group of working poor to families on low to middle incomes. In the US the EITC has been effective in increasing participation for low-wage sole parents. For married couples, however, the effect has been to increase work disincentives (Eissa and Hoynes 1999). Adverse effects on work disincentives for second earners would be more pronounced in Australia because the income-tax unit is the individual rather than the family.

References

- Agrawal, N., G.A. Meagher and B.F. Parsell. 1990. 'Analysing options for fiscal reform in the presence of involuntary unemployment' in *Flattening the Tax Rate Scale: Alternative Scenarios and Methodologies*. Edited by J.G. Head and R. Krever, pp. 295–320. Melbourne: Longman Professional.
- Ahmad, E., and N. Stern. 1984. The theory of reform and Indian indirect taxes. *Journal of Public Economics* 25:259–98.
- Albon, R., C. Findlay and J. Piggott. 1984. The welfare costs of owner-occupier housing subsidies: Inflation, tax treatment, and interest rate regulation. *Australian Economic Papers* 23(43):206–18.
- Allingham, M., and A. Sandmo. 1972. Income tax evasion: A theoretical analysis. *Journal of Public Economics* 1:323–38.

- Anstie, R., C. Findlay and I. Harper. 1983. The impact of inflation and taxation on tenure choice and the redistributive effects of home-mortgage interest rate regulation. *Economic Record* 59(165):105–10.
- Apps, P. 1991. Tax reform, population ageing and the changing labour supply behaviour of married women. *Journal of Population Economics* 4(3):201–16.
- . 1992. *The Role of Home Ownership*. Canberra: Commonwealth of Australia.
- Apps, P., and R. Rees. 1988. Taxation and the household. *Journal of Public Economics* 35:355–69.
- . 1999a. On the taxation of trade within and between households. *Journal of Public Economics* 73(2):241–63.
- . 1999b. Individual versus joint taxation in models with household production. *Journal of Political Economy* 107(2):393–403.
- Apps, P., and E. Savage. 1986. 'The tax rate structure' in *Changing the Tax Mix*. Edited by J.G. Head, pp. 341–54. Sydney: Australian Tax Research Foundation.
- Atkinson, A., and A. Sandmo. 1980. Welfare implications of the taxation of savings. *Economic Journal* 90:529–49.
- Atkinson, A., and J. Stiglitz. 1976. The design of tax structure: Direct versus indirect taxation. *Journal of Public Economics* 6:55–75.
- Atkinson, M.E., J. Creedy and D.M. Knox. 1995. Planning retirement income in Australia: Routes through the maze. *Australian Economic Review* 112:15–28.
- . 1996. Alternative retirement income strategies: A cohort analysis of lifetime redistribution. *Economic Record* 72(217):97–106.
- Australia. 1985. *Reform of the Australian Tax System: Draft White Paper*. Canberra: AGPS.
- Baldry, J. 1994a. Economic analysis and taxpayer compliance: Time for a new agenda. *Australian Tax Forum* 11(1):45–62.
- . 1994b. Personal income tax deductions in Australia, 1978/79–1990/91. *Economic Record* 70(211):424–33.
- Bascand, G. 1989. 'A value-added tax for Australia' in *Australian Tax Reform in Retrospect and Prospect*. Edited by J.G. Head, pp. 361–420. Sydney: Australian Tax Research Foundation.
- Bascand, G., and M. Porter. 1986. 'Taxes and incentives: The leaky bucket' in *Changing the Tax Mix*. Edited by J.G. Head, pp. 355–74. Sydney: Australian Tax Research Foundation.
- Bateman, H., G. Kingston and J. Piggott. 1993. Taxes, retirement transfers, and annuities. *Economic Record* 69(206):274–84.
- Bateman, H., and J. Piggott. 1992. Australian retirement income policy. *Australian Tax Forum* 9(1):1–26.
- Benge, M. 1997. Taxes, corporate financial policy and investment decisions in Australia. *Economic Record* 73(220):1–15.
- . 1998. Depreciation provisions and investment incentives under full imputation. *Economic Record* 74(227):329–45.
- Boskin, M.J., and E. Sheshinski. 1983. Optimal tax treatment of the family: Married couples. *Journal of Public Economics* 20:281–97.
- Bourassa, S.C., and P.H. Hendershott. 1994. On the equity effects of taxing imputed rent: Evidence from Australia. *Housing Policy Debate* 5(1):73–95.
- Browning, E. 1976. The marginal cost of public funds. *Journal of Political Economy* 84:283–98.
- Chisholm, A. 1993. 'Indirect taxation, effective tax rates and consumption efficiency' in *Fightback! An Economic Assessment*. Edited by J.G. Head, pp. 309–50. Sydney: Australian Tax Research Foundation and Public Sector Management Institute.
- Chisholm, A., J.W. Freebairn and M. Porter. 1990. A goods and services tax for Australia. *Australian Tax Quarterly* 7(2):127–90.
- Collins, D.J. 1989. 'Taxation of fringe benefits' in *Australian Tax Reform in Retrospect and Prospect*. Edited by J.G. Head, pp. 101–20. Sydney: Australian Tax Research Foundation.

- Creedy, J. 1993. 'The role of selectivity in consumption taxation' in *Fightback! An Economic Assessment*. Edited by J.G. Head, pp. 83–96. Sydney: Australian Tax Research Foundation and Public Sector Management Institute.
- . 1999. Marginal indirect tax reform in Australia. *Economic Analysis and Policy* 29(1):1–14.
- Creedy, J., and R. Disney. 1989. The Australian pension scheme: Some basic analytics. *Economic Record* 65(191):357–68.
- Creedy, J., and I.M. McDonald. 1990. A tax package to reduce the marginal rate of income tax and the wage demands of trade unions. *Economic Record* 66(194):195–202.
- Creedy, J., and J. van de Ven. 1999. The effects of selected Australian taxes and transfers on annual and lifetime inequality. *Australian Journal of Labour Economics* 3(1):1–22.
- Dawkins, P., G. Beer, A. Harding, D. Johnson and R. Scutella. 1998. Towards a negative income tax system for Australia. *Australian Economic Review* 31(3):237–57.
- Dawkins, P., S. Lambert, P. Dixon and M. Rimmer. 2000. *AWage—Tax Trade-Off to Reduce Unemployment*. Business Council of Australia Discussion Paper 4. Melbourne: Business Council of Australia.
- Diamond, P., and J. Mirrlees. 1971a. Optimal taxation and public production 1: Production efficiency. *American Economic Review* 61:8–27.
- . 1971b. Optimal taxation and public production 2: Tax rules. *American Economic Review* 61:261–78.
- Diewert, W.E., and D.A. Lawrence. 1998. *The Deadweight Costs of Capital Taxation In Australia*. University of British Columbia, Department of Economics Working Paper 98/01. Vancouver: Department of Economics, University of British Columbia.
- Dixon, P.B., and M.T. Rimmer. 1999. Changes in indirect taxes in Australia: A dynamic general equilibrium analysis. *Australian Economic Review* 32(4):327–48.
- Doyle, S., G. Kingston and J. Piggott. 1999. Taxing super. *Australian Economic Review* 32(3):207–18.
- Eissa, N., and H. Hoynes. *The Earned Income Tax Credit and the Labour Supply of Married Couples*. National Bureau of Economic Research Working Paper 6856. New York: National Bureau of Economic Research.
- Findlay, C.C., and R.L. Jones. 1982. The marginal cost of Australian income taxation. *Economic Record* 58(162):253–62.
- Fitzgerald, V., and I. Harper. 1993. 'Super preferred or "level playing field"? Implications for saving and the financial system' in *Fightback! An Economic Assessment*. Edited by J.G. Head, pp. 123–70. Sydney: Australian Tax Research Foundation and Public Sector Management Institute.
- Freebairn, J. 1988. An economic perspective on recent changes in the taxation of Australian business income. *Australian Tax Forum* 5(4):493–521.
- . 1993. 'The GST and payroll tax abolition' in *Fightback! An Economic Assessment*. Edited by J.G. Head, pp. 97–112. Sydney: Australian Tax Research Foundation and Public Sector Management Institute.
- . 1995. Reconsidering the marginal welfare cost of taxation. *Economic Record* 71:121–31.
- . 1997. Options and prospects for taxation reform. *Economic Record* 73(223):373–86.
- . 1999. Changing the tax mix. *Australian Economic Review* 32(4):315–26.
- Groenewegen, P.D. 1984. Rationalizing Australian taxation revisited. *Economic Record* 60(169):113–27.
- Harberger, A. 1962. The incidence of the corporation income tax. *Journal of Political Economy* 70:215–40.
- Harding, A. 1993. Lifetime vs annual tax-transfer incidence: How much less progressive? *Economic Record* 69(205):179–91.
- Harding, A., and J. Polette. 1995. The price of means-tested transfers: Effective marginal tax rates in Australia in 1994. *Australian Economic Review* 111:100–6.

- Hawtrey, K. 1993. Finance taxes in Australia. *Australian Tax Forum* 10(3):251–337.
- Head, J.G. 1984. Capital gains taxation – an economist's perspective. *Australian Tax Forum* 1(2):148–63.
- . 1985. Towards the tax summit. *Australian Tax Forum* 2(2):129–45.
- Hepburn, G. 1992. Estimates of cash-based income tax evasion in Australia. *Australian Economic Review* 25(2):54–62.
- Hewson, J., and T. Fischer. 1991. *Fightback! Taxation and Expenditure Reforms for Jobs and Growth*. Canberra: Panther Publishing and Printing.
- Jones, G. 1990. 'Welfare analysis of tax reforms' in *Flattening the Tax Rate Scale: Alternative Scenarios and Methodologies*. Edited by J.G. Head and R. Krever, pp. 237–49. Melbourne: Longman Professional.
- . 1993. 'Fightback! and labour supply efficiency effects' in *Fightback! An Economic Assessment*. Edited by J.G. Head, pp. 403–42. Sydney: Australian Tax Research Foundation and Public Sector Management Institute.
- Jones, G., and E. Savage. 1989. 'Modelling Australian indirect tax reforms: A welfare consistent approach' in *Australian Tax Reform in Retrospect and Prospect*. Edited by J.G. Head, pp. 479–506. Sydney: Australian Tax Research Foundation.
- . 1996. An evaluation of income splitting with variable female labour supply. *Economic Record* 72(218):224–35.
- Jones, R. 1993. 'Tax reform and the cost of capital: An international comparison: Australia' in *Tax Reform and the Cost of Capital: An International Comparison*. Edited by D.W. Jorgenson and R. Landau. Washington, DC: Brookings Institution.
- Kakwani, N. 1983. Progressivity index of sales tax on individual expenditure items in Australia. *Economic Record* 59(164):61–79.
- Kesselman, J.R. 1993. Evasion effects of changing the tax mix. *Economic Record* 69(205):131–48.
- Kesselman, J.R., and I. Garkinkel. 1978. Professor Friedman meets Lady Rhys-Williams: NIT vs CIT. *Journal of Public Economics* 10:179–216.
- King, M. 1977. *Public Policy and the Corporation*. London: Chapman and Hall.
- Lloyd, P.J., and I.M. McDonald. 1986. 'The FBT – does it matter who pays?' *Australian Economic Review* 76:34–8.
- Mayo, W. 1989. 'Some business tax reform issues' in *Australian Tax Reform in Retrospect and Prospect*. Edited by J.G. Head, pp. 139–60. Sydney, Australian Tax Research Foundation.
- Meagher, G.A. 1986. An empirical analysis of the effects of a change in the mix of direct and indirect taxation. *Australian Economic Papers* 25(46):47–56.
- Meagher, G.A., and B.R. Parmenter. 1993. 'Some short run implications of Fightback! A general equilibrium analysis' in *Fightback! An Economic Assessment*. Edited by J.G. Head, pp. 465–81. Sydney: Australian Tax Research Foundation and Public Sector Management Institute.
- Mirrlees, J. 1971. An exploration in the theory of optimal income taxation. *Review of Economic Studies* 38:175–208.
- Officer, R.R. 1990. The Australian imputation system for company tax and its likely effect on shareholders, financing and investment. *Australian Tax Forum* 7(3):353–77.
- Piggott, J., and J. Whalley. 1987. Interpreting net fiscal incidence calculations. *Review of Economics and Statistics* 69(4):685–94.
- . 1996. The tax unit and household production. *Journal of Political Economy* 104(2):398–418.
- Plumb, M. 1994. *Reforming the Wholesale Sales Tax: An Exploration of Distributional Considerations in Optimal Tax Theory*. 1994 CEDA Prize. Melbourne: Committee for Economic Development of Australia.
- Pope, J., and R. Fayle. 1990. The compliance costs of personal income taxation in Australia 1986/87: Empirical results. *Australian Tax Forum* 7(1):85–126.

- Quiggin, J. 1993. 'Food and the GST' in *Fightback! An Economic Assessment*. Edited by J.G. Head, pp. 65–81. Sydney: Australian Tax Research Foundation and Public Sector Management Institute.
- Ramsey, F. 1927. A contribution to the theory of taxation. *Economic Journal* 37:47–61.
- Samuelson, P. 1975. Optimum social security in a life-cycle growth model. *International Economic Review* 16:539–44.
- Saunders, P., and P. Whiteford. 1990. Compensating low income groups for indirect tax reforms. *Australian Tax Forum* 7(4):443–64.
- Savage, E. 1993a. 'Impact analysis of the Fightback! tax reforms' in *Fightback! An Economic Assessment*. Edited by J.G. Head, pp. 351–82. Sydney: Australian Tax Research Foundation and Public Sector Management Institute.
- . 1993b. Tax reform and the tax free threshold. *Australian Tax Forum* 10(2):115–37.
- Smith, J.P. 1993. *Taxing Popularity: The Story of Taxation in Australia*. Canberra: Federalism Research Centre.
- Stern, N. 1976. On the specification of models of optimum income taxation. *Journal of Public Economics* 6:123–62.
- Stiglitz, J. 1973. Taxation, corporate financial policy and the cost of capital. *Journal of Public Economics* 2:1–34.
- Swan, P.L. 1983. 'An Australian view on tax integration' in *Taxation Issues of the 1980s*. Edited by J.G. Head, pp. 259–78. Sydney: Australian Tax Research Foundation.
- . 1984. Capital gains, cash flow taxes, and corporate tax reform. *Australian Tax Forum* 1(3):292–311.
- Tran, V.H., and B.F. Reece. 1989. An empirical study of optimal taxation on Australian financial institutions. *Economics Letters* 29(2):163–6.
- Warren, N.A. 1986. 'The distributional impact of changing the tax mix in Australia: Some preliminary findings' in *Changing the Tax Mix*. Edited by J.G. Head, pp. 115–32. Sydney: Australian Tax Research Foundation.
- . 1990. 'Indirect taxes, tax mix and tax equity' in *Flattening the Tax Rate Scale: Alternative Scenarios and Methodologies*. Edited by J.G. Head and R. Krever, pp. 363–85. Melbourne: Longman Professional.
- Wickerson, J. 1994. Measuring taxpayer compliance: Issues and challenges facing tax administrations. *Australian Tax Forum* 11(1):1–44.
- Yates, J. 1982. An analysis of the distributional impact of imputed rent taxation. *Economic Record* 58(161):177–89.

Innovation

Peter Sheehan and George Messinis

Innovation is widely held to be central to competitiveness and growth in the modern economy. For a single firm, innovation can be defined as ‘applying ideas new to the firm in products, processes, services, organisation, management or marketing’ (Bryant 1998). In line with the international literature, this definition includes ‘little ideas’ and unsophisticated techniques. The term is also sometimes used in a broader sense. For example, it has been suggested that innovation is ‘any new way of doing the myriad of things that make up a business’ (Banks 2000).

The latter definition allows for changes in a firm’s activities that do not involve the systematic introduction of new ideas. Staff reductions, management restructuring or variations in labour intensity are all changes that do not imply innovation. In this paper we follow international usage and reserve ‘innovation’ for the process of systematically applying ideas new to the firm, referring to the broader process simply as change.

It is important also to note that innovation is not immediately identifiable with particular inputs or outputs. Substantial spending on innovation may not in fact lead to much actual innovation, and in some cases innovation can be low cost. On the other side, aggregate outcomes, such as higher productivity growth, can be due to various causes and not necessarily to innovation as defined here. Thus the identification and measurement of innovation must be approached with considerable care.

These points are directly relevant to a current central debate about the Australian economy. One view notes the striking success in terms of growth in GDP and productivity during the 1990s and attributes this to structural change and reform that has occurred over the past decade. An alternative view maintains that Australia is falling behind major countries in terms of innovation, and that this is having serious economic consequences. Not only are these two competing views reflected in the literature, but they were also central to the debate between the two major political parties at the 2001 federal election. We return to this issue below.

Following the international literature, Australian research has adopted the systems approach to the study of innovation, seeking to understand the role that business, research agencies and institutions play in developing processes and networks that are most conducive to knowledge growth and innovation. Considerable effort has been made to assess Australia’s innovation capabilities, to identify the key barriers to, and

drivers of, innovation, and to explore the links between innovation and economic performance. We review this work in the context of divergent views about economic change and innovation in Australia.

Australia's innovation system

Australian thinking on innovation has evolved substantially over the past decade. This reflects new empirical realities and recent developments in economic theory. The former includes the rise of the 'knowledge economy' in production and world trade, and changes in the strategies of multinational enterprises. A worldwide trend towards joint ventures and alliances is discernible and reflects a recognition that single firms are increasingly limited in their capacity to identify, assess and access new technologies and new markets. Multinational enterprises also tend to limit their research-and-development activities to a few first-class innovation centres. These trends highlight the importance of a strong knowledge-base and suggest a systems-based approach to innovation (OECD 1996).

As a rationale, the new approach often cites several major recent advances in economic theory. One is 'new' economic growth theory that emphasises self-reinforcing mechanisms of sustained growth that rely on either monopolistically competitive markets or 'spillover benefits'. The latter are unintended gains arising from 'learning-by-doing' and/or new technology complementing established techniques. Macroeconomic applications of game theory also predict strategic complementarities and spillover effects due to uncertainty and search costs. This growth literature shows that, even under competition, the economy can settle at a suboptimal equilibrium in many different circumstances, so that in such circumstances there is a potential role for policy to generate a preferred outcome (Sheehan 1999).

Evolutionary economics also envisages a systems approach to innovation (Bryant 1998). This is largely based on a growing appreciation of institutional diversity as a catalyst in the diffusion of new technologies. The manifest diversity of institutions, organisations and structures is also seen to relate to innovation across countries. If innovation both requires and further generates institutional diversity, and such diversity is apparent in a range of countries each successful in innovating in their own way, then those various systems are worthy of serious study.

However, despite the above developments, few academic economists in Australia have undertaken research on innovation. Much of the work on innovation has come from the government sector. As a result of references from the Australian government, the Productivity Commission (formerly the Industry Commission) has conducted reviews of existing policy instruments, and the former Bureau of Industry Economics undertook several important studies. In terms of documenting and analysing the structure of innovation in Australia, the Science and Technology Analysis Section of the former Department of Industry, Science and Technology (DIST) has played a seminal role under the leadership of Dr Kevin Bryant. Important studies have also been generated from other parties of that department, which has had various names over the years.

Thus, we adopt the concept of the national innovation system as the organising framework for this part of the survey. Following DIST (1996), Australia's national innovation system can be seen to consist of three autonomous but interdependent elements:

- **Knowledge base:** This covers the science and technology infrastructure that supplies skilled personnel in trades, science and technology. Its performance is reflected in indicators such as average educational attainment, participation in post-secondary education, output of scientific research, and public expenditure on research and development as a proportion of gross domestic product (GDP).
- **Business knowledge capital:** Here, input and output indicators of innovation are observed, with emphasis on the proportion of GDP devoted to business expenditure in research and development (BERD). Analysis seeks to identify the business characteristics and processes that are most conducive to innovation. These include firm size, ownership structure, linkages, imported technology, management techniques and staff training.
- **Institutional structure and incentives:** This element includes the need for a competitive environment, which provides private incentives for the application of new ideas and encourages resource mobility and flexibility. Public incentives may also be necessary when existing market forces are unable to overcome barriers to innovation.

Knowledge base

Australia's knowledge base has evolved considerably over the years; for example, through the establishment of the Council of Scientific and Industrial Research in 1926 (Commonwealth Scientific and Industrial Research Organisation, or CSIRO, since 1949) and the Australian National University (ANU) in 1946, through the rapid expansion of public universities in the 1960s and 1970s, and through the establishment of the Cooperative Research Centre (CRC) program in 1990 (Boardman 2001). Until recently, Australia was among the OECD leaders in public investment in research and development, with public enterprises making a substantial contribution (Rogers 1998a). Australia has specialised in sciences and technologies relevant to the resources, agriculture and health sectors (Dodgson 1996), and has maintained a strong research commitment in basic science (DIST 1996).

With respect to education, Australia has witnessed significant improvements in levels of education attainment, the average retention rate to Year 12 rising from 35 per cent in 1980 to about 65 per cent in 2000 (Chapman and Withers 2001). Most striking has been the collapse of traditional gender disparities, with girls staying longer at school than boys since 1976. Technical colleges and universities have facilitated a significant expansion in student demand while universities generally maintain a reputation for high-quality research (DIST 1999). In recent years universities have strengthened their links with the industry via research collaboration, have increased their presence in regional Australia, and have substantially expanded their services to overseas students (Collins 2001).

Notwithstanding these facts, some disturbing evidence has come to light since the late 1990s. Australia now invests less than the average OECD country on public education, and a persistent shift towards the private funding of education has been evident (Conside et al. 2001). Australia stands out among OECD countries for the rapid adoption of a user-pays funding system in higher education (Collins 2001). These shifts need not necessarily be adverse, and are supported by some who are keen to see public education become more responsive to market demand. But they have been widely interpreted as a sign of neglect of the role of education as a public good. Collins (2001) also identifies other signs for concern about the health of the universities: a depleted public research infrastructure; a funding bias against humanities, social sciences and basic science; and a shortage of local graduates in engineering, information technologies and health science.

By contrast, the establishment of the CRC program in 1990, and its subsequent extension on several occasions, has contributed significantly to developing Australian research with potential economic applications. CRCs are collaborative research ventures bringing together researchers from universities, the private sector and governments, and jointly funded by the three parties. Prior to a new selection round in 2002, there were sixty-four CRCs in operation. To these the government had committed funds, over the life of the CRCs (generally seven years), of more than \$1.4 billion, and all party commitments were about \$5 billion. Thus the CRCs are large cooperative research ventures by Australian standards. A review of the program in 1998 concluded that it addresses important weaknesses in the national innovation system, is widely seen as the most successful mechanism for linking researchers and users in Australia, and has attracted international attention as a successful linking mechanism (DIST 1998).

Business knowledge capital

The empirical innovation literature has flourished in the 1990s. This can be partly attributed to the commencement of regular official data collection on innovation and to the introduction of a 150 per cent tax concession on all business research-and-development expenditures in 1985.

Australia has traditionally had low levels of private-sector investment in research and development; it took until the 1950s for corporations to establish large research laboratories (Boardman 2001). Australia's BERD-GDP ratio is substantially below the OECD average because of the concentration of Australian manufacturing in low research-and-development areas, such as food and non-ferrous metals, and because of low relative research-and-development spending in medium-tech and high-tech areas (Sheehan et al. 1995). Although BERD recorded remarkable growth over the period from 1985 to 1995, since 1996 it has been declining, in absolute terms and as a share of GDP (ABS 2002). This persistent decline has been interpreted as a setback for Australian innovation, although a minority view attributes this partly to measurement problems and to changes in the definition of legitimate research-and-development expenditure in 1996.

The data show research-and-development expenditure to be higher in manufacturing than in service industries. Multinational firms tend to have lower research-and-develop-

ment intensity than comparable Australian firms (Sheehan 1999), but have substantially increased their share of BERD since 1985 (Jones 2001). A vast empirical literature exists examining the role of firm size. While, on average, big firms appear to be more innovative, high variability makes the size or market structure effect statistically insignificant (BCA 1993; Jones 2001). Among innovators, however, size is important in several ways. Large firms tend to specialise in 'process' and 'non-technological' innovation (ABS 1994; Rogers 1998a, 1999) and in the adaptation or commercialisation of new ideas (Hodgkinson 1999), and have a history of involvement in research and development (Rogers 2000). Small firms are much less likely than larger firms to be innovators. But when they do innovate, small firms undertake original innovations (Hodgkinson 1999), their innovation effort is relatively more intensive (Sheehan 1999), and they collaborate with and/or sell their innovations to larger firms (Howard 1999).

Overall, innovators tend to have the following characteristics (ABS 1998; Harcourt 2000; Rogers 1998a, 1999; Harris, Rogers and Siouclis 2001; Dodgson 1996):

- they are at least two years old;
- they are focused on customers, who are the main source of new ideas;
- they undertake research and development;
- they offer better employment conditions than non-innovators;
- they form alliances and networks;
- they more commonly produce non-technological innovations;
- they hold cost-cutting as one of the most important objectives of innovation;
- new equipment and licensing are important avenues of knowledge transfer; and
- their management has a formal business plan and fosters communication with employees.

The literature has also identified several barriers to innovation. Often cited is the high incidence of small firms, which often fail to attract institutional finance and lack the management skills required to commercialise their innovations (Johnston 1996; Howard 1999; BIE 1993). Current management practices are also seen as a barrier. Managers seem insufficiently aware of the role of innovation and are lacking people-management skills, such as leadership, communication, diversity and training (Monga 2000). Further, a 'knowledge-doing' gap is apparent, with excessive emphasis placed on formal education: compared to their counterparts in USA, Australian managers have had less experience as managers exposed to competition (Joss 2001). A low entrepreneurial interest and an underdeveloped venture-capital market have also limited the pace of innovation.

Other obstacles to innovation include slowness in developing industrial clusters, and weak links between the industry and public research centres. Knowledge networks have weakened in recent times, buyer-supplier relationships are critical, and suppliers are increasingly expected to contribute to product development (Marceau 1999; Riemens 2001). Improved integration has contributed to process innovation and cost savings in the automotive industry, but there are concerns that cost-cutting has been detrimental to product innovation (Riemens 2001).

Knowledge transfer from overseas is also acknowledged as an important factor. Multi-national enterprises are seen to play a major role in this process, but little is known about

the forms of knowledge transfer via such enterprises. One possibility is transfer through foreign direct investment (FDI), but Rogers (1997) finds that this avenue has weakened over the 1990s when compared to other OECD countries. Further, we know little about the involvement of multinational firms in non-traditional forms of investment such as alliances and joint ventures. In a more comprehensive assessment, Rogers (2000) concludes that Australia's ability to learn from overseas remains low, given the low technology intensity of imports, the decline in FDI between 1981 and 1995, a low exports-GDP ratio and a low venture-capital-GDP ratio.

Institutional structure and incentives

The historical developments noted earlier have provided Australia with a reasonably strong knowledge base. Beginning in the 1980s, a major transformation of the country's economic institutions and environment took place, directed at exposing the economy to competition and dismantling outdated regulations and practices. In less than two decades, Australia moved from being one of the most closed of OECD economies to a relatively open economy. While many changes were controversial, they stimulated debate about innovation policy and forced firms and governments to think seriously about the conditions of competitiveness in an open economy.

Between 1983 and 1993, a proactive set of innovation policies was developed and implemented, in conjunction with a general opening of the economy to competitive forces. The main elements of these policies were:

- powerful incentives for private businesses to undertake research-and-development activities, in the form of the 150 per cent research-and-development tax concession and syndicated research and development, which allowed a group of companies to form a syndicate to undertake research and development;
- a strong focus on the commercialisation of public-sector research outcomes through the encouragement of joint venture or other collaborative research programs;
- continuing support from the government for research-and-development activities, with a 4.5 per cent per annum real growth in outlays and revenue forgone between 1984-85 and 1994-95; and
- effective industry policies specifically encouraging innovation, such as incentive schemes related to purchasing policy in information technology and to pricing policy in pharmaceuticals (Sheehan et al. 1995).

Since the mid-1990s, innovation policy has retreated from fiscal incentives and expenditure with an increasing focus on public-research efficiency, science-industry connectivity, 'acting on ideas' and commercialisation. For example, the research-and-development tax concession was sharply reduced in 1996, and the industry-specific policies were either abolished (as in information technology) or cut back (as in pharmaceuticals). Thus the main policy emphasis since 1996 has been on initiatives to facilitate the operation of market forces, rather than on more proactive measures to influence private-sector behaviour.

These controversial policy changes, in both directions, have been associated with a good deal of analytical literature. Early evaluations of the proactive policy instruments produced positive assessments in terms of overall economic impact (BIE 1993, 1994; Sheehan, Pappas and Cheng 1994; Sheehan et al. 1995). But by 1996 a more critical assessment of some instruments was being made by some researchers. A case in point is the research-and-development tax-concession scheme. In 1992–93 the Bureau of Industry Economics conducted a major review of the research-and-development concession (BIE 1993), and in 1994 this process was extended to the syndicated research-and-development scheme (BIE 1994). The report concluded that the syndication program seemed to be a unique and highly effective instrument for cheaply stimulating new research and development, and that it compared very favourably with the 150 per cent research-and-development tax concession and with US schemes designed only to support incremental research and development. In 1996, however, a new evaluation study was commissioned. By varying a number of assumptions in the light of recent experience, BIE (1996) found that the syndicated research-and-development scheme was used for tax minimisation and that the 150 per cent research-and-development concession was no longer cost-effective. As a result, syndication was abandoned and the 150 per cent research-and-development tax concession reduced to 125 per cent.

A National Innovation Summit in 2000 highlighted many of the strengths and limitations of Australia's innovation system and reaffirmed the importance of business commitment to research and development. But the consensus at the summit about the value of fiscal incentives for research and development did not include all relevant participants in the debate. For example, Banks (2000) and Marceau (2001) have argued, from very different perspectives, that the value of the research-and-development tax-concession scheme has been overstated. Marceau (2001) maintains that policy has failed to induce permanent change in business behaviour, and recommends a shift towards the facilitation of 'collective activities' as a more efficient mechanism of knowledge diffusion.

Innovation and economic performance

Measurement and data

As remarked earlier, innovation can involve the creation of original ideas as well as the adaptation or diffusion of existing knowledge. Further, it need not involve the creation or application of new technology; the systematic application of new ideas in organisation, marketing or management will also count as innovation. Being such a multi-faceted process, however, innovation becomes a highly elusive concept in practice. The empirical challenge to find an objective measure of innovation is of major proportions, given the variations in the source, effort, intensity and returns to innovation.

Official data on research and development were first collected by the Department of Science in its *Project SCORE: Research and Development in Australia*, for the periods 1968–69 and 1973–74. The Australian Bureau of Statistics (ABS) took over the task with regular biennial surveys, covering all enterprises in the business, government and nonprofit sectors

from 1976–77. Since 1984–85, the ABS has conducted annual surveys for businesses. The data include gross expenditure on, and personnel devoted to, research and development by type, source, state and socioeconomic objective, and payments/receipts relating to technical know-how (for example, licensing). Complementary data is presented in the ABS Survey of Manufacturing Technology, 1988 (ABS 1989) and 1991 (ABS 1993), which takes stock of the current use of new technology and advanced management techniques. IBIS Business Information Pty also provides annual large-firm data on research and development and intangible assets since 1979. The Melbourne Institute (1999) commenced its *R&D and Intellectual Property Scoreboard* in 1998–99, aiming towards more reliable large-firm information on research and development and other activities. Annual estimates of patent applications by nationality are available from the World Intellectual Property Organisation and the US Patent Office, while information on applications in Australia is available from the IP Australia *Annual Record of Patent Office Proceedings* from 1975 onwards.

The research-and-development data relate to specific inputs to innovation and, as such, have several limitations. First, expenditure on research and development does not always translate into effective innovation and, when it does, a time lag is involved. Second, the data are biased towards original innovations or manufacturing, and ignore the purchase of new technology (Rogers 1998b; Dowrick 2001). More generally, they relate only to part of expenditure on technological innovation and contain little information on non-technological innovation, such as managerial and organisational change and on-the-job training.

The search for more comprehensive measures of innovation led to the first ABS Innovation Survey in 1993–94 (ABS 1995), repeated in 1996–97 (ABS 1998). The survey sought to establish whether businesses had introduced any ‘new or substantial’ change in their goods and services and/or ‘organisational structure and direction’ in the preceding three years. It also sought to obtain a much broader range of information about spending on technological innovation and on the characteristics of technological innovators. The 1993–94 survey targeted manufacturing but an experimental survey was extended to mining, construction and service sectors. There has been no survey after that conducted in 1996–97.

In order to assess comprehensively the role of workplace and managerial change and staff training, the Australian Workplace and Industrial Relations Survey (AWIRS) was undertaken by the Department of Workplace Relations and Small Business in 1990 and 1995. This panel survey of 698 workplaces extracted detailed information on work restructuring, managerial practices, communication methods and employee participation in ownership schemes, training and unions.

None of the regular data sources provide direct information on the impact of innovation on business performance. The ABS Business Growth and Performance Survey (ABS 1996–1999), also known as the Business Longitudinal Survey, goes some way towards filling the gap. Conducted annually over the period from 1994–95 to 1997–98, it contains unit-record data for approximately 9730 small-to-medium-size enterprises, of which 4068 make up a four-year rotating panel. The survey provides a wide range of statistics on research-and-development expenditure, propensities to

undertake process and product innovation, intangible assets, staff training incidence, employment, balance-sheet items, financial structure and performance. Also assembled are indicators relating to staff training, organisational change and networking. Thus this is the first comprehensive survey to bring together both input and output innovation data, and to place it in a broader business context.

With the Innovation Survey not repeated after 1996–97 and the Business Growth and Performance Survey finishing in 1997–98, there is now no official data collection on innovation in Australia other than the research-and-development statistics. The unavailability of funding for other collections reflects increasing emphasis on purely market-based approaches to economic change, but leaves Australia dangerously exposed in a world in which innovation is increasingly recognised as the key to competitiveness.

Innovation and growth: The evidence

In the theoretical literature, a strong link has been posited between innovation and economic growth because of the effect of innovation on firm-specific productivity growth, and also for other reasons. First, innovators gain competitive advantage. Second, they facilitate process innovation by other firms, which use the new products they produce as inputs to production. Third, they motivate others to innovate further. Therefore, one would expect to find a superior performance by innovative firms and innovative nations. The empirical literature has thus sought to estimate the effect of innovation on business performance, spillover benefits and economic growth.

Since the pioneering work by Stubbs (1968), much of the empirical literature has focused on the contemporaneous correlation between research-and-development effort and business performance. Based on survey data on forty-five manufacturing firms, Stubbs (1968) was unable to find any significant relationship between research and development and profitability or growth. The positive effect of research-and-development investment has become more evident in later studies. In line with international evidence, the then Industry Commission (1995) estimated the private returns on research and development to be in the range of 15 to 50 per cent, which compares more than favourably to those on physical capital. Using share-market value as a proxy for performance, Rogers (1998a) and Bosworth and Rogers (2001) provide confirmatory evidence of high returns to research and development for large firms, but suggest that the effect is stronger with patents and trademarks. This may be due to these latter variables being indicators of innovation output rather than of inputs.

On the question of spillovers, the benefits of innovation seem substantial, although only the role of research-and-development effort has been examined. The Industry Commission estimated the social rate of return to research and development in Australia, for the period 1975–76 to 1990–91, to be 149 per cent for domestic research and development and 27 per cent for foreign research and development (Industry Commission 1995), but noted reasons why the former figure is likely to be an overestimate. Nevertheless, a high social rate of return to research and development in Australia is consistent with a wide range of international evidence, such as a recent study

of OECD countries estimating the social rate of return to be in the order of 59 per cent and spillover effects from foreign research and development to be almost as high as the return on domestic research and development (Dowrick 2002). It needs to be stressed, however, that the benefits of research and development are realised after long time lags, and Crosby (2000) shows that this is also true for intellectual-property variables. He finds a long-run lagged relationship exists between patent activity and economic growth. His data clearly indicate a strong upward trend in Australian patent applications since the mid-1980s.

On a more cautionary note, much of the innovation literature relies on correlation estimates and single-equation estimation to infer a relationship between innovation and performance. The possibility of a two-way relationship that gives rise to a simultaneity bias is rarely addressed. This may, for example, explain the mixed evidence regarding the link between exporting and innovation propensity, such as found in Harcourt (2000) and Harris, Rogers and Siouclis (2001). In an early study, McLean and Round (1978) utilise unique survey data that is less susceptible to simultaneity problems and report a positive but weak research-and-development effect on business performance. Their study also provides an early indication of the importance of purchased research and development and imported technology.

Innovation and productivity growth: Two views of the Australian economy

As noted earlier, at the beginning of the twenty-first century there are two quite distinct assessments of Australia's present economic position and prospects, and these reflect two very different interpretations of innovation. One view sees Australia as something of a 'miracle' economy, with a strong performance in GDP and productivity growth (Parham 2002). Between 1990 and 2001, for example, Australia achieved growth in real GDP per capita of 2.5 per cent, much higher than the OECD average of 1.5 per cent, and higher than in all OECD countries other than Norway, Ireland and Korea. In terms of productivity, measured as GDP per hour worked, Australia's growth rate of 2.3 per cent per annum was well ahead of the OECD average of 1.8 per cent, and ahead of all but four other OECD countries. Much of this productivity growth has been ascribed to increases in multifactor productivity, which is widely interpreted as meaning increased efficiency in using given supplies of capital and labour.

On this view, the Australian economy has been highly innovative in recent times. The foundations of this success are seen as lying in Australia's sweeping reforms directed at economic adjustment and efficiency, and at the lowering of costs. Tariff reduction, microeconomic reform, deregulation of the labour market, privatisation and taxation reform have been directed at creating an open, efficient economy able to be cost competitive in the emerging world economy. These reforms have led to widespread innovation and change, the results of which are apparent in the aggregate figures cited above, even though there has been only modest evidence of innovation in the formal sense.

This view is in sharp contrast to that in much of the innovation literature, which sees Australia as falling behind many developed countries and becoming increasingly marginal in terms of the knowledge economy (for example, Marceau et al. 1997). Evidence supporting this view includes the sustained fall in business research and development since 1995–96 and the growing trade deficit on high-tech goods and services. Firm closures and the erosion of high-value jobs are also seen as further confirmation of this position. For example, Borland, Gregory and Sheehan (2001) show that the number of full-time permanent jobs in Australia was lower in August 2000 than in August 1990, and that during that decade all of the net increase in employment was in jobs paying less than \$600 per week in 2000 values.

Lying behind these two positions are different approaches to theory and to policy. While both views are explicitly pro-competitive, one view flows from a 'competition only' approach to theory and to policy: the key thing is economic change facilitating a more competitive economy, which need not necessarily involve a high level of innovation in our sense. The other view sees the systematic introduction of new ideas as critical to long-term growth and competitiveness, and argues that market forces alone are not sufficient for continuous innovation and economic prosperity.

It is beyond dispute that Australia has experienced strong economic growth for a decade or more, during the latter part of which time many standard indicators of innovation have been falling. Again these outcomes can be interpreted in different ways. One view is that these facts show that broad economic change can be more important to growth than innovation as commonly measured, because market forces will find the best growth opportunities. The other view is that Australia's recent growth spurt is unsustainable, being driven by rapid growth in borrowings by households, by a surge in net foreign debt and by a falling dollar. Thus, between the ends of 1990 and 2001, borrowings by households increased by 165 per cent in real terms, non-official net foreign debt increased from \$149 billion to about \$360 billion, and the value of the Australian dollar dropped by one-third relative to the US dollar (RBA 2002). According to this account, these and other factors have masked Australia's declining position in the global knowledge economy. Other explanations are possible, of course. One such, suggested by the work of Crosby (2000), is that the recent rapid growth is in part due to the lagged effects of increased innovation prior to 1996.

These issues are of the greatest national importance, but are far from resolved. Here we make just two points. The first concerns the use of multifactor productivity (MFP) growth as a measure of innovation (Banks 2000). MFP growth is measured as a residual, capturing the effect of all influences on GDP growth other than labour and capital accumulation. It is derived on the assumptions of constant returns to scale and equivalence between factor income and marginal factor productivity. Many different things may affect the value of this residual, ranging from innovation in technology and management, errors in measuring the factor variables, and changes in the utilisation of factors, to deviation of the economy from the equilibrium assumptions, and so on. Previously referred to as the 'Solow residual', MFP growth is a measure of what cannot be readily explained about economic growth in a particular period, rather than any meaningful measure of the rate of innovation.

Second, Edquist, Hommen and McKelvey (2001) have argued that process innovation is job-destroying, even in net terms after allowing for increased efficiency effects, while product innovation is job-creating. This raises the possibility that product innovation matters most for long-term growth, while process innovation matters most for efficiency and cost-competitiveness. If this claim is correct, one possible explanation for recent Australian trends is that productivity growth is being driven by economic change that includes process innovation but does not include much product innovation. This interpretation would be consistent with evidence from innovation studies, which have found a weakening innovation capability, cost-cutting to be a major motivation for innovation, and product innovation to be less important than process and non-technological innovation in the non-manufacturing sectors. It would also imply that Australia's long-term growth potential is being inhibited by continuing weakness in product innovation.

Conclusion

A good deal of progress has been made in understanding the nature and implications of innovation in Australia over the past decade. But the fact that many major issues of measurement and interpretation are outstanding shows the importance of further research in these areas, and how short-sighted it has been to allow the main data collections in relation to innovation, other than those on research and development, to be wound up.

One central area for further work is the role of innovation, as normally understood, within the constellation of factors influencing macroeconomic outcomes. It is one thing to show that the private and social returns to innovation are high, but can growth be sustained in a modern economy with low levels of innovation? Other key areas are the nature of the innovative process within Australian firms and other organisations, and the consequences of different types of innovation. Far too little is currently known about these issues. For example, are the implications of product innovation and process innovation as different as has been suggested, and is it the case that Australia has focused mainly on process innovation?

The stakes in regard to this work are very high. In recent years Australia has defied the conventional wisdom about innovation, achieving sustained rapid growth despite declining levels of innovation. No question is more central to the nation's future than whether this growth can be sustained or whether insufficient attention to innovation will reap a bitter harvest in the longer term.

Note

The preparation of this chapter was supported within the ARC SPIRT program. The authors are grateful for funding from the ARC, the then Department of Industry, Technology and Resources, and the Strategic Industry Research Foundation for support under this program.

References

- ABS. 1989. *Manufacturing Technology Statistics 1988, Australia*. Cat. No. 8123.0. Canberra: Australian Bureau of Statistics.
- . 1993. *Manufacturing Technology Statistics 1991, Australia*. Cat. No. 8123.0. Canberra: Australian Bureau of Statistics.
- . 1994. *Innovation in Selected Australian Industries 1994*. Cat. No. 8118.0. Canberra: Australian Bureau of Statistics.
- . 1995. *Innovation in Australian Manufacturing 1994*. Cat. No. 8116.0. Canberra: Australian Bureau of Statistics.
- . 1996–1999. *Small and Medium Enterprises: Business Growth and Performance Survey, Australia*. Cat. No. 8141.0. Canberra: Australian Bureau of Statistics.
- . 1998. *Innovation in Manufacturing 1996–1997, Australia*. Cat. No. 8116.0. Canberra: Australian Bureau of Statistics.
- . 2002. *Research and Experimental Development, Businesses, Australia*. Cat. No. 8104.0. Canberra: Australian Bureau of Statistics.
- Banks, G. 2000. Productive R&D assistance. Speech at the Melbourne Institute Public Economics Forum, Canberra, 28 November.
- BCA. 1993. *Managing the Innovating Enterprise: Australian Companies Competing with the World's Best*. Melbourne: Business Council of Australia.
- Boardman, K. 2001. 'The pace of change in science and innovation' in *2001 Year Book, Australia*. Cat. No. 1301.0. Canberra: Australian Bureau of Statistics.
- Borland, J., B. Gregory and P. Sheehan (eds). 2001. *Work Rich, Work Poor: Inequality and Economic Change in Australia*. Melbourne: Centre for Strategic Economic Studies, Victoria University.
- Bosworth, D., and M. Rogers. 2001. Market value, R&D and intellectual property: An empirical analysis of large Australian firms. *Economic Record* 7(239):323–37.
- Bryant, K. 1998. 'Evolutionary innovation systems: Their origins and emergence as a new economic paradigm' in *A New Economic Paradigm? Innovation-Based Evolutionary Systems*. Canberra: Department of Industry, Science and Tourism.
- BIE. 1993. *R&D, Innovation and Competitiveness: An Evaluation of the R&D Tax Concession*. Bureau of Industry Economics. Canberra: AGPS.
- . 1994. *Syndicated R&D: An Evaluation of the Syndication Program*. Bureau of Industry Economics Research Report No. 60. Canberra: AGPS.
- . 1996. *Science System – International Benchmarking*. Bureau of Industry Economics Research Report No. 96/2. Canberra: AGPS.
- Chapman, B., and G. Withers. 2001. 'Human capital accumulation: Education and immigration' in *Reshaping Australia's Economy: Growth with Equity and Sustainability*. Edited by J. Nieuwenhuysen, P. Lloyd and M. Mead. Melbourne: Cambridge University Press.
- Collins, J. 2001. *Universities in Crisis: Report into the Capacity of Public Universities to Meet Australia's Higher Education Needs*. Senate Employment, Workplace Relations, Small Business and Education Committee, Australian Parliament. Canberra: AusInfo.
- Considine, M., S. Marginson, P. Sheehan and M. Kumnick. 2001. *The Comparative Performance of Australia as a Knowledge Nation*. Report to the Chifley Research Centre. Melbourne: Victoria University.
- Crosby, M. 2000. Patents, innovation and growth. *Economic Record* 76(234):255–62.
- DIST. 1996. *Australian Business Innovation: A Strategic Analysis*. Department of Industry, Science and Tourism. Canberra: AGPS.

- . 1998. *Review of Greater Commercialisation and Self Funding in the CRC Program*. Canberra: Department of Industry, Science and Tourism.
- . 1999. *Shaping Australia's Future: Innovation – Framework Paper*. Canberra: Department of Industry, Science and Tourism.
- Dodgson, M. 1996. 'Technology and innovation: Strategy, learning and trust' in *Dialogues on Australia's Future: In Honour of the Late Professor Ronald Henderson*. Edited by P. Sheehan, B. Grewal and M. Kumnick. Melbourne: Centre for Strategic Economic Studies.
- Dowrick, S. 2001. 'Productivity boom: Miracle or mirage?' in *Reshaping Australia's Economy: Growth with Equity and Sustainability*. Edited by J. Nieuwenhuysen, P. Lloyd and M. Mead. Melbourne: Cambridge University Press.
- . 2002. The contribution of innovation and education to economic growth. Paper presented at the Melbourne Institute/Australian Conference 'Towards Opportunity and Prosperity', Melbourne, 4–5 April.
- Edquist, C., L. Hommen and M. McKelvey. 2001. *Innovation and Employment: Process versus Product Innovation*. Cheltenham: Edward Elgar.
- Harcourt, T. 2000. Why Australia needs exports: The economic case for exporting. Discussion paper, Australian Trade Commission and Centre for Applied Economic Research (CAER), University of New South Wales
- Harris, M.N., M. Rogers and A. Siouclis. 2001. *Modelling Firm Innovation Using Panel Probit Estimators*. Melbourne Institute Working Paper 8/00. Melbourne: University of Melbourne.
- Hodgkinson, A. 1999. Innovation in the industrial heartland – Illawarra case study. *Australian Journal of Regional Studies* 52:189–212.
- Howard, G. 1999. Innovation in small and medium sized business. Report for the Industrial Innovation Working Group, Innovation Summit, Department of Industry Science and Tourism.
- House of Representatives Standing Committee on Industry, Science and Technology. 1999. *The Effect of Certain Public Changes on Australia's R&D*. Canberra: AusInfo.
- Industry Commission. 1995. *Research and Development*. Report No. 44. Canberra: AGPS.
- Johnston, R. 1996. 'The new drivers of innovation in the knowledge economy' in *Dialogues on Australia's Future: In Honour of the Late Professor Ronald Henderson*. Edited by P. Sheehan, B. Grewal and M. Kumnick. Melbourne: Centre for Strategic Economic Studies.
- Jones, A.J. 2001. Innovation in Australian small and medium sized enterprises. Paper presented by the Department of Industry, Science and Resources at the 2nd Arab Forum on Small and Medium Industries, Kuwait, 26–28 May.
- Joss, R.L. 2001. Management. *Australian Journal of Management*. 26:89–103.
- McLean, I.W., and D.K. Round. 1978. Research and product innovation in Australian manufacturing industries. *Journal of Industrial Economics* 17(1):1–12.
- Marceau, J. 1999. 'The disappearing trick: Clusters in the Australian economy' in *Boosting Innovation: The Cluster Approach*. Paris: Organisation for Economic Cooperation and Development.
- . 2001. 'Innovation in Australia: Where to now?' in *Reshaping Australia's Economy: Growth with Equity and Sustainability*. Edited by J. Nieuwenhuysen, P. Lloyd and M. Mead. Melbourne: Cambridge University Press.
- Marceau, J., K. Manley and D. Sicklen. 1997. *The High Road or the Low Road? Alternatives for Australia's Future*. Sydney: Australian Business Foundation.
- Melbourne Institute. 1999. *R&D and Intellectual Property Scoreboard: Benchmarking Innovation in Australian Enterprises*. Melbourne: Melbourne Institute of Applied Economic and Social Research.
- Monga, M. 2000. *Management Capabilities and Training Needs in Australia's Small-to-Medium Size Manufacturing Enterprises: An Analysis of Existing Reports and Studies*. Adelaide: National Institute for Manufacturing Management, University of South Australia.
- OECD. 1996. *Technology, Productivity and Job Creation*. Paris: Organisation for Economic Cooperation and Development.

- . 2001. *Science, Technology and Industry Scoreboard: Towards a Knowledge-Based Economy*. Paris: Organisation for Economic Cooperation and Development.
- Parham, D. 2002. Productivity growth in Australia: Are we enjoying a miracle? Paper presented at the Melbourne Institute/Australian Conference 'Towards Opportunity and Prosperity', Melbourne, 4–5 April.
- RBA. 2002. *Bulletin Statistical Tables*. Canberra: Reserve Bank of Australia. <http://www.rba.gov.au/Statistics/>
- Riemens, W. 2001. *Drivers of Innovation in the Australian Automotive Industry*. AEGIS Working Paper 2001–03. Sydney: University of Western Sydney.
- Rogers, M. 1997. Knowledge, technology and productivity in Australia: Lessons from overseas. *Mercer–Melbourne Institute Quarterly Bulletin of Economic Trends* 3:38–67.
- . 1998a. Innovation in large Australian enterprises. *Mercer–Melbourne Institute Quarterly Bulletin of Economic Trends* 1:50–60.
- . 1998b. *The Definition and Measurement of Innovation*. Melbourne Institute of Applied Economic and Social Research Working Paper 10/98. Melbourne: University of Melbourne.
- . 1999. Innovation in Australian workplaces: An empirical analysis. *Australian Bulletin of Labour* 254:334–51.
- . 2000. *Understanding Innovative Firms: An Empirical Analysis of the GAPS*. Melbourne Institute of Applied Economic and Social Research Working Paper 8/00. Melbourne: University of Melbourne.
- Sheehan, P. 1999. *Firms in the Australian Innovation System*. Contributed Paper 9. Canberra: Department of Industry, Science and Technology.
- Sheehan, P., N. Pappas and E. Cheng. 1994. *The Rebirth of Australian Industry: Australian Trade in Elaborately Transformed Manufactures 1979–1993*. Melbourne: Centre for Strategic Economic Studies, Victoria University.
- Sheehan, P., N. Pappas, G. Tikhomirova and P. Sinclair. 1995. *Australia and the Knowledge Economy: An Assessment of Enhanced Economic Growth Through Science and Technology*. Melbourne: Centre for Strategic Economic Studies, Victoria University.
- Stubbs, P. 1968. *Innovation and Research: A Study in Australia*. Melbourne: Melbourne Institute of Applied Economics Research.

International Trade and Industry Policies

Kym Anderson

When the Australian federation formed in 1901, trade policy was a major point of difference between the colonies that were to become states within that federation. It turned out that the protectionists dominated the free traders, and before World War I Australia had adopted a firm protectionist stance. For seven decades thereafter, tariffs on imports of manufactures continued to rise. The average tariff level on non-food manufactures almost doubled in the decade to 1920, and doubled again by 1932. It dropped only a little in the latter 1930s, and then rose again after World War II. Protection was further increased in the 1940s and 1950s with the adoption of quantitative import restrictions, and there was a ban on exports of iron ore and coal. Unlike most other industrial countries, Australia did not take part in the multilateral tariff reductions negotiated under the General Agreement on Tariffs and Trade (GATT) during the 1950s and 1960s. Hence by 1970 Australia was rivalled only by New Zealand in having the highest manufacturing tariffs among the industrial countries (Anderson and Garnaut 1987).

Those seven decades of import-substituting industrialisation cost Australia dearly in terms of its comparative standard of living. In 1900, Australia was arguably the highest-income country in the world on a per capita basis. But by 1950 its rank had slipped to third; by 1970 it was eighth; and by the 1990s Australia was not even in the top twenty.¹

Australia's comparatively poor growth performance for most of the twentieth century contrasts with that of the final decade, when Australia outperformed all other advanced economies other than Ireland and Norway in terms of gross domestic product (GDP) per capita growth (World Bank 2000b: tables 1, 3, 11). This was a period of especially rapid productivity growth (Parham et al. 1999; Dowrick 2001), in contrast to Britain, where much of its catch-up has been due to growth in employment and hours worked per worker (Card and Freeman 2002).

The difference between the Australian economy's recent and earlier relative performance is due very substantially to the economic policy reforms of the past three decades. The belated opening of the Australian economy to the rest of the world, coupled with many domestic economic reforms, not only has arrested the decline in Australia's per capita income ranking, but also has had a remarkable influence on the pattern of Australia's production and trade.

This chapter surveys the contributions of economists since the 1960s to our understanding of Australia's evolving trade pattern, and to the policies affecting it. Changes in comparative advantage partly explain the trade pattern, but much of the residual explanation has to do with the reform of interventionist policies that started in the early 1970s and accelerated in the mid-1980s. Attention here focuses on manufacturing tariffs and other trade policies, and on trade-related sectoral/industry-assistance policies. The recent policy reforms have not been unrelated to developments in the multilateral trading system (and, as part of that, in the Asia-Pacific Economic Cooperation (APEC) process), so contributions by Australian economists to those developments are also briefly reviewed. The survey concludes by reflecting on the influence economists have had in shaping Australia's trade and trade-related policy reforms since the 1960s.

Attention is mainly confined to literature from the past quarter of a century.² The focus is on open-economy microeconomics applied to understanding Australian trade, and the influences on it of trade policies and trade-related sectoral/industry policies. Space constraints exclude contributions to pure trade theory and to open-economy macroeconomics (including exchange rates and balance of payments), and foreign investment is treated only briefly.

Australia's evolving trade pattern

For the natural-resource-rich, lightly populated Australian economy, the most appropriate theory of comparative advantage is a blend of the two core models developed in the twentieth century: the Heckscher-Ohlin-Samuelson model, which assumes all factors of production are mobile between sectors, and the Ricardo-Viner model, which assumes some factors are sector-specific. Such a blend is provided by Krueger (1977) and explored further by Deardorff (1984). They consider two tradable sectors, each using intersectorally mobile labour, plus one sector-specific factor (natural-resource capital or industrial capital). Assuming that labour exhibits diminishing marginal product in each sector, and that there are no services or non-tradables and no policy distortions, then at a given set of international prices the real wage is determined by the aggregate per worker endowment of natural-resource and industrial capital. The commodity composition of a country's trade – that is, the extent to which a country is a net exporter of primary or industrial products – is determined by its endowment of natural relative to industrial capital compared with that ratio for the rest of the world.

Leamer (1987) develops this model further and relates it to paths of economic development. If the stock of natural resources were unchanged, rapid growth by one or more economies relative to others in their availability of industrial capital per worker would cause those economies to strengthen their comparative advantage in non-primary products. On the other hand, a discovery of minerals or energy raw materials would strengthen that country's comparative advantage in mining and weaken its comparative advantage in farm and other goods, *ceteris paribus*. It would also boost national income and hence the demand for non-tradables, which would cause mobile resources

to move into the production of non-tradables, further reducing farm and industrial production (Corden 1984).³

Domestic or foreign savings can be invested to enhance the stock and/or improve the quality not only of industrial capital but also of labour or natural resources, and to provide capital to the non-tradables sector. Any such increase in the net stock of produced capital per worker will put upward pressure on real wages. That will encourage, in all sectors, the use of more labour-saving techniques and the development and/or importation of new technologies that are less labour intensive.

Which types of capital would expand fastest in a free-market setting depends on their expected rates of return. The more densely populated and natural-resource-poor a country, the greater the likelihood that the highest pay-off would be in expanding its capital stocks for non-primary sectors. At early stages of development of such a country with a relatively small stock of natural resources per worker, wages would be low and the country would have a comparative cost advantage in unskilled-labour-intensive, standard-technology manufactures. Then as the stock of industrial capital grows, there would be a gradual move towards exporting more capital-intensive and skill-intensive manufactures. Natural-resource-abundant economies such as Australia, however, would develop a comparative advantage in manufacturing at a late stage of development, and their industrial exports would be relatively capital intensive.

The above theory of changing comparative advantages has been used successfully to explain the evolving pattern of exports of Australia and its Asian trading partners (Anderson and Garnaut 1980, 1987; Anderson and Smith 1981; Anderson 1995). It can also be used to explain shocks to that evolutionary pattern, as with mining booms, but the evolving pattern of a country's production and trade specialisation also depends on policy choices and their changes over time. (Gregory (1976) was the first to focus on the mining-boom issue from an Australian perspective following the 1973–74 hikes in international energy prices. His analysis was refined by Snape (1977) and Corden (1984).)

In Australia's case, its long history of industrial protectionism, together with its ban on iron-ore and coal exports until the early 1960s, ensured a smaller share of Australia's GDP was traded than would be normal for an economy of its size (Anderson and Garnaut 1987:14–15). It also ensured a bigger manufacturing sector than would have emerged under free trade, which was possible in a full-employment setting only at the expense of other sectors. The sector's share of GDP by 1960 was the same as the OECD average (29 per cent), even though Australia has always been lightly populated and so has a weak comparative advantage in manufactures. The removal of the ban on key mineral raw materials in the early 1960s and the tariff reforms of the 1970s and 1980s corrected that though: between 1960 and 1990 manufacturing's share of GDP fell much more rapidly for Australia than for the average OECD country (to 15 per cent compared with the OECD average of 22 per cent) (Anderson 1995:49).

The excessive size of the manufacturing sector was particularly at the expense of the natural-resource-based sectors in which Australia had its strongest comparative advantage. We have known since Lerner (1936) that an import tax is equivalent to an export tax, but how it affects the sector producing non-tradables depends heavily on the elasticities of substitution in production and consumption as between tradables and

non-tradables. Sjaastad and Clements (1982) suggest that in Australia non-tradables were relatively close substitutes for importables, and so their production would have been encouraged by protection of import-competing industries, further drawing mobile factors of production away from export industries.

It was not only natural-resource-based exportables that Australia's protectionism discouraged, however. Also discouraged were export industries within the manufacturing sector, as well as services exports. Together those two sectors contributed only one-twelfth of Australia's exports in the early 1950s. Even by 1980 their contribution was barely above one-quarter, but by 1990 it had risen to one-third and by 2000 to 44 per cent, or 22 per cent each (thus each surpassing the 21 per cent share for agriculture for the first time) (Anderson 2001: Table 2).

These impacts of Australia's protectionism on the composition of its production and trade, and on the share of production traded internationally, were made ever clearer by economy-wide, computable general equilibrium (CGE) modellers. The first economy-wide models began appearing in the early 1970s, in Australia's case thanks to Evans (1972), and by the early 1980s they were being used routinely for policy analysis in Australia as elsewhere.

Building on Evans's work, a group of Melbourne-based economists led the world in developing for Australia a very detailed CGE model for practical policy analysis. Known as ORANI (Dixon et al. 1982), that model was used to estimate impacts on sectoral production, employment and trade, and on economic welfare, of a wide range of policies. Those results had a major impact on policy debate in Australia during the acceleration of microeconomic reform in the 1980s (Powell and Snape 1993).

Since the 1980s, CGE models have become even more sophisticated, and in particular have added regional, occupational and household disaggregations, and have become dynamic. Australia has again been at the frontier of those developments, as manifested in the transforming of the Australian ORANI model into the MONASH model (Dixon and Rimmer 1998). The dynamic feature of MONASH has been particularly important because it allows forecasting through time and hence can show paths of adjustment to shocks (Dixon, Menon and Rimmer 2000). But the disaggregation of results by region and occupation within Australia has also been important in two respects. One is that it makes it easier to identify which household groups might lose from a structural or policy change, thereby making it easier to finetune any safety nets in advance. The other is that it identifies more precisely which groups are likely to gain, and so makes it easier for government to point to and seek support from the beneficiaries of policy reform.

While the national CGE models have been able to show the effects of structural or policy changes on the composition of Australia's trade, they have not been designed to estimate the effect on the bilateral pattern of that trade. For that a multicountry global CGE model is needed, together with an appropriate theory of bilateral trade. Early contributions to bilateral-trade theory included Australian National University theses by Peter Drysdale, who focused on the growth of the Australia–Japan trading relationship, and Ross Garnaut, who applied them to Australia's trade with South-East Asia. They stressed the importance not only of relative distance between countries, but also of similarities in such things as culture, business practices and legal systems. The theory

and measurement ideas are brought together in Drysdale and Garnaut (1982), where the index of intensity of a trading relationship is defined as the product of an index of trade complementarity (how closely the product composition of country A's exports matches that of country B's imports) and an index of special country bias (which captures all other factors). Those indexes have since been measured for all bilateral trades among Pacific-rim countries and used in public-policy discussions about the growth in Australia's trade with Asia, most notably following the publication of a popular report prepared for the government by Garnaut (1989).

Global CGE models were slower in coming because they required so much more data than national models. Early examples from North America are Whalley (1985) and Deardorff and Stern (1986, 1990). In Australia they first emerged as the SALTER model, developed by what was the Industry Commission (now the Productivity Commission) in association with the Department of Foreign Affairs and Trade (Jomini et al. 1991). Part of the government's motivation was to model bilateral trade in the Asia-Pacific region, in the wake of the Hawke government's push to launch APEC in 1989.

A copy of the SALTER model was taken to Purdue University and, since the early 1990s, it has been improving constantly and been made publicly available as the so-called GTAP (Global Trade Analysis Project) model and database (see Hertel 1997). The extraordinary efforts by Tom Hertel to train users and recruit willing helpers to revise and update the production, trade and protection data, to improve the theory in the model, and to encourage econometric estimation of the elasticities embodied in it, has resulted in hundreds of people becoming users and thousands of simulation experiments being published since its creation (see <http://www.gtap.agecon.purdue.edu/>). That openness, which has been characteristic of some other CGE-modelling groups including ORANI and MONASH, has been a great spur to modelling innovations.

The basic global GTAP model is similar in architecture to the Australian ORANI model, but more complex versions are being developed all the time. Among the modifications that have been incorporated for particular applications are scale economies and imperfect competition (Francois 1998), and dynamics through capital accumulation (Francois and McDonald 1996). In addition, computational tools for practical policy analysis have been developed to enable systematic sensitivity analysis (Pearson and Arndt 2000) and the decomposition of economic-welfare results (Huff and Hertel 2001). Trade and related policy analysis is now possible for any of the sixty-six countries or country groups in version 5 of the GTAP model and any of its fifty-seven sectors of production (twenty agricultural and processed food sectors, twenty-two other manufacturing sectors, and fifteen services sectors). Since Armington (1969), elasticities are included – in part as a proxy for the special country bias concept that was highlighted by Drysdale and Garnaut (1982) – and products can be differentiated by country of origin. This allows bilateral as well as total trade effects to be better explored.

The increasing importance of services trade and investment and of related policy issues in the World Trade Organisation (WTO) and regional trade negotiations has placed further demands on modellers. In response, the Productivity Commission has incorporated foreign direct investment (FDI) in a version of the GTAP model with imperfect

competition and scale economies, to create what has been named the FTAP model (Dee, Hanslow and Phamduc 2000).

GTAP is, of course, not the only such CGE model, but it is certainly the most widely used. Others were also used in the ex post analysis of the Uruguay Round (see the various chapters in Martin and Winters 1996). Another popular family of models arose from expanding a global macro model by adding some sectoral detail (McKibbin and Wilcoxon 1995). While having far fewer sectors and regions than GTAP, and while relying heavily on the GTAP database, the subsequent McKibbin family of models includes capital markets and is dynamic, and so is able to generate paths of adjustment to simulated shocks earlier than other models. As in dynamic national CGE models such as MONASH, the latter feature has obvious appeal to policy-makers concerned with the short-term to medium-term effects of reform on their constituents. These models are now being used for ex ante analyses of the current WTO round of trade negotiations, and the numerous bilateral and regional free-trade-area proposals that have become fashionable again in recent years. This development adds to the more qualitative economic analyses that accompanied earlier Australian initiatives to form regional/preferential trading arrangements. Examples are the bilateral Closer Economic Relations with New Zealand (Lloyd 1991) and a proposed free-trade area with the US (Snape 1989; Snape, Adams and Morgan 1993).

Reform of Australia's industrial tariff protection

Disenchantment in Australia with interventionist trade policies gradually increased over the 1960s, not least because of the writings of academic economists, especially those of Max Corden. Drawing on a paper on Canada's protection by Barber (1955), Corden (1963) developed and applied to Australia the concept of the effective rate of protection (ERP). The distinction between nominal and effective protection is that the former measures the extent to which the tariff raises the domestic price of a producer's output, whereas the latter indicates the extent to which the producer's value added per unit of output is enhanced, taking into account any tariffs on importable intermediate inputs and the share of the industry's value added in the value of final output.

The ERP concept gained immediate recognition as a practical way of indicating more appropriately the level of industry protection against import competition not only in aggregate for a country, but also – and more importantly – between industries within a country. Its first official use was by the Australian government with the publication of the Vernon Report (Committee of Economic Enquiry 1965), to which Corden contributed. The next few years saw an avalanche of theoretical and empirical ERP papers and reports. In his first and seminal book, Corden (1971) brings together most of the key theoretical ideas, while his survey of empirical studies (Corden 1975) covers the first decade of quantitative applications of the concept. The early empirical work includes numerous comparative studies of industrial countries (Balassa and associates 1967) and developing countries (Little, Scitovsky and Scott 1970; Balassa et al. 1971), a testament to its

widespread popularity. A striking feature of this literature is the genuine interaction between theory and empirical work, and between academic researchers and the policy community, including the GATT.

These studies reveal many things, but three points in particular are worth mentioning here. First, the estimated ERP averages and their dispersion far exceed those of nominal rates of protection (NRPs), suggesting that the resource pulls and hence costs of protection are much greater than the NRPs on their own might suggest. Second, the differences between NRPs and ERPs are not constant across countries, so that ERPs are to be preferred to NRPs for cross-country comparisons of the extent of protection. And third, while the NRP and ERP rankings of industries within countries are not greatly different when the degree of aggregation is fairly high, the rank correlation falls as the degree of disaggregation increases. This means ERPs are also better than NRPs for cross-industry comparisons within a country, since the resource-pull cost of protection tends to increase with the range of ERPs, particularly within subsectors where substitution in production is high.

Since its first adoption in Australia, the ERP concept has been broadened to the effective rate of assistance to industries, so as to capture in principle all forms of governmental assistance to producers.⁴ This is helpful not only for those concerned with national resource allocation, but also for trade negotiators, given the increasing tendency of negotiators to focus also on trade-related measures inside national borders as border protection falls.

The work of academics such as Corden, of the Tariff Board and its successor institutions (the Industries Assistance Commission, the Industry Commission and now the Productivity Commission),⁵ and of the maverick farmer and federal politician C.R. (Bert) Kelly via his weekly column syndicated to rural newspapers and the national financial newspaper on why primary producers were being effectively taxed by manufacturing tariffs (albeit indirectly via real exchange-rate appreciation) (see Kelly 1978), gradually changed the climate of opinion of economics/business journalists towards one of advocating trade liberalisation.

Even so, it was not until the 1970s that major tariff reductions began. A 25 per cent across-the-board cut in 1973, preceded by some cuts in 1970–71, started the tariff-reform process, following an initially confidential report to the government by six economic advisers on possible ways to expand imports as a means of reducing inflationary pressures (Rattigan et al. 1973). The reform process accelerated in the 1980s and continued through the 1990s. As a result, the average effective rate of assistance to Australian manufacturing fell from 36 per cent to about 5 per cent over those three decades. In the 1990s alone, the mean and the standard deviation of Australia's import tariffs on goods halved. This brought the average tariff for manufactures down to 4.2 per cent in 1999. The only manufacturers with significant tariff protection at the start of the new millennium were motor vehicles and parts, and textiles, clothing and footwear. Excluding them, the average effective rate of assistance to Australian manufacturing was just 3 per cent (Productivity Commission 2000a). This was still higher than for other OECD countries in the late 1990s though: New Zealand 3.4 per cent, European Union 3.2 per cent, Canada 2.9 per cent, US 2.4 per cent, Japan 2 per cent (World Bank 2000a: Table 6.6). And WTO-bound tariffs average more than twice the applied rates (Productivity Com-

mission 2000a: Table 2.3). However, Australia uses non-tariff import barriers less frequently than other OECD countries, apart perhaps from antidumping duties (Productivity Commission 2000a: Table 5.2; 2000c:38–44).

Reductions in assistance to and taxation of other sectors

Agricultural subsidies and regulatory interventions also have been reduced. During the 1960s the standard arguments for agricultural-support programs in Australia were being shown to lack merit (see the survey by Edwards and Watson 1978, and the update by Edwards 1992). Following a rural-policy report to the new Whitlam Labor government by four economists (Harris et al. 1974), there was some debate about the virtues on second-best grounds of farm subsidies as compensation to farmers to offset the resource-pull effects of the tariff on manufactures (Harris 1975; Lloyd 1975). However, after that debate, which included two persuasive analytical papers by Warr (1978, 1979), most agricultural and other economists advocated the first-best option of lowering tariffs in preference to tariff compensation. Then an incisive study by Sieper (1982) on who really was gaining from farm policies made it even more difficult for anyone to advocate the retention of agricultural regulatory/support policies. By that time even the peak farm bodies were instead behind the idea that their best strategy was to support the so-called 'economic rationalist' line of manufacturing trade liberalisation, even if it meant giving up some direct farm-support measures.

As a consequence, the average effective rate of assistance to the farm sector fell from above 25 per cent in the early 1970s to well below 10 per cent today. Dairying was the only farm group still benefiting significantly from government programs in 2000. Tobacco had been highly assisted, but deregulation of tobacco-marketing arrangements began in 1995 and was completed in 2000, bringing effective assistance to tobacco-growing down from 30 to 2 per cent over that period. As from 1 July 2000, the remaining impediments to a free domestic market in fluid milk began to be dismantled, for which compensation to dairy farmers is to be paid over the next eight years (as provided also to tobacco producers in the late 1990s). When dairying is excluded, the estimated effective rate of assistance to Australian agriculture in 1998–99 falls from 8 to 3 per cent (Productivity Commission 2000c:27). Thus distortionary government assistance to manufacturing and agriculture has now all but disappeared.

The mining sector has been mostly taxed rather than supported by the government. The lifting of the export ban on iron ore and coal in the early 1960s allowed the inevitable minerals trade with Japan to get under way. But it was some time before the application of more efficient instruments such as resource rent taxes, as advocated by Garnaut and Clunies Ross (1975, 1979, 1983) and scrutinised by Emerson and Lloyd (1983). There have been some further reforms since then (Smith 1992), but the sector remains somewhat discriminated against relative to agriculture and manufacturing.

Service-sector interventions also have begun to be dismantled, beginning with the Hawke Labor government following its election in 1983. Markets for banking, post and telecommunications, ports, higher education, health, and rail, air, and to some extent

sea transport have been opened up; there has been progressive outsourcing of many government services; and substantial reforms to competition policy and practice, including the corporatisation and demonopolisation of numerous government enterprises, are well advanced (see Forsyth (1992, 2000) and the myriad Productivity Commission reports at <http://www.pc.gov.au>).

Recent research on barriers to trade in a wide range of services in almost forty countries found that service markets in Australia, relative to those in the other countries in the study, are now ranked either as very liberal (banking, distribution services, telecommunications, engineering professional services) or as only moderately restrictive (other professional services, maritime services) (see Productivity Commission 2000c:50–61). In addition, a comprehensive program of review of government regulations at all levels has been under way since the mid-1990s, with the aim of reducing/removing regulations that unjustifiably impede economic activities (Productivity Commission 2000b).

Moreover, by 1983 the Australian dollar was floating and foreign-investment flows began to be freed up. That has complemented financial-sector reform and has contributed to FDI, equity and foreign-currency transactions growing at more than three times the pace of Australia's GDP during the past fifteen years (see Shields 2001). And even the previously highly unionised labour market has undergone considerable reform (Wooden 2001), which with higher-education reforms has encouraged growth in human capital (Chapman and Withers 2001).

The freeing of the market for foreign exchange, together with domestic micro-economic reforms, has increased competitiveness in the Australian economy substantially. That, together with the greater scope it has provided to specialise in production so as to reap economies of scale, has added considerable dynamism to the Australian economy. It was especially important in contributing to the flexibility with which the Australian economy was able to respond to the East Asian financial crisis in the late 1990s. Despite Australia's much greater trade exposure to East Asia than most other OECD countries, and the consequent decline in its terms of trade, the Australian economy has weathered that crisis remarkably well, in part through temporarily redirecting its trade back to Europe and North America.

Costs of trade-distorting policies

Australian economists have contributed significantly to understanding and measuring the costs of trade-distorting policies. In a seminal paper, Corden (1957) critiqued the approach of the Brigden Report (Brigden et al. 1929), and in so doing provided both partial and general equilibrium ways to consider those costs. The partial approach was and continues to be widely used, while large-scale CGE modelling of those costs had to wait until computing power became affordable. The first such effort for Australia, by Evans (1972), was refined by Dixon and Butlin (1977) and Dixon (1978) as the ORANI model was being developed (Dixon et al. 1982). It has since been improved even further thanks to the development of the MONASH model (Dixon and Rimmer 1998). Nonetheless, measurement of the costs of protection (or the net benefits of

trade reform) remains controversial, with most economists confident that those benefits are several orders of magnitude larger than existing empirical models suggest, not least because the dynamic effects of reform on investment incentives are poorly understood and therefore poorly modelled.

Meanwhile, the standard arguments for industrial protection in Australia and elsewhere have come under close scrutiny and been found wanting. Corden (1974; revised edition 1997) examines all the major arguments that have been put forward over the decades as to why particular trade-policy measures are needed. In virtually all cases, he shows there is a more efficient way to achieve society's goals. Tariffs might have a legitimate role at some point in a small economy's history only where other means either of raising government revenue or of redistributing taxes are more expensive in terms of administrative or by-product distortion costs. That suggests, just as Sieper (1982) found with Australia's agricultural policies, that the real motive behind manufacturing-protection policies has more to do with who gains and who loses, and that the net welfare loss from intervention is but a minor part of the political economy of such policy setting.

Distributional effects of trade-distorting policies

The Australian debate about who gains or loses from protection stems back to Federation, but it was enlivened for economists by the publication of the Brigiden Committee report in 1929. That led to students and their professors focusing on the issue, an important consequence of which was increased attention to a theoretical publication by Stolper and Samuelson (1941). These authors modelled a small economy and, by assuming there were two sectors producing tradables and just two mobile factors of production, they were able to conclude that a tariff on imports would raise the real income of the owner of the factor used relatively intensely in the import-competing sector and lower the real income of the owner of the other factor. In the Australian setting, that suggested labourers would gain at the expense of capitalists (which in their model included landowners).

No allowance was made in the Stolper–Samuelson model for the facts that labourers are heterogeneous and that workers can raise their skills over time (Lloyd 1978). Perhaps even more importantly, the reality that natural resources such as farmland and mineral deposits are specific to the primary sectors was not taken into account. A Ricardo–Viner model popularised by Jones (1971) was thus more appropriate for Australia, given the importance of the primary sectors. That model still involves just two tradable sectors, but each is assumed to have one factor of production that is specific to its sector, in addition to a perfectly mobile factor (labour). With those assumptions, Jones predicts that a tariff on imports will raise the real income of the owners of the factor that is specific to the import-competing manufacturing sector, and lower the real income of the owners of the farmland or minerals that are specific to the primary export sector. Moreover, he shows that the real incomes of wage-earners could go up or down, with the latter more likely the larger the share of manufactures in their consumption bundle (because the price of manufactured goods is raised by the tariff).

That set of conclusions is dramatically different from the perception many people had based on the Stolper–Samuelson model and the earlier debate in Australia. If labour were in fact not gaining from tariffs, rather the gains were being captured only by industrial capitalists (many of them foreigners, for the tariff encouraged FDI in Australia), then any residual credibility in the traditional income-distributional argument for tariffs collapses (Anderson and Garnaut 1987: chapter 5).

Australia and the multilateral trading system

Prior to the mid-1980s, Australia was not much engaged in trade agreements with other countries except Britain, and even the British connection diminished following the UK's accession (with Ireland and Denmark) to the European Community in 1973. Australia was disappointed that earlier multilateral trade negotiations under the General Agreement on Tariffs and Trade (GATT) failed to address the growth and spread of agricultural protectionism.⁶ When that protectionism reached the point in the early 1980s of generating surpluses of farm products that Europe could dispose of only with the help of export subsidies, the US responded in kind. That export-subsidy war drove real international food prices down to record lows. Australia decided to respond through forming the Cairns Group of non-subsidising agricultural exporting countries in 1986, the key aim of which was to keep agriculture on the agenda of the just-launched Uruguay Round of trade negotiations (Higgott and Cooper 1990). While the implementation of the Uruguay Round's Agreement on Agriculture has not yet lowered agricultural distortions greatly, it has at least placed agriculture in the GATT mainstream ready for further cuts in farm protection in the WTO's next round of multilateral trade negotiations, which began in 2000.

With the greater engagement of Australia in the multilateral trading system (MTS) since the early 1980s, Australian economists (not to mention trade officials) have become considerably more active in contributing more to the analysis of MTS issues of concern to their country. One example is in the design of modalities for services-trade negotiations (Sampson and Snape 1985; Snape 1998). Others are in thinking about how the GATT/WTO should deal with subsidies (Snape 1991), and with the growth in regional/preferential trading arrangements. They have contributed also to the empirical estimation of the effects of global trade liberalisation in agriculture (Tyers and Anderson 1992; Anderson forthcoming), and to the measurement of distortions in services trade and investment (Findlay and Warren 2001; Dee, Hanslow and Phamduc 2000).

An especially important contribution to the place of regional arrangements in the MTS has been APEC (Drysdale and Garnaut 1989; Garnaut 1996). Launched by the Hawke government in 1989, it differs from other regional trade arrangements in two key respects. First, it advocates GATT/WTO-consistent open regionalism as distinct from adopting a preferential-tariff structure that discriminates against non-members. And second, it provides a useful testing ground for new issues that the global trading system is likely to have to grapple with in the WTO in due course. In both respects APEC provides more of a stepping-stone to freer global trade than so-called free-trade areas or customs unions.

Have economists made a difference?

Cynics say that economists are unpersuasive because we have known about the benefits of laissez-faire and in particular the gains from trade for more than two centuries and yet trade restrictions remain in Australia as elsewhere. Economics advocates, on the other hand, will point to and claim some credit for the remarkable extent of trade and domestic market reforms that have occurred in recent decades. The relevant question is: how much credit can be claimed by economists? There is no way of answering this precisely, but a few points are worth making.

First, revealing that Australia and New Zealand had the most protected manufacturers among the OECD countries until the 1980s – and noting that they were the slowest-growing of the OECD economies in the postwar period – was helpful in bringing down their protection levels during the past two decades.

Second, revealing the vast across-industry differences in effective protection rates, which were much bigger than the differences in nominal rates, helped governments to resist domestic pressures to maintain or raise protection for the most assisted groups.

Third, the clarification of the theory and the empirical estimates of the consumer and net welfare costs of protection have made it easier for advocates of reform to gain headlines than when only relying on abstract arguments about the gains from trade, while estimates of the cost of protection to less-assisted export industries (and to exporters abroad) have helped build coalitions for trade liberalisation.

Fourth, revealing the extent of effective protection to agriculture relative to manufacturing in key OECD countries, and of the industrial sector relative to primary sectors in many developing countries (as in Australia), helped to alter the domestic political-economy forces in both sets of countries. Exposure of the large increase in the farmer–manufacturer assistance gap in OECD countries between the end of the GATT's Tokyo Round and the start of its Uruguay Round of multilateral trade negotiations also helped to ensure that agricultural protectionism was high on the agenda of the Uruguay Round and its creation, the WTO.

However, the policy ideas and analyses contributed by economists are only a small subset of the influences on governments to reform Australia's trade and industry policies over the past three or four decades. Brennan and Pincus (2002) argue that Australian governments have simply been reacting to developments in the global economy more than exogenously shaping Australia's economic climate. Certainly Australian liberalisation in many ways has just followed (with a delay) the market reforms of other countries (Garnaut 1994; Corden 1995) but, given the relatively entrenched protectionist sentiment, economists probably had to work harder here than abroad to alter the climate of opinion in a liberal direction.

One final point: the influence of academic economists on Australian economic policies has gradually become more indirect than direct. In earlier decades there were very few economists working full-time in government, so dependence on academics for policy advice was quite common. Since the 1960s, however, there has been a boom in employment opportunities for economists in federal-government agencies. As a result, much of the required policy analysis is done in such agencies as the Productivity

Commission and the Australia Bureau of Agricultural and Resource Economics, or in economic consulting companies staffed by former senior public servants, leaving academics freer to concentrate on research and on teaching the next generation of economists.

Notes

Without implicating him, thanks are due to Richard Snape for helpful comments on an earlier draft.

- 1 In 1999 Australia was ranked twenty-sixth, according to the World Bank Atlas method of measuring GNP per capita (or twentieth using the World Bank's purchasing power parity method) – not counting the several rich countries with fewer than 1 million people (World Bank 2000b).
- 2 Earlier literature surveys can be found in Corden (1968) for writings up to the mid-1960s and, for the next decade, in Gruen (1978, 1983) and especially Lloyd (1978), Edwards and Watson (1978) and Smith (1983).
- 3 In fact the increased demand for non-tradables (and other products) would begin as soon as expectations about future income prospects rose, which could be well before the mining export boom shows up in the trade statistics in the case where the exports are preceded by FDI inflows for investments with a long lead-time (Corden 1982).
- 4 ERAs have been estimated for all Australian manufacturing industries at the two-digit, three-digit and four-digit levels of disaggregation each year since 1968–69, for all rural industries since 1970–71, and occasionally also for mining industries (whose ERAs are close to or below zero). Details can be freely downloaded from the website of Australia's Productivity Commission at <http://www.pc.gov.au>. The commission also estimates and publishes the consumer-tax equivalent of industry-assistance policy measures including the tariff. The availability of such comprehensive estimates of ERAs has made it easier to use the economics of politics to explain the intrasectoral pattern of assistance to industries, as in Anderson (1980).
- 5 That transparency agency had an increasingly influential role within the government and in the wider community from the late 1960s until the 1980s (Glezer 1982, Warhurst 1982, Rattigan 1986), and it remains very influential today through publishing rational economic analyses on an ever-wider range of microeconomic policy issues.
- 6 See Arndt (1965), Snape (1984) and Anderson (1999). This and many other aspects of the history of Australia's trade policy are detailed in Crawford (1968) and Snape, Gropp and Luttrell (1998). A political scientist's perspective on Australia's engagement with the GATT/WTO is available in Capling (2001).

References

- Anderson, K. 1980. The political market for government assistance to Australian manufacturing industries. *Economic Record* 56(153):132–44.
- . 1987. 'Tariffs and the manufacturing sector' in *The Australian Economy in the Long Run*. Edited by R. Maddock and I. McLean. Melbourne: Cambridge University Press.
- . 1995. 'Australia's changing trade pattern and growth performance' in *Australia's Trade Policies*. Edited by R. Pomfret. Melbourne: Oxford University Press.
- . 1999. The WTO agenda for the new millennium. *Economic Record* 75(228):77–88.
- . 2001. 'Australia in the international economy' in *Reshaping Australia's Economy: Growth with Equity and Sustainability*. Edited by J. Nieuwenhuysen, P.J. Lloyd and M. Mead. Melbourne: Cambridge University Press.

- . Forthcoming. 'Agriculture, developing countries, and the WTO Millennium Round' in *Agriculture and the New Trade Agenda from a Development Perspective*. Edited by M.D. Ingco and L.A. Winters. Cambridge: Cambridge University Press.
- Anderson, K., and R. Garnaut. 1980. 'ASEAN export specialisation and the evolution of comparative advantage in the Western Pacific region' in *ASEAN in a Changing Pacific and World Economy*. Edited by R. Garnaut. Canberra: ANU Press.
- . 1987. *Australian Protectionism: Extent, Causes and Effects*. Sydney: Allen and Unwin.
- Anderson, K., and B. Smith. 1981. 'Changing economic relations between Asian ADCs and resource-exporting developed countries' in *Trade and Growth in the Advanced Developing Countries*. Edited by W. Hong and L. Krause. Seoul: Korea Development Institute Press.
- Armington, P. 1969. A theory of demand for products distinguished by place of production. *IMF Staff Papers* 16:159–76.
- Arndt, H.W. 1965. Australia – developed, developing or midway? *Economic Record* 41(95):418–40.
- Balassa, B., and associates. 1971. *The Structure of Protection in Developing Countries*. Baltimore: Johns Hopkins University Press.
- Balassa, B., in collaboration with M.E. Kreinin et al. 1967. *Studies in Trade Liberalization*. Baltimore: Johns Hopkins University Press.
- Barber, C.L. 1955. Canadian tariff policy. *Canadian Journal of Economics* 21:513–30.
- Brennan, G., and J.J. Pincus. 2002. From the Australian settlement to microeconomic reform: The change in twentieth century policy regimes. Paper presented at Panel 24 of the 13th World Congress in Economic History, Buenos Aires, 22–26 July.
- Brigden, J.R., D.B. Copeland, E.C. Dyason, L.F. Giblin and C.H. Wickens. 1929. *The Australian Tariff: An Economic Enquiry*. The Brigden Report. Melbourne: Melbourne University Press.
- Capling, A. 2001. *Australia and the Global Trade System: From Havana to Seattle*. Melbourne: Cambridge University Press.
- Card, D., and R.B. Freeman. 2002. *What Have Two Decades of British Economic Reform Delivered?* NBER Working Paper 8801. Boston: National Bureau of Economic Research.
- Chapman, B., and G. Withers. 2001. 'Human resource development' in *Reshaping Australia's Economy: Growth with Equity and Sustainability*. Edited by J. Nieuwenhuysen, P.J. Lloyd and M. Mead. Melbourne: Cambridge University Press.
- Committee of Economic Enquiry. 1965. *Report to the Committee of Economic Enquiry*. 2 vols. The Vernon Report. Canberra: Commonwealth of Australia.
- Corden, W.M. 1957. The calculation of the cost of protection. *Economic Record* 33:29–51.
- . 1963. 'The tariff' in *The Economics of Australian Industry*. Edited by A. Hunter. Melbourne: Melbourne University Press.
- . 1966. The effective protective rate, the uniform tariff equivalent and the average tariff. *Economic Record* 42:200–16.
- . 1968. Australian policy discussion in the post-war period: A survey. *American Economic Review* 57:88–138.
- . 1971. *The Theory of Protection*. Oxford: Clarendon Press.
- . 1974. *Trade Policy and Economic Welfare*. Rev. ed. 1997. Oxford: Clarendon Press.
- . 1975. 'The costs and consequences of protection: A survey of empirical work' in *International Trade and Finance: Frontiers for Research*. Edited by P. Kenen, pp. 51–91. Cambridge: Cambridge University Press.
- . 1982. Exchange rate policy and the resources boom. *Economic Record* 58(160):18–31.
- . 1984. Booming sector and Dutch disease economics: Survey and consolidation. *Oxford Economic Papers* 363:359–80.

- . 1995. Protection and liberalization in Australia and abroad. The 44th Joseph Fisher Lecture, University of Adelaide. (Reprinted in Corden, W.M. 1997. *The Road to Reform: Essays on Australian Economic Policy*. Melbourne: Addison-Wesley.
- Crawford, J.G. 1968. *Australian Trade Policy 1942–1966: A Documentary History*. Canberra: ANU Press.
- Deardorff, A.V. 1984. An exposition and exploration of Krueger's trade model. *Canadian Journal of Economics* 54:731–46.
- Deardorff, A.V., and R.M. Stern. 1986. *The Michigan Model of World Production and Trade: Theory and Applications*. Cambridge, MA: MIT Press.
- . 1990. *Computational Analysis of Global Trading Arrangements*. Ann Arbor: University of Michigan Press.
- Dee, P., K. Hanslow and T. Phamduc. 2000. 'Modelling the liberalization of services' in *Achieving Better Regulation of Services*. Canberra: Productivity Commission.
- Dixon, P. 1978. Economies of scale, commodity disaggregation and the costs of protection. *Australian Economic Papers* 1730:63–80.
- Dixon, P., and M. Butlin. 1977. Notes on the Evans model of protection. *Economic Record* 53(144):337–49.
- Dixon, P., J. Menon and M. Rimmer. 2000. Changes in technology and preferences: A general equilibrium explanation of rapid growth in trade. *Australian Economic Papers* 391:33–55.
- Dixon, P., B. Parmenter, J. Sutton and D. Vincent. 1982. *ORANI: A Multisectoral Model of the Australian Economy*. Amsterdam: North-Holland.
- Dixon, P., and M. Rimmer. 1998. *Forecasting and Policy Analysis with a Dynamic CGE Model of Australia*. CoPS/IMPACT Working Paper PO-90. Melbourne: Monash University.
- Dowrick, S. 2001. 'The Australian productivity miracle' in *Reshaping Australia's Economy: Growth with Equity and Sustainability*. Edited by J. Nieuwenhuysen, P.J. Lloyd and M. Mead. Melbourne: Cambridge University Press.
- Drysdale, P., and R. Garnaut. 1982. Trade intensities and the analysis of bilateral trade flows in a many-country world. *Hitotsubashi Journal of Economics* 222:62–84.
- . 1989. 'A Pacific free trade area?' in *Free Trade Areas and US Trade Policy*. Edited by J. Schott. Washington, DC: Institute for International Studies.
- Edwards, G. 1992. 'Microeconomic reform in Australian agriculture' in *Microeconomic Reform in Australia*. Edited by P. Forsyth. Sydney: Allen and Unwin.
- Edwards, G., and A. Watson. 1978. 'Agricultural policy' in *Surveys of Australian Economics*. Vol. 1. Edited by F.H. Gruen. Sydney: Allen and Unwin.
- Emerson, C., and P.J. Lloyd. 1983. Improving mineral taxation policy in Australia. *Economic Record* 59:232–44.
- Evans, H.D. 1972. *A General Equilibrium Analysis of Protection: The Effects of Protection in Australia*, Amsterdam: North-Holland.
- Findlay, C., and T. Warren (eds). 2000. *Impediments to Trade in Services: Measurement and Policy Implications*. London: Routledge.
- Forsyth, P. (ed.) 1992. *Microeconomic Reform in Australia*. Sydney: Allen and Unwin.
- . 2001. 'Microeconomic policies and structural change' in *The Australian Economy in the 1990s*. Edited by D. Gruen and S. Shrestha. Canberra: Reserve Bank of Australia.
- Francois, J. 1998. *Scale Economies and Imperfect Competition in the GTAP Model*. GTAP Technical Paper 14. West Lafayette: Center for Global Trade Analysis.
- Francois, J., and B. McDonald. 1996. *Liberalization and Capital Accumulation in the GTAP Model*. GTAP Technical Paper 07. West Lafayette: Center for Global Trade Analysis.
- Garnaut, R. 1989. *Australia and the Northeast Asian Ascendancy*. Canberra: AGPS.

- . 1994. 'Australia' in *The Political Economy of Policy Reform*. Edited by J. Williamson, pp. 51–72. Washington, DC: Institute for International Economics.
- . 1996. *Open Regionalism and Trade Liberalization: An Asia-Pacific Contribution to the World Trade System*. Sydney: Allen and Unwin and ISEAS.
- Garnaut, R., and A. Clunies Ross. 1975. Uncertainty, risk aversion and the taxation of natural resource projects. *Economic Journal* 85:272–87.
- . 1979. The neutrality of the resource rent tax. *Economic Record* 55:193–201.
- . 1983. *The Taxation of Mineral Rents*. Oxford: Clarendon Press.
- Glezer, L. 1982. *Tariff Politics: Australian Policy Making, 1960 to 1980*. Melbourne: Melbourne University Press.
- Gregory, R.G. 1976. Some implications of growth of the mining sector. *Australian Journal of Agricultural Economics* 202:71–91.
- Grubel, H.G., and H.G. Johnson (eds). 1971. *Effective Tariff Protection*. Geneva: GATT.
- Gruen, F.H. (ed.). 1978. *Surveys of Australian Economics*. Vols 1–2. Sydney: Allen and Unwin.
- . 1983. *Surveys of Australian Economics*. Vol. 3. Sydney: Allen and Unwin.
- Harris, S. 1975. Tariff compensation: Sufficient justification for protection to Australian agriculture? *Australian Journal of Agricultural Economics* 193:131–45.
- Harris, S., J.G. Crawford, F.H. Gruen and N.D. Honan. 1974. *Rural Policy in Australia – A Green Paper*. Canberra: AGPS.
- Hertel, T. (ed.). 1997. *Global Trade Analysis: Modeling and Applications*. Cambridge: Cambridge University Press.
- Higgott, R., and A. Cooper. 1990. Middle power leadership and coalition building: Australia, the Cairns Group and the Uruguay Round of trade negotiations. *International Organization* 44:589–632.
- Huff, K., and T. Hertel. 2001. *Decomposing Welfare Changes in GTAP*. GTAP Technical Paper 05. West Lafayette: Center for Global Trade Analysis.
- Jomini, P., J.F. Zeitsch, R. McDougall, A. Welsh, S. Brown, J. Hambley and P. Kelly. 1991. *SALTER: A General Equilibrium Model of the World Economy*. Canberra: Industry Commission.
- Jones, R.W. 1971. 'A three-factor model in theory, trade, and history' in *Trade, Balance of Payments and Growth*. Edited by J.N. Bhagwati, R. Jones, R. Mundell and J. Vanek. Amsterdam: North-Holland.
- Kelly, C.R. 1978. *One More Nail*. Adelaide: Brolga Books.
- Krueger, A.O. 1977. *Growth, Distortions and Patterns of Trade Among Many Countries*. Princeton, NJ: International Finance Section.
- Leamer, E.E. 1987. Paths of development in the three-factor, n-good general equilibrium model. *Journal of Political Economy* 95:961–99.
- Lerner, A. 1936. The symmetry between import and export taxes. *Economica* 311:306–13.
- Little, I.M.D., T. Scitovsky and M. Scott. 1970. *Industry and Trade in Some Developing Countries*. Oxford: Oxford University Press.
- Lloyd, P.J. 1975. Tariff compensation: An undesirable policy. *Australian Journal of Agricultural Economics* 193:146–53.
- . 1978. 'Protection policy' in *Surveys of Australian Economics*. Vol. 1. Edited by F.H. Gruen. Sydney: Allen and Unwin.
- . 1991. *The Future of CER*. Monograph No. 36. Melbourne: Committee for Economic Development of Australia.
- Martin, W., and L.A. Winters (eds). 1996. *The Uruguay Round and the Developing Countries*. Cambridge: Cambridge University Press.

- McKibbin, W., and P. Wilcoxon. 1995. *The Theoretical and Empirical Structure of the G-Cubed Model*. Brookings Discussion Paper in International Economics 118. Washington, DC: The Brookings Institution.
- Parham, D., T. Cobbold, R. Dolamore and P. Roberts. 1999. *Microeconomic Reforms and Australian Productivity: Exploring the Links*. Canberra: Productivity Commission.
- Pearson, K., and C. Arndt. 2000. *Implementing Systematic Sensitivity Analysis Using GEMPACK*. GTAP Technical Paper 03. West Lafayette: Center for Global Trade Analysis.
- Powell, A.A., and R.H. Snape. 1993. The contribution of applied general equilibrium modelling analysis to policy reform in Australia. *Journal of Policy Modeling* 15:393–414.
- Productivity Commission. 2000a. *Review of Australia's General Tariff Arrangements*. Canberra: Productivity Commission.
- . 2000b. *Regulation and Its Review 1999–00*. November and earlier.
- . 2000c. *Trade and Assistance Review 1999–2000*. December and earlier.
- Rattigan, G.A. 1986. *Industry Assistance: The Inside Story*. Melbourne: Melbourne University Press.
- Rattigan, G.A., et al. 1973. *Report on Possible Ways of Increasing Imports*. Canberra: AGPS.
- Sampson, G., and R. Snape. 1985. Identifying the issues in trade in services. *World Economy* 8:171–81.
- Shields, B. 2001. 'Efficiency in markets: Capital' in *Reshaping Australia's Economy: Growth with Equity and Sustainability*. Edited by J. Nieuwenhuysen, P.J. Lloyd and M. Mead. Melbourne: Cambridge University Press.
- Sieper, T.E. 1982. *Rationalizing Rustic Regulation*. Sydney: Centre for Independent Studies.
- Sjaastad, L.A., and K.W. Clements. 1982. 'The incidence of protection: Theory and measurement' in *The Free Trade Movement in Latin America*. Edited by L.A. Sjaastad and H. Hesse. London: Macmillan.
- Smith, B. 1983. 'Resources and Australian economic development' in *Surveys of Australian Economics*. Vol. 3. Edited by F.H. Gruen. Sydney: Allen and Unwin.
- Smith, B. 1992. 'Microeconomic reform and the minerals and mineral processing sector' in *Microeconomic Reform in Australia*. Edited by P. Forsyth. Sydney: Allen and Unwin.
- Snape, R.H. 1977. Effects of mineral development on the economy. *Australian Journal of Agricultural Economics* 213:147–56.
- . 1984. Australia's relations with GATT. *Economic Record* 60(168):16–27.
- . 1989. 'A free trade agreement with Australia?' in *Free Trade Areas and U.S. Trade Policy*. Edited by J. Schott. Washington, DC: Institute for International Studies.
- . 1991. International regulation of subsidies. *World Economy* 14:139–64.
- . 1998. 'Reaching effective agreements covering services' in *The WTO as an International Organization*. Edited by A.O. Krueger. Chicago: University of Chicago Press.
- Snape, R.H., J. Adams and D. Morgan. 1993. *Regional Trade Agreements: Implications and Options for Australia*. Canberra: Department of Foreign Affairs and Trade.
- Snape, R.H., L. Gropp and T. Luttrell. 1998. *Australian Trade Policy 1965–1997: A Documentary History*. Sydney: Allen and Unwin.
- Stolper, W.F., and P.A. Samuelson. 1941. Protection and real wages. *Review of Economic Studies* 91:58–73.
- Tyers, R., and K. Anderson. 1992. *Disarray in World Food Markets: A Quantitative Assessment*. Cambridge: Cambridge University Press.
- Warhurst, J. 1982. *Jobs or Dogma? The Industries Assistance Commission and Australian Policies*. Brisbane: University of Queensland Press.

- Warr, P.G. 1978. The case against tariff compensation. *Australian Journal of Agricultural Economics* 22:85–98.
- . 1979. Tariff compensation without omniscience. *Economic Record* 55(148):20–32.
- Whalley, J. 1985. *Trade Liberalization among Major World Trading Areas*. Cambridge, MA: MIT Press.
- Wooden, M. 2001. 'Efficiency in markets: labour and industrial relations' in *Reshaping Australia's Economy: Growth with Equity and Sustainability*. Edited by J. Nieuwenhuysen, P.J. Lloyd and M. Mead. Melbourne: Cambridge University Press.
- World Bank. 2000a. *World Development Indicators 2000*. Washington, DC: World Bank.
- . 2000b. *World Development Report 2000/2001: Attacking Poverty*. Oxford: Oxford University Press.

The Macro Economy

Graeme Wells

Twenty years ago a panel of distinguished North American economists provided a wide-ranging ‘view from the North’ of the Australian economy.¹ With respect to macroeconomic policy discussion, they identified the four most important contemporary issues as being the emergence of a ‘real wage overhang’ and its consequent effects in the labour market; the scope for fiscal policy to stimulate aggregate demand; the macroeconomic effects of a resources boom; and the interaction between monetary and exchange-rate policy.

A brief review of macroeconomic developments in the decade before 1983 is helpful to understand the importance of these four issues. For example, from March 1972 to March 1983, the unemployment rate rose from 2.4 to 9.7 per cent, leading many to question the relative importance of deficient demand and excessive real wage growth in labour-market outcomes. Interest in the role of countercyclical fiscal policy was intensified because of the deep recession in the early 1980s – gross domestic product (GDP) in December 1982 was 3 per cent lower than a year earlier. The terms of trade rose by 30 per cent in the early 1970s, only to fall back to their original level by 1977. The last of the four issues – the interaction of monetary and exchange-rate policy – had recently been thrust to centre stage by the decision to float the Australian dollar in March 1983.

In Australia, as elsewhere, macroeconomic debate and research interests are driven by events as well as building on earlier research. This is no less true over the two decades reviewed in this chapter than it was in 1983. The four sections that follow – dealing with the evolution of the current account deficit and foreign indebtedness; monetary policy; fiscal policy; and measures of equilibrium unemployment – are necessarily a selective view of the wide range of macroeconomic research in Australia. Important contemporary policy issues have motivated the choice, and each section includes a brief account of historical developments.

The current account debate

In its 1988 annual report, the Reserve Bank of Australia (RBA) claimed: ‘The major medium-term issue for Australia continues to be the need to correct the balance of pay-

Table 11.1 Foreign liabilities in Australia (proportion of GDP)

	Net foreign equity position	Net foreign liabilities
March 1970	0.17	0.27
March 1980	0.16	0.24
March 1985	0.13	0.34
March 1990	0.10	0.45
March 1995	0.14	0.53
March 2000	0.11	0.54
March 2002	0.13	0.60

ments deficit and the high level of international indebtedness' (RBA 1988:31). At the time, Australia's net foreign liabilities had risen to around 40 per cent of GDP from 24 per cent in 1980. In 1990, by which time the ratio had risen to 45 per cent, the Treasurer's Budget Paper No. 1 (p. 242) stated that

policies need to be directed to improving the sustainability of the external accounts. While macro-economic policies have the chief role to play, micro-economic reforms designed to improve the efficiency with which resources are used throughout the economy ... also have an important contribution to make, by raising the return on investment and hence the capacity of the economy to service overseas borrowings.

As Table 11.1 shows, net liabilities in 2002 are 60 per cent of GDP, and continue to rise, but the state of the external accounts is no longer at the forefront of policy debate in Australia. From the beginning the official diagnosis was contested by a number of academics. With hindsight, the officially endorsed remedies have been seen to be ineffective. This section surveys the issues.

Consider the diagnosis first. Makin (1989) and Pitchford (1989, 1990) pointed out that most of the foreign liabilities were private, rather than public, debt. Foreigners were lending to Australians to take advantage of higher returns here. In what became known as the 'consenting adults' view of foreign debt, it was argued that unless there was reason to believe there were distortions leading market participants systematically to make decisions they would later regret, there was no reason for the authorities to implement macroeconomic policies to offset or change their behaviour. If the world capital market were to revise its view of the merits of lending to Australians, it could choke off demand for foreign borrowing by increasing its price.

In the subsequent debates, it was difficult for proponents of the problematic view of foreign debt to make a case for the existence of widespread distortions leading to excessive foreign borrowing. Perhaps the most convincing argument was that most of the borrowing was intermediated through the Australian banking system, and that foreign lenders perceived the Reserve Bank of Australia (RBA) to have given an implicit guarantee to bank liabilities. Such a perception would induce foreign lenders to provide funds at lower rates than otherwise. Whether or not such a guarantee existed, it emerged that the Australian banking system had accumulated a large volume of bad loans during the

late 1980s, leading to a period of difficulty for some of the banks, most notably Westpac, which is one of Australia's largest such institutions. But in that case, the academic critics argued, the solution was to clarify and strengthen the system of prudential regulation rather than use the proposed macroeconomic remedies (see Wells 2001).

Now turn to possible remedies. It is an elementary proposition of national accounting that the change in net foreign assets is equal to the surplus (deficit) on the current account, with adjustment for capital gains and losses induced by changes in the exchange rate. It might be thought that a contractionary monetary policy, by reducing aggregate demand (and hence the demand for imports), could offer relief for chronic current account deficits. Later in this chapter we discuss the evolution of monetary policy over the late 1980s, and note that – whether it was to constrain inflationary pressures or to target the current account – the RBA increased interest rates aggressively over the few years after the 1988 statement appeared. But although there was a contraction in domestic demand (and here international influences as well as monetary policy had a role to play), this contraction was offset by higher capital inflow induced by high domestic interest rates. Foreign liabilities increased.

A second possible remedy is to increase public-sector saving by running budget surpluses. In its simplistic form, this line of reasoning is known as the twin deficits (or twin surplus) hypothesis. Since the current account surplus is the sum of the fiscal surplus and the excess of private-sector saving over investment, it follows that if excess private-sector saving is constant, an increase in the fiscal surplus must increase the current account surplus. Over the 1990s, fiscal surpluses for the Commonwealth and the states increased significantly, but excess private-sector saving fell, so there was only a very small increase in the current account surplus or, equivalently, only a very small decline in the current account deficit.

Finally, consider the effects of changes in productivity growth. The amount of the change in trend productivity growth, and the extent to which it has been influenced by microeconomic reform, has been the subject of debate (Quiggin 2001). Nevertheless, most analysts would argue that productivity growth was significantly higher in the 1990s than in the 1980s. To see its effects on excess private-sector saving, consider private investment and consumption decisions separately, as was done by Forsyth (1990). Clearly, increasing productivity is likely to increase the profitability of investment, which cuts excess private saving. The analysis of private consumption decisions depends on the degree to which those decisions are constrained by current income. If current consumption decisions are largely determined by lifetime income, an increase in productivity growth results in a 'bringing forward' of consumption, as people realise their wealth (the discounted value of future incomes) has increased. So it is possible that (with increased wealth) consumption could rise as a proportion of current income or, in other words, that the saving rate falls. In this case, excess saving necessarily falls, and this was the case emphasised by Forsyth (1990). But even if saving is a constant proportion of income, it will generally be the case that the rise in private saving is not sufficiently large to outweigh the rise in investment induced by rising productivity. This is shown formally, in a model of open-economy growth, by Benge and Wells (2002).

As of 2002, it appears that the 'consenting adults' view of foreign borrowing has won the day. Despite a further increase in net foreign liabilities, there has been a reduc-

tion in the interest-rate margin foreigners require to invest in Australia (Commonwealth Treasury 2001). Maintenance of this state of affairs no doubt requires a continuation of sound policies with regard to bank supervision, control of inflation, and clear maintenance of fiscal solvency. But within those parameters, there appears to be no need for the authorities to be concerned about the source of the funds used to finance Australian investment.

Fiscal policy

Contemporary discussion of the macroeconomic effects of fiscal policy has moved away from an emphasis on short-run stabilisation, towards questions such as long-run fiscal incidence (intergenerational accounting) and analysis of solvency, the efficiency of infrastructure investment, and related issues. Several factors underlie this change in focus. The stabilisation role of fiscal policy is more limited in an open economy with a floating exchange rate than under a fixed-rate regime, and so the decision to float the exchange rate in 1983 necessarily implied less emphasis on fiscal stabilisation. Also important has been the recognition that with more sophisticated financial markets and better information flows, private-sector spending decisions are less likely to be constrained by current income than before. So forward-looking behaviour by people in the private sector is likely to have become more important over the past two decades. Finally, it has been recognised that some longer-run issues – such as the significant and sustained increase in the unemployment rate, the consequences of an ageing population, and the steady upward trend in foreign debt – are not usefully analysed from a short-run ‘stabilisation’ perspective.

The presentation of budgetary accounts has evolved to be more in line with the longer-run view of fiscal policy. From a short-run stabilisation perspective, budget statements had focused on the effects of outlays and taxes on aggregate demand, and for that purpose cash accounting was sufficient. With increasing emphasis on longer-run issues, the adoption of accrual accounting, explicit recognition of the growth in unfunded liabilities such as public-sector superannuation, and the integration of data reflecting movements in net assets with the flows of taxes and outlays all became more important. Albon (1995) provides a good review of these arguments. By the end of the decade, the Commonwealth and all the states had moved in this direction, and many jurisdictions had also adopted fiscal targets of various forms. However, some of the criticisms made by Caves and Krause (1984) still apply. They were critical of the practice of ‘frightening the bourgeoisie by exaggerating the [fiscal] deficit problem’ (Caves and Krause 1984:66), and argued that the evolution of government debt should be given much more emphasis in setting fiscal targets. In that context it is interesting to note that one of the main elements of the Commonwealth’s *Charter of Budget Honesty Act* 1998 is for maintenance of fiscal balance over the business cycle, even though this implies a continuously declining ratio of debt to GDP.

Table 11.2 shows comparative data for Australia and some of the G7 countries. Two features of Australian fiscal experience stand out. One is that, unlike other countries, Australia has not contracted real government expenditure as a proportion of GDP over

Table 11.2 Scale of government

	Government expenditure (proportion of GDP)			
	Government outlays (proportion of GDP)			
	1970	1980	1990	2000
USA	0.26	0.21 <i>0.31</i>	0.21 <i>0.34</i>	0.17 <i>0.30</i>
Japan	0.18	0.19 <i>0.29</i>	0.16 <i>0.31</i>	0.18 <i>0.37</i>
France	0.26	0.25 <i>0.44</i>	0.26 <i>0.48</i>	0.26 <i>0.49</i>
UK	0.27	0.26 <i>n.a.</i>	0.22 <i>0.39</i>	0.20 <i>0.37</i>
Canada	0.28	0.26 <i>0.39</i>	0.26 <i>0.46</i>	0.21 <i>0.38</i>
Australia	0.21	0.22 <i>0.32</i>	0.22 <i>0.33</i>	0.20 <i>0.33</i>
Net debt (proportion of GDP)				
USA	0.33	0.25	0.44	0.42
Japan	-0.07	0.17	0.10	0.45
France	-0.01	-0.03	0.16	0.43
UK	n.a.	n.a.	0.19	0.37
Canada	0.12	0.13	0.42	0.53
Australia	n.a.	n.a.	0.11	0.08

Note: Data refer to General Government.

Source: OECD Economic Outlook, dX Econdata, October 2002.

the past three decades. As a proportion of GDP, government outlays (which include income transfers and debt interest payments) have also been stable in Australia. Nevertheless it has – by a combination of privatisation of assets and fiscal surpluses at the Commonwealth and state levels of government – managed to contain the ratio of net public debt to GDP to a very low level compared to earlier experience in the twentieth century, and compared to current experience in other countries.

The question of long-run fiscal incidence has been approached from a variety of perspectives. Ablett (1996) derives a set of generational accounts for Australia, concluding that Australia's current rate of national saving is inadequate to permit intergenerational balance. This approach has been followed in many overseas countries, and so is worth setting out in detail. The basic idea can be illustrated with reference to the following fiscal accounts:

$$G_t + (A_t - A_{t-1}) + rB_{t-1} = T_t + sA_{t-1} + (B_t - B_{t-1}) \quad (1)$$

where A = assets,
 B = net debt,
 r = real rate of interest,

s = real rate of return on assets,

T = taxes net of transfers, and

G = government outlays, excluding net investment in assets and interest on outstanding debt.

Assume assets are accumulated at rate ρ . Iterating forward on (1) then gives

$$B_0 = \sum_{j=1}^{\infty} \frac{T_j - G_j}{(1+r)^j} + \lim_{t \rightarrow \infty} \frac{B_t}{(1+r)^t} - \frac{\rho - s}{r - \rho} A_0 \tag{2}$$

or, if a solvency condition that debt grows no faster than the interest rate,

$$\left(\lim_{t \rightarrow \infty} \frac{B_t}{(1+r)^t} = 0 \right) \text{ is satisfied, then}$$

$$\sum_{j=1}^{\infty} \frac{T_j}{(1+r)^j} = \sum_{j=1}^{\infty} \frac{G_j}{(1+r)^j} - \left\{ \frac{s - \rho}{r - \rho} A_0 - B_0 \right\} \tag{3}$$

Suppose that persons die at age D . Suppose also that where components of government expenditure can be regarded as in-kind contributions to private households, T is interpreted as taxes net of such flows. Then the left-hand side of (3) can be decomposed into ‘generational accounts’, since

$$\sum_{j=1}^{\infty} \frac{T_j}{(1+r)^j} = \sum_b (T^{-D} + T^1) + \sum_b (T^2 + \dots + T^{\infty})$$

where the notation \sum_b indicates summation over birth dates and, for example

$$T^1 = \sum_{j=1}^D \frac{T_j^1}{(1+r)^j}, \dots, T^{-D} = \frac{T_j^1}{(1+r)}$$

The T s are referred to as generational accounts. T^1 , the generational account for the cohort born today, represents the present discounted value of the lifetime tax payments of a person born at time 1, who dies at age D . For T^{-D} there is only one term in the sum, because persons in the cohort born D years ago now only have one year to live. Using this decomposition, we have

$$\sum_b (T^{-D} + T^1) + \sum_b (T^2 + \dots + T^{\infty}) = \sum_{j=1}^{\infty} \frac{G_j}{(1+r)^j} - \left\{ \frac{s - \rho}{r - \rho} A_0 - B_0 \right\} \tag{4}$$

Equation (4) is an accounting identity, and requires assumptions about future trends in demographic variables, economic growth rates, and future fiscal policy to be made operational. To give the results some welfare significance – to be able to say that some generations are bearing more or less of the burden of fiscal policy than others – we must also be able to relate the calculated generational accounts to a well-specified model incorporating utility-maximising households, and the standard overlapping generations model (which assumes finite lives and no bequests) is often used to justify the generational accounting approach (see Buiter (1997) for a critique of the usefulness of overlapping-generations models in this context). The size and nature of intergenerational

bequests have not been studied in any detail in Australia. It is also difficult to allocate all components of government consumption expenditure as in-kind benefits (because some are public goods), and to allocate the benefits of public capital, to specific generations.

A series of papers by Guest and McDonald (1998, 2001a, 2001b) is directed towards a similar issue to the generational accounting approach – whether present levels of real per capita consumption in Australia are sustainable. But while Ablett (1996) considers this question from the perspective of the Commonwealth fiscal accounts, Guest and McDonald approach the problem for the economy as a whole – the ‘per capita consumption’ variable that underlies their welfare criterion is the sum of public and private consumption. They implicitly assume infinitely lived consumers and adopt a social-planner’s approach to select a smooth per capita consumption path and, as with Ablett, condition on demographic and productivity-growth assumptions. Instead of the solvency condition underlying fiscal sustainability, the criterion for sustainability in Guest and McDonald is achievement of a specified level of terminal wealth, cast in terms of net foreign liabilities. Guest and McDonald find that even with an ageing population (with consequent reductions in labour-force participation) steady growth in per capita consumption is feasible for the foreseeable future.

Ablett and Guest and McDonald incorporate explicit demographic, fiscal-policy and productivity projections into their analyses. So too has the first *Intergenerational Report* (Costello 2002), produced as a consequence of the *Charter of Budget Honesty Act 1998*. Unlike the approach taken by Guest and McDonald, the *Intergenerational Report* simply projects Commonwealth receipts and expenditures to 2041–42 on the basis of unchanged policy assumptions, the objective being to identify sources of pressure on the Commonwealth budget. While this approach provides a longer-run perspective, and is to be welcomed on that account, it can only be regarded as a first step in the direction of development of official views on analysing intertemporal fiscal issues. It is incomplete in the sense that it ignores the interactions between Commonwealth and state finances. The baseline assumptions, which underlie the conclusion that population ageing will lead to long-run fiscal problems, have not met with universal endorsement.

Other researchers, such as Olekalns (2000), have approached the question of fiscal solvency using time-series methods that are backward-looking, in the sense that the time-series properties of the variables in the future are assumed to be the same as in the past. His approach can be illustrated by reference back to equation (1). Redefine government outlays to include net investment in productive assets, and define revenue R to include taxes and income on assets. Then the budget constraint can be written as:

$$G_t + rB_{t-1} = R_t + (B_t - B_{t-1}) \quad (5)$$

and by iterating forward on B one obtains

$$B_t = \sum_{s=0}^{\infty} \prod_{t=1}^s (1 + r_{t-1})^{-1} (R_{t-s} - G_{t-s}) + \lim_{t \rightarrow \infty} (1 + r_{t+1})^{-1} B_{t+s} \quad (6)$$

Now assume that r_t is stationary. Conditional on satisfaction of the same solvency condition used in derivation of the generational accounts, (6) can be rewritten as

$$(G_1 + rB_{t-1}) - R_t = \sum_{s=0}^{\infty} (1 + r)^{-s+1} [\Delta R_{t+s} - \Delta(G_{t-s} + rB_{t+s-1})] \quad (7)$$

Assuming $(G_t - rB_{t-1})$ and R_t are $I(1)$ variables, a necessary condition for fiscal solvency – in other words, that $(G_t - rB_{t-1})$ and R_t do not drift too far apart – is that $(G_t - rB_{t-1})$ and R_t are cointegrated. Olekalns (2000) tests this hypothesis using Australian data for the twentieth century (actually, 1900–01 to 1994–95), during which time there were significant fluctuations in the fiscal surplus and the level of public debt, and concludes that fiscal solvency conditions are satisfied.

The fiscal accounts given by (1) include realised returns on public assets; for example, dividends paid to the government by Telstra. But much of the public capital stock does not directly earn financial returns. A number of studies, including Otto and Voss (1994, 1996, 1998), have taken a ‘macroeconomic’ approach to measuring the social rate of return on public infrastructure. From a policy perspective, this interest arose from the observation that in Australia and other high-income countries investment in public infrastructure declined over the 1980s and 1990s, even after allowance for the accounting effects of privatisation. Because it was associated in the 1980s with a period of low productivity growth, this trend led to concern that public capital stocks might be inefficiently low (Gramlich (1994) reviews this literature). But Australian productivity growth in the 1990s has been relatively high, so for those who base their policy analysis on simple bivariate correlations the question of inadequate public-capital provision has become less important in policy debates. In any case, Otto and Voss (1998) suggest that an important part of the explanation of the increasing private-capital intensity of aggregate production is the rising cost of public investment relative to private investment. After taking this relative price shift into account, they find that in Australia over the period 1960 to 1992 the average return on public and private capital was the same (about 9 per cent per annum), supporting the hypothesis of efficient provision of public capital.

Monetary policy and the evolution to inflation targeting

The past two decades have seen a remarkable transformation in the conduct of monetary policy in Australia. Prior to the floating of the exchange rate, the RBA had little effective independence in the conduct of monetary policy because two of the most important policy variables – the exchange rate and the interest rates – were set administratively rather than being determined in relevant markets. As the then newly installed RBA governor put it (Macfarlane 1996:34):

If we go back to the late 1970s or early 1980s, the main way of implementing monetary policy was by influencing the way the budget deficit was financed i.e. by setting interest rates on government securities. This was entirely in the hands of the Treasurer. Bank lending and deposit rates were also centrally determined, ostensibly by the Reserve Bank, but changes required the prior approval of the Treasurer. The exchange rate was determined by a group of three (or at times four) officials, one of whom was the Governor of the Reserve Bank ... Major decisions on monetary policy were taken by the Monetary Policy Committee of Cabinet.

In retrospect it is surprising that, in the environment just described, monetary authorities continued the policy, begun in 1976, of attempting to influence inflation

expectations by announcing targets for M3 growth (Argy, Brennan and Stevens 1990). With a high degree of capital mobility and administratively determined interest rates, the money stock was endogenous over reasonable intervals of time.² Conversely, the float of the dollar in December 1983 and progressive deregulation of interest rates might have led the authorities to take advantage of the new-found flexibility and implement monetary targeting more effectively. In the event, there was sufficient instability in relationships between broader monetary aggregates and nominal income following deregulation of financial markets to make monetary targeting infeasible, and it was abandoned in 1985.

What then followed was a brief period of discretionary policy in which interest rates were adjusted in response to a number of indicator variables – a so-called ‘checklist’. In terms of offering a policy framework to help reduce the output cost of disinflation by influencing expectations, the checklist failed because of its lack of specificity (Stemp (1991) analyses the optimal weights for variables included in the list of indicators). It did not provide a framework within which the private sector could form useful judgements about the likely direction of monetary policy. (It was not until 1990 that the RBA began the current practice of announcing and explaining policy changes on the date of their implementation.) Annual CPI inflation rose back towards 10 per cent during 1986 and 1987, and although there was no formal announcement, the checklist was abandoned by the RBA at some time in 1987 or 1988.

The progressively tighter monetary policy, which began in April 1988, was implemented without any clear objective, at least as perceived by private-sector observers. This led to a long and ultimately inconclusive debate as to whether the RBA was targeting the deficit on the current account of the balance of payments (an objective to which monetary policy is ill-suited), the rate of inflation, or both. Whatever its objectives, Figure 11.1 shows that an increase in short-term interest rates from 10.5 per cent in April 1988 to 18 per cent in May 1989 – identified by Dungey and Haywood (2000) as a tightening phase in monetary policy – was associated with rapid falls in the rate of inflation from 1990 onwards. Dungey and Pagan (2000) suggest that this period of tight monetary policy, while cutting inflation, also increased the output loss in the deep recession of the early 1990s.

The five years from 1988 onwards mark the period during which the RBA came under the most sustained criticism in recent decades. As the critics saw it, the RBA was implementing monetary policy in a discretionary manner with no clearly stated objectives. This approach had been shown to be unsatisfactory on empirical grounds (it led to high inflation in OECD countries in the 1970s and 1980s) and, because it allowed the possibility of time-inconsistent behaviour, it was likely to increase the cost of disinflation. Many of the alternative proposals under discussion outside the RBA, including the inflation-targeting approach that eventually emerged, shared common characteristics. Having a clearly defined nominal anchor (which may also be an objective), whether it is the monetary base, the US dollar, or the rate of inflation, was important.³ Increased transparency in monetary policy was important. So too was the independence of monetary policy.

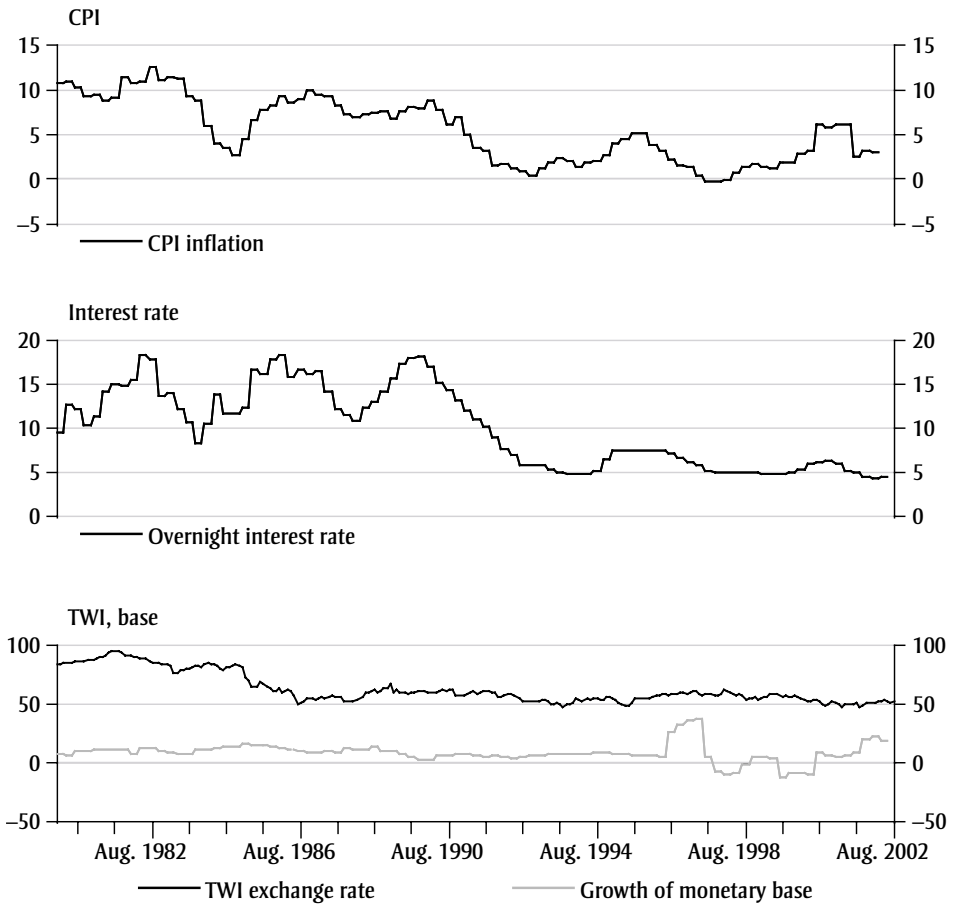


Figure 11.1 Monetary indicators: Annual percentage change, annual rate, and level

In retrospect, the RBA had some difficulty publicly embracing these ideas because they were championed by the then Leader of the Opposition in the Australian parliament, making it a sensitive political matter. But by 1993 speeches by Governor Fraser of the RBA were referring to the objective of keeping inflation around 2 to 3 per cent. Inflation targeting was formalised in August 1996 when the Treasurer in the recently elected Liberal–National Party government and the incoming governor of the Reserve Bank released a joint *Statement on the Conduct of Monetary Policy*, clarifying the use of an inflation target and reinforcing the independence of the RBA.⁴ Because it is always open to the parliament to amend legislation, little of substance was lost by the fact that, unlike the case in countries such as New Zealand, there was no concurrent change to the *Reserve Bank Act 1959*.

In Australia the objective was defined as ‘keeping underlying inflation between 2 and 3 per cent, on average, over the cycle’. Several features of this specification are noteworthy. At the time, the published consumer price index included mortgage interest

costs as part of the measure of the costs of owner-occupied housing. This procedure had the unfortunate implication that a monetary tightening automatically led to an increase in the CPI. So the objective was defined in terms of an inflation measure that excluded this component of the index, as well as the prices of other items with high short-run volatility. In 1998 the statistical treatment of housing costs was changed to an 'acquisitions' approach, in which the cost of acquiring new dwellings is the basis for measuring price change. While this is also unsatisfactory from an economic point of view (because the services yielded by owner-occupied housing are what are 'consumed'), the Reserve Bank moved back to using the published CPI as the basis for its inflation target.

The second interesting feature of the inflation target is that it is neither a 'point target' nor a 'strict band'. By expressing it in terms of an average of 2 to 3 per cent over the cycle, the RBA has some flexibility in terms of the speed with which it acts to bring inflation back within the target range. This flexibility (and concomitant risk of discretionary rather than rules-based policy) does not appear to have compromised the RBA's ability to achieve its inflation objective thus far. As can be seen in Figure 11.1, the increased inflation that occurred in 1995 and the GST-induced inflation of September 2000 were both corrected with relatively minor increases in short-term interest rates.

Empirical research in monetary economics has changed its focus over the past two decades. The stability of demand functions for broad money aggregates in the 1980s was examined by, among others, Stevens, Thorp and Anderson (1987), Blundell-Wignall and Thorp (1987) and de Brouwer, Ng and Subbaraman (1993). Their conclusion was that demand functions are sufficiently unstable to make them an unreliable basis on which to formulate monetary policy. More recently, interest has shifted from assessing the stability of money and credit aggregates to the way in which changes in the Reserve Bank's interest-rate instrument impacts on real activity. Gruen, Romalis and Chandra (1999) analyse this issue using a single-equation approach with the real short-term interest rate as the policy instrument. A more satisfactory approach is to recognise that it is the nominal overnight rate that is the policy instrument, and that there is feedback from domestic and foreign macroeconomic variables to policy – Dungey and Pagan (2000) and Brischetto and Voss (1999) are examples of this approach. There has also been work on evaluating the performance of alternative policy rules using small empirical models of the Australian economy, exploring the consequences (or to put it another way, the 'information content') of alternative variables in proposed policy rules. De Brouwer and O'Regan (1997) and Dennis (forthcoming) are examples of this work. Dennis concludes that not only have Australian policy-makers actually responded to real exchange-rate and terms-of-trade changes in their attempts to target inflation, but also that this has improved performance. The latter conclusion contrasts with a number of recent US studies.

Equilibrium unemployment: The NAIRU and its relatives

The unemployment rate in Australia has risen significantly since the early 1970s, as is shown in Figure 11.2. A detailed analysis of labour-market outcomes is provided in Jeff

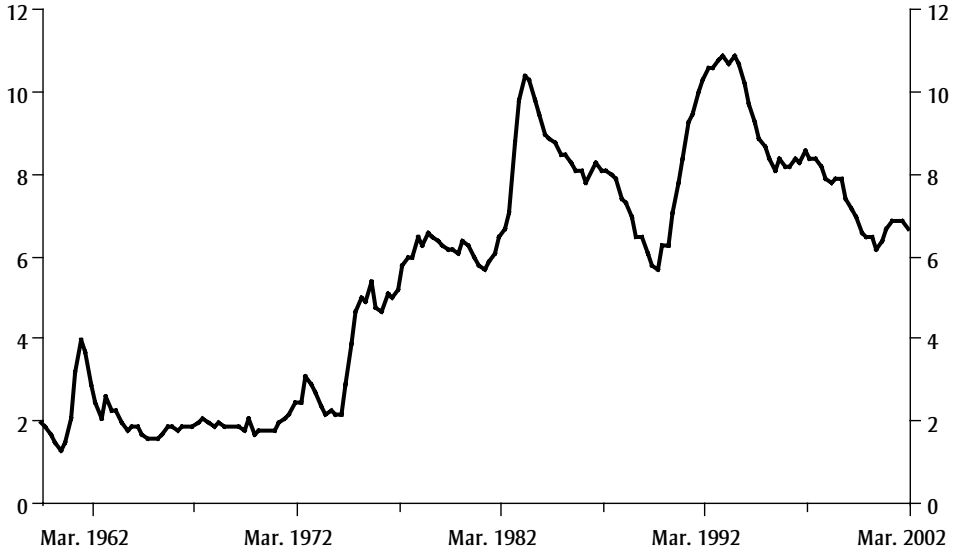


Figure 11.2 Unemployment rate: Percentage of the labour force, seasonally adjusted

Borland's chapter 6 of this volume. The discussion here reflects a division commonly made in economists' discussion of ways to tackle unemployment – measures that affect unemployment through aggregate demand management, or alternatively 'structural' measures emphasising the adequacy of job skills, the efficiency of job search, and incentives set up by the interaction between the tax system, social-welfare support and the unemployment-benefits regime. Seen through the lens of demand management, the Australian macro literature appears to suggest two things – that there is virtually no agreement on the level to which 'demand managers' can reasonably expect to be able to reduce unemployment, but that, despite this diversity of views, policy-makers should focus attention on 'single-number' measures such as the natural rate of unemployment in formulating stabilisation policy.⁵ The conclusion of this section is that the diversity of views is more apparent than real, and that the RBA is correct in not following the advice of those who wish to formulate policy on the basis of single-number estimates of the state of demand.

Consider the three equations below, which Gruen, Pagan and Thompson (1999) use to organise their discussion of Phillips-curve research in Australia:

$$\begin{aligned}\Delta_k p_t &= \beta_1 \Delta_k ulc_t + \beta_2 \Delta_k pm_t + \beta_3 DEM_t - \beta_4 (p_{t-k} - \omega \cdot ulc_{t-k} - (1 - \omega) pm_{t-k}) \\ \Delta_k ulc_t &= \lambda \pi_t^e + \phi DEM_t \\ \pi_t^e &= (1 - \delta) \Delta_k p_{t-1} + \delta \pi_t^f\end{aligned}\quad (8)$$

The first of these equations has the k^{th} difference of the log of consumer prices as its dependent variable. The independent variables are the k^{th} difference of the log of unit labour costs and import prices, a measure of demand pressure, and an error correction term involving the price level, the level of unit labour costs, and import prices. In the second equation the k^{th} difference of the log of unit labour costs is related to expected inflation and a demand-pressure variable, while in the third we have an equation that

relates expected inflation to past inflation and forward-looking inflation measures such as might be obtained by using survey data.

If the measure of demand pressure is derived from the labour market, a measure of the unemployment rate at which inflation in prices or in unit labour costs is constant can be derived from various specialisations of the above equations. For example, Gruen, Pagan and Thompson (1999) estimate a price Phillips curve of the form

$$\Delta_4 p_t - \Delta_4 p_{t-1} = \delta(\pi_t^f - \Delta_4 p_{t-1}) + \gamma \frac{u_t - u_t^*}{u_t} + d \frac{\Delta u_{t-1}}{u_t} + \alpha_1(\Delta_4 pm_{t-1} - \Delta_4 pm_{t-2}) + a_1(\Delta p_{t-1} - \Delta p_{t-2}) \quad (9)$$

and a wage Phillips curve (or, more accurately a unit-labour-cost Phillips curve)

$$\Delta_4 ulc_t - \Delta_4 p_{t-1} = \delta(\pi_t^f - \Delta_4 p_{t-1}) + \gamma \frac{u_t - u_t^*}{u_t} + d \frac{\Delta u_{t-1}}{u_t} + \alpha_1(\Delta_4 ulc_{t-1} - \Delta_4 p_{t-2}) + a_1(\Delta ulc_{t-1} - \Delta ulc_{t-2}) \quad (10)$$

In both cases u_t^* denotes the NAIRU – that level of the unemployment rate at which there would be no demand pressure on inflation in prices or unit labour costs – and Gruen, Pagan and Thompson (1999) assume that this evolves as a random walk.

Econometric estimation of the parameters of these equations is complex and the interested reader is referred to Gruen, Pagan and Thompson (1999) for details. However, once equipped with estimates of the parameters, one can derive an estimate of u_t^* by solving (9) or (10) using the assumption that the rate of inflation is unchanged at current levels, and that the unemployment rate is constant, together with the estimated properties of the random walk process for u_t^* .

A number of general points can now be made. The first is that although the estimate of u_t^* derived from both (9) and (10) is described as a NAIRU (non-accelerating inflation rate of unemployment), there is no reason to believe that these two estimates will be numerically the same, because they are used to capture different measures of demand pressure – one for unit labour costs, and the other for prices. Using obvious notation, this point is clear from the estimates of (9) and (10) obtained by Gruen, Pagan and Thompson (1999): in the early 1970s $u_t^*(p)$ (at around 8 per cent) exceeds $u_t^*(ulc)$ by more than 2 percentage points, while the reverse is true in the early 1990s, when $u_t^*(p)$ was around 3 per cent. This general point – that the interpretation of an estimated NAIRU is highly dependent on the framework from which it is derived – applies more generally, but has not been given much prominence in the Australian literature. A related point is that the estimated value of the NAIRU is dependent on the specification and estimates of the equation used to derive it. So it should not be surprising that even if attention is restricted to estimates of $u_t^*(p)$, values will differ because of the different specifications on which they are based.

The above discussion assumes that measures of demand pressure in (8) are derived from the labour market. Dungey and Pitchford (2000) take a different approach, preferring to proxy demand pressure by differences in the output growth rate. In other respects the logic of their derivation of steady-inflation equilibrium is the same as for the NAIRU, the resulting single-number estimate being described as the SIRG, or steady-inflation rate of growth.

Things are further complicated by the fact that the so-called 'natural rate' of unemployment is also sometimes used to denote a NAIRU. This is confusing because the term 'natural rate' is a more general one used to describe the hypothetical unemployment rate that would emerge if certain equilibrium conditions were met. Groenewold and Hagger (1998), for instance, estimate the natural rate by constructing a model that enables them to estimate the rate of unemployment that would emerge in the absence of labour mismatch induced by differences in sectoral growth rates in the economy. Fahrner and Pease (1993) do not model the equilibrium unemployment rate itself, but the so-called Beveridge curve, which describes an equilibrium relationship between the job-vacancy rate and the unemployment rate. Holding the vacancy rate constant, shifts in this curve can be used to infer changes in factors such as the efficiency of job search, and skill and locational mismatches between job vacancies and job seekers. Shifts in the natural or equilibrium rate of unemployment can be identified in this way. These differences in conceptual framework can result in large differences in estimates of the natural rate – in 1985 the Groenewold and Hagger (1998) estimate is, at around 9 per cent, 2 percentage points higher than that obtained by Fahrner and Pease (1993).

Finally, we doubt that the emphasis on estimates of equilibrium unemployment or single-number estimates of demand pressure have, by themselves, much direct relevance to the deliberations of those who set monetary policy. While the equations in (8) are proposed by Gruen, Pagan and Thompson (1999) as an organising framework for discussing Australian research, there is a striking similarity between these equations and the way in which the Reserve Bank discusses inflationary prospects in its regular *Statement on Monetary Policy*. These presentations follow a regular pattern – first, there is a discussion of recent trends in consumer and producer prices, followed by a section on labour costs and inflation expectations, and a concluding section provides views on the inflationary outlook. Clearly, demand pressure has a role to play in this analysis, but it would appear that policy-makers are – whether formally or informally – analysing inflation using the whole system described by (8), rather than emphasising the NAIRU or SIRG that can be derived as a special case of it. In the view of the present writer this is as it should be, because useful information is necessarily lost in only considering special (equilibrium) cases of forecasting equations.

What can be concluded from Australian macro research on equilibrium unemployment? There is a general consensus that the NAIRU and other 'natural rate' measures of unemployment have risen significantly in Australia since the early 1970s. Although there is a good deal of uncertainty as to how much it has risen, it is generally believed that the extent to which aggregate demand-management can reduce unemployment below 5 or 6 per cent is limited. Other labour-market policies will be required to make significant inroads into unemployment.

Notes

- 1 See Caves and Krause (1984) and Gruen (1986). For more recent surveys of the Australian macro economy and policy see Grenville (1990) and Gruen and Shrestha (2000).

- 2 Monetary targeting was practised in Australia from 1976 to 1985. Argy, Brennan and Stevens (2000) detail performance in terms of monetary targets and outcomes in Australia and other countries.
- 3 An account of this debate from the point of view of the RBA is provided in Macfarlane (1999). See also Hartley and Porter (1989), Sieper and Wells (1991) and Hanke, Porter and Schuler (1992).
- 4 The statement is available at http://www.rba.gov.au/PublicationsAndResearch/Bulletin/bu_sep96/bu_0996_1.pdf
- 5 For a striking graphical representation of the variety of estimates of the 'natural rate' of unemployment, see Borland and Kennedy (1998: 71). Lye, McDonald and Sibley (2001) have used a different approach to most of the literature in that they derive a range of values over which demand management can influence unemployment. Clearly it is the minimum of this range that is policy-relevant, so some of our comments on 'single-number' estimate also apply to uses that might be made of this research.

References

- Ablett, J. 1996. Intergenerational accounting and saving in Australia. *Economic Record* 72(218):236–45.
- Albon, R. 1995. Ensuring responsibility in Australian budgets. *Agenda* 2(1):17–26.
- Argy, V., A. Brennan and G. Stevens. 1990. Monetary targeting: The international experience. *Economic Record* 66(192):37–62.
- Benge, M., and G. Wells. 2002. Growth and the current account in a small open economy. *Journal of Economic Education* 33(2):152–65.
- Blundell-Wignall, A., and S. Thorp. 1987. *Money Demand, Own Interest Rates and Deregulation*. Research Discussion Paper 8703. Canberra: Reserve Bank of Australia.
- Borland, J., and S. Kennedy. 1998. 'Dimensions, structure and history of unemployment' in *Unemployment and the Australian Labour Market*. Edited by G. Debelle and J. Borland, pp. 68–99. Canberra: Reserve Bank of Australia.
- Brischetto, A., and G. Voss. 1999. *A Structural Vector Autoregression Model of Monetary Policy in Australia*. Research Discussion Paper 9911. Canberra: Reserve Bank of Australia.
- Buiter, W. 1997. Generational accounts, aggregate saving and intergenerational distribution. *Economica* 64(256):605–26.
- Caves, R.E., and L.B. Krause (eds). 1984. *The Australian Economy: A View from the North*. Sydney: Allen and Unwin.
- Commonwealth Treasury. 2001. The net income deficit over the past two decades. *Economic Roundup Centenary Edition*.
- Costello, Hon. P. (Commonwealth Treasurer). 2002. *Intergenerational Report 2002–03*. Canberra: Parliament House.
- de Brouwer, G., I. Ng and R. Subbaraman. 1993. *The Demand for Money in Australia: New Tests on an Old Topic*. Research Discussion Paper 9314. Canberra. Reserve Bank of Australia.
- de Brouwer, G., and J. O'Regan, 1997. *Evaluating Simple Monetary-Policy Rules for Australia*. RBA Annual Conference Volume 1997–16. Canberra: Reserve Bank of Australia.
- Dennis, Richard. Forthcoming. Exploring the role of the real exchange rate in Australian monetary policy. *Economic Record*.
- Dungey, M., and B. Hayward. 2000. Dating changes in monetary policy in Australia. *Australian Economic Review* 33(3):281–5.
- Dungey, M., and A. Pagan. 2000. A structural VAR model of the Australian economy. *Economic Record* 76(235):321–42.

- Dungey, M., and J. Pitchford. 2000. The steady inflation rate of economic growth. *Economic Record* 76(235):386–400.
- Fahrer, J., and A. Pease. 1993. The unemployment-vacancy rate in Australia. *Australian Economic Review* 4:43–57.
- Forsyth, P. 1990. Why microeconomic reform won't reduce foreign debt. *Policy* 8(Winter):13–16.
- Gramlich, E.M. 1994. Infrastructure investment: A review essay. *Journal of Economic Literature* 32:1176–96.
- Grenville, Stephen (ed.). 1990. *The Australian Macro-Economy in the 1980s*. Canberra: Reserve Bank of Australia.
- Groenewold, N., and A.J. Hagger. 1998. The natural unemployment rate in Australia since the seventies. *Economic Record* 74(224):24–35.
- Gruen, D., A. Pagan and C. Thompson. 1999. The Phillips curve in Australia. *Journal of Monetary Economics* 44(2):223–58.
- Gruen, D., J. Romalis and N. Chandra. 1999. The lags of monetary policy. *Economic Record* 75(230):280–94.
- Gruen, D., and S. Shrestha (eds). 2000. *The Australian Economy in the 1990s*. Canberra: Reserve Bank of Australia.
- Gruen, F.H. 1986. How bad is Australia's economic performance and why? *Economic Record* 62(177):180–93.
- Guest, R., and I. McDonald. 1998. 'The socially optimal level of saving in Australia, 1960–61 to 1994–95', *Australian Economic Papers* 37(3):213–35.
- . 2001a. National saving and population ageing. *Agenda* 8(3):235–46.
- . 2001b. Ageing, optimal national saving and living standards in Australia. *Economic Record* 77(237):117–34.
- Hanke, S.H., M.G. Porter and K. Schuler. 1992. 'A Bundesbank or a Reserve Currency Board?' in *Can Monetary Policy be Made to Work?* Edited by D. Moore, pp. 36–50. Melbourne: Institute of Public Affairs.
- Hartley, P.R., and M.G. Porter. 1989. 'Monetary management in Australia' in *The Good Fight: Essays in Honour of Austin Stewart Holmes (1924–1986)*. Edited by C. Ulyatt. Sydney: Allen and Unwin.
- Lye, J.N., I.M. McDonald and H. Sibly. 2001. Estimates of the range of equilibrium rates of unemployment for Australia. *Economic Record* 77(236):35–50.
- Macfarlane, I.J. 1996. Making monetary policy: Perceptions and reality. *Reserve Bank of Australia Bulletin*. October:32–7.
- . 1999. Australian monetary policy in the last quarter of the twentieth century. *Economic Record* 75(230):213–24.
- Makin, A.J. 1989. The external imbalance: Burden or blessing? *Australian Quarterly* 61(3):337–43.
- Olekalns, N. 2000. Sustainability and stability? Australian fiscal policy in the twentieth century. *Australian Economic Papers* 39(2):138–51.
- Otto, G., and G. Voss. 1994. Public capital and private sector productivity. *Economic Record* 70(209):121–32.
- . 1996. Public capital and private production in Australia. *Southern Economic Journal* 62(3):723–38.
- . 1998. Is public capital provision efficient? *Journal of Monetary Economics* 42(1):47–66.
- Pitchford, J. 1989. Does Australia really have a current account problem? *Policy* 5(Winter).
- . 1990. *Australia's Foreign Debt: Myths and Realities*. Sydney: Allen and Unwin.

- Quiggin, J. 2001. The Australian productivity miracle: A sceptical view. *Agenda* 8(4):333–48.
- RBA. 1988. *Report and Financial Statements*. Annual report. Canberra: Reserve Bank of Australia.
- Sieper, T., and G. Wells. 1991. 'Macroeconomics on the left – Australia and New Zealand in the eighties' in *Australian Economic Policy*. Edited by F.H. Gruen, pp. 235–80. Canberra: ANU Centre for Economic Policy Research.
- Stemp, P. 1991. Optimal weights in a check-list of monetary indicators. *Economic Record* 67(196):1–13.
- Stevens, G., S. Thorp and J. Anderson. 1987. *The Australian Demand Function for Money: Another Look at Stability*. Research Discussion Paper 8701. Canberra: Reserve Bank of Australia.
- Wells, G. 1991. Debt and the current account. *New Zealand Economic Papers* 25(1):1–18.

Money and Banking

Bruce Felmingham

Sansom (1991) coins the phrase 'a grammar of exchange' to describe pre-white-settlement modes of payment prevailing in Indigenous Australian communities. This grammar of exchange is a voluntaristic philosophy counterposing a white European one based on the creation of an artificial commodity labelled money. In tribal cultures, aborigines holding surplus work capacity or material possessions are called on to help those in deficit in the expectation that such favours are returned in due course. No prices or values are placed on these exchanges, rendering many of the normal paradigms of an exchange economy redundant. The European settlement of the Australian continent did not have any initial impact on Indigenous Australians and through time Aboriginal culture was able to absorb European money in a bimodal culture of exchange: the Australian dollar applying in relation to transactions in the outside economy and the traditional grammar inside the Aboriginal community. European settlement has not apparently led to the monetisation of the Aboriginal mind.

An explanation of this outcome may be found in Dowd's (1991) analysis of Australia's early monetary history, which indicates that the blueprint for the establishment of the colony of New South Wales did not include a provision for money and banking. The absence of a monetary constitution in 1788 meant that Indigenous Australians were not immediately confronted by a set of institutions, instruments and rules that might have challenged the indigenous philosophy of exchange and trade. The absence of a monetary constitution and the makeshift financial arrangements that replaced it were to have a profound impact on the evolution of Australia's capital market, according to scholars such as Dowd (1988, 1991).

The evolution of Australia's monetary constitution

This lacuna in the first settlers' kitbag was filled by a series of free banking ventures beginning with the Macquarie Bank of New South Wales, established in 1817, and a series of single-branch, colonial ventures without all the nineteenth-century trappings of a regulated financial system. The 1830s pastoral boom, the 1850s gold rush and the resulting financial-capital inflow led to the rapid growth of Australia's unregulated banking system.

The fifteen trading banks existing in 1860 had almost 200 branches, and there were many savings banks and sixty building societies. These unregulated institutions expanded until the 1880s, although Merrett (1989) indicates that market shares altered markedly with increasing competitive pressures. For example, the trading banks' share of financial assets fell from 90 per cent in 1883 to 65 per cent a decade later. It was competitive pressure that made this unregulated banking system vulnerable to a downturn and several institutions did not survive the 1890s depression. By 1892, the colonial banking system was composed of seven larger banks with 100 branches located in several colonies, five intermediate banks operating up to 100 colonial branches and five small banks with fewer than five branches (Schedvin 1989). This highly concentrated industry (four banks held 50 per cent of colonial deposits) did not make excessive profits (Pope 1987:7–8), and profits declined as interest margins narrowed throughout the 1880s (Pope 1989:11).

Australia's century of free banking offered some marked contrasts to the nineteenth-century banking experience in Europe and North America. In particular, note issue was not a feature of the Australian system, while, in direct contrast to North American developments, the Australian banks had a predilection for branch banking. This became the main form of non-price competition among the colonial banks. The outstanding characteristic of Australia's century of free banking was its association with the collapse of several financial institutions during the 1890s. The absence of a uniform regulatory framework was blamed (Dowd 1991:49). The reaction was manifest in an overregulated commercial banking system in the first half of the twentieth century, and this may have made deregulation a costly process in the 1980s and 1990s.

Was the lack of regulation the root cause of the 1890s banking crash? The sum total of the research evidence about bank failures in the 1890s suggests a negative answer. Dowd (1991:69) blames the competitive pressures on the banks combined with the stresses of depression: the collapse of colonial terms of trade; an investment drought; and the bursting of a Japanese-style land-price bubble that drained bank reserves. Fisher and Kent (1999) support this view in a formal study comparing the depression of the 1890s with that of the 1930s, when bank failures were less common, although the economic downturn in 1930 was commensurate with the 1890s collapse.

Australia's century of free banking was prolonged by the absence of a central bank. The Reserve Bank of Australia (RBA) was not established until 1959. The legislation that separated the RBA from the government-owned Commonwealth Bank of Australia (CB) was the culmination of an evolutionary process in which the CB usurped many central banking functions while remaining a competitor in the commercial banking industry. The monopoly of the note issue was resumed by the CB in 1924 following a troublesome period in the hands of the Australian Notes Issue Board. The troubles are analysed by Coleman (2001) and concern the question of the independence of the note issue from government influence. This debate has resurfaced in discussions about the independence of the RBA. The CB became the government's banker and assumed responsibility for Commonwealth Debt management shortly after its establishment in 1912, and took over the responsibility for exchange-rate management from a trading-bank cartel during the 1930s Depression. Heavy foreign borrowing and a fall in the foreign (London) funds of the banks forced the government's hand.

The CB's claims to central-bank status were further enhanced by the findings of the Royal Commission into the Monetary and Banking Systems (1937) recommending that the CB hold reserve deposits of the commercial banks; make London funds accessible to the CB; and supervise commercial bank operations. The CB's central-bank status was further entrenched by the National (Security) Banking Regulations (1941) giving the CB power to issue bank lending directives, to set interest rates and to operate commercial banks Special Accounts.

By 1959, the CB was performing practically all major central-bank functions and its position in the commercial-banking market as both central and commercial banker was untenable. The RBA was promulgated as Australia's publicly owned central bank in 1959, leaving the rump of the CB as a publicly owned commercial competitor to the privately owned banks.

Deregulation

The case for deregulation is put succinctly by Harper (1986) and Porter (1983). Harper put his case by analysing deregulation over the period from 1980 to 1986, and Porter did so in his commentary on the Campbell Report. Harper's explanation of the rapid advance of financial deregulation comes down to the confluence of public and private interests. From a public perspective, there was the realisation among the monetary authorities of a lesser need for some of the blunter monetary-policy instruments in a deregulated environment and lesser prospects for monetary-authority control over the growth of credit. Further, the deregulated financial institutions tended to outperform those remaining regulated and the deregulation process assumed its own internal dynamic for further change. Porter generally welcomes the Campbell Report's reliance on market forces, but also warns that efficiency gains will be made at the expense of social justice.

A four-decade gap between the 1937 Royal Commission into the Monetary and Banking Systems and any further independent inquiry into Australia's money and banking arrangements was closed with the convening in 1979 of the Australian Financial System Inquiry under the chairmanship of K.F. Campbell. Many of the Campbell recommendations (see Committee of Inquiry into the Australian Financial System 1981) were implemented in the era of Labor governments led by Hawke or Keating. The following were adopted: the removal of interest-rate ceilings; the entry of new banks including foreign banks; the float of the Australian dollar; a switch to rates of interest from monetary targets as a policy basis; the implementation of capital adequacy requirements as the basis of prudential oversight of financial institutions; and the allowance for imputation credits in corporate taxation.

The Campbell inquiry was followed by the Martin Review (1984), which reassessed the Campbell inquiry's recommendations in the light of post-1981 developments in the financial sector: a Commonwealth Parliamentary Select Committee Inquiry chaired by S. Martin, MHR, and the Financial System Inquiry chaired by Stan Wallis (the Wallis Report) pushed the reform stimulus further. The Wallis inquiry was designed to take stock of the deregulation story following the Campbell inquiry and to

take into account the continuing impacts of technology and globalisation on the Australian financial system. The significance of these four reform threshold reports and the links between them are analysed succinctly by Edwards and Valentine (1998).

Critics such as Henderson (1982) pointed to the failure of the Campbell Report, in relation to welfare issues, in particular the impact of interest hikes on the housing opportunities of low-income earners. Graham and Leong (1982) expressed disappointment with the report's failure to specify reforms about the asset side of institutions' balance sheets – a view backed up by the bad lending decisions of some institutions in the late 1980s. Sheehan and Derody (1982) express reservations about the report's preoccupation with excessive regulation as an explanation of institutional problems, and stress the significance of money illusion among institutional managers and their failure to address the effects of inflation as additional explanators of financial market stresses. Withers (1981) adds a further dimension by finding small efficiency gains flowing from deregulation. The Campbell Report became the reform blueprint despite its critics, but it was patently clear that further inquiries would follow.

The Martin group¹ was commissioned by a newly elected Labor government to assess the Campbell Committee; in practice and in general terms this group endorsed the Campbell agenda. The Martin group reached the conclusion that Campbell's prescriptive approach to prudential controls was excessive and should move in principle from a position of control to a position of support, a principle evident in the revised prudential arrangements of the early 1990s. The Martin group did, however, endorse Campbell's approach to housing interest-rate deregulation, viewing this reform as both efficient and socially acceptable. Further inquiries followed. A House of Representatives Standing Committee on Finance and Public Administration (1991), chaired by S. Martin, generally rejected ongoing criticism of the banks, but endorsed a user-pays approach to the levying of bank charges; according to Edwards and Valentine (1998), its chairperson stressed the importance of monitoring bank behaviour. A further select committee, the House of Representatives Standing Committee on Banking, Finance and Public Administration (1992) was critical of the banking industry's progress on the implementation of reforms.

The Wallis inquiry was commissioned to examine the impacts of information technologies on banking and to propose necessary reforms. Its final report was presented in March 1997.² This report finds evidence of slowly evolving competition among institutions, more efficient security pricing and increased international competitiveness following the implementation of Campbell's reforms. However, there were substantial adjustment costs, including the imprudent credit expansion of the late 1980s and consequent non-provisional bad debts and bankruptcies.

Harper (1997) describes the vision of the Wallis inquiry as encompassing a thrust towards accelerated efficiency gains in Australia's capital market, and as accommodating globalisation, the formation of even larger conglomerates in the financial sector, market widening and a shift away from intermediation towards marketing in servicing financial needs. The catalysts for change included changes in consumer preferences, the effects of technical change and increasing demands on the regulatory framework.

These visions are evident in the Wallis inquiry's recommendations (Financial System Inquiry 1997). First, the inquiry recommended that four regulatory institutions be col-

lapsed into three, including: a reduced regulatory role for the RBA confined to monetary policy, financial-system stability and the integrity of the payments system; the establishment of the Australian Prudential Regulation Authority (APRA) to undertake the prudential regulation of all deposit-taking institutions and managed funds; and a Corporate and Financial Services Commission (CFSC) to oversee market conduct, disclosure and consumer protection. Second, the inquiry recommended that the 'six pillar' policy be abandoned, and that the mergers of the four major banks and the two major insurance groups be allowed and that mergers with foreign institutions be condoned.

The Commonwealth government accepted the first recommendation unconditionally. This had the effect of creating a level regulatory playing field for all financial institutions, and in the view of the inquiry made a comprehensive system of deposit insurance unnecessary. The RBA lost its prudential-supervision role, but continues to service a last-resort function, while the RBA governor became an *ex officio* member of the APRA board. The second recommendation was accepted, with the notable exception of a continuing restriction on domestic bank mergers.

The Wallis Report brought the deregulation process through its full cycle by adding to this the reform of existing regulatory structures. It is timely to summarise contemporary research that analyses the performance of the institutions in a deregulated framework.

Milbourne and Cumberworth (1991) find benefits for consumers in the form of narrower interest margins following deregulation, but these widened again post-1985, despite continuing declines in banks' average operating costs. They explain the post-1985 increase as due to increases in the provision for doubtful debts in the banking industry, a conservative approach motivated by a climate of increased uncertainty and volatility. Hogan and Sharpe (1984) find bank stocks to be relatively more risky than the market – β risk. They find that the banks' β risk is unstable in a pre-deregulation era, a finding later questioned by Harper and Scheit (1992), but confirmed by Brooks and Faff (1995). However, these last two sets of authors agree that deregulation has not produced increased β risk instability, a most important finding for overall financial-system stability. This issue is resumed by Gizycki and Goldsworthy (1999), who discover two countervailing trends in the determination of bank risk: an upward trend in the volatility of asset prices, which increase market perceptions of bank risk, and rising capital–asset ratios, which reduce such perceptions. These authors conclude that the riskiness of the bank sector declined in the 1990s in a deregulated environment. Gizycki (2001) finds that macroeconomic variables do affect banks' risk and profitability in the deregulated era.

A related aspect concerns the appropriate mode of regulating bank interest-rate exposures. Valentine (1997) argues that the preferred mode is for the banks to monitor their own interest-rate exposures subject to independent supervision, which ensures that individual bank monitoring is effective. Davis (1995) adds a further perspective to this prudential supervision argument by partly attributing the financial instability of the mid-1980s to a lack of attention given to agency problems in banking. The benefits of deregulation were stifled by inadequate monitoring and controls of bank management. So the emphasis in prudential supervision on capital adequacy is not enough because

this depends on agency relationships between shareholders, depositors and government and not upon agencies involving management alone. Further attention must be paid to corporate governance.

Foreign banks, state banks and non-bank institutions

These impacts of deregulation on the banking industry were associated with sometimes countervailing rationalisation of the non-bank sector. Certain institutions, in particular the state banks, were in some cases the victims of deregulation, while the foreign banks were creatures of it.

Some state-owned financial institutions caught the mid-to-late-1980s disease of rapid deposit and credit expansion leading to an overburden of bad debt. The State Bank of Victoria (SBV) was thrust into a financial morass by the \$2.7 billion losses incurred in its money-market subsidiary TriContinental. A royal commission established that TriContinental losses were largely explained by TriContinental's imprudent lending. The SBV-TriContinental fiasco was resolved when the CBA was partially privatised in 1991. Some of this private capital was allocated to the absorption of the SBV (Felmingham and Coleman 1995:321). The State Bank of South Australia (SBSA) foundered on the same craggy financial rock (bad loans) and was rescued by the South Australian government prior to its sale to private interests. The demise of these state banks may have been hastened by their legal status. These state-owned institutions were not subject to the same degree of prudential supervision applied by the RBA to other banks. Further, both the SBV and the SBSA were created from the combination of several existing savings banks and their inherited expertise lay in the areas of personal and home loans. They were ill-prepared for the subtleties of the corporate loans market, where many mistakes were made. Corporatisation of these state banks was followed by privatisation in both cases, and the need for the RBA to exercise its lender-of-last-resort function was eschewed (Fitzgibbon and Gzycki 2001:66).

Foreign banks operated non-bank subsidiaries in Australia well before the Campbell Report recommended the issuance of foreign bank licences. Fifteen were issued in 1983, but the sophisticated branch structure of Australia's four major domestic banks restricted bank penetration of the retail banking market and most of the fifteen licences were driven back to the wholesale banking market. The foreign-bank share of the Australian market is only 10 per cent, about half the aspired level. Williams (1996, 1998) finds that foreign-bank performance in Australia is a function of the size and scale of the parent company and the duration of Australian operations, and he also confirms an international finding to the effect that net interest/fee margins, which increase foreign-bank profitability, are negatively correlated with bank size.

The non-bank financial institutions (NBFIs) prospered in the unevenly regulated environment of the 1960s and 1970s driving the commercial banks' share of all financial assets down to 59 per cent. However, the banks' market share improved with the advent of information technology (IT), product diversification involving foreign exchange and derivative products. Edey and Gray (1996) attribute this outcome to the

scale and scope advantages of the banks. These innovations, in tandem with the now level regulatory playing field, pushed the banks' share of total financial assets back to 73 per cent in 1992 (Felmingham and Coleman 1995:418).

The pressures of competition created by deregulation forced 'within'-sector mergers among the NBFIs: credit unions merged with other credit unions and building societies with similar institutions. Some narrowed their focus onto particular market niches (closed bond credit unions), while others expanded their horizon and became banks.

The managed-funds sector prospered throughout the 1980s and 1990s. Edey and Gray (1996:39) identify the following explanations: tax advantages created in 1983 and 1988 made private superannuation a popular mode for personal savings, while the introduction of award superannuation in 1986 and a mandatory superannuation guarantee levy (SGL) in 1991 further accelerated the growth of superannuation funds. The outcomes of these measures are evident in relative growth rates: the growth of banks' assets (30 per cent) lagged managed funds' asset growth (40 per cent from September 1997 to September 2001). The economic effects of the SGL and tax-induced superannuation are explored by Fitzgerald and Harper (1991), who find that the SGL increases national savings, but that tax incentives have only a limited impact on savings. Edey, Foster and Macfarlane (1991) suggest that a reduction in marginal income-tax rates on those approaching retirement is a superior approach to the encouragement of thrift.

The non-bank financial institutions prospered in terms of their market share in the 1960s and 1970s, leaving the banks with a comparatively low 59.5 per cent of the aggregate value of the assets of the depository institutions. This is explained partly by a regulatory system that was tilted in favour of the NBFIs, but more significantly from the absence of IT-based technologies and from the diversification of the market for financial services. Technology assisted the banks because they were able to exploit scale economies in the innovation of IT financial services. These scale advantages are identified by Walker (1998). Product diversification was also biased towards the banks as the financial services industry diversified into foreign exchange, interest-rate and derivative products. The majority of these developments eventuated in the banks, and according to Edey and Gray (1996) they occurred on a large scale. By 1995, Australia had the ninth-largest foreign exchange market and the sixth-largest interest-rate futures market.

The RBA post-Wallis

The implementation of the Wallis recommendations created a single financial-service marketplace for all Australian financial institutions. An aspect of this reform was that the RBA no longer supervised the commercial banks, a responsibility that passed to APRA. Fitzgibbon and Gizycki (2001), citing the Wallis inquiry findings, indicate that the RBA's responsibility for monetary policy, the management of liquidity and the interbank settlement system gave it sufficient authority to manage systemic risks to the financial system. In addition to these functions, the RBA retains control of the Australian note issue, acts as banker to the banks, provides lender-of-last-resort arrangements, and continues to play a central role in a post-Wallis revamped payments system.

The RBA manages and sets prudential standards while continuing its exchange settlement function. The RBA's supervision of the payments system is secured through the Australian Payments System Council (APSC) and the Australian Payments Clearing Association (APCA). The membership of the APCA was expanded to include NBFIs such as building societies and credit unions. These institutions were allowed to issue cheques provided they met the prudential standards set by the APCA. Deregulation of the payments system removed bank domination of it and removed an inequity in the treatment of the non-bank deposit-taking institutions (Quigley 1997). Access to the exchange settlement account system was also liberalised to widen access to non-banks. The same proviso also applied, namely that access to the exchange settlement system be conditional on the non-bank deposit-taking institutions satisfying prudential standards of the same order as those applying to the banks (Brown and Davis 1997). The exchange settlement accounts held at the RBA operate as the accounting medium for the clearance of obligations between payments providers. Large payments are settled one by one on a real-time gross settlement (RTGS) basis, while small transactions are settled in batches on a deferred basis.

The institutional characteristics of the RBA's policy approach have changed with the intention of monetary policy, which in the 1960s and 1970s was concerned with the direct regulation of the banking system. Direct controls applied to trading banks, including the requirement that these institutions maintain statutory reserve deposits (SRD) at the RBA. This gave the RBA discretionary control of trading-bank liquidity. The liquidity of the trading-bank sector was secured by the trading banks' agreement to maintain an agreed percentage of their assets in liquid assets and government securities. The savings banks were not subject to the SRD policy, but were required to meet separate liquidity requirements. These arrangements changed with the abandonment of quantitative policy controls, including the SRD policy in 1988, followed by the abolition of the distinction between trading and savings banks in 1989.

The rates approach to monetary policy over the period 1990 to 1997 is described by Rankin (1992). In this period, the twenty-four-hour overnight cash market was segmented into two parts: the relatively small 'official' cash market and the much larger 'unofficial' cash market. The official market comprised 'same-day value' exchange settlement funds maintained by the commercial banks at the RBA. These same-day funds were used by the banks to meet their daily exchange settlement obligations, and in particular to maintain end-of-day credit balances. This official market included nine authorised money-market dealers (AMMDs) who maintained credit balances in their clearing accounts. The RBA's influence over the official cash rate was based on its capacity to alter the supply of cash (credit balances in the ESA and clearing accounts). The core of this official market was the secured loans made by the banks to the AMMDs. Monetary policy was based on the RBA's announcements about targets for official cash rates and reliance upon a significant pass through of cash-rate changes to other market rates. The relevance of the distinction between official and unofficial cash rates must be questioned in the light of the results presented by Elliot and Bewley's (1994) study of the differential between these rates. These authors found only a small, remarkably stable 1 per cent differential between these cash rates.

The distinction between official and unofficial cash markets and rates was removed in July 1997, but the institutional characteristic of monetary policy remained. The RBA continues to declare targets for a single cash rate and relies on open market operations to maintain the cash rate in a narrow band around the declared target. The intermediaries in the cash market are the banks and the money-market corporations (MMCs), while the AMMDs disappeared with these changes.

The effectiveness of this rates-based monetary policy depends on the extent of the pass through from changes in cash rates to other market-determined rates. Lowe (1995) finds that pass through is complete and often instantaneous, particularly at the short-term end of the term structure (three-month and six-month certificates of deposit (CDs); 90-day and 180-day bank bills; thirteen-week treasury notes (T/N); cash management trust (CMT) rates), but pass through is slower and not always complete at the long-term end of the yield curve. Explanations of a slower adjustment path through from cash to long-term market rates include competitive pressures, particularly on banks, which forces them to squeeze interest margins and not follow cash-rate adjustments precisely (Lowe 1995:10–30). Cagliarini and Heath (2000) and Debelle and Cagliarini (2000) explore the effect of uncertainty on the divergence between model forecasts of policy-induced interest-rate adjustments and the smooth time-path response observed in practice.

The objectives of monetary policy and its *modus operandi* over the past twenty-five years are summarised by Macfarlane (1999), who tracks the history of the goals of monetary policy. Commencing with the 1970s, Macfarlane describes the era of direct controls at the discretion of the RBA while a fixed exchange rate provided an external policy anchor. The gradual deregulation of the foreign exchange market from the mid-1970s and the decision to float the dollar in December 1983 took monetary policy into uncharted waters. The external fixed exchange-rate policy guide gave way to internal guides, beginning with the gradual curtailment of RBA discretion, to the introduction of monetary targeting (1976 to 1985), to the checklist approach (1988 to 1993). There was then a brief return to RBA discretion, thence to the prevailing inflation target. The wisdom of subjecting monetary policy to the task of maintaining an average 2 to 3 per cent inflation rate over the cycle has bipartisan support largely engendered by the high inflation rates of the 1970s and 1980s.

A modern monetary regime

The structure of Australia's financial system is summarised in Table 12.1, where the asset values and market shares of the major financial sectors are recorded.

It is evident from Table 12.1 that the market shares of the major financial institutions has remained steady over the past five years, although one or two caveats should be entered against this general claim. The managed-funds sector has grown its market share from 39 per cent in 1997 to 44 per cent in 2001, while funds invested in the bank and non-bank sectors have fallen from 57 per cent in 1997 to 53 per cent by 2001. Put another way, the assets of managed funds have grown by 73 per cent in this

Table 12.1 Asset values and market shares of Australian financial institutions, June 1997 to June 2001

Institution	Asset value: Market share of assets ^a									
	June 1997		June 1998		June 1999		June 2000		June 2001	
	\$b	%	\$b	%	\$b	%	\$b	%	\$b	%
RBA	49	4	49	4	79	5	54	3	61	3
Commercial banks	548	45	586	43	649	43	731	43	807	43
Building societies	11	1	12	1	13	1	13	1	13	1
Credit corporations	17	1	18	1	20	1	22	1	24	1
Money-market corporations	67	6	68	5	61	4	64	4	81	4
Financial companies	36	3	44	3	47	3	44	3	48	3
General finance	14	1	17	1	18	1	21	1	24	1
Pastoral finance	3	0	4	0	4	0	6	0	10	1
Total banks, NBFIs	696	57	748	55	812	54	900	53	1008	54
Life insurance	135	11	148	11	163	11	174	10	176	9
Superannuation funds	174	14	200	15	231	15	287	17	309	16
Cash management trusts	12	1	19	1	22	1	25	1	29	2
Common funds	6	1	7	1	8	1	7	0	8	0
Friendly societies	7	1	7	1	6	0	6	0	6	0
Public unit trusts	60	5	73	5	94	6	109	6	122	6
General insurance	54	4	65	5	68	5	72	4	75	4
Securitisation MV	20	2	33	2	46	3	65	4	85	5
Total: Managed funds	468	39	552	41	637	43	743	44	869	46
Total: All institutions	1213	100	1349	100	1499	100	1697	100	1878	100

Notes: ^a '%' refers to percentage of 'Total: All institutions' (final row).

Source: RBA Bulletin February 2002, Table 13.1, S3.

reference period, while the growth of the banks and NBFIs amounts to a much smaller 45 per cent. The market share of the commercial banks has fallen marginally from 45 to 43 per cent. Contrast this with the increased share of the superannuation funds, which rises from 13 to 17 per cent over four years. This reflects an ongoing switch in favour of the taxation-friendly superannuation funds and against traditional investment vehicles such as the banks and life-insurance offices; public unit trusts also display substantial growth over the reference period.

Characteristics and operation of the monetary system

This institutional framework provides a backdrop to the machinations of Australia's monetary system. This depends on a most elusive concept, namely money, which William Coleman (Felmingham and Coleman 1995:47) describes in the following terms:

one of the most successful, paradoxical and anomalous inventions of humankind: money. It is so successful that it is a universal feature of almost any economy, whether developed, underdeveloped, capitalist, communist or feudal ... it is commonly a worthless material which is very valuable. It is something which is extremely useful but occasionally extremely troublesome. It is also one of the most obvious features of the economy, one of the first things to be studied in the history of economic inquiry, but one of the last things to be fully understood by economists.

To unravel these perplexities, it is best to view money as a commodity supplied by some, demanded by others; having diverse functions; subject to competition in its role as an asset; increasingly integrated with foreign monies and traded in new technological ways. There is a rich Australian research literature on these characteristics, which is surveyed in the following paragraphs.

Money supply and formation

Discussions about money formation in Australia are based on the universally accepted definitions of monetary aggregates. These measures are defined in Table 12.2.

The money-supply process can be viewed from two perspectives: from the direct link between base money and credit created inside the capital market by the deposit-taking institutions, or from the indirect effects of interest rates on liquidity. It is this indirect perspective that forms the framework of Australian monetary policy, and so it predominates in the following review.

The endpoint of the base money/money multiplier process is that the money supply (M) is some multiple (m) of the base (B):

$$M = m \times B$$

where $m = (k + 1)/(k + s)$.

The multiplier (m) is determined by the currency ratio, k (notes and coin as a proportion of deposits), and the banks reserve ratio, s (total bank reserves to deposits). This view of money formation was influential prior to the switch in policy emphasis from direct to indirect controls (quantities to rates). SRD policy, which influenced the size of s , and consequently m in the above equation, was a leading example of direct controls.

The literature on money formation diminishes with this switch in policy emphasis. For example, Butlin and Ryan (1982) find considerable instability in the value of the money multiplier in the 1960s and 1970s. The efficiency of forecasting the growth of the money supply from money-formation tables is reviewed by Horne (1983), who finds the value of this method circumscribed by policy intervention and the instability of relationships between monetary aggregates. The limited efficiency of money-supply forecasting and the switch in policy emphasis to rates rendered the money-formation-based forecasting method less relevant.

Deregulation and the switch to a rates-based policy approach brought into stronger focus the role of substitutes for money (near-money assets) and a need to review the definitions of money. The approach, more relevant in a deregulated environment, was weighted monetary aggregates, where the weights reflected the 'degree of moneyness' of individual components of the weighted aggregate. A study by Horne and Martin (1989)

Table 12.2 Australian measures of monetary aggregates

Aggregate	Symbol	Australian definition
Base money	B	Circulating notes and coin plus bank deposits at the RBA
Narrow money	M_1	Notes and coin plus deposits with commercial banks
M_3^a	M_3	M_1 + all other bank deposits
M_4	M_4	M_3 + building society deposits
M_5	M_5	M_4 + finance company deposits
M_6	M_6	M_5 + deposits with money market corporate
Broad Money	MB	M_3 + deposits of all NBFIs

Notes: ^a An intermediate classification (M_2) was eliminated when the distinction between trading and savings banks was withdrawn in 1989.

Source: Juttner and Hawtrey (1997:145, Table 5.1)

reveals that weighted monetary aggregates are preferred in the Australian case. Stemp's (1990) analysis of the checklist approach to monetary indicators extends the literature about optimal money-supply rules, but the transition to inflation as a major monetary-policy target has rendered the emphasis on monetary aggregates and the money supply less relevant. This argument is reinforced by the recognition of near-money assets in an expanded range of monetary aggregates, in particular M_4 , M_5 , M_6 and broad money.

Demand for money

The early Australian studies of money demand reveal that the standard explanators apply. For example, Clements and Nguyen (1980) find that the relative price of money to commodities has a significant impact on money holdings while in a portfolio-balance context, and Volker and Hunt (1981) find that the Australian demand for M_3 is positively correlated with GDP and the own return to M_3 is negatively related to the return on near-monies including bonds and loans. Milbourne's (1985) systematic evaluation of various Australian money-demand models finds that these representations are not robust and resurrects the argument that money-demand relationships are generally supply-determined on Australian data. Hewitson (1997) applies the post-Keynesian demand for credit models to Australian data and rejects its major contention, namely that financial institutions lend to businesses with a shortage of working capital. If the post-Keynesians are correct, then Australia's money supply is endogenous and attempts to estimate money demand will founder on the rock of simultaneous equation bias. Hewitson's conclusions leave the issue of money-supply endogeneity in an inconclusive state.

The defining characteristic of money-demand functions is their degree of stability, particularly in relation to the effectiveness of monetary policy, so it is not surprising to find several studies of this issue. Stephens, Thorp and Anderson (1986) fitted three pre-existing demand equations for M_3 and Pagan and Volker's (1981) equation for M_1 . None of these equations proved to be empirically stable in the 1970s or the 1980s, although the authors qualified these results in terms of the veracity of monetary measures and in relation to GDP as a measure of income. A later paper by Blundell-Wignall and Thorp (1987) adds to tests for the stability of M_1 and M_3 some tests for the stabil-

ity of broad money (MB). These authors note the growing significance of the own rate of interest on money other than (MB) in addition to rates on near-money assets as determinants of money demand. They also find that M_1 , M_3 and MB are all affected by deregulation and are unstable in the mid-1980s. The caveat entered here is that many other financial magnitudes were unstable in this period, particularly exchange rates.

Deregulation meant that MB, which included deposits in banks and the non-banks, appeared as a broader measure of liquidity in a deregulated environment. The demand for MB is examined by Felmingham and Zhang (2001), who find a long-run relationship between MB, real GDP and the spread between the own rate on MB and rates on near-money assets. The innovation in this study is that tests for cointegration accommodate structural breaks in the cointegrating vector. A break occurs in the first quarter of 1991 in this demand-for-MB relationship coinciding with a policy-induced crash in interest rates. Stability of the demand for MB applies, provided this policy effect is considered. Asano (1999) provides further evidence of money-demand stability in Australia, in particular through the 1980s financial-deregulation era.

Transmission and interest-rate linkages

The transformation of domestic monetary changes into domestic real outcomes is the subject of a continuing research interest in most countries; Australia is no exception. In the pre-deregulation era, several studies find strong and predictable links between monetary aggregates and real activity variables. Feibig (1980) typifies this literature, and finds that money and the aggregate price level and output are mutually correlated. Morris (1988) modernises this research agenda by analysing the link between interest rates and activity, and making it conform with the rates approach to policy. Morris finds that interest-rate movements affect domestic demand, exchange rates and net exports. The impacts of deregulation on monetary transmission are analysed by Fahrner and Rohling (1990), who conclude that deregulation made little difference to links between interest rates, employment growth, inflation and the growth of credit. Contrary evidence is produced in a study by de Brouwer, Ng and Subbaraman (1993), who find that financial deregulation produced some instability in the short-run demand for real money balances and little evidence of long-run relationships between M_1 , M_3 , MB and aggregate income.

A further strand of this literature about financial and real links concerns the value of the term structure as a predictive device. This issue assumes greater significance with the switch by the RBA to a rates-based policy approach. Lowe (1992) finds that expected monetary shocks affect the slope of both the nominal and real yield curves at the short-term end of the spectrum through a strong liquidity effect. This in turn engenders changes in real output and ultimately relative prices. These results suggest that the term structure is an indicator of output and price changes. Alles (1995) reinforces this view by finding that yield spreads do predict real but not nominal GDP, while Fisher and Felmingham (1998), working within a consumption-capital asset-pricing framework, find that the yield spread between real rates tracks future consumption patterns. These studies suggest that yield curves are reliable indicators of movements in economic activity.

One potential influence on the predictability of links between domestic interest rates and economic activity is the interdependence of foreign and domestic rates on securities

with the same term to maturity. Macfarlane (1988) concludes that a pre-currency-float link between domestic and foreign bond rates weakened in the post-float era. This study is based on data truncating in June 1988. However, the study by Felmingham, Zhang and Healy (2000) suggests that Australian rates are cointegrated with rates in six of its major trading-partner countries in the 1990s, but not in the 1980s.

The future of banking

Further revisions of Australia's money and banking arrangements can be anticipated. Hogan's (1999) menu of potential banking changes include the effects of asymmetric information and technical change. The presence of scale and scope economies in Australian banking suggests that further amalgamations, particularly those involving the combination of international partners, will eventuate. E-banking will create the need for banks to revise credit-supervision procedures to counter the influences of asymmetric information and the related problems of adverse selection and moral hazard. Hogan views future banks as 'design and construct' centres retaining more profitable activities and outsourcing plain vanilla banking products to service providers. The outcome for payment and clearance activities given the banks' desire to capitalise on scale and scope cost-savings is uncertain. Central banks will have a heightened interest in payments systems security for precautionary reasons.

The future of the banking system is just one of several intriguing puzzles about the future of money and banking in Australia.

Notes

- 1 The Martin Review Committee included R.M. Beetham, D.J. Cleary and K.J. Hancock, and was chaired by V.E. Martin.
- 2 <http://fsi.treasury.gov.au/>

References

- Alles, L. 1995. The Australian term structure as a predictor of real economic activity. *Australian Economic Review* 4:71–78.
- Asano, H. 1999. Financial deregulation and the stability of money demand: The Australian case. *Australian Economic Papers* 38(4):407–21.
- Blundell-Wignall, A., and S. Thorp. 1987. *Money, Own Interest Rates and Deregulation*. RBA Discussion Paper 8703. Canberra: Reserve Bank of Australia.
- Brooks, R.B., and R.W. Faff. 1995. Financial market deregulation and bank risk: Testing for beta instability. *Australian Economic Papers* 34(65):180–99.
- Brown, R., and K. Davis. 1997. The Wallis Report: Functionality and the nature of banking. *Australian Economic Review* 30(3):310–15.
- Butlin, M.W., and C.J. Ryan. 1982. *The Causal Relationship between Money Base and Money in Australia: 1960–79*. RBA Discussion Paper 8203. Canberra: Reserve Bank of Australia.

- Cagliarini, A., and A. Heath. 2000. *Monetary Policy Making in the Presence of Knightian Uncertainty*. RBA Research Discussion Paper 2000–10. Canberra: Reserve Bank of Australia.
- Clements, K.W., and P. Nguyen. 1980. Money demand, consumer demand and relative prices in Australia. *Economic Record* 56(155):338–46.
- Coleman, W. 2001. Is it possible that an independent central bank is impossible? The case of the Australian Notes Issue Board 1920–24. *Journal of Money, Credit and Banking* 33(3):729–48.
- Committee of Inquiry into the Australian Financial System. 1981. *Australian Financial System: Final Report of the Committee of Inquiry*. Chairman Sir Keith Campbell. Canberra: AGPS.
- Davis, K. 1995. Bank deregulation, supervision and agency problem. *Australian Economic Review* 3:43–54.
- Debelle, G., and A. Cagliarini. 2000. *The Effect of Uncertainty on Monetary Policy: How Good are the Brakes?* RBA Research Discussion Paper 2000–07. Canberra: Reserve Bank of Australia.
- de Brouwer, G., I. Ng and R. Subbaraman. 1993. *The Demand for Money in Australia: New Tests on an Old Topic*. RBA Discussion Paper 9314. Canberra: Reserve Bank of Australia.
- Dowd, K. 1988. *Private Money – The Path to Monetary Stability*. Institute of Economic Affairs Paper 112. Hobart: Institute of Economic Affairs.
- . 1991. *The Experience of Free Banking*. London: Routledge.
- Edey, M., and B. Gray. 1996. *The Evolving Structure of the Australian Financial System*. RBA Research Discussion Paper 9605. Canberra: Reserve Bank of Australia.
- Edey, M.L., R.A. Foster and I.J. Macfarlane. 1991. *The Role of Superannuation in the Financial Sector and Aggregate Saving*. RBA Research Discussion Paper 9112. Canberra: Reserve Bank of Australia.
- Edwards, V., and T. Valentine. 1998. From Napier to Wallis: Six decades of financial inquiries. *Economic Record* 74(226):297–312.
- Elliot, G., and R. Bewley. 1994. The transmission of monetary policy: The relationship between overnight cash rates. *Economic Record* 70(208):19–25.
- Fahrer, J., and T. Rohling. 1990. *Financial Deregulation and the Monetary Transmission*. RBA Discussion Paper 9008. Canberra: Reserve Bank of Australia.
- Feibig, D.G. 1980. The causal relationship between money and income in Australia. *Australian Economic Papers* 19(38):78–90.
- Felmingham, B., and W. Coleman. 1995. *Money and Finance in the Australian Economy*. Sydney: Irwin.
- Felmingham, B., and Q. Zhang. 2001. The long run demand for broad money in Australia subject to regime shifts. *Australian Economic Papers* 4(2):146–55.
- Felmingham, B., Q. Zhang and T. Healy. 2000. The interdependence of Australian and foreign real interest rates. *Economic Record* 76(233):163–71.
- Financial System Inquiry. 1997. *Financial System Inquiry*. The Wallis Report. Canberra: AGPS.
- Fisher, C., and B. Felmingham. 1998. The Australian yield curve as a leading indicator of consumption growth. *Applied Financial Economics* 8:627–35.
- Fisher, C., and C. Kent. 1999. *Two Depressions, One Banking Collapse*. RBA Research Discussion Paper 1999–06. Canberra: Reserve Bank of Australia.
- Fitzgerald, V.W., and I.R. Harper. 1991. Superannuation – preferred or level playing field. *Australian Tax Forum* 9(2):193–258.
- Fitzgibbon, B., and M.C. Gizycki. 2001. A history of last resort lending and other support for troubled institutions in Australia. RBA Research Discussion Paper 2001–07. Canberra: Reserve Bank of Australia.
- Graham, R.J., and P.G. Leong. 1982. Some aspects of the Campbell Report. *Australian Economic Review* (1):22–5.

- Gizycki, M. 2001. *The Effect of Macroeconomic Conditions on Banks' Risk and Profitability*. RBA Research Discussion Paper 2001–06. Canberra: Reserve Bank of Australia.
- Gizycki, M., and B. Goldsworthy. 1999. *Australian Banking Risk: The Stock Market's Assessment and the Relationship between Capital and Asset Volatility*. RBA Research Discussion Paper 1999–09. Canberra: Reserve Bank of Australia.
- Harper, I.R. 1986. Why financial deregulation? *Australian Economic Review* 1:37–49.
- . 1997. The Wallis Report: An overview. *Australian Economic Review* 30(3):288–300.
- Harper, I.R., and T. Scheit. 1992. The effects of financial market deregulation on bank risk and profitability. *Australian Economic Papers* 31(59):260–71.
- Henderson, R.F. 1982. Comments on the implication for housing. *Australian Economic Review* 1: 26–28.
- Hewitson, Gillian. 1997. The Post-Keynesian 'demand for credit' model. *Australian Economic Papers* 36(68):127–43.
- Hogan, W.P. 1999. The future of banking: A survey. *Economic Record* 75(231):417–27.
- Hogan, W., and I.G. Sharpe. 1984. Regulation, risk and the pricing of Australian bank shares. *Economic Record* 60(168):34–44.
- Horne, J. 1983. The money formation table approach to forecasting. *Australian Economic Review* 4:69–78.
- Horne, J., and V. Martin. 1989. Weighted monetary aggregates: An empirical study using Australian monetary data. *Australian Economic Papers* 28(53):181–200.
- Juttner, D.J., and K.M. Hawtrey. 1997. *Financial Markets, Money and Risk*. 4th ed. Melbourne: Longman.
- Lowe, P. 1992. *The Term Structure of Interest Rates, Real Activity and Inflation*. RBA Research Discussion Paper 9204. Canberra: Reserve Bank of Australia.
- . 1995. *The Link between the Cash Rate and Market Interest Rates*. RBA Research Discussion Paper 9504. Canberra: Reserve Bank of Australia.
- Macfarlane, I.J. 1988. *International Interest Rate Linkages and Monetary Policy: The Case of Australia*. RBA Research Discussion Paper 8812. Canberra: Reserve Bank of Australia.
- . 1999. Australian monetary policy in the last quarter of the twentieth century. *Economic Record* 75(230):213–24.
- Merrett, D.T. 1989. Australian banking practice and the crisis of 1893. *Australian Economic History Review* 49(1):60–85.
- Milbourne, R. 1985. Distinguishing between Australian demand for money models. *Australian Economic Papers* 24(44):154–68.
- Milbourne, R., and M. Cumberworth. 1991. Australian banking performance in an era of deregulation. *Australian Economic Papers* 30(57):171–91.
- Morris, D. 1988. *Monetary Transmission in a Deregulated Financial System*. RBA Research Discussion Paper 8811. Canberra: Reserve Bank of Australia.
- Pagan, A., and P.Volker. 1981. The short run demand for transactions balances. *Economica* 48:381–97.
- Pope, D. 1987. *Bankers and Bankers Business 1860–1914*. ANU Working Papers in Economic History. Canberra: Australian National University.
- . 1989. *Free Banking in Australia before World War I*. ANU Working Papers in Economic History 189. Canberra: Australian National University.
- Porter, M. 1983. Campbell inquiry symposium: A comment. *Australian Economic Review* 1:29–34.
- Quigley, N. 1997. The Wallis Report: Balancing regulation and the evolution of the market. *Australian Economic Review* 30(3):316–22.
- Rankin, R. 1992. *The Cash Market in Australia*. RBA Research Discussion Paper 9214. Canberra: Reserve Bank of Australia.

- Sansom, B. 1991. 'A grammar of exchange' in *Being Black: Aboriginal Cultures in Settled Australia*. Edited by I. Keen. Canberra: Aboriginal Studies Press.
- Schedvin, B. 1989. The growth of bank regulation in Australia. Paper presented at the Joint Universities Conference on Regulating Commercial Banks: Australian Experience and Perspective, Canberra.
- Sheehan, P.J., and B. Derody. 1982. Campbell Inquiry Symposium: The Campbell Report a critical analysis. *Australian Economic Review* 45(1):33–61.
- Stemp, P. 1990. Optimal weights in a check list of monetary indicators. *Economic Record*, 67(196):1–13.
- Stevens, G., S. Thorp and J. Anderson. 1986. *Demand for Money: Another Look at Stability*. RBA Research Discussion Paper 8701. Canberra: Reserve Bank of Australia.
- Valentine, T. 1997. Regulation of bank interest rate risk. *Australian Economic Papers* 36(69):31–41.
- Volker, P.A., and B.F. Hunt. 1981. Long-run demand for money in Australia. *Journal of Monetary Economics* 8(3):394–404.
- Walker, G. 1998. Economies of scale in Australian banks 1978–1990. *Australian Economic Papers* 37(1):71–87.
- Williams, B. 1996. Determinants of the performance of Japanese financial institutions in Australia 1987–1992. *Applied Economics* 28:1153–65.
- . 1998. Factors affecting the performance of foreign banks in Australia: A cross sectional study. *Journal of Banking and Finance* 22:197–219.
- Withers, G. 1981. Efficiency gains from banking deregulation. *Australian Economic Review* 1:35–40.

Part 2

POLITICAL SCIENCE

Political Theory

Chandran Kukathas

Political theory in Australia is not a single enterprise with a clearly definable ambit. Its practitioners include historians of ideas, philosophers wrestling with abstract political concepts (like justice or legitimacy), and political scientists concerned with the ethical dimensions of issues in public policy, as well as a variety of scholars from different disciplines who have reflected on general questions of political principle, social reform, or institutional design. A single chapter on political theory in Australia will thus necessarily be selective, since it cannot hope to discuss more than a fraction of the activities in the field.

At the same time, however, political theory is by nature parasitic on other disciplines in the social sciences and the humanities, since its ambit is so general – so even a discussion of a selective element of political theory in Australia will encroach on various aspects of political science, and the social sciences more generally. The aim of this chapter, then, is not to offer a guide to work by political theorists in Australia – or even the writings of political theorists about Australia – but to present an account of recent theoretical reflection on Australia: its politics and its institutions. The larger part of its purpose is to survey the work of others, particularly over the past ten years; but an important aspect of its concern is to offer some theoretical reflections of its own. This is, after all, what political theorists do.

Australian political thought and the Australian political system

Australia has no significant tradition of theorising about its political institutions. While Britain can point to a long history of thought, from Hobbes to Oakeshott, discussing British institutions and the modern European state, and the United States has a political tradition that includes such names as Madison, Calhoun and Rawls, Australian reflection on the Australian polity cannot boast any such pedigree. This is not because such matters have never been tackled by Australian thinkers (Melleuish 1995). But there are no figures in this tradition whom even Australian political theorists consider worthy of regular study and teaching (though Greg Melleuish has argued that Bruce Smith's *Liberty and Liberalism* is

worthy of resurrection – see Melleuish 2001a; Smith 1887). Yet while there are no ‘major figures’ in the history of Australian political thought, a number of issues have dominated political debate and analysis of Australian institutions since the mid-nineteenth century. These are worth noting because much Australian political theorising over the past decade reflects the enduring nature of these earlier concerns (Maddox 1998).

The most important issues for the earliest Australian political thinkers were the issues of free trade, immigration and federation. The Australian political system has largely been shaped by the political victories won by those arguing about these issues. The decisive period in Australian history in this regard was the late nineteenth century. By this stage elements of the modern Australian state had already begun to emerge in the form of ‘colonial liberalism’ (McIntyre 1991; Hirst 1988). The colonial governments had developed into systems of democratic constitutionalism of a broadly liberal character (Roberts 2001; Kukathas 2001). But the question of whether to federate to form a single nation, and then what role any national government should play in the federation, continued to be vigorously debated.

Soon after Federation, victory went not to the free-traders but to the protectionists, who, led by Alfred Deakin and styling themselves as ‘liberals’, laid the foundations of what has come to be known as the ‘Australian settlement’ (Kelly 1992). Five ideas dominated the post-Federation settlement: White Australia in immigration policy, protection in trade policy, central bargaining and arbitration in wages policy, state paternalism, and imperial benevolence (Kelly 1992:660–1). This mix of ideas reflected elite thinking, the influence of the labour movement and socialism, and the general outlook of a predominantly white population that saw itself as British. But there were also tensions: between protectionists and free-traders; between centralisers and critics of the expansion of Commonwealth power; and between advocates of Australia’s British character and allegiance on the one hand, and republicans on the other.

Among the critics of this settlement were such thinkers as John Anderson, the Scottish-born professor of philosophy who taught at the University of Sydney from 1927 to 1962. Anderson feared that the pursuit of security through the activity of a protective state would see the creation of a population increasingly willing to forsake freedom for protection (Anderson 1962:334–5). Yet such critiques made little impression on an Australian population that, in Hancock’s well-known observation, had already become used to seeing the state as a vast public utility catering to its desires (Hancock 1930). In a Benthamite society, utility counted for more than liberty (Collins 1985), and as Melleuish has suggested, this outlook came to be regarded as an important aspect of the Australian identity (Melleuish 2001b:38). It is in the light of these background assumptions that contemporary Australian political theory should be read.

Australia’s federal republic: Liberalism and deliberative democracy

Australian political theory has reflected on the nature of Australian political society to a considerable extent by debating how it should be characterised and how it should be reformed. The debate about how it should be characterised has centred on the problem

of identifying which elements of its various political traditions best describe the distinctive character of the polity: liberalism, democracy, republicanism, socialism, or indeed constitutional monarchy. Debate about reform of the system has been shaped by these various understandings of the nature of the system, because political theorists have variously advocated either a move away from, or the strengthening of, the liberal, or democratic, or republican, or monarchical elements of the institutional structure.

These debates were brought into focus in the late 1990s, when the question of whether Australia should become a republic ceased to be a purely theoretical one and became one that was to be decided by a referendum that would follow a constitutional convention to discuss the merits of the existing political structures and their possible alternatives. While the 1999 referendum produced a result endorsing no change to the constitution, the discussion that preceded it yielded a significant body of argument about how Australia's political structure should be understood.

The theory of republicanism was explored most thoroughly by Philip Pettit, who has also been its most sophisticated philosophical advocate (Pettit 1995; see also Skinner 1998). For most Australian political theorists, however, the issue was not whether Australia should embrace republicanism in some deep sense, because most accepted that Australia was already a republic. Brian Galligan argued (convincingly) that it was a mistake to regard Australia as a 'constitutional monarchy' or 'parliamentary monarchy'. Federation, he argued, ought not to be regarded as a legal compact to establish a national tier of government (deriving its legitimacy from Westminster) but as 'the transformative act of a sovereign people' (Galligan 1995:14). The republic was created by the constitutionalising act in which 'the people of the colonies reconstituted themselves as a federal polity, creating themselves a national people while preserving their State communities' (Galligan 1995:14). In Galligan's view, the 'Australian system is republican because the constitutions, for both the Commonwealth and the states, are the instruments of the Australian people who have supreme authority' (Galligan 1995:14).

The important issue for most political theorists, as indeed for most people, was thus not so much whether Australia should be a republic, but what kind of a republic it should be. This issue divided into the question of symbolism and the question of political structure, though the two questions are not wholly unrelated. Where the question is one of symbolism, the critical debate has been over whether or not a 'foreign' monarch serving as head of state can plausibly serve also as the symbol of an independent and self-constituted nation. Republicans, by and large, argued that it could not (Manne 1998:148–54; Turnbull 1993:13–26; Galligan 1995:xi.) The more general question that this issue touched upon, however, was the question of whether there was a distinctive Australian identity – and what that amounted to if indeed there was. (This question, as we shall see, has preoccupied Australian theorists, and writers generally, and has had a significant impact on discussions of other theoretical issues in Australian politics, from globalisation and immigration to multiculturalism and Indigenous rights.)

Yet the debate among political theorists has not been only about the appropriate symbols of republicanism. The Australian federal republic has, from the outset, been interpreted, criticised and 'reformed' by theorists wishing to understand, or change, it in accordance with other political ideals: liberal, socialist and democratic. The case for the liberal interpretation of Australian politics was put in recent times by Chandran

Kukathas, David Lovell and William Maley in *The Theory of Politics: An Australian Perspective* (1990). While the system might be evolving in the direction of democratic socialism, they argued, it remained fundamentally a liberal political order; and those institutions that preserved the liberal element ought to be strengthened. In this regard, a strong case could be made for institutions that placed a check on government power – institutions ranging from constitutional ones such as the Senate, to political ones such as the decentralisation of power to states in the federation, to social ones such as the right to hold and exploit private property. Liberalism, they avowed, was more important than democracy: individual liberty was more important than collective self-rule (Kukathas, Lovell and Maley 1990:9–10).

Other theorists, however, particularly those coming out of the democratic and socialist traditions, have been critical of Australia's political structures precisely because they do not give sufficient weight to self-rule. While *The Theory of Politics* recognised the dominance of political elites in the Australian political system, it argued for institutions that would 'civilise ruling elites' rather than return more power to the people – if such a thing were indeed possible (Kukathas, Lovell and Maley 1990:24). Yet writers such as Graham Maddox and Alistair Davidson argued that what needed reviving was the democratic element in Australian politics (Maddox 1985; Maddox 1989; Maddox 2000; Davidson 1997). For Davidson, for example, Australia simply 'does not meet the requisite standards for democratic citizenship, whether we look at the fundamental active right, the equal vote, or how such power from below is translated into popular sovereignty' (Davidson 1997:246). In general, this has been the complaint of the labour tradition in Australian politics, for whom the constitution, the devolution of power to the states, and the power of the Senate have operated as impediments to the advance of democratic socialism, as well as obstacles to the exercise of popular sovereignty.

There is, however, another form of theorising that both accepts the importance of checks on governmental power and advances the value of democratic citizenship. This is the tradition of 'deliberative democracy', and a major statement of the deliberative democratic interpretation of the Australian political system was offered by John Uhr in his *Deliberative Democracy in Australia* (Uhr 1998). Drawing on the work of John Rawls and Jürgen Habermas, and reinterpreting the theory of deliberative democracy in the terms of Aristotle's thought, Uhr offered a view of Australia's institutions as republican and democratic because not only its parliaments but even its courts offered opportunities for democratic advocacy (Uhr 1998:232–3). While some reforms might be in order to improve the quality of the deliberative process and the accountability of political elites, the challenge, according to Uhr, was to work within the existing structure rather than pursue the historically less fruitful course of fundamental constitutional transformation (Uhr 1998:248).

Challenges to the system

Globalisation and economic rationalism

Although a good deal of theorising about Australian politics over the past decade has focused on the political system and its constitutional and parliamentary institutions, much of the most vigorous writing has reflected on the economic and cultural chal-

lenges confronting the polity. For many, the changing landscape of the world required a rethinking of Australian priorities and attitudes. The post-Cold War world was not only one in which ideological conflicts had been transformed but also one of aggressive global financial markets, worldwide social movements in support of the rights of indigenous peoples, and mass migration – forced and unforced. Political theory in Australia could not avoid confronting these developments.

In the economic realm, the problems confronting governments in the 1980s led to a program of fundamental reforms, including the deregulation of the financial system, the floating of the dollar, and a steady move towards the elimination of tariffs and industry subsidies in the name of global free trade, mostly under the Labor governments of Hawke and Keating. One consequence of the fact that, in the matter of free-market reform, the initiative was taken by Labor was that the Coalition parties were able to stake a case for even more radical reform, as they did in their manifesto for the 1993 election, *Fightback!* These developments took place as similar reforms were undertaken in the UK, the USA and New Zealand, and as the ideology of market liberalism seemed to be in the ascendant.

Political theorists in Australia, for the most part, viewed these developments with alarm. While a few welcomed the changes and theorised them as movements towards a classical liberal political order (Kukathas, Lovell and Maley 1990), most viewed them as signalling the advent of a more ideological form of politics and the rule of a scientific elite. The term ‘economic rationalism’ was coined – or resurrected (Quiggin 1993:277) – to describe this development, and it was given currency by Michael Pusey, who analysed the transformation of Australia as a nation-building state using this phrase as his guiding trope (Pusey 1991). That the term was never defined in Pusey’s book, and was used to mean various things by others, is not in itself important (Brennan 1993:2–3; Neville 1998:169–79). The important thesis Pusey advanced was that the Canberra bureaucratic elite had been gripped by a particular ideology – one that led them to view the world in terms of economic problems capable of technocratic solutions. The ideology in question was that of the free market. This thesis served as a touchstone for a diversity of critics of classical liberalism, now presented as nothing more or less than a creed of the free market, who rejected its ethical and its economic theory (Carroll and Manne 1992; Horne 1992). Hugh Emy, for example, argued that disaffected socialists might find a more attractive home in the ranks of conservatism (Emy 1991), and Robert Manne argued, at least for a while, that it was with conservatism that the future lay (Manne 1992; but see Kukathas 1992, 1993a). In the end, however, little came of these musings.

Although defenders of economic rationalism, or, more accurately, those who were attacked by the critics of economic rationalism, did respond to their detractors, the debate did not go much beyond discussion of economic policy (James, Jones and Norton 1993; Coleman and Hagger 2001). By the mid-1990s, disdain for economic rationalism had been subsumed by a more general scepticism about globalisation (Wiseman 1998). More interestingly, however, many critics of globalisation turned out to be hostile not only to market liberalism, but also to other globalising tendencies, including immigration. The threat, according to such groups as Pauline Hanson’s One Nation Party, was that Australia’s identity and way of life would be submerged under

the claims of minorities at home and in the wider world abroad. It was this challenge that assumed greater importance for political theory by the mid-1990s.

Multiculturalism and immigration

Multiculturalism and immigration posed serious challenges to the Australian political system because government policy in these matters tended to divide elite and mass opinion – or at least draw upon elites the suspicion of mass opinion. In times of unsettling economic transformation, it was perhaps unsurprising that a party such as One Nation was able to capitalise on public disaffection by pointing to elites and nonconforming migrants as responsible for undermining the Australian way of life. But the problem for Australian political theorists has been how to come up with a philosophical stance that presented a consistent position that at once upheld Australia's own distinctive identity and way of life and yet was capable of drawing into the fold immigrants who could hold on to their own particular traditions. Could diversity be reconciled with unity?

Some conservative theorists had argued that the only way in which unity and social cohesion could be sustained was through a policy of assimilation of migrants to the predominantly Anglo-Celtic culture of the majority (Knopfelmacher 1982), and perhaps also by lowering the rate at which ethnically and culturally different peoples were admitted (Blainey 1984). In recent times, however, these views have not found much favour among political theorists. Indeed, some have gone in quite the other direction to argue that migrants ought to be given greater support so that they might be able to enjoy some degree of 'cultural self-determination' (Castles et al. 1988:146–7). The problem, however, is that it is not open to the state to be culturally neutral (Poole 1999:121). Moreover, if the state is in any way a democratic state that is responsive to the views of the people, it cannot but reinforce existing cultural norms, by laying down certain requirements about the language of public discourse, and the traditions that will be recognised, and by limiting the numbers and determining the cultural mix of immigrants.

Political theory in this area has been most profoundly influenced by the work of the Canadian philosopher Will Kymlicka, who has sought to find a way to reconcile the claims of social unity with those of cultural independence (Kymlicka 1989, 1995). By and large, Australian political theorists have sought to go down the same path, to find a principled position between assimilation and disunity. Davidson, for example, while recognising some of the difficulties posed by the models of multicultural accommodation developed by governments in the 1980s, argues that what is required is a 'bill of rights which includes benchmarks for economic, social and educational rights' (Davidson 1997:186). Yet it is not clear how this does not amount either to 'including' migrants by giving them rights that effectively assimilate them into the mainstream culture, or weakening the unity of the state if these rights do not so assimilate them. Some, however, have argued that such a *via media* cannot be found, and that abandoning assimilation may well mean conceding that the claims of national sovereignty have to be weakened (Poole 1999:128–9). In the end a truly multicultural society may only be possible if the state ceases to be the dominant form of political organisation (Kukathas 2003).

This problem creates a serious dilemma for any political theory that lays great store by the importance of a national identity. National identity and cultural diversity are, in

the end, antithetical ideals. In Australia, the claims of – and clamour for – a theory of national identity predate the interest in cultural diversity. If diversity is to be accommodated, then any notion of a national identity can only be a thin or watered-down idea, for any conception of identity with real substance will exclude those who are different. And in a diverse society, they will be numerous (Kukathas 1993b, 1997a).

This issue is made all the more complex, however, by the fact that in Australia claims for respect for difference come not only from migrant groups but also from the Indigenous population. And Aborigines have, historically, waged political struggles to be included as full citizens, and yet recognised as a separate people – indeed, one with moral claims superior to those of more recent migrants, whose interests are served by the policy of multiculturalism.

Indigenous rights and the politics of citizenship

Even in the early 1960s, Aboriginal people agitating for reform to ameliorate their condition sought not so much the right to govern themselves by their own customs as the right to be included in the mainstream of the Australian nation as full and equal citizens. This outlook changed significantly in the decades to come as Aborigines began to seek land rights, compensation for past dispossession, and in some cases rights to self-government. But at the outset, it was recognition as equals that Aborigines demanded.

According to Chesterman and Galligan (1997), Aboriginal complaints about exclusion were well-founded, because for most of their history since 1788 they have been denied the rights of full citizens. Drawing on T.H. Marshall's account of citizenship, according to which three kinds of rights – civil, political and social – are essential to participation in modern society, they argue that Aborigines have been excluded from certain important rights in all three categories (Chesterman and Galligan 1997:5). The fault lay not in the constitution, which, in the end, gave little clear guidance as to who was and was not a citizen, or as to what kinds of rights citizens were entitled. The fault lay rather with legislators and administrators, at state and federal levels, who systematically excluded Aborigines from basic citizenship rights and entitlements (Chesterman and Galligan 1997:58–83). The lesson these theorists draw from this account is that it reveals the notion of Australian citizenship to have been deficient. It turned out, they argue, to be an empty category – one that gave those who possessed citizenship no positive rights. This has a significant bearing not only on the way we should understand Aboriginal claims, and on the way we should approach the issue of 'reconciliation', but also on the way in which we understand citizenship in Australia more generally. In defending this view, Chesterman and Galligan in effect put the case for the elaboration of citizenship rights, and perhaps even their formalisation in a bill of rights.

Yet while the case for Aboriginal inclusion was seen by some to be a critical element in theorising the place of indigenous people in the Australian polity, others were prepared to consider more radical possibilities. While Aboriginal political action prior to the 1960s had focused on gaining rights of inclusion, political action since has increasingly involved a demand for cultural recognition. The obvious question to raise was whether Aboriginal demands for recognition and for a return of (some of) their lands might also amount to a demand for a kind of political independence. This possibility was explored in the Canadian context by Will Kymlicka, who concluded that multicultural citizenship required the

development of three kinds of rights: self-government rights; minority rights; and special representation rights. The first of these could be made available only to indigenous peoples, because they were involuntarily incorporated into settler societies and had legitimate claims to continue to govern themselves. Migrants, however, had legitimate claims only to be enabled to live by their own cultural beliefs, and perhaps to be given special political representation – but could not rightly demand to become self-governing (Kymlicka 1995, 1998; but see Kukathas 1997b).

In Australia, however, the issue has been broached but never systematically theorised. Henry Reynolds, for example, raised the possibility that Aborigines and Islanders in Australia might one day be recognised as ‘either actual or potential nations’ (Reynolds 1996:179). Yet the questions this raises remained unaddressed in his work:

How can indigenous autonomy be married to Australia’s multicultural society? How can special rights be accorded to indigenous people and not granted to other ethnic groups? ... How can indigenous people exercise self-determination without undermining the broad principles of equality? [Reynolds 1996:180]

By and large, Australian political theory has continually raised such questions, but declined to offer answers.

Much the same might be said of the literature that has emerged in the wake of *Bringing Them Home: Report of the National Inquiry into the Separation of Aboriginal and Torres Strait Islander Children from their Families* (Wilson and Dodson 1997). The issue in this inquiry was whether there was a case for compensation for the victims of past injustice – in this case, those children and parents who were forcibly separated as a matter of state policy. Although many have argued, in the face of governmental resistance, that these families were the victims of injustice, and that some form of collective responsibility on the part of Australians must be recognised (Manne 2001), no fuller philosophical argument about the nature of this responsibility has been forthcoming (but see Sparrow 2000; Kukathas forthcoming). The more fully explored matter was the question of whether the policy of taking Aboriginal children from their families amounted to a policy of genocide (Gaita 1997; Manne 2001; Minogue 1998; Reynolds 2001).

Over the past decade, the Aboriginal question has come to have an importance in Australian political theorising it did not really possess twenty years ago. A part of the reason for this is undoubtedly the rise of indigenous peoples movements around the globe, and the accompanying growth in philosophical analysis of the worth of minority claims. Yet practical developments in Australia also contributed to this. The judgement handed down by the High Court in the *Mabo* case (*Mabo v Queensland (No. 2)* (1992) 175 CLR 1) marked an important turning point in discussion of Aboriginal land claims because the notion of Australia as *terra nullius* at the time of British settlement was put to rest. Indeed, the judgement itself, which included the dissenting voice of Justice Dawson, may plausibly be regarded as much a work of political theory as any other discussion of the justice of Aboriginal claims. Yet at the same time, the growing preoccupation with Aboriginal issues may also reflect the salience of the issue of identity in Australian political theorising. Much of Australian political theory has been, in one way or another, preoccupied with the question of Australian identity. This has made

it difficult to ignore the presence in its midst of a highly visible group making powerful identity claims of its own (Gelder and Jacobs 1998).

The politics of identity and Australian political theory

That identity should be a prominent theme in Australian political theorising is perhaps not surprising given the nation's colonial heritage. But in the late twentieth century it became a matter of renewed significance as a result of the social transformations wrought by decades of migration, and the influx of non-European peoples after the demise of the White Australia policy in the 1960s (Lopez 2000; Jupp 2002). Coupled with the tendency to repudiate the British inheritance and move towards the symbolism of the republic, this led some theorists to wonder whether Australia might be better understood as a part of Asia. Stephen Fitzgerald went so far as to speculate on the possibility of Australia having a role to play as a significant member of a new Association of East Asian Nations (FitzGerald 1997: 176–7). This, he suggests, is a possibility the debate on the republic and Australian identity must lead Australians to consider (FitzGerald 1997: 160).

Yet even as these ideas are being considered, the difficulty of contemplating them has been thrown into sharp relief by the emergence of the refugee issue, which has forced a more serious confrontation with the issue of the character of the Australian polity. Australia's traditions as an open, liberal society point towards a policy of increasingly open borders and the free admission of people and goods. Yet its democratic traditions suggest that, in the face of an electorate that is wary of dramatic changes to 'the Australian way of life', such openness may be neither feasible nor defensible. The various topics addressed by Australian political theorists have reflected the centrality of this dilemma in the Australian polity. In the end, it cannot be said that political theory in Australia has developed any single, thorough, let alone compelling work theorising the nature of this dilemma. Nonetheless, students of political theory in Australia will undoubtedly continue to be moved, directly or indirectly, by this concern.

References

- Anderson, J. 1962. *Studies in Empirical Philosophy*. Sydney: Angus and Robertson.
- Brennan, G. 1993. 'Economic rationalism: What does economics really say?' in *Economic Rationalism: Dead End or Way Forward?* Edited by S. King and P. Lloyd. Sydney: Allen and Unwin.
- Blainey, G. 1984. *All for Australia*. North Ryde: Methuen Haynes.
- Carroll, J., and R. Manne. 1992. *Shutdown: The Failure of Economic Rationalism and How to Rescue Australia*. Melbourne: Text Publishing.
- Castles, S., M. Kalantzis, W. Cope and M. Morrissey. 1988. *Mistaken Identity: Multiculturalism and the Demise of Nationalism in Australia*. Sydney: Pluto Press.
- Chesterman, J., and B. Galligan, 1997. *Citizens without Rights: Aborigines and Australian Citizenship*. Cambridge: Cambridge University Press.
- Coleman, W., and A. Hagger. 2001. *Exasperating Calculators: The Rage over Economic Rationalism and the Campaign against Australian Economists*. Sydney: Macleay Press.

- Collins, H. 1985. Political ideology in Australia: The distinctiveness of a Benthamite society. *Daedalus: Journal of the American Academy of Arts and Sciences* 114:147–69.
- Davidson, A. 1997. *From Subject to Citizen: Australian Citizenship in the Twentieth Century*. Melbourne: Cambridge University Press.
- Emy, H.V. 1991. From liberalism to conservatism. *Quadrant* 25:10–18.
- FitzGerald, S. 1997. *Is Australia an Asian Country? Can Australia Survive an East Asian Future?* Sydney: Allen and Unwin.
- Gaita, R. 1997. Genocide and pedantry. *Quadrant* 41:41–5.
- Galligan, B. 1995. *A Federal Republic: Australia's Constitutional System of Government*. Cambridge: Cambridge University Press.
- Gelder, K., and J.M. Jacobs. 1998. *Uncanny Australia: Sacredness and Identity in a Postcolonial Nation*. Melbourne: Melbourne University Press.
- Hancock, W.K. 1930. *Australia*. London: Ernest Benn.
- Hirst, J. 1988. *The Strange Birth of Colonial Democracy: New South Wales 1948–1984*. Sydney: Allen and Unwin.
- Horne, D. (ed). 1992. *The Trouble with Economic Rationalism*. Newham: Scribe.
- James, C., C. Jones and A. Norton (eds). 1993. *A Defence of Economic Rationalism*. Sydney: Allen and Unwin.
- Jupp, J. 2002. *White Australia to Woomera*. Melbourne: Cambridge University Press.
- Kelly, P. 1992. *The End of Certainty*. Sydney: Allen and Unwin.
- Knopfmacher, F. 1982. 'The case against multiculturalism' in *The New Conservatism in Australia*. Edited by R. Manne. Melbourne: Oxford University Press.
- Kukathas, C. 1992. Thoughts on the causes of the present discontents: A liberal salve for the conservative conscience. *Quadrant* 26:8–19.
- . 1993a. There's more to life than economic rationalism. *Quadrant* 37:40–3.
- . 1993b. 'Multiculturalism and the idea of an Australian identity' in *Multicultural Citizens: The Philosophy and Politics of Identity*. Edited by C. Kukathas. Sydney: Centre for Independent Studies.
- . 1997a. 'Cultural rights in Australia' in *New Developments in Australian Politics*. Edited by B. Galligan, I. McAllister and J. Ravenhill. Melbourne: Macmillan.
- . 1997b. Multiculturalism as fairness: Will Kymlicka's *Multicultural Citizenship*. *Journal of Political Philosophy* 5:406–27.
- . 2001. 'Australian liberalism: The international context' in *Liberalism and the Australian Federation*. Edited by J. Nethercote. Sydney: Federation Press.
- . 2003. *The Liberal Archipelago: A Theory of Diversity and Freedom*. Oxford: Clarendon Press.
- . Forthcoming. Responsibility for past injustice. *Philosophy, Politics and Economics* 2(2).
- Kukathas, C., D.W. Lovell and W. Maley. 1990. *The Theory of Politics: An Australian Perspective*. Melbourne: Longman.
- Kymlicka, W. 1989. *Liberalism, Community and Culture*. Oxford: Clarendon Press.
- . 1995. *Multicultural Citizenship: A Liberal Theory of Minority Rights*. Oxford: Clarendon Press.
- . 1998. *Finding Our Way: Rethinking Ethnocultural Relations in Canada*. Don Mills, Ontario: Oxford University Press.
- Lopez, M. 2000. *The Origins of Multiculturalism in Australian Politics 1945–1975*. Melbourne: Melbourne University Press.
- McIntyre, S. 1991. *A Colonial Liberalism: The Lost World of Three Victorian Visionaries*. Melbourne: Oxford University Press.
- Maddox, G. 1985. *Australian Democracy in Theory and Practice*. Melbourne: Longman Cheshire.
- . 1989. *The Hawke Government and Labor Tradition*. Melbourne: Penguin.

- . 1998. 'The Australian settlement and Australian political thought' in *Contesting the Australian Way: States, Markets and Civil Society*. Edited by P. Smyth and B. Cass. Cambridge: Cambridge University Press.
- . 2000. *Australian Democracy in Theory and Practice*. Sydney: Longman.
- Manne, R. 1992. The future of conservatism. *Quadrant* 26:49–55.
- . 1998. *The Way We Live Now: The Controversies of the Nineties*. Melbourne: Text Publishing.
- . 2001. In denial: The stolen generation and the right. *Australian Quarterly Essay* 1.
- Melleuish, G. 1995. *Cultural Liberalism in Australia: A Study in Cultural and Intellectual History*. Melbourne: Cambridge University Press.
- . 2001a. *A Short History of Australian Liberalism*. Sydney: Centre for Independent Studies.
- . 2001b. 'Australian liberalism' in *Liberalism and the Australian Federation*. Edited by J. Nethercote. Sydney: Federation Press.
- Minogue, K. 1998. Aborigines and Australian apologetics. *Quadrant* 42:11–20.
- Neville, J.W. 1998. 'Economic rationalism: Social philosophy masquerading as economic science' in *Contesting the Australian Way: States, Markets and Civil Society*. Edited by P. Smyth and B. Cass. Cambridge: Cambridge University Press.
- Pettit, P. 1995. *Republicanism: A Theory of Freedom and Government*. Oxford: Oxford University Press.
- Poole, R. 1999. *Nation and Identity*. London: Routledge.
- Pusey, M. 1991. *Economic Rationalism in Canberra: A Nation Building State Changes Its Mind*. Cambridge: Cambridge University Press.
- Quiggin, J. 1993. 'Comments' in *Economic Rationalism: Dead End or Way Forward?* Edited by S. King and P. Lloyd. Sydney: Allen and Unwin.
- Reynolds, H. 1996. *Aboriginal Sovereignty: Three Nations, One Australia?* Sydney: Allen and Unwin.
- . 2001. *An Indelible Stain: The Question of Genocide in Australia's History*. Melbourne: Viking/Penguin.
- Roberts, W. 2001. 'Liberalism: The nineteenth century legacy' in *Liberalism and the Australian Federation*. Edited by J. Nethercote. Sydney: Federation Press.
- Skinner, Q. 1998. *Liberty before Liberalism*. Cambridge: Cambridge University Press.
- Smith, B. 1887. *Liberty and Liberalism: A Protest against the Growing Tendency toward Undue Interference by the State with Individual Liberty, Private Enterprise, and the Rights of Property*. Sydney: George Robertson.
- Sparrow, R. 2000. History and collective responsibility. *Australasian Journal of Philosophy* (Special issue *Indigenous Rights*, edited by C. Kukathas and R. Poole) 78:346–59.
- Turnbull, M. 1993. *The Reluctant Republic*. Melbourne: William Heinemann.
- Uhr, J. 1998. *Deliberative Democracy in Australia: The Changing Place of Parliament*. Melbourne: Cambridge University Press.
- Wilson, R., and M. Dodson. 1997. *Bringing Them Home: Report of the National Inquiry into the Separation of Aboriginal and Torres Strait Islander Children from their Families*. Sydney: Human Rights and Equal Opportunity Commission.
- Wiseman, J. 1998. *Global Nation? Australia and the Politics of Globalisation*. Cambridge: Cambridge University Press.

Federalism and the Constitution

Brian Galligan

In designing the Australian constitution the founders combined federalism, copied mainly from the US constitution, with the institutions of parliamentary, responsible government familiar from British and colonial practice (Quick and Garran 1976; La Nauze 1972). The product was a unique constitutional system of government that has been dubbed a 'Westminster' mutation (Thompson 1980). Federalism is the core of the Australian constitution, the purpose of which, as the preamble to the Westminster enabling act expressed it, was to create an 'indissoluble Federal Commonwealth' based upon the consent of the people of the Australian colonies. The federal constitution has been a stable but flexible system of government, serving the purposes of democratic governance of the Australian people and developing in ways scarcely envisaged by the founders. Nevertheless, the design features of the federal constitution have provided the institutional basis for such developments.

Two features have characterised the development of Australia's federal constitution during a century of nationhood: increasing dominance of the Commonwealth, but at the same time the continuing significance of the states. Federalism divides powers between the Commonwealth and the states, but the sum of government powers is not a fixed quantum. While Commonwealth powers have increased, that increase has not always been at the expense of the states because the expansion of total government powers has favoured mainly the Commonwealth. In 1930 W.K. Hancock reported that Australians looked mainly to the states for their routine governmental needs (Hancock 1961), and to an extent they still do. They also looked mainly to Britain for their defence and foreign policy. After World War II, the Commonwealth became dominant in domestic politics and foreign affairs. Nevertheless the states remain integral parts of Australia's federal system, while a complex network of international organisations and treaties provides a significant third dimension of Australian governance.

Federalism, as adopted in the US constitution and defended in *The Federalist Papers*, is one of the great institutional inventions of modern government. The founders of the United States of America took the old confederal, or alliance, form of government that involved an association of member states and infused it with national and democratic attributes. The people were made citizens of the national polity while remaining members of their smaller states. This innovation was based upon 'a wholly novel theory,

which may be considered as a great discovery in modern political science' and had 'the most momentous consequences', according to Alexis de Tocqueville in his classic account of *Democracy in America* (1945: 162). It strengthened national government by giving it the powers to levy taxes in its own right, to make and enforce its own laws, and to conduct foreign policy and wage war. Such a dual system of government and citizenship that divided powers and, to that extent, limited those of either sphere of government, was foreign to the unitary tradition of British parliamentary government, especially as it developed and was democratised in the nineteenth century. According to the champion of British parliamentary government A.V. Dicey (1982), federalism was a weak system of government prone to legalism.

Twentieth-century experience proved Tocqueville right and Dicey wrong, despite the influence Dicey has had upon Australian political thinking and jurisprudence. In framing a federal constitution, the Australian founders were adopting a system of government that had been proven in countries as diverse as Canada and Switzerland. It was also congenial as a form of national government for established self-governing colonies used to dual spheres of governance within the British Empire (Sharman 1990). Australia's century of federal constitutionalism that incorporated parliamentary, responsible government demonstrates the vigour and adaptability of that form of democratic governance.

Federal constitutional design features

The constitution specifies the institutional framework for the Commonwealth government – the legislature, executive and judicature – and the division of powers between the Commonwealth and states. Following the US model, the Commonwealth's legislative powers are specified in enumerated heads of power, while the residual is guaranteed for the states. As a consequence, the extent of powers of each sphere of government depends on how narrowly or broadly the enumerated Commonwealth powers are defined. The High Court has the final say in adjudicating disputes and authoritatively interpreting the extent of such powers. Since the famous *Engineers* case (*Amalgamated Society of Engineers v Adelaide Steamship*) of 1920, the High Court has interpreted Commonwealth powers in a plenary way, largely eschewing the effect on state powers. Such an interpretive method inevitably produces a constitutional jurisprudence that favours the expansion of Commonwealth powers, and that has been the dominant pattern in judicial review since 1920 (Galligan 1987).

The federal division of powers under the Australian constitution is mainly on a concurrent basis with the Commonwealth having the power to override the states (section 109) and monopolise the field. That override power is limited because the High Court decides the extent of the Commonwealth's enumerated powers and resolves jurisdictional conflicts with the states. Commonwealth paramountcy aside, a predominantly concurrent division of powers produces complex intergovernmental arrangements with both spheres of government operating in major policy areas. This intermingling of Commonwealth and state governments through complex legislative schemes and executive arrangements has been a feature of Australian federalism. Fiscal dominance

and the section 96 spending power that enables policy terms and conditions to be tied to state grants has furthered Commonwealth dominance and made virtually all major policy areas intergovernmental.

In combining parliamentary, responsible government that assumes a dominant House of Representatives with bicameralism and a powerful Senate, the Australian constitution embodies something of an institutional mismatch. The Australian founders wanted both sets of institutions in the constitution, and thought they could be made to work through prudent politics. Those who championed a strong Senate to protect state interests warned that responsible government would 'kill federalism' or vice versa. The more prescient argued that the Senate was not properly a federal or states' house, but part of the national legislature and would be mainly concerned with national issues. The states were adequately protected, they argued, through constitutional entrenchment in their own right, through the limited specification of federal powers, and by judicial review by the High Court. Senate politics would not be about state representation but party government concerned with the national issues of the day. In fact disciplined party government became dominant within a decade of federation and transformed both houses of parliament into party chambers. The adoption of proportional representation for Senate voting in 1948 has enabled minor parties and independents to control the Senate and further complicated national government. Apart from the constitutional crisis of 1975, when the Senate blocked supply and Governor-General Kerr sacked Prime Minister Whitlam in an unprecedented exercise of the reserve powers, the system has worked reasonably well.

The Australian constitution was radically democratic for its time, being framed by delegates to a series of constitutional conferences, who were elected by the people of the various colonies (Irving 1999). The final draft was endorsed by popular referendum, with the people voting in their respective colonies, although most women and Aboriginal people did not have the franchise at the time. The constitution was then formally passed by the imperial Westminster parliament at the request of the Australians. The constitution incorporated a referendum procedure in section 128 that was both democratic and federal, with changes to the constitution requiring a double majority of electors overall and in a majority (four out of six) of the states. Despite retaining a formal monarchic executive, the Australian constitution was essentially that of a federal republic with popular sovereignty underpinning a complex system of self-government (Galligan 1995).

While only eight out of forty-four proposals for constitutional change that have been put to the Australian people have passed, that is more a reflection of the quality of proposals than of popular intransigence (Galligan 2001a). The Commonwealth government, which controls the framing and initiation of proposals, has often sought to expand its own powers or put questions lacking popular support. The most recent example was the 1999 republican referendum to Australianise the head of state, which was soundly defeated. While a majority of Australians favour a republic, most want to elect the head of state rather than have that office filled by someone selected by the prime minister with parliament's endorsement, which was the proposal put to them and rejected. Although some have grave reservations about an

elected president, albeit with defined and minimal powers, that is what the majority of people seem to want and would likely endorse (McGarvie 1999; University of Notre Dame Australia 2001).

Despite the paucity of change by referendum, Australia has not been constitutionally 'the frozen continent', as Geoffrey Sawer (1967:206) concluded. Indeed, as his classic study showed, the High Court has played an extensive role in shaping Australian federalism through judicial review of the constitution, especially its expansive interpretation of Commonwealth powers. More significantly, federalism has changed substantially through political initiatives, especially on the part of the Commonwealth, and through intergovernmental arrangements. The federal parliament (Galligan 2001b), the executive and the judiciary have all played a part in furthering the expansion of Commonwealth powers, while the changing political, economic and social circumstances have provided the opportunity. Global influences have been an abiding source of change, and mediating their influence has both engaged Commonwealth and state governments and changed the federal system.

The global context and influences have been important factors in Australian constitutional design and development (Galligan, Roberts and Trifiletti 2001). Federation added a new national sphere of government for people in self-governing colonies that were members of the British Empire. National government and citizenship in the new nation did not replace either the British or the colonial arrangements, but added to them; they were changed but not severed. The new nation-state was established within the protective umbrella of the British Empire in ways that partly facilitated and partly restricted nation-building. Australia remained a loyal dominion within the British Empire – a nation without sovereign independence by its own choice – until World War II, when it adopted a more independent foreign policy in the Asia–Pacific and aligned itself with the US. Australians retained the title of British subject until 1949, and as Australian citizens after 1949 continued also to be British subjects for several decades (Rubenstein 2000). Australia still retains the British monarch as its formal head of state. The British imperial connection was a key element in Australia's constitutional founding and development; the constitutional design that enabled it continues to be significant in dealing with modern globalisation.

Intergovernmental relations

Since the late 1980s, Australia has pursued national policies of deregulation, winding back tariffs, dismantling much government provision of infrastructure and utilities, and deregulating currency markets and banking, as well as freeing up labour markets (Meredith and Dyster 1999; Goldfinch 2000). In making Australia's domestic economy more competitive and export-oriented, the Hawke Labor government also adopted a set of complementary reforms to streamline federal arrangements and intergovernmental relations, which culminated in a new Council of Australian Governments (COAG). This was engineered through a series of Special Premiers' Conferences involving the prime minister and premiers, backed up by extensive officials' meetings. The

Commonwealth initiated and drove the process, while the states were attracted by the promise of fiscal reform to address severe vertical fiscal imbalance.

The COAG reforms entailed new agreements to rationalise responsibilities for disability services, and to establish a National Grid Management Council for electricity, a National Rail Corporation, a national heavy-vehicle regulation scheme, and a national system for the supervision of building societies and credit unions. Under the new collaborative process the array of ad hoc intergovernmental bodies was streamlined and more than halved. National competition policy, directed at eliminating inefficient government provision of utility services and the privileging of government providers, was adopted. The new arrangements included the extension of trade-practices legislation to state businesses, and establishment of stronger regulatory bodies, the Australian Competition and Consumer Commission (ACCC) and the National Competition Council (NCC). The core principle of competitive neutrality prohibits any privileging of government providers, so that if governments retain state provision, as some states have, they are subject to competition. Other key changes include achieving national standards in such areas as food processing and packaging, and adoption of mutual recognition for regulatory provisions for goods and occupations across the various jurisdictions (Keating and Wanna 2000). Sharing in this latter reform was part of New Zealand's motivation in securing quasi-federal status as a contributing state (Galligan and Mulgan 1999).

These reforms demonstrate that the states can play a significant collaborative role in defining the national interest and devising new intergovernmental arrangements for setting national standards based on majority decision-making rather than unanimity (Painter 1998). They also show that federal and state coordination capacities can be bolstered and streamlined by making state governments more responsible to each other and to Australian government as a whole (Davis 1998). Brown (2002) has argued that Australia has produced a more coherent and innovative set of reform processes than Canada, in part because Canada has relied more upon free trade with the US as a discipline for promoting federal efficiency. The COAG reforms show that Australian federal arrangements can be streamlined and improved provided there is Commonwealth leadership and cooperation from the states. The COAG reform process stalled in 1996 with the election of the Howard government, which has been concerned mainly with tax reform, and in particular with the introduction of the goods and services tax (GST).

Fiscal federalism

Introduction of the GST has a major impact on fiscal federalism because the entire proceeds of the tax go to the states, allocated on the standard relativity basis calculated by the Australian Grants Commission in the horizontal fiscal-equalisation process. Principles for administering the GST were agreed at a Special Premiers' Conference in November 1998, and an Intergovernmental Agreement on the Reform of Commonwealth-State Relations ratified at the Premiers' Conference in April 1999. All states signed on, even though the Labor premiers formally registered their party opposition to the GST in the text of the agreement. Such opposition was largely symbolic, although the federal Labor Party in

opposition claimed it would roll back aspects of the GST if it won office. The intergovernmental agreement sets up a Ministerial Council for Commonwealth–State Financial Relations, consisting of the various treasurers. It gives the states a co-determining role in setting the GST base and future rate, currently set at 10 per cent, and requires the unanimous support of state and territory governments in varying rates. This has gone some way towards alleviating state fears that the GST is yet another dose of fiscal centralism implemented via Commonwealth legislation, albeit for their benefit.

More than that of any other comparable federation, Australian fiscal federalism is characterised by extreme ‘vertical fiscal imbalance’. The Commonwealth’s financial dominance was gained by the Curtin and Chifley Labor governments in the 1940s through monopolising income tax, and legitimated by generous High Court interpretations of Commonwealth taxing and spending powers. Consolidated by the Menzies Coalition government during the 1950s, the Commonwealth’s income-tax monopoly has become a permanent feature of Australian fiscal federalism. While the Fraser Coalition government allowed the states some leeway through a mechanism for imposing an income-tax surcharge, or rebate, as part of its ‘new federalism’ from 1977 to 1983, it provided no ‘tax room’. The initiative was rejected by aggressive state premiers such as Queensland’s Bjelke-Petersen, who claimed that the only good tax was a Commonwealth tax. Despite promises from Labor Prime Minister Hawke for returning a modest income-tax field to the states, this was successfully opposed by his Treasurer and successor Keating, who was against any sharing of the income-tax base with the states.

The second revenue pillar of the Commonwealth’s fiscal dominance is the preclusion of the states from levying taxes on the sale of goods that are a standard revenue source for subnational governments in other federations. This exclusion is due to the High Court’s exaggerated interpretation of ‘excise duties’, which is one of the few areas over which the Commonwealth is given exclusive powers by the constitution (section 90). This explains why the GST has to be imposed by Commonwealth legislation even though the entire amount collected is handed over to the states.

The expenditure side of fiscal centralism is just as important a part of the Commonwealth’s postwar dominance. Not only were the states made dependent upon the Commonwealth for much of their revenue (approaching half before the GST), but the Commonwealth had abundant resources for expanding into key areas of state policy jurisdictions. This was done through ambitious spending programs relying upon its own enumerated powers that have been expansively interpreted by the High Court since the *Engineers* case (1920). As well, the successful 1946 social-services amendment provided a constitutional basis for the postwar welfare state. The other method of Commonwealth expansion was to tie policy terms and conditions to grants to the states using section 96 of the constitution. The Commonwealth used tied grants to shape large areas of education, health and infrastructure provision, especially roads. According to one of its greatest proponents, Gough Whitlam, section 96 became Labor’s charter of public enterprise because it enabled the Commonwealth to use its fiscal dominance to direct major policy areas of state jurisdiction (Whitlam 1977:65–71).

Despite the occasional rhetoric of state critics, fiscal centralism has not spelt the end of the states. Indeed they have learnt to manipulate the system in ways that help retain

aspects of state power. To an extent the states collude in the ongoing fiscal arrangements that deliver them large grants of money for which they have no responsibility to collect as taxes. In addition, part of the excess revenues collected by the Commonwealth goes to fund fiscal equalisation that benefits the smaller states. This is criticised by the larger states, whose taxpayers effectively fund the scheme. Indeed, the state governments of NSW, Victoria and Western Australia have commissioned a review of Commonwealth grant methods. The GST, which came into effect on 1 July 2000, has delivered the states a major growth tax, although this has been achieved by Commonwealth legislation. Nevertheless, it has damped criticism of vertical fiscal imbalance while leaving the Commonwealth with joint authority over the tax base and rate. While a stiff injection of economic rationalism that has transformed other areas of public administration might lead to the realignment of taxing and spending responsibilities in fiscal federalism, vested interests remain strong and radical change unlikely.

The treaty power and rights protection

In recent decades, the most contentious issues of Australian federalism have concerned treaties and human-rights protection (Alston and Chiam 1995). The High Court has played a major role in legitimating the Commonwealth government's enhanced power over rights protection, which displaces traditional state jurisdictions. It has also absorbed international standards into its common-law jurisprudence, especially in the area of indigenous land title. Paradoxically, the Commonwealth's expanded rights jurisdiction, which has been gained via the mechanism of implementing international treaties, has been two-edged. In expanding its domestic jurisdiction at the expense of the states, the Commonwealth has become subject to international standards and review bodies. This entails a diminution of national and parliamentary sovereignty that the current Howard government finds galling.

Since the *Engineers* case of 1920, the High Court has adopted the interpretive method of reading Commonwealth powers in a plenary way regardless of the effect on state powers. Such constitutional jurisprudence favours the expansion of Commonwealth powers, and that has been the dominant pattern in judicial review to the point where there are now few constitutional constraints of a federal nature. In recent decades contestation has shifted from old-style left-versus-right struggles over economic management and redistribution to the new politics of rights protection, gender equality, indigenous people and the environment (Patapan 2000; Blackshield, Coper and Williams 2001). The Commonwealth has expanded its jurisdiction over such policy areas by means of implementing international treaties using its section 51 (xxxix) 'external affairs' power. The High Court has legitimated this by taking an extremely broad view of the power so that the Commonwealth can make laws over the growing range of matters that are the subject of international treaties and accords.

Two key areas where the external-affairs power has been used in recent decades are human rights, especially concerning Aboriginal people, and the environment. In the *Koowarta* case (*Koowarta v Bjelke-Petersen* 1982), the High Court upheld the validity of the

Racial Discrimination Act, passed by the Whitlam government in 1975, which implemented the UN Convention on the Elimination of Racial Discrimination. This landmark ruling laid the foundation for the modern expansive interpretation of the treaties power that enables the Commonwealth to override state law in implementing international treaties and rights norms.

The *Tasmanian Dam* case (*Commonwealth v Tasmania* 1983) consolidated the expansive reading of the treaties power, upholding Commonwealth legislation preventing Tasmania from building a hydro-electric dam on a river included on the World Heritage List maintained under the UN World Heritage Convention. In that case, two subsequent chief justices, Mason and Brennan, endorsed a virtually open-ended power of the Commonwealth to trump the states in implementing international standards to which Australia had become party. Despite dire warnings from the dissenting judges that such an interpretation of the treaty power threatened the basic federal polity of the constitution, the expansive interpretation has continued to be adopted in subsequent environmental and human rights cases. The consequence has not been the demise of Australian federalism, but enhanced jurisdiction for the Commonwealth. Such potential power has been sparingly used, however, because of strong state opposition to Commonwealth incursions in this most sensitive policy area.

Human rights protection has been the area of most controversy, with international bodies playing a significant part in domestic rights issues. The *Toonen* case (*Nicholas Toonen and Australia* 1994) was a cameo instance of the practical operation of international human rights norms in ending discriminatory domestic practice. On behalf of the gay and lesbian reform group in Tasmania, Nicholas Toonen mounted a complaint to the UN Human Rights Committee against Tasmanian criminal law forbidding homosexual conduct between adult males. While Tasmania did not enforce the law, it refused to repeal it. The UN committee found in favour of Toonen and, when the Tasmanian government refused to act, the Commonwealth passed legislation overriding aspects of the Tasmanian law. Tasmania first challenged the Commonwealth law in the High Court, but then suspended its challenge and repealed its offending law, replacing it with non-discriminatory provisions. The *Toonen* case shows how determined individuals and groups can now take their human-rights grievances to international bodies and use their favourable advisory decisions to leverage political change through the Australian federal system. This alternative is particularly significant for Australia in the absence of a domestic bill of rights.

Also contentious has been the issue of the impact of international law in the absence of domestic legislation implementing it. The basic principle that international law does not have effect unless it is incorporated into domestic law was challenged by the *Teoh* case (*Minister for Immigration and Ethnic Affairs v Teoh* 1995). The High Court found that by entering into a treaty the Australian government creates a legitimate expectation in administrative law that the executive and its agencies will act in accordance with the terms of the treaty, even when the treaty has not been incorporated into Australian law. The case involved the deportation of Mr Teoh, a non-citizen and father of young children, who had been convicted of possession and trafficking in heroin. Australia had entered into the UN Convention on the Rights of the Child, which makes the best interests of the child a primary consideration in cases involving separation from their

parents. However, the convention had not been implemented in domestic law, and the immigration officials had not taken it into account. Nevertheless, the court held that, in the absence of statutory or executive indications to the contrary, officials should act in conformity with the convention. Both major political parties decried the decision and have produced draft legislation when in government to reverse it, but so far neither has managed to implement those intentions. If it eventually passes, the parliament will have reasserted its determining role in translating international treaties into domestic law.

Despite reservations with the *Teoh* case, the Keating Labor government exploited the untrammelled treaty-making power with little concern for parliamentary scrutiny or public accountability. There was bulk tabling in parliament of dozens of treaties every six months (Twomey 1995). This, combined with concerns about the High Court's expansive interpretation of the external-affairs power, caused a political backlash, with the Senate Legal and Constitutional References Committee (1995) calling for greater public scrutiny and public accountability. Its key recommendations were adopted by the incoming Howard government in 1996. The new process includes mandatory tabling of treaties, provision of accompanying national-interest analysis statements, scrutiny by a Parliamentary Joint Standing Committee on Treaties, and establishment of a Treaties Council under the auspices of COAG. While it is too soon to judge the effectiveness of these measures, they do constitute a major improvement in accountability procedures. As well, states like Victoria have implemented their own state-parliamentary scrutiny of treaties that affect them (Federal–State Relations Committee, Parliament of Victoria, 1997).

If the proliferation of international treaties enhances Commonwealth power vis-à-vis the states, it also ties the hands of the Commonwealth in making it subject to international norms and review committees. The Howard government has been critical of the UN committees that monitor Australia's compliance with human-rights treaty obligations, especially the International Covenant on Civil and Political Rights, the Convention on the Rights of the Child, and the Convention on the Elimination of Racial Discrimination. Australia has been criticised for the Commonwealth's handling of Aboriginal issues, and for mandatory sentencing that applies to juveniles in the Northern Territory and Western Australia. Others welcome the adoption of international human-rights standards and the monitoring of UN committees. Regaining control over domestic human rights might well provide momentum for adopting an Australian bill of rights.

Aboriginal rights

The High Court has played a significant role in Aboriginal land rights in two inter-related ways: by revolutionising the common law in overturning *terra nullius*, which denied native title, and by acknowledging the Commonwealth's constitutional power to override the states on such issues. This was achieved in a series of cases: *Mabo* (No. 1) (*Mabo v Queensland* (No. 1) 1988) and *Mabo* (No. 2) (*Mabo v Queensland* (No. 2) 1992), and *Wik* (*Wik v Queensland* 1996). *Mabo* was a landmark case that recognised the traditional title to land of indigenous people and overturned 200 years of common-law doctrine of *terra nullius* that had denied any such title. In *Mabo* (No. 1), the High Court ruled that Queens-

land's pre-emptive attempt to extinguish any residual native title by legislation was invalid on the ground of inconsistency with the Racial Discrimination Act. In the earlier *Koowarta* case (1982), the High Court had upheld the validity of the Racial Discrimination Act that implemented the International Convention on Elimination of All Forms of Racial Discrimination.

In *Mabo* (No. 2), the court overturned *terra nullius* and upheld the native-title claims of the Meriam people to the Murray Islands in Torres Strait. Brennan, who wrote the leading opinion, relied upon international human-rights norms in establishing indigenous land rights. In *Wik*, the court extended the principle of native title to pastoral leases in Queensland, and by implication to pastoral leases that cover much of northern and western Australia. This was a more contentious decision, with Brennan dissenting as Chief Justice. *Wik* sparked unprecedented criticism of the High Court from the states, mainly Queensland and Western Australia, that were most affected, the pastoral and mining industries, and the Liberal and National parties in federal opposition. The National Party leader, Tim Fischer, accused the court of delaying publication of its *Wik* judgement and threatened when in government to appoint capital-C conservative judges. The Liberal–National Party Coalition won office in 1996 and has used judicial appointments to change the direction of the court. It might have overturned *Wik* by passing legislation that amended the Racial Discrimination Act in this regard, but that was not politically feasible. It retained the native-title legislation passed by the Keating Labor government for dealing with native-title claims.

Native title aside, Aboriginal people have won full political and legal rights, beginning with the right to vote in Commonwealth elections in 1962. That this basic right was denied for so long evidences the extent to which Aborigines were kept as citizens without rights in their own land (Chesterman and Galligan 1997). Nor, until this late stage, was the Commonwealth, which administered the Northern Territory, a catalyst for improvement. Aboriginal land rights, in the fuller sense of unrestricted title to crown land and pastoral holdings, and discrimination became issues in the 1960s, and led to reforms in various states such as South Australia, and the Commonwealth. Besides the 1975 Racial Discrimination Act, referred to above, in 1976 the Commonwealth passed the Northern Territory Land Rights Act, which has delivered half the land mass of the Territory, albeit much of it desert, to Aboriginal ownership. Despite such gains and the involvement of Aboriginal people in administrative bodies such as the Aboriginal and Torres Strait Islander Commission (ATSIC), Aboriginal people are the most disadvantaged group in Australian society. Whether greater self-governance, particularly in discrete regions such as the Torres Strait, can turn this around is yet to be seen. Aboriginal representation and rights protection will inevitably bulk large in any subsequent proposals for statehood by the Northern Territory.

Implied rights

Australia is the only English-speaking democracy and major federal country not to have a judicially enforceable bill of rights, a fact lamented by bill-of-rights advocates (Charlesworth 2002; Williams 1999). Rights provisions in the constitution, such as

section 116, which protects freedom of religion, have been interpreted conservatively. While there has been no 'rights revolution' comparable to that in the US (Epp 1998), rights issues have become more significant. Even without a bill of rights, however, Australian judges advanced rights protection in innovative ways during the early 1990s in a series of implied-rights decisions. These are worth reviewing briefly because they show the potential for adventurous judicial decision-making, and its limitations without a bill of rights.

The most notable instance was finding that a right to freedom of political speech was implied by sections of the constitution implementing representative and responsible government. The requirement that the two houses of parliament be composed of senators and members 'directly chosen by the people' (sections 7 and 24) provided the main constitutional basis for such an implication. This was established in a pair of 1992 cases, *Australian Capital Television v Commonwealth* and *Nationwide News v Wills*. Legislation banning the criticism of Commonwealth industrial-relations commissioners was struck down in the former case, and Commonwealth restrictions on radio and television advertising during election campaigns (restrictions that purported to also bind the states and territories) in the latter case. These cases sparked greater expectations as a minority of judges flirted with bolder implications of rights protection: that certain features of the criminal-law procedure might be constitutionally entrenched, being inherent in the notion of judicial power; or more generally that basic common-law principles were implied by the constitution. An implied right of equality between citizens derived from the agreement of the people to unite into a federal polity was canvassed, although none of these more ambitious claims attracted more than a minority of judges.

The implied right to freedom of communication was extended in a pair of 1994 cases, *Theophanous v Herald and Weekly Times* and *Stephens v West Australian Newspapers*. But there was here no consensus among the judges as to whether such an implied right provided a constitutional defence supplanting the established law of defamation. Theophanous and Stephens were politicians who sued newspapers for defamation in publishing criticisms of their political activities. In a subsequent case, *Lange v Australian Broadcasting Corporation* (1997), the High Court affirmed a modified freedom of political communication, not as an individual right but as a restriction on the legislative power of government. The court ruled that individual redress should be based on development of the common-law defence of qualified privilege rather than any constitutional implication. More ambitious implied-rights claims were rejected. One concerned claims by members of the 'stolen generation', Aboriginal people who as children in the Northern Territory had been forcibly removed from their mothers and put into government custody, that their implied constitutional right to freedom of movement had been infringed by involuntary detention (*Kruger v Commonwealth* 1997). Another involved opponents of a Victorian regulation banning protesters from duck-hunting areas at the beginning of the shooting season, who believed their implied right to freedom of political speech was breached (*Levy v Victoria* 1997).

The contribution of the judiciary to furthering new rights protection has been significant, but mainly through means other than implied constitutional rights. In transforming the common law to allow native title, the High Court confirmed a limited and

residual right that is subject to legislative override by parliaments. That leaves the matter in the political realm of federal politics, with the Commonwealth able to preserve native title, as it has done, and the states constrained by the Commonwealth's anti-discrimination law. Constitutionally, the High Court's main contribution has been through its traditional federal adjudication in giving broad and plenary scope to Commonwealth powers. Again, that leaves the running on rights protection mainly to the legislatures, with the Commonwealth able to trump the states in any of the vast array of matters that come within its expansive powers. Through generous interpretation of the external-affairs power, the court has opened up for the Commonwealth a potential superhighway for introducing international human-rights norms, including a statutory bill of rights, into domestic law, with such legislation taking precedence over that of the states. Thus, the effect is to leave human-rights protection mainly to parliaments and the federal political process, as has been Australian practice.

Contemporary challenges

We can identify in Australian federalism two powerful trends that run in opposite directions. Despite its classic federal structure, which is encapsulated in the constitutional system, Australian federalism has become relatively centralised in its domestic arrangements. This is most evident in fiscal federalism, where the Commonwealth has asserted a near-monopoly over taxation for half a century. It is also a consequence of the Commonwealth's expanded role in recent decades due to its superiority in foreign affairs and treaties. Australia's response to globalisation has furthered the centralist trend in expanding Commonwealth dominance.

There is a contrary tendency, however, that favours federalism and an enhanced role for the states, and that was apparent in the reform of intergovernmental arrangements in the 1990s and resulted in COAG. It was also evident in the decision to give the entire proceeds of the new GST to the states. Meeting the economic challenges of globalisation has entailed reforms to governance and federal arrangements that require state participation in national policy-making and regulatory regimes. The latter tendencies have countered the former. Despite some immediate advantage for the Commonwealth government in mediating international affairs, an increasingly globalised order entails some diminution in the role of national government, which favours federalism and the states.

The federal structure of government means that Australian governments are not sovereign and policy-making in most key areas involves complex interplay between the Commonwealth and state governments. Adding a global sphere extends the complexity of governance, but in ways that are compatible with the institutional logic of federalism. Hence, federalism seems a system more appropriate for dealing with the challenges of globalisation than a unified sovereign nation state.

Moreover, the main domestic threat to Australia's federal constitution has been exorcised. Traditionally pledged to abolishing federalism and the states, the Australian Labor Party has become the major instigator of reforms. The thirteen years of Commonwealth Labor government under prime ministers Hawke and Keating that ended in

1996 showed Labor's new commitment to improving the efficiency of federalism and streamlining intergovernmental relations. The same has been true of state Labor governments, even in reforming state upper houses. Labor's federal conversion was part of a broader transformation of the party from a trade-union-based workers' party, pledged to centralise power for purposes of statist intervention and economic control, to a party of public managers committed to neoliberal economics, market solutions and targeting of welfare policies.

The transformation of the Labor party has helped stabilise institutional harmony between federalism and responsible parliamentary government, which some see as an unworkable combination. Australia's constitution accommodates responsible government within a federal democratic structure. Australia's system cannot be classified strictly as 'constrained parliamentarism', as Ackerman (2000) defines it, because the executive is fully integrated within the House of Representatives. Nevertheless, the Senate has virtually coequal formal powers with the House of Representatives and is typically controlled by minor parties. Hence, Australia does have a modified system of constrained parliamentarism in which the executive controls one dominant part of the legislature but has to deal with a second, independent legislative chamber to have its legislation passed. Except for the 1975 constitutional crisis, which was the exception rather than the rule (that Ackerman mainly relies upon), Australian parliamentary government is constrained without being gridlocked.

Australia's success with federal constitutional government is one notable case among a handful of countries dominated by the US, whose constitution the Australians copied, and including Canada and Switzerland, which were also well-established models in the late nineteenth century. Despite criticism by proponents of unitary government and majoritarian democracy, federalism has become the dominant model for large and pluralist nations, including postwar Germany. It is increasingly an institutional means for achieving devolution of national government, as in Belgium and Spain, and for transnational association, as in the European Union. Given British devolution and membership of the European Union, New Zealand has become the precarious exemplar of unitary government and parliamentary sovereignty in recent times (Catley 2001). With the world becoming more federalised and federalism being an appropriate system for dealing with globalisation, Australia's federal constitution that has served it well for a century is likely to continue to do so into the twenty-first century.

References

- Ackerman, B. 2000. The new separation of powers. *Harvard Law Review* 113:634–729.
- Alston, P., and M. Chiam. 1995. *Treaty-Making and Australia: Globalization versus Sovereignty?* Sydney: Federation Press.
- Blackshield, T., M. Coper and G. Williams (eds). 2001. *The Oxford Companion to the High Court*. Oxford: Oxford University Press.
- Brown, D. 2002. *Market Rules: Economic Union Reform and Intergovernmental Policy-Making in Australia and Canada*. Kingston, Ontario: McGill/Queens University Press.

- Catley, B. 2001. *Waltzing with Matilda: Why New Zealand Should Join Australia*. Wellington: Dark Horse Publications.
- Charlesworth, H. 2002. *Writing in Rights: Australia and the Protection of Human Rights*. Sydney: University of New South Wales Press.
- Chesterman, J., and B. Galligan. 1997. *Citizens without Rights: Aborigines and Australian Citizenship*. Cambridge: Cambridge University Press.
- Davis, G. 1998. Carving out policy space for state government in a federation: The role of coordination. *Publius* 28:147–64.
- Dicey, A.V. 1982 (1885). *Introduction to the Study of the Law and the Constitution*. Reprint based on 8th ed. Indianapolis: Liberty Classics.
- Epp, C.R. 1998. *The Rights Revolution: Lawyers, Activists, and Supreme Courts in Comparative Perspective*. Chicago: University of Chicago Press.
- Federal–State Relations Committee, Parliament of Victoria. 1997. *Report on International Treaty Making and the Role of the States*. Melbourne: Government Printer.
- Galligan, B. 1987. *Politics of the High Court*. Brisbane: University of Queensland Press.
- . 1995. *A Federal Republic: Australia's Constitutional System of Government*. Cambridge: Cambridge University Press.
- . 2001a. 'Amending constitutions through the referendum device' in *Referendum Democracy: Citizens, Elites, and Deliberations in Referendum Campaigns*. Edited by M. Mendelsohn and A. Parkin, pp. 102–24. London: Palgrave.
- . 2001b. 'Parliament's development of federalism' in *Parliament: The Vision in Hindsight*. Edited by G. Lindell and R. Bennett. Sydney: Federation Press.
- Galligan, B., and R. Mulgan. 1999. 'Asymmetric political association: The Australasian experiment' in *Accommodating Diversity: Asymmetry in Federal States*. Edited by R. Agnanoff, pp. 57–72. Baden-Baden: Verlagsgesellschaft.
- Galligan, B., W. Roberts and G. Trifiletti. 2001. *Australians and Globalisation: The Experience of Two Centuries*. Cambridge: Cambridge University Press.
- Goldfinch, S. 2000. *Remaking New Zealand and Australian Economic Policy*. Wellington: Victoria University Press.
- Hancock, W.K. 1961 (1930). *Australia*. Brisbane: Jacaranda Press.
- Irving, H. (ed.). 1999. *The Centenary Companion to Australian Federation*. Cambridge: Cambridge University Press.
- Keating, M., and J. Wanna. 2000. 'Remaking federalism' in *Institutions on the Edge: Capacity for Governance*. Edited by M. Keating, J. Wanna and P. Weller. Sydney: Allen and Unwin.
- La Nauze, J.A. 1972. *The Making of the Australian Constitution*. Melbourne: Melbourne University Press.
- McGarvie, R. 1999. *Democracy: Choosing Australia's Republic*. Melbourne: Melbourne University Press.
- Meredith, D., and B. Dyster. 1999. *Australia in the Global Economy*. Cambridge: Cambridge University Press.
- Painter, M. 1998. *Collaborative Federalism: Economic Reform in Australia in the 1990s*. Cambridge: Cambridge University Press.
- Patapan, H. 2000. *Judging Democracy: The New Politics of the High Court of Australia*. Cambridge: Cambridge University Press.
- Quick, J., and R.R. Garran. 1976 (1901). *The Annotated Constitution of the Australian Commonwealth*. Sydney: Legal Books.
- Rubenstein, K. (ed.). 2000. *Individual, Community, Nation: 50 Years of Australian Citizenship*. Melbourne: Australian Scholarly Publishing.

- Senate Legal and Constitutional References Committee. 1995. *Trick or Treaty? Commonwealth Power to Make and Implement Treaties*. Canberra: Parliament of the Commonwealth of Australia.
- Sharman, C. 1990. Parliamentary federations and limited government: Constitutional design and redesign in Australia and Canada. *Journal of Theoretical Politics* 2:205–300.
- Tenbenschel, T. 1996. International human rights conventions and Australian political debates: Issues raised by the Toonen case. *Australian Journal of Political Science* 31:7–23.
- Thompson, E. 1980. The ‘Washminster’ mutation. *Politics* 15:32–40.
- Tocqueville, A. de. 1945 (1835). *Democracy in America*. 2 vols. New York: Vintage Books.
- Twomey, A. 1995. Procedure and practice of entering and implementing treaties. Parliamentary Research Service Background Paper No. 27. Canberra: Department of Parliamentary Library.
- University of Notre Dame Australia. 2001. *Law Review* (Special edition *Planning a New Republic*) 3.
- Whitlam, E.G. 1977. *On Australia’s Constitution*. Camberwell, Vic.: Widescope.
- Williams, G. 1999. *Human Rights under the Australian Constitution*. Oxford: Oxford University Press.

Cases

- Amalgamated Society of Engineers v Adelaide Steamship Co. Ltd* (1920) 28 CLR 129.
- Australian Capital Television Pty Ltd v Commonwealth* (No. 2) (1992) 177 CLR 106.
- Commonwealth v Tasmania* (1983) 158 CLR 1.
- Koowarta v Bjelke-Petersen* (1982) 153 CLR 168.
- Kruger v Commonwealth* (1997) 190 CLR 1.
- Lange v Australian Broadcasting Corporation* (1997) 145 CLR 96.
- Levy v Victoria* (1997) 189 CLR 579.
- Mabo v Queensland* (No. 1) (1988) 166 CLR 186.
- Mabo v Queensland* (No. 2) (1992) 175 CLR 1.
- Minister for Immigration and Ethnic Affairs v Teoh* (1995) 183 CLR 273.
- Nationwide News Pty Ltd v Wills* (1992) 177 CLR 1
- Nicholas Toonen and Australia*. United Nations Human Rights Committee, Communication No. 688/1992, Doc: CCPR/C/50/D 488/1992 (4 April 1994).
- Stephens v West Australian Newspapers Ltd* (1994) 182 CLR 211
- Theophanous v Herald and Weekly Times Ltd* (1994) 182 CLR 104
- Wik v Queensland* (1996) 187 CLR 1.

Legislative Institutions

Campbell Sharman

The legislature is at the heart of any system of representative democracy. It is not only the source of binding rules for citizens but also the most important link between the political community and its government. This puts the legislature on the interface between the government as a set of agencies for making and implementing law under the constitution, and procedures for ensuring that government responds to popular preferences. As such, it embodies much of the ambivalence enshrined within the notion of liberal democracy. Part of its legitimacy derives from its role in ensuring limited government and the rule of law, yet its representative aspect ties its legitimacy to the ability to respond to popular majorities (see Brennan and Hamlin 1993). For parliamentary systems, this tension is compounded by the clash between the expectation that the legislature will maintain a role independent of the executive, and pressure for its operation to be dominated by the government of the day.

Australia's parliaments – one federal, six state and two territory legislatures – provide good examples of the variety of ways in which these contradictory forces can be accommodated. The development of Australian legislative institutions has been marked by the emergence of strongly disciplined parliamentary parties that have favoured executive dominance, and also by institutional pressures working to limit government control of the legislative process.

As shown by a 1985 review of literature on Australian political institutions (Jinks 1985), the exploration of factors limiting executive influence over parliament had become an important component of the scholarly analysis of the legislative process by the 1980s. This was as a result, in large measure, of the work of Reid epitomised by his paper 'The Trinitarian struggle: Parliamentary–executive relations' (Reid 1973) and his book with Forrest on the federal parliament (Reid and Forrest 1989). The theme of tension between executive control of the legislature and procedures for effective parliamentary scrutiny of bills and government activity has since become a staple for the analysis of Australian parliaments, and is now a regular component of introductory texts on Australian politics (for example, Parkin and Summers 2002). As Smith (1994) points out in a thoughtful and informative survey, this is much more than a reworking of the decline-of-parliament thesis, a proposition that had always raised as many questions as it purported to answer by assuming some golden age of parliamentary independence.

Smith (1994) argues that, if there was a golden age, it had passed by 1910, and that a close examination of the activities of recent Australian parliaments, state and federal, shows a wide range of relationships between parliament and the executive. This varies by legislature and over time, and is shaped by the partisan composition of parliament, its rules and standing orders, its committee system and legislative procedures, and, above all, the role of an upper house in its legislative process (Smith 1994).

Bicameralism

The effect of bicameralism on the political process is now the major focus of most works on the parliamentary process, a development that has transformed the study of Australian legislative institutions over the past thirty years. This transformation has reflected a metamorphosis in the role of the Australian Senate from a chamber with little political significance to a body that is now the major actor in the legislative process in terms of scrutiny of legislation and investigation of the activities of government. The causes of this institutional shift are closely tied to the alteration in the electoral system for choosing senators which took effect in 1949. Senators had been chosen from six state-wide electoral districts by a system of preferential voting (the alternative vote), but this was changed to proportional representation (PR) by the single transferable vote method. By the 1970s, the result had been to create a Senate with evenly divided representation from the major party groupings, and with the balance of power usually held by a small number of minor-party and independent senators.

These developments have triggered research into a range of issues: the implications of adopting proportional representation for the election of senators; the original design of the Senate and its place in the legislative system; the rise in the representation of small parties in the Senate; the consequences for the parliamentary process of having small-party and independent senators holding the balance of power in the chamber; and a re-examination of the nature of the Australian parliamentary system and the Australian tradition of representative democracy in all spheres of government.

To take the first of these, the Senate has become a target for those who study the comparative effects on representative institutions of the adoption of PR (Farrell, Mackerras and McAllister 1996). Other studies have examined the effects of the alternative vote and disproportionality on the pre-1949 Senate (Lijphart 1997), and the analysis of the circumstances for the adoption of PR and of the reasons for the lagged effect of changes to the electoral system on small-party representation in the Senate (Sharman 1986, 1999a). The substantial changes to the electoral rules for Senate elections made in 1984 have also been examined for their effect on small-party representation and influence in the Senate (Sharman 1986; Stone 1998b). A comparative article by Rydon (1989) argues that the relative success of small parties in lower-house elections in Australia, when comparison is made with similar parties in the UK and New Zealand, has been dependent on the haven provided by representation in the Senate.

Discussion about the effects of PR have raised issues about the original design for the Senate in 1901, suggestions for adoption of PR during the federation debates and

early in the life of the chamber, and the history of the process leading to the eventual adoption of PR for the 1949 election (Galligan 1995: chapter 3; Reid and Forrest 1989: chapter 3; Uhr 1995, 1999b).

Minor parties

The critical manifestation of change in the Senate has been the growth of minor-party representation and the ability of minor-party and independent senators to hold the balance of power in the chamber (Sharman 1986, 1999a; Stone 1998b). The rise of minor parties over the past thirty years reflects changes to voting patterns, discussed in Simon Jackman's chapter 16 in this volume, and the range and nature of these parties has been charted by Jaensch and Mathieson (1998). The insurgency of the Australian Democrats in 1977 has been particularly important, marking the beginning of the current pattern of minor-party representation in the Senate, a pattern that has been reinforced by the rise of the Green parties since 1990 (Papadakis 1990). There has been a symbiotic relationship between minor parties and an assertive role of the Senate, a link that has been particularly strong for the Australian Democrats (Forrest 1995; Warhurst 1997). This raises the question of the extent to which minor-party representation in the Senate is the result of awareness of the Senate as a separate legislative institution. Bowler and Denmark (1993) have found split-ticket voting between the House of Representatives and the Senate at federal elections to be lower than hypothesised (but see Forrest 1995), although an explanation for the low rate of split-ticket voting has been found in the constraints of cross-house preference deals between large and small parties (Sharman, Sayers and Miragliotta 2002). Nonetheless, Bean and Wattenberg (1998) show that, whether or not voters split their tickets, there is a substantial portion of the electorate that has a clear idea about the virtues of a divided legislature as a constraint on government.

The current activities of minor parties in the Senate have contributed to renewed interest in the early years of the Commonwealth parliament. The House of Representatives and the Senate were elected by a plurality (first-past-the-post) electoral system until 1919, but no party secured majority control of either chamber until 1910. The dynamics of party accommodation during the first nine years of the parliament's existence has been studied by Marsh (1991, 1995a: chapter 10; see also Reid and Forrest 1989) and linked to the possibility of transmuting the current plethora of organised interest groups into a similar style of multiparty politics today (Marsh 1995a, 1995b).

As a mild corrective to these assessments of the importance of minor-party representation, Papadakis and Bean (1995) argue that electoral and institutional constraints have restricted the direct expression of changes in social attitudes to such issues as the environment (but see Blount 1998), and they imply that the representation of small parties in the Senate is less important than the accommodation of social change within the large parties. This may be true, but the institutional effects of the representation of small parties on the operation of the Senate are hard to underestimate.

Despite the general interest in the role of minor parties over the past twenty years, there have been few studies of legislative politics in the Senate. Uhr (1998, 1999b)

touches on this issue, but the major contribution has been the article by Young (1999) on the passage of the 1993 budget through the Senate. At a time when the Labor Party government needed at least two additional party blocs to pass measures through the Senate, there was a great deal of opportunity for strong bargaining over measures to be included in budget bills. Young explores the strategies open to minor parties in the Senate, the responses open to the government, and the way in which these competing interests played out in the framing of legislation. While there has, as yet, been no major academic study published on the passage through the Senate of such major legislation as the goods and services tax (GST) in 1999, it is clear from Young's work that the legislative politics of policy accommodation between small parties and the government is now a central, and increasingly routinised, part of the parliamentary process in the Senate.

Legislative process

The main concern with bicameralism, however, has been the effect of PR in contributing to the loss of government control of stable partisan majorities in the Senate, the consequent alteration to the nature of the legislative process, and the increase in effective scrutiny of bills (O'Keefe 1996) and of government behaviour generally (Sharman 1999b). Mulgan (1995) traverses the results of having a powerful 'house of review' that can thwart the government's legislative program. He points to the inconsistency that such a chamber represents for views of British-style parliamentary process, and for majoritarian justifications for parliamentary government. The article is a helpful review of the issues and a good example of the challenge to the conventional wisdom about the role of parliament that the Senate has precipitated, a theme also pursued by Uhr (1998).

This challenge has had repercussions elsewhere. For Emy (1997) and Goot (1999) it raises the question of the rival claims of a government majority in the lower house and the non-government majority in the Senate to hold a mandate from the electorate to pursue specified policies. They point out that strong bicameralism adds another dimension to arguments over the validity of mandates, because parties have two parliamentary forums in which to argue for popular endorsement of their policies (see Brennan and Hamlin 1992). In addition, Goot (1999) shows that mandates are now being claimed by minor parties holding the balance of power in the Senate on the basis of polling data as well as vote shares, a stance that has contributed to the debate over the nature and utility of the notion of mandate (Mulgan 2000; Uhr 1997:73–6).

This debate is part of a yet wider discussion over the nature of Australian politics and the rival claims to legitimacy of institutions based on majoritarian or consensus democracy. The Senate, as a powerful second chamber with the ability to check government control of the legislative process and as a house representing a diversity of partisan views, exemplifies consensus politics (Lijphart 1999a). This has made it one of the key elements in discussions over the shape of Australia's tradition of limited government (Colebatch 1992; Emy 1997; Maddox 2000; Sharman 1990a, 1990b) and a model for consideration of similar issues in the UK (Russell 2000; 2001).

Such debates represent a sea change in attitudes to the analysis of the parliamentary process and an end of automatic assumptions about the virtues of executive dominance

and the majoritarian democracy epitomised by the British parliamentary tradition. The more sophisticated discussions of representative democracy, popularised by the work of Lijphart (1999b), have also affected the analysis of state politics. Eckersley and Zifcak (2001) cast a critical eye over the operation of parliamentary democracy in Victoria, and Stone (1998a, 2002) has provided two innovative studies of the dynamics of representative government in Australia. The first of these (Stone 1998a) examines the growth in the number of ministers in Australian parliaments, in absolute terms and, more importantly, in relation to the size of Australian state and federal parliaments over the twentieth century. The dramatic increase in the ratio of executive to non-executive members of parliament has, according to Stone (1998a), contributed to the weakening of parliaments, altered the nature of political representation, and limited the potential for parliamentary reform.

Turning his attention to state upper houses, Stone (2002) charts a trajectory of reform that has taken state upper houses (legislative councils) from being institutions designed as restraints on the effects of popular representation in lower houses, through a period in which they appeared to have little relevance to the political process, to a current phase in which they are seen as having popular legitimacy as consensus components of parliamentary democracy. The rate at which legislative councils have undertaken this transformation has varied between the states, and the full effect of these changes has yet to be felt in the way these chambers use their new-found political legitimacy. As with the Senate, proportional representation has played a critical role in the process of institutional change.

Both of these articles by Stone (1998a, 2002) follow in the tradition of Nelson (1985) in looking at long-run patterns of state parliamentary performance in comparative context to raise broad issues about the nature and operation of parliamentary government. While Stone has been concerned with the relationship between the executive and the legislature, Nelson (1985) has been interested in the pattern of policy innovation in the states, as revealed by their legislative output. Unfortunately, there have been relatively few of such theoretically informed and empirically based studies of the operation of Australian parliaments.

Accountability

Keeping governments accountable for their actions is one of the key roles of the parliamentary process and has been one of the continuing themes in studies of Australian legislative institutions. While most academic attention has been focused on the operation of the Senate, Mulgan (1997) deals with the question of the parliamentary accountability of the political executive, and points to the unsatisfactory nature of much of the analysis of ministerial responsibility. Reviewing the literature on the topic, Mulgan argues that blind acceptance of an idealised version of the Westminster model is unhelpful for the analysis and assessment of procedures for maintaining effective accountability on the part of ministers and public servants. An earlier empirical study by Page (1990) examined the circumstances of ministerial resignations and concluded that the critical factor is the assessment by the prime minister or premier of the political damage of keeping or

dismissing the minister, and of the way the issue has been dealt with in the media (see also Smith 1994:119–29). A similar stress on the importance of parliamentary politics and public opinion has been taken by Weller (1994) in his comparative examination of the removal of prime ministers in British-derived parliamentary systems.

Using the threat of unseating governments by successfully passing a vote of no-confidence in the lower house has not been a usual part of the parliamentary repertoire for keeping governments accountable since the establishment of disciplined parliamentary parties in the 1920s. But the decline in the vote share of the two largest party groupings and the frequency of minority governments in the states over the past twenty years has made such a threat more familiar. The possibility of withdrawal of parliamentary support by minor-party and independent members holding the balance of power in the lower house has been experienced by all state parliaments since 1980, and continuously in the Australian Capital Territory Legislative Assembly since its creation in 1989. The nature of state minority governments has been investigated by Moon (1995), who examines the range of motivations of the minor-party and independent members holding the balance of power. Renegade members of the governing party may simply support the government on all but a few issues, in contrast to those independent members who are committed to changing parliamentary procedures to enhance legislative scrutiny of the government (Moon 1995). Confirming Moon's analysis, Smith (1996) provides an informative study of the effects of minority government on the parliamentary process in the New South Wales parliament between 1988 and 1995; the contrast with the Victorian experience of the reduction of parliamentary scrutiny of the executive under Premier Kennett is striking (Harkness 1999).

Such continuing forms of scrutiny as the work of parliamentary committees, parliamentary debate and the role of question time have had little systematic academic attention. These aspects of the work of the federal parliament are surveyed in a general way by Uhr (1998), and a helpful introductory review of parliamentary activities is provided by Stewart and Ward (1996:102–13; see also Solomon 1986). But there is no comprehensive study of these components of the parliamentary process and no successor, for example, to the work of Uhr (1982) on parliamentary question time. There is, however, no shortage of information from the parliaments themselves, and commentary from practitioners and officials to be found in the publication *Legislative Studies* (the official publication of the Australasian Study of Parliament Group, renamed *Australasian Parliamentary Review* since 2001). The same is true for information on changes to the workings of the various parliaments and for the perennial suggestions for procedural reforms of parliament (Jaensch 1986), a convenient review of which can be found in Uhr (1998:233–49).

One aspect of accountability that has attracted some scholarly attention has been the role of the auditor-general in providing information and informed commentary on government finance for effective parliamentary scrutiny. The political sensitivity of such information has made the position of auditor-general one that has sometimes been the subject of controversy, often coupled with claims that governments have tried to limit the powers of the auditor-general (Funnell 1996). English and Guthrie (2000) argue that the adoption of private-sector models of accountability by the federal government

is seriously eroding the ability of the auditor-general to provide information for effective parliamentary oversight of government management and reporting activities.

In terms of the broader accountability of members of parliament to the public, much depends on the way the public receives information on the behaviour of their representatives. A useful survey article by Magarey (1999), while focusing on the use of electronic resources and publishing by the Australian Commonwealth Parliament, sets out the recent history of all the ways in which the parliament provides information to its members and to the public. This includes details of radio and television broadcasting, the publication of reports in paper and electronic formats, and the political issues that these topics have raised. The article gives a feel for the internal bureaucratic restraints that the traditions and structure of parliaments impose on the adoption of new technology, as well as an indication of the way electronic resources might be used to enhance citizen involvement with parliament.

Ward (1992) points to the unintended effects of some forms of political communication. He looks at the image that teenagers acquire of parliamentarians from viewing television news, and the result is neither flattering nor reassuring to politicians. Ward argues that television coverage of political activities may have the effect of increasing the distance between viewers and their representatives rather than building a sense of involvement with politics or enhancing the accountability of parliamentarians.

Ethics

The component of accountability that has been the most extensively researched has been the question of the ethical responsibilities of them. It is unclear whether politicians are more corrupt than they were, but issues of ethical conduct by holders of public office have acquired high political salience in recent years. Much of this concern since the 1980s has been driven by publicity given to serious cases of corrupt, illegal or improper conduct on the part of governments, parliamentarians and public servants, and by examples of the reckless use of public resources by elected and appointed officials in all spheres of government. The revelation of police corruption in Queensland and the improper use of public funds in Western Australia led to public inquiries (Fitzgerald Report – Fitzgerald 1989; ‘WA Inc.’ Royal Commission Report – Kennedy, Wilson and Brinsden 1992), which in turn prompted the setting up of wide-ranging commissions of inquiry (Coaldrake 1989; Hede, Prasser and Neylan 1992; Lloyd 1989; Prasser, Wear and Nethercote 1990; Stone 1993, 1994). These commissions were designed to recommend changes to the operation of government, including procedures to ensure parliamentary accountability and effective public scrutiny of the executive (Electoral and Administrative Review Commission, Queensland; Western Australia Commission on Government). These bodies produced a series of reports and recommendations that have made significant contributions to the analysis of ways to ensure accountability in parliamentary government.

One solution to the problem of improper behaviour by parliamentarians has been to produce codes of legislative ethics for parliamentarians. Preston (2001) reviews the

experience of the 1990s, and concludes that parliamentarians are suspicious of such codes and reluctant to accept them. Even when the codes have been accepted, their influence has been limited by the absence of effective procedures for monitoring and reinforcing ethical conduct.

Much of the problem with codes of conduct appears to be in the different assessments between parliamentarians and the general public about the nature, extent and importance of unethical conduct. A study by Jackson and Smith (1995, 1996) shows that the expectations of the general public are much higher than those of public officials. These authors found that, across a range of conduct that could be considered unethical, New South Wales politicians are more likely to view such conduct as acceptable than a sample of the general public. The more lenient view of people who are used to operating the system could be explained by an awareness of the complications of holding public office. The authors argue that this distance between the views of parliamentarians and those of the general public is a characteristic of all liberal-democratic political systems (see Jackson 1994), but might be reduced by public debate on the general issue of improper actions rather than by focusing on particular malefactors (Jackson and Smith 1996:39–40). This issue has been raised by the ability of parliamentarians to make statements under cover of parliamentary privilege, an activity that has occasionally been abused, although the line between abuse of privilege, protection of the public interest, and statements that offend the political preferences of commentators is sometimes hard to draw (see Hill 2001).

An example of the dramatic consequences that occasionally result from a divergence between a premier's view of appropriate behaviour and that of the public (and other members of parliament) can be found in the Metherell affair in 1992. Premier Greiner, leader of a minority government in New South Wales, arranged for a former minister in his government to be appointed to a senior public-service position without following the appropriate procedures. The incident was investigated by the NSW Independent Commission against Corruption (ICAC) and led to Greiner's resignation, forced by independent members of parliament who held the balance of power in the Legislative Assembly (Chaples and Page 1995:62–8; see also Smith 1995:35–6).

The 'insiders' and 'outsiders' view of improper conduct by parliamentarians has been further examined by Smith (1998), who points to the ambiguous role of party as a moral compass for legislators given the acceptance of behaviour by parliamentarians that is seen as acceptable in partisan activities even if seen as inappropriate in any other forum (Smith 1998:48–9). McAllister (2000) uses Australian Election Study survey data to examine similar issues. He finds that public confidence in Australian politicians has fallen and, despite the promulgation of codes of ethics, the frequency of incidents relating to corruption and improper behaviour has not declined. In addition to providing explanations for this trend, McAllister (2000) examines differences in attitudes to a variety of unethical activities between elite groups and the public at large. Reinforcing earlier studies, he finds that elites are more tolerant of improper behaviour than the public and that, while exposure to high public office increases ethical standards, involvement with party activities reduces ethical expectations. He concludes by noting the contradictory implications of this finding for the health of representative democracy.

A particular example of the use of public resources for partisan gain by parliamentarians has generated a number of studies. The 'Sports Rorts' affair involved federal grants to support local community sporting and social activities. The opposition argued that these funds were used by the Keating Labor government for partisan gain to support the Labor Party's electoral interests and, after a series of embarrassing disclosures of partisan favouritism, forced the resignation of the minister responsible for allocating funds under the scheme. Smith (1999) uses this case to analyse differences in perceptions of corrupt conduct, and Gaunt (1999) shows how far the allocation of the funds under the scheme departed from broad notions of administrative fairness. Denmark (2000) correlates the financial information available on the allocation of the grants with the partisan colour of the electoral district in which funds were spent, the marginality of the district, and the ministerial and party status of the member holding the district. He finds a complex set of relationships where all these variables are involved to reflect a coherent set of partisan interests. The article also contrasts the nature of pork-barrelling under the strongly party-driven Australian parliamentary system with the US Congressional system and the dependence of its representatives on individual fundraising and political favours.

But improper activities by parliamentarians do not always have the expected effect on public attitudes to government. Using survey data from the 1993 Australian Election Study, Denmark and Sharman (1994) point out that state governments in Queensland and Western Australia enjoyed higher levels of trust than the federal government, even though both states had recently seen governments destroyed by major improprieties on the part of their elected state representatives. Trust and moral expectations appear to be related only tangentially.

Parliamentarians

Part of the problem of understanding the attitudes of politicians to their work is that the activities of representatives once elected to parliament has been little studied in Australia. Party discipline has meant that votes on the floor of parliamentary chambers are unlikely to provide any surprises except where minor-party or independent members hold the balance of power in a chamber. Recent studies of the parliamentary wings of Australian Labor Party (Faulkner and Macintyre 2000) and the Liberal Party (Hancock 2000; Nethercote 2001) provide excellent organisational histories, but little idea of the attitudes of current parliamentarians and the way MPs see their role in such a party and faction dominated representative process (see Farrell and McAllister 1995; Johns 1999; Leigh 1999). Using as a starting point the extensive comparative literature on representation, Studlar and McAllister (1996a) make use of the Australian Election Study of the 1993 federal election (which includes a nationwide survey of candidates) to examine candidates' and incumbents' views of political representation. The results show the tension between the claims of representing an electoral district, the party, and some notion of the public interest defined as responsiveness to public opinion or the conscience of the MP, a theme also pursued in a related study (Studlar and McAllister 1996b).

Studlar and McAllister (1996a) also look at the relationship between electoral success and various kinds of candidate activity, and find that dealing with constituents' grievances is not as strongly associated with candidate success in Australian House of Representatives elections as other political systems. They surmise that a variety of factors, including the geographical isolation of the national capital and the importance of factional politics in Canberra, may explain this anomaly. This is consistent with their earlier work on the importance of partisan considerations for the re-election of incumbents to the federal parliament (Studlar and McAllister 1994, 1996b), even though Bean (1990) shows that electors' assessments of their local member can amount to a personal vote, for better or worse, of around 3 per cent (but see Bowler, Farrell and McAllister 1996). There is also the special case of the Tasmanian House of Assembly, where the existence of PR and other electoral rules make the personal visibility of candidates and members a critical component of their electoral success, and where brokerage politics operates to moderate the dominance of party (Sharman, Smith and Moon 1991).

None of these studies, however, gives much of a feel for the life of a parliamentarian or for the way politicians harmonise their conflicting roles on a day-to-day basis (but see Solomon 1986: chapter 9); certainly there is nothing to match the brilliant, if idiosyncratic, study by Davies (1966) of political life around 1960. Nor have there been many studies of the careers of parliamentarians, although a great deal of information and commentary is provided in Rydon (1986) in her study of the federal parliament. The general utility of this work is limited by its lack of a subject index and by the format in which information is provided. Thoughtful contributions on questions of careers and the roles of MPs can be found in Emy (1974:455–94) and in a brief but original study by Steinbrickner (1984) of state parliamentarians and their mobility between legislative chambers and between state and federal parliaments. Weller and Fraser (1987) note the 'younging' of federal parliamentarians in recent years, and point to the increasing propensity for parliamentarians to regard politics as a first career.

An issue that has been better studied has been the place of women in the parliamentary process. Research on this topic has been varied. McAllister and Studlar (1992) examine the question of gender and political representation from survey data derived from the 1987 federal election. They conclude that women candidates in Australia see themselves as representing their political parties first, then their electoral districts, and finally gender issues, a conclusion congruent with the findings of other surveys that stress the dominance of party in Australian political attitudes. But the authors stress that their conclusions need to be understood in the context of 'women's relatively slow entrance into the Australian political elite' (McAllister and Studlar 1992:403), and the complex effects that an increasing number of women may have on the issues dealt with by legislative institutions. Some evidence supporting this process has been found in the distinctive contribution, both in terms of position and mode of debate, of women members of the Commonwealth parliament to a debate involving euthanasia (Broughton and Palmieri 1999).

Taking a different tack, Considine and Deutchman (1994) compare data from surveys of members from six state legislatures in the US and from all state and territory legislatures in Australia to test a number of hypotheses about gender and legislative attitudes and behaviour. Their findings confirm the importance of institutional factors in

shaping legislative behaviour and of gender-related issues to women legislators. In addition they argue that the existence of strong parties in Australia may assist women in gaining leadership positions in parliamentary parties. This is confirmed by an examination of aggregate data on the number of women ministers in Australian state and federal legislatures since the 1970s, undertaken by Moon and Fountain (1997). These authors point to the greater chance that women have, once elected, of becoming ministers than their male colleagues, even though fewer women are elected (see Studlar and McAllister 1991). Moon and Fountain (1997) also show that women ministers hold a distinctive set of portfolios which stress social activities.

In terms of other social characteristics, Zappala (1998) attempts to show that the ethnicity of the electoral district and, to a lesser extent, the ethnicity of the member of parliament are related to the responsiveness of representatives in terms of their parliamentary interventions on ethnic issues. While interesting data are presented for the House of Representatives, the lack of statistical analysis makes the significance of the findings hard to assess. Rydon (1987) has looked at the role of lawyers in the Commonwealth parliament since 1901, and notes their distinctive contribution and the relative decline in their parliamentary representation over the period.

Constitutional issues

Apart from a series of unsuccessful attempts in the 1970s and 1980s to amend the Commonwealth constitution to alter the terms of senators (Galligan and Nethercote 1989), the Commonwealth parliament has largely escaped the attention of those interested in constitutional reform. But, to the extent that British-derived parliamentary systems are characterised by a close relationship between the head of state and the legislature, controversy over the role of governors and governors-general, and the issue of a republican head of state for Australia have both had implications for parliaments.

A useful review of the role of the crown in parliamentary systems, including that of Australia, can be found in Butler and Low (1991), and the relationship between the state governors and parliament has been examined by Boyce (1991) in the case of Western Australia (see also McGarvie 1994). Plehwe (1989) examines the occasionally contentious role of the crown in the formation of government in those cases where no party has a clear parliamentary majority. In terms of broader constitutional issues, Sharman (1991) looks at the evolution of the Western Australian constitution as it affects parliament, and shows how the removal of constitutional restraints has increased the level of executive control over the parliamentary process. A similar conclusion is reached by Eckersley and Zifcak (2001) and Waugh (1999) in studies of the Victorian constitution and parliamentary process. Williams and Chin (1999) show how resistant parliaments have been to suggestions that their representative role should be moderated by the adoption of citizen initiated referendums (CIR) and related procedures for direct democracy. At the other end of the scale, Moore and Maddox (1995) argue that the danger to parliamentary power is not so much from direct democracy as from the encroachment of the courts.

The issue of a republican head of state for Australia has had only a tangential effect on study of legislatures, although the nature of republicanism and its relationship to representative institutions is an issue that has been examined by Uhr (1993, 1998) among others. This will not be the case if parliaments, state and federal, are involved in some new procedure for the selection and removal of a republican head of state, or if the debate over the republic leads to a redesign and reallocation of powers between the head of government and the head of state.

Two conclusions might be drawn from this review of social-science literature on legislative institutions in Australia. The first is that there has been relatively little direct study of the operation of parliaments and their members. Some of the most sophisticated research has dealt with parliamentary activities indirectly through surveys of candidates and members at election time and, welcome as these studies have been, they tell us little about legislative behaviour and the political life of parliamentarians on a day-to-day basis. The second conclusion is that the Commonwealth parliament is probably not typical of parliaments in Australia. The geographical isolation and jurisdictional limitations of the central government mean that partisan and factional concerns are dominant, a continuing theme in studies of the national legislature. This is not as likely to be true of state and territory parliaments, where the practical demands of constituents reflect the dominant role that state governments play in the delivery of the wide range of services expected by citizens. Unfortunately, state and territory legislatures and their parliamentary party systems are the least well-studied. This, as with other aspects of the social sciences in Australia, reflects the small community of political scientists and the vagaries of research priorities. But the good news is that there is plenty to study. It is hard to think of a topic involving legislative institutions in Australia that is not wide open for future research.

References

- Bean, C. 1990. The personal vote in Australian federal elections. *Political Studies* 38:253–68.
- Bean, C., and M.P. Wattenberg. 1998. Attitudes towards divided government and ticket-splitting in Australia and the United States. *Australian Journal of Political Science* 33:25–36.
- Blount, S. 1998. Postmaterialism and the vote for the Senate in Australia. *Australian Journal of Political Science* 33:441–50.
- Bowler, S., and D. Denemark. 1993. Split ticket voting in Australia: Dealignment and inconsistent votes reconsidered. *Australian Journal of Political Science* 28:19–37.
- Bowler, S., D.M. Farrell and I. McAllister. 1996. Constituency campaigning in parliamentary systems with preferential voting: Is there a paradox? *Electoral Studies* 15:461–76.
- Boyce, P. 1991. 'The governor and parliament' in *The House on the Hill: A History of the Parliament of Western Australia 1932–1990*. Edited by D. Black, pp. 265–86. Perth: Parliament of Western Australia.
- Brennan, G., and A. Hamlin. 1992. Bicameralism and majoritarian equilibrium. *Public Choice* 74:169–79.
- . 1993. Rationalising parliamentary systems. *Australian Journal of Political Science* 28:443–57.
- Broughton, S., and S. Palmieri. 1999. Gendered contributions to parliamentary debate: The case of euthanasia. *Australian Journal of Political Science* 34:29–45.

- Butler, D., and D.A. Low (eds). 1991. *Sovereigns and Surrogates: Constitutional Heads of State in the Commonwealth*. London: Macmillan.
- Chaples, E., and B. Page. 1995. 'The New South Wales Independent Commission against Corruption' in *Reform and Reversal: Lessons from the Coalition Government in New South Wales 1988–1995*. Edited by M. Laffin and M. Painter. Melbourne: Macmillan.
- Coaldrake, P. 1989. *Working the System: The Government of Queensland*. Brisbane: University of Queensland Press.
- Colebatch, H.K. 1992. Theory and the analysis of Australian politics. *Australian Journal of Political Science* 27:1–11.
- Considine, M., and I.E. Deutchman. 1994. The gendering of political institutions: A comparison of American and Australian state legislators. *Social Science Quarterly* 75:854–66.
- Davies, A.F. 1966. *Private Politics: A Study of Five Political Outlooks*. Melbourne: Melbourne University Press.
- Denemark, D. 2000. Partisan pork barrel in parliamentary systems: Australian constituency-level grants. *Journal of Politics* 62:896–915.
- Denemark, D., and C. Sharman. 1994. 'Political efficacy, involvement and trust: Testing for regional political culture in Australia. *Australian Journal of Political Science* (Special issue Election '93) 29:81–102.
- Eckersley, R., and S. Zifcak. 2001. The constitution and democracy in Victoria: Westminster on trial. *Australian Journal of Political Science* 36:61–82.
- English, L., and J. Guthrie. 2000. Mandate, independence and funding: Resolution of a protracted struggle between parliament and the executive over the powers of the Australian auditor-general. *Australian Journal of Public Administration* 59:98–114.
- Emy, H. 1974. *The Politics of Australian Democracy: An Introduction to Political Science*. Melbourne: Macmillan.
- . 1997. The mandate and responsible government. *Australian Journal of Political Science* 32:65–78.
- Farrell, D.M., and I. McAllister. 1995. Legislative recruitment to upper houses: The Australian Senate and House of Representatives compared. *Journal of Legislative Studies* 1:243–63.
- Farrell, D.M., M. Mackerras and I. McAllister. 1996. Designing electoral institutions: STV systems and their consequences. *Political Studies* 44:24–43.
- Faulkner, J., and S. Macintyre (eds). 2000. *True Believers: The Story of the Federal Parliamentary Labor Party*. Sydney: Allen and Unwin.
- Fitzgerald, A. (Tony). 1989. *Report of a Commission of Inquiry Pursuant to Orders in Council. The Fitzgerald Report*. Brisbane: Commission of Inquiry into Possible Illegal Activities and Associated Police Misconduct.
- Forrest, J. 1995. Sources of electoral support for the Australian Democrats in the House of Representatives and Senate elections of 1990 and 1993: A comparative analysis. *Australian Journal of Political Science* 30:568–80.
- Funnell, W. 1996. Executive encroachments on the independence of the Commonwealth auditor-general. *Australian Journal of Public Administration* 55:109–23.
- Galligan, B. 1985. *A Federal Republic: Australia's Constitutional System of Government*. Melbourne: Cambridge University Press.
- Galligan, B., and J.R. Nethercote (eds). 1989. *The Constitutional Commission and the 1988 Referendums*. Canberra: Centre for Research of Federal Financial Relations, Australian National University.
- Gaunt, C. 1999. Sports grants and political pork barrel: An investigation of political bias in the administration of Australian sports grants. *Australian Journal of Political Science* 34:63–74.
- Goot, M. 1999. Whose mandate? Policy promises, strong bicameralism and polled opinion. *Australian Journal of Political Science* 34:327–52.
- Hancock, I. 2000. *National and Permanent? The Federal Organisation of the Liberal Party of Australia 1944–1965*. Melbourne: Melbourne University Press.

- Harkness, A. 1999. 'The Victorian parliament: An institution in decline?' in *The Kennett Revolution: Victorian Politics in the 1990s*. Edited by B. Costar and N. Economou, pp. 66–75. Sydney: University of New South Wales Press.
- Hede, A., S. Prasser and M. Neylan (eds). 1992. *Keeping Them Honest: Democratic Reform in Queensland*. Brisbane: University of Queensland Press.
- Hill, L. 2001. Australian democracy and privileged parliamentary speech. *Politics* 21:101–13.
- Jackson, M. 1994. Sovereign eyes: Legislators' perceptions of corruption. *Journal of Commonwealth and Comparative Politics* 32:54–67.
- Jackson, M., and R. Smith. 1995. Everyone is doing it! Codes of ethics and New South Wales Parliamentarians' perceptions of political corruption. *Australian Journal of Public Administration* 54:483–93.
- . 1996. Inside moves and outside views: An Australian case study of elite and public perceptions of political corruption. *Governance* 9:23–42.
- Jaensch, D. 1986. *Getting Our Houses in Order: Australia's Parliament: How it Works and the Need for Reform*. Melbourne: Penguin.
- Jaensch, D., and D. Mathieson. 1998. *A Plague on Both Your Houses: Minor Parties in Australia*. Sydney: Allen and Unwin.
- Jinks, B. 1985. 'Institutions' in *Surveys of Australian Political Science*. Edited by D. Aitkin, pp. 119–78. Sydney: Allen and Unwin.
- Johns, G. 1999. Party democracy: An audit of Australian parties. *Australian Journal of Political Science* 35:401–25.
- Kennedy, G.A., R.D. Wilson and P.F. Brinsden. 1992. *Report of the Royal Commission into Commercial Activities of Government and Other Matters*. 2 vols. 'WA Inc.' Royal Commission Report. Perth: Government Printer.
- Leigh, A. 1999. Factions and fractions: A case study of power politics in the Labor Party. *Australian Journal of Political Science* 35:427–48.
- Lijphart, A. 1997. Disproportionality under alternative voting: The crucial – and puzzling – case of the Australian Senate elections, 1919–1946. *Acta Politica* 32:9–24.
- . 1999a. Australian democracy: Modifying majoritarianism. *Australian Journal of Political Science* 34:313–26.
- . 1999b. *Patterns of Democracy: Government Forms and Performance in Thirty-Six Countries*. New Haven, CT: Yale University Press.
- Lloyd, C. 1989. Honest graft: Aspects of Queensland's Fitzgerald Report. *Politics* 24:125–33.
- McAllister, I. 2000. Keeping them honest: Public and elite perceptions of ethical conduct among Australian legislators. *Political Studies* 48:22–37.
- McAllister, I., and D.T. Studlar. 1992. Gender and representation among legislative candidates in Australia. *Comparative Political Studies* 25:388–411.
- McGarvie, R.E. 1994. Governorship in Australia today: The role and function of the governor in a parliamentary democracy. *Parliamentarian*. 75:149–54.
- Maddox, G. 2000. Australian democracy and the compound republic. *Pacific Affairs* 73:193–207.
- Magarey, K. 1999. The Internet and Australian parliamentary democracy. *Parliamentary Affairs* 52:404–28.
- Marsh, I. 1991. 'Green politics, two party politics, and the promise of a multi-party system' in *The Environmental Challenge*. Edited by Ian Marsh. Melbourne: Longman Cheshire.
- . 1995a. *Beyond the Two Party System: Political Representation, Economic Competitiveness, and Australian Politics*. Melbourne: Cambridge University Press.
- . Political learning disabilities of the two party regime. *Australian Journal of Political Science* (Special issue) 30:40–60.

- Moon, J. 1995. Minority government in the Australian states: From ersatz majoritarianism to minoritarianism? *Australian Journal of Political Science* (Special issue) 30:142–63.
- Moon, J., and I. Fountain. 1997. Keeping the gates? Women as ministers in Australia, 1970–96. *Australian Journal of Political Science* 32:455–66.
- Moon, J., and C. Sharman. In press. *Australian Politics and Government: The Commonwealth, the States and the Territories*. Melbourne: Cambridge University Press.
- Moore, T., and G. Maddox. 1995. Rights, jurisdiction. and responsible government: The spectre of capital television. *Journal of Commonwealth and Comparative Politics* 33:400–15.
- Mulgan, R.G. 1995. The Australian Senate as a ‘house of review’. *Australian Journal of Political Science* 31:191–204.
- . 1997. The process of public accountability. *Australian Journal of Public Administration* 56:25–36.
- . 2000. The ‘mandate’: A response to Goot. *Australian Journal of Political Science* 35:317–22.
- Nelson, H. 1985. Policy innovation in the Australian states. *Politics* 20:77–88.
- Nethercote, J.R. (ed.). 2001. *Liberalism and the Australian Federation*. Sydney: Federation Press.
- O’Keefe, P. 1996. Amending legislation in the Australian Senate. *Statute Law Review* 17:229–40.
- Page, B. 1990. Ministerial resignations and individual responsibility in Australia 1976–1989. *Journal of Commonwealth and Comparative Politics* 28:141–61.
- Papadakis, E. 1990. ‘Minor parties, the environment and the new politics’ in *The Greening of Australian Politics: The 1990 Federal Election*. Edited by C. Bean, I. McAllister and J. Warhurst, pp. 33–53. Melbourne: Longman Cheshire.
- Papadakis, E., and C. Bean. 1995. Independents and minor parties: The electoral system. *Australian Journal of Political Science* (Special issue) 30:97–110.
- Parkin, A., and J. Summers. 2002. ‘Parliament and responsible government’ in *Government, Politics, Power and Policy in Australia*. 7th ed. Edited by J. Summers, D. Woodward and A. Parkin, pp. 23–48. Sydney: Longman.
- Plehwe, R. 1989. The role of the crown in hung parliaments. *Politics* 24:1–12.
- Prasser, S., R. Wear and J. Nethercote (eds). 1990. *Corruption and Reform: The Fitzgerald Vision*. Brisbane: University of Queensland Press.
- Preston, N. 2001. Codifying ethical conduct for Australian parliamentarians 1990–99. *Australian Journal of Political Science* 36:45–59.
- Reid, G.S. 1973. ‘The Trinitarian struggle: Parliamentary–executive relationships’ in *Australian Politics: A Third Reader*. Edited by H. Mayer and H. Nelson, pp. 513–26. Melbourne: Cheshire.
- Reid, G.S. and M. Forrest. 1989. *Australia’s Commonwealth Parliament 1901–1988: Ten Perspectives*. Melbourne: Melbourne University Press.
- Russell, M. 2000. *Reforming the House of Lords: Lessons from Overseas*. Oxford: Oxford University Press.
- . 2001. Upper house reform in the United Kingdom and Australia. *Australian Journal of Political Science* 36:27–44.
- Rydon, J. 1986. *A Federal Legislature: The Australian Commonwealth Parliament 1901–1980*. Melbourne: Oxford University Press.
- . 1987. Lawyers in the Australian Commonwealth Parliament. *Australian Journal of Politics and History* 33:23–38.
- . 1989. Two- and three-party electoral politics in Britain, Australia and New Zealand. *Journal of Commonwealth and Comparative Politics* 27:127–42.
- Sharman, C. 1986. The Senate, small parties and the balance of power. *Politics* 21:20–31.
- . 1990a. Australia as a compound republic. *Politics* 25:1–5.
- . 1990b. Parliamentary federations and limited government: Constitutional design and redesign in Australia and Canada. *Journal of Theoretical Politics* 2:205–30.

- . 1991. 'The constitution of Western Australia, 1890 and 1990' in *The House on the Hill: A History of the Parliament of Western Australia 1932–1990*. Edited by D. Black, pp. 287–312. Perth: Parliament of Western Australia.
- . 1999a. The representation of small parties and independents in the Senate. *Australian Journal of Political Science* 34:353–61.
- . 1999b. The Senate and good government. *Papers on Parliament* 33:153–70.
- Sharman, C., A.M. Sayers and N. Miragliotta. 2002. Trading party preferences: The Australian experience of preferential voting. *Electoral Studies* 21:543–60.
- Sharman, C., G. Smith and J. Moon. 1991. The party system and change of regime: The structure of partisan choice in Tasmania and Western Australia. *Australian Journal of Political Science* 26:409–28.
- Smith, R. 1994. 'Parliament' in *Developments in Australian Politics*. Edited by J. Brett, J. Gillespie and M. Goot, pp. 106–31. Melbourne: Macmillan.
- . 1995. 'Parliament' in *Reform and Reversal: Lessons from the Coalition Government in New South Wales 1988–1995*. Edited by M. Laffin and M. Painter. Melbourne: Macmillan.
- . 1998. 'Strange distinctions: Legislators, political parties and legislative ethics research' in *Ethics and Political Practice: Perspectives on Legislative Ethics*. Edited by N. Preston and C. Sampford, pp. 41–51. Sydney: Federation Press.
- . 1999. Visible and invisible cultures of parliamentary ethics: The 'Sports Rorts' affair revisited. *Australian Journal of Political Science* 34:47–62.
- Steinbrickner, B. 1984. Career mobility of state lower house parliamentarians in Australia. *Politics* 19:119–28.
- Stewart, R., and I. Ward. 1996. *Politics One*. 2nd ed. Melbourne: Macmillan.
- Stone, B. 1993. Accountability reform in Australia: The WA Inc. Royal Commission in context. *Australian Quarterly* 65:17–30.
- . 1994. Constitutional design, accountability and Western Australian government: Thinking with and against the 'WA Inc.' Royal Commission. *University of Western Australia Law Review* 24:51–67.
- . 1998a. Size and executive–legislative relations in Australian parliaments. *Australian Journal of Political Science* 33:37–56.
- . 1998b. Small parties and the Senate revisited: The consequences of the enlargement of the Senate in 1984. *Australian Journal of Political Science* 33:211–18.
- . 2002. Bicameralism and democracy: The transformation of state upper houses. *Australian Journal of Political Science* 37(2):267–81.
- Studlar, D.T., and I. McAllister. 1991. Political recruitment to the Australian legislature: Toward an explanation of women's electoral disadvantage. *Western Political Quarterly* 44:467–85.
- . 1994. The electoral connection in Australia: Candidate roles, campaign activity and the popular vote. *Political Behavior* 16:385–410.
- . 1996a. Constituency activity and representational roles among Australian legislators. *Journal of Politics* 58:69–90.
- Uhr, J. 1982. *Questions without Answers: An Analysis of Question Time in the Australian House of Representatives*. Canberra: Australasian Political Studies Association and the Parliament of Australia.
- . 1993. Instituting republicanism: Parliamentary vices, republican virtues? *Australian Journal of Political Science* (Special issue) 28:27–39.
- . 1995. Proportional representation in the Australian Senate: Recovering the rationale. *Australian Journal of Political Science* (Special issue) 30:127–41.

- . 1997. 'Parliament' in *New Developments in Australian Politics*. Edited by B. Galligan, I. McAllister and J. Ravenhill. Melbourne: Macmillan.
- . 1998. *Deliberative Democracy in Australia: The Changing Place of Parliament*. Melbourne: Cambridge University Press.
- . 1999a. 'Generating divided government' in *Bicameralism in the Contemporary World*. Edited by S.C. Patterson and A. Mughan, pp. 93–119. Columbus, OH: Ohio State University Press.
- . 1999b. Why we chose proportional representation. *Papers on Parliament (Special issue Representation and Institutional Change: 50 Years of Proportional Representation in the Senate)*, edited by M. Sawyer and S. Miskin) 34:13–40.
- Ward, I. 1992. Rich, wrinkly and rowdy politicians: Is this how teenagers 'read' television news? *Australian Journal of Political Science* 27:213–29.
- Warhurst, J. (ed.). 1997. *Keeping the Bastards Honest: The Australian Democrats' First Twenty Years*. Sydney: Allen and Unwin.
- Waugh, J. 1999. 'The Kennett government and the constitution: No change?' in *The Kennett Revolution: Victorian Politics in the 1990s*. Edited by B. Costar and N. Economou, pp. 53–65. Sydney: University of New South Wales Press.
- Weller, P. 1994. Party rules and the dismissal of prime ministers: Comparative perspectives from Britain, Canada and Australia. *Parliamentary Affairs* 47:133–43.
- Weller, P., and S. Fraser. 1987. The younging of Australian politics or politics as a first career. *Politics* 22:76–83.
- Williams, G., and G. Chin. 2000. The failure of citizens' initiative referenda proposals in Australia: New directions for popular participation? *Australian Journal of Political Science* 35:27–48.
- Young, L. 1999. Minor parties and the legislative process in the Australian Senate: A study of the 1993 budget. *Australian Journal of Political Science* 34:7–27.
- Zappala, G. 1998. The influence of the ethnic composition of Australian federal electorates on the parliamentary responsiveness of MPs to their ethnic sub-constituencies. *Australian Journal of Political Science* 33:187–210.

Political Parties and Electoral Behaviour

Simon Jackman

Australian electoral politics is dominated by the country's two largest parties, the Australian Labor Party (ALP) and the Liberal Party, the latter aided by a coalition with the National Party (formerly the Country Party). Since 1910, when anti-Labor forces united to form the first Liberal Party, Australian electoral politics has centred on the contest between the ALP and a series of anti-Labor parties (the first Liberal Party, the Nationalist Party, the United Australia Party and, from 1944, the Liberal Party).

The durability of the Australian party system can largely be traced to institutional features of Australian politics. The use of single-member districts for elections to the House of Representatives – decided by absolute majorities, before or after preferences – greatly limits minor-party representation. On the other hand, the Senate supplies minor parties and independents with more fruitful avenues to representation, via its Hare–Clark or 'quota-preferential' electoral system, with the states and territories serving as multimember districts (Papadakis and Bean 1995; see also chapter 17, this volume). Indeed, minor parties such as the Democratic Labor Party (DLP), the Australian Democrats and the Australian Greens (as well as independents) have won sufficient Senate seats to have usually held the balance of power.

A second institutional feature is compulsory and preferential voting, requiring that each citizen turn out and record a preference for the ALP or the Liberal–National Coalition (see Rydon 1968). The combination of compulsory and preferential voting may well bolster party loyalty among the mass public, further enhancing the stability of the party system (Aitkin 1982). However, it is just as likely that the minor parties are beneficiaries of compulsory and preferential voting, because compulsory voting ensures that citizens who are dissatisfied with the major parties must nonetheless turn out, guaranteeing a supply of voters for parties and candidates presenting themselves as alternatives to the major parties. In turn, the minor parties can trade their preferences in return for policy concessions from the major parties.

Despite these avenues for minor parties, major-party dominance remains the most compelling feature of Australian electoral politics. Since 1946, there have been just thirteen independent members of the House of Representatives, most since 1990 and most have been former members of major parties. Until the Greens' victory in the Cunningham by-election of October 2002, no minor party had won a House of Representatives

seat (an enumeration of Australia's minor parties appears in Jaensch and Mathieson 1998), their support too dispersed geographically, and their electoral successes confined to the Senate. Major-party electoral dominance means that the ALP and the Liberal Party have supplied all of Australia's prime ministers since World War II (with the exception of the Country Party's John McEwen's three-week caretaker tenure after Harold Holt's disappearance in December 1967). With the exception of Country and National Party governments in Queensland, the ALP and the Liberal Party have also dominated state politics, supplying nearly all postwar state premiers (cf. Moon 1995).

Further evidence of the primacy of the major parties appears in Figure 16.1, which shows the percentages of first-preference votes in House of Representatives elections since 1910. Despite a slight decline in the vote shares received by the two major parties (from better than 96 per cent in 1949 to around 80 per cent in 1998 and 2001), this evidence confirms that Australian electoral politics remains a contest as to which of the two major party groupings – Labor or the Liberal–National Coalition – forms the government of the day. While the Australian Democrats have sometimes outpolled the National Party in recent elections, they have never won a House of Representatives seat, because Democrats support is geographically diffuse relative to the concentration of National Party votes in rural seats. Even as National Party support has fallen from about 12 per cent of national vote share (as recently as 1987) to less than 6 per cent in 1998 and 2001, the concentration of these votes in rural seats sees the National Party continuing to win House seats (14 of 150 seats in 2001, or just over 9 per cent; and 16 of 148 in 1998, or just under 11 per cent).

The major parties: History and organisation

Australian Labor Party

The ALP is Australia's oldest political party, predating federation, its origins lying in the growth of the trade unions in the 1890s. A federal ALP was formed after federation and elections to the first federal parliament. Labor's ties to the union movement are critical to understanding the ALP's history, organisation, and political and ideological trajectory. Historically, trade unions affiliating with the ALP have supplied the bulk of its membership and, via affiliation fees, the lion's share of its revenue (unions also make additional contributions during election campaigns). Union affiliation fees accounted for roughly half of the New South Wales ALP's revenue through the 1980s, and in recent years memberships via union affiliations outstrip rank-and-file memberships by a 3:1 ratio (*Sydney Morning Herald* 21 March 2002), a ratio that was as high as 4.5:1 in the 1960s. In return, trade unions are guaranteed representation in the Labor Party's forums, in particular the state and national conferences, and in candidate preselection (although these arrangements vary from state to state).

Until mid-2002, affiliated unions were entitled to 60 per cent of delegates to ALP conferences (the so-called '60–40 rule'); this was reduced to 50 per cent at a special party conference in October 2002, amid calls for a 'reform' of the party. These recent proposals for diluting union influence within the Labor Party were directly tied to the

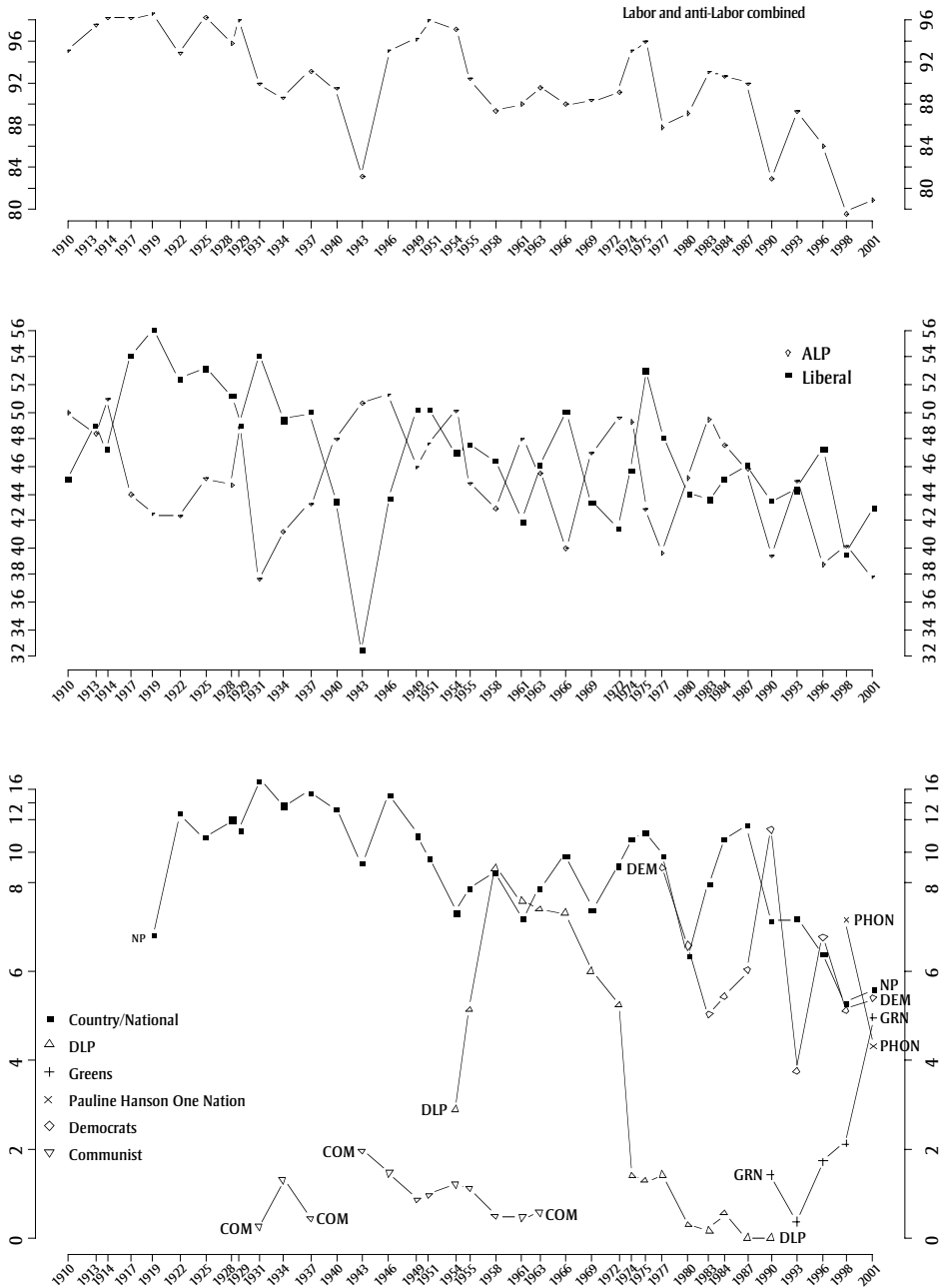


Figure 16.1 The party vote in House of Representatives elections, 1901 to 2001

Notes: Vote is the formal first-preference vote in the House of Representatives. 'Anti-Labor' in the top panel refers to the Liberal Party (or its predecessors) plus the Country/National Party (plus various other anti-Labor parties; for example, Liberal-Country League, Country Liberal Party). 'Liberal' in the middle panel refers to the first Liberal Party (1910–1914), its Nationalist (1917–1929) and United Australia Party successors (1931–1943), and the second Liberal Party (1946–2001). The lower panel is scaled so as to highlight differences among the minor parties.

Sources: Hughes and Graham 1968, as corrected in Hughes and Graham 1974; Newman 2002.

party's losses at the federal level and broader changes in Australian society during the 1990s. Tension between the industrial (union) and political (parliamentary) wings is an enduring issue for social-democratic parties everywhere, and has a long and celebrated history in Australia. For instance, prior to the 1963 election, Labor's parliamentary leaders were photographed outside a Canberra hotel awaiting the party's platform to be finalised by a special meeting of the party's national conference (the so-called 'thirty-six faceless men'). Partly as a result of this politically embarrassing incident, the party's parliamentary leaders are now guaranteed seats on its national executive committee. Recent calls for 'reform' within the ALP can be seen as part of an ongoing struggle between the industrial and political wings of the party.

Labor's electoral success rests on a broad coalition of support centred on its trade-union base. Historically, Labor has attempted to build this coalition by pursuing what is best characterised as a social-democratic/reformist agenda, coupling interventionist macroeconomic and industrial-relations policies with progressive social policy. During the 1980s and 1990s, under the Hawke and Keating governments, Labor instigated a set of neoliberal policy reforms at odds with its historical commitment to socialist goals, privatising numerous government-owned enterprises and deregulating significant sectors of the Australian economy. This apparent policy shift was widely interpreted as a major reorientation of the ALP's priorities (Jaensch 1989; Maddox and Battin 1991; Beilharz 1994), striving to build a broader coalition of electoral support beyond its trade-union base. Indeed, the longstanding core of Labor's electoral strength – blue-collar trade-union members – has steadily diminished over recent decades, with just 24.5 per cent of employees unionised in August 2001, with the private-sector unionisation rate just 19.2 per cent (ABS 2002a). Thus, Labor's recent internal struggles are prompted by and tied to its broader political dilemma; to what extent can Australia's diminishing numbers of trade unionists serve as the 'base' or 'core' of a political party competing for national office via a majoritarian electoral system?

Liberal Party

The Liberal Party was formed in 1944 from the various anti-Labor progenitors listed at the beginning of this chapter. After winning office under Robert Menzies in 1949, the Liberal Party and its coalition partner, the Country Party (later the National Party) held office for twenty-three years. Menzies's vision was for a party to represent the then-nascent middle class of postwar Australia, the 'forgotten people', as he referred to them (see Brett 1992).

A noteworthy organisational feature of the Liberal Party is the power it vests in its parliamentary party and, in particular, its parliamentary leader. Unlike the Labor Party conferences, the Liberals' organisational wing does not produce policy dictates that are binding on the parliamentary wing; the role of the organisational wing is formally described as a consultative or advisory role. However, Jaensch (1983:120) suggests that from time to time (particularly in the face of electoral threat or defeat), the organisational wing becomes much more assertive. Within the parliamentary party, the leader is reasonably unconstrained in making appointments and promotions to cabinet-level posts, subject to the constraints of coalition arrangements with the National Party. In

addition, the party has no formal connections with other organisations (contrast Labor's ties with trade unions). Moreover, the Liberal Party is structured on a federal model, with strong, relatively autonomous state branches (contrast the primacy of national forums in the Labor Party).

Jaensch (1996) makes a convincing case that anti-Labor interests have never been particularly well-organised, and that a genuine crisis lurks beneath an appearance of strength and success on the anti-Labor side of Australian politics. Labor's success in national and state elections through the 1980s and 1990s (and continuing success at the state level) exposed severe structural problems in the Liberal Party: a lack of ideological coherence, coming after ninety years spent largely in government, presenting themselves as 'anti-Labor'/'anti-socialist', to then have Labor under Hawke and Keating shed almost all traces of 'socialism'; and the difficulty of building and maintaining a party to represent a plethora of anti-Labor interests, given a formal divide between the organisational and parliamentary wings of the party, and a federal model of party structure. In short:

the structure of the Liberal Party is sound, efficient and effective – *for a party in government, with a strong and popular leader* ... For a party in opposition ... *without a clear, strong and popular leader*, the structure is inappropriate – even a potential for disaster. [Jaensch 1996:9; emphasis in original]

The 'crisis' of the major parties

Jaensch's (1996) insights into the weaknesses of the Liberal Party seem less pressing today after three consecutive federal election victories, starting in 1996; indeed, talk of 'crisis' seems more appropriately applied to the ALP. Recent commentary on the Labor Party focuses on themes that would be familiar to observers of the Liberal Party of the early 1990s (see, for example, Warby 1994): 'sclerotic organisation', declining branch membership, the poor state of party finances, poor prospects for recruitment and generational replacement, a lack of policy direction, a painful and seemingly futile search for strong and effective leadership, and an inability to win seats outside the party's urban base. Talk of a Labor crisis has occurred despite the fact that the party has performed well in state and territory elections.

More generally, Marsh (1992) presents a critique of the Australian two-party system, arguing that both major parties are privileged by the electoral system, are shrinking from mass-based organisations to professional election-winning enterprises (see also Ward 1991), and have largely surrendered policy-making to special-interest groups. Whatever the truth about the abilities of the major parties to drive policy innovation, the Australian party system can hardly be said to be in decay. Declining branch memberships and first-preference vote share aside, Australian electoral politics remains focused on the competition between the Labor and Liberal parties, thanks largely to the institutional arrangements discussed earlier (single-member House seats and compulsory, preferential voting).

Constraints of space ensure that this survey of Australian political parties is necessarily incomplete. Contemporary perspectives on Australia's political parties appear in

the collection of essays edited by Simms (1996). Johns (2000) provides a recent comparison of the parties, focusing on differences in candidate nomination and other internal procedures. The major parties have generated a substantial body of research on their respective histories and organisations; for example, see Crisp (1955), McMullin (1991) and Faulkner and Macintyre (2001) for the ALP, and West (1965), Tiver (1978), Henderson (1994), Hancock (2000) and Nethercote (2001) for the Liberals. Bean (1997a) provides a comprehensive analysis of support for the Australian Democrats, part of a collection of essays reviewing that party (Warhurst 1997). The coalition between the Liberal and the National parties is discussed extensively in the collection of essays edited by Costar (1994).

Voter turnout

Given Australia's system of compulsory voting (see Jackman 2001 and chapter 17, this volume, for reviews), it is understandable that analyses of Australian electoral behaviour focus less on questions of voter turnout (mobilisation) and more on how voters choose among parties and candidates. Nonetheless, turnout impacts on electoral behaviour in a number of ways. For instance, Australia's turnout figures are computed with respect to those enrolled, which may overstate the 'true' turnout rate; that is, of the citizenry legally obliged to enrol, who actually does so? Note that until a citizen actually enrolls, they are for all practical purposes invisible to the federal and state electoral commissions that enforce compulsory-turnout laws and compile turnout statistics (it is expensive and draconian to compel enrolment). Little is known about Australia's 'hidden electorate' (see Goot 1985:194–5); learning more about this population is an important avenue for future research.

Among the few recent works examining voter turnout are McAllister's (1986, 1987) aggregate-level analyses; Goot (1985:195–7) reviews the literature up through the mid-1980s. Jackman (1999) considers the counterfactual of what might happen if turnout was made non-compulsory, arguing that turnout would fall substantially below the 80 to 90 per cent range reported in surveys, when respondents are asked if they would turn out voluntarily; Mackerras and McAllister (1999) examine the partisan consequences of a shift to voluntary turnout, concluding that Labor would be a bigger loser than the Liberals. Voluntary voting (via a postal ballot) was used in 1997 for the election of delegates to the Constitutional Convention on the republic question; 46.6 per cent of ballots were returned to the Australian Electoral Commission (AEC), with considerable variation by age, gender and region, the three variables used in the AEC's (1998) tabulations (ranging from a 26.6 per cent participation rate among enrolled Northern Territory males aged 18 to 25, to 73 per cent participation among enrolled males aged 65 and over in the Australian Capital Territory).

Among the established political parties, only in the Liberal Party does one encounter calls for a repeal of compulsory voting, although it is unclear that this is a position endorsed by a majority of Liberal Party members. Surveys consistently show

the mass public to be overwhelmingly in favour of compulsory voting (Goot 1985:198–200; Lovell et al. 1998:279). Accordingly, for the foreseeable future, with a regime of compulsory turnout under no major threat, consistently high rates of voter turnout seem a fixed characteristic of Australian electoral politics.

Vote choice and the party system: Aggregate-level evidence

The material bases of Australian electoral politics – the links between electoral choices and how and where people ‘make a living’ (their income, job security, power in the labour market, family situation, residential tenure, and so on) – can be easily seen in aggregate data. As its name implies, the Labor Party’s traditional supporters are workers; the Liberal Party, on the other hand, is historically associated with the anti-Labor interests of employers, owners and managers (ranging from self-employed professionals and small-business people through to big-business interests). The National Party is for all practical purposes the anti-Labor party of non-urban Australia, representing farmers but also successful in winning the support of non-urban workers. Indeed, the dominant consensus (now challenged; see below) has been that three main parties are ‘the agents of economic or sectional interests’ (Brett 2002:40, citing Crisp 1973: chapters 8, 9).

The social-structural bases of party support are readily apparent via analysis of aggregate data, facilitated by aggregations of census data to the level of Commonwealth electoral division; Kopras (1998, 2000) and Newman and Kopras (1998, 2001) aggregate from the 1996 Census to 1998 and 2000 electoral boundaries. Figure 16.2 plots ALP vote share against a number of social-structural indicators from the 1996 and 2001 censuses (aggregated to 2000 electoral divisions) and the ALP’s share of formal first preferences in the 2001 House of Representatives elections (Labor rather than Liberal vote share is used, since the ALP contested all 150 seats in the 2001 election). Each plotted point represents a House of Representatives seat, and the solid line (a ‘smoothed’ or ‘moving’ average) shows the extent to which ALP vote share increases or decreases as a function of the corresponding social-structural indicator (the dotted lines are 95 per cent confidence bounds).

The top left panel shows Labor Party vote share to decrease fairly dramatically as the proportion of the labour force employed in professional occupations increases, from as high as 60 per cent of the vote in electorates with barely 10 per cent of the labour force in professional occupations to roughly 30 per cent, on average, in electorates with the highest concentrations of professionals. A similar pattern results when we consider the relationship between the ALP vote share and the proportion of the labour force unemployed. Labor vote share generally increases with the unemployment rate, at least for the bulk of the electorates with unemployment rates up to roughly 11 per cent. These two relationships are moderately strong, accounting for 33 per cent and 20 per cent of the variation in ALP vote share, respectively, sufficient to remind us that Australian electoral politics retains a solid grounding in real economic conditions: whatever else is

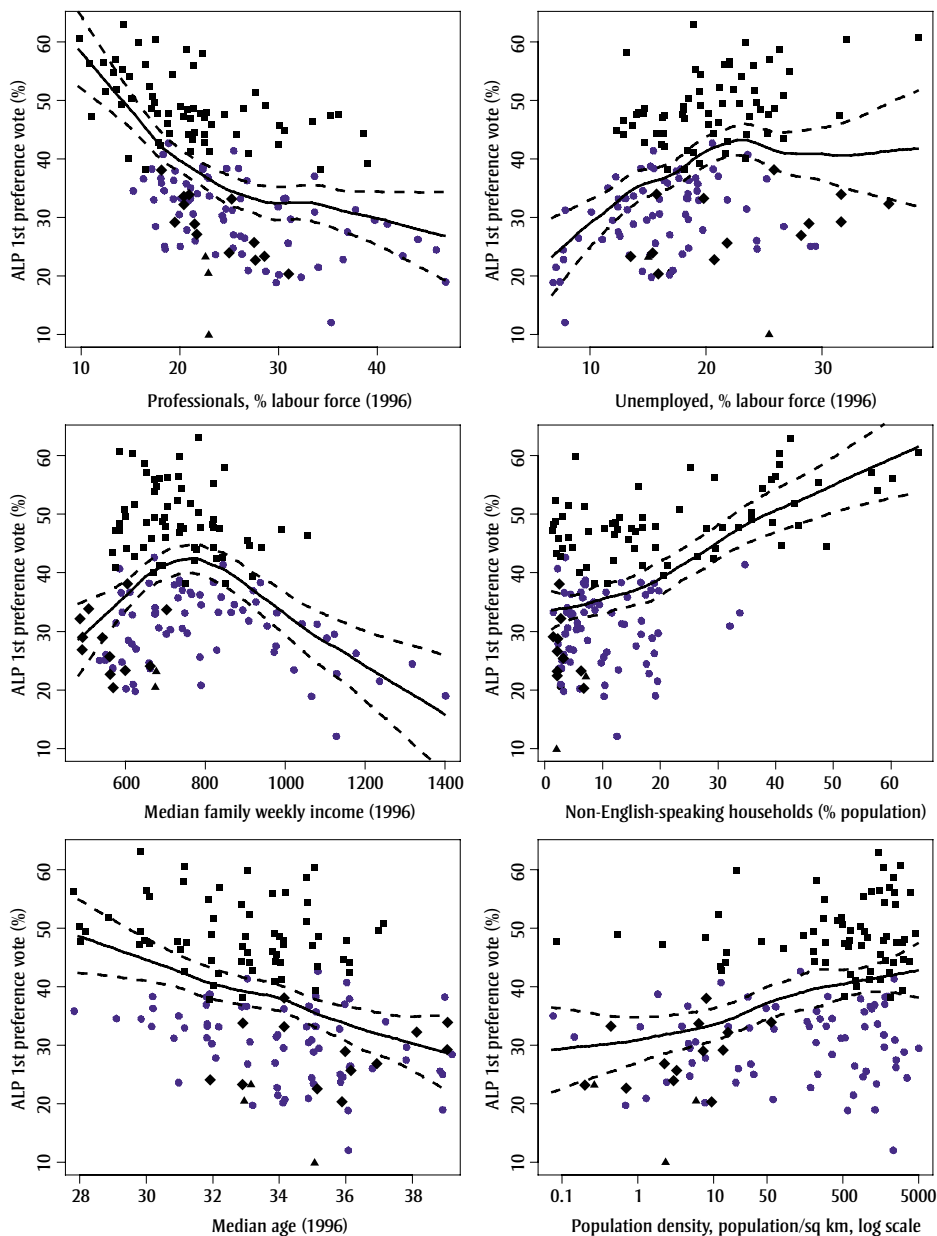


Figure 16.2 Scatter plots of ALP vote share against various social-structural indicators

Notes: Vote is the formal first-preference vote in the House of Representatives in the 2001 election. Social-structural indicators are aggregated from the 1996 and 2001 censuses. Each plotted point is a House of Representatives seat (■) for seats won by Labor in 2001, (●) for Liberals, (◆) for Nationals and (▲) for Independents, 150 in all). Each solid line is a locally-weighted regression line (Loader 1999), and the dotted lines are 95 per cent confidence intervals.

Sources: Australian Bureau of Statistics 2002b; Australian Electoral Commission 2002; Kopras 2000.

true about Australian politics, the fact remains that Labor support is at its highest where proportions of non-professional workers are at their most numerous.

The relationship between electorate median income and ALP vote share is highly nonlinear and accounts for only 20 per cent of the variation in ALP vote share. To understand this pattern we need to consider a third variable, the urban/non-urban distinction. Generally, as median income increases, ALP support falls; Labor support reaches its maximum among the poorer of the urban electorates, but falls away among still poorer electorates, found outside metropolitan areas. In fact, Labor's support tends to be urban-based, apparent in the relationship between an electorate's population density and ALP vote share (lower right panel of Figure 16.2). Since the poorest electorates are non-urban and mostly held by the National Party (although several are also held by the Liberal Party), we obtain an abruptly nonlinear relationship between median income and Labor Party support.

Two social indicators with important relationships with electoral outcomes are also shown in Figure 16.2. Non-English-speaking (NES) households have long been considered a Labor stronghold (McAllister 1988; Jupp, York and McRobbie 1989; McAllister 1992:142–5; Zappala 1998); the reasons for this include Labor's embrace of a multiculturalist agenda from the mid-1970s (McAllister and Makkai 1991) or the fact that NES migrants' socioeconomic location predisposes them to support Labor (Economou 1994). The typical House of Representatives electorate has just 10 per cent of its population residing in NES households, and at this level there is considerable dispersion in ALP vote shares (so while Labor does extremely well in electorates with high concentrations of NES households, high levels of Labor support are not confined to high-NES electorates). Figure 16.2 also presents the relationship between the electorate's median age and ALP vote share, finding a modest decrease in ALP support as median age increases, accounting for 13 per cent of the variation in ALP vote share.

Vote choice: Micro-level models and evidence

The aggregate data analysis presented above is useful for grasping the broad contours of Australian electoral politics. But most theories of voter choice are pitched at the micro level, and scholarly investigations of electoral behaviour usually rely on data from surveys of representative samples of the national electorate. Work by sociologists and political scientists at the University of Michigan – most notably *The American Voter* (Campbell et al. 1960) – focused on party identification, defined as 'an individual's affective orientation' to a political party, measured by asking survey respondents (as in Australia in 2001) 'Generally speaking, do you usually think of yourself as Liberal, Labor, National, or what?' The Michigan team concluded that party identification is a relatively stable characteristic of an individual, usually inherited from one's parents in much the same way as one might be socialised into a particular religious self-identification; and that for most voters, most of the time, given knowledge of a voter's party identification, one can reliably infer their evaluations of candidates, their policy preferences, and, most importantly, their vote choice.

A partnership between Don Aitkin and Donald Stokes (one of the original Michigan team) produced the first study of Australian politics in the Michigan style, Aitkin's *Stability and Change in Australian Politics* (1977), using data from two large-scale surveys of Australian political attitudes, conducted in 1967 and 1969. Aitkin's conclusions emphasised stability. The overwhelming majority of survey respondents possessed a nearly immutable party identification, leading to high rates of stability in voting patterns. After this 1967 survey, it would be twenty years until the study of Australian political behaviour had a regular set of national surveys along the lines of those available in the United States (the National Election Studies have been in the field every two years since 1952) and Great Britain (the British Election Study has been administered regularly since 1964).

Party identification

Table 16.1 presents rates of party identification and voting in accord with party identification, although the validity of over-time comparisons is threatened by variations in interview mode, question-wording and response formats (Charnock 1992, 1996; Bean 1996:139; Smith 2001:51–2); Bean (1997b) suggests a correction for these differences. Taking the survey proportions at face value shows that reported rates of party identification in 1987 and 1990 were at least as high as in 1967, but appear to have fallen by roughly 10 percentage points in the eleven years between 1990 and 2001. Measurement problems aside, cross-national comparisons suggest that this remains a high rate of party identification; Bean (1996) cautiously suggests that levels of partisanship in Australia are among the highest in his comparison set (New Zealand, Britain, the USA and Canada), that partisan decline in Australia has not been as extensive as in the other countries, and that the association of party identification with vote

Table 16.1 Party identification and House of Representatives vote, 1987 to 2001

	1967	1969	1979	1987	1990	1993	1996	1998	2001
Percentage with party identification	92	94	85	92	91	87	81	84	83
Percentage of identifiers voting with party identification	93	86	93	85	84	89	86	82	85
Percentage identifying with major party	88	87	82	89	85	84	76	77	75
Percentage of major party identifiers voting with party identification	94	87	94	89	85	91	87	84	85

Notes: Vote is the first-preference vote in the House of Representatives; respondents not reporting vote are dropped from calculation. 'Major parties' are Labor, Liberal and Country/National. Estimates include Country/National identifiers reporting voting Liberal, and vice versa.

Sources: Australian National Political Attitudes Studies (1967, 1969, 1979); Australian Election Studies (1987 to 2001), data available from Social Science Data Archives, Australian National University.

choice has only declined slightly since 1967. McAllister (1992:38) reports that the rate of no party identification in Australia is roughly half to a third the corresponding rate in the US and UK.

These caveats notwithstanding, Table 16.1 also shows that the rate of reporting a vote choice consistent with one's reported party identification has fallen since the late 1960s. While in 1967 roughly 90 per cent of Australians reported a party identification and, of those, 90 per cent voted in accord with that party identification, by 2001 the corresponding percentages had fallen to the low 80 per cent range; put differently, the proportion of the electorate voting in accord with an expressed party identification had fallen from about 83 per cent in 1967 to 70 per cent in 2001 (although, again, these results are subject to caveats of over-time comparability).

In addition, Table 16.1 shows that the rate of identification with a major party (here defined as Labor, Liberal and Country/National) has fallen from the high 80 per cent range to the mid 70 per cent range, with a similar fall in the reported rates of voting in accord with that party identification, from the low 90 per cent mark to the mid 80 per cent level. That is, not only are fewer Australians reporting identifying with the major parties, but of those that do, fewer are reporting voting in accord with that stated identification.

This evidence suggests a weakening of party loyalties in the Australian electorate, consistent with the macro-level fall in vote shares for the major parties reported in Figure 16.1. But, as is the case with many aspects of Australian political behaviour, we need to be mindful of the distinctive institutional constraints imposed by Australia's electoral system. Preferential voting ensures that while the parties may not command the loyalties of citizens at 1960s levels, votes leaking away to minor parties can find their way back to the major parties via preferences (see Bowler and Farrell 1991), perhaps reducing the seat turnover that might otherwise result from weakening voter loyalties. It should also be remembered that compared to the US or Britain, rates of party identification and voting in accord with party identification in Australia remain high, and the decline in these rates is small relative to the decline in other English-speaking democracies (Bean 1996; Charnock 1996). Speculation as to why Australian rates of party identification remain so high largely dwells on institutional reasons such as compulsory voting (McAllister 1992:39; Charnock 1996:266; cf. Smith 2001:56–8).

Social-structural accounts

While party identification is a powerful explanation of vote choice, it is often criticised on the grounds that it is an attitudinal construct, deflecting attention from the links between voting and social and economic conditions. A rival approach, predating the Michigan model's emphasis on attitudinal variables (see Berelson, Lazarsfeld and McPhee 1954) investigates the extent to which vote choice is determined by social-structural variables, and in particular, variables tapping social class. This approach dominated understandings of Australian electoral behaviour, at least prior to Aitkin's deployment of the Michigan model. Alford (1963:173) saw Australian politics as having been 'dominated by class cleavages before and since its foundation as a nation'. Encel (1970:96) asserted that 'the correspondence between class identity and voting is

so close ... that the two may be regarded as largely alternative measures of the same general outlook'. And even Aitkin, writing with Kahan, described 'occupational class as the rock on which the party system rests and a major influence on electoral behaviour' (Aitkin and Kahan 1974:477; all cited in McAllister 1992:152). Yet just three years later, summarising the results of his survey-based work, Aitkin (1977:142) concluded that 'Australian politics is the politics of parties, not of classes'.

Other critiques of the sociological approach followed. Kemp (1978) concluded that class was not as important a determinant of voting behaviour as the earlier literature had concluded, presenting an embourgeoisement thesis: the decline of traditional blue-collar occupations and the growth of white-collar/public-sector occupations had undermined class distinctions in Australian society, and their importance for understanding electoral politics. Quite simply, as the Australian working class (variously defined) was thought to be shrinking, electoral competition would move elsewhere, and the task for political analysis would be to understand vote choices among the politically decisive middle class. A lively debate ensued as to what exactly 'class' might mean and how it might be measured (Connell and Goot 1979; Goot 1994), and a variety of measures of class are often used (such as self-assessed social class, occupation classifications) to tap the politically relevant facets of social-structural location (Kelley and McAllister 1985; Hayes 1995; Charnock 1997; Lovell et al. 1998:468–9).

The preference for multiple measures of social-structural location notwithstanding, Table 16.2 presents individual-level evidence on the link between vote choice and a single indicator of social-structural location, self-reported or 'subjective' social class. Each cell of Table 16.2 shows Labor vote share minus Liberal vote share for the corresponding survey and group, with the actual Labor and Liberal shares shown in parentheses. The most politically relevant feature of the table is the moderate degree of

Table 16.2 Self-assessed social class and vote

Class	1967	1987	1990	1993	1996	1998	2001
Working	24 (51–27)	34 (60–26)	21 (51–30)	25 (59–34)	5 (43–38)	21 (50–29)	10 (45–35)
Middle	–36 (23–59)	–3 (40–43)	–17 (30–47)	–16 (38–54)	–24 (31–55)	–17 (31–48)	–22 (29–51)
None or no response	–17 (28–45)	18 (53–31)	7 (41–34)	6 (47–41)	–8 (34–42)	6 (42–36)	5 (38–33)
Upper	–67 (0–67)	–13 (31–44)	–40 (30–70)	–40 (29–69)	–46 (18–64)	–57 (13–70)	–48 (20–68)
'Index'	28 (51–23)	20 (60–40)	21 (51–30)	21 (59–38)	12 (43–31)	19 (50–31)	16 (45–29)

Notes: Vote is the first-preference vote in the House of Representatives. Each entry shows the difference between the reported Labor and Liberal vote shares (reported Labor–Liberal percentages shown in parentheses). The row labelled 'Index' presents the difference between the percentage of self-reported working-class respondents voting Labor and the percentage of self-reported middle-class respondents voting Labor (actual percentages in parentheses).

Sources: Australian National Political Attitudes Survey (1967); Australian Election Studies (1987 to 2001), data available from Social Science Data Archives, Australian National University.

political polarisation along subjective class lines, consistent with the aggregate-level evidence presented in Figure 16.2. The (self-described) working class has always favoured Labor, occasionally by a narrow margin (1996); the self-described middle class has always favoured the Liberal Party, again, sometimes by narrow margins (1987); while the self-described upper class, never more than 1 per cent of respondents, has overwhelmingly preferred the Liberal Party. Respondents reporting not belonging to any social class or offering no response (about 14 per cent in any given study) have a slight tendency to favour Labor, with a plurality of these respondents favouring Labor in five of the seven studies.

The interesting longitudinal feature in Table 16.2 is the decline in polarisation along subjective class lines, tapped by the quantity labelled 'Index' (the difference in Labor vote shares among working-class and middle-class identifiers). For the past three elections, this quantity has been below 20 points, a far cry from the 28 points recorded in the 1967 survey. This decline parallels the decline in polarisation along manual/non-manual occupational lines reported by Lovell et al. (1998:468), and reflects two related trends. First, the Liberal Party has steadily improved its vote share among working-class identifiers since 1967, averaging 34 per cent in the 1996, 1998 and 2001 elections, compared to just 27 per cent in the 1967 survey. Second, the Labor Party has improved on its 1967 result among middle-class identifiers, averaging about 30 per cent in this group over the series of elections from 1996 to 2001, compared to just 23 per cent in the 1967 study. Both major parties, it would seem, have gone some way towards expanding beyond a particular class base. In particular, Table 16.2 confirms that reaching out across (subjective) class lines is vital to winning elections. For the Labor Party, winning more than a third of the first preferences of middle-class identifiers seems something of a prerequisite for winning elections. For the Liberal Party, victory in 1966 came via a massive 36-point margin among middle-class identifiers, but since 1987 the party has won or retained office by keeping its vote deficit among working-class identifiers small.

The tension between the Michigan social-psychological approach and sociological models of electoral behaviour can be found everywhere the Michigan model has been applied, and Australia is no exception. Clear empirical demonstrations of the superiority of one approach over the other are difficult to come by, because party identification is so causally proximate to (and usually measured contemporaneously with) vote choice and is highly correlated with social-structural variables; given that working-class identifiers tend to identify with and vote for the ALP, it is difficult to isolate the independent causal contributions of attitudes (party identification) and social structure (class) on vote choice. In addition, there is no real possibility of running a controlled experiment, say, randomly distributing party identifications or social-structural attributes across a population and observing the implications for vote choice.

It is clear that the influences of party identification and social structure have waned since the 1960s. Yet over this period of mutual decline, rates of voting across subjective class lines have always been higher than rates of 'defecting' from party identification. And since each party enhances the probability of electoral victory by reaching out across class lines, social structure could well further diminish as a determinant of voting behaviour because of changed party strategies, rather than any fundamental change

in the electorate (thinking about the 'supply' of political issues from parties and candidates, in addition to the usual focus on 'demand' from the mass electorate). Nonetheless, it is safe to assert that class continues to play a considerable though not 'pre-eminent' role (Charnock 1997:293) in shaping Australian political behaviour and attitudes, and most scholars are rightly wary of overstating the 'demise of class' in accounts of Australian political behaviour. Perhaps the more interesting question is where in the causal scheme to locate social-structural variables: prior to or alongside party identification and other attitudinal variables?

It is important to note that class (and least of all self-assessed class position) does not exhaust the politically relevant content of 'social structure'. Other relevant social-structural variables include gender (see chapter 18, this volume), ethnicity (as the aggregate data analysis suggested) and religion (of diminished relevance in recent decades, with Catholics and secularists less likely than they once were to support Labor); McAllister (1992: chapter 6) considers these 'non-class' social-structural bases of party support.

Vote choice: Recent developments and controversies

Australian electoral politics has seen three interrelated changes in recent decades: a slight to moderate decline in the role of party identification and social structure in shaping vote choice; a proliferation of minor parties and independents; and a decline in the first-preference vote shares received by the major parties. In arguing that the role of class was diminishing (and would further diminish), Kemp (1978) suggested that clusters of values and issue-specific attitudes would become increasingly important determinants of vote choice. In the 1980s and 1990s, motivated by 'real world' political events, scholars of Australian politics investigated the extent to which particular values and attitudes might account for the three trends described above.

Postmaterialism

Across the industrial democracies, there is a growing body of evidence of 'value change' among politically consequential segments of the electorate. As modern societies increasingly satisfy the basic goals of personal survival and safety, the priority of 'postmaterialist' values increases, emphasising social equality, individual rights, environmentalism and an improved quality of life as political issues (Inglehart 1977, 1990), at least for those believing that their 'materialist' needs are satisfied. As elsewhere, Australia's postmaterialists (those reporting a higher priority for, say, 'more say in government' or a 'more humane society' over 'fighting rising prices' or a 'stable economy') tend to be tertiary educated and secular.

There is debate about the political relevance of postmaterialism in Australian politics. Gow (1990) found postmaterialist attitudes to have no impact on the decision to vote for or against Labor in the 1990 federal election, if voters' views on the government's economic performance are also included as predictors. On the other hand, postmaterialist attitudes help predict Green and Democrat support (Papadakis 1990; McAllister and Bean

1990). Western and Tranter (2001) analyse Australian Election Studies (AES) data from 1990 to 1998, concluding that postmaterialist values distinguish minor-party voters from major-party voters, but do not consistently or strongly distinguish Coalition voters from Labor Party voters. However, there is 'some evidence of postmaterialists favouring Labor over the Liberal/National parties in House of Representatives elections in every election except 1993' (2001:457).

The dimensions of the Australian party system

Most stable party systems are unidimensional, at least over the long run, in that electoral competition can be largely understood in terms of one ideological dimension: for example, perennial political issues such as welfare, public investment, and industrial relations, with Labor to the left of centre, and the Liberals to the right. Two-party competition (as in the House) is by definition bipolar and unidimensional. In the absence of major social or economic upheaval, the Senate's method of election provides the only serious challenge to the primacy of the traditional 'left–right' dimension, ensuring parliamentary representation for minor parties, and, in turn, guaranteeing that 'crosscutting issues' find voice on the national political stage.

How many issue dimensions are there in Australian politics? And how has the rise and fall of various minor parties altered the character of those dimensions? Is post-materialism a distinct issue dimension? The evidence on these questions is mixed, given the absence of a long series of comprehensive survey data. Using Gallup polls from 1943 to 1996, Weakliem and Western (1999) suggested that support for the Greens and Democrats tapped a second dimension, cutting across a traditional ALP–DLP–Liberal dimension. Postmaterialism is a natural candidate for the substantive underpinning of this second dimension, as suggested by Western and Tranter (2001); McAllister and Vowles (1994) suggest that Labor has moved to accommodate the postmaterialist dimension, as evidenced by the fact (noted above) that Labor tends to win more of the post-materialist vote than the Liberal Party.

In a major challenge to the postmaterialist thesis, analysis of the 1998 AES by Charnock and Ellis (in press) find One Nation Senate voters to be as postmaterialist as Democrat voters, and considerably more postmaterialist than major-party voters (see also Western and Tranter 2001: Table 8), counter to the notion of One Nation voters being economically threatened (by globalisation, deregulation, the rise of the information economy) and hence presumably materialist in outlook. Charnock and Ellis argue that the dimensional structure of Australian political attitudes is more fissiparous than previously thought, with up to six dimensions required for a 'fuller picture of the divergent values' of Australian voters, at least in voting for the Senate: the issue dimensions are traditional 'left–right', 'permissiveness', immigration, the environment, Aborigines, and equal opportunities for women, although Charnock and Ellis also contend that the latter five can be combined into a 'postmodernism' index, following Inglehart (1997).

Race and immigration

The rise and fall of Pauline Hanson and her One Nation Party generated intense interest in the extent to which attitudes about race and immigration form a critical issue dimension in Australian politics. Pauline Hanson swept onto the Australian political

stage in 1996, winning the previously safe Labor seat of Oxley after being disendorsed by the Liberal Party for making comments deemed racist. In her maiden speech in parliament, Hanson attacked policies giving 'opportunities, land, money and facilities available only to Aboriginals' as 'separatist' and based on the 'false assumption that Aboriginals are the most disadvantaged people in Australia'; she also claimed that Australia was 'in danger of being swamped by Asians' (Australia, House of Representatives, *Debates* 1996:3860–2). One Nation's success in the June 1998 Queensland state election (winning eleven of seventy-nine seats it contested in the eighty-nine-seat parliament) was not repeated at the federal level: in the October 1998 federal election, it contested 139 House seats out of 148, won an average of 9 per cent in contested seats, and Hanson lost her House seat (unhelped by an electoral redistribution), although One Nation won one of Queensland's Senate seats.

The broader question posed by the rise of Hanson concerned the 'place of race' in Australian political ideology and the implications for the major parties. Jackman's (1998) analysis of the 1996 AES found sizeable portions of Labor supporters reporting conservative attitudes on race-related issues (ties with Asia, immigration, Aboriginals), placing them closer to Liberal and National party candidates than to Labor's. According to Jackman (1998), race had all the hallmarks of a crosscutting or realigning ideological dimension in Australian politics, and 'coalition leaders could well be tempted to "play the race card"'. Some have suggested that the Coalition played the race card in anticipation of the 1996 election, with the leader of the opposition, John Howard, signalling his intention to repudiate Labor Prime Minister Keating's 'Big Picture' focus on Aboriginal reconciliation and ties with Asia (Goot and Watson 2001:184; Johnson 2000).

Numerous studies of the sources of the One Nation vote and its portent for Australian politics followed the 1998 Queensland and federal elections. These studies fall into two camps – aggregate and individual-level – the former matching census data to election returns (Davis and Stimson 1998; Reynolds 2000; Grant and Sorenson 2000), the latter using commercial opinion polls (Goot 1998) or the 1998 AES (Bean 2000; Bean and McAllister 2000; Denmark and Bowler 2002). Goot and Watson (2001) review this research, finding many similarities between the aggregate and individual-level studies, at least in terms of the social-structural correlates of One Nation support: more male than female, likely to have a working-class identification and/or blue-collar occupation, non-metropolitan (with studies of the Queensland election finding One Nation support to peak in the urban fringe within one to four hours driving time from Brisbane), older rather than younger, and less well-educated than average.

The 1998 AES data are unique in enabling an analysis of the political attitudes underlying One Nation support: in a multivariate analysis controlling for the demographic correlates of One Nation support (listed above), Goot and Watson (2001) test the effects of 'economic insecurity', 'anti-Aboriginal' and 'anti-immigration' attitudes, and 'political dissatisfaction'. They find the last three help explain One Nation support, but 'economic insecurity' does not (see also McAllister and Bean 2000:396–7; Gibson, McAllister and Swenson 2002). Thus Goot and Watson dismiss the view that One Nation support is a 'protest vote' or an expression of economic insecurity; rather, they point to the distinctiveness of party supporters on attitudes related to race.

The November 2001 federal election was contested against the backdrop of the September 11 terrorist attacks in the US, the Tampa incident, and an aggressive tightening of Australia's immigration laws, and the Liberal Party's campaign unambiguously centred on border protection (Warhurst 2002). With One Nation fading, but the Coalition winning its third consecutive election (and with border protection a central issue), a compelling research question is whether there has been a net permanent shift in partisan loyalties from Labor to the Liberal Party, a realignment of the electorate around race-related issues? Was One Nation and the Hanson phenomenon a political interstice, a 'way point' for voters realigning from Labor to Liberal? Thus, was 2001 a consolidation for the Liberals, completing the partisan conversion of formerly Labor identifiers? Will distinct stances on race-related issues (Aborigines, immigration, border protection) become another of the issue stances that distinguish the major parties, joining perennials of Australian politics such as tax, welfare, public investment and industrial relations? These questions and the broader implications for Australian electoral politics are likely to motivate analyses of the 2001 election and beyond.

Conclusion

'Stability' is an oft-used phrase in describing the Australian electoral politics. The manifestations of this stability include durable two-party dominance (at least in the House of Representatives), high rates of party identification and high rates of voting in accord with party identification. The sources of stability lie in an established set of constitutional, parliamentary and electoral arrangements that (on balance) protect the major parties, imposing high costs on entry into the political market place; only in the Senate, with its relatively generous electoral system, do minor parties gain a foothold in national politics.

Of course, stability is hardly the entire story. Major-party vote share is falling, though still high, as are rates of party identification, although both variables remain extremely high relative to other countries. Ties between social-structural indicators and vote choice are still impressive, but not as strong as they once were. There is increasing evidence that minor parties are exploiting issue dimensions that cut across the left-right continuum.

Australia's political institutions are widely thought to have helped ensure that these developments have not had the ramifications that they might have had under alternative institutional configurations. Australian political science will benefit from more rigorous elaboration of the links between political institutions and electoral behaviour. Specifically, what are the incentives and constraints supplied by compulsory and preferential voting, overlaid on the two different electoral systems used in the House and Senate? In turn, what are the implications for electoral strategy, and the demand for and supply of (possibly crosscutting) issues? In short, a more scientific understanding of Australian political behaviour requires a deeper understanding of Australia's political institutions.

Note

I thank Clive Bean and Murray Goot for useful references and discussions.

References

- ABS. 2002a. *Employee Earnings, Benefits and Trade Union Membership*. Cat. No. 6310.0. Canberra: Australian Bureau of Statistics.
- . 2002b. *2001 Census of Population and Housing, Basic Community Profile (Commonwealth Electoral Divisions)*. Canberra: Australian Bureau of Statistics.
- AEC. 1998. *1997 Constitutional Convention Election Report and Statistics*. Canberra: Australian Electoral Commission.
- . 2002. *Election 2001 Results*. Canberra: Australian Electoral Commission.
- Aitkin, D.A. 1977. *Stability and Change in Australian Politics*. Canberra: Australian National University Press.
- . 1982. *Stability and Change in Australian Politics*. 2nd ed. Canberra: Australian National University Press.
- Aitkin, D.A., and M. Kahan. 1974. 'Australia: Class politics in the new world' in *Electoral Behavior: A Comparative Handbook*. Edited by R. Rose. New York: Free Press.
- Alford, R.A. 1963. *Party and Society: The Anglo-American Democracies*. Chicago: Rand McNally.
- Bean, C. 1996. 'Partisanship and electoral behaviour in comparative perspective' in *The Paradox of Parties: Australian Political Parties in the 1990s*. Edited by M. Simms. Sydney: Allen and Unwin.
- . 1997a. 'The Australian Democrats after twenty years: Electoral performance and voting support' in *Keeping the Bastards Honest: The Australian Democrats' First Twenty Years*. Edited by J. Warhurst. Sydney: Allen and Unwin.
- . 1997b. 'Parties and elections' in *New Developments in Australian Politics*. Edited by B. Galligan, I. McAllister and J. Ravenhill. Melbourne: Macmillan.
- . 2000. 'Nationwide electoral support for One Nation in the 1998 federal election' in *The Rise and Fall of One Nation*. Edited by M. Leach, G. Stokes and I. Ward. Brisbane: University of Queensland Press.
- Bean, C., and I. McAllister. 2000. 'Voting behaviour' in *Howard's Agenda: The 1998 Australian Election*. Edited by M. Simms and J. Warhurst. Brisbane: University of Queensland Press.
- Beilharz, P. (ed.). 1994. *Transforming Labor: Labor Tradition and the Labor Decade in Australia*. Melbourne: Cambridge University Press.
- Berelson, B.R., P.F. Lazarsfeld and W.N. McPhee. 1954. *Voting: A Study of Opinion Formation in a Presidential Campaign*. Chicago: University of Chicago Press.
- Bowler, S., and D.M. Farrell. 1991. Party loyalties in complex settings: STV and party identification. *Political Studies* 39:350–62.
- Brett, J. 1992. *Robert Menzies' Forgotten People*. Melbourne: Macmillan.
- . 2002. Class, religion and the foundation of the Australian party system: A revisionist interpretation. *Australian Journal of Political Science* 37:39–56.
- Campbell, A., P.E. Converse, W.E. Miller and D.E. Stokes. 1960. *The American Voter*. Wiley: New York.
- Charnock, D. 1992. Party identification in Australia, 1967–1990: Implications of method effects from different survey procedures. *Australian Journal of Political Science* 27:510–16.
- . 1996. Question-wording effects on the measurement of nonpartisanship: Evidence from Australia. *Electoral Studies* 15:263–8.

- . 1997. Class and voting in the 1996 Australian federal election. *Electoral Studies* 16:281–300.
- Charnock, D., and P. Ellis. In press. Postmaterialism and postmodernization in Australian electoral politics. *Electoral Studies*.
- Connell, R.W., and M. Goot. 1979. The end of class, re-run. *Meanjin* 38:3–25.
- Costar, Brian (ed.). 1994. *For Better or For Worse: The Federal Coalition*. Melbourne: Melbourne University Press.
- Crisp, L.F. 1955. *The Australian Federal Labor Party 1901–1951*. London: Longmans, Green.
- . 1973. *Australian National Government*. 3rd ed. Melbourne: Longman Cheshire.
- Davis, R., and R. Stimson. 1998. Disillusionment and disenchantment at the fringe: Explaining the geography of the One Nation vote at the Queensland elections. *People and Place* 6:69–80.
- Denemark, D., and S. Bowler. 2002. Minor parties and protest votes in Australia and New Zealand: Locating populist politics. *Electoral Studies* 21:47–67.
- Economou, N. 1994. An overstated electoral importance? A note on ‘ethnic’ voting and federal electoral outcomes. *People and Place* 2:45–51.
- Encel, S. 1970. *Equality and Authority: A Study of Class, Status and Power in Australia*. Melbourne: Cheshire.
- Faulkner, J., and S. Macintyre (eds). 2001. *True Believers: The Story of the Federal Parliamentary Labor Party*. Sydney: Allen and Unwin.
- Gibson, R., I. McAllister and T. Swenson. 2002. The politics of race and immigration in Australia: One Nation voting in the 1998 election. *Ethnic and Racial Studies* 25:823–44.
- Goot, M. 1985. ‘Electoral systems’ in *Surveys of Australian Political Science*. Edited by D.A. Aitkin. Sydney: Allen and Unwin.
- . 1994. ‘Class voting, issue voting and electoral volatility’ in *Developments in Australian Politics*. Edited by J. Brett, J. Gillespie and M. Goot. Melbourne: Macmillan.
- . 1998. ‘Hanson’s heartland: Who’s for One Nation and why’ in *Two Nations: The Causes and Effects of the Rise of the One Nation Party in Australia*. Edited by N. Davidoff. Melbourne: Bookman.
- Goot, M., and I. Watson. 2001. One Nation’s electoral support: Where does it come from, what makes it different and how does it fit? *Australian Journal of Politics and History* 47:159–91.
- Gow, D.J. 1990. ‘Economic voting and postmaterialist values’ in *The Greening of Australian Politics: The 1990 Federal Election*. Edited by C. Bean, I. McAllister and J. Warhurst. Melbourne: Longman Cheshire.
- Grant, B., and T. Sorenson. 2000. ‘Marginality, regionalism and the One Nation vote: Exploring socio-economic correlations’ in *Howard’s Agenda: The 1998 Australian Election*. Edited by M. Simms and J. Warhurst. Brisbane: University of Queensland Press.
- Hancock, I. 2000. *The Federal Organization of the Liberal Party of Australia, 1944–1965*. Melbourne: Melbourne University Press.
- Hayes, B.C. 1995. The impact of class on political attitudes: A comparative study of Great Britain, West Germany, Australia and the United States. *European Journal of Political Research* 27:69–91.
- Henderson, G. 1994. *Menzies’ Child: The Liberal Party of Australia, 1944–1994*. Sydney: Allen and Unwin.
- Hughes, C.A., and B.D. Graham. 1968. *Handbook of Australian Government and Politics*. Canberra: Australian National University Press.
- . 1974. *Voting for the Australian House of Representatives, 1901–1964*. Canberra: Australian National University Press.
- Inglehart, R. 1977. *The Silent Revolution: Changing Values and Political Styles among Western Publics*. Princeton, NJ: Princeton University Press.
- . 1990. *Culture Shift in Advanced Industrial Society*. Princeton, NJ: Princeton University Press.
- . 1997. *Modernization and Postmodernization: Cultural, Economic and Political Change in 43 Societies*. Princeton, NJ: Princeton University Press.

- Jackman, S. 1998. Pauline Hanson, the mainstream, and political elites: The place of race in Australian political ideology. *Australian Journal of Political Science* 33:167–86.
- . 1999. Non-compulsory voting in Australia? What surveys can (and can't) tell us. *Electoral Studies* 18:29–48.
- . 2001. 'Compulsory voting' in *International Encyclopedia of the Social and Behavioral Sciences*. Amsterdam: Elsevier.
- Jaensch, D. 1983. *The Australian Party System*. Sydney: Allen and Unwin.
- . 1989. *The Hawke–Keating Hijack: The ALP in Transition*. Sydney: Allen and Unwin.
- . 1994. *Power Politics: Australia's Party System*. 2nd ed. Sydney: Allen and Unwin.
- . 1996. 'The Liberal Party "crisis": Prospects for reform' in *The Paradox of Parties: Australian Political Parties in the 1990s*. Edited by M. Simms. Sydney: Allen and Unwin.
- Jaensch, D., and D. Mathieson. 1998. *A Plague on Both Your Houses*. Sydney: Allen and Unwin.
- Johns, G. 2000. An audit of Australian political parties. *Australian Journal of Political Science* 35:401–25.
- Johnson, C. 2000. *Governing Change: From Keating to Howard*. Brisbane: University of Queensland Press.
- Jupp, J., B. York and A. McRobbie. 1989. *The Political Participation of Ethnic Minorities in Australia*. Canberra: AGPS.
- Kelley, J., and I. McAllister. 1985. Class and party in Australia: Comparison with Britain and the USA. *British Journal of Sociology* 36:383–420.
- Kemp, D. 1978. *Society and Electoral Behaviour in Australia*. Brisbane: University of Queensland Press.
- Kopras, A. 1998. *Electorate Rankings: Census 1996*. Parliamentary Library Background Paper 14. Canberra: Department of the Parliamentary Library.
- . 2000. *Electorate Rankings: Census 1996 (2000 Electoral Boundaries)*. Parliamentary Library Research Paper 11. Canberra: Department of the Parliamentary Library.
- Lovell, D.W., I. McAllister, W. Maley and C. Kukathas. 1998. *The Australian Political System*. 2nd ed. Melbourne: Longman.
- McAllister, I. 1986. Compulsory voting, turnout, and party advantage in Australia. *Politics* 21:89–93.
- . 1987. Social context, turnout, and the vote: Australian and British comparisons. *Political Geography Quarterly* 6:17–30.
- . 1988. Ethnic issues and voting in the 1987 federal election. *Politics* 23:219–47.
- . 1992. *Political Behaviour: Citizens, Parties and Elites in Australia*. Melbourne: Longman Cheshire.
- McAllister, I., and C. Bean. 1990. 'Explaining Labor's victory' in *The Greening of Australian Politics: The 1990 Federal Election*. Edited by C. Bean, I. McAllister and J. Warhurst. Melbourne: Longman Cheshire.
- . 2000. The electoral politics of economic reform in Australia: The 1998 election. *Australian Journal of Political Science* 35:383–400.
- McAllister, I., and T. Makkai. 1991. The formation and development of party loyalties: Patterns among Australian immigrants. *Australian and New Zealand Journal of Sociology* 27:195–217.
- McAllister, I., and J. Vowles. 1994. The rise of new politics and market liberalism in Australia and New Zealand. *British Journal of Political Science* 24:381–402.
- Mackerras, M., and I. McAllister. 1999. Compulsory voting, party stability and electoral advantage in Australia. *Electoral Studies* 18:217–33.
- McMullin, R. 1991. *The Light on the Hill: The Australian Labor Party, 1891–1991*. Melbourne: Oxford University Press.
- Maddox, G., and T. Battin. 1991. Australian Labor and the socialist tradition. *Australian Journal of Political Science* 26:181–96.
- Marks, G., and C. Bean. 1992. Sources of electoral support for minor parties: The case of the Australian Democrats. *Electoral Studies* 11:311–33.

- Marsh, I. 1992. *Beyond the Two-Party System*. Melbourne: Cambridge University Press.
- Moon, J. 1995. Minority government in the Australian states: From ersatz majoritarianism to minoritarianism? *Australian Journal of Political Science* (Special issue) 30:142–63.
- Nethercote, J. (ed.). 2001. *Liberalism and the Australian Federation*. Sydney: Federation Press.
- Newman, G. 2002. *Federal Election Results 1949–2001*. Parliamentary Library Research Paper 9. Canberra: Department of the Parliamentary Library.
- Newman, G., and A. Kopras. 1998. *Socio-Economic Indexes for Electoral Divisions*. Parliamentary Library Current Issues Brief 4. Canberra: Department of the Parliamentary Library.
- Newman, G., and A. Kopras. 2001. *Socioeconomic Indexes for Electoral Divisions (2000 Electoral Boundaries)*. Parliamentary Library Current Issues Brief 13. Canberra: Department of the Parliamentary Library.
- Papadakis, E. 1990. 'Minor parties, the environment and the new politics' in *The Greening of Australian Politics: The 1990 Federal Election*. Edited by C. Bean, I. McAllister and J. Warhurst. Melbourne: Longman Cheshire.
- Papadakis, E., and C. Bean. 1995. Independents and minor parties: The electoral system. *Australian Journal of Political Science* 30:97–110.
- Reynolds, P. 2000. 'One Nation's electoral support in Queensland: The 1998 state and federal elections compared' in *The Rise and Fall of One Nation*. Edited by M. Leach, G. Stokes and I. Ward. Brisbane: University of Queensland Press.
- Rydon, J. 1968. Compulsory and preferential: The distinctive features of Australian voting methods. *Journal of Commonwealth Political Studies* 6:183–201.
- Simms, M. (ed.). 1996. *The Paradox of Parties: Australian Political Parties in the 1990s*. Sydney: Allen and Unwin.
- Smith, R. 2001. *Australian Political Culture*. Melbourne: Longman.
- Tiver, P.G. 1978. *The Liberal Party: Principles and Performance*. Brisbane: Jacaranda.
- Warby, M. 1994. The Liberal Party: Past, present and future. *Quadrant* May:25–31.
- Ward, I. 1991. The changing organisational nature of Australia's political parties. *Journal of Commonwealth and Comparative Politics* 29:153–74.
- Warhurst, J. (ed.). 1997. *Keeping the Bastards Honest: The Australian Democrats' First Twenty Years*. Sydney: Allen and Unwin.
- . 2002. The Australian federal election of 10 November 2001. *Australian Journal of Political Science* 37:153–60.
- Weakliem, D.L., and M. Western. 1999. Class voting, social change, and the left in Australia, 1943–96. *British Journal of Sociology* 50:609–30.
- West, K. 1965. *Power in the Liberal Party: A Study in Australian Politics*. Melbourne: Cheshire.
- Western, M., and B. Tranter. 2001. Postmaterialist and economic voting in Australia, 1990–98. *Australian Journal of Political Science* 36:439–58.
- Zappala, G. 1998. The influence of the ethnic composition of Australian federal electorates on the parliamentary responsiveness of MPs to their ethnic sub-constituencies. *Australian Journal of Political Science* 33:187–209.

Electoral Systems

David M. Farrell and Ian McAllister

Australia has made a long and distinguished contribution to the development of electoral institutions. Australia was an international innovator in terms of the opening up of the electoral process; half a century ago Louise Overacker (1952) commented that ‘no modern democracy has shown greater readiness to experiment with various electoral methods than Australia’. As early as 1859, all the Australian colonies had established systems of parliamentary government with adult male suffrage. In 1894, South Australia was second only to New Zealand in extending voting rights to women for its lower-house elections. The secret ballot (known to this day as the ‘Australian ballot’) was also an Australian invention, first used in South Australia and Victoria in the mid-1850s. By the criterion of adult suffrage, Australia was the first truly democratic state, achieving that status in 1903, with most of the other contemporary liberal democracies following in the years after World War I (Aitkin and Castles 1989:208).

Australia is also the home of preferential electoral systems, again demonstrating the imaginative steps taken by the country’s electoral engineers in the early part of the century. It was the first country to use them (Queensland in 1892; Tasmania in 1896; the Australian Commonwealth in 1918–19), and today it is the largest of only three established democracies – the others being Malta (since 1921) and Ireland (1922) – to use these electoral systems widely for all levels of elections. Preferential voting is perhaps the most distinctive and innovative characteristic of the electoral systems of Australia.

The adoption of preferential voting

In 1918, when single-member plurality (SMP) was replaced with the majority preferential vote (MPV) for elections to the House of Representatives, Australia became the first country to adopt preferential voting at national level. Thirty years later, when the proportional preferential vote (PPV) was introduced for Senate elections, the process of moving towards preferential voting at federal level was completed. There has been just one major change to the Senate system since then, in 1983, when the PPV system was amended to incorporate ticket voting. There is a rich, if small, body of literature on the evolution of the preferential systems at federal level (Goot 1985; Graham 1968; Sawer

Table 17.1 House of Representatives and Senate electoral systems since 1901

	State	Electoral system
<i>House of Representatives</i>		
1901	NSW, Vic., WA	Single-member plurality (SMP)
	Qld	Majority preferential vote (MPV; using contingent vote)
	SA	Block vote
	Tas.	Proportional preferential vote
1903	All states	SMP
1918	All states	MPV
<i>Senate</i>		
1901	All states, except Tas.	Block vote (PPV in Tas.)
1919	All states	Preferential block
1949	All states	PPV
1983	All states	PPV with ticket-voting

2001; Sawyer and Miskin 1999; Uhr 1998; Wright 1980): a chronology of stages in the evolution of Australia's electoral systems at federal level is provided in Table 17.1.

The adoption of MPV in 1918 and PPV in 1948 were seen at the time as nothing more than short-term political fixes by politicians anxious to cling onto power. In 1918, the essence of the 'Flinders deal' was an attempt by the Hughes government to prevent the right-of-centre parties from splitting their support to the benefit of the Labor Party. In 1948, it was the turn of the Chifley Labor government to replace the Senate's preferential block system with PPV, in a manoeuvre to diminish the expected electoral gains of Robert Menzies. Political expediency played an important role in both cases, and certainly they were the immediate triggers for the adoption of the respective systems. Indeed, to Reid and Forrest (1989:99), 'In both cases the reforms became law not as a result of the pursuit of principles of electoral justice, but from pragmatic consideration of party gain' (see also Rydon 1968; McLean 1996). But, as others have observed (Graham 1968; Uhr 1999, 2000), such explanations do not explain why Australia ended up with such unique electoral systems.

It is generally agreed that three main factors lay behind the country's attraction to preferential electoral systems: electoral reform debates in Britain; the role of Australian activists; and state-level experiments in Australia. First, like all other British colonies, Australia was heavily influenced by events and debates in the mother country. This was the period in which creaky British institutions were gearing up for the inevitability of mass suffrage extension, and in consequence there was considerable debate over the nature of the electoral system, with prominent attention being given to preferential voting as a possible alternative to the existing plurality system.

For the most part credited as a British 'invention' (though, in truth, it was also 'invented' separately and at around the same time by Carl Andrae in Denmark) – and therefore as the British system of PR (Lijphart 1987) – the merits of the proportional preferential vote system (PPV) began to be debated from the 1850s onwards, most

notably after the publication of Thomas Hare's *Treatise on the Election of Representatives, Parliamentary and Municipal* (1859) and the active and enthusiastic promotion of his system by John Stuart Mill (Hart 1992). From the 1880s onwards, the Proportional Representation Society also featured prominently in efforts to promote PPV. In large part, Hare's ideas were dismissed by the British establishment, though there was a period of colonial experimentation with the system in Ireland, Malta and parts of India. Inevitably, the British debates had some influence on certain Australian-based actors, and through their actions on developments in some of the Australian colonies.

The second factor that is seen to have influenced electoral-system design for Australian federal elections is the move in some colonies to experiment with new systems. In 1896, PPV was introduced in Tasmania's two urban areas, Hobart and Launceston. Several years earlier, in 1892, MPV (in the form of the contingent vote) was introduced for electing Queensland's Legislative Assembly. There is good reason for arguing, therefore, that the Tasmanian and Queensland experiments would have influenced federal electoral-system designers in 1902, who were searching for alternatives to the SMP and block systems used for electing the first House of Representatives and Senate respectively.

The third influence on Australian electoral-system design was the role of key actors, most notably Catherine Helen Spence, Inglis Clark and Edward Nanson. All three are credited with important roles in setting the electoral reform agenda of the new Commonwealth in the direction of preferential electoral systems, though accounts tend to vary on which of the three had the greater influence over events (see Haward and Warden 1995; Magarey 1985; McLean 1996; Reid and Forrest 1989). Mention should also be made of the contribution by the Ashworth brothers, particularly by the publication in 1900 of their book *Proportional Representation Applied to Party Government*. This was an influential study, although their proposed hybrid system (somewhat akin to a list system) was not taken very seriously. In essence, their principal role was to provide useful ammunition for critics of the electoral systems proposed in the 1902 bill.

Variations on a common theme

While Australia reveals a strong penchant for preferential electoral systems, it also demonstrates a noted tendency to experiment with various forms of these systems, over time and across the country as a whole.

Variants of MPV

MPV is a non-proportional system: what distinguishes it from plurality electoral systems is the expectation that a candidate should have an overall majority of the vote to be elected (Farrell 2001). Over the years, as summarised in Table 17.2, MPV has come in three main forms: compulsory preferential voting; optional preferential voting; and the now defunct (at least in Australia) contingent vote (see Reilly 2001b). These forms are based on one of two main characteristics.

First, MPV systems can vary with regard to counting procedures. The compulsory and optional preferential systems share in common the practice of eliminating, in step-wise fashion, the candidates with the least votes and transferring their ballot papers to

Table 17.2 Variants of MPV in Australia

	Compulsory preferential voting	Optional preferential voting	Contingent vote
I. Preferences	Minimum: No. of candidates	Minimum: 1	Minimum: 1
II. Count procedures in the event that no candidate has more than 50% of the vote after the first count	Eliminate the candidate with the least votes and transfer ballots based on next preference. Continue process until one candidate emerges with overall majority.	Eliminate the candidate with the least votes and transfer ballots based on next preference. Continue process until one candidate emerges with overall majority.	Candidates with the highest and second-highest vote totals remain in the race. All other candidates are eliminated and their ballots transferred based on next preferences.
Cases where used in Australia today	Commonwealth LH 1918– Northern Territory LH 1980– South Australia LH 1936– Tasmania UH 1909 ^a Victoria LH 1916– Victoria UH 1921– Western Australia LH 1911 ^a	New South Wales LH 1980– Queensland LH 1992–	
Cases where used in Australia in the past	New South Wales LH 1928–80 Queensland LH 1962–92	Victoria LH 1911–16 Western Australia LH 1907–11	New South Wales LH 1926–28 Queensland LH 1892–1942

Notes: LH – lower house; UH – upper house.

^a Minimum number of preferences is three.

Sources: Electoral Council of Australia (<http://www.eca.gov.au>); relevant electoral office and parliamentary websites, and the following legislative acts: *Commonwealth Electoral Act 1918*; New South Wales: *Constitution Act 1902*, *Parliamentary Electorates and Elections Act 1912*; South Australia: *Electoral Act 1985*, *Electoral Regulations 1997*; Western Australia: *Electoral Act 1907*; Australian Capital Territory: *Electoral Act 1992*; Tasmania: *Electoral Act 1985*.

the remaining candidates based on the next preference expressed by the voters. This process continues until one candidate emerges with a majority of the vote. The contingent vote, by contrast, collapses the process into two main stages, in which (in a single-seat constituency) the candidates with the highest and second-highest vote tallies remain in the race and the ballot papers of all the other candidates are transferred to one or other of them based on the next preference expressed by the voters. Since only two candidates remain in the race, the result must be majoritarian.

In effect a collapsed version of the run-off system, the contingent-vote system was first introduced into Queensland in 1892 and was to be used there until the 1940s. The only other state to experiment (briefly) with the contingent vote was New South Wales, which used it once in 1927. It has since disappeared in Australia: most recently, it has emerged in the UK for the election of the London mayor, where it is referred to as the 'supplementary vote' (its proponents were unaware of the prior existence of the contingent vote) (Reilly 1997).

The second, and contemporaneously more significant, variation in types of MPV system relates to a distinction between a requirement that voters must express just one preference (contingent vote and optional preferential voting) or as many preferences as there are candidates (compulsory preferential voting), although voters in Tasmania and Western Australia are required to express at least three preferences. As Table 17.2 shows, there is a tendency for Australian electoral engineers to favour systems that require voters to complete all (or certainly most) preferences: as we shall see below, this is consistent with the trend in the Australian PPV systems.

Optional preferential voting is currently in use in just two states – New South Wales and Queensland – and in the past, was used briefly by just two others – Victoria and Western Australia. It was introduced by a Labor government in New South Wales in 1980; and in Queensland, its introduction in 1992 was due to the recommendations of a government commission that expressed strong objections to the compulsory expression of preferences, requiring voters to express preferences for candidates they neither knew nor supported. Outside of these two states, the tendency is to favour the compulsory expression of preferences. This peculiarly Australian practice reflects at one level a general political culture that promotes regulation and efficiency, and an emphasis on citizens' duty (McAllister 2002). At another level, it reflects a sense on the part of Australian legislators that the compulsory expression of preferences helps to reinforce the system of compulsory turnout, for

if it were to be conceded that voters have the right to be indifferent in regard to a subset of candidates, it would seem to follow that voters have the right to be indifferent in regard to all candidates. [Reilly and Maley 2000:44]

The compulsory expression of preferences helps to facilitate the virtual institutionalisation of the Liberal–National Coalition, avoiding the dangers (for them) of vote-splitting, allowing them both to field candidates in the same constituency, and increasing the likelihood that one or other of them will succeed in having a candidate elected. While these trends tend to produce a greater sympathy for optional preferential voting among ALP politicians, this is by no means universal. For instance, after the 2001 Western Australian state election, which resulted in a new Labor government, the Liberal Party brought forward proposals for a switch to optional preferential voting for future state elections, this move in part reflecting the growing difficulty the larger parties are having in controlling the full spread of preferences at a time when the preferences are counting more and more towards the final result.

Optional versus compulsory preferential voting has also featured prominently in debates at federal level, with attention centred on issues relating to the effects of

compulsory voting on smaller parties. There were a range of complaints after the 1998 election over the degree to which compulsory preferential voting is used by the larger parties as a means of discriminating against smaller parties. In particular, attention was focused on the fact that Pauline Hanson's One Nation Party failed to win any seats in the House of Representatives, despite attracting 8.5 per cent of the national vote. In a wide-ranging review of the evidence, the Joint Standing Committee on Electoral Matters received a large number of submissions from One Nation supporters, complaining that the larger parties had 'ganged up' on One Nation candidates. But the committee was not persuaded of the arguments in favour of a shift to optional preferential voting, believing

that there is a strong chance that an optional preferential system will eventually lead to voters casting only one preference as the realisation sinks in to the voters that to indicate second and subsequent preferences will decrease the possibility that their most preferred candidate will win. [Joint Standing Committee on Electoral Matters 2000:113]

One Nation is not the only party to criticise compulsory preferential voting, nor, for that matter, has it been the most prominent. That accolade is reserved for the Melbourne-based activist Albert Langer, who launched his own personal crusade for optional preferential voting in the early 1990s. Langer's activities earned him a period of imprisonment and his designation as a prisoner of conscience by Amnesty International. His campaign also resulted in the naming of a form of (mis)voting in his honour – 'Langer-style voting' – as well as an amendment to the Commonwealth Electoral Act in 1998.

Variants of PPV

Table 17.3 outlines the five main dimensions of variation in the forms of PPV used today in Australia, of which three are the more important (see Farrell and McAllister 2000). First, there are variations in ballot-paper design, which have important implications for the extent to which a candidate's success at the polls is determined by elements of chance. The issue here concerns the short cuts the voters take in completing their ballot papers, generally referred to as 'donkey' voting (Darcy and McAllister 1990). The more the voter is taxed by the system, the greater the likelihood that she will make use of short cuts, in effect voting for candidates on the basis of list-order rather than out of sheer preference. Therefore, in a system requiring compulsory turnout and with compulsory preferential voting, it is only to be expected that donkey voting will feature prominently (Darcy and Marsh 1994; Kelley and McAllister 1984; Mackerras 1970). This problem is compounded in Australia by the presence of a large number of non-English-speaking migrants, many from countries lacking democratic traditions. With minimal information about the electoral system, they often utilise shortcuts when completing the ballot.

There are two ways of dealing with this problem. One is to make full use of it in a party's strategy, and to list party candidates in order of importance, or on the basis of some other relevant criterion. This is the procedure followed in all Australian upper-house cases, in which the rank-ordering of candidates is set by the party organisations.

Table 17.3 Variants of PPV in Australia: Upper-house (UH) and lower-house (LH) systems

Characteristics	Commonwealth UH	New South Wales UH	South Australia UH
I. District size	Range: 6–12 ^a	21	11
II. Ballot-paper design	Across: Party grouping (by lot) Down: Candidate names (party choice)	Across: Party groupings (by lot) Down: Candidate names (party choice)	Across: party groupings (by lot) Down: Candidate names (party choice)
III. Surplus transfer	All ballots at fractional value (inclusive-Gregory method)	Surplus ballots only, at full value	All ballots at fractional value (inclusive-Gregory method)
IV. Preferences	Minimum: No. of candidates, ^b or if adopt ticket, 1 vote only	Minimum: 15, or if adopt ticket, minimum 1 ^c	Minimum: No. of candidates, or if adopt ticket, one vote only
V. Casual vacancies	State parliament selects someone from same party	Joint sitting selects someone (generally from same party)	Joint sitting selects someone from same party
Characteristics	Western Australia UH	Australian Capital Territory LH	Tasmania LH
I. District size	Range: 5–7	Range: 5–7	5
II. Ballot-paper design	Left: Party groupings (by lot) Right: Candidate names arranged in columns (party choice)	Across: Party groupings (by lot) Down: Candidate names (by rotation)	Across: Party groupings (by lot) Down: Candidate names (by rotation)
III. Surplus transfer	All ballots at fractional value (inclusive-Gregory method)	The last parcel of ballots at fractional value (Gregory method)	The last parcel of ballots at fractional value (Gregory method)
IV. Preferences	Minimum: No. of candidates, or if adopt ticket, one vote only	Minimum: 1	Minimum: No. of seats
V. Casual vacancies	Count back	Count back	Count back

Notes: ^a The Australian Capital Territory and Northern Territory elect just two senators each.

^b In general a vote for 90 per cent of candidates suffices (with no more than three omissions or duplications in sequential numbering).

^c When voting above the line, voters can rank-order the parties (optional preferential ticket-voting). There are no longer any ticket-preference deals between the parties.

Sources: Electoral Council of Australia (<http://www.eco.gov.au>); relevant office and parliamentary websites, and the following legislative acts: Commonwealth *Electoral Act 1918*; New South Wales: *Constitution Act 1902*, *Parliamentary Electorates and Elections Act 1912*; South Australia: *Electoral Act 1985*, *Electoral Regulations 1997*; Western Australia: *Electoral Act 1907*; Australian Capital Territory: *Electoral Act 1992*; Tasmania: *Electoral Act 1985*.

An alternative strategy is to counteract donkey voting by rotating the position of the candidates from one set of ballot papers to the next, and thereby giving each a fair chance. This procedure was adopted in Tasmania in 1980 – where it was given the title the ‘Robson procedure’, named after the Tasmanian legislator who introduced the bill – and it immediately reduced the incidence of alphabetical voting (Darcy and Mackerras 1993). When it adopted PPV in 1995, the Australian Capital Territory also incorporated this procedure.

Ballot-paper design can also have important implications for the degree of leadership control over candidate nomination and, indeed, for leadership influence over candidate election. The rank-ordering of candidates by the parties and the operation of the ticket system represents the extreme position. It has been shown in the case of the Senate, for instance, that a candidate needs to pay more attention to the party leadership than to her voters. As Jaensch (1986:58) puts it, ‘in the real world of parties and voters in Australia ... position on the ballot paper is crucial to re-election’. A candidate for one of the larger parties and placed high on the list is virtually guaranteed election; therefore, the senatorial campaign is less one of trying to win the hearts and minds of the Australian voters and more one of trying to win the hearts and minds of party selectors. In the Australian Capital Territory, Tasmania, Ireland and Malta, which determine candidate placement either by rotation or by alphabetical placement, the party leadership has no direct influence (see also Bowler, Farrell and McAllister 1996).

Another source of variation in the PPV system relates to the process for transferring ballot papers in the case of surplus votes. In New South Wales, when transferring a surplus after the election of a candidate, only those ballots that are surplus to the quota are transferred, at their full value, and based solely on the next preference marked on the ballot paper. This used to be the standard procedure for PPV: what it means is that the determination of which ballots to actually transfer is based on random selection, and this can have important implications in later counts, especially in a close finish where the fate of a candidate could be sealed by the particular pattern of preferences that predominated in those ballot papers selected for transfer. While some have suggested that the prospect of this resulting in the incorrect election of a candidate is extremely unlikely (Lakeman 1974:140), statistical analysis has demonstrated conclusively that, in fact, this procedure of transferring surpluses permits an ‘element of arbitrariness ... that ... can[not] be ignored with impunity’ (Gallagher and Unwin 1986:253; see also Fischer 1981).

A solution to the problem is to take account of all preferences when allocating a surplus. This is done by transferring all ballot papers received by the candidate (that is, not just a sample of those surplus to the quota) at a fraction of their count value. This is usually referred to as the ‘Gregory method’, after the Melbourne mathematician, J.B. Gregory, who in 1880 devised the scheme. The Gregory method was first used in Tasmania in 1907 when the state reintroduced PPV, and it has been used there ever since; the Australian Capital Territory also adopted this method. Apart from these two cases, and New South Wales (which only transfers surplus ballots), all the other cases use a system that bears close similarities to the original Gregory method, but with one significant difference.¹ This relates to the transfer of surpluses at later stages in the count (that is, after a first surplus transfer has occurred). Under the Gregory method, only the last parcel of ballot papers is transferred; all the other ballot papers are undisturbed. By

contrast, under the inclusive-Gregory method used for the Senate and in South Australia and Western Australia, no distinction is made between the different ballot papers; instead, all of the ballot papers are transferred at a fractional value.

A third source of variation in the PPV system is over what is expected of the voters in completing the ballot – an issue that refers back to the discussion above regarding the MPV system. In the Australian Capital Territory there is optional preferential voting: voters need only mark a first preference on the ballot paper for their votes to be counted as valid. In Tasmania, there is minimum-length preferential voting: voters have to declare at least as many preferences as there are seats to be filled. The task of voting, however, is far more onerous in most of the upper-house versions of PPV, which operate a system of compulsory preferential voting in which voters have to declare a preference for each candidate on the ballot paper (or, at least, for all but one candidate – the blank space being counted as the final preference). Given its very large district magnitude (twenty-one) and accordingly its large ballot papers, New South Wales allows some leniency in requiring voters to only declare fifteen preferences for their vote to be counted as valid.

The operation of this compulsory preferential voting system tended to result in high numbers of informal votes, and this was to lead in 1983 to the adoption of the ticket-voting system for Australian Senate elections. The other upper-house PPV systems quickly followed suit, allowing voters the easy option of simply declaring one preference for a party or group ‘above the line’ and allowing the preferences to be determined on the basis of prior arrangements between the parties.

A recent modification of ticket-voting in New South Wales has resulted in yet another shift of the PPV system in the direction of a conventional closed-list electoral system. The catalyst for change was the 1999 ‘tablecloth’ election, which saw eighty parties and groups fielding between them 264 candidates for the twenty-one seats, resulting in a ballot paper that measured 100 by 70 centimetres. In the light of this, the Carr Labor government moved quickly to introduce legislation reforming the electoral procedures to make it more difficult for micro parties to win seats (see Griffith and Srinivasan 2001). These included changes to the ticket-voting procedures, whereby voters are now able to rank the party lists above the line; and there are no ticket-preference deals by the parties. This is an optional preference system.

Table 17.3 provides compelling evidence that there are two main streams of PPV: a lower-house variant (Tasmania, and the Australian Capital Territory, where it generally goes by the title Hare–Clark) and an upper-house variant (Commonwealth, New South Wales, South Australia and Western Australia). At the heart of this is a distinction between a party-controlled variant of PPV as practised in upper houses and a voter-oriented variant used in lower houses. In other words, the principal point of distinction is over the degree of party control of the preferential element.

The consequences of preferential voting

The standard means of assessing electoral-system consequences is with regard to aggregate disproportionality.² As is to be expected, the disproportionality trends (using the

Gallagher index) over time in the MPV systems are comparable with trends among other non-proportional systems, such as SMP (Farrell 2001; Lijphart 1994). MPV has also produced some notably anomalous results, such as the systematic bias in favour of the Liberal Party in nine elections (1949, 1955, 1958, 1963, 1975, 1977, 1980, 1996 and 2001), in which it was awarded more seats than Labor, despite having won fewer votes.

MPV may manifest similar levels of distortion in the electoral result as is produced by SMP, but to what extent does it actually produce different election results to those produced by the simpler, less-demanding system? To put it another way, what evidence is there that the use of preferential voting actually makes a difference to the result? The common perception is that MPV 'behaves in all its particulars' like SMP (Rae 1967:108), that what difference it makes to the election result is 'less ... than most people suppose' (Butler 1973:96). In the first large-scale analysis of trends, Joan Rydon (1968) found little evidence of preferential voting affecting the overall result; for the most part, its only effect tended to be on the distribution of seats between the National/Country and Liberal parties. There was also evidence in the 1960s of preferences from the Democratic Labor Party (DLP) – a breakaway from Labor – favouring the Coalition parties (Goot 1985). Apart from these instances, preferences were seen to matter little, and certainly had hardly any bearing on the overall election result.

This pattern has changed considerably in recent elections, and there are signs that preferential voting can make a difference: preferences can matter, and in recent elections they seem to matter even more (see also Reilly 2001a). In Figure 17.1 we see how

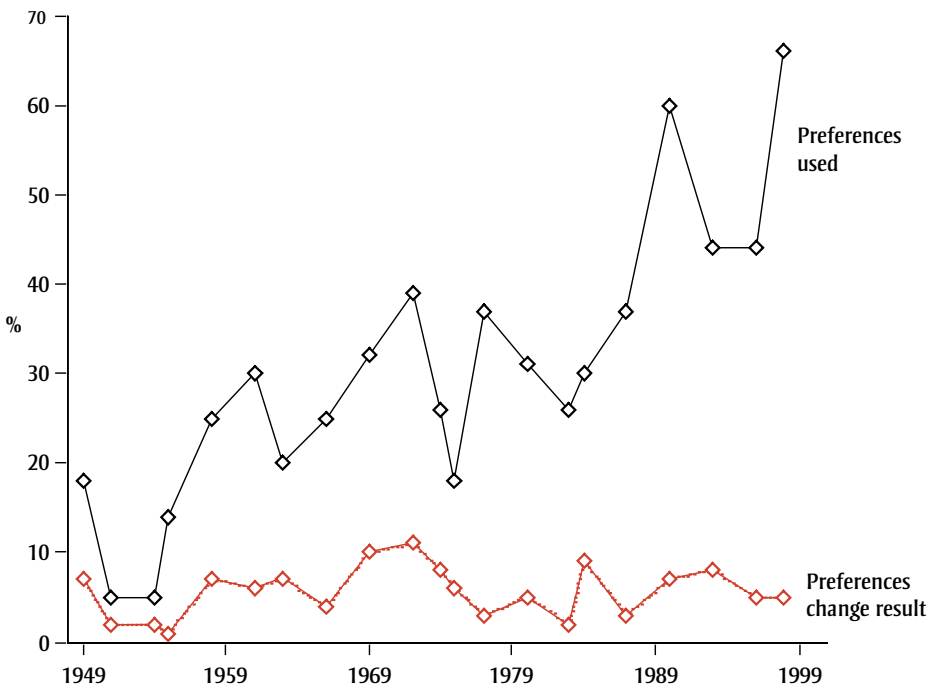


Figure 17.1 Proportion of seats affected by the distribution of preferences, House of Representatives elections, 1949 to 1998

over the postwar period (1949 to 1998) there has been a growing number of cases in which preferences were required before the result was known (or, to put this another way, a declining number of cases in which the election was determined, like for SMP, on the first count). The rise has been consistent over the decades, with a noticeable acceleration in the 1990s: in the 1950s there was an average of 12 per cent of cases where preferences were used to determine the result; in the 1960s this more than doubled to 27 per cent; it increased gradually in the 1970s (30 per cent) and 1980s (31 per cent), before jumping in the 1990s to 54 per cent. In 2001, 58 per cent of electorate counts were decided by preferences. Preferences may be mattering more in the determination of the final result, but there is no evidence that preferences actually make much difference to the final outcome. As Figure 17.1 shows, preferential voting tends to make only a small difference to the final outcome, and this has not been on the increase. For the most part, the proportions remain firmly in single figures.

Inevitably, as a member of the proportional family of electoral systems, PPV has tended to attract more attention, although for the most part attention is focused on the Irish case, which has a low district magnitude (*M*), and as a result PPV has tended to be labelled as ‘quasi-proportional’ (Taagepera and Shugart 1989:207; Katz 1984). Given the variations in *M* in the Australian PPV cases summarised in Table 17.3, we can assess more thoroughly the relationship between district magnitude and proportionality, by employing Lijphart’s (1994) methodology of defining an ‘electoral system’ as a set of essentially unchanged electoral rules. Given that the electoral formula remains the same throughout, the main independent variables of note are district magnitude

Table 17.4 Australian PPV systems and proportionality, 1946 to 2002

	Period (N elections)	District magnitude (M)	Assembly size (AS)	Disproportionality (GI)
Australia 3	1977–1980 (2)	4.25	34	4.41
Tasmania 2	1998 (1)	5	25	9.86
Australia 4	1984–2001 (6)	5.13	41	5.14
Australia 2	1953–1970 (7)	5.17	31	4.97
Australian Capital Territory	1995–2001 (3)	5.67	17	7.49
Western Australia	1989–2001 (4)	5.67	34	7.29
Tasmania 1	1946–1996 (16)	6.69	33.44	3.99
Australia 1	1949 (1)	7	42	3.42
Australia DD2	1975–1987 (3)	8.5	68	3.02
Australia DD1	1951–1974 (2)	10	60	3.38
South Australia	1982–2002 (6)	11	11	6.14
New South Wales 1	1978–1991 (5)	15	15	4.02
New South Wales 2	1995–1999 (2)	21	21	5.25

Notes: Cases ranked by *M*. An ‘electoral system change’ occurs whenever either *M* or *AS* shifts by at least 20 per cent (Lijphart 1994:13). The ‘Australian DD’ scores refer to double dissolutions.

Sources: Election returns; Electoral Commission websites; Black (1989); information supplied by Arend Lijphart, and by parliamentary libraries.

(M), and assembly size (AS). Lijphart's rule is that there should be a 20 per cent change in M or AS to cause a 'new' electoral system. As Table 17.4 indicates, this results in thirteen PPV cases listed in terms of increasing size of M.

The table provides an important corrective to the view that PPV is a small-M system, and hence quasi-proportional. For instance, in Lijphart's (1994) study, PPV has the lowest M of all the proportional systems. He argues that this is inevitable because high M (that is, large constituencies) entails large numbers of candidates and thereby imposes 'heavy burdens on the voters who have to rank order the candidates' (Lijphart 1994:30). The use of ticket voting in the Australian upper-house PPV systems has the important consequence of facilitating a larger M; but the Australian Capital Territory and Tasmania 1 Ms of 5.67 and 6.69 respectively demonstrate that PPV systems can be more proportional without experiencing the strictures of ticket voting. Taken together, the various Australian cases result in an average M of 8.5. This compares favourably with an average M of 9.0 for the thirteen d'Hondt systems in Lijphart's study, and average score of 7.7 for the four other non-d'Hondt systems.

The evidence presented in Table 17.4 suggests that there is no relationship between district magnitude and disproportionality. One possible reason for this is that the assembly size may be interfering with these trends. When this possibility is taken into account, in Table 17.5, the relationship between M and disproportionality looks stronger, although only in the case of higher Ms where, apart from New South Wales 1, there is a monotonic rise in disproportionality as the assemblies become smaller. In the case of low Ms, there is little evidence of a consistent trend.

Table 17.5 Average disproportionality, classified by district magnitude and assembly size in thirteen PPV cases

Electoral system and effective threshold	Assembly size (AS)	Disproportionality (GI)
Low M (4.25–5.67)		
Australia 4	41	5.14
Australia 3	34	4.41
Western Australia	34	7.29
Australia 2	31	4.97
Tasmania 2	25	9.86
ACT	17	7.49
High M (6.69–21)		
Australia DD2	68	3.02
Australia DD1	60	3.38
Australia 1	42	3.42
Tasmania 1	33.44	3.99
New South Wales 2	21	5.25
New South Wales 1	15	4.02
South Australia	11	6.14

Sources: Election returns; Electoral Commission websites; Black (1989); information supplied by Arend Lijphart, and by parliamentary libraries.

Compulsory voting

Compulsory voting has its origins in the system of compulsory enrolment that was introduced for Commonwealth elections in 1911, with the states quickly following suit, beginning with Queensland in 1914. The move was taken on the recommendation of Chief Electoral Officer R.C. Oldham, who wanted to rationalise the electoral roll, and it had the intended effect of greatly increasing the size of the electorate. Later, compulsory voting was argued to be the natural corollary of compulsory enrolment. At the state level, compulsory voting was first introduced in Queensland by the Denham Liberal government in time for the 1915 general election. Over the next three decades the other states and the Commonwealth followed suit. The system was introduced to Commonwealth elections in 1924, following the report of the 1915 royal commission, which viewed compulsory voting as a logical extension of compulsory enrolment (Goot 1985:192). In the states, Victoria introduced compulsory voting in 1926, New South Wales and Tasmania in 1928, Western Australia in 1936 and South Australia in 1941.

The move to introduce compulsory voting had cross-party support; the major parties saw that it would obviate the need to maintain large organisations to mobilise the vote. The effect on turnout was immediate and dramatic: in the six states and the Commonwealth, turnout increased by an average of 23.2 per cent, ranging from 12.6 per cent in Queensland (where turnout was relatively high anyway under voluntary voting) to 37.8 per cent in South Australia. The average level of turnout under the system of compulsory voting was 91.6 per cent. There was also a flow-on effect to turnout in state elections, even where voting remained voluntary. In general, ordinary citizens accepted the new system with little complaint and there were comparatively few instances where voters were fined for not attending the polls without sufficient reason; as a consequence, the system has been easy to administer ever since it was introduced. Opinion polls have shown that a large majority of voters support the system (McAllister and Mackerras 1999); as Aitkin (1977:31) comments, compulsory voting 'is in no sense seen as an imposition on the electorate and resented by it'.

The arguments used in favour of compulsory voting have focused on responsibility, duty and education (Hughes 1968). The arguments against compulsory voting during the 1920s and 1930s mostly asserted that compulsion was wrong in principle and that it 'is not the democratic norm'. More recently, some Liberal politicians have advocated abandonment of the system, and in 1988 and 1993 the party's main policy-making body, the Federal Council, passed motions calling for a repeal of the current system. In 1994 a minority report (consisting mainly of Liberal and National members) of a parliamentary committee charged with examining all aspects of the conduct of the March 1993 federal elections argued that compulsion encouraged electoral fraud: 'in practice, compulsory voting underpins a system which has very few checks in place to prevent and detect fraudulent enrolment and voting' (Joint Standing Committee on Electoral Matters 1994:157).

Compulsory voting is one cause of the large proportion of invalid or spoiled votes at Australian elections, which is one of the highest among the established liberal democracies; the level is comparable to what was found, in the two decades after World War II, in

the Netherlands, which had a compulsory-voting system until 1971. Other causes that interact with compulsory voting to achieve this outcome include the complex nature of Australia's electoral system, at least judged against international standards; the frequency of elections at the state and federal levels of government; the increasing tendency to hold House of Representatives elections in conjunction with Senate elections and constitutional referendums, all of which have different rules for completing the ballot; and a high proportion of non-English-speaking immigrants (McAllister and Makkai 1993).

A second consequence of compulsory voting is higher levels of support for the Labor Party than would be the case under a voluntary voting system, since disproportionately more of its supporters would be expected to abstain under a voluntary voting system. Aggregate analyses (McAllister 1986) as well as individual studies (McAllister and Mackerras 1999) support this finding.

And a third consequence of compulsory voting is a high level of party stability, reflected in the large number of voters who identify with one or other of the major parties, and in the preponderance of representatives of the major parties in the federal and state parliaments. Compulsory voting ensures that voters cast a ballot and the act of voting means that they are forced to think, however superficially, about the major parties. The frequency of elections at the state and federal levels further reinforces the high visibility that parties enjoy within the electorate. Of the 2,394 contests for the federal lower house that have taken place between 1949 and 2001, only twelve – or 0.5 per cent – have been won by independents.

Malapportionment

As with all single-member electoral systems, malapportionment has been a perennial problem in Australian politics at federal and state level. Permitting parliamentary seat sizes to differ substantially can give certain parties an in-built advantage, especially when the size dispersion coincides with those parts of the state where certain parties have their electoral base. Hughes (1978) assessed how 'fair' the distribution of seats were in terms of what proportion of the two-party preferred vote a party would need to win a seat. On that basis, it was apparent that Labor had been disadvantaged throughout much of the early postwar period. While some of this undoubtedly was caused by falling on the wrong side of the disproportional tendencies of MPV, it was also apparent that over time a rural bias in seat distribution was benefiting the Coalition parties.

A series of reforms introduced under the Whitlam, Fraser and Hawke governments culminated, by the mid-1980s, in real moves to cut down on malapportionment. A limit of 10 per cent was set on the permissible variation of enrolments in a state or territory. In addition, there was a requirement that efforts should be made to ensure equality of seat distribution within a reasonable period. In his analysis of the trends in the first years of its implementation, Hughes (1990: 138) finds that

the size of the margins by which [the] targets were missed is modest, and the goal of maximising equality over the life of the 1984 redistribution appears to have been largely achieved.

The question of seat distribution has also featured as an issue at state level, with particular attention given to debates in South Australia and Queensland. In the former case the 'Playmander' (Jaensch 1970) of the 1930s to 1950s, in which the occasion of shifting over to single-member electorates saw the institutionalisation of an in-built rural bias in seat distributions that favoured the Liberal and Country League (LCL), was seen as one of the most extreme examples of this practice in postwar Australia (Jaensch and Bullock 1978; though see Reid, Blair and Sainsbury 1960). This was to survive through to the 'Dunstan Decade' of the 1970s, in which, among other changes, electoral reforms were introduced to end rural weighting (Jaensch 1981). In Queensland the affects of malapportionment over a prolonged period tended to benefit both main sets of parties to a more or less equal degree (Cribb and Murphy 1980). Over time, however, the various states have tended to come into line with practices at federal level.

Conclusion

Australians have been more willing to experiment with democracy than many of their contemporaries: 'in no other liberal democracy, it seems safe to say, have the permutations and combinations of electoral reform been as great' (Goot 1985:179). These experiments have ranged from the franchise and the methods used to weigh votes, to the use of compulsory voting to increase turnout. The debates about electoral-system design, particularly at the turn of the century, are notable for the high level of expertise among legislators about the various systems, and in the key role played by electoral experts. In general, Australian voters have embraced the innovations that have emerged, and adapted to them; compulsory voting, for example, consistently attracts the support of seven out of ten voters, despite periodic calls for a return to voluntary voting (McAllister and Mackerras 1999).

Australia provides a wonderful case for studying the nature and consequences of electoral-system design. Certainly, as a prominent member of a very exclusive club of countries using preferential electoral systems, Australia offers very fertile territory for scholarly research of both main forms of this system – MPV and PPV. While there has been an active cottage industry of research into many of their features, which has been covered in this chapter, a lot more still waits to be explored.

Notes

- 1 In general there has been a tendency to overlook this modification of the Gregory method (Fischer 1988:142; Gallagher and Unwin 1986:247; McLean 1996:377; Reilly and Maley 2000:58).
- 2 Another consequence of electoral systems that tends to feature prominently in the literature relates to the legislative roles of MPs and senators. This topic is dealt with in chapter 15, this volume.

References

- Aitkin, D.A., and F.G. Castles. 1989. 'Democracy untrammelled' in *Australian Society*. Edited by K. Hancock. Melbourne: Cambridge University Press.
- Ashworth, T.R., and H.P. C. Ashworth. 1900. *Proportional Representation Applied to Party Government: A New Electoral System*. Melbourne: George Robertson.
- Black, D. 1989. *Legislative Council of Western Australia: Membership Register, Electoral Law and Statistics, 1890–1989*. Perth: Western Australia Parliamentary History Project.
- Bowler, S., D.M. Farrell and I. McAllister. 1996. Constituency campaigning in parliamentary systems with preferential voting: Is there a paradox? *Electoral Studies* 15:461–76.
- Butler, D. 1973. *The Canberra Model: Essays on Australian Government*. Melbourne: Cheshire.
- Cribb, M.B., and D.J. Murphy (eds). 1980. *Politics in Queensland: 1977 and Beyond*. Brisbane: University of Queensland Press.
- Darcy, R., and I. McAllister. 1990. Ballot position effects. *Electoral Studies* 9:5–17.
- Darcy, R., and M. Mackerras. 1993. Rotation of ballots: Minimizing the number of rotations. *Electoral Studies* 12:77–82.
- Darcy, R., and M. Marsh. 1994. Decision heuristics: Ticket-splitting and the Irish voter. *Electoral Studies* 13:38–49.
- Farrell, D.M. 2001. *Electoral Systems: A Comparative Introduction*. London: Palgrave.
- Farrell, D.M., and I. McAllister. 2000. 'Through a glass darkly: Understanding the world of STV' in *Elections in Australia, Ireland and Malta under the Single Transferable Vote: Reflections on an Embedded Institution*. Edited by S. Bowler and B. Grofman, pp. 17–36. Ann Arbor, MI: University of Michigan Press.
- Fischer, A. 1981. Aspects of the voting system for the Senate. *Politics* 16:57–62.
- . 1988. Electoral distortion under STV random sampling procedures: A comment. *British Journal of Political Science* 18:142–3.
- Gallagher, M., and A.R. Unwin. 1986. Electoral distortion under STV random sampling procedures. *British Journal of Political Science* 16:243–68.
- Goot, M. 1985. 'Electoral systems' in *Surveys of Australian Political Science*. Edited by D.A. Aitkin. Sydney: George Allen and Unwin.
- Graham, B.D. 1968. 'The choice of voting methods in federal politics, 1902–1918' in *Readings in Australian Government*. Edited by C.A. Hughes. Brisbane: University of Queensland Press.
- Griffith, G., and S. Srinivasan. 2001. *State Upper Houses in Australia*. NSW Parliamentary Library Research Service Background Paper 1. Sydney: NSW Parliamentary Library Research Service.
- Hart, J. 1992. *Proportional Representation: Critics of the British Electoral System, 1820–1945*. Oxford: Clarendon.
- Haward, M., and J. Warden (eds). 1995. *An Australian Democrat: The Life, Work, and Consequences of Andrew Inglis Clark*. Hobart: Centre for Tasmanian Studies.
- Hughes, C.A. 1968. 'Compulsory voting' in *Readings in Australian Government*. Edited by C.A. Hughes. Brisbane: University of Queensland Press.
- . 1978. Fair and equal constituencies: Australia, Jamaica and the United Kingdom. *Journal of Commonwealth and Comparative Politics*. 16:256–71.
- . 1990. 'The rules of the game' in *The Greening of Australian Politics: The 1990 Federal Election*. Edited by C. Bean, I. McAllister and J. Warhurst. Melbourne: Longman Cheshire.
- Jaensch, D. 1970. A functional 'gerrymander': South Australia, 1944–1970. *Australian Quarterly* 42:96–101.
- . 1981. 'Electoral reform' in *The Dunstan Decade: Social Democracy at the State Level*. Edited by A. Parkin and A. Patience. Melbourne: Longman Cheshire.

- . 1986. *Getting Our Houses in Order: Australia's Parliament, How it Works and the Need for Reform*. Melbourne: Penguin.
- Jaensch, D., and J. Bullock. 1978. *Liberals in Limbo: Non-Labor Politics in South Australia, 1970–1978*. Richmond: Drummond.
- Joint Standing Committee on Electoral Matters. 1994. *Financial Reporting by Political Parties: Interim Report from the Joint Standing Committee on Electoral Matters on the Inquiry into the Conduct of the 1993 Election and Matters Related Thereto*. Parliamentary Paper 124. Canberra: AGPS.
- . 2000. *The 1998 Federal Election: Report of the Inquiry into the 1998 Federal Election and Matters Related Thereto*. Parliamentary Paper 128. Canberra: Commonwealth of Australia. <http://www.aph.gov.au/house/committee/em/elect98/report.htm>
- Katz, R. 1984. 'The single transferable vote and proportional representation' in *Choosing an Electoral System: Issues and Alternatives*. Edited by A. Lijphart and B. Grofman. New York: Praeger.
- Kelley, J., and I. McAllister. 1984. Ballot paper cues and the vote in Australia and Great Britain: Alphabetic voting, sex, and title. *Public Opinion Quarterly* 48:452–66.
- Lakeman, E. 1974. *How Democracies Vote: A Study of Majority and Proportional Electoral Systems*. 4th ed. London: Faber and Faber.
- Lijphart, A. 1987. The demise of the last Westminster system? Comments on the report of New Zealand's Royal Commission on the Electoral System. *Electoral Studies* 6:97–103.
- . 1994. *Electoral Systems and Party Systems: A Study of Twenty-Seven Democracies, 1945–1990*. Oxford: Oxford University Press.
- McAllister, I. 2002. 'Political parties in Australia: Party stability in a utilitarian society' in *Political Parties at the Millennium: Adaptation and Decline in Democratic Societies*. Edited by P. Webb, D.M. Farrell and I. Holliday. Oxford: Oxford University Press.
- McAllister, I., and M. Mackerras. 1999. Compulsory voting, party stability and electoral advantage in Australia. *Electoral Studies* 18:217–33.
- McAllister, I., and T. Makkai. 1993. Institutions, society or protest? Explaining invalid votes in Australian elections. *Electoral Studies* 12:23–40.
- Mackerras, M. 1970. Preference voting and the 'donkey vote'. *Politics* 5:69–76.
- McLean, I. 1996. E.J. Nanson: Social choice and electoral reform. *Australian Journal of Political Science* 31:369–85.
- Magarey, S. 1985. *Unbridling the Tongues of Women: A Biography of Catherine Helen Spence*. Sydney: Hale and Iremonger.
- Overacker, L. 1952. *The Australian Party System*. New Haven, CT: Yale University Press.
- Rae, D. 1967. *The Political Consequences of Electoral Laws*. New Haven, CT: Yale University Press.
- Reid, G.S., and M. Forrest. 1989. *Australia's Commonwealth Parliament, 1901–1988: Ten Perspectives*. Melbourne: Melbourne University Press.
- Reid, R.L., L.C.L. Blair and K.A.F. Sainsbury. 1960. 'The government of South Australia' in *The Government of the Australian States*. Edited by S.R. Davis. London: Longmans.
- Reilly, B. 1997. The Plant Report and the supplementary vote: Not so unique after all. *Representation* 34:95–102.
- . 2001a. *Democracy in Divided Societies: Electoral Engineering for Conflict Management*. Cambridge: Cambridge University Press.
- . 2001b. 'Preferential voting and its political consequences' in *Elections: Full, Free and Fair*. Edited by M. Sawer. Sydney: The Federation Press.
- Reilly, B., and M. Maley. 2000. 'The single transferable vote and the alternative vote compared' in *Elections in Australia, Ireland and Malta under the Single Transferable Vote: Reflections on an Embedded Institution*. Edited by S. Bowler and B. Grofman. Ann Arbor, MI: University of Michigan Press.

- Rydon, J. 1968. 'Electoral methods and the Australian party system 1910–1951' in *Readings in Australian Government*. Edited by C.A. Hughes. Brisbane: University of Queensland Press.
- . 1986. *A Federal Legislature: The Australian Commonwealth Parliament 1901–1980*. Melbourne: Oxford University Press.
- Sawer, M. (ed.). 2001. *Elections Full, Free and Fair*. Sydney: Federation Press.
- Sawer, M., and S. Miskin (eds). 1999. *Representation and Institutional Change: 50 Years of Proportional Representation in the Senate*. Canberra: Department of the Senate.
- Taagepera, R., and M. Shugart. 1989. *Seats and Votes: The Effects and Determinants of Electoral Systems*. New Haven, CT: Yale University Press.
- Uhr, J. 1998. *Deliberative Democracy in Australia: The Changing Place of Parliament*. Cambridge: Cambridge University Press.
- . 1999. 'Why we chose proportional representation' in *Representation and Institutional Change: 50 Years of Proportional Representation in the Senate*. Edited by M. Sawer and S. Miskin. Canberra: Department of the Senate.
- . 2000. *Rules for Representation: Parliament and the Design of the Australian Electoral System*. Parliamentary Library Research Paper 29. Canberra: Department of the Parliamentary Library.
- Wright, J.F.H. 1980. *Mirror of the Nation's Mind: Australia's Electoral Experiments*. Sydney: Hale and Iremonger.

Gender Politics

Patty Renfrow

Australian women obtained political rights before their counterparts in other western democracies. With the enactment of the *Commonwealth Franchise Act 1902*, the newly established nation of Australia was the first to grant 'white' (non-indigenous) women the right to vote and to stand for election to the national parliament. At that time, only in New Zealand could women vote in elections for the national parliament – a right obtained in 1893 – and women's suffrage was decades away for US and British women.

Notwithstanding these early, landmark victories, Australian women remained in the background of Australian history and politics for most of the twentieth century. Three-quarters of a century later – in the mid-1970s – our understanding of women and politics was minimal, fragmentary, and often stereotypical. A content analysis of the journal *Politics* (now the *Australian Journal of Political Science*) between 1966 and 1978 found that articles about women in politics comprised less than 1 per cent of the publications, rising to about 4 per cent only if articles from two symposiums, on women in politics and women in society, were included (Sawer 1981a). Clearly, scholarship about gender politics was lagging behind the gains by women in social, economic and political life, where women were becoming prominent figures within political parties, standing as candidates for public office, advocating pro-women public policies – such as maternity leave – and raising the feminist awareness of men and women.

Only in the past quarter of a century has there emerged a rich, multidisciplinary research program establishing gender politics as a legitimate area of scholarly inquiry. Although there were some earlier studies of women and politics (for example, Goot and Reid 1975; Mackerras 1977, 1980, 1983; Clark and White 1983), the catalyst for the development of the broad field of gender politics in Australia was the publication of *A Woman's Place: Women and Politics in Australia* (Sawer and Simms 1984). This seminal book is a comprehensive exploration of women's role in Australian politics from the late-nineteenth-century struggle for women's suffrage to the second-wave feminist movement of the 1960s and 1970s. It offers one of the first systematic examinations of women's participation as political candidates and parliamentarians, and reveals the impact that women's presence has made to public policy and to the nature of politics itself.

From that starting point, research in gender politics proceeded along two broad and complementary avenues. First, research designed to correct and improve the historical

record has documented the hitherto ignored role that many women played in political life and the contributions they made during the colonial and post-federation eras. Second, research has addressed contemporary gender politics. This chapter is organised along these two lines, briefly reviewing the historical research before proceeding to review contemporary issues.

Women in Australian political history

First-wave feminism

Notwithstanding the significant accomplishments of the late-nineteenth-century women's political movement, mainstream accounts of Australian political history before – and even after – the publication of *A Woman's Place* largely ignored the role and contribution of the feminist movement's first wave. Manning Clark's celebrated histories of Australia (Clark 1995), for example, provide only a passing comment on an event as significant as Australia's pioneering adoption of women's suffrage and the early feminist movement that struggled for it. The omission of women from the writing of Australian political history reinforces the erroneous view that women did not participate in politics or political life when, in fact, women's political activities were hidden from history by scholars. It was the emergence of second-wave feminist scholarship in the mid-1970s (Summers 1975; Dixson 1976; Sawer and Simms 1984) that demonstrated how and why first-wave feminists had been written out of most accounts of Australian political history (Saunders 1995; Lake 1997). These historical studies of women's early engagement with politics, typically based on an analysis of historical documents, have provided a more complete and accurate understanding of the significant role and contribution that women made to Australian politics and public policy.

These studies have shown that at the dawn of the twentieth century, women were active participants in political life – not only in political movements, but also in political parties, pressure groups, trade unions and cognate organisations. Women's organisations proliferated and they were a visible sign of women's political activity and the strength of the women's movement. These nonpartisan organisations included the Woman's Suffrage Leagues, Woman's Christian Temperance Union, Women's Service Guilds, the Feminist Club of Sydney, the Women's Political Association, the National Council of Women, the Australian Federation of Women Voters, and the Country Women's Association (CWA), and they campaigned on issues such as child welfare, domestic violence, reproductive rights, political education for women, women's economic status including equal pay, and, for the CWA, the welfare, education and living conditions of women and children living in rural and regional Australia (Dixson 1976; Sawer and Simms 1984; Oldfield 1992; Davidson 1997). After women's enfranchisement, political parties recognised the strength of 'the women's vote' and were 'working to harness their votes' (Oldfield 1992:41).

Apart from the threshold issue of women's suffrage, first-wave feminism is typically characterised as 'domestic' or 'maternal' feminism, for it was mainly a movement of middle-class women campaigning for policies to enhance the status of women as

wives, mothers and homemakers (Sawer and Simms 1984; Oldfield 1992; Grimshaw et al. 1994; Lake 1999). Indeed, the dominant view of federation-era women was that the private sphere of home and family was separate and distinct from the public sphere of politics, and that the virtues of the domestic sphere were morally superior to the rather shabby realm of politics. Early feminists, in keeping with the public–private separation, considered women’s interests to be limited in scope and different to men’s broader interests. Notwithstanding feminists’ demands for access to the formal institutions of politics, early feminists reassured opponents of women’s suffrage that participation in the public sphere of politics would be confined to women’s issues and would not lessen women’s commitment to their families. Indeed the public–private distinction was the basis on which some feminists claimed that female suffrage would project the moral purity of the home into the public sphere of politics (Dixson 1976; Grimshaw 1978; Pateman 1989; Oldfield 1992).

The first-wave feminist movement was not monolithic, and recent research has provided a richer account of its different strands and, in particular, the struggles that emerged over ideology, issues and strategies (Searle 1988; Davidson 1997; Magarey 2001). The biographies of three prominent first-wave feminists – Lilian Locke, Vida Goldstein and Rose Scott – illustrate these differences (Searle 1988). Working-class women’s interest in equal pay and women’s union membership, championed by Lilian Locke, were markedly different from the home-and-hearth interests of middle-class women. These class divisions influenced feminist strategy. Lilian Locke advocated working within the Labor Party to champion the rights of working-class women, while Vida Goldstein advocated that the feminist movement remain nonpartisan and independent of the established political parties. A study of one key feminist organisation, the Western Australian Women’s Service Guild, reveals the internal power divisions over issues such as conscription and women’s health, and the struggles with other feminist organisations over leadership of the women’s movement (Davidson 1997). More recently, the characterisation of first-wave feminists as the conservators of morality has been challenged by a radical reappraisal that reveals that sex and sexual relations were also key issues in the movement (Magarey 2001).

Second-wave feminism

Second-wave feminists (late 1960s to the late 1970s and early 1980s) rejected the view that the principal place for women was hearth and home, and championed women’s equal access to education, the workplace and politics. During the 1960s and 1970s, increasing numbers of women pursued higher education and entered the paid workforce, often encountering wage discrimination and the lack of affordable and accessible childcare (Sawer and Simms 1984, 1993; Kaplan 1996; Dixson 1999). To enhance women’s educational and career opportunities, and hence women’s economic independence, the movement campaigned for public policies to provide women with equal pay, equal employment opportunity, equal access to education, affordable childcare, free contraception, and abortion on demand. Feminists’ campaigns on these issues sharpened understanding of how the (then) conception of politics excluded or subordinated women and women’s interests and issues. The distinction between the formal

sphere of politics and the private sphere of home and family was vehemently rejected by second-wave feminists, and their policy campaigns were visible demonstrations that ‘the private is indeed political’.

Second-wave feminism, like its first-wave counterpart, was dominated by middle-class women who established their own organisations to promote the movement’s agenda within the established political system. A significant event was the establishment in 1972 of a nonpartisan organisation, the Women’s Electoral Lobby (WEL). WEL’s central objective was to promote women’s demands onto the national political agenda and to get more women (through political education and empowerment) into key political positions in order to achieve policy change. The WEL quickly became an established and visible interest group and many of its policies were adopted following the election of the Whitlam Labor Government in 1972 (Glezer and Mercer 1973; Glezer, Mercer and Strong 1973). Whitlam created the position of Adviser to the Prime Minister in Women’s Affairs and subsequently established an Office of Women’s Affairs to ensure that policy and budgetary decision-making considered the interests of women. The subsequent Fraser Coalition governments (1975 to 1983) showed less commitment to women’s issues. The election of the Hawke Labor government in 1983 elevated such issues once again. Like his Labor predecessor, Hawke established an Office of the Status of Women (OSW) within the prime minister’s department. Subsequent governments, Labor and Coalition, have maintained a women’s office, and an extensive women’s policy bureaucracy has become an established component of the federal machinery of government.

A distinctive feature and significant achievement of second-wave feminism in Australia was the emergence in the 1970s of femocrats – highly visible, feminist senior bureaucrats who initially owed their positions to pressure from the organised women’s movement (Yeatman 1990; Sawyer 1990; Eisenstein 1996). From within the OSW, in particular, femocrats championed the cause of women – they advised on policy, established support networks, advocated, lobbied, and manoeuvred to generate major policy change at a time when federal parliament was largely bereft of women.

Second-wave feminism was also characterised by ideological divisions. The WEL and the femocrats were criticised for working within the political system by a Marxist and anarchist minority who advocated more radical anti-establishment strategies for improving the position of women. Other left-leaning feminists claimed that femocrats were neither true feminists nor genuine agents of the women’s movement because they worked in hierarchical organisations (and not collectives); they were well-paid managers whose interests were different from most women’s; and as Anglo-Celtic women, femocrats were not demographically or ideologically representative of the movement (Eisenstein 1996:xv).

Notwithstanding these criticisms, second-wave feminism had a significant impact (Sawyer 1990; Kaplan 1996; Dixson 1999; Summers 2000). By raising women’s (and men’s) political consciousness and empowering women, it made public opinion become more accepting of women’s particular circumstances and needs, concerns and issues. Feminists influenced the establishment of government policy machinery dedicated to women’s interests and contributed to the enactment of landmark legislation

designed to improve women's participation in society and the economy. Notable was the passage of the Commonwealth *Sex Discrimination Act* 1984 and the *Affirmative Action (Equal Employment for Women) Act* 1986. They also (as discussed below) contributed to women's increasing representation as candidates for elective office and as members of parliament. Nonetheless, it was mainly middle-class women who benefited from the achievements of second-wave feminism; for indigenous, migrant and lesbian women, the movement has been a 'meagre harvest' (Kaplan 1996).

Research on first-wave and second-wave feminism continues to enlighten our understanding of women's contribution to Australia's social, political and economic life. These studies reveal how the conceptions of women's role in politics and what issues constitute the 'political' have changed since women obtained the right to vote and to stand for political office in 1902. Unfortunately, research about people and events that occurred decades ago limits the opportunity for interviews with the women who contributed to first-wave feminism. Research on second-wave feminism is not so disadvantaged and much of it incorporates first-hand accounts by women who were active participants in this feminist movement and in politics (Sawer and Simms 1984, 1993; Kaplan 1996; Dixson 1999; Lake 1999).

Contemporary issues in women's political participation

A quarter of a century ago, just as our understanding of Australian women's political history was minimal, incomplete, and stereotypical, so too was our knowledge of women's political participation. In the 1980s, the pace of research increased and a steady stream of studies appeared, paralleling the emergence of women in political life (Sawer 1981b, 1986; Sawer and Simms 1984; Simms 1982, 1983, 1984, 1985; Clark and White 1983). This feminist scholarship, however, was not incorporated into textbooks on Australian politics. Analyses of the content of texts used in introductory-level politics courses in 1986 and again in 1991 found that Australian political scientists were continuing to ignore women's contributions to politics and feminist scholarship in political science (APSA 1986; Grace, Sullivan and Whitehouse 1991).

While the picture of women sketched within textbooks has been bleak, the field of gender politics blossomed during the 1990s with numerous articles and books about women and politics. The growth in the field follows in the footsteps of the enormous gains made by women in politics as members and leaders of pressure groups and political parties, as candidates for public office, as elected councillors and parliamentarians, as senior bureaucrats, and as judges. The interest in and research on gender politics in Australian political science also closely followed the development of the field in the United States and in Europe. Thus the considerable body of knowledge about women and politics is a relatively recent addition to Australian political science.

Contemporary empirical research on gender politics has focused on political institutions and behaviour. Drawing on the wealth of information provided by sample surveys, such as the Australian Election Studies and public opinion polls, researchers have

sought to identify the nature and extent of women's political participation and the factors influencing it. Some of the key issues addressed in this research (and which are examined below) include whether or not women's voting behaviour differs from that of men's, why women have been under-represented in parliaments, and whether or not their representation differs from that of their male counterparts. This research has not been fully synthesised in a single volume but is scattered throughout academic journals in political science and its cognate disciplines, and in specialised journals such as *Women and Politics*.

Voting behaviour

Voting is one of the most fundamental forms of political participation and substantial differences among groups of electors, such as men and women, can have important implications for political parties, election campaigns, electoral outcomes and public policies. Research on the nature of women's political participation during the 1950s and 1960s by European, British and US scholars shaped our early understanding of Australian women (Duverger 1955; Almond and Verba 1963; Dogan 1967; Durant 1969). These studies found that women were less interested than men in politics, tended to follow the lead of their husbands, and were more politically conservative than men, factors that were attributed to women's greater religiosity and lower levels of workforce participation. This view of women in political life was regarded as a cross-national phenomenon and quickly became the conventional wisdom, although Goot and Reid (1975) provide a notable critical assessment of these conclusions.

The first academic study of political attitudes and behaviour in Australia was conducted in 1967 by Don Aitkin. The resulting book, *Stability and Change in Australian Politics* (1977), made little reference to women's attitudes and voting behaviour other than to confirm the conventional wisdom that women were politically more conservative than men, and less interested and involved in politics. Public opinion polls conducted during the 1960s and 1970s confirmed women's greater conservatism; however, when Aitkin conducted his follow-up study in 1979 the differences between men and women were much less pronounced (Aitkin 1982:326).

At the same time in the US, the 'universality' of women's political conservatism was being questioned by researchers who found women preferred liberal candidates. In the 1980 presidential election, for example, women's support for conservative candidate Ronald Reagan was much less than men's, resulting in a gender gap of 8 percentage points. This gap, which was the largest ever observed between men and women in their choice of presidential candidates, prompted considerable interest in the reasons underlying the apparent shift from women's conservatism to the liberalism that has persisted in subsequent US elections.

In Australia, voting studies conducted at each federal election since 1987, supplemented by Aitkin's earlier work, permit the trends in the gender gap to be monitored. The gender gap, which is usually calculated on the basis of the Labor Party, is the percentage of men who voted for the Labor Party minus the percentage of women voting Labor (McAllister 1992:138). Thus positive values of the index indicate the extent to which more men than women voted for the Labor Party, and negative values indicate

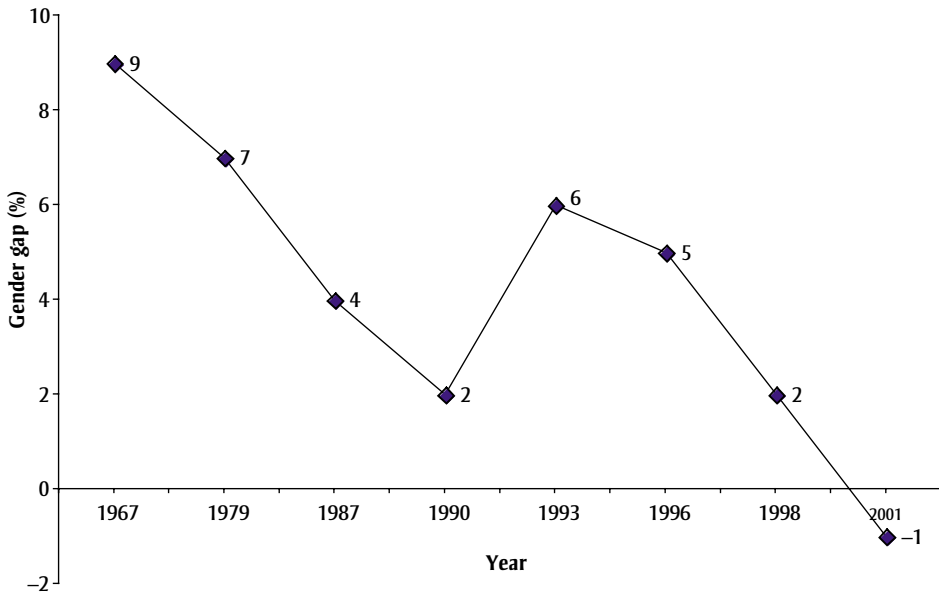


Figure 18.1 Gender gap in Australia, 1967 to 2001

the extent to which more women than men supported the Labor Party. Equal proportions of men and women result in a gender gap of zero.

Figure 18.1 presents the long-term downward trend in the gender gap in Australia. Commencing with a gap of 9 percentage points in 1967, it declined to 7 percentage points in 1979, then further declined to 4 percentage points in 1987 and to 2 percentage points in 1990. This downward trend suggested that the gender gap would close at the next federal election; however, the gap jumped to 6 percentage points in 1993, reversing the long-term trend. The most plausible explanation of this pronounced conservative gender gap was the well-documented dislike many women had for the (then) Labor Party leader and prime minister, Paul Keating (Renfrow 1994). Since then the gender gap has continued to decline at each of the three successive elections, yielding values of 5 percentage points in 1996, 2 in 1998 and -1 at the 2001 election. For the first time, the Labor Party received (slightly) higher support from women than from men, suggesting that no longer were women more conservative than men in their vote choice.

Two explanations of the long-term trend in the gender gap have been advanced (Renfrow 1994). One account, the convergence thesis, locates the origins of the gender gap in disparities between men and women's social and economic locations. According to this account the (conservative) gender gap will decline as women's socioeconomic location improves through, for example, better access to and success in the paid labour force (cf. Leithner 1997). Convergence in women's and men's social and economic locations leads to convergence in political attitudes and behaviour. The principal dynamic of this change is generational replacement, whereby cohorts of young women enter the electorate with greater choices than their forebears because

they are more socially and economically autonomous and more oriented towards the paid workforce. Evidence of convergence in women's vote choice has been found in European countries such as Germany, Italy and France (Franklin, Mackie and Valen 1992; Lovenduski and Norris 1993; Walker 1994).

An alternative account of the long-term trend in the gender gap is the divergence thesis, which gives primacy to the role of interests and issues. According to this view, the (conservative) gap between men and women's political attitudes and behaviour will converge and subsequently diverge into a gap reflecting women's more liberal views. The principal source of change is the role of interests and issues, specifically the issues of women's equality and special needs (for example, childcare, reproductive freedom, domestic-violence protection) highlighted by the feminist movement and more generally supported by liberal rather than conservative political parties. In addition to evidence from the US (Mueller 1988), women in Scandinavian countries have also been found to be slightly more liberal in their political attitudes and vote choice than men (Oskarson 1995). Thus, the divergence thesis suggests that cohorts of younger women with more liberal views than men on key issues of concern will support non-conservative parties, such as the Labor Party and smaller centre-left parties like the Democrats and Greens. Recognising the potential gains from women's support, in the early 1980s the Labor Party began conducting research on women's political attitudes for the purpose of cultivating the 'women's vote' (Sawer and Simms 1993:36).

The trend in the gender gap indicates that women's greater conservatism has diminished and suggests that women are becoming more liberal than men in their political attitudes and vote choice (De Vaus and McAllister 1989; Sawer and Simms 1993). Moreover, at the 2001 election women also supported the Greens and the Australian Democrats to a greater degree than did men. Women's greater support for all the centre-left parties suggests that the divergence thesis's forecast of women's greater liberalism may be emerging in Australia.

Women in parliament

In 1943, more than forty years after Australian women obtained the right to stand as candidates for the nation's parliament, the first women entered federal parliament. Enid Lyons (United Australia Party) was elected to the House of Representatives (representing a seat she inherited from her husband, former prime minister Joe Lyons) and Dorothy Tangney (Labor Party) was elected to the Senate. Since that time, women have made further inroads into federal parliament (Millar 1993; Sawer 1996; Henderson 1999), as well as into state parliaments (Broughton and Zetlin 1996; Sawer 1996; Phillips 2000) and local councils (Neylan and Brasch 1992; Neylan and Tucker 1996). Figure 18.2 reports the proportion of women in the House of Representatives and the Senate following each federal election from 1966 to 2001.

Following Enid Lyons's election to the House of Representatives in 1943, there were never more than two women in that chamber until 1980 – typically there were none. Women's presence in the House has increased markedly from 2 per cent in 1980 to 7 per cent in 1990 and to 25 per cent in 2001. In the Senate, women have had a continuous presence since 1943. Prior to 1980 (with one brief exception) the proportion

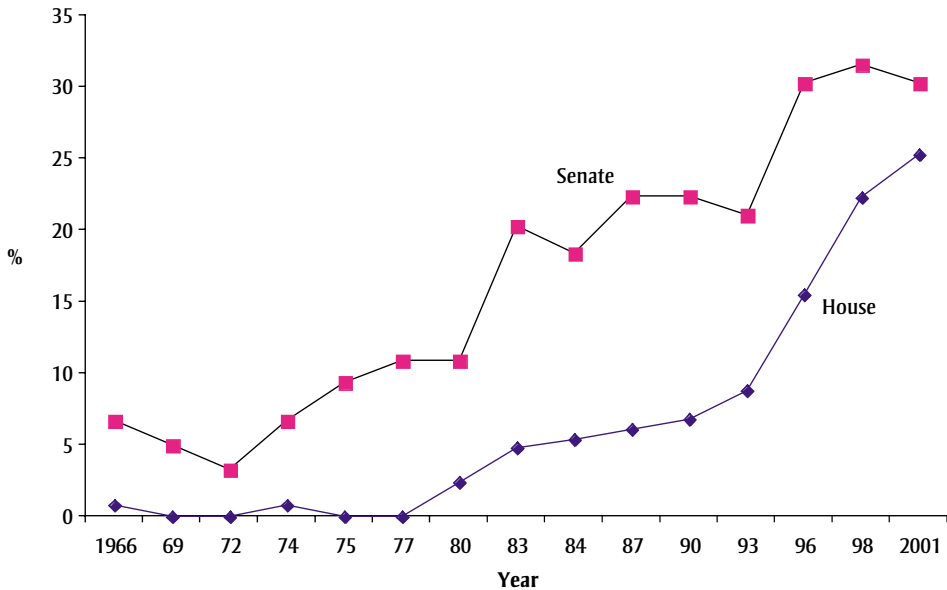


Figure 18.2 Women in parliament, 1966 to 2001

of women was less than 10 per cent. Following the 1983 election, female representation in the Senate jumped to 20 per cent, and increased to 30 per cent following the 2001 election. A century after women obtained the right to stand for federal parliament, women constitute 25 per cent of the members of the House of Representatives and 30 per cent of the members of the Senate. Despite the considerable progress over the past two decades, Australian women remain under-represented.

Comparatively, Australia ranks ahead of most other countries in women's parliamentary representation. Table 18.1 is an abbreviated list of the percentage of women in the lower houses of 180 national parliaments. Overall, Scandinavian countries (Sweden, Denmark, Finland and Norway) top the list; women constitute more than one-third of their legislators. Australia, where women constitute 25 per cent of its MPs, is ranked twenty-first, behind New Zealand (29 per cent), but ahead of many other major western democracies such as Canada (21 per cent), the UK (18 per cent), the US (14 per cent) and France (12 per cent).

Many nations do not have bicameral legislatures and so comparisons of representation in upper houses, like Australia's Senate, are more problematic. Of those countries that do have bicameral legislatures, Australia ranks eighth in the proportion of women in the Senate (30 per cent), which places Australia ahead of the UK (16 per cent), the US (13 per cent) and France (11 per cent), and just behind Canada (32 per cent). See Table 18.2 for international comparisons.

Cross-national research has identified the factors contributing to the under-representation of women in parliaments, including:

- the nature of the electoral system: single-member districts enhance men's election; proportional representation enhances women's election (Sawer 1997);

Table 18.1 Women in national parliaments (lower house), 2002

Rank	Country	Seats	Women	%
1	Sweden	349	157	45.0
...
2	Denmark	179	68	38.0
3	Finland	200	73	36.5
4	Norway	165	60	36.4
5	Costa Rica	57	20	35.1
6	Iceland	63	22	34.9
7	Netherlands	150	51	34.0
8	Argentina	257	79	30.7
9	Mozambique	250	75	30.0
10	South Africa	399	119	29.8
11	New Zealand	120	35	29.2
12	Spain	350	99	28.3
13	Cuba	601	166	27.6
14	Vietnam	498	136	27.3
15	Austria	183	49	26.8
16	Grenada	15	4	26.7
17	Bulgaria	240	63	26.2
18	East Timor	88	23	26.1
19	Turkmenistan	50	13	26.0
20	Rwanda	74	19	25.7
21	Australia	150	38	25.3
22	Namibia	72	18	25.0
23	Uganda	304	75	24.7
24	Seychelles	34	8	23.5
25	Belgium	150	35	23.3
26	Switzerland	200	46	23.0
...
31	China	2984	650	21.8
32	Nicaragua	92	19	20.7
33	Canada	301	62	20.6
...
44	United Kingdom	659	118	17.9
...
56	United States	435	61	14.0
57	Ireland	166	22	13.3
...
61	France	577	71	12.4

Source: Inter-Parliamentary Union 2002.

- the structures and policies of political parties, particularly their discrimination against women candidates (Mackerras 1977, 1980, 1983; Sawer and Simms 1984, 1993; Simms 1996); and
- the historical prejudice against women in public life that assumed they were not suited to the public sphere of politics (Clark and White 1983; Sawer and Simms 1984, 1993).

Statistics on women's representation in national parliaments illustrate the significance of electoral systems in contributing to women's electoral success (see Figure 18.2, and tables 18.1 and 18.2). There is a well-documented link between proportional representation (PR) electoral systems, a variant of which is used for elections to the Australian Senate, and the election of women (Norris 1985b; Engstrom 1987; Rule 1987; Darcy, Welch and Clark 1994; Rule and Zimmerman 1994; Neylan and Tucker 1996; Sawer 1997; Norris 2000; Siaroff 2000). Generally, PR-type electoral systems require parties to nominate a slate of candidates – a party ticket – which is usually 'balanced' to improve its electoral attractiveness. Often, this 'balancing' entails the inclusion of at least some women candidates. In contrast, elections to the House of Representatives are based on single-member districts, which entail the nomination of a single candidate by each party contesting the seat. The disparities between the proportion of women in the Australian House and Senate demonstrate the influence of electoral systems to women's electoral success.

The major Australian political parties – Liberal, Labor and National – have also contributed to women's under-representation in parliament. These parties have a long history of including women within their organisations but not selecting them as candidates. The prevailing view of party elites was that electors, particularly women, would not vote for women candidates (Elysee 1977). Before the late 1970s, the major political parties rarely fielded female candidates; and the few women who were pre-selected were usually given unwinnable seats (Sawer and Simms 1993:55; Phillips 1996:6). Studies of federal elections during the 1970s and early 1980s contradicted the view that women candidates would lose votes and demonstrated that there was little or no difference in the electoral viability of male and female candidates (Mackerras 1977, 1980, 1983; Kelley and McAllister 1983). Moreover, these studies highlighted that a major hurdle for women seeking election was not in persuading the electors to vote for them, but in persuading party members to select them in preference to men (Kelley and McAllister 1983:374).

In response to increasing pressure from organised women's groups, such as WEL, and from women within their own organisations, Australian political parties began selecting greater numbers of female candidates. During the 1960s, 94 women stood for election to federal parliament, increasing to 283 during the 1970s, 593 in the 1980s and 1,254 in the 1990s (Phillips 1996; Spink 1998). Overall, there has been a thirteen-fold increase in the number of women candidates since the 1960s; however, the number of women elected to federal parliament has not increased in the same proportion. This disparity put further pressure on the major political parties to move from their usual rhetoric in support of women's greater parliamentary representation to genuine and concerted action to achieve it.

Table 18.2 Women in national parliaments (upper house), 2002

Rank	Country	Seats	Women	%
1	Belize	8	3	37.5
...
3	Barbados	21	7	33.3
4	Canada	105	34	32.4
5	Trinidad & Tobago	31	10	32.3
6	South Africa	89	17	31.5
7	Belarus	61	19	31.1
8	Australia	76	22	30.3
9	Belgium	71	20	28.2
10	Lesotho	33	9	27.3
11	Netherlands	75	20	26.7
12	Malaysia	69	18	26.1
13	Haiti	27	7	25.9
14	Germany	69	17	24.6
15	Spain	259	63	24.3
16	Jamaica	21	5	23.8
17	Poland	100	23	23.0
18	Austria	64	13	20.3
19	Switzerland	46	9	19.6
20	Liberia	26	5	19.2
21	Ireland	60	11	18.3
22	Saint Lucia	11	2	18.2
23	Paraguay	45	8	17.8
24	United Kingdom	713	117	16.4
25	Mexico	128	20	15.6
26	Japan	247	38	15.4
...
31	United States	100	13	13.0
...
37	France	321	35	10.9
38	Thailand	200	21	10.5
39	Uruguay	31	3	9.7
40	India	242	22	9.1
41	Colombia	102	9	8.8
42	Ethiopia	120	10	8.3
43	Italy	321	25	7.8
...
48	Brazil	80	5	6.3
52	Chile	49	2	4.1
53	Russian Federation	178	6	3.4
54	Nigeria	108	3	2.8

Source: Inter-Parliamentary Union 2002; Parliament of Australia 2002.

Following a protracted battle within its ranks, in 1994 the Labor Party adopted an affirmative-action rule requiring the preselection of women in 35 per cent of winnable seats (at state and federal level) by 2002. The adoption of the quota was a remarkable achievement because of the Labor Party's strong factional system and strong links to the trade unions (Broad and Kirner 1996; Zetlin 1996). The Liberal Party eschewed quotas as patronising and demeaning to women, and instead established the Women's Forum in 1993 to facilitate greater numbers of female Liberal MPs. The forum engaged in a carefully calculated campaign to recruit female candidates and provide advice and assistance to women's campaigns for preselection and for election (McDiven 1996).

At the federal election that followed, in 1996, a record number of women candidates were elected (see Figure 18.2). Twenty-one women were elected to the House of Representatives and twenty-three women to the Senate (compared to fourteen and eighteen, respectively, in the previous election). However, it was not the Labor Party that celebrated this success, as might be expected as a result of the affirmative-action quota, but the conservative Liberal and National parties, which saw greater numbers of their female candidates elected, due primarily to the substantial swing against the Labor Party. For women's representation, the 1996 election was a double-edged sword. The number of Liberal women in the House of Representatives tripled (from five to seventeen) while the number of Labor women halved (from nine to four) giving the House four times as many Liberal as Labor women MPs. The fortunes of Labor women candidates improved at the 1998 election, with sixteen Labor women elected to the House, while the number of Liberal women elected declined slightly to fifteen.

Overall, the 1990s was a decade in which record numbers of women ran for federal parliament and record numbers were elected. Women now constitute 27 per cent of all federal parliamentarians. The pace of women's representation may accelerate further once a 'critical mass' of women parliamentarians is reached, although a recent cross-national study of twenty democracies, including Australia, found that women's representation proceeded incrementally (Studlar and McAllister 2002).

Women's representation

The increasing presence of women in Australian parliaments calls attention to the nature of women's representation: do female parliamentarians better represent women – a large, diverse group who constitute more than half of the electorate? This question presumes that the attitudes, interests and needs of women, as a group, are different from those of men.

One line of research addressing this question examines how female parliamentarians perceive their roles and responsibilities, particularly in relation to the representation of women as a special interest (Sawer and Simms 1984, 1993; Sawer 1986; Whip 1991; Broughton and Zetlin 1996; Phillips 2000). Based on interviews with women parliamentarians, Sawer (1986) identified three role-types – mothers, individualists and feminists – relating to the way in which they perceived their parliamentary role. The most recent parliamentary role-type to emerge during the 1980s was the feminist. Feminists' profile differed from other role-types in that they were younger (typically in their 30s and 40s), with young children, had a history of paid employment and a background in the women's movement, and were Labor Party members. Feminist

parliamentarians perceived women as a special interest, and to traditional women's issues such as children's welfare they added issues of sexual assault, domestic violence and reproductive freedom, thereby demonstrating the claim of second-wave feminism that the 'personal was political'.

A second line of research considers the claim that women parliamentarians will be better able to represent women's interests only once a critical mass is reached – defined variously from 10 to 35 per cent (Thomas 1994; Wägnerud 2000; Studlar and McAllister 2002). According to this view, once the critical threshold has been met, changes reflecting women's issues will emerge in policy priorities and legislation. Moreover, critical-mass proponents claim that the style of legislative politics and the institutional culture will change from adversarial, competitive and confrontational to a more feminine style characterised by consultation, facilitation and consensus. Overseas research on the effects of a critical mass of women on policy priorities and legislation has yielded mixed results, while Australian studies have found little or no effect on policies or parliament's 'male' culture (Whip 1991; Considine and Deutchman 1996; Sawer 1996; Broughton and Palmieri 1999; Broughton and Zetlin 1996; Henderson 1999; Phillips 2000).

These two avenues of inquiry into the representation of women downplay the significance of party discipline. Role-perceptions and critical-mass ideas both imply a degree of autonomy that, however appropriate for presidential-type political systems, is not present in parliamentary systems. Australia's major political parties are characterised by strict party discipline, and thus, in the formal debates and votes on the floor of parliament, women are virtually indistinguishable from their male colleagues in toeing the party line. Parliamentarians have limited opportunities to move outside the party position and, whatever their private attitudes and role perceptions may be, men and women alike are reluctant to cross the floor to vote against their party. Of course, party members may play an advocacy role and give some shape to the party's position before legislation reaches the floor of parliament.

One potential line of inquiry is to adapt the critical-mass claim to cabinet ministries. The significance of a critical mass of women in parliament may lie in its role as a springboard for women's appointment to cabinet, or shadow cabinet, ministries, rather than simply as parliamentarians. The composition of cabinet is usually balanced by factors such as region, faction (where applicable), and more recently gender, and thus the election of greater numbers of women to parliament will drive increasing numbers of women into cabinet. In fact, an analysis of Australian state and federal cabinets prior to the Howard government found a slight multiplier effect, whereby women are over-represented in cabinet *vis-à-vis* their numbers in the relevant parliament (Moon and Fountain 1997).

Women ministers, however, are not represented equally across all types of portfolios, but are disproportionately allocated responsibility for portfolios in what are generally perceived to be traditional women's areas – for example, health, education and welfare (Considine and Deutchman 1994; Moon and Fountain 1997). The assignment of women to 'soft' rather than 'hard' portfolios (for example, managing economic or foreign affairs) can be viewed as marginalising women from the inner circle of cabinet (Lovenduski 1986; Randall 1997). Whatever the reasons for women's assignment to soft portfolios, it is certainly from the frontbenches that women are best

able to influence the political agenda and shape public policy, and often areas of interest and concern to women fall within the jurisdiction of these portfolios.

Conclusion

During the past quarter of a century there has been a sexual revolution in Australian politics, during which women have obtained positions of power in the legislative, executive and judicial arms of government. This sexual revolution in the broader political world has driven research in gender politics and established the study of women as a legitimate area of scholarly inquiry. By the 1990s the field of gender politics within Australian political science was well established. Now most university social-science units have faculty who teach and undertake research in gender politics, and there are interdisciplinary gender studies majors.

Feminist scholarship has pursued two different yet complementary avenues. First, it has rewritten history to include the role and contribution women have made to Australian political history since before federation and chronicled the issues, ideas and strategies over which women struggled. The feminist scholars' gendered analyses reveal the way in which political power arrangements subordinated women. Second, scholars have examined the contemporary issues of women's participation in politics as voters, candidates and parliamentarians, and documented the factors influencing their participation, and the responses of the electorate, political parties and governments to women's increasing presence on the political landscape. Today, political parties present policy platforms designed to attract women's support and cultivate the 'women's vote'.

Overall, these two avenues of gender politics research demonstrate that women – from outside government as voters and in organised women's groups, and from inside the political parties, the bureaucracy and parliament – are making a difference to politics in Australia.

References

- Aitkin, D.A. 1977. *Stability and Change in Australian Politics*. Canberra: Australian National University Press.
- . 1982. *Stability and Change in Australian Politics*. 2nd ed. Canberra: Australian National University Press.
- Almond, G., and S. Verba. 1963. *The Civic Culture*. Boston: Little, Brown.
- APSA. 1986. Written out of politics: Neglect of gender in introductory texts in Australian politics. *Australian Political Studies Association Newsletter*. September:9–12.
- Broad, C., and J. Kirner. 1996. 'Affirmative action and the Australian Labor Party' in *The Paradox of Parties: Australian Political Parties in the 1990s*. Edited by M. Simms, pp. 79–86. Sydney: Allen and Unwin.
- Broughton, S., and S. Palmieri. 1999. Gendered contributions to parliamentary debates: The case of euthanasia. *Australian Journal of Political Science* 34:29–45.
- Broughton, S., and D. Zetlin. 1996. Queensland ALP women parliamentarians: Women in suits and boys in factions. *International Review of Women and Leadership* 2:47–61.
- Clark, J., and K. White. 1983. *Women in Australian Politics*. Sydney: Fontana Books.

- Clark, M. 1995 (1963, 1969, 1981, 1986). *A Short History of Australia*. Various eds. New York: New American Library. 1995 edition: Melbourne: Penguin.
- Considine, M., and I. Deutchman. 1994. The gendering of political institutions: A comparison of American and Australian state legislators. *Social Science Quarterly* 75:854–66.
- . 1996. Instituting gender: State legislators in Australia and the United States. *Women and Politics* 16:1–19.
- Darcy, R., S. Welch and J. Clark. 1994. *Women, Elections and Representation*. 2nd rev. ed. Lincoln, NE: University of Nebraska Press.
- De Vaus, D., and I. McAllister. 1989. The changing politics of women: Gender and political alignment in eleven nations. *European Journal of Political Research* 17:241–62.
- Dixson, M. 1976. *The Real Matilda: Woman and Identity in Australia, 1788–1975*. Melbourne: Penguin.
- . 1999. *The Real Matilda: Women and Identity in Australia 1788 to the Present*. 4th ed. Sydney: UNSW Press.
- Dogan, M. 1967. 'Political cleavage and social stratification in France and Italy' in *Party Systems and Vote Alignments*. Edited by S.M. Lipset and S. Rokkan. New York: Free Press.
- Durant, H. 1969. 'Voting behaviour in Britain, 1954–64' in *Studies in British Politics*. Edited by R. Rose. London: Macmillan.
- Duverger, M. 1955. *The Political Role of Women*. Paris: UNESCO.
- Eckert, F. 1916. Effects of women's suffrage on the political situation in the city of Chicago. *Political Science Quarterly* 31:105–21.
- Eisenstein, H. 1996. *Inside Agitators: Australian Femocrats and the State*. Philadelphia: Temple University Press.
- Elysee, A. 1977. Introduction to 'Women in party politics'. *Australian Quarterly* 49:23–8.
- Engstrom, R. 1987. District magnitudes and the election of women to the Irish Dáil. *Electoral Studies* 6.
- Franklin, M., T. Mackie and H. Valen. 1992. *Electoral Change*. Cambridge: Cambridge University Press.
- Glezer, H., and J. Mercer. 1973. 'Blueprint for a lobby: The birth of WEL as a social movement' in *Labor to Power: Australia's 1972 election*. Edited by H. Mayer, pp. 169–76. Sydney: Angus and Robertson.
- Glezer, H., J. Mercer and P. Strong. 1973. 'WEL strategy 1972: The methods of a protest lobby' in *Labor to Power: Australia's 1972 election*. Edited by H. Mayer, pp. 177–80. Sydney: Angus and Robertson.
- Goot, M., and E. Reid. 1975. *Women and Voting Studies: Mindless Matrons or Sexist Scientism?* London: Sage.
- Grace, F., B. Sullivan and G. Whitehouse. 1991. Written out of politics: Gender and Australian politics textbooks. *APSA Newsletter* 53:2–7.
- Grimshaw, P. 1978. Women and family in Australian history – a reply to *The Real Matilda*. *Historical Studies* 18:412–21.
- Grimshaw, P., M. Lake, A. McGrath and M. Quartly. 1994. *Creating A Nation*. Melbourne: Penguin.
- Henderson, A. 1999. *Getting Even: Women MPs on Life, Power and Politics*. Sydney: Harper Collins.
- Inter-Parliamentary Union. 2002. *Women in National Parliaments*. <http://www.ipu.org/wmn-e/classif.htm>
- Kaplan, G. 1996. *The Meagre Harvest: The Australian Women's Movement 1950s–1990s*. Sydney: Allen and Unwin.
- Kelley, J., and I. McAllister. 1983. The electoral consequences of gender in Australia. *British Journal of Political Science* 13:365–77.
- Lake, M. 1997. Women and nation in Australia: The politics of representation. *Australian Journal of Politics and History* 43:41–52.
- . 1999. *Getting Equal: The History of Australian Feminism*. Sydney: Allen and Unwin.
- Leithner, C. 1997. A gender gap in Australia? Commonwealth elections 1910–96. *Australian Journal of Political Science* 32:29–47.

- Lovenduski, J. 1986. *Women and European Politics: Contemporary Feminism and Public Policy*. Brighton: Wheatsheaf Books.
- Lovenduski, J., and P. Norris (eds). 1993. *Gender and Party Politics*. London: Sage.
- Mackerras, M. 1977. Do women candidates lose votes? *Australian Quarterly* 49:6–10.
- . 1980. Do women candidates lose votes? Further evidence. *Australian Quarterly* 52:450–5.
- . 1983. Why women are getting elected. *Australian Quarterly* 55:375–87.
- McAllister, I. 1992. *Political Behaviour: Citizens, Parties and Elites in Australia*. Melbourne: Longman Cheshire.
- McAllister, I., and D.T. Studlar 1992. Gender and representation among legislative candidates in Australia. *Comparative Political Studies* 25:388–411.
- McDiven, C. 1996. 'The Liberal Party and women' in *The Paradox of Parties: Australian Political Parties in the 1990s*. Edited by M. Simms, pp. 94–9. Sydney: Allen and Unwin.
- Magarey, S. 2001. *Passions of the First Wave Feminists*. Sydney: UNSW Press.
- Millar, A. 1993. *Trust the Women: Women in the Federal Parliament*. Canberra: Department of the Senate.
- Moon, J., and I. Fountain. 1997. Keeping the gates? Women as ministers in Australia, 1970–96. *Australian Journal of Political Science* 32:455–66.
- Mueller, C. (ed.). 1988. *The Politics of the Gender Gap: The Social Construction of Political Influence*. Newbury Park, CA: Sage.
- Neylan, M., and J. Brasch. 1992. Women in local government: Setting the trend for the 1990s. *Current Affairs Bulletin* 69:4–10.
- Neylan, M., and D. Tucker. 1996. 'Women in local government' in *Gender, Politics and Citizenship in the 1990s*. Edited by B. Sullivan and G. Whitehouse, pp. 130–46. Sydney: UNSW Press.
- Norris, P. 1985a. The gender gap in Britain and America. *Parliamentary Affairs* 38:192–201.
- . 1985b. 'Women's legislative participation in Western Europe' in *Women and Politics in Western Europe*. Edited by S. Bashevkin. London: Frank Cass.
- . 1996. 'Gender realignment in comparative perspective' in *The Paradox of Parties: Australian Political Parties in the 1990s*. Edited by M. Simms, pp. 109–29. Sydney: Allen and Unwin.
- . 2000. 'Women's representation and electoral systems' in *International Encyclopedia of Elections*. Edited by R. Rose, pp. 348–51. Washington, DC: CQ Press.
- Oldfield, A. 1992. *Woman Suffrage in Australia: A Gift or a Struggle?* Melbourne: Cambridge University Press.
- Oskarson, M. 1995. 'Gender gaps in Nordic voting behaviour' in *Women in Nordic Politics: Closing the Gap*. Edited by L. Karvonen and P. Selle, pp. 59–81. Brookfield: Dartmouth.
- Parliament of Australia. 2002. *The Number of Women in Parliament*. Canberra: Department of the Parliamentary Library.
- Pateman, Carol. 1989. *The Disorder of Women: Democracy, Feminism and Political Theory*. Cambridge: Polity Press.
- Phillips, D. 1996. Women in Australian and American politics: Some contemporary comparisons. *Current Affairs Bulletin* 72:4–11.
- Phillips, H. 2000. Women in the Western Australian parliament 1921–1999: Towards a new parliamentary politics? *International Review of Women and Leadership* 6:24–37.
- Randall, V. 1987. *Women and Politics: An International Perspective*. London: Macmillan.
- Renfrow, P. 1994. The gender gap in the 1993 election. *Australian Journal of Political Science* (Special issue) 29:118–33.
- Rule, W. 1987. Electoral systems, contextual factors, and women's opportunities for election to parliament in twenty-three democracies. *Western Political Quarterly* 40:477–98.
- Rule, W., and J.F. Zimmerman (eds). 1994. *Electoral Systems in Comparative Perspective: Their Impact on Women and Minorities*. Westport, CT: Greenwood Press.

- Saunders, K. 1995. From women's history to gender relations studies in Australia: The decade reviewed. *Australian Journal of Politics and History* 41:17–32.
- Sawer, M. 1981a. The contents of Politics 1966–1978. *Politics* 16:81–2.
- . 1981b. Women and women's issues in the 1980 federal elections. *Politics* 16:243–9.
- . 1986. From motherhood to sisterhood: Attitudes of Australian women MPs to their roles. *Women's Studies International Forum* 9:531–41.
- . 1990. *Sisters in Suits: Women and Public Policy in Australia*. Sydney: Allen and Unwin.
- . 1996. Challenging politics? Seventy-five years of women's parliamentary representation in Australia. *International Review of Women and Leadership* 2:i–xvi.
- . 1997. Mirroring the nation? Effects of electoral systems on the representation of women. *Current Affairs Bulletin* 73:8–12.
- Sawer, M., and M. Simms. 1984. *A Woman's Place: Women and Politics in Australia*. Sydney: George Allen and Unwin.
- . 1993. *A Woman's Place: Women and Politics in Australia*. 2nd ed. Sydney: Allen and Unwin.
- Searle, B. 1988. *Silk and Calico: Gender and the Vote*. Sydney: Hale and Iremonger.
- Siaroff, A. 2000. Women's representation in legislatures and cabinets in industrial democracies. *International Political Science Review* 21:197–216.
- Simms, M. 1981. Political science, women and feminism. *Politics* 16:315–24.
- . 1982. Introduction to 'Women and Politics Symposium'. *Politics* 17:21–2.
- . 1983. A woman's place is in the House and in the Senate: Women and the 1983 elections. *Australian Quarterly* 55:364–74.
- (ed.). 1984. *Australian Women and the Political System*. Melbourne: Longman Cheshire.
- . 1985. The 1984 Australian elections: Find the women? *Politics* 20:104–12.
- (ed.). 1996. *The Paradox of Parties: Australian Political Parties in the 1990s*. Sydney: Allen and Unwin.
- Spink, P.M. 1998. The political representation of women: Further Australian evidence. Honours thesis, University of Queensland, Brisbane.
- Studlar, D.T., and I. McAllister. 2002. Does a critical mass exist? A comparative analysis of women's legislative recruitment since 1950. *European Journal of Political Research* 41:233–53.
- Summers, A. 1975. *Damned Whores and God's Police: The Colonisation of Women in Australia*. Melbourne: Penguin.
- . 2000. The politics of feminist history. *Australian Journal of Political Science* 35:327–8.
- Thomas, S. 1994. *How Women Legislate*. New York: Oxford University Press.
- Walker, N.J. 1994. 'What we know about women voters in Britain, France, and West Germany' in *Different Roles, Different Voices: Women and Politics in the United States and Europe*. Edited by M. Githens, P. Norris and J. Lovenduski. New York: Harper Collins.
- Wägnerud, L. 2000. Testing the politics of presence: Women's representation in the Swedish Riksdag. *Scandinavian Political Studies* 23:67–91.
- Whip, R. 1991. Representing women: Female parliamentarians on the horns of a dilemma. *Women and Politics* 11:1–22.
- White, K. 1981. Women and party politics in Australia. *Australian Quarterly* 53:29–39.
- Wiley, M., and S. Rice. 1924. A sex cleavage in the presidential election of 1920. *Journal of the American Statistical Association* 19:519–20.
- Yeatman, A. 1990. *Bureaucrats, Technocrats, Femocrats: Essays on the Contemporary Australian State*. Sydney: Allen and Unwin.
- Zetlin, D. 1996. 'We're here because we're here: Women and the ALP quota' in *Gender, Politics and Citizenship in the 1990s*. Edited by B. Sullivan and G. Whitehouse, pp. 120–9. Sydney: UNSW Press.

Interest Groups and Social Movements

Ian Marsh

Australia's experience of, and discourse about, interest groups and social movements has a number of distinctive features. In the nineteenth century, after the establishment of self-government, but before the emergence of the mass parties, interest groups and social movements were the only mode of organised political action. This distinguished Australia from US democratic experience (Dahl 1966). Distinctive too are the substantive contributions of Australians to the international development of the women's, anti-nuclear, gay and animal-rights social movements. In addition, Australian scholars have pioneered the study of the role of groups in international regulatory systems. State-interest group-social-movement relations also present some distinctive features. The mobilisation of groups representing disadvantaged and/or vulnerable citizens appears to be wider and deeper than in other comparable polities. The state has, at least until the past few years, materially supported this development. Further, at an institutional level, Australia's federal structure has had a distinctive impact on group formation. And Australia's social liberalism has, at least until the recent emergence of neoliberalism, also contributed a distinctive discursive atmosphere.

Over the past two or three decades, interest groups and social movements have acquired independent standing in the Australian political system. Over this same period, scholarly views have also differentiated. In some assessments, these formations are regarded as irremediably selfish and self-serving and the cause of an 'overloaded crown' (Kasper 2000). In others, they are critical political actors, either as key defenders of the values of the social-democratic state, or (in the case of the social movements) as champions of diversity in life choices. In between these poles lie analyses informed by other than systemic perspectives or by reference to particular normative concerns. For example, recent literature has focused on the problem of inclusion: Is engagement with the state tantamount to cooption? Does it progressively compromise grassroots mobilisation? There is also the problem of representation: To what extent can group leaders claim to speak for wider communities?

Interpretations of developments and issues by Australian scholars draw variously on British, US and Continental European paradigms and perspectives. British influence has been expressed in a strong empirical tradition, particularly in interest-group studies. This approach takes for granted the dependence of interest-group activity on

the surrounding institutional environment and concentrates on describing interest mobilisation and/or the impact of interest groups in particular settings – such as policy subsystems, elections, and so on. US influence has also been strong, but because of the institutional divergence between Australia and the US, it applies less to detailed analysis than to general analytic and normative orientations. The pluralist tradition promoted a benign view of groups (Truman 1951; Bentley 1905), though in 1965, Mancur Olson introduced a more sceptical perspective. Finally, European influences too are evident, especially in the study of social movements and in attention to issues of power that are mostly unrecognised in Anglo-American paradigms (for example, Hindess and Dean 1998).

A threshold question concerns the distinction between interest groups and social movements. Sociological accounts emphasise the role of movements in extending the boundaries of the political through the creation of new social and cultural identities (Offe and Wiesenthal 1980; Touraine 1981). Others distinguish these formations in terms of such factors as tactics, support base or ideal foundations. For example, Papadakis (2001) distinguishes social movements in part through their ‘unconventional’ modes of political action. He also notes the blurred lines that develop as movement issues pass into the mainstream agenda. Leech (2001) suggests that widespread membership and a populist base distinguishes social movements. Interest groups, by contrast, usually draw on a specialist membership. This creates wholly different contexts for mobilisation and advocacy. Further, social movements do not pursue or resist incremental policy changes, but rather seek new domains of recognition. They are thus more likely to adopt protest tactics.

Another US student of these formations, Samuel Beer (1982), differentiates these formations in terms of the genesis of motives for mobilisation and advocacy. In this perspective, motives for interest-group formation can ultimately be traced to the postwar extension of the role of the state. The ‘welfare state-managed economy’ expanded the role of the state in the economy and in society. Keynesianism linked economic outcomes more closely to the behaviour of business and the trade unions (Kalecki 1948). Similarly, extension of the role of the state in areas such as welfare, health, housing and education created new motives for group formation. As one group obtained benefits (for example, pensioners, pharmacists, doctors), the advantage of group formation and advocacy was recognised by individuals from other disadvantaged, professional or other categories (for example, single mothers, optometrists, dentists). The dynamics of politics in the late 1950s and early 1960s (the so-called ‘end of ideology’) encouraged the development of such programs (Bell, D. 1960). This phase of postwar political development was terminated by the emergence in the late 1970s of endemic inflation, which was attributed by some to excessive group, particularly trade union, influence (Brittan 1975).

In this perspective, interest groups were ‘endogenous’ or ‘functional’ to the social-democratic regime. By contrast, the impulse for social-movement formation was ‘exogenous’ to social democracy. The major movements (environment, women’s, gay, indigenous, ethnic, and so on) all emerged in the post-1960s period. The values by which they were animated, and the precise causes that were championed, represent a renewal of, and/or grow from, the concerns of radical liberalism (Beer 1982:126–7).

Relevant norms include the value of nature and natural experience (both in the world and in our human bodies), and a new primacy for voluntarism, participation and consent.

Interest groups

Until the 1960s, the dominant interpretation of group activity drew on the pluralist tradition. In this perspective, group formation was equally available to all and, in practice, the formation of groups was assumed to be equally distributed. This benign view was challenged from two directions. First, Mancur Olson's 1965 study, *The Logic of Collective Action*, argued that special incentives or pay-offs would be needed to induce group formation and to attract members. Olson suggested group formation would be biased to those who stood to gain special advantages. Further, a proliferation of groups implied the displacement of productive economic activity by rent-seeking. Hence he equated widespread group formation with economic sclerosis. Indeed, he specifically included Australia in this assessment (Olson 1984). Second, other work suggested group formation and membership was biased towards those with especial resources, mostly associated with wealth or other privileges (for example, Lukes 1974; Bachrach and Baratz 1970). Both approaches challenged the notion that access to the political agenda was equally available or that group formation was equally distributed.

The metaphor or model used to picture the interest-group system has also changed. The favoured contemporary approach, network analysis, derives from Hugh Heclo's seminal paper on 'issue networks' (1978). This perspective has been particularly developed and elaborated in the UK (Rhodes, R. 1997; also Richardson 2000). This prism has proved the most fruitful for evaluating contemporary transformations in the role of the state. Indeed, in the UK context, Rhodes has argued state power has been displaced into the much more diffuse and porous networks. Parallel assessments remain to be undertaken in Australia. Finally, although much wider in its purview, the concern with social capital includes attention to the interest-group system.

Large-scale surveys

There has never been a large-scale survey of the Australian interest-group system and this is a major gap in the literature. Trevor Matthews authored the most comprehensive summary review (1980; see also 1990). His meticulous overview illustrates the widespread incidence of these organisations in Australia. Matthews also briefly covered the development of consumer, Aboriginal, women's, ethnic and environment movements. He discussed the role of independent lobbyists and the relations between pressure groups and the political process.

In a brief overview essay, Matthews and Warhurst (1993) assess developments in the 1980s. They suggest 'the predominant producer groups no longer act as rent-seeking distributional coalitions but have assumed the shape and outlook of encompassing organisations'. In addition, there was then evidence that the major producer organisations, such as farmers and business groups, were accommodating 'new politics' issues such as those championed by the environment and women's movements. For example, the umbrella

conservation organisation, the Australian Conservation Foundation, and the peak farmers' organisation, the National Farmers' Federation, had created an ad hoc coalition to address problems of salinity. Group and movement influence was also cited as a factor in the turn to a catch-all stance among Australia's major parties. Overall, however, the authors conclude Australia's 'strong' parties continue to be the major determinant of group strategies, access and chances of success. They note 'a change in government can usher in quite dramatic shifts in policy emphasis'. The election of a conservative government in 1996 affirmed this judgement. Later assessment confirmed the continuing high incidence of groups in Australia, but noted particular changes such as the abandonment of corporatism, the sharp decline of trade-union membership, and the continuing political influence of the social movements (Marsh 1995, 2001; Matthews 1997).

In another brief overview of social movements, Papadakis (2001) distinguished such formations in terms of their challenge to established power structures. One indicator of support was the willingness of citizens generally to participate in 'unconventional' political action (for example, joining boycotts or unofficial strikes, demonstrating). Australian Election Studies data showed the number of citizens willing to undertake these activities had increased in each category between 1983 and 1995. But membership of environmental groups had diminished. In 1990, 3 per cent of a national sample indicated they were members of such groups. This figure rose to 5 per cent by 1993 but dropped back to 2.4 per cent in 1996. On the other hand, in the National Social Science Survey of 1995, some 10 per cent of respondents indicated they were members of environmental groups. Papadakis also briefly surveyed campaigns by the Indigenous, women's, gay and environment movements.

For its part, the new interest in 'social capital' has involved attention to the incidence of groups and movements, albeit covering a wider terrain than that surveyed in other traditions of interest-group analysis (Putnam 2000). In distinction from Mancur Olson's findings concerning the dysfunctional effects of groups, Putnam links group formation and incidence to civic capacities (cf. Portes 1998). Mark Lyons has undertaken a survey of Australian nonprofit organisations and estimates the population at more than 30,000 (Industry Commission 1995). Eva Cox (2002) has audited social capital in Australia and placed Australian experience in a comparative perspective. Her review covers the full spectrum of community, civic and service organisations. She concludes: 'Fluctuations in membership suggest many traditional organisations are losing ground'. This includes trade unions and political parties. She notes the increasing role of social movements and

the growth in events that involve large numbers of people such as Clean Up Australia, the Gay and Lesbian Mardi Gras ... These offer participation, not necessarily based on ongoing relationships, but with a broader construction of involvement, commitment and trust. [see also Winter 2000]

The rise and fall of corporatism

In 1983, the incoming Hawke Labor government introduced a version of corporatism. Corporatism with Australian features was expressed in the Prices and Incomes Accord between the union movement and the Labor government (Singleton 1990; Grattan and

Gruen 1993). In contrast to the 'normal' corporatist pattern, organised business was not a party to these arrangements. This did, however, stimulate the formation of a national organisation representing large companies, the Business Council of Australia (Bell and Warhurst 1993). But business representation remained fragmented (Matthews 1992; Ravenhill 1997). The origin of the Accord arrangement in close personal relations between government and union leadership and, to a lesser degree, business was noted (Jaensch 1989). In a comprehensive review, McEachern (1991) documented the varying currents of opinion then abroad in the business community – in particular the opposition to collaboration among business leaders identified with the Liberal Party and the 'new right' movement. He concluded, like Matthews, that the major parties remained the dominant actors in these processes.

One singular episode in Australian corporatism involved the effort in the early 1990s to develop a framework for ecologically sustainable development (ESD). Downes (1996) has traced this approach, covering the considerable mobilisation of business and environmental groups that was attempted. Nine sectoral working groups were established covering key facets of economic activity (mining, agriculture, energy, and so on). This effort perhaps unsurprisingly failed to realise its corporatist hopes. Doyle (2000) rightly points to the tensions between environmental groups and economic interests, and indeed the intractable gulf between their values. McEachern (1993) has also assessed this failed effort. In retrospect, perhaps most surprising was the notion that such a process could contain the legion of medium-term and longer-term issues that were involved, much less the number and diversity of interests with stakes in the issue. The diversity in the power resources of these various protagonists was yet another complicating factor.

A quasi-corporatist approach to policy-making was more or less followed until the early 1990s. Thereafter, it was progressively jettisoned (Singleton 1990; Grattan and Gruen 1993). It succumbed partly to a change in policy frameworks and style as Keating replaced Hawke as prime minister (Edwards, J. 1996), partly to the secular decline of employment in manufacturing (Capling and Galligan 1992) and partly to the general erosion of norms of hierarchy. This latter development made it harder for union leaders to continue to deliver their members on the basis of deals negotiated privately and at the national level. Despite the renewal of interest in corporatism in Europe (for example, Rhodes, M. 2000), there have been no proposals to revive this practice in Australia.

The changing role of business and business associations

Bell and Warhurst (1993) surveyed the development of government-relations functions and political activism among large Australian companies. Stephen Bell (1994) surveyed the changing role of Australia's extensive network of competing business associations and found a clear link between state structure and associational patterns. The use of the tariff to foster industrial development and the associated development of justiciable industrial relations had hitherto exercised a decisive influence. As protection and needs-based wages waned, business associations sought new roles in member service and representation. At the same time, efforts to unify the business groups were inhibited by disagreement about the management of association assets. A number of

long-established associations had acquired relative financial independence through the provision of state-mandated insurance services to members. In a later paper, Bell (1995) placed these Australian developments in a comparative context, finding that

Australia's federal state structure, its dispersed economy and firm centred business culture all produce, in broad terms, the expected pattern of fragmented business associations engaged in traditional forms of policy advocacy, lobbying and pressure pluralist political activity.

At least three surveys of business–government relations appeared in the 1990s (Bell and Wanna 1992; Stewart 1994; Ryan, Parker and Hutchings 1999). These offer studies of individual organisations and of the intersection between business and the state in a variety of domains. They do not generally place Australian experience in comparative perspective or consider the tactics used by business interests by comparison with those of other groups. Nor do they discuss the structural power of business.

Case studies of the role of business associations in particular policy domains include taxation policy (Eccleston 2000), national competition policy (Harman 1996) and native title (Lavalle 2001). Eccleston's findings on business strategy in the tax case confirm earlier work (Atkinson and Coleman 1992). This concerned linkages between state autonomy and concentration on the one hand, and the mobilisation of business associations on the other. In the tax case, Australian business associations created a contingent coalition to support state action. But this was a response to the initiatives of the central authorities rather than an expression of business strength. Further, the linkage between groups was an ad hoc arrangement. It did not lead to any durable consolidation of business interests. Harman's analysis of national competition policy covers a wide array of actors and she uses the prism of a policy network to interpret the data. She concludes that a 'network with Australian characteristics' took shape. Its signal feature was a much lower level of formality than in European experience. Lavalle's assessment (2001) of the role of the mining industry in relation to native title contests the notion, propagated by the industry, that this measure held in prospect especial national economic disadvantage. Rather, he finds the explanation for the industry's approach in its concerns about its public standing and its standing in the policy process. This is a meticulous study of the motives and advocacy tactics of a powerful sectional interest group.

Trade-union decline

Work on trade unions has focused on the fall in their memberships from around 50 per cent of the workforce in the 1970s to around 30 per cent in the 1990s. Peetz (1998) attributes this decline to three factors: structural change in labour markets; the decline of compulsory unionism and preference arrangements; and the failures of unions, particularly at the workplace level. He shows the difficulties unions have encountered in breaking from past practices based in a significantly more supportive institutional environment. A second study (Western 1996) found changes in occupational structure accounted for little of the union decline. Union decline rather resulted from diminishing organisational success across all sectors. Further, some structural shifts – such as the growth of public-service employment at least up to 1992 – had sustained unionisation. He suggests three primary factors account for membership decline: the weakening

wage advantage of unionised workers; wage compression resulting from centralised determinations; and the growing bureaucratisation of unions. A further study places the treatment of women in the trade-union movement in comparative perspective (Curtin 1999).

Representation of rural interests

Changing patterns of rural representation have also attracted scholarly interest. Connors has traced the formation and development of unified national representation (1996). His is largely a historical study of the efforts to create a unified national organisation, culminating in the establishment of the National Farmers' Federation (NFF) in the 1970s. Earlier efforts had been thwarted by conflicts between farmers and graziers, and by disagreements over strategy between organisations representing different rural sectors. The 1994 NFF Directory claimed the organisation represented 130,000 farmers through twenty-seven affiliated organisations; this represents between 60 to 65 per cent of the relevant constituency. Halpin and Martin (1998) look particularly at newer patterns of rural sectoral organisation (for example, Landcare) and representation at state and local levels:

Developments in rural women's groups, community participation in catchment planning, the NSW rural summits, [and] strategic planning for rural towns ... denote a trend towards a renewal of rural governance that is ... firmly situated within reach of local rural people.

Welfare groups

Despite the scale of the welfare budget and such developments as the increase in unemployment, there have been few recent studies of the individual groups and movements that make up the welfare sector. The work of the principal umbrella body, the Australian Council of Social Services (ACOSS), has been described and assessed (May 2001). Disability mobilisation has also been explored (Meekosha 2001). Mendes (1999) has considered the way the official system has thwarted collective action by the unemployed, in the process compounding their disempowerment.

Groups and the state

From the mid-1990s, relations between groups and the state were transfigured as successive governments first sought to diminish the influence of particular groups, contract the role of the state and later to contract out the provision of an array of public services. The ideological background was provided by the work of Mancur Olson. This inspired scholarly and more polemical analyses. At a scholarly level, the consequences of Australia's reliance on the tariff and of the relatively large role of the state in economic and social development attracted renewed interest. For example, Pincus (1987, 1995) concluded that whatever wider public interests might historically have been served by the enlarged state role, the privileges accorded sectional interests now exceeded more general benefits.

More polemical work also proliferated (for example, King and Lloyd 1993). This was especially stimulated by a think tank, the Centre for Independent Studies, in a series of papers on regulation (for example, Hogbin 1983; Kasper 1996; Sieper 1982).

This work has continued in the late 1990s through the Institute of Public Affairs. The predatory, rent-seeking role of groups was emphasised (for example, Browning 1995). This literature provided an analysis and a discourse that cast interest groups as irredeemably selfish, with no larger aspirations beyond immediate sectional advantages.

Following the election of a non-Labor government in 1996, these ideas were broadly reflected in public policy, and particular interest groups were deliberately distanced or excluded from policy-making activity. The conservative government has deliberately sponsored legislation to weaken the representational role of trade unions, thus reinforcing secular trends to deunionisation.

Relations between groups and the state were transfigured as successive governments first sought to contract the role of the state and later to contract out the provision of an array of public services. At least three studies explore these broad themes (Dalton, Draper and Wiseman 1996; Johnson 2000; Considine 2000). Davis and Weller (2001) have collected individual studies surveying developments in service delivery, and women's issues. These generally involve application of the network paradigm. A special issue of the *Australian Journal of Public Administration* has surveyed developments in community consultation. This includes a comprehensive framework paper that analyses exhaustively the definitions and repertoire of consultative mechanisms (Bishop and Davis 2002). Elsewhere, Meredith Edwards (2002) explores the implications of these developments for emerging patterns of group-government relations. Studies of aspects of group-government relations include a pioneering analysis of the role of activists (Yeatman 1998). This extends to other domains the notions of 'infiltration' of the policy system pioneered in studies of the impact of the women's movement.

Other work has focused on various aspects of the role of the state in relation to group mobilisation and policy-making in particular domains. Melville (1999) has explored the role of the state in promoting the mobilisation and representation of underprivileged groups and more diffuse interests. Government has provided significant funds for peak umbrella organisations, including those representing consumers, the environment, age, youth, social services, ethnic, disability and childcare interests. More recently, Marian Sawyer (2002) has explored changes in their relations with government, in the process placing these developments in a comparison with Canada. She notes the progressive cut in funding for these organisations, along with a diminution of their access. She also notes the discursive shift that has occurred in conjunction with the move from a social-liberal rhetoric of legitimate representation to a neoliberal rhetoric of special-interest pleading. By contrast with the US findings (Baumgartner and Leech 1998), this research suggests that less-privileged citizens and more diffuse interests have mobilised and attained representation in the Australian interest-group system. These activities have been facilitated by state funding. Recent cuts in public spending jeopardise these outcomes.

The impact of neoliberal policies on group-government relations in the community-service sector has also been assessed (Kerr and Savelsberg 2001). These authors conclude this pattern of linkage will reduce these organisations to 'servants of the state'. The capacity of this sector to stimulate social change will be curtailed. Further, 'as servants of the state, organisations will be expected to deflect individuals' claims ...

away from the state and back into the community thus weakening the basis of citizenship itself'. Elsewhere, Lilburn (2000) has explored the character of consultations with groups. Her case studies suggest these have been designed to satisfy the state's need for information in policy planning but fall far short of the minimal requirements for democratic representation and interaction. These findings are generally affirmed in studies of the impact of neoliberal strategies in a number of policy domains (Hindess and Dean 1998).

Finally, studies of group–government relations at the sectoral level have been conducted in three domains: agricultural policy (Coleman and Skogstad 1995); science policy (Holmeshaw 1995); and education (Marshall 1991, 1995; Marginson 1997, 2000). The agricultural study contrasts the impact of neoliberal approaches on policy-making in Australia and Canada. It finds impacts were greater in Australia. This is attributed to differing political-institutional arrangements including federalism, bureaucratic arrangements, the presence or absence of a neoliberal epistemic community and the structure of the interest intermediation system.

Election campaigns and lobbying

The role of interests in election campaigns has been documented descriptively in each electoral study in the 1990s. The environment movement played a particularly strong role in the 1990 campaign (Papadakis 1990). Warhurst (1997) has surveyed the 1993 and 1996 campaigns, noting the roles of organisations such as the Housing Industry Association and the NFF in support of the Coalition, and of the Women's Electoral Lobby (WEL), the environment movement and specific unions for Labor. The electoral roles of trade unions, business, farmers and ethnic groups in the 1996 election campaign have also been documented (Bean et al. 1997). Similarly, in the 1998 federal election, the roles of women and migrants and of an interest campaign around the tax issue have been documented (Simms and Warhurst 2000). One study has described in more detail the role of business campaigns for the GST in the 1998 federal election (Brown 2000). Several studies have also explored lobbying activities, including that by law firms (Darke 1997), and by former ministerial staffers and party officials (Tongue 1997). The regulation of lobbyists has also been documented (Warhurst 1998).

Social movements

Social movements have attracted wide attention. There have been extensive studies of indigenous, feminist, gay, environmental and ethnic movements. There is also a single recent study of the 'new right' think tanks (Stone 1996). Rather less attention has been paid to the other major social movements, namely the consumer, peace and Third World, and animal liberation movements. The activities of movements formed in opposition to these latter organisations and championing traditional values have not been documented (for example, Women Who Want to be Women; pro-logging; pro-monarchy; right-wing religious groups, and so on). Other more recent formations such as the anti-globalisation and republican movements have also received some attention.

At the outset, the contribution of Australian authors to this post-1960s mode of political mobilisation might be noted; nine major-issue movements emerged from this period (Marsh 1995: chapter 2). Each movement was characterised by a common mobilisation pattern. In each case, their initiation was associated with a book, which took the form of a kind of secular moral tract. These books contributed metaphors, detailed argument and moral urgency to the particular cause that they sought to inspire. Australians authored key books for four of the nine movements: Dennis Altman (1971); Germaine Greer (1970); Helen Caldicott (1978); and Peter Singer (1977). Whether this was fortuitous or, at another level, an expression of the originality of Australian democracy remains to be established. One of the few books on intellectual movements in Australian society does not recognise these contributions (Head and Walter 1988).

Many social-movement studies draw on a model of action summarised by McAdam, McCarthy and Zald (1996). They attribute social-movement success to three conditions: the presence of intense grievance and the availability of resources; the political opportunity structure mediating campaigning and advocacy; and the framing processes that are adopted (interpretation, attribution and social construction). As already noted, sociological accounts also emphasise the role of movements in extending the boundaries of the political through the creation of new social and cultural identities. In this tradition, Dryzek (2002) has offered the only synoptic, if somewhat speculative, account of the dynamics of movement accommodation in Australia. Starting from the early settlements, he argues that recognition and incorporation in the Australian state has muted, if not neutered, the broader democratic impact of all the major movements for change.

Multi-movement studies

There are several studies looking at more than one movement. Burgmann (1993) surveys the formation and impact of the indigenous, gay, environment and women's movements. She had earlier reviewed the role of analogous formations in the 1890s and traced their absorption into the then emerging Labor Party (1985). In later summary assessments she audited their achievements and standing, particularly in the context of the political success of neoliberalism (1997, 2000). She argues 'the demands raised by those in Australian society who most need consideration have been least successful'. Further, 'the movements that have achieved most have raised demands that are most easily accommodated by powerful interests'. She includes second-wave feminism and homosexual rights in this assessment. In relations to tactics, she argues moderate gains are not best achieved by moderate and respectable means but by militant and disrespectful activity. She thus credits the militant wings of these movements with the greatest influence on the public agenda. Noting the success of Green Bans campaigns, she also points to the need for movements to link to the organised labour movement.

Sawer and Jupp (1996) also explore the experience of a number of movements and peak groups in an assessment of interactions between government and community-based organisations. They draw on examples from the women's, environment and ethnic movements. They take issue with two competing views. On the one hand, they contest the proposition that engagement with the state involves cooption and incorpo-

ration. On the other, they dispute the Olsonian argument that the organisations involved are capable of no broader contribution than special pleading. They argue the relationship is best understood as a two-way street, full of tensions, but neither a conspiracy against the public interest nor part of a larger design to deradicalise social movements.

Feminist movement

There is a wide range of studies of the organisation of the women's liberation movement in Australia, its advocacy activities, and its role and impact in comparative perspective (for example, Caine et al. 1998). This body of work has established not only the extensive mobilisation and novel promotion and advocacy techniques that were adopted, but also its considerable impact on Australian society and politics. But the most recent literature notes the decline in support at fiscal, organisational and discursive levels.

Detailed Australian studies of mobilisation have largely occurred at the sectoral level and, in keeping with the empirical tradition, have been primarily descriptive in character. One of the best and most systematic involved a review of the structure, composition and dynamics of 'the women's lobby' (Sawer and Groves 1994). This study identified more than thirty groups that might be considered part of the lobby, including 'traditional' groups such as the Australian Federation of Business and Professional Women, 'new wave' groups such as WEL, and others more loosely connected, such as the Ethnic Communities Councils or the Aboriginal women's groups. It explored the various modes of connection including organisational linkage, membership crossovers, newsletters, campaigning and electronic linkage. The authors undertook a survey of issues on which individual organisations were campaigning, as well as the other organisations to which they were linked through these campaigns.

At the political level, the literature traces the distinctive patterns of accommodation evident in Australia and deriving from its 'utilitarian and egalitarian' political culture (Kaplan 1996:61, cited in Bulbeck 2001). The considerable impact of the movement, at least until the mid-1990s, is documented in a series of studies (Sawer 1990, 1991; Sawer and Simms 1993). Eisenstein described the key intermediaries in this process as 'femocrats' (Eisenstein 1996:68; 1991). Their critical brokerage role in the context of a generally enlarged state role represented a distinctive Australian response to the development of the issue agenda. According to Kaplan, feminist collaboration with the state was unique to Australia and the Scandinavian countries.

According to Bulbeck (2001), the achievements of the movement include change to the laws governing marriage, divorce and child custody, the introduction of antidiscrimination and affirmative-action legislation, expanded government-funded childcare policies, pro-feminist changes to the tax and welfare system, and domestic violence, sexual harassment, rape and reproductive freedom legislation.

Brennan (1994, 1999) has documented phases in developments of childcare policies. She traces the downgrading and marginalisation of the community-based childcare movement by Labor's state-provided system. Since these studies were completed, the rise of economic rationalism has created a more hostile climate at discursive and practical levels, and more recent studies lament these changes and their impacts (for

example, van Acker 1999). Finally, Dixon (1999) and Lake (1999) have produced comprehensive histories of Australian feminism.

Burgmann (2000) distinguishes the aims of women's liberation from what she terms 'second wave' feminism, represented, for example, by WEL. Whereas the former 'was laying down a frontal challenge to the sexism of society' and saw sexism as systemic and fundamental, second-wave feminism 'aimed to pressure the state into eliminating what it saw as incidental sex-based discrimination'. Later she notes, 'many women's liberationists feared that joining patriarchal structures would ensure that feminists lost their identity and autonomy'. Femocrats were seen as middle-class women with well-paid jobs whose advancement did little for the wellbeing of the average woman. These tensions between radical and mainstream wings remain features of this, as of the other, social movements.

Indigenous movement

Recent work on indigenous mobilisation offers historic, comparative and institutional analyses. Historical surveys include works by Henry Reynolds, who has published around sixteen studies on relations between Australia's Indigenous people and the European settlers, as well as by Attwood and Markus (1999) and Scott Bennett (1999). Comparative surveys include Crough (1997). Themes include the failures of communication as public policy and black communities intersect. Cowlshaw (1999) traces the various government programs designed to 'modernise' Aboriginal people; these approaches failed to recognise the intractability of 'racial' difference based on 'stark contrasts in practice, belief and social structuring'.

Rowse (2001) extends this theme in a sensitive discussion of the problematic nature of representation in Indigenous culture, in particular the failure to articulate the linkage between local and national representative structures. He points to the divergence in approach between different groups within the broader Indigenous movements. Rowse offers no solution. Rather, he traces the dilemmas and contradictions associated with succeeding approaches. His paper is cast as a contribution to an unfolding issue, one whose terms are evolving in discursive assessments and in Indigenous practice. In a parallel article, Ivanitz (2000) explores the evolution of ATSIC. In particular, she contests the proposition (advanced by government) that ATSIC lacked accountability.

Burgmann (2000) is not sanguine in her assessment of the prospects for the Indigenous movement. She concludes:

With their demands the most difficult to concede, indigenous Australians are also less able to apply political pressure ... Aborigines do not have the numbers to apply pressure on the electoral process ... Advances may occur, but only due to the grass-roots reconciliation movement amongst non-indigenous Australians.

Environment movement

Studies of the environment movement also cover historic, comparative and institutional dimensions. This movement represents the principal citizen mobilisation in terms of numbers engaged. Membership of the various bodies that compose the move-

ment, including local conservation organisations, neighbourhood groups, National Trusts, and so on, is estimated at more than 300,000. This far exceeds enrolment in the major parties – which now stands at some 60,000 to 70,000 members each.

Doyle (2000) offers the most recent comprehensive assessment, but focusing particularly on the environment movement's activist side. He documents aspects of particular groups within the broader movement, including Greenpeace, Friends of the Earth and the Phantom Club. He suggests the key to the overall success of the movement lies in its flexibility, so that strong 'grassroots' influence has sustained its strategic and tactical adaptability. Doyle traces the flexible informal networks that he regards as the core of the movement. One particular strength of this study is its coverage of campaigns against Australian mining companies, in and beyond Australia. Papadakis (1993, 1996) has also extensively covered the mediation of environmental issues into mainstream politics, focusing on such elements as movement mobilisation, the brokerage role of the major parties, the influence of media reporting and the impact of major campaigns. Drawing on Touraine (1981), Button and Connors (1999) survey and 'place' the environment movement. Their study traces the development of the movement since the 1960s, its institutionalisation and the various campaigns in which it has engaged. Elsewhere, Warhurst (1994) describes the historical evolution and role of the Australian Conservation Foundation, the principal umbrella body for the Australian movement.

The social foundations of the movement in public attitudes have also been assessed. Tranter (1996) looks at the social foundations of support for environmental groups and issues. He finds traditional class (social location) effects to be weak, and post-materialist value orientations and consumption of high culture to have moderate effects on the propensity to be environmentally active. In a later study (1999), he notes the diminution of elite–public differences, as the environment has become a 'mainstream' issue. He finds evidence of a decline in group membership and some tentative evidence of decline in this issue as a mobilising agenda for activism. Pakulski, Tranter and Crook (1998) distinguish between 'green' (international) and 'brown' (local) environmental issues. They find some evidence that environmental issues are becoming routinised and segregated from green groups. McAllister and Studlar (1999) have distinguished between committed and ordinary members of environmental groups. They find committed members have stronger postmaterialist and secular values and are more likely to be professionals. In particular, committed members are motivated by the urgency of global by contrast with more immediate local concerns.

Gay liberation

The development of the gay and lesbian movement has been documented in a number of histories (Willett 2000; Burgmann 2000). Aldrich and Wotherspoon (1992) have edited a historical survey of the treatment of gay men and lesbians. As already noted, Altman has been a notable contributor to the international and Australian gay-liberation movements (1994). The emergence of HIV/AIDS in the Australian community stimulated a notable exercise in government–community cooperation which, like multiculturalism, has attracted attention for its proactive style and pragmatic approach (Ballard 1992a, 1992b, 2000). Altman (2000) discusses issues of representation and cooption

involved in these processes. The Australian Federation of AIDS Organisations (AFAO), the representative AIDS organisation, and its state-level counterparts were often seen to be, or were treated as though authorised to be, speaking for the broader community. Community organisations such as the Sydney Gay and Lesbian Mardi Gras or the ALSO Foundation in Melbourne were accorded no status. He notes (Altman 2000):

having recognised the need for 'the community' to speak for itself, governments in practice accord considerable power to a small elite, part of whose power stems from their relationship to government.

He also discusses the volatile internal politics of community organisations and the creeping professionalisation of the officially sponsored HIV/AIDS bodies. Meantime, the engagement with the movement by people from various ethnic communities is documented in Jackson (1999). Further, Marsh and Galbraith (1995; see also Burgmann 2000) have assessed the political impact of the Sydney Gay and Lesbian Mardi Gras.

Ethnic movements

Australia is not only one of the most multi-ethnic countries in the world but its policy of multiculturalism, at least up to the Coalition victory in 1996, was hailed as the model for other countries to follow in managing ethnic diversity. [Zappala 2001:135]

This is the context in which an extensive literature on ethnic mobilisation has developed. Ethnic Communities Councils were established at the state level in the 1970s, although the representative character of these bodies has been challenged (Anderson 1990). An umbrella body, at the federal level, the Federation of Ethnic Communities Councils of Australia, was formed in 1979. Debate has subsequently focused on issues of representation and cooption. Some argue that immigrant groups are over-represented in the political process (Betts 1993). Castles (1992) has criticised these forums from another angle: the individuals selected for these councils tend to be those favoured by the party in power. Furthermore, through these processes, these individuals lose touch with their base. In Castles's view, this form of mobilisation pre-empts genuine grassroots activism. By contrast, Sawyer and Jupp (1996) see a more positive relationship between ethnic organisations and the state. Elsewhere, Jupp (1994, 1997a, 1997b, 1999) argues that the ethnic lobby is weak and fragmented; he believes 'network' is a more accurate metaphor than movement.

Intermediary organisations at the global level

More recently, a literature on the role of interest groups at the global level has emerged. This includes studies of the anti-globalisation movement and of particular international or regional regulatory regimes. Paradoxically, this is the area where Australian scholars have made perhaps the most original theoretical and empirical contribution. Braithwaite and Drahoš's (2000) survey of global business regulation is a *tour de force*.

Within the compass of a single volume, the authors survey comprehensively the world of international regulation covering trade, telecommunications, aviation and taxation, to name a few. They buttress this with a theory of the dynamics of regulatory development and a careful analysis of the role of particular interest groups and social movements in these processes. Other work in the international arena is on a much more limited scale. Kellow (1999), for example, has used institutional theory to evaluate the developing regime governing toxic-risk management.

Conclusion

In general, the evidence reviewed here shows the broad conformity of Australian experience to that in comparable developed democratic societies. There has been an enormous proliferation of interest groups in the postwar period and, in the post-1970s period, these have been joined by the new social movements. The familiar distinctive features of the Australian polity (such as federalism, 'strong parties' and traditions of incorporation) have been advanced as explanations for the patterns of mobilisation and engagement that are evident. Cultural explanations, invoking Australia's pragmatic utilitarianism, have also been offered for the way new concerns were accommodated by the major parties and the state, and for the precise patterns of incorporation and response that developed. At a comparative level, there have been a limited number of studies, mainly with Canada and mainly involving indigenous and environmental issues. At a systemic level, I have argued elsewhere that the proliferation of groups and movements constitutes the most significant domestic political development postwar (Marsh 1995:81).

Group-government relations waxed in the early years of the 1990s. This period provided examples of the distinctive character of group-state accommodation in Australia and of the positive results that could flow from such linkages. This was illustrated in responses to AIDS, in the advance of ethnic and women's issues through the policy agenda, and in the development of policy to redress disadvantage. On the other hand, these approaches proved insufficient to accommodate environmental and Indigenous issues. In the later part of the 1990s, a new climate has emerged, marked by a discursive and fiscal shift. In keeping with neoliberal ideology, groups have been generally cast as self-seeking, engagement has been curbed, and funding has been reduced or withdrawn. At the same time, the development of purchaser-provider networks has created a new nexus of group-government relations. The imperative to deal with groups remains, albeit in a new guise and in an as yet unclear structure of power. In addition, over this recent period, the relative power of business associations has increased and that of trade unions diminished. Here again Australian experience matches that of comparable countries, but with local variations consistent with particular cultural and institutional inflections.

Baumgartner and Leech have recently audited the study of intermediary organisations in the US (1998). Looking to US scholarship over the past decade or so, they

identify five basic research categories. These involve: large-scale surveys, mobilisation studies, domain studies, comparative studies of the roles of groups in policy-making, and studies of social movements. This taxonomy provides one template against which the scope of Australian work can be calibrated. Large-scale surveys involve the most general analyses; they cover synoptic assessments of the incidence of groups, and the formation and dynamics of interest-group systems. As already noted, the absence of an encompassing empirical study in Australia is a major gap.

Mobilisation studies concern the motives for group formation and the maintenance and development of group preferences. They also cover the networks that form between groups with common interests. Domain studies cover the interaction between groups and their environment in specific policy areas (for example, agriculture). They also cover the common functions of groups in diverse policy areas (for example, lobbying, electoral campaigning, and so on). There are Australian studies in both these areas but hardly on a sufficient scale to permit generalisation.

Many questions invite comprehensive empirical assessment including: Why do individuals join and remain in groups? (McAllister and Studlar's work on the environment movement suggests an approach that might be more generally applied.) How are organised interest preferences fixed and modified? Does citizen participation in groups build social capital? (For example, does 'chequebook' participation contribute to the development of citizen capacities?) Also, the question remains why some disadvantaged groups manage to organise while others do not. The case studies reviewed earlier provide rich material about individual groups, but they do not facilitate overall judgements or findings. There also seem to be significant gaps within this case-study literature. For example, recent studies of industry-policy frameworks are lacking, as are studies of the health or education interest-group systems.

Baumgartner and Leech (1998) conclude that group studies in the US have established two clear findings: first, 'the group system is differentially populated by the well-to-do and the better educated'; and second, groups represented in the system are more likely to be related to occupations and concentrated monetary interests than to intangible or diffuse interests. The studies surveyed earlier suggest at least the second of these findings would need to be qualified in Australia's case, although current public policy seems designed to align Australian and US outcomes.

In sum, the literatures are well-developed in relation to specific movements such as the environment and women's movements, and in relation to domains such as business political representation. But there are no studies of the overall incidence of intermediary organisations or of their varied roles in the political system. On the contrary, most of the work reviewed earlier involves case studies or is limited to one particular domain. As a consequence, the literatures reviewed here involve relatively fewer systemic studies and rather more specialised descriptive, historic and empirical assessments.

Note

I thank John Ballard for comments on an earlier draft of this paper.

References

- Aldrich, R., and G. Wotherspoon. 1992. *Gay Perspectives: Essays in Australian Gay Culture*. Sydney: University of Sydney.
- Altman, D. 1971. *Homosexual Oppression and Liberation*. New York: Outerbridge and Diensfrey.
- . 1994. *Power and Community: Organisation and Cultural Responses to AIDS*. London: Taylor and Francis.
- . 2000. 'Representation, public policy and AIDS' in *Speaking for the People: Representation in Australian Politics*. Edited by M. Sawyer and G. Zappala. Melbourne: Melbourne University Press.
- Anderson, K. 1987. 'Tariffs and the manufacturing sector' in *The Australian Economy in the Long Run*. Edited by R. Maddock and I. McLean, pp. 166–94. Cambridge: Cambridge University Press.
- Atkinson, M., and W. Coleman. 1992. Policy networks, policy communities and problems of governance. *Governance* 5(2):154–80.
- Attwood, B., and A. Markus (eds). 1999. *The Struggle for Aboriginal Rights: A Documentary History*. Sydney: Allen and Unwin.
- Bachrach, P., and M.S. Baratz. 1970. *Power and Poverty: Theory and Practice*. Oxford: Oxford University Press.
- Ballard, J. 1992a. 'Australia: Participation and innovation in a federal system' in *AIDS in the Industrialised Democracies: Passions, Politics and Policies*. Edited by D. Kirp and R. Bayer. New Brunswick, NJ: Rutgers University Press.
- . 1992b. 'Sexuality and the state in a time of epidemic' in *Rethinking Sex: Social Theory and Sexuality Research*. Edited by R.W. Connell and G.W. Dowsett. Melbourne: Melbourne University Press.
- . 2000. 'The constitution of AIDS in Australia' in *Governing Australia*. Edited by M. Dean and B. Hindess. Cambridge: Cambridge University Press.
- Baumgartner, F., and B. Leech. 1998. *Basic Interests: The Importance of Groups in Politics and Political Science*. Princeton, NJ: Princeton University Press.
- Bean, C., S. Bennett, M. Simms and J. Warhurst. 1997. *The Politics of Retribution: The 1996 Australian Federal Election*. Sydney: Allen and Unwin.
- Beer, S.H. 1982. *Britain against Itself*. New York: Norton.
- Bell, D. 1960. *The End of Ideology*. New York: Free Press.
- Bell, S. 1994. Australian business associations: New opportunities and challenges. *Australian Journal of Management* 19:137–58.
- . 1995. Between market and state: The role of business associations in public policy. *Comparative Politics* 28:25–53.
- Bell, S., and J. Wanna (eds). 1992. *Business–Government Relations in Australia*. Sydney: Harcourt Brace.
- Bell, S., and J. Warhurst. 1993. Business political activism and government relations in large companies. *Australian Journal of Political Science* 28:201–20.
- Bennett, S. 1999. *White Politics and Black Australians*. Sydney: Allen and Unwin.
- Bentley, A. 1908. *The Process of Government*. Chicago: University of Chicago Press.
- Betts, K. 1993. 'Public discourse, immigration and the new class' in *The Politics of Australian Immigration*. Edited by J. Jupp and M. Kabala, pp. 222–42. Canberra: AGPS.
- Bishop, S., and G. Davis. 2002. Mapping public participation in policy choices. *Australian Journal of Public Administration* 31:14–29.
- Braithwaite, J., and P. Drahos. 2000. *Global Business Regulation*. Cambridge: Cambridge University Press.
- Brennan, D. 1998. *The Politics of Australian Child Care*. Cambridge: Cambridge University Press.
- Brittan, S. 1975. *Participation without Politics*. London: Institute of Economic Affairs.
- Brown, J. 2000. The tax debate, pressure groups and the 1998 federal election. *Policy, Organisation and Society* 18:75–101.

- Browning, B. 1995. *Bad Government*. Melbourne: Canonbury Press
- Burgmann, V. 1993. *Power and Protest*. Sydney: Allen and Unwin.
- . 2000. The point of protest. *Policy* 19:7–15.
- Caine, B., M. Gatens, E. Grahame, J. Larbalesteir, S. Watson and E. Webby. 1998. *Australian Feminism: A Companion*. Oxford: Oxford University Press.
- Caldicott, H. 1978. *Nuclear Madness*. New York: Random House.
- Capling, A., and B. Galligan. 1992. *Beyond the Protective State*. Cambridge: Cambridge University Press.
- Castles, F.G. 1992. *Australia Compared*. Sydney: Allen and Unwin.
- Coleman, W., and G. Skogstad. 1995. Neo-liberalism, policy networks and policy change. *Australian Journal of Political Science* 30:242–63.
- Connors, T. 1996. *To Speak with One Voice*. Canberra: National Farmers' Federation.
- Considine, M. 2000. *Enterprising States: The Public Management of Welfare to Work*. Melbourne: Cambridge University Press.
- Cowlishaw, G. 1999. *Rednecks, Eggheads and Blackfellas: A Study of Racial Power and Community in Australia*. Sydney: Allen and Unwin.
- Cox, E. 2002. 'Social capital in Australia' in *Democracies in Flux: The Evolution of Social Capital in Contemporary Perspective*. Edited by R.D. Putnam and E. Cox. New York: Oxford University Press.
- Crough, G.J. 1997. *Indigenous Organizations, Funding and Accountability: Comparative Reforms in Canada and Australia*. Darwin: North Australian Research Unit, Australian National University.
- Dahl, R. 1966. 'Foreword' in *Parliament Factions and Parties: The First Thirty Years of Responsible Government in New South Wales, 1856–1889*. Edited by P. Loveday and A.W. Martin, pp. vii–ix. Melbourne: Melbourne University Press.
- Dalton, T., M. Draper and J. Wiseman. 1996. *Making Social Policy in Australia*. Sydney: Allen and Unwin.
- Darke, M. 1997. Lobbying by law firms. *Australian Journal of Public Administration* 56:32–46.
- Davis, G., and P. Weller. 2001. *Are You Being Served? State, Citizens and Governance*. Sydney: Allen and Unwin.
- Downes, D. 1996. Neo-corporatism and environmental politics. *Australian Journal of Political Science* 31:175–90.
- Doyle, T. 2000. *Green Power: The Environment Movement in Australia*. Sydney: UNSW Press.
- Dryzek, J. 2002. 'Including Australia: A democratic history' in *Australia Reshaped: 200 Years of Institutional Transformation*. Edited by G. Brennan and F.G. Castles. Melbourne: Cambridge University Press.
- Eccleston, R. 2000. The significance of business interest associations in economic policy reform, the case of Australian taxation policy. *Business and Politics* 2:309–25.
- Edwards, J. 1996. *Keating: The Inside Story*. Melbourne: Viking.
- Edwards, M. 2002. Public sector governance: Future issues for Australia. *Australian Journal of Public Administration* 61:51–62.
- Eisenstein, H. 1991. *Gender Shock: Practising Feminism in Two Countries*. Sydney: Allen and Unwin.
- . 1996. *Inside Agitators*. Sydney: Allen and Unwin.
- Grattan, M., and F. Gruen. 1993. *Managing Government: Labor's Achievements and Failures*. Melbourne: Longman Cheshire.
- Greer, G. 1970. *The Female Eunuch*. London: McGibbon and Kee.
- Halpin, D., and P. Martin. 1998. Landcare as a politically relevant new social movement. *Journal of Rural Studies* 14:445–57.
- Harman, E. 1996. National competition policy: A study of the policy process and network. *Australian Journal of Political Science* 31:205–23.

- Head, B., and J. Walter. 1988. *Intellectual Movements in Australian Society*. Oxford: Oxford University Press.
- Heclo, H. 1978. 'Issue networks and the executive establishment' in *The New American Political System*. Edited by A. King. Washington, DC: American Enterprise Institute for Public Policy Research.
- Hindess, B., and M. Dean (eds). 1998. *Governing Australia*. Cambridge: Cambridge University Press.
- Hogbin, G. 1983. *Free to Shop*. Sydney: Centre for Independent Studies.
- Holmeshaw, J. 1995. Policy community, policy networks and Australian science policy. *Australian Journal of Public Administration* 54:520–32.
- Hutton, D., and A. Connors. 1999. *A History of the Australian Environment Movement*. Cambridge: Cambridge University Press.
- Industry Commission. 1995. *Charitable Organisations in Australia: June 1995*. Canberra: AGPS.
- Ivanitz, M. 2000. The demise of ATSI. *Australian Journal of Public Administration* 59:3–12.
- Jackson, P.A., and G. Sullivan (eds). 1999. *Multicultural Queer: Australian Narratives*. Sydney: Halworth Press.
- Jaensch, D. 1989. *The Hawke–Keating Hijack: The ALP in Transition*. Sydney: Allen and Unwin.
- Johnson, C. 2000. *Governing Change: From Keating to Howard*. Brisbane: University of Queensland Press.
- Jupp, J. (ed.). 1984. *Ethnic politics in Australia*. Sydney: Allen and Unwin.
- . 1993. 'Ethnic groups in Australian politics' in *Diasporas in World Politics*. Edited by D. Constatas and A. Platias, pp. 153–66. Melbourne: Macmillan.
- . 1997a. 'The ethnic dimension' in *The Politics of Retribution: The 1996 Australian Federal Election*. Edited by C. Bean, S. Bennett, M. Simms and J. Warhurst, pp. 80–7. Sydney: Allen and Unwin.
- . 1997b. New politics and social movements: The ethnic dimension. *Journal of Australian Studies* 54–5:200–6.
- . 1999. 'How powerful is the ethnic lobby?' in *The Future of Australian Multiculturalism*. Edited by G. Hage and R. Couch, pp. 123–32. Sydney: University of Sydney.
- . 2000. 'Ethnic and immigration aspects' in *Howard's Agenda: The 1998 Australian Election*. Edited by M. Simms and J. Warhurst, pp. 159–66. Brisbane: University of Queensland Press.
- Jupp, J., and M. Kabala. 1993. *The Politics of Australian Immigration*. Melbourne: Bureau of Immigration Research.
- Kalecki, W. 1943. Political aspects of full employment. *Political Quarterly* 14:322–31.
- Kasper, W. 1996. *Free to Work*. Sydney: Centre for Independent Studies.
- . 2000. *Building Prosperity*. Sydney: Centre for Independent Studies.
- Kellow, A. 1999. *International Toxic Risk Management: Ideals, Interests and Implementation*. Cambridge: Cambridge University Press.
- Kerr, L., and H. Savelsberg. 2001. The community service sector in the era of the market model. *Just Policy* 23:22–32.
- King, S., and P. Lloyd. 1993. *Economic Rationalism: Dead End or Way Forward?* Sydney: Allen and Unwin.
- Lake, M. 1999. *Getting Equal: The History of Australian Feminism*. Sydney: Allen and Unwin.
- Lavalle, A. 2001. The mining industry's campaign against native title. *Australian Journal of Political Science* 36:101–22.
- Leech, B. 2001. Social movements and interest groups: Same message, different frequencies. Paper prepared for the 1st General Conference, European Consortium for Political Research, University of Kent, Canterbury, England.
- Lilburn, S. 2000. The politics of community consultation. *Policy, Organisation and Society* 19:1–20.
- Lukes, S. 1974. *Power: A Radical View*. London: Macmillan.

- McAdam, D., J.D. McCarthy and M.N. Zald (eds). 1996. *Comparative Perspectives on Social Movements: Political Opportunities, Mobilizing Structures, and Cultural Framings*. Cambridge: Cambridge University Press.
- McAllister, I., and D.T. Studlar. 1999. Green versus brown: Explaining environmental activism in Australia. *Social Science Quarterly* 20:775–92.
- McEachern, D. 1991. *Business Mates: The Power and Politics of the Hawke Era*. Sydney: Prentice Hall.
- . 1993. Environmental policy in Australia 1981–1991. *Australian Journal of Public Administration* 52:173–86.
- Maddock, R., and I.W. McLean. 1987. *The Australian Economy in the Long Run*. Cambridge: Cambridge University Press.
- Marginson, S. 1997. *Markets in Education*. Sydney: Allen and Unwin.
- . 2000. *The Enterprise University*. Cambridge: Cambridge University Press.
- Marr, D. 1999. *The High Price of Heaven*. Sydney: Allen and Unwin.
- Marsh, I. 1995. *Beyond the Two Party System*. Melbourne: Cambridge University Press.
- Marsh, I., and L. Galbraith. 1995. The political impact of the Sydney Gay and Lesbian Mardi Gras. *Australian Journal of Political Science* 30:300–21.
- Marshall, N. 1991. Pressure groups, bureaucratic pluralism and the fragmentation of Australian science and technology policy. *Australian Journal of Public Administration* 50:154–70.
- . 1995. The Australian Vice-Chancellors' Committee: From gentlemen's club to political lobby. *Higher Education Quarterly* 49:37–58.
- Martin, P., and D. Halpin. 1999. Farmer representation in Australia: Avenues for changing the political environment. *Australian Journal of Public Administration* 58:33–46.
- Matthews, T. 1980. 'Australian pressure groups' in *Australian Politics: A Fifth Reader*. Edited by H. Mayer and H. Nelson. Melbourne: Longman Cheshire.
- . 1990. Federalism and interest group cohesion: A comparison of two peak business groups. *Publius* 20:105–29.
- . 1997. 'Interest groups' in *Politics in Australia*. 3rd ed. Edited by R. Smith, pp. 269–90. Sydney: Allen and Unwin.
- Matthews, T., and J. Warhurst. 1993. 'Australia: Interest groups in the shadow of strong political parties' in *First World Interest Groups: A Comparative Perspective*. Edited by C. Thomas, pp. 81–96. Westport, CT: Greenwood Press.
- May, J. 2001. 'The challenge of poverty: The case of ACOSS' in *Speaking for the People: Representation in Australian Politics*. Edited by G. Zappala and M. Sawyer, pp. 246–71. Melbourne: Melbourne University Press.
- Meekosha, H. 2001. 'The politics of recognition or the politics of presence: The challenge of disability' in *Speaking for the People: Representation in Australian Politics*. Edited by G. Zappala and M. Sawyer, pp. 225–45. Melbourne: Melbourne University Press.
- Melville, R. 1999. The state and community sector peak bodies: Theoretical and policy challenges. *Third Sector Review* 5:25–41.
- Mendes, P. 1999. From protest to acquiescence: Political movements of the unemployed. *Social Alternatives* 18:44–50.
- Offe, C., and H. Wieselthaler. 1980. Two logics of collective action: Theoretical notes on social class and organisational form. *Political Power and Social Theory* 1:67–115.
- Olson, M. 1965. *The Logic of Collective Action*. Cambridge, MA: Harvard University Press.
- . 1984. Australia in the perspective of the rise and decline of nations. *Australian Economic Review* 67:7–17.
- Pakulski, J., B. Tranter and S. Crook. 1998. The dynamics of environmental issues in Australia: Concerns, clusters and carriers. *Australian Journal of Political Science* 33:235–52.

- Papadakis, E. 1993. *Politics and the Environment*. Sydney: Allen and Unwin.
- . 1996. *Environmental Politics and Institutional Change*. Cambridge: Cambridge University Press.
- . 2001. 'Social movements: The citizens in action' in *Are You Being Served? State, Citizens and Governance*. Edited by G. Davis and P. Weller. Sydney: Allen and Unwin.
- Peetz, D. 1998. *Unions in a Contrary World: the Future of the Australian Trade Union Movement*. Melbourne: Cambridge University Press.
- Pincus, J. 1987. Rational actor theory in politics. *Economic Record* 63:22–32.
- . 1995. 'Evolution and political economy of Australian trade policies' in *Australia's Trade Policies*. Edited by R. Pomfret, pp. 53–73. Oxford: Oxford University Press.
- Portes, A. 1998. Social capital: Its origins and application to modern sociology. *Annual Review of Sociology* 24:1–24.
- Prasser, S., and G. Starr (eds). 1997. *Policy and Change: The Howard Mandate*. Sydney: Hale and Iremonger.
- Putnam, R. 2000. *Bowling Alone: The Collapse and Revival of American Community*. New York: Simon and Schuster.
- Ravenhill, J. 1997. 'Business and politics' in *Politics in Australia*. 3rd ed. Edited by R. Smith, pp. 291–316. Sydney: Allen and Unwin.
- Rhodes, M. 2000. 'The political economy of social pacts: Competitive corporatism and European welfare reform' in *The New Politics of Welfare*. Edited by P. Pierson. Oxford: Oxford University Press.
- Rhodes, R.A.W. 1997. *Understanding Governance: Policy Networks, Governance, Reflexivity, and Accountability*. Milton Keynes: Open University Press.
- Richardson, J.J. 2000. Government, interest groups and policy change. *Political Studies* 48:1006–25.
- Rowse, T. 2001. 'Democratic systems are an alien thing to Aboriginal culture ...' in *Speaking for the People: Representation in Australian Politics*. Edited by G. Zappala and M. Sawyer, pp. 103–33. Melbourne: Melbourne University Press.
- Ryan, N., R. Parker and K. Hutchings. 1999. *Government, Business and Society*. Sydney: Prentice Hall.
- Sawyer, M. 1990. *Sisters in Suits: Women and Public Policy in Australia*. Sydney: Allen and Unwin.
- . 1991. 'Why has the women's movement had more influence in Australia?' in *Australia Compared*. Edited by F.G. Castles, pp. 258–78. Sydney: Allen and Unwin.
- . 1997. 'A defeat for political correctness?' in *The Politics of Retribution: The 1996 Australian Federal Election*. Edited by C. Bean, S. Bennett, M. Simms and J. Warhurst, pp. 73–9. Sydney: Allen and Unwin.
- . 2000. 'Women: Gender wars in the nineties' in *Howard's Agenda: The 1998 Australian Election*. Edited by M. Simms and J. Warhurst, pp. 149–58. Brisbane: University of Queensland Press.
- Sawyer, M., and A. Groves. 1994. The women's lobby. *Australian Journal of Political Science* 29:435–59.
- Sawyer, M., and J. Jupp. 1996. The two-way street: Government shaping of community based advocacy. *Australian Journal of Public Administration* 55:82–100.
- Sawyer, M., and M. Simms. 1993. *A Woman's Place: Women and Politics in Australia*. Sydney: Allen and Unwin.
- Sieper, E. 1982. *Rationalising Rustic Regulation*. Sydney: Centre for Independent Studies.
- Simms, M. 1997. 'Trade unions' in *Politics in Australia*, 3rd ed. Edited by R. Smith, pp. 317–31. Sydney: Allen and Unwin.
- Simms, M., and J. Warhurst (eds). 1999. *Howard's Agenda: The 1998 Australian Election*. Brisbane: University of Queensland Press.
- Singer, P. 1977. *Animal Liberation*. New York: Avon

- Singleton, G. 1990. *The Accord and the Australian Labour Movement*. Melbourne: Melbourne University Press.
- . 1997. 'Trade unions and business' in *The Politics of Retribution: The 1996 Australian Federal Election*. Edited by C. Bean, S. Bennett, M. Simms and J. Warhurst, pp. 57–67. Sydney: Allen and Unwin.
- Smith, R. 1997. *Politics in Australia*. 3rd ed. Sydney: Allen and Unwin.
- Stewart, R.G. 1994. *Government and Business Relations in Australia*. Sydney: Allen and Unwin.
- Stone, D. 1996. *Capturing the Political Imagination: Think Tanks and the Policy Process*. London: Frank Cass.
- Tongue, S. 1997. 'The virtues and vices of lobbying' in *Accountability and Corruption: Public Sector Ethics*. Edited by G.L. Clark, E. Prior Jonson and W. Caldow, pp. 119–38. Sydney: Allen and Unwin.
- Touraine, A. 1981. *The Voice and the Eye: An Analysis of Social Movements*. Cambridge: Cambridge University Press.
- Tranter, B. 1996. The social bases of environmentalism in Australia. *Australian and New Zealand Journal of Sociology* 32:61–85.
- . 1999. Environmentalism in Australia: Elites and the public. *Journal of Sociology* 35:331–50.
- Truman, D. 1951, *The Governmental Process*. New York: Knopf.
- van Acker, E. 1999. *Different Voices*. London: Macmillan.
- Walter, J. 1996. *Tunnel Vision: The Failure of Political Imagination*. Sydney: Allen and Unwin.
- Warhurst, J. 1987. Pressuring the government: Lobbyists and policy making in Canberra. *Current Affairs Bulletin* 64:13–19.
- . 1994. The Australian Conservation Foundation. *Environmental Politics* 3:68–90.
- . 1997. 'Changing relations between governments and interest groups' in *Policy and Change: The Howard Mandate*. Edited by S. Prasser and G. Starr, pp. 111–27. Sydney: Hale and Iremonger.
- . 1998. Locating the target: Regulating lobbying in Australia. *Parliamentary Affairs* 51:538–50.
- Warhurst, J., J. Brown and R. Higgins. 2000. 'Tax groupings: The group politics of taxation reform' in *Howard's Agenda: The 1998 Australian Election*. Edited by M. Simms and J. Warhurst, pp. 167–73. Brisbane: University of Queensland Press.
- Western, B. 1996. The puzzle of Australian union decline. *Australian and New Zealand Journal of Sociology* 32:31–43.
- Willett, G. 2000. *Living Out Loud: A History of Gay And Lesbian Activism in Australia*. Sydney: Allen and Unwin.
- Winter, I. (ed.). 2000. *Social Capital and Public Policy in Australia*. Melbourne: Australian Institute of Family Studies.
- Yeatman, A. 1998. *Activists and the Policy Process*. Sydney: Allen and Unwin.
- Zappala, G. 1999. The phases of the political participation of ethnic minorities in Australian politics. *Journal of Intercultural Studies* 20:65–79.
- . 2001. 'The political misrepresentation of ethnic minorities: Moving beyond the mirror' in *Speaking for the People: Representation in Australian Politics*. Edited by G. Zappala and M. Sawyer, pp. 134–61. Melbourne: Melbourne University Press.

Environmental Policy and Politics

Elim Papadakis

Several factors affect how new policy ideas progress onto the political agenda. These include intellectual breakthroughs in research, which in turn change perceptions of issues; and the willingness by or pressure on political organisations and the media to articulate new ideas. When such organisations as political parties, interest groups and social movements latch onto new concepts from expert communities, often claiming them as their own, there is scope for significant shifts in the research agenda across many disciplines, including the social sciences. Above all, if political organisations are able to influence debate, through media coverage and, subsequently, through public opinion, there is likely to be an increase in research capacity.

There are certainly time lags between some of these stages of development. Take the impact of one of the most influential works in the recent history of the environmental movement, *Silent Spring*, by Rachel Carson (1962). Its influence was immediate in some respects but delayed in others. *Silent Spring* was a landmark scientific study written by a marine biologist who had previously worked for the United States government, and a passionate attempt to change perceptions about the chemical industry (and industry in general) from that of a benign force in promoting progress and prosperity to that of arrogance, characteristic of neglectful and exploitative attitudes to nature. Though the work attracted huge publicity across the world, its impact on mainstream media perceptions in Australia was delayed by several years, as was the effect on policies over the use of DDT (Papadakis 1996:74–5).

There are many examples of innovations, breakthroughs or discoveries that were ‘ahead of their time’, yet formed the basis years later for environmental movements in Australia. These include acknowledgement of the significance of the difference in lifestyles of European settlers and the Indigenous population; creation of myths about the Australian bush by poets and artists, and the connection between these ideas and the notions of nationalism, egalitarianism and patriotism; the practice of organised lobbying by associations of preservationists and conservationists; adaptation of a model from the US for the preservation of wilderness and national parks; innovations in ideas about tourism and environmental protection; and the concept of preservation for future generations. Yet it was not until several decades later, from the 1960s, that leading political

organisations, let alone environmental groups and organisations, adopted these principles (Papadakis 1996:60).

Acceptance of these ideas was crucial for development of research into environmental politics and policy. However, such acceptance was not essential in generating the intellectual breakthroughs and some of the original and persuasive arguments that changed perceptions. Examples of some of the most influential works, apart from *Silent Spring*, include *The Population Bomb* (Ehrlich 1968), 'The tragedy of the commons' (Hardin 1968), *The Limits to Growth* (Meadows et al. 1972), *Small Is Beautiful* (Schumacher 1973) and *Our Common Future* (WCED 1987). The impact of these works on policy-makers, media and public opinion was decisive in stimulating empirical and conceptual research relevant to environmental policy and politics. Political organisations have in turn drawn on the burgeoning empirical and conceptual studies to set the agenda for change, especially over the past two decades.

Apart from the kinds of breakthroughs articulated by *Silent Spring*, research into environmental policy and politics is stimulated by notions of polluters paying for damage they inflict on the environment (polluter-pays principle), cost-benefit analysis (applying economic rationality to decision-making) (Sugden and Williams 1978), postmaterialism (the apparent shift from materialist values to a focus on the quality of life, spiritual values and self-fulfilment) (Inglehart 1990), emergence of new conflicts in society and realignment of party-political divisions (Dalton, Flanagan and Beck 1984; Dalton and Kuechler 1990), the rise of social movements with a focus on meaning and identity (Touraine 1985; Cohen 1985), how social forces are shaped and ordered by institutions (March and Olsen 1989; North 1990), and problems of communication associated with self-referential systems (Luhmann 1989, 1990). It is important to counter some of the arguments about institutional inertia that emerge in the literature on public opinion and popular governance, which – in line with arguments by writers who focus on meaning, identity and value change – argues for the impact of shifts in public opinion on policy (Page and Shapiro 1992)

Policy evolution

Before describing research that has influenced or reflected some of these ideas, there is value in tracking the evolution of policy in Australia. One way of organising such an account of policy is to use the model proposed by Jänicke (1997) and Jänicke and Weidner (1997:147). They assume strategies for environmental capacity-building vary according to different types of regime and their stage of development. New strategies are adopted as environmental advocates expand. The first set of responses is reactive and generally involves regulation or technical approaches to environmental dilemmas. The final stage, 'ecological modernisation', constitutes a deep-seated response. In this stage, technical innovation makes it economically efficient and competitive for industry to adopt environmentally friendly practices, green enterprises play an increasingly prominent role in the economy, and there are significant changes in patterns of production and consumption.

Application of this framework to Australia is implicit in accounts that draw on neo-corporatist theory. It is explicit in analyses of institutional change by Papadakis (1996, 2001) and Papadakis and Young (2000). For instance, in evaluating environmental capacity in the 1950s one finds a lack of Commonwealth government responsibility for the environment. This reflects its omission in the constitution, making it a residual power and therefore placing it within the sphere of influence of state governments. This corresponded to an absence of institutional mechanisms to protect and manage the environment, and the predominance of economic development coupled with low priority to environmental issues. Efforts by the states to attract foreign capital and avoid regulations that might deter investment meant there was a minimal foundation for a system of national parks and rudimentary legislation to protect flora and fauna.

To overcome this neglect, by the mid-1960s, state governments began to accept some responsibility for regulations like air-pollution laws. Catalysts for change from other countries included the killer fog in London in 1952, nuclear weapons testing (by the US, the Soviet Union and Britain), the Torrey Canyon oil spill in 1967, and publication of *Silent Spring*, *The Population Bomb* and *The Limits to Growth*. Among intellectual elites and commentators, as well as social movements, there were strong proponents in Australia for an overhaul of prevailing economic, political and social structures that generated exploitative and unsustainable attitudes to the environment.

The response by governments in advanced industrial nations, including Australia, was cautious rather than accepting of radical prescriptions. They acknowledged some problems and the need for regulation. However, the approach was to use well-established techniques of 'administrative rationalism', which entails using existing bureaucratic expertise and mechanisms (see Dryzek 1997) and viewing environmental issues as 'minor, technical, soluble and politically uncontentious' (Jacobs 1997:3). There were official inquiries into air and water pollution, the Office of the Environment was created in 1971 and the Australia Environment Council in 1972, and from 1972 environmental impact statements became mandatory in assessing cabinet decisions of environmental importance. State governments established their own laws and agencies. With the election of the Whitlam Labor government (1972 to 1975) there was further consolidation of initiatives, and an attempt to realise electoral promises to address quality-of-life issues (Papadakis 1996). Reforms included establishment of a separate government department to deal with environmental issues and of a Department of Regional and Urban Development; creation of the Australian National Parks and Wildlife Service and the Australian Heritage Commission; a new commitment to international treaties on the environment; and provision of a legislative basis for the environmental impact statement with the *Environmental Protection (Impact of Proposals) Act 1974*.

However, even in the late 1970s, environmental policy relied on ad hoc responses to many issues. The environment was not integrated into economic decision-making, and when conflicts did arise between environment and economic portfolios, the former usually lost out (Young 1994: chapter 4). There was limited appreciation of the values underlying the critique by environmentalists, especially among state governments.

The transformation of government institutions in the 1980s appeared to follow the pattern posited by Jänicke and Weidner (1997) of increasing efforts among developed

nations to address environmental problems. New institutions were created integrating economic and environmental concerns at Commonwealth, state and local government levels. In the 1990s, governments enacted broad legislation for environmental protection, and new laws like the *Environment Protection and Biodiversity Conservation Act 1999* enshrined in legislation for the first time the promotion of ecologically sustainable development (ESD). Despite impediments in institutional structures, like potentially conflicting roles of levels of government and lack of effective coordination (Productivity Commission 1999), a 'whole of government' approach was introduced, at least in principle. Furthermore, governments improved the knowledge base about the state of the environment (SEAC 1996), and about economic costs and benefits of pursuing certain actions. Some institutional innovations broadened and intensified capacity to integrate various considerations into policy, notably the Resource Assessment Commission (RAC), which attempted to take into account economic, cultural, social, scientific, ecological and recreational values.

Similarly, the ESD working groups represented an effort to combine international debates about sustainable development with Prime Minister Hawke's unique style of 'consensus' politics (Economou 1996). The promise to accommodate environmental and economic goals became the central plank of environment policy. A further initiative under this broad rubric was the National Strategy for Ecologically Sustainable Development (NSESD), which attempted to coordinate efforts by public institutions to deal with environmental issues. The process of formulating a strategy was assisted by a November 1991 agreement among heads of government to create an intergovernmental ESD Steering Committee. In December 1992 the Council of Australian Governments (COAG), comprising the leaders of federal, state and territory governments and the president of the Local Government Association, endorsed the NSESD. The recommendations of the ESD working groups and the Intergovernmental Agreement on the Environment (IGAE) (May 1992) became the basis for developing policy. The involvement of the most authoritative association for intergovernmental cooperation, COAG, was vital in ensuring principles of sustainable development were applied to all levels of government.

Crucially, rather than occurring in a vacuum, these changes reflected the importance of environmental policy to a significant number of voters. In particular, there was a decisive shift in opinion between February and June 1989 – triggered largely by increasing concern about climate change and by the unforeseen success in Tasmania of the Green Independents, who attracted nearly 20 per cent of the vote (see Papadakis 1996:172–3). This heralded a clear warning to both major parties to take the environment seriously or risk losing office. Furthermore, ever since 1983, when the environment was first exploited as a major election issue at the federal level, the preferences of green parties and recommendations by green political organisations became crucial to Labor's success. Labor was therefore especially keen to adopt such notions as sustainable development as a way of reconciling environmental and economic objectives.

The language of ESD, along with efforts to enhance central coordination of policy and recognition of the interrelated character of problems, matches the conjectures by Jänicke and Weidner (1997) about increasing government capacity for environmental protection. This occurs when government institutions are open to non-governmental

actors, policy coordination occurs across tiers of government and between government agencies, non-government actors are integrated in the policy process and a cooperative style is put in place.

The promise of ESD was, however, only partially realised (SEAC 1996:15), and most recommendations of the ESD working groups were not implemented (Productivity Commission 1999). There persisted fragmentation and compartmentalisation of government departments and tiers of administration (SEAC 1996:11). Much of the impetus for environmental reform was lost in debates over economic reform and, from 1991–92 onwards, many environmental advocates found themselves defending any gains they had achieved, rather than extending the boundaries of statutory intervention.

The advent of a Coalition government in 1996 led to the creation of a \$1.25 billion Natural Heritage Trust, funded through partial privatisation of Telstra. This allowed the government to realise a national vegetation plan, rehabilitate the Murray–Darling River Basin, conduct a national land and water resources audit, establish a national reserve system and tackle pollution of the coast and seas. The government also supported a process to identify links between the NSESD and other policies and initiatives (like the IGAE, the National Greenhouse Response Strategy, the formation of the Australian Greenhouse Office and the National Strategy for the Conservation of Australia's Biological Diversity). Other initiatives associated with the NSESD include the National Waste Minimisation and Recycling Strategy, the Commonwealth Major Projects Facilitation initiative, and the National Forest Policy Statement.

However, subsequent reviews highlighted failures to establish policies on threats to biodiversity; inadequate efforts to reverse the decline in fish stocks; land clearing; ineffective efforts to tackle urban sprawl; transportation and energy-consumption issues; a falling short of commitments to reduce greenhouse gases; and questionable reforms of the electricity industry, which resulted in lower prices and increases in CO₂ emissions (OECD 1998).

Proponents of a coordinated approach to statutory intervention note the success of the Department of the Environment in extending its range of activities beyond its own programs to influence other departments – in setting guidelines for purchasing products and setting standards, heritage programs, creation of a 'green corps' program for young people to work in environmental conservation projects, and educational material for schools and professional development for teachers. Furthermore, although conflicts persist between departments focusing on either industry or the economy, they are far less severe than previously. In part this reflects increasing recognition of the coexistence of environmental and economic objectives.

Another consideration, which relates less to notions of statutory intervention and more to a focus on trade liberalisation, is that 'most decision makers' believe 'the wealth created by economic activities will overcome environmental effects' (OECD 1998:8). This has several consequences. It diminishes interdepartmental conflict over environmental issues (compared to the 1980s). It entails re-evaluation of statutory-intervention traditions. On the one hand, there is pressure for refinement of economic and regulatory instruments (through greater use of product charges, deposit refunds and emission trading, and the adoption of the user-pays principle in areas like waste management and

waste-water treatment for achieving sustainable development (see OECD 1998:2)). On the other hand, it means promoting more than ever the capacity of business and free markets to address problems (see Hawken, Lovins and Lovins 2000). It is therefore unsurprising to find Commonwealth and state governments promoting notions like 'light-handed regulation' (Andrews 2000), emissions trading (Hillman 2000, 2001) and sustainable industries (Commonwealth of Australia 2000:43).

The context of the state and society

Before returning to these issues, which reflect a tension between 'heavy' and 'light-handed' forms of regulation, it is useful to map out the background for policy-making and analysis. Environmental policy in Australia needs to be placed in the context of challenges to traditional roles of the state in promoting welfare and national economic development through regulatory measures. Social-science contribution to research on environmental policy can therefore be traced to longstanding debates about the mix of policy instruments, culminating in recent discussions about the persistence of regulatory traditions and new ways of organising state interventions – including voluntary agreements, targeting resources to create competitive eco-efficient industries, and research on economic or market-based systems like emissions trading. An important aspect of contributions by social scientists lies in understanding the distinct characteristics of the state and society, geography, climate and patterns of resource exploitation. Social-science research has served to identify specific hazards arising from demographic and economic trends, to the extent that, in 1989, there was official recognition of the unsustainable aspects of European patterns of agricultural development and of the considerable destruction wrought over the past century (Commonwealth of Australia 1989:46).

The traditional role of the state in 'nation-building' is associated with white settlement as Australia was transformed from a penal colony into a federal state. However, by the 1990s the state's role in advancing national economic development had diminished somewhat, and there were important modifications of statutory intervention. For instance, notions of citizens' rights were redefined by reducing the emphasis on the passive receipt of benefits and underscoring self-provision through either employment or savings. With respect to the environment, the state played a powerful interventionist role during the 1980s and thus turned away from drawing sharp contrasts between environmental and economic values to support for sustainable development (see Productivity Commission 1999). In the 1990s it adopted notions of deregulation and support for industries seeking to gain competitive advantage through embracing eco-efficiency and other measures (see Dunphy et al. 2000).

The espousal of sustainable development in the late 1980s and creation of new institutional structures like the Resource Assessment Commission and the ESD working groups was viewed as a 'golden age of Commonwealth activity' (Economou 1999:80). Social-science research in Australia has attempted to understand these developments in terms of neo-corporatist and other forms of bargaining (see Downes 1996:175; Economou 1996; McEachern 1993), efforts to overcome the limits of self-referential systems and longstanding institutional practices (Papadakis 1996), the infusion of

postmaterial values advocated by social movements into the political system (Papadakis 1991, 1993) and patterns in public opinion (McAllister 1994; McAllister and Studlar 1993; Crook and Pakulski 1995).

The rationale for describing the late 1980s as a 'golden age' derives from initiatives by government 'to institute far more pro-active, long-term policy-making in a deliberate bid to move away from short-term, reactive processes' and to incorporate peak interest groups (Economou 1993:399–400; see also Papadakis 1993, 2001). Efforts to understand such practices were developed mainly in Europe – for instance, in the literature on ecological modernisation (Spaargaren and Mol 1992) and sustainable development (Lafferty 1996), as well as the models of capacity-building referred to earlier in this chapter (Jänicke 1997).

Critical accounts of Australian developments

Environmental politics and policy is largely framed around two approaches to statutory intervention. Research stemming from these accounts is explored more fully in the next section. First, however, one needs to consider issues raised by critical accounts of developments in this country – especially Australia's performance in historical perspective and compared to other countries; the shift in the balance of power towards the Commonwealth; and the character of campaigns by interest groups and social movements and the salience of community attitudes.

Taking Australia's performance in historical perspective, critics highlighted the imprint of white settlement – transforming the relationship between humans and the landscape from a benign into a hostile relationship (Heathcote 1972; Baker Proudfoot 1979; Whitelock 1985; Thompson 1986). Some of the most scathing accounts, backed by empirical research, of the arrogant and hostile attitudes towards nature appear in work by Marshall (1966) and Bolton (1981). Adding to this approach is a literature that sets Australia in comparative context, often differentiating between 'leaders' and 'laggards', and attempting to quantify the performance of different regimes, including Australia (see Jahn 1998; Lafferty and Meadowcroft 2000). Some of this work focuses on particular issues and contributes to ongoing controversies over the relative performance of Australia in areas like climate change (see Hamilton 2001). These arguments form an important part of the case made for (or against) statutory intervention in environmental policy-making. However, they may clash with accounts focusing on the distinctive characteristics of the Australian landscape – a point indirectly supported by those who stress the idiosyncratic character of environmental campaigns in this country (see Hay and Haward 1988, and the discussion below).

Regarding the policy process, growing criticism of state governments, establishment of federal institutions like the Australian National Parks and Wildlife Service and Australian Heritage Commission, and endorsement of international conventions like the UN World Heritage Convention (1974) and the UN Environment Program (1972) meant an increasingly prominent role for Commonwealth governments in environmental policy. In 1981, Kakadu National Park, the Great Barrier Reef and the Willandra Lakes region were entered on the World Heritage List, and the same occurred in 1982 to the

Western Tasmania Wilderness National Parks and the Lord Howe Island Group. More controversially, the Commonwealth used its powers over external affairs and corporations to pass the *World Heritage Properties Conservation Act 1983* to prevent construction of the Franklin Dam in Tasmania – a move that triggered an unsuccessful appeal against the Commonwealth in the High Court (Zines 1985). The issues of Commonwealth powers in environmental policy and some of the tensions between layers of the Australian state on this question are explored by Doyle and Kellow (1995:144–50).

Another distinctive Australian dimension of policy pertains to the focus of environmental campaigns. This complements debates about whether or not developments in Australia can easily be compared to those in other countries. For instance, Hay and Haward (1988:437–8) differentiate between ‘wilderness-inspired green commitment’ in Australia and opposition to nuclear power in Europe. This focus of the green movement on wilderness issues has been criticised for its idealism and narrowness (Kellow 1990; Rainbow 1992). Other researchers have shown, in empirical studies, the importance of issues other than wilderness, of such ‘brown issues’ as pollution and waste disposal – and demonstrated that concern about ‘green’ and ‘brown’ issues varies between different socioeconomic groups and political orientations (Crook and Pakulski 1995).

The implications of these findings are crucial for understanding constituencies for environmental policies and potential links between environment and development. In the 1980s, green social movements influenced the policy agenda by focusing on wilderness issues. The situation became more complex in the 1990s as ‘brown’ issues assumed significance among policy-makers and the mass public, and there was considerable pressure to ensure compatibility between environment and development.

Studies of community attitudes have been valuable in tracking the enduring concern about the environment, even in times of economic difficulty (see McAllister and Studlar 1993; Lothian 1994; McAllister 1994; Pakulski and Crook 1995). These studies have complemented the focus on social movements and interest groups that have played a pivotal role in shaping the agenda. For instance, the Australian Conservation Foundation was founded by prominent members of the political establishment before adopting the more radical political stances of new social movements in the 1970s (Warhurst 1994). There are also accounts of progressive influence by green social movements on society, from the Green Ban movement in Sydney in the 1970s (Roddewig 1978; see also Munday 1987; Burgmann 1993) to the rise of the Wilderness Society and other influential groups in the 1980s (Papadakis 1993). Crucially, there are also studies of the connection between support for such movements, and values, attitudes and political identification (Papadakis 1991; McAllister 1994; Pakulski and Crook 1995).

Competing interpretations of statutory intervention

The direction of these developments in theory and practice appears to hinge on two approaches to statutory intervention. The first is premised on greater and more refined regulation, the second, neoliberal approach, on less regulation, introduction of ‘new environmental policy instruments’ and engagement with the private sector. Both approaches highlight shortcomings of governments.

The first approach assumes a demise of arrangements instituted in the late 1980s, including failure to implement most recommendations of the ESD working groups. By contrast to neoliberal arguments, neo-corporatists are concerned about the diminished role of the state, and the ALP government under Keating and the Coalition under Howard are seen as undermining the 'golden age' of intervention. Reflecting this point of view, Crowley maintains the state assumed 'a self-diminished role in ecological governance at this critical time' and states that 'for all the efforts of the green movement, there has been no political shift towards ecological rationality' (Crowley 1999:46, 47). She characterises the situation as one of 'the steady dismantling of state environmental procedures and protection' (Crowley 1999:48), citing studies by Christoff (1998), Dovers and Lindenmayer (1997) and Davis (1996). Hamilton (2001) offers an account of state failure in an area like climate change. Most of these writers recognise the withdrawal from earlier pledges partly began under Labor – for example, from the 20 per cent target set in the October 1990 to reduce artificial greenhouse-gas emissions (from 1988 levels) by the year 2005, and from commitments to initiatives like the RAC and ESD. Although the Coalition government took this withdrawal further, it remained committed to such forms of institutionalisation as the IGAE, NSESD, financial pledges to initiatives like the Natural Heritage Trust, cooperation between agencies, and developing measures for and monitoring of sustainable development. Nonetheless, the Coalition government took an even stronger line than the previous regime on defining the 'national interest' largely in economic terms – partly in response to fears about how Australia could successfully compete in world markets.

Social-science research is, however, divided on how to interpret these changes. For some the so-called 'golden age' was 'an aberration with short-lived institutional outcomes' (Crowley 1999:62). This runs counter to the view that in most developed nations, 'Existing regulatory structures and capacities in the environmental domain remain essentially intact and, if anything, established ministries and agencies have extended their reach' (Lafferty and Meadowcroft 2000:452).

However, from a neoliberal perspective, neo-corporatist arrangements are highly problematic because they fail to keep sectional interests 'at arm's length from the policy-making process' and hence distort the 'national interest' (see Economou 1999:76). In practice, there is ample evidence both of institutional continuity of and challenges to some previous practices (Papadakis 2000).

There is a discontinuity in terms of emphasis, notably through new ways of organising state interventions – including voluntary agreements, targeting resources to create competitive eco-efficient industries, and research on economic or market-based systems like emissions trading. What has emerged is a new mix of approaches, reflected in initiatives like the *Renewable Energy Action Agenda* (DISR 2001) – part of an effort to create a renewable-energy industry with annual sales of \$4 billion by 2010 – and the *Renewable Energy (Electricity) Act 2000*, which sets mandatory (2 per cent) targets for renewable energy. Overall, governments are trying to promote new markets and introduce regulations compelling enterprises to exploit different sources of energy.

Furthermore, the focus on light-handed regulation (Andrews 2000) is a feature of the National Greenhouse Strategy (NGS), which emphasises 'greenhouse best practice in industrial processes and waste management', and includes a \$3 million 'eco-efficiency

program' launched by the federal Environment Ministry. This has so far led to signed agreements with the Housing Industry Association and the Australian Food and Grocery Council 'to promote, demonstrate and monitor improved eco-efficiency practices' (Commonwealth of Australia 2000:66). The idea of partnership with business and identifying 'potential eco-efficiency improvements' is also a feature of the Queensland EPA Cleaner Production Partnerships Program (worth \$1.2 million), with the NGS reporting that '218 consultations had been undertaken with a number being referred for signatory arrangements under the Greenhouse Challenge Program' (Commonwealth of Australia 2000:67). There are many such examples in the US (Hawken, Lovins and Lovins 2000) and several among Australian corporations (Dunphy et al. 2000). Besides, the light-handed regulatory state is not alone in promoting market-based emissions-trading systems. There are signs of unilateral commitments by industry, as in the internal trading systems being implemented by Shell and BP Amoco, and trading in carbon sequestration credits.

Even some critics of state failure argue a comprehensive approach to policy would need, among other factors, to examine the role of 'wealth-generating industries' operating in greater harmony 'with bio-physical realities' (Carden 1999:102). Such an account would acknowledge some tenets of 'natural capitalism' (Hawken, Lovins and Lovins 2000) and possibilities for dramatic change arising from shifts in values and practices in the non-state sector. It also potentially recognises possibilities for strategic and light-handed approaches to regulation.

Furthermore, proponents of new environmental policy instruments challenge the assumption that industry's role is necessarily destructive, and promote instruments that minimise regulation and tap the potential for industry to make a huge contribution to reversing trends in environmental destruction. There are hurdles to the realisation of this scenario, including resistance by parts of industry to the argument they are operating in an unsustainable manner, and the difficulty of influencing government institutions that have played a central role in creating and enforcing regulations. Yet the neoliberal interest in new environmental policy instruments not only may confirm some critics' worst fears, but also may at times offer practical solutions to longstanding problems.

All this serves to show that Australia is, in terms of policy and of the kinds of recommendations emanating from the research community, cautious in its approach to statutory intervention and willing to experiment with new economic instruments. The overall goals guiding policy are characterised by pragmatism and eclecticism. Comparisons with other developed nations have led to the categorisation of Australia (along with Canada, Germany, Japan and the UK) as 'cautiously supportive' of sustainable development (Lafferty and Meadowcroft 2000:412), perhaps lagging behind the Netherlands, Norway and Sweden, but ahead of the US. However, if we focus on market-based instruments rather than sustainable development, there appears to be greater interest in experimenting with these under the current regime in Australia than in many other developed nations.

Overall, empirical studies of the kind cited in this chapter have made a valuable contribution to understanding policy-makers' dilemmas as they attempt to understand the links between economy and environment and modify dominant paradigms (be they based on cost-benefit analysis, administrative rationalism, free markets or statutory intervention) that have traditionally influenced their recommendations. Researchers in

Australia have engaged with theories about how to address these issues, and with the empirical realities of implementing environmental policy in the unique context of the polity, economy and geography.

References

- Andrews, G. 2000. Speech to the Financial Review Conference on Emissions Trading by the chief executive of the Australian Greenhouse Office, Sydney, March.
- Baker Proudfoot, H. 1979. 'Strange new world', in *Australia's 100 Years of National Parks*. Edited by W. Goldstein, pp. 36–44. Sydney: National Parks and Wildlife Service.
- Bolton, G. 1981. *Spoils and Spoilers: Australians Make Their Environment, 1780–1980*. Sydney: Allen and Unwin.
- Burgmann, V. 1993. *Power and Protest: Movements for Change in Australian Society*, Sydney: Allen and Unwin.
- Carson, R. 1962. *Silent Spring*. Boston: Houghton Mifflin.
- Christoff, P. 1998. Degreening government in the garden state: Environment policy under the Kennett Government. *Environment Planning and Law Journal* 15:10–32.
- Cohen, J.L. 1985. Strategy or identity: New theoretical paradigms and contemporary social movements. *Social Research* 52:663–716.
- Commonwealth of Australia. 1989. *Our Country, Our Future: Statement on the Environment*. Canberra: AGPS.
- . 2000. *National Greenhouse Strategy: 2000 Progress Report*. Canberra: Australian Greenhouse Office.
- Crook, S., and J. Pakulski. 1995. Shades of green: Public opinion on environmental issues in Australia. *Australian Journal of Political Science* 30:39–55.
- Crowley, K. 1999. 'Explaining environmental policy: Challenges, constraints and capacity' in *Australian Environmental Policy 2*. Edited by K.J. Walker and K. Crowley. Sydney: UNSW Press.
- Dalton, R., S. Flanagan and P.A. Beck (eds). 1984. *Electoral Change in Advanced Industrial Democracies*. Princeton, NJ: Princeton University Press.
- Dalton, R., and M. Kuechler (eds). 1990. *Challenging the Political Order: New Social Movements in Western Democracies*. Cambridge: Polity Press.
- Davis, B. 1996. Achieving sustainable development: Scientific uncertainty and policy innovation in Tasmanian regional development. *Australian Journal of Public Administration* 55:100–8.
- DISR. 2001. *New Era New Energy: Renewable Energy Action Agenda*. Canberra: Department of Industry, Science and Resources.
- Dovers, S., and D. Lindenmayer. 1997. Managing the environment: Rhetoric, policy and reality. *Australian Journal of Public Administration* 56:65–80.
- Downes, D. 1996. Neo-corporatism and environmental policy. *Australian Journal of Political Science* 31:175–90.
- Doyle, T., and A. Kellow. 1995. *Environmental Politics and Policy Making in Australia*. Melbourne: Macmillan.
- Dryzek, J. 1997. *The Politics of the Earth: Environmental Discourses*. Oxford: Oxford University Press.
- Dunphy, D., J. Benveniste, A. Griffiths and P. Sutton (eds). 2000. *Sustainability: The Corporate Challenge of the 21st Century*. Sydney: Allen and Unwin.
- Economou, N. 1993. Accordism and the environment: The Resource Assessment Commission and national environmental policy-making. *Australian Journal of Political Science* 28:399–412.
- . 1996. Australian environmental policy-making in transition: The rise and fall of the Resource Assessment Commission. *Australian Journal of Public Administration* 55:12–22.
- . 1999. 'Backwards into the future: National policy making, devolution and the rise and fall of the environment' in *Australian Environmental Policy 2*. Edited by K.J. Walker and K. Crowley. Sydney: UNSW Press.

- Ehrlich, P.R. 1968. *The Population Bomb*. New York: Ballantine.
- Hamilton, C. 2001. *Running from the Storm: The Development of Climate Change Policy in Australia*. Sydney: UNSW Press.
- Hardin, G. 1968. The tragedy of the commons. *Science* 162:1243–8.
- Hawken, P., A.B. Lovins and L.H. Lovins. 2000. *Natural Capitalism: The Next Industrial Revolution*. London: Earthscan.
- Hay, P.R., and M.G. Haward. 1988. Comparative green politics: Beyond the European context? *Political Studies* 36:433–48.
- Heathcote, R.L. 1972. 'The visions of Australia 1770–1970' in *Australia as Human Setting*. Edited by A. Rapoport. Sydney: Angus and Robertson.
- Hillman, R. 2000. Statement by Mr Ralph Hillman, Australian Ambassador for the Environment, to the Senate Environment, Communications, Information Technology and the Arts Reference Committee: Climate Change, 9 March.
- . 2001. Address on climate change by Mr Ralph Hillman, Australian Ambassador for the Environment, to the Institute of International Affairs, Canberra, 9 May, Canberra (http://www.dfat.gov.au/media/speeches/department/010509climate_change.html) (accessed 22 December 2002).
- Inglehart, R. 1990. *Culture Shift in Advanced Industrial Society*. Princeton, NJ: Princeton University Press.
- Jacobs, M. 1997. 'Introduction: The new politics of the environment' in *Greening the Millennium? The New Politics of the Environment*. Edited by M. Jacobs. Oxford: Blackwell.
- Jahn, D. 1998. Environmental performance and policy regimes: Explaining variations in 18 OECD countries. *Policy Sciences* 31:107–31.
- Jänicke, M. 1997. 'The political system's capacity for environmental policy' in *National Environmental Policies: A Comparative Study of Capacity-Building*. Edited by M. Jänicke and H. Weidner. Berlin: Springer-Verlag.
- Jänicke, M., and H. Weidner. 1997. 'Germany' in *National Environmental Policies: A Comparative Study of Capacity-Building*. Edited by M. Jänicke and H. Weidner. Berlin: Springer-Verlag.
- Kellow, A. 1990. 'Spoiling for a fight or fighting over the spoils? Resources and environment politics and policies towards 2000' in *Australia Towards 2000*. Edited by B. Hogwood. London: Macmillan.
- Lafferty, W.M. 1996. The politics of sustainable development: Global norms for national implementation. *Environmental Politics* 5:53–75.
- Lafferty, W.M., and J. Meadowcroft. 2000. 'Concluding perspectives' in *Implementing Sustainable Development: Strategies and Initiatives in High Consumption Societies*. Edited by W. Lafferty and J. Meadowcroft. Oxford: Oxford University Press.
- Lothian, J.A. 1994. Attitudes of Australians towards the environment: 1975 to 1994. *Australian Journal of Environmental Management* 1:78–99.
- Luhmann, N. 1989. *Ecological Communication*. Cambridge: Polity Press.
- . 1990. *Essays on Self-Reference*. New York: Columbia University Press.
- McAllister, I. 1994. Dimensions of environmentalism: Public opinion, political activism and party support in Australia. *Environmental Politics* 3:22–42.
- McAllister, I., and D.T. Studlar. 1993. Trends in public opinion on the environment in Australia. *International Journal of Public Opinion Research* 5:353–61.
- McEachern, D. 1993. Environmental policy in Australia 1981–1991: A form of corporatism? *Australian Journal of Public Administration* 52:173–86.
- March, J.G., and J.P. Olsen. 1989. *Rediscovering Institutions: The Organizational Basis of Politics*. New York: The Free Press.

- Marshall, A.J. 1966. *The Great Extermination: A Guide to Anglo-Australian Cupidity, Wickedness and Waste*. London: Heinemann.
- Meadows, D.H., D.L. Meadows, J. Randers and W.W. Behrens III. 1972. *The Limits to Growth*. New York: New American Library.
- Munday, J. 1987. 'From red to green: Citizen-worker alliance' in D. Hutton (ed) *Green Politics in Australia*. Sydney: Angus and Robertson.
- North, D. 1990. *Institutions, Institutional Change and Economic Performance*. New York: Cambridge University Press.
- OECD. 1998. *Environmental Performance Reviews: Australia. Conclusions and Recommendations*. Paris: Organisation for Economic Cooperation and Development.
- Page, B.I., and R.Y. Shapiro. 1992. *The Rational Public: Fifty Years of Trends in Americans' Policy Preferences*. Chicago: University of Chicago Press.
- Papadakis, E. 1991. 'Does the new politics have a future?' in *Australia Compared*. Edited by F.G. Castles, pp. 239–57. Sydney: Allen and Unwin.
- . 1993. *Politics and the Environment: The Australian Experience*. Sydney: Allen and Unwin.
- . 1994. 'Development and the environment' in Clive Bean (ed) *The 1993 Federal Election*. *Australian Journal of Political Science*, special issue 29:66–80.
- . 1996. *Environmental Politics and Institutional Change*. Cambridge: Cambridge University Press.
- . 2000. 'Australia: Ecological sustainable development in the national interest' in *Implementing Sustainable Development: Strategies and Initiatives in High Consumption Societies*. Edited by W. Lafferty and J. Meadowcroft, pp. 23–52. Oxford: Oxford University Press.
- Papadakis, E., and L. Young. 2000. 'Environmental policy' in *The Future of Governance in Australia*. Edited by M. Keating and P. Weller, pp. 153–76. Sydney: Allen and Unwin.
- Rainbow, S. 1992. Why did New Zealand and Tasmania spawn the world's first green parties? *Environmental Politics* 1:321–46.
- Roddewig, R. 1978. *Green Bans: The Birth of Australian Environmental Politics*. Sydney: Hale and Iremonger.
- Schumacher, E.F. 1973. *Small Is Beautiful: Economics as if People Mattered*. New York: Harper and Row.
- Spaargaren, G., and A.P.J. Mol. 1992. Sociology, environment and modernity: Ecological modernization as a theory of social change. *Society and Natural Resources* 5:323–44.
- SEAC. 1996. *Australia: State of the Environment 1996*. State of the Environment Advisory Council. Canberra: AGPS.
- Sugden, R., and A. Williams. 1978. *The Principles of Practical Cost-Benefit Analysis*. Oxford: Oxford University Press.
- Thompson, P. 1986. *Myles Dunphy: Selected Writings*. Sydney: Ballagrin.
- Touraine, A. 1985. An introduction to the study of social movements. *Social Research* 52:749–87.
- Warhurst, J. 1994. The Australian Conservation Foundation: The development of a modern environmental interest group. *Environmental Politics* 3:68–90.
- Whitelock, D. 1985. *Conquest to Conservation: History of Human Impact on the South Australian Environment*. Cowandilla: Wakefield Press.
- WCED. 1987. *Our Common Future*. World Commission on Environment and Development. Oxford: Oxford University Press.
- Young, L. 1994. *Environmental conflict in Australia*. PhD thesis, University of Adelaide.
- Zines, L. 1985. 'The environment and the constitution' in *Federalism and the Environment*. Edited by R.L. Mathews. Canberra: Centre for Research on Federal Financial Relations.

International Relations

Christian Reus-Smit

In his 1985 survey of the Australian study of international relations, Martin Indyk concluded that 'in the harsh international climate of the 1980s it is hard to envisage that anything but Realism, with the occasional Rationalist bloom to relieve the sense of gloom, will thrive in Australia' (Indyk 1985:300). The terrain of intellectual debate would remain confined, as it had been for most of the post-1945 period, to disagreements between those who stressed the ubiquitous struggle for power among states and those who believed that states formed an international society, compelled by common interests and bound by rules and institutions.¹ While acknowledging that this realist-rationalist condominium had produced significant insights into international relations, Indyk (1985:301) asked whether it had 'provided a basis for accurately analysing international conflict' or 'illuminated the opportunities for Australia in world politics'. His answer (Indyk 1985:301) was not encouraging:

we are still very much in the dark about much of what constitutes world politics. And this must raise doubts about the adequacy of the Australian school's world view and level of analysis.

Like many of the predictions made by international-relations scholars during the 1980s, Indyk's have proven mistaken. In the past two decades there has been a dramatic shift in the study of international relations in Australia, to the point where realist and rationalist works are but two features in a more pluralist and variegated intellectual landscape – a landscape that now includes established bodies of critical theory, constructivism, feminism, and normative scholarship. This has left Australian scholars far better equipped to understand the complexities not only of international relations, narrowly defined, but also of the wider complex of world politics in which such relations are embedded. The story is not all good news, though. As the general study of international relations in Australia has broadened and diversified, the study of Australian foreign policy has languished. With some notable exceptions, established commentators have shifted their focus to other aspects of international relations, and the new generation of theorists and generalists have shown little interest in the subject, isolating it from the rich intellectual resources they have mobilised.

This chapter explains the nature and development of international relations as a social science in Australia since the mid-1980s.² After briefly characterising the field

prior to 'the harsh international climate of the 1980s', I examine the intellectual ferment that erupted in the discipline internationally as a consequence of the second Cold War, and the impact this had on the Australian study of international relations. I then turn to developments after the Cold War, again placing Australian inquiries into the context of broader shifts in international debate. This discussion is divided into two parts, the first addressing the immediate post-Cold War period, the second examining developments in the past five years. Throughout, my analysis is restricted to the discipline of international relations, that field concerned with the nature and origins of 'contemporary interstate politics' (Bull 1972). It excludes consideration of international law, economics and public policy, and touches on area and country studies only in passing. It locates the work of key strategic-studies specialists within debates about international relations, but does not provide a comprehensive overview of Australian scholarship in that field. And, finally, I have left analysis of international political economy to Ian Bell and John Ravenhill in chapter 22, this volume.

The confines of Cold War scholarship

There is widespread consensus that prior to the 1980s, Australian debate about international relations was confined to the intellectual terrain between realism and rationalism. This is the judgement not only of mainstream commentators, such as Indyk, but also of more critically inclined scholars. In Jim George's words (1997:19):

the ostensible differences between orthodox (US) Realism and a Rationalist perspective gleaned from a so-called 'British School' of IR ... have largely framed the theoretical responses of Australian IR scholars to global life since the 1960s.

This realist-rationalist ascendancy is usually attributed to the diplomatic backgrounds of early post-1945 scholars, to Australia's persistent anxieties about threats from Asia and its enthusiastic support for the Western alliance, to the acculturation of leading scholars to the intellectual mores of the London School of Economics during the 1950s and 1960s, and to the proximity of the Australian National University (ANU), as the long-time centre of international scholarship in Australia, to the national policy-making community. That there were always Australian scholars whose work could not be subsumed within the realist-rationalist condominium is never denied, but such scholars are usually cast as idealists or 'system-makers' (Miller 1983:142).

Casting Australian scholarship during the Cold War in these terms has strengths and weaknesses. It is undoubtedly true that the 'gentlemen's' debate between realists and rationalists constituted the magnetic centre of the discipline, symbolised by J.D.B. Miller's and Hedley Bull's long-time tutelage of the Department of International Relations at the ANU. The fulcrum of this debate concerned the possibility of society under anarchy; of sovereign states moving beyond the perpetual struggle for power to establish rules and institutions to achieve common interests. It was a debate without extremes, tempered as it was by the location of all protagonists within a broad 'classical' approach to international relations (Bull 1969). The realist position was most

prominently articulated by Miller (1962, 1963), Coral Bell (1962, 1984), T.B. Millar (1965, 1978) and Harry Gelber (1968), among others. They held that:

International society has no government, as that term is understood domestically; instead, it has a plurality of interests (the sovereign states), which combine for certain purposes and act independently for others, and which attempt to gain their separate ends by whatever means seem feasible. [Miller 1965:145]

Bull, as the most prominent of the rationalists, pushed the idea that states 'combine for certain purposes' beyond the limited idea of alliances envisaged by the realists, arguing that states can,

conscious of certain common interests and common values, form a society in the sense that they conceive themselves to be bound by a common set of rules in their relations with one another, and share in the working of common institutions. [Bull 1997:13]

While this is a fair representation of the 'core' of the Australian discipline during the Cold War, it has encouraged the misrepresentation of the nature and importance of scholarship in the 'periphery' of the field. As noted above, mainstream commentators labelled all work outside the realist-rationalist condominium as 'idealist', showing just how much their imaginations had been framed by the thinking of key British international-relations scholars, particularly E.H. Carr's divide between realism and utopianism, and Martin Wight's distinction between realism, rationalism and revolutionism. The problem is that the most prominent 'alternative' thinkers of the time did not fit the mantle of idealism, exhibiting not a blithe neglect of power, a utopian faith in international institutions, or a groundless anticipation of fundamental change (for example, Girling 1980; Pettman 1975; Camilleri 1973, 1987; Kubalkova and Cruickshank 1989; Fitzpatrick 1991).

One of the most noteworthy of these scholars, Joseph Camilleri, author of the multiple edition *An Introduction to Australian Foreign Policy* (1973), has been heavily influenced by Marxist-inspired world systems theory. The structures and processes of the capitalist world economy gave rise to the system of sovereign states, and since then 'the modern industrial state has played a leading role in protecting and expanding the international capitalist relations of production' (Camilleri 1992:26). In his extensive writings on Australia's alliance with the United States, Camilleri nests US hegemony and the geopolitical balance of power within the large structures of the modern world system, highlighting the functional role that US power has performed in the extension of global capitalism since World War II. His critique of the ANZUS alliance thus extends well-beyond the conventional military-security implications considered by those within the realist-rationalist condominium:

One of the most serious drawbacks of the existing alliance relationship is the stifling effect it has had on Australian diplomacy and the independent initiatives it could take, regionally or internationally, in support of policies and institutions that can advance prospects for a more humane, egalitarian, peaceful, and sustainable world order. [Camilleri 1987:46]

The intellectual ferment of the second Cold War

Contrary to the expectations of Indyk (1985) and others, the 'harsh international climate of the 1980s' did not reinforce the status quo in Australian international relations. The Soviet invasion of Afghanistan, the election of the Reagan administration, the escalation of US counterinsurgency activities in Central America, the deployment of Cruise and Pershing missiles in Europe, and the general intensification of bipolar competition sparked a wave of intellectual ferment in the discipline internationally, the effects of which were felt strongly in Australia. The collapse of détente and the apparent willingness of the superpowers to tiptoe ever closer to the brink of nuclear war undercut the previous equation of bipolarity with stability. For many people across the world the national-security policies pursued by their governments were increasingly seen as a source of profound insecurity. If this alone were not enough to prompt new thinking among international-relations scholars, a simultaneous narrowing of mainstream debate in the US provided additional impetus. In 1979 Kenneth Waltz published his structuralist reformulation of realist theory, *Theory of International Politics*, prompting Robert Keohane to articulate an economic form of rationalism (1984), labelled 'neoliberal institutionalism', effectively abandoning his and Joseph Nye's earlier calls for a non-state centric theory of world politics (1970). This coincidence of superpower-induced global insecurity and constriction of debate within the US core of the discipline provoked two forms of revisionist thought: critical theories of international relations, and dissident thinking of the new peace movements.

Inspired by post-1945 German and French political and social theory, critical theorists launched a broad-based attack on mainstream US international-relations scholarship. Although important disagreements divided modernists and postmodernists, they were united by four common critiques. Epistemologically, they questioned positivist approaches to knowledge, criticising attempts to formulate objective, empirically verifiable truth statements about the social world. Methodologically, they rejected the hegemony of a single scientific method, advocating a plurality of approaches to the generation of knowledge, while highlighting the importance of interpretive strategies. Ontologically, they challenged the economic-rationalist conceptions of human nature and action underlying neorealism and neoliberalism, stressing instead the social construction of actors' identities, and the importance of identity in the constitution of interests and actions. And normatively they condemned value-neutral theorising, denying its very possibility, and calling for the development of theories explicitly committed to the exposure and dissolution of structures of domination and violence (Ashley 1986; Cox 1986; Hoffman 1987). This multifaceted critique sparked what has been termed the 'Third Debate' in international-relations theory – a debate that pitted the rationalism and positivism of the neorealist–neoliberal mainstream against sociological interpretivism of the critical theorists.

The history of peace research predates that of the second Cold War, but the deterioration of the international climate gave it new vigour, recalibrating the research programs of the established European peace-research institutes, and fuelling dissident thinking in

the reawakened peace and antinuclear movements. This reinvigoration spawned two strands of new thinking. The first, associated primarily with the major peace-research institutes, focused on issues of military security, particularly arms control, confidence-building, common security, and institution-building. The second, voiced most incisively by prominent academics in the European peace movement, challenged this narrow concern with military security, articulating a conception of structural violence and a broad-based critique of the Cold War as a structure of domination. They argued that the Cold War served the interests of both superpowers, facilitating their control over their respective spheres of influence (Thompson 1982). It also led to an increase in state control and an erosion of civil society. In short, Mary Kaldor (1990:4) claimed,

we have fought an imaginary war between East and West. We have lived with the permanent anxiety of war, with the many forms of organisation and control that are characteristic of war.

The impact of these developments on Australian international relations was profound, ending the dominance of the realist-rationalist condominium for at least two decades. Scholars in Australia were not content to watch the Third Debate from the sidelines, and several members of a new generation became key players in the development of critical international theory. For the first time in the history of the Australian discipline, the most prominent and influential Australians publishing in international journals came from outside of the realist-rationalist fold. David Campbell (1988, 1990), Jim George (1988, 1989), George and Campbell (1990), and Andrew Linklater (1982, 1986), in particular, helped to open space within the field internationally for critical, interpretive and emancipatory scholarship. Meanwhile, peace research gained a new prominence (Mack 1991).

At one level, the two strands evident in Europe were also apparent in Australia. In 1984 the Hawke government established a Peace Research Centre at the ANU, the central mission of which coalesced around a conventional conception of peace and security and a soft-rationalist approach to peacemaking, emphasising 'cooperative security' and international institution-building. This contrasted with approaches adopted elsewhere in Australia, particularly at La Trobe University and the University of Queensland. The new journal *Interdisciplinary Peace Research* (later *Pacifica Review*), launched in 1988 and published by the Institute for Peace Research at La Trobe, adopted a holistic conception of peace and was 'concerned to analyse all forms of violence, physical and structural, intended and unintended' (Reus-Smit 1988:3). This contrast should not be overdrawn, though. Over time the ANU's Peace Research Centre steadily expanded its research agenda to include issues of identity and nationalism, gender and ethnicity, and culture and militarism (Kerr and Mack 1994). And most of the work published in *Interdisciplinary Peace Research* fell safely within the bounds of conventional security studies or mainstream peace research.

The early post-Cold War years

If the second Cold War was a catalyst for critical thought in international relations, the velvet revolutions of 1989 and the subsequent collapse of the Soviet Union fundamen-

tally reordered debate at the centre of the discipline. Until this point, US realists and rationalists had adopted a strategy of offensive-defence, condemning the critical theorists for failing to develop clear research programs based on empirically testable hypotheses (Keohane 1988). The end of the Cold War turned the tables on this strategy. Mainstream scholars, particularly in the US, had long upheld the ideal of parsimonious empirical theory that could generate lawlike generalisations and, in turn, concrete predictions. Yet nobody working within the mainstream theoretical schools predicted the end of the Cold War; in fact, it was generally considered remarkably stable. This failure opened space within mainstream debate for alternative understandings of world politics. But this was not a space that critical theories could occupy unchanged. If there was one thing that the end of the Cold War demonstrated, it was that crucial aspects of world politics, to do with state–society relations, the power of ideas, and non-state agency, were obscured by mainstream theories. The theoretical apparatus of the critical theorists was attuned to these aspects, but little had been done to apply this apparatus to understanding dimensions of world politics beyond the discourse of international-relations theory.

The impact of these developments on the discipline was multidimensional. First, the debate between neorealists and neoliberals, which had occupied the US core of the discipline during the 1980s, continued. However, characterisations of this debate as ‘the hottest topic in international relations theory’ appeared increasingly anachronistic (Kegley 1995:1). Second, the explanatory power of neorealism and neoliberalism was challenged by a new ‘constructivist’ school of thought. Informed in part by the insights of critical theory, and in part by the ideas of sociological institutionalism, constructivists advanced three sociological propositions about the nature of world politics. They asserted the importance of normative or ideational factors as well as material factors in conditioning actors’ identities, interests and behaviour. They held that actors’ social identities constitute their interests and actions. And they claimed that agents and structures are mutually constituted (Price and Reus-Smit 1998). The advent of constructivism shifted the locus of mainstream debate in the discipline, uniting neorealists and neoliberals against constructivists. Finally, the heat gradually went out of the Third Debate. While key works of critical theory were published in the early 1990s (Campbell 1992; Walker 1993; George 1994; Linklater 1992), the principal arguments had already been rehearsed by their authors, if not as thoroughly elaborated.

These developments were not directly replicated in Australian international relations. The dominance of the realist–rationalist condominium had already been displaced, and while Australian scholars continued to work within these traditions, the sparse economic logic of US neorealism and neoliberalism had never taken root. Despite these differences, though, the early 1990s saw critically inclined scholars launch an increasingly vociferous attack on mainstream Australian scholarship, highlighting its ‘realist’ underpinnings, the relationship between prominent academics and national policy-making processes, and the deleterious impact this was having on the study of Australian foreign policy. As this critique ensued, Australian scholars published a broad spectrum of research, but were noticeably absent from the core debate animating the field internationally: that between neorealists and neoliberals on the one hand, and constructivists on the other.

The persistent realism of mainstream scholarship drew the brunt of critical ire. Blind to the variety of critical social theory circulating and influencing scholarly debate in other disciplines, 'Australian social discourse concerning international affairs', it was claimed, 'has been dominated ... by a narrow and tightly disciplined positivist realism that has ignored, effectively marginalised and/or actively discouraged dissenting voices' (George 1992:36). The much-hailed new thinking associated with works such as Gareth Evans's book *Cooperating for Peace* (1993) was decried as 'old wine in new bottles', a simple transmutation of neorealist thought into neoliberalism:

The result is a self-enclosed discourse of modern human life which reduces a complex world of diversity and heterogeneity into 'one monolithic category' of *the* real, with all the implications this has for (mis)understanding. [George 1997:18]

The intensity of this critique was fuelled by the associated belief by some that prominent international-relations scholars, based primarily within the Department of International Relations and the Strategic and Defence Studies Centre at the ANU, had become 'professionalised', abrogating their scholarly responsibility to 'speak truth to power' in favour of providing acquiescent technical guidance. In one of the last, more personalised contributions, David Sullivan singled out Desmond Ball, Andrew Mack, and Paul Dobb, arguing that a

commitment to a narrow realm of technical and specialist 'area studies' research has take [sic] over the broader intellectual and analytical agenda, and specific policy developments and priorities which coincide with the 'professional' ambitions of the professorial triumvirate have been privileged [Sullivan 1998:423]

Beyond a few offhand remarks about high theory and policy-relevant knowledge (Dobb 1992:412; Kerr and Mack 1994:22), those criticised never responded directly to the charges levelled against them, instead allowing their theoretical commitments to speak obliquely through their empirical analyses.

As this 'debate' ran its course, Australian research on international relations continued apace. Informed in part by the critique of mainstream scholarship outlined above, there was a burst of new writings on Australian foreign and defence policy. Notable here are Graeme Cheeseman's *The Search for Self-Reliance* (1993), Greg Fry's *Australia's Regional Security* (1991), and Paul Keal's *Ethics and Foreign Policy* (1992). The subject matter of much of this work overlapped with a broader wave of research on Asia-Pacific security, for which Australian scholars became internationally renowned during this period. In addition to a plethora of working papers on the subject, a number of significant books and edited volumes were published, including Stuart Harris and James Cotton's *The End of the Cold War in Northeast Asia* (1991), Mack's *A Peaceful Ocean: Maritime Security in the Pacific in the Post-Cold War Era* (1993), Mack and John Ravenhill's *Pacific Cooperation: Building Economic and Security Regimes in the Asia-Pacific Region* (1995), Paul Dobb's *Towards a New Balance of Power in Asia* (1995), and William Tow's *Encountering the Dominant Player: US Extended Deterrence Strategy in the Asia-Pacific* (1991). A third significant focus of research during this period was the state and globalisation. Camilleri diverged from his long-time interest in Australian foreign policy to co-author with Jim Falk an ambitious study *The End of Sov-*

ereignty? *Politics in a Shrinking and Fragmented World* (1992), a theme continued in his coedited volume with Albert Paolini and Anthony Jarvis, *The State in Transition: Reimagining Political Space* (1995). Other notable works published during this period were James Richardson's *Crisis Diplomacy* (1994), Jindy Pettman's *Living in the Margins* (1992), Andrew Cooper, Richard Higgott and Kim Nossal's *Relocating Middle Powers* (1993), and Martin Griffiths's *Realism, Idealism, and International Politics* (1992).

Intellectual diversity in the new millennium

As we have seen, the end of the Cold War reordered debate within the discipline, with the realist–rationalist debate being displaced by the neorealist/neoliberal–constructivist debate, and the Third Debate losing much of its novelty and energy, if not its critical merit. As the new millennium approached and arrived, further shifts occurred. The controversy between neorealists and neoliberals on the one hand, and constructivists on the other, continued, but evolved in important, if subtle, ways. Within the US, the debate was gradually ‘conventionalised’. Anyone who thought that norms or ideas were relevant ‘variables’ was dubbed a ‘constructivist’, leading constructivists started to deny that the study of ideas, norms and values necessarily required an ‘interpretive’ methodology (as had previously been argued), and normative theorising – as opposed to theorising norms – barely rated a mention. A growing division thus emerged between conventional and critical constructivists, the latter stressing the relationship between power and knowledge, the role of communicative action in mediating between social norms and the interests of actors, the necessity of interpretation, and the need to marry analytical and purposive reflection (Hopf 1998; Reus-Smit 2001).

While this realignment was taking place, two older schools of thought were being refashioned. A new generation of ‘neoclassical’ realists emerged, arguing that the explanatory power of realism could be salvaged by abandoning Waltz’s sparse neorealist assumptions and resurrecting the richer world view of classical realism (Wohlforth 1994–95). Simultaneously, an ambitious project was launched in Britain to rejuvenate the ‘English School’, previously associated with the thought of Martin Wight and Hedley Bull (Dunne 1998). Within the critical-theory camp, epistemological and methodological critique of the mainstream faded into the background, and sustained attention was devoted to the articulation, among other things, of a ‘critical ethics’ of international relations (Linklater 1998; Cochran 1999; Shapcott 2001).

From the mid-1990s onwards, Australian international relations moved back in step with trends in the broader discipline. The critical attack on mainstream scholarship, which had so preoccupied some of the country’s best theorists, gradually lost its passion and intensity, with the last of the major salvos being fired in 1998. The reasons for this were multiple. For theoretically minded scholars, the magnetic pull of debates at the centre of the discipline will always be strong, and it was perhaps inevitable that Australia’s critical theorists would eventually turn their gaze towards the new, emergent issues animating the field. This was encouraged by the demise of the ‘threat within’. The election of the Howard government in 1996 severed the much-maligned links

between the Labor government and leading scholars, such as Mack, Dibb and Ball. And Mack's resignation from the ANU in 1998, paralleled by the closure of the Peace Research Centre and the short-term contraction of the Department of International Relations, left the critics without personal or institutional targets of any credible power or influence.

As this critique faded, a new generation of Australian scholars began to emerge. The best way to characterise and situate their research is in terms of E.H. Carr's oft-forgotten dictum that international relations should be a 'science not only of what is, but of what ought to be' (Carr 1946:5). This vision has been reiterated recently by critical international theorists, with Linklater arguing that the discipline should explore the politics of inclusion and exclusion through the integration of sociological, normative, and practical forms of analysis and reflection (1998). It is within this broad framework that the work of the new generation is most appropriately located. There are those who are best-defined as critical constructivists, with Roland Bleiker's *Popular Dissent, Human Agency, and Global Politics* (1999), Reus-Smit's *The Moral Purpose of the State* (1999), Greg Fry and Jacinta O'Hagan's *Contending Images of World Politics* (2000), O'Hagan's *Conceptualizing the West in International Relations* (2002), and Heather Rae's *State Identities and the Homogenization of Peoples* (2002) deserving particular attention. Other scholars might be cast as critical ethicists, as they seek to develop new forms of ethical reasoning that mediate between the poles of cosmopolitanism and communitarianism, universalism and relativism. Notable here are Richard Shapcott's *Justice and Community in International Relations* (2001), and Anthony Langlois's *The Politics of Justice and Human Rights* (2001). Finally, there are those articulating a postcolonial approach to international relations, such as Albert Paolini's *Navigating Modernity* (1999), Jo-Anne Pemberton's *Global Metaphors* (2001), and by a more established scholar, Phillip Darby's *At the Edge of International Relations* (1997) and *The Fiction of Imperialism* (1998).

Several things are noteworthy about this generation. First, it includes a higher proportion of women than ever before. Second, a significant proportion of its members were taught by prominent critical theorists. For instance, Richard Devetak (Devetak and Higgott 1999), Heather Rae, and Richard Shapcott were all educated by Linklater as undergraduates at Monash University. And, third, their writings have been published by leading international presses, with an impressive number of their books appearing in the prestigious Cambridge Studies in International Relations series.

The research of this new generation is but one dimension of a broad spectrum of Australian international-relations scholarship at the turn of the new millennium, a spectrum that extends from more conventional realist or rationalist research at one extreme to works in the broader field of global politics, often authored by political theorists or comparativists who have been drawn into the field by the simultaneous globalisation and fragmentation of political space and identity. Good examples of the former are Roger Spegele's sustained attempt to rearticulate an Aristotelian realist theory of international relations (1996), and Tow's major study of the politics of Asia-Pacific security, *Asia-Pacific Strategic Relations: Seeking Convergent Security* (2002). Examples of the latter include Paul James's *Nation Formation* (1996) and Robin Eckersley's work on sovereignty and the green state (2002). Between these two extremes falls a range of other significant works, including Lorraine Elliott's *The Global Politics of the Environment* (1998), Ann Kent's *China, the United Nations and Human Rights* (1999), Jindy

Pettman's *Worlding Women* (1996), John Hobson's *The State and International Relations* (2000), Richardson's *Contending Liberalisms in World Politics* (2001), and Alan Dupont's *East Asia Imperilled: Transnational Challenges to Security* (2002). During this period Australians also demonstrated particular strengths in international political economy, with Hobson's *The Wealth of States* (1998), Linda Weiss's *The Myth of the Powerless State* (1998), Ravenhill's *Asia Pacific Economic Cooperation* (2001), and Greg Noble and Ravenhill's *The Asian Financial Crisis* (2000) warranting special mention.

This broad diversification of Australian international-relations scholarship must be seen as unequivocally positive, a substantial improvement on a world in which it was difficult to imagine anything thriving other than 'Realism, with the occasional Rationalist bloom to relieve the sense of gloom' (Indyk 1985:300). Unfortunately, though, this development has been paralleled by a serious decline in the study of Australian foreign policy. This is not to say that there have been no good introductions or surveys written in recent years. Scott Burchill, David Cox and Gary Smith's *Introduction to Australian Foreign Policy* (1996), Richard Leaver and David Cox's *Middling, Meddling, Muddling* (1997), Stewart Firth's *Australia in International Politics* (2001), David Goldsworthy's *Facing North* (2001), Cotton and Ravenhill's *Seeking Asian Engagement* (1997) and *The National Interest in a Global Era* (2002), and Meg Gurry's essays (1995, 1998) are all valuable, insightful and informative. A situation has arisen, however, in which the new concepts, ideas and theories propagated in the wider discipline, in part with the creative energies of Australian scholars, have become disarticulated from the analysis and understanding of Australian foreign policy. Why this should be so is difficult to say, but the fading of the critical theoretic commentary, the lack of interest that the new generation of critical constructivists and ethicists has shown in the subject, and the move by established scholars such as Bell and Camilleri into other areas of inquiry must be significant factors.

The net result, though, is that at a time when the discipline is abuzz with attempts to understand the relationship between identity, culture and ideas on the one hand, and interests and power on the other – and when Australian foreign policy is so clearly being shaped by precisely these interconnections – little effort is being made to apply these general theoretical innovations to comprehending Australia's evolving relationship with the global political order. Notable exceptions to this are Greg Fry's work on Australia and the South Pacific (1997), David Lowe's instructive historical study of Menzies' foreign policy (1999), and Anthony Burke's *In Fear of Security* (2001). These examples aside, the field has become so intellectually ghettoised that almost no doctoral students are now taking up the study of Australian foreign policy.

Conclusion

At the end of his 1985 survey of the Australian discipline, Indyk posited a mutually constitutive relationship between ideas and history: 'IR academics are ... engaged in a discourse with history. Their ideas about the world will be generated, in part, by developments in the world, and these will in turn be affected by their ideas'. As we know from his predictions, he feared that the conflictual nature of second Cold War international relations, combined with the prevailing realist imagination of the academy,

would produce 'a vicious circle from which there is no obvious way out' (Indyk 1985:301). Fortunately, the relationship between historical change, ideas and human agency is more complex than he thought, and this is probably why his predictions for the future of Australian international relations proved overpessimistic.

Instead of ensuring the persistence of traditional thinking, the heightened tensions of the early 1980s, combined with a narrowing of debate in the US mainstream, prompted a wave of critical theorising. Emerging Australian scholars took up these new ideas, weighed into the international debate, and turned the new ideas against mainstream scholars who they saw as inappropriately injecting a neoliberal version of realism into national policy-making processes. While this controversy was in full flight locally, though, the end of the Cold War had opened space within the discipline for yet another wave of new thinking, this time associated primarily with the rise of constructivism, but also with new work in critical ethics, postcolonialism, second-generation feminism, and the globalisation of political theory on the one hand, and neoclassical realism and the new English School on the other. Since the mid-1990s, Australians have been actively involved in these developments, but this is a new generation of scholars, a generation influenced by the insights of critical theory but who have pushed beyond inward critique of the discipline to explore the multiple dimensions of evolving global politics.

History thus produces contradictions, international debate has a dialectical quality, politics surrounds the mobilisation of ideas internationally and nationally, and, most importantly, Australian scholarship has been constituted by two socio-intellectual domains: the international discipline and its national quarter. As constructivists like to emphasise, how these phenomena play out is historically contingent, but in the case of Australian international relations over the past two decades, the result has been a dramatic diversification of the intellectual terrain, a diversification that is breeding dynamism, the lifeblood of any field of scholarly inquiry.

This diversification is potentially of great benefit to social debate and public policy in Australia. Confining debate to the marginal differences between realism and rationalism was unproductive even in the heady days of the Cold War. But in the early twenty-first century, when multiple dimensions of globalisation overlies traditional geopolitics, Australia's identity, community solidarity, economic institutions and processes, legal order, and democratic ideals and practices are all being 'externally' conditioned. To comprehend this conditioning, and to respond through considered public debate and government policy will demand thinking 'outside the box'. The variegated nature of contemporary Australian international-relations scholarship can inform such thinking, but only if policy-makers are open to new ideas challenging their 'standard operating assumptions', and international-relations scholars rediscover their capacities as public intellectuals.

Notes

- 1 Throughout this chapter I use the term *realism* to encompass both *classical realism* and *neorealism*. The term *rationalism* has a distinctive meaning in international-relations theory. It is broadly

used to encompass all works that hold that when states share common interests they can cooperate through the construction and maintenance of international institutions. Rationalism thus includes the soft rationalism associated with the English School and the economic rationalism of US neoliberalism.

- 2 For surveys of Australian international relations prior to the mid-1980s, see Indyk (1985), Miller (1983), Kubalkova and Cruickshank (1987), and Higgott (1991).

References

- Ashley, R. 1986. 'The poverty of neorealism' in *Neorealism and Its Critics*. Edited by R.O. Keohane, pp. 255–300. New York: Columbia University Press.
- Bell, C. 1962. *Negotiation from Strength*. London: Chatto and Windus.
- . 1984. *Dependent Ally: A Study in Australian Foreign Policy*. Melbourne: Oxford University Press.
- Bleiker, R. 1999. *Popular Dissent, Human Agency, and Global Politics*. Cambridge: Cambridge University Press.
- Bull, H. 1969. 'International theory: The case for a classical approach' in *Contending Approaches to International Relations*. Edited by K. Knorr and J.N. Rosenau, pp. 20–38. Princeton, NJ: Princeton University Press.
- . 1972. International relations as an academic pursuit. *Australian Outlook* 26.
- . 1997. *The Anarchical Society: A Study of Order in World Politics*. 2nd ed. London: Macmillan.
- Burchill, S., D. Cox, and G. Smith. 1996. *Australia in the World: An Introduction to Australian Foreign Policy*. Melbourne: Oxford University Press.
- Burke, A. 2001. *In Fear of Security: Australia's Invasion Anxiety*. Sydney: Pluto Press.
- Camilleri, J.A. 1973. *An Introduction to Australian Foreign Policy*. 1st ed. Milton: Jacaranda.
- . 1987. *ANZUS: Australia's Predicament in the Nuclear Age*. London: Macmillan.
- Camilleri, J.A., and J. Falk. 1992. *The End of Sovereignty? The Politics of a Shrinking and Fragmenting World*. London: Edward Elgar.
- Camilleri, J.A., A. Paolini and A. Jarvis (eds). 1995. *The State in Transition: Reimagining Political Space*. Boulder, CO: Lynne Rienner.
- Campbell, D. 1988. 'Recent changes in social theory: Questions for international relations' in *New Directions in International Relations? Australian Perspectives*. Canberra Studies in World Affairs 23. Edited by R. Higgott, pp. 11–64. Canberra: Department of International Relations, Australian National University.
- . 1990. Global inscription: How foreign policy constitutes the United States. *Alternatives* 15:263–86.
- . 1992. *Writing Security: United States Foreign Policy and the Politics of Identity*. Minneapolis: University of Minnesota Press.
- Carr, E.H. 1946. *The Twenty Years' Crisis, 1919–1939: An Introduction to the Study of International Relations*. 2nd ed. London: Macmillan.
- Cheeseman, G. 1993. *The Search for Self-Reliance: Australian Defence since Vietnam*. Melbourne: Longman Cheshire.
- Cochran, M. 1999. *Normative Theory in International Relations: A Pragmatic Approach*. Cambridge: Cambridge University Press.
- Cooper, A.F., R. Higgott and K.R. Nossal (eds). 1993. *Relocating Middle Powers: Australia and Canada in a Changing World*. Vancouver: UBC Press.
- Cotton, J., and J. Ravenhill (eds). 1997. *Seeking Asian Engagement: Australia in World Affairs, 1991–95*. Melbourne: Oxford University Press.

- (eds). 2002. *The National Interest in a Global Era: Australia in World Affairs, 1996–2000*. Melbourne: Oxford University Press.
- Cox, R.W. 1986. 'Social forces, states, and world orders: Beyond international relations theory' in *Neorealism and Its Critics*. Edited by R.O. Keohane, pp. 204–54. New York: Columbia University Press.
- Darby, P. (ed.). 1997. *At the Edge of International Relations: Postcolonialism, Gender, and Dependency*. London: Pinter.
- . 1998. *The Fiction of Imperialism: Reading between International Relations and Postcolonialism*. London: Cassell.
- Devetak, R., and R. Higgott. 1999. Justice unbound? Globalization, states, and the transformation of the social bond. *International Affairs* 75:483–98.
- Dibb, P. 1992. 'Whither strategic and defence studies?' in *Strategic Studies in a Changing World*. Edited by D. Ball and D. Horner, pp. 408–29. Canberra: Strategic and Defence Studies Centre.
- . 1995. *Towards a New Balance of Power in Asia*. Oxford: Oxford University Press.
- Dupont, A. 2002. *East Asia Imperilled: Transnational Challenges to Security*. Cambridge: Cambridge University Press.
- Dunne, T. 1998. *Inventing International Society*. London: Macmillan.
- Eckersley, R. 2002. Green governance in the new millennium: Towards the green state. *Ecopolitics: Thought and Action* 1:28–40
- Elliott, L. 1998. *The Global Politics of the Environment*. London: Macmillan.
- Evans, G. 1993. *Cooperating for Peace: The Global Agenda for the 1990s and Beyond*. Sydney: Allen and Unwin.
- Fitzpatrick, J. 1991. 'Marxism and international relations: Antithesis, reconciliation and transcendence' in *International Relations: Global and Australian Perspectives on an Evolving Discipline*. Edited by R. Higgott and J.L. Richardson. Canberra: Department of International Relations, Australian National University.
- Firth, S. 2001. *Australia in International Politics: An Introduction to Australian Foreign Policy*. 2nd ed. Sydney: Allen and Unwin.
- Fry, G. (ed.). 1991. *Australia's Regional Security*. Sydney: Allen and Unwin.
- . 1997. Framing the islands: Knowledge and power in changing Australian images of 'the South Pacific'. *Contemporary Pacific* 9:305–44.
- Fry, G., and J. O'Hagan. 2000. *Contending Images of World Politics*. London: Palgrave.
- Gelber, H. 1968. *The Australian–American Alliance*. Melbourne: Penguin.
- George, J. 1988. 'International relations and the positivist/empiricist theory of knowledge: Implications for the discipline' in *New Directions in International Relations? Australian Perspectives*. Canberra Studies in World Affairs 23. Edited by R. Higgott, pp. 65–142. Canberra: Department of International Relations, Australian National University.
- . 1989. International relations and the search for thinking space: Another view of the third debate. *International Studies Quarterly* 33:269–79.
- . 1992. Some thoughts on the 'givenness of everyday life' in Australian international relations: Theory and practice. *Australian Journal of Political Science* 27:31–54.
- . 1994. *Discourses of Global Politics: A Critical (Re)Introduction to International Relations*. Boulder: Lynne Rienner.
- . 1997. 'Australia's global perspectives in the 1990s: A case of old realist wine in new (neo-liberal) bottles' in *Middling, Meddling, Muddling: Issues in Australian Foreign Policy*. Edited by R. Leaver and D. Cox, pp. 12–43. Sydney: Allen and Unwin.
- George, J., and D. Campbell. 1990. Patterns of dissent and the celebration of difference: Critical social theory and international relations. *International Studies Quarterly* 34:269–93.

- George, J., and R. McGibbon. 1998. Dangerous liaisons: Neoliberal foreign policy and Australia's regional engagement. *Australian Journal of Political Science* 33:399–420.
- Girling, J. 1980. *America and the Third World: Revolution and Intervention*. London: Routledge.
- Goldsworthy, D. (ed.). 2001. *Facing North: A Century of Australian Engagement with Asia*. Vol. 1. Melbourne: Melbourne University Press.
- Griffiths, M. 1992. *Realism, Idealism, and International Politics*. London: Routledge.
- Gurry, M. 1995. Identifying Australia's 'region': From Evatt to Evans. *Australian Journal of International Affairs* 49:17–115.
- . 1998. Whose history? The struggle over authorship of Australia's Asia policies. *Australian Journal of International Affairs* 52:77–88.
- Harris, S., and J. Cotton (eds). 1991. *The End of the Cold War in Northeast Asia*. Sydney: Allen and Unwin.
- Higgott, R. 1991. 'International relations in Australia: An agenda for the 1990s' in *International Relations: Global and Australian Perspectives on an Evolving Discipline*. Edited by R. Higgott and J.L. Richardson. Canberra: Department of International Relations, Australian National University.
- Hobson, J.M. 1997. *The Wealth of States: A Comparative Sociology of International Economic and Political Change*. Cambridge: Cambridge University Press.
- . 2000. *The State and International Relations*. Cambridge: Cambridge University Press.
- Hoffman, M. 1987. Critical theory and the inter-paradigm debate. *Millennium: Journal of International Studies* 16:231–49.
- Hopf, T. 1998. The promise of constructivism in international relations theory. *International Security* 23:171–200.
- Indyk, M. 1985. 'The Australian study of international relations' in *Surveys of Australian Political Science*. Edited by D. Aitkin, pp. 265–311. Sydney: Allen and Unwin.
- James, P. 1996. *Nation Formation*. London: Sage.
- Kaldor, M. 1990. *The Imaginary War: Understanding the East-West Conflict*. Oxford: Blackwell.
- Keal, P. 1992. *Ethics and Foreign Policy*. Sydney: Allen and Unwin.
- Kegley, C.W. 1995. *Controversies in International Relations Theory: Realism and the Neoliberal Challenge*. New York: St Martins.
- Keohane, R.O. 1984. *After Hegemony: Cooperation and Discord in the World Political Economy*. Princeton, NJ: Princeton University Press.
- . 1988. International institutions: Two approaches. *International Studies Quarterly* 32(4):379–96.
- Keohane, R.O., and J.S. Nye (eds). 1970. *Transnationalism and World Politics*. Cambridge, MA: Harvard University Press.
- Kent, A. 1999. *China, the United Nations, and Human Rights*. Philadelphia: University of Pennsylvania Press.
- Kerr, P., and A. Mack. 1994. *Security Studies in Australia in the 1990s*. Working Paper 1994/2. Canberra: Department of International Relations, Australian National University.
- Kubalkova, V., and A. Cruickshank. 1987. The study of international relations in the South Pacific. *Australian Outlook* 41:110–29.
- . 1989. *Marxism and International Relations*. Oxford: Oxford University Press.
- Langlois, A. 2001. *The Politics of Justice and Human Rights: Southeast Asia and Universalist Theory*. Cambridge: Cambridge University Press.
- Leaver, R., and D. Cox (eds). 1997. *Middling, Meddling, Muddling: Issues in Australian Foreign Policy*. Sydney: Allen and Unwin.
- Linklater, A. 1982. *Men and Citizens in International Relations*. 1st ed. London: Macmillan.
- . 1986. Realism, Marxism, and critical international theory. *Review of International Studies* 12:301–12.

- . 1992. *Beyond Realism and Marxism: Critical Theory and International Relations*. London: Macmillan.
- . 1998. *The Transformation of Political Theory*. Cambridge: Polity.
- Lowe, D. 1999. *Menzies and the 'Great World Struggle': Australia's Cold War 1948–1954*. Sydney: UNSW Press.
- Mack, A. 1991. 'Australia and peace research' in *International Relations: Global and Australian Perspectives on an Evolving Discipline*. Edited by R. Higgott and J.L. Richardson, pp. 373–93. Canberra: Department of International Relations, Australian National University.
- (ed.). 1993. *A Peaceful Ocean: Maritime Security in the Pacific in the Post-Cold War Era*. Sydney: Allen and Unwin.
- Mack, A., and J. Ravenhill (eds). 1995. *Pacific Cooperation: Building Economic and Security Regimes in the Asia–Pacific Region*. Boulder, CO: Westview Press.
- Millar, T.B. 1965. *Australia's Defence*. Melbourne: Melbourne University Press.
- . 1978. *Australia in Peace and War*. Canberra: Australian National University Press.
- Miller, J.D.B. 1962. *The Nature of Politics*. London: Duckworth and Co.
- . 1963. *The Shape of Diplomacy*. Canberra: Australian National University.
- . 1983. 'The development of international studies in Australia 1933–83.' *Australian Outlook* 37:138–42.
- Noble, G.W., and J. Ravenhill (eds). 2000. *The Asian Financial Crisis and the Architecture of Global Finance*. Cambridge: Cambridge University Press.
- O'Hagan, J. 2002. *Conceptualizing the West in International Relations*. London: Palgrave.
- Paolini, A. 1999. *Navigating Modernity: Postcolonialism, Identity, and International Relations*. Boulder, CO: Lynne Rienner.
- Pemberton, J. 2001. *Global Metaphors: Modernity and the Quest for One World*. London: Pluto Press.
- Pettman, J.J. 1992. *Living in the Margins: Racism, Sexism, and Feminism in Australia*. Sydney: Allen and Unwin.
- . 1996. *Worlding Women: A Feminist International Politics*. Sydney: Allen and Unwin.
- Pettman, R. 1975. *Human Behaviour and World Politics: A Transdisciplinary Approach*. London: Macmillan.
- Philpott, S. 2000. *Rethinking Indonesia: Postcolonial Theory, Authoritarianism, and Identity*. London: Macmillan.
- Price, R., and C. Reus-Smit. 1998. 'Dangerous liaisons? Critical international theory and constructivism.' *European Journal of International Relations* 4:259–94.
- Rae, H. 2002. *State Identities and the Homogenization of Peoples*. Cambridge: Cambridge University Press.
- Ravenhill, J. 2001. *Asia Pacific Economic Cooperation: The Construction of Pacific Rim Regionalism*. Cambridge: Cambridge University Press.
- Reus-Smit, C. 1988. Editor's note. *Interdisciplinary Peace Research* 1:3–6.
- . 1996. 'Beyond foreign policy: State theory and the changing global order' in *The State in Question: Transformations of the Australian State*. Edited by P. James, pp. 161–95. Sydney: Allen and Unwin.
- . 1999. *The Moral Purpose of the State: Culture, Social Identity, Institutional Rationality in International Relations*. Princeton, NJ: Princeton University Press.
- . 2001. 'Constructivism' in *Theories of International Relations*. Edited by S. Burchill, R. Devetak, A. Linklater, M. Paterson, C. Reus-Smit and J. True. London: Palgrave.
- Richardson, J.L. 1994. *Crisis Diplomacy: The Great Powers since the Mid-Nineteenth Century*. Cambridge: Cambridge University Press.
- . 2001. *Contending Liberalisms in World Politics: Ideology and Power*. Boulder, CO: Lynne Rienner.
- Shapcott, R. 2001. *Justice and Community in International Relations*. Cambridge: Cambridge University Press.
- Spegele, R. 1996. *Political Realism in International Theory*. Cambridge: Cambridge University Press.

- Sullivan, D. 1998. Professionalism and Australia's security intellectuals: Knowledge, power, and responsibility. *Australian Journal of Political Science* 33:421–40.
- Thomson, E.P. 1982. *Beyond the Cold War*. London: Merlin.
- Tow, W. 1991. *Encountering the Dominant Player: US Extended Deterrence Strategy in the Asia–Pacific*. New York: Columbia University Press.
- . 2002. *Asia Pacific Strategic Relations: Seeking Convergent Security*. Cambridge: Cambridge University Press.
- Walker, R.B.J. 1993. *Inside/Outside: International Relations as Political Theory*. Cambridge: Cambridge University Press.
- Waltz, K. 1979. *Theory of International Politics*. New York: Random House.
- Weiss, L. 1998. *The Myth of the Powerless State*. Ithaca, NY: Cornell University Press.
- Wesley, M., and T. Warren. 2000. Wild colonial ploys? Currents of thought in Australian foreign policy. *Australian Journal of Political Science* 35:9–26.
- Wohlforth, W. 1994–95. Realism and the end of the Cold War. *International Security* 19:91–129.

Political Economy

Stephen Bell and John Ravenhill

Charles Lindblom (1977:8) once argued that ‘much of politics is economics, and most of economics is also politics’. This statement reflects a long tradition of thought in political economy that sees politics and ‘the economy’ as not separate but inextricably intertwined and mutually constitutive (Polanyi 1944; Block 1990). In the contemporary era, political economy divides into two principal approaches. One utilises an inductive methodology drawing on historical, institutionalist, Marxist, statist, behaviourist and other approaches to examine the mutual constitution of politics and the economy. The other utilises deduction, methodological individualism and rational choice methodologies in what largely amounts to a neoclassical economic analysis of politics.

Brian Galligan (1984:90) wrote in an earlier survey that ‘political economy is a major part of Australian politics and the role of the state has always been crucial within Australian political economy’. We concur with this view. Accordingly, we concentrate primarily on studies of the state and of state–economy relations, set within an analysis of the major, relevant economic dynamics.

Only a small number of studies in political economy were conducted in Australia before World War II; in the immediate postwar decades the situation was much the same. This was partly because political science itself was still relatively embryonic, partly because what did exist was dominated by institutional formalism or by pluralist approaches that tended to eschew political economy, and partly because of the increasingly divergent disciplinary paths taken by politics and economics within academe (Galligan 1984; Capling and Galligan 1992). Only since the 1970s, led initially by Marxists and scholars influenced by Latin-American underdevelopment theory, including the founders of the *Journal of Australian Political Economy*, and later, in political science, by works such as Brian Head’s *State and Economy in Australia* (1983), has there been something of a flowering of the study of political economy in Australia. The main focus here will be on the substantial body of work that has developed since that time.

The neoliberal transition

One of the major preoccupations of Australian political-economy literature since the 1970s has been the political, ideological and policy transition towards ‘economic

rationalism', or neoliberalism. The literature has been dominated by a series of normative, often polemical, debates about the merits or otherwise of these changes (Carroll and Manne 1992; Horne 1992; James, Jones and Norton 1993; King and Lloyd 1993; Carroll and Manne 1992; Emy 1993; Newman, Vintila and Phillimore 1992; Stilwell, Rees and Rodley 1993; Edwards 2002). Critics of neoliberalism have generally been marginalised and the lack of a serious public debate on many aspects of the neoliberal transition has been symbolic of the hegemony of neoclassical economic ideas in the public-policy community and among journalists specialising in economic affairs.

Some of the themes to emerge in explanatory accounts of the neoliberal transition range from an emphasis on adjustments to economic traumas such as stagflation or the requirements of economic restructuring, to the role and changing mind-set of policy elites, to patterns of conflict and collaboration between the state, business and labour, and to the impacts of 'globalisation' (Pusey 1991; Catley and McFarlane 1981: chapter 7; Bulbeck 1983a; Hughes 1980; Kelly 1992; Catley 1996; Battin 1997; Bell 1997c; Argy 1998; Woodward 2002). A theme in much of this literature is that policy changes were driven not by public opinion but by policy elites, supported by business groups and conservative think tanks. Pusey, for example, has argued that changes in Australia's bureaucratic elite drove the shift to neoliberalism, though Bell (1993b, 1997c) has critiqued this essentially statist account as too narrow, arguing instead that neoliberalism was driven by a coalition of state, business and (in some arenas) trade-union elites. Australian authors have also tapped into the growing literature on the significance of ideas in policy-making, and there have been some useful accounts of the construction of economic rationalism in discursive terms (Bulbeck 1983a; Pusey 1991; Whitwell 1994; Painter 1996; Dean and Hindess 1998; Beeson and Firth 1998).

Arenas of Australian political economy

A developmental state?

A substantial body of literature has analysed the rise and decline of Australia's relatively statist pattern of economic development. This literature has focused on characterising and explaining the state's role in shaping the pace and direction of economic development, and on the institutions involved in this process, as well as on the patterns of intervention that have been thought to retard or assist such development.

Early treatments, such as W.K. Hancock's *Australia* (1930), depicted the state as a 'vast public utility' in the service of individual gain and economic development, primarily through deploying the major national policies of protectionism, White Australia immigration restrictions, centralised wage regulation, and land settlement. F.W. Eggleston (1932), in his study of Victorian political economy, summed up his broad findings in the title of his book, *State Socialism in Victoria*. In a similar vein, 'colonial socialism' was the term used by economic historians such as Noel Butlin (1959) to describe the comparatively large public-sector borrowing and infrastructure investments by governments in colonial Australia in their efforts to develop a vast and remote continent.

Yet the term 'socialism' was more a rhetorical than analytic device. Despite a very substantial share of public-sector finance in total investment, for example, as well as some elements of a statist ideology, Australia's political economy was infused by a pragmatic liberalism – one that respected the prerogatives of 'private enterprise'. For Metin (1977:165), writing at the turn of the century, Australia's 'socialism' was simply a 'colonial expedient'. For Hancock (1930:82), 'the old Australian experimentalism which some people called socialism was not really socialism at all, but rather a practical utilitarianism ... running towards state action under the pressure of circumstances'.

The focus in these studies was on a form of 'infrastructural' state developmentalism, but two other sets of literature are prominent. First are the studies, in part reflecting dependency approaches, of Australia's early developmentalism as a form of 'settler capitalism' (Denoon 1983; Steven 2000), and associated debates about the nature of the imperial links between Australia and Britain (Fitzpatrick 1939; Clark 1975). Despite strong trade and capital links, the picture that emerges from this literature is one of relative colonial independence. On settler capitalism, Steven (2000:47) argues that Australia's experience involved absorbing the coloniser's surplus population but within a context of *relative* economic independence and wealth retention. Second, there is an extensive series of studies dealing with the state's role in steering the direction or structure of economic development itself. Three major periods of restructuring have been identified in studies that apply class analysis, dependency theory and, more recently, institutional and statist approaches.

McMichael (1984) provides a Marxist account of the first period of restructuring during the mid-nineteenth century. Following the economic turmoil of the 1840s and the attainment of self-rule in the 1850s, colonial states, he argues, used land regulation to resolve the 'agrarian question' – essentially a conflict between squatter-based pastoral capital and urban mercantile sectors, involving conflicts over the direction of economic development in the then predominantly agricultural economy. This, for McMichael (1984:244), was 'the fundamental issue of the colonial political economy', and its resolution in the early 1860s favoured the small landholder and urban sectors and their quest to diversify the economy and challenge the economic power of the squatters.

Then, soon after the turn of the century, what has been variously termed the 'federation settlement', the Australian settlement (Kelly 1992), or the 'domestic defence' compact (Castles 1988) was forged. This combined national protectionism, selective white immigration and centralised wage regulation in a unique balancing of markets, state intervention and social protection. It formed a fundamental microeconomic substrate to Australian political economy for the next six decades, and imparted a major structural impetus to the economy, especially via manufacturing-industry development. The system has been extensively analysed from a number of perspectives. Hancock's (1930) early statist account of protectionism is elaborated by Capling and Galligan (1992: chapter 3). There is Castles's comparative analysis of the settlement as one type of response to small-economy vulnerability. Fenna (1996) provides a cross-class coalitional analysis (which tests the alternative theories of Rogowski and Gourevitch), and Cochrane (1980) analyses Australia's protectionist industrialisation in the context of dependent relations with Britain and shows how this was accommodated within the bounds of imperial relations. Nevertheless, a detailed study of the British

reaction to Australian protectionism has yet to be written. Other scholars have examined the process of extending state subsidy and protection within manufacturing and to other sectors, such as agriculture, under the rubric of 'protectionism all round' (Shann 1948; Butlin, Barnard and Pincus 1982: chapter 4).

Other studies that have traced the evolution of industrialisation have explained the origins of Australian industry's uncompetitiveness and inefficiency as being rooted in a pattern of 'truncated', branch-plant industrialisation, combined with a protectionist system that featured a liberal, almost laissez-faire attitude at the micro level: a kind of unaccountable, hands-off protectionism that defended managerial prerogatives, but failed to develop 'a dynamic and entrepreneurial domestic business class that could build an industrial economy' (ACIRRT 1999:13; see also Bell 1993a; Quiggin 1996; Ravenhill 1994).

The third major period of restructuring that occurred since the 1970s has prompted a literature whose main focus has been on the neoliberal-inspired termination of the federation settlement, especially through labour-market deregulation and the large reduction in tariff protection. Some scholars have focused on the political origins of the neoliberal transition and on the growing influence of market forces in structuring the economy (Sawer 1982; Argy 1998; Bell 1997c; ACIRRT 1999; Woodward 2002). Other scholars, using approaches that have ranged from pluralism to statism, have analysed the politics and institutions involved in Australia's process of tariff revisionism (Glezer 1982; Warhurst 1982; Bulbeck 1983; Rattigan 1986; Capling and Galligan 1992; Bell 1993a). This literature casts doubt on public-choice-inspired agency capture and rent-seeking models (cf. Anderson and Garnaut 1987), and instead highlights the assertiveness of the state in efforts to restructure the economy and terminate the earlier policy privileges of the manufacturing sector. There are also accounts (usually critical) of the transformation of industry policy in the direction of a relatively liberal, arm's-length stance (Higgins, W. 1991; Capling and Galligan 1992; Castles and Stewart 1993; Bell 1993a, 1997b; Stewart, J. 1994; Bryant 1997; Genoff and Green 1998; Jones, E. 1998, 2000), as well as accounts of the neoliberal turn to microeconomic policy (Bell 1993a, 1997c: chapter 9; Quiggin 1996; Brain 1999: chapter 14).

One of the causal themes in this literature is that transformations in the world economy placed huge market pressures on commodity-based economies (like Australia's), more or less forcing the restructuring of uncompetitive sectors such as manufacturing (Higgott 1991a; Capling and Galligan 1992; Bell 1993a; Emy 1993). In association, some writers have depicted the final policy ascendancy of the commodity export sectors and other 'open economy' advocates in what has been a century-long battle born of the deep cleavages of Australia's 'dual economy' structure (Duncan 1993). A number of studies (Nankivell 1980; Crough 1980; Bryan 1988; Goth 1995; Galligan 1989) has explored the political economy of transitions in these commodity sectors (especially mining and agriculture); others have examined the experiences of restructuring in a number of manufacturing sectors (Donaldson and Donaldson 1983; Schultz 1985; Capling and Galligan 1992; Mathews and Weiss 1992; Beeson 1997a; Weller 2000). The picture of manufacturing that emerges is one of deindustrialisation and 'low road' development in a context in which the state eschews most forms of direct structural intervention (Marceau, Sicklen and Manley 1997; Bell, Burgess and Green 2000).¹

Some writers have responded to these developments by defending the economic importance of the manufacturing sector (Brain 1999; Toner 2000; Frankel 2001). Others, from both the right and the left, argue that industry policy amounts to little more than 'business welfare' and a form of assistance unlikely to benefit workers (Peetz 1982; Kuhn 1987; Costa 1991; Bramble 1994; Latham 1998). For others, the problems that Australia's 'liberal' state has had in attempting to (effectively) restructure manufacturing and develop new competitive industries has been a focus of attention. An essentially statist strand of analysis argues that national policy capacities in this arena are still potentially meaningful (Parker, R. 1996), but that in Australia's case, policy ineptitude, a limited commitment to industry policy and Australia's 'weak' state (especially its weak political backing and institutional capacities, and its poor links with industry) help explain Australia's continuing 'truncated industrialisation' (Ewer, Higgins and Stevens 1987; Stewart, R.G. 1990; Bell 1993a; Emy 1993; Stewart, J. 1994; Marsh 1995; Marceau 1996). The Commonwealth government's limited forays into sectoral policy – sometimes based on quasi-corporatist arrangements – have also been analysed in studies that generally emphasise the fragility of such corporatist experiments, as well as the problems in attempting to render business interests accountable (Capling and Galligan 1992; Jones, E. 1992).

In the main, the literature underlines liberal tendencies in industry policy, not statist or corporatist departures. Lofgren (1997), for example, explores the nexus of generous subsidies with weak accountability in the pharmaceutical sector and concludes that 'industry policy in many circumstances may be conceived of as steering designed to reinforce the domination of market rationality ... and to weaken the capacity of the state' (Lofgren 1997:67). The statist-inspired literature that has explored these themes argues that Australia's earlier statism was never 'grounded' in a supportive institutional or political environment and that recent reorientations have simply amplified earlier liberal tendencies (Bell 1993a: chapter 7). In this light, scholars have probed the new policy fixation on market-based microeconomic reform and competition policy (Gerritsen 1994; Harmon 1996; Quiggin 1996, 2002), and how firm-level strategies and notions of 'competitiveness' have become the new mantras (Bryan 2000; Griffiths and Parker 1999). Some have depicted a new form of 'competition state' that seeks to get firms and workers 'market ready' (Wiseman 1996; Bell 2000b).

Nevertheless, the thesis that neoliberal ideas have triumphed needs to be qualified at various points. The older quasi-corporatist tone of the 'industrial relations club' literature (for example, Henderson 1983) is one case in point. More recently, even in an apparently neoliberal world, the emerging literature on sectoral governance arrangements in Australia points to subtle forms of collaboration and some sharing of regulatory authority between the public and private sectors, an argument picked up in regulatory studies (for example, Braithwaite and Drahos 2000; Parker, C. 2002) and in the still-underdeveloped work in Australia on business associations (Matthews 1983; Bell 1995; Eccleston 2000; Broad 2001; Lofgren 2002).

Labour, capital and the state

The main focus of this branch of literature on Australian political economy is the historically variable power of the labour movement, and the rise and decline of state-

based forms of labour protection over the course of the twentieth century. A closely associated focus is the relative centrality of the state as opposed to the market (and employers) as the main regulatory mechanism in the employment, wages and labour-relations arena. Much of the 'industrial relations' literature in Australia, however, has been largely descriptive and 'institutionalist' in orientation. Comparative analysis, theoretical reflection or attention to issues such as the 'role of the state' have not generally been a feature (Treuren 2000; Wailes 2000).

One strand of literature has explored early-nineteenth-century trade-union formation and expansion, and how this development, in combination with later arbitral interventions, played a role in spurring business mobilisation and employer-association formation (Plowman 1989; Quinlan 1987; Matthews 1983; Wright 1995). Scholars have suggested how the underdeveloped nature of workplace forms of regulation and dispute settlement, together with a pattern of legislative regulation of employment conditions by colonial governments, helped set the scene for the emergence of centralised arbitral solutions to industrial conflict (Quinlan 1989; Gardner and Palmer 1997:21). In the wake of the depression and bitter industrial disputes of the 1890s, compulsory arbitration was introduced at the state and federal levels between the late 1890s and early 1900s and this too has been analysed from various perspectives. H.B. Higgins (1915:13–14), the second president of the Commonwealth Court of Conciliation and Arbitration, described the system as providing 'a new province of law and order'. Others have analysed it as one component of a cross-class-coalition federation settlement, in which state intervention and wage regulation were traded for relative industrial peace and tariff protection (Macarthy 1970; Macintyre and Mitchell 1989; Castles 1988). Others have seen the central dynamics as an example of the enhanced relative autonomy of the state in a crisis context (Kitay 1989), or as a case of meso-level corporatism (Palmer 1989) or of state syndicalism (Scherer 1985).

These perspectives and others that have charted the relatively unique trajectory of the Australian state in this arena see the state as mediating and even adjudicating elements of class conflict, ensuring high wages, and pursuing decommodifying principles such as 'comparative wage justice' (Macintyre 1985; Hancock and Isaac 1992). A critical strategy was to strongly link worker security to employment and the administered wages system. Others have argued that the system reflected a reformist ideology of 'labourism' among the dominant, moderate wing of the labour movement, which helped institutionalise the position of unions within the state (Fitzpatrick 1969: chapter 6; Scherer 1985; Macintyre and Mitchell 1989).

Since the 1970s, underlying changes in the labour market, combined with neoliberal political mobilisation, have seen the termination of the federation settlement. Commentators have identified two sets of underlying labour-market changes as important in this context.

First, by the early 1970s, postwar full employment began to generate a classic Kaleckian 'labour problem' marked by strong wage-push inflation pressures and an unravelling of the capacity for central regulation of the wages system (McFarlane and Beresford 1980; Hughes 1980; Catley and McFarlane 1981; Dabscheck 1994; Bell 1997c: chapter 5). After various failures of attempts at wage indexation and a wage freeze, the incoming Hawke–Keating Labor governments responded after 1983 by building on

earlier institutional centralism and embarking on a form of bipartite corporatist wage regulation and bargaining involving the government and the trade unions, led by the encompassing labour body, the Australian Council of Trade Unions (ACTU). Although formally bipartite, the bargaining also reflected business needs and interests (wage moderation, rebuilding profit share, and so on), and in this sense business was something of an implicit partner in the Prices and Incomes Accord process (Bell 1997c: chapter 8; Matthews 1994). The Accord provoked a debate revolving around pluralist versus corporatist accounts of what was happening (Gerritsen 1986; Loveday 1984; Matthews 1991; Stewart, R.G. 1985), debates about corporatism as an economic management strategy (Stilwell 1986, 1991; Keating and Dixon 1989), debates about corporatism as the ultimate expression of Australian labourism (Singleton 1990; Ewer et al. 1991; Beilharz 1994: chapter 6) and debates about whether the Accord (and an Accord-centred industry policy) was a viable or progressive strategy for the unions and the left (Ewer, Higgins and Stevens 1987; Flew 1989; Ewer et al. 1991; Ewer and Higgins 1987).

Accounts have also been written about the limits of labour movement corporatism in a capitalist setting (McEachern 1986; Ewer et al. 1991; McEachern 1993; Matthews 1994; Bell 1997c: chapter 8; Bray 1994), as well as accounts of the failure of wage restraint, union compliance and profit rebuilding to strategically influence investment patterns, or to avert a recourse to a major policy-induced recession in the early 1990s – possibly one of the major failures of the Accord process (Kuhn and O’Lincoln 1989; Hampson 1996; Bell 1997c; Brain 1999). A useful post-mortem of the Accord has also been published (Hampson 1996), although more work on the Australian particularities of the decline of corporatism seems warranted, especially in the light of the recent revival of corporatist concertation in parts of Europe (Grote and Schmitter 1999).

A related literature analysing what, in retrospect, looks like the high point of ‘political unionism’ in Australia has analysed and critiqued major union-inspired policy agendas, such as the 1987 *Australia Reconstructed* manifesto (*Australian Journal of Political Economy*, June 1997), as well as dealing (usually critically) with the possibility of more enlightened, ‘high road’, post-Fordist labour regimes (Campbell 1989; Mathews 1989a, 1989b, 1992; Bramble 1990; Hampson 1991).

A second major labour-market change analysed in the literature incorporates deindustrialisation, the growth of female labour-market participation, a strong shift towards services employment, and the emergence of a new dual economy, featuring high-productivity/low-employment or jobless growth sectors (for example, in the manufacturing and commodities export sectors) on the one hand, and a burgeoning high-employment, low-productivity and often low-wage services sector on the other (Green and Burgess 2000; Bell 2000a). A range of studies has pointed out that this kind of structural change has helped produce persistently high unemployment and the rapid growth of insecure, part-time or casual employment (ACIRRT 1999; Campbell 2000; Bell 2000a, 2002a; Buchanan, Callus and Briggs 1999; Buchanan and Watson 2000). Other studies have analysed rising levels of poverty and inequality, as well as substantial reductions in labour-movement strength and unionisation (Saunders 1994; Peetz 1998; *Labour and Industry* 1999).

The political and policy dimensions of these changes have also been extensively researched. A number of studies, using an essentially Keynesian or post-Keynesian framework, have argued that the effects of underlying labour-market changes have been exacerbated by bouts of deflationary macroeconomic policy (Hughes 1980; Catley and McFarlane 1981; Langmore and Quiggin 1994; Bell 1997c; Argy 1998; ACIRRT 1999: chapter 2; Chowdhury 2000). Studies have also focused on the break-up of earlier labour–capital settlements and the declining power of labour *vis-à-vis* capital in the face of relatively high unemployment, rising job insecurity, deunionisation and (for some writers) globalisation (Peetz 1998; Dabscheck 1995; Lambert 2000). Such political realignments have been depicted as both a (partial) cause and an effect of the 1990s push by employers and the major parties to deregulate the labour market, wind back earlier forms of labour protection and institutionalise a shift towards a market-based system of ‘enterprise bargaining’ (Burgess and Macdonald 1990; Green 1996; Boreham, Hall and Harley 1996; Dabscheck 1995; Quinlan 1998; ACIRRT 1999; Gahan and Harcourt 1999; Boreham 2002). In this context, further work on the changing and weakening ties between the industrial and political wings of the labour movement in Australia would be useful.

Welfare and the welfare state

The literature on the Australian welfare state has focused on Australia’s distinctive form of welfare development, which has featured a strong nexus between the dynamics of the labour market and the welfare state. Historically, the strength of the former has supported the relatively residual or safety-net role of the latter. One of the themes of recent literature, however, has been on how high unemployment and labour-market insecurity have shattered this earlier nexus, leaving the welfare of many Australians increasingly vulnerable (Saunders and Taylor 2002).

Although labourists and reformist liberals supported welfare development, most of the literature attributes the major advances in the Australian welfare state to successful mobilisation of the labour movement. The conflict and reformist politics of the 1890s and the federation settlement saw women’s enfranchisement, the formation of the ALP, and an initial surge in welfare-state development. Old age and invalid pension schemes were established, and soon after the turn of the century Australia was widely seen as one of the world’s laboratories of social reform and democracy. Major additions to the welfare state also occurred in the hothouse politics of the 1940s, and in this context a range of studies has examined the emergence of child-endowment policies, unemployment and sickness benefits, maternity leave, widows’ pensions and other welfare-state developments (Kewley 1975; Roe 1976; Watts 1987; Jones, M.A. 1990; Bryson 1992).

For the labour movement in particular, a strong labour market, minimum-wage laws, centralised wages regulation, tariff protection, immigration controls, affordable housing, and a welfare system funded via progressive taxation were seen as providing the key elements of worker security and welfare provision. One of the questions raised by this literature is why Australia’s relatively strong labour movement did not pursue a European-style high ‘social wage’ model, but instead relied on a regulated labour market.

Castles, who has done most to characterise the welfare state in Australia in these terms, refers to the system as Australia's 'wage earner's welfare state' – a system of 'welfare by other means' (Castles 1985, 1988, 1989). Observations from a distance, such as Esping-Andersen's (1990) categorisation of Australia's welfare state as a low-spending 'liberal' system, miss the crucial point that high levels of protective state intervention were directed not through the welfare system but through a highly regulated and managed economy and labour market (Castles and Mitchell 1992; Stretton 1993:52). Hence, based on the Australian case, Castles and Mitchell (1992) add an additional 'world of welfare capitalism' to Esping-Andersen's original threefold typology.

For Castles, this antipodean approach to welfare reflected a number of factors: high per capita income, an emerging tradition of labour-market regulation and protection, the particular form and character of labour-movement mobilisation, and the limited purchase of ideas of welfare universalism. In a recent addition to this account, Schwartz (1998) has argued that labour's motives were shaped by two further factors. One was relatively mobile capital, which tended to limit labour's interest in longer-term labour-capital bargaining over wages or future investment – the type of bargaining more characteristic of European 'corporatist' social democracy. Another factor, according to Schwartz, was Australia's relatively high public debt, a factor that encouraged organised labour's distrust of the state's capacity to support high levels of welfare or various forms of 'social wage'. These factors, according to Schwartz, encouraged labour to pursue high current wages through the market system.

The first major challenge to the Australian welfare model was the 1930s Depression, but such labour-market stress was later ameliorated, as various studies have argued, by the postwar economic boom, partly underpinned by a new 'Keynesian chapter' in the development of Australian social policy (Smyth 1994; Cass and Freeland 1994; Bell 1997c: chapter 4). Some have also pointed out that Australia's commitment to 'welfare by other means' reflected a historic opposition to state-provided welfare and rested on the continuing tradition of communitarian mutual aid (Lewis 1975; Green and Cromwell 1984; Smyth 1996; Smyth and Wearing 2002). The specifics of such a national style of welfare provision were generally missed in local Marxist, functionalist accounts of the welfare state (cf. Higgins, W. 1978).

The literature over the past decade or more has focused on a second series of traumas that has challenged the wage-earner's welfare model: a faltering labour market, family break-up, an ageing population and the growing pluralism of social demands. A short-lived effort under the Whitlam government in the direction of European universalism (Smyth and Wearing 2002) was succeeded by the approach of the Hawke-Keating Labor governments, which combined an emphasis on welfare efficiency and targeting with increased social expenditures (Castles 1994; Keating and Mitchell 2000), a strategy that substantially ameliorated the effects of rising market inequality. Hence, it is not evident that there was a welfare-state 'crisis' in Australia (cf. Graycar 1983), although some have pointed to growing fiscal strains (Keating and Mitchell 2000).

Attention has recently turned to the reversal of Labor's positive welfare efforts under the post-1996 conservative government (Mendes 1997). The Australian welfare system has proved to be politically vulnerable, as predicted by Castles (1989). There has

been a focus on winding back public health, tightening expenditures, a turn to third-way versions of 'communitarianism' and policy devolvement to community associations, and an emphasis on the rhetoric of self-help and 'mutual obligation' (Smyth and Wearing 2002). For some, on both the right and the left, the turn to communitarianism is an appropriate reaction to the perceived costs and alleged dependency-creating effects of the welfare state (Latham 1998; Botsman and Latham 2001). For others, the new context of high unemployment, labour-market weakness and welfare-state tightening marks a new era in which welfare has moved beyond the wage-earner's model to a new frontier of individualised therapies and punitive policing of the unemployed and disadvantaged, with welfare increasingly seen as a form of charity, not a social right (Saunders 1999; Watts 2000; Buchanan and Watson 2000). Reform proposals from the left range from strategies to strengthen the employment base (Langmore and Quiggin 1994; Boreham, Dow and Leet 1999; Bell 2000a; Mitchell and Carlson 2001) to proposals for post-employment welfare regimes based on some kind of guaranteed minimum income (Goodin 2000; cf. Pixley 1993).

The macroeconomic state

The 1930s Depression was a defining era in Australian political economy. Numerous accounts of the period have been written by economic historians (for example, Schedvin 1970; Gregory and Butlin 1988). Others have focused on the policy conflicts of the period (for example, Catley and McFarlane 1981; Groenewegen and McFarlane 1990: chapter 6). In an account that makes a useful contribution to the theory of state capacity, Tsokhas (1995) argues that the impact of British financiers in shaping policy responses to the 1930s Depression in Australia was limited by the complexities and autonomies of Australia's relatively *fragmented* state structure.

Subsequently, in studies that have highlighted the experiences of the Depression, wartime economic planning and the particular commitments of Australia's political and bureaucratic elite of the 1940s, scholars pointed to the relatively rapid uptake of Keynesian ideas in Australia (Catley and McFarlane 1981; Whitwell 1986). The political origins and bureaucratic machinations behind the 1945 white paper on full employment have also been analysed (Waters 1970; Black 1984; Whitwell 1986; Smyth 1994). Some writers have pointed out that the domestic policy stance adopted in domestic macroeconomic management was a relatively liberal or 'bastard' form of Keynesian policy, one largely limited to countercyclical demand management and which eschewed the more detailed interventionism implied by Keynes's analysis of the instability of the capitalist investment process (Quiggin and Robinson 1985). Australia's engagement with and role in negotiations over the postwar international economic order has also been analysed from various perspectives (Beresford and Kerr 1980; Capling 2001), though it should be added that despite Capling's very useful work on trade policy, more work needs to be done on Australia's international economic role in the postwar era.

Some have defended a robust, even radical interpretation of the policy changes in question (Smyth 1994; Battin 1997), and it is true that the new postwar policy stance did overturn previous policy orthodoxy and did give government new responsibilities

for macroeconomic management. Others, further to the left, have depicted the changes as more limited, reflecting the reform impediments confronting a 'capitalist' state (Waters 1970; Catley and McFarlane 1981; Black 1984; Johnson 1986). Some have argued that the actual practice of demand management in the postwar era was ad hoc, politicised and/or not central to economic outcomes (Cornish 1993). Even the governor of the Reserve Bank has weighed in on this front, casting doubt on a Keynesian, activist demand-management interpretation of postwar economic success (Macfarlane 1997), although this particular view has been criticised by Nevile (2000) on the grounds that what really mattered in the postwar era was the willingness of governments to use discretionary *expenditures* (not deficit spending) to stimulate activity and to support investor and consumer confidence when needed. Of course, a range of determinants drove the outcomes of the 'golden age'. Quiggin (1996:23) argues that 'no adequate explanation of this exceptional period in our economic history has ever been developed', and it would seem that the definitive account of postwar 'Keynesian' policy has yet to be written. An associated gap in the literature is the lack of a detailed study of the business response to Keynesianism in Australia.

Keynesianism was also associated with significant new forms of banking regulation and with the strengthening of central banking, in part aimed at a 'cheap money', expansionary stance. A detailed account of the regulatory reforms is still to be written, although there has been some coverage of the central banking reforms (Butlin, S.J. 1983; Coombs 1981; Schedvin 1992; Bell forthcoming). These regulatory moves (not to mention Labor's failed effort to nationalise the banks in 1949) have been interpreted by some as a product of Labor's long-held animosity towards the 'money power' (Love 1984), or, more specifically, Labor's payback for the financial community's deflationary stance during the Depression.

As for the postwar period, some studies have explored the role of the expanding public sector as part of postwar economic management (Simms 1982; Butlin, N.G. 1983). In the wake of a policy-induced recession in the early 1960s, a debate erupted about the efficacy of the Menzies government's economic management, with some calling for a more coordinated form of 'economic planning'. The idea was taken up by the Vernon Report of 1965 (Committee of Economic Enquiry 1965), but subsequently rejected by the Treasury and the Menzies government in an episode that has been analysed as indicating the relatively liberal proclivities of postwar economic management (McFarlane 1968; Whitwell 1986; Cook 1995). These liberal proclivities in macroeconomic management expanded in the mid-1970s with the abandonment of Keynesianism and the shift towards neoliberal policy, marked by experiments from monetarism to the current low-inflation, conservative fiscal-policy mix.

Financial deregulation, one of the quintessential neoliberal policies, has also received substantial attention. Crough (1981) provides a useful analysis of the 1981 Campbell Report, which recommended deregulation. Kelly (1992) and McCarthy and Taylor (1995) give detailed accounts of the politics of policy process in question, with the latter writers emphasising the policy entrepreneurship of Labor's Treasurer, Paul Keating. Other studies point to the tensions between financial deregulation (and speculative booms) and other arms of policy, such as the Accord or industry restructuring

(Kelly 1992; Bell 1997c). Brain (1999) and Argy (1996, 1998) also produced (somewhat critical) evaluative reviews of deregulation, although these writers, in common with most others, recognise the powerful forces behind deregulation (cf. Crough 1981; Bryan 1985; Anderson 1993; Pritchard 1994; McCarty and Taylor 1995; Perkins 1989; Bell 1997c; Brain 1999; Argy 1996, 1998). The increasing centrality of financial forces is one of the more significant aspects of contemporary political economy, and writers such as Frankel (2001, 2002), drawing on a wider overseas literature (cf. Froud et al. 2000), have usefully explored some of the microeconomic aspects of 'financialisation', or how the process and criteria associated with financial markets and financial-sector calculations have become infused into a wide range of activities from the design of tax systems to allocations for retirement incomes.

In charting more detailed aspects of macroeconomic policy, there was for a time a lively debate on the policy implications of Australia's 'national' debt and current-account situation (Pitchford 1990; Gelber 1998). There has also been attention to the shift towards relatively active monetary policy and passive fiscal policy under neoliberalism (Bell 1997c; Nevile 2000; Argyrous 1999), as well as calls for greater fiscal-policy activism and probings of how (politically and institutionally) this might be achieved (BCA 1999). Other writers have examined the machinations of fiscal policy, in studies that have utilised or critiqued public-choice perspectives (Eccleston 1998; Dullard and Hayward 1998). The apparent policy emphasis given to low inflation as opposed to low unemployment under neoliberalism has been questioned on the grounds that the benefits of low inflation have been exaggerated and the costs of deflation and unemployment downplayed (Langmore and Quiggin 1994; Argy 1998; Bell 1999, 2000a; Boreham, Dow and Leet 1999; Mitchell and Carlson 2001).

There has also been some specific work on the networks of actors in the core economic-policy elite (Goldfinch 2002), as well as on the institutional ramifications of the shifts in the political economy of macroeconomic policy. Some scholars have charted the changing role and power of the federal Treasury (Weller and Cutt 1976; Whitwell 1986; Wanna 2002), while others have charted the new prominence and independence of the Reserve Bank of Australia (Eichbaum 1993; Bell 2001, forthcoming). Bell (2002b) critically evaluates the application of public-choice explanations of central-banking politics in Australia, especially the notion that governments will be soft on inflation.

The international dimension

International political economy (IPE) emerged as a significant subfield of international relations in the first half of the 1970s. In part, political scientists' new interest in economic issues was a response to the increased turbulence in the global economy following the breakdown of the Bretton Woods monetary regime in 1971 and the oil-price shocks of 1973–74. It was also a response to disappointment at the results of regional collaboration, particularly in Europe, that had been the focus of much of the theoretical work in international relations on non-security issues in the 1960s, and at the abandonment by the economics profession, with the growing popularity of mathematical techniques, of what had previously been studied as institutional economics.²

If, following Tooze (1984), IPE is conceived not as an academic discipline but as 'a focus of inquiry' or, in the words of Gilpin (1987:9), as 'a set of questions ... generated by the interaction of the state and the market as the embodiment of politics and economics in the modern world', then much of the work on Australian and international political economy has been done by non-political scientists, especially by historians and economists.³ This literature has seldom engaged with the research interests and theoretical approaches that have come to dominate the study of IPE in the United States (see Frieden and Martin (2002) for a recent survey). Moreover, of the contributions that were made by international-relations specialists in Australia, many were directed primarily at providing commentary on topics high on the political agenda at the time and/or at efforts to influence public policy, particularly on trade. They have similarly eschewed the application, testing or development of theoretical approaches.

The early literature on Australian relations with the global economy was associated with a populist economic nationalism that enjoyed a high public profile in the late 1960s and the 1970s. The principal focus of this literature was on the characteristics of the Australian economy that made it unusual in the industrialised world, particularly its heavy dependence on export earnings from primary products and its relatively high penetration by foreign capital. 'Australia' was typically the unit of analysis of this literature, treated as a unitary actor, an undifferentiated and passive entity buffeted by the forces of international capitalism. The intellectual inspiration for much of the literature was the unsophisticated form of dependency literature associated with the underdevelopment approach of André Gunder Frank and Paul Baran. Writers in this tradition immediately faced the difficulty of explaining why the Australian economy had escaped the universal fate of non-western areas and had actually experienced industrialisation. For Cochrane (1980), Australia's 'special case' arose because the colonial structure 'came to sanction its industrial development'. Nonetheless, the integration of the Australian with the British economy ensured that the former would experience ongoing dependence. For Wheelwright (1982:46), another prominent writer in this tradition, such economic development as had occurred in Australia was 'of a kind which suits the requirements of the transnationals, so that it is development and dependence'. All key economic decisions, he alleged, were made in the boardrooms in the headquarters of transnational corporations (TNCs) so that it was impossible for national governments to manage their economies to the benefit of domestic interests.

In the 1980s, the dominant concept in this strand of writing was the notion of a 'Pacific Rim Strategy', through which TNCs, in league with the international financial institutions, were said to be creating a new international division of labour (Catley and McFarlane 1981; Crough and Wheelwright 1982; Wheelwright 1982). In this new division of labour, the Australian economy would be confined to the role of provider of minerals, energy and foodstuffs. Higgott (1987) makes a similar deterministic argument, albeit with the dominant metaphor changed from 'dependence' to 'interdependence'. Few scholarly studies attempted to undertake a serious evaluation of the arguments made by the dependency school, which of course was treated with complete disdain by most economists. One exception was the economic historian Kosmas Tsokhas (1986), whose study of the Australian mining industry argued that Australian

companies had utilised their linkages with TNCs to pursue *independent* strategies, and that dependence was simply an unhelpful metaphor in understanding Australia's economic development.⁴

For writers in the dependency tradition, it was often unclear whether their principal objection was to the influence within Australia of transnational companies or of capitalism itself. There was a certain irony in one of the principal proponents of the approach co-authoring a report (McGill and Crough 1986) that suggested that some transnational companies in the mining industry had a better record on environmental issues and Indigenous rights than had their Australian-owned counterparts. Such empirical studies caused a shift in attitude towards foreign corporations, and with the opening up by the Hawke government of most of the (few) sectors of the economy still off limits to foreign investors, the public debate on foreign ownership largely subsided, only rarely to be revived when an Australian icon fell into foreign hands. For the most part, the public-policy emphasis now was on how best to attract additional foreign investment to increase the international linkages of the Australian economy. Meanwhile, the rise of the East Asian newly industrialising economies discredited the simpler strands of dependency theory that had inspired much of the economic nationalist literature in Australia. The role of foreign investment in Australia largely disappeared from the scholarly agenda except for occasional studies in the *Journal of Australian Political Economy* (for instance, Pritchard 1995). To the extent that critical scholarship maintained an interest in foreign investment, the approach typically was from a classical Marxist rather than a dependency perspective (Bryan 1989, 1995; Bryan and Rafferty 1997).

The Hawke government's activist diplomacy on international economic as well as international security issues also prompted a change in scholarly perspective, away from an emphasis on Australia as a passive actor to attempts to explain how the government of a relatively small economy could 'punch above its weight' in international negotiations. The primary focus in academic work on Australia and the global economy switched from foreign direct investment to trade policies.⁵ Previously, this area had attracted little academic attention, largely because Australia had not been active in the principal global trade forum, the General Agreement on Tariffs and Trade (GATT), following the failure of the international community to ratify the more comprehensive International Trade Organisation agreement. Most of the work on Australia and GATT had been done by economists: Heinz Arndt (1965) had provided a sympathetic treatment of Australia's call for special treatment within GATT, while Crawford's (1968) compendium of documents also offered useful commentary on the postwar evolution of trade policy.⁶

Australia's new activism in trade policy, epitomised by its role in founding the Cairns Group of agricultural traders, was first discussed in an academic journal by a trade-policy practitioner from the Department of Foreign Affairs and Trade, Peter Gallagher (1988). Higgott (1989b) took up this argument and in subsequent work with Canadian academics linked the new Australian efforts at trade-policy agenda-setting (including the Asia-Pacific Economic Cooperation (APEC) grouping) to the substantial literature, much of which was focused on Canada, on the latitude enjoyed by 'middle powers' in providing intellectual leadership and brokerage in international relations

(Higgott, Cooper and Bonnor 1990; Higgott and Cooper 1990; Cooper, Higgott and Nossal 1993). Cooper (1997) subsequently provided a more detailed comparison of the policies of Australia and Canada as middle powers in one sector of trade negotiations: promotion of agricultural trade liberalisation.

An emphasis on Australian entrepreneurship in regional and multilateral economic forums became the dominant theme in official (Evans and Grant 1991; Keating 2000) and academic discussion of foreign economic policies during the era of Hawke–Keating governments, although the literature added little to the understanding of why some governments at particular times chose activist policies, or of the constraints under which middle powers operate (Ravenhill 1998b). Subsequent work on Australian trade policies, including the most comprehensive and best-researched study to date (Capling 2001), has similarly emphasised the independent role that Australian governments have taken in pursuing the perceived national interest (see also Beeson and Capling 2002; Goldsworthy 2001).

APEC, as the jewel in the crown of Labor's new foreign economic policy activism, prompted much of the theoretically informed work on international political economy completed in Australia in the 1990s. Most of this drew on insights from the various theoretical arguments about international regimes that North American and European scholars had pioneered. Prominent among these was a focus on the role of epistemic communities – that is, transnational groupings of policy specialists – in promoting international collaboration (on their role in APEC and its predecessors in Asia–Pacific cooperation, see Leaver 1995; Harris 1994, 2000; Higgott 1994; Woods 1993). Arguments from the literature on international regimes were also used to question whether APEC's institutional design was appropriate for the tasks (particularly trade liberalisation) it was being asked to promote (Ravenhill 1999, 2001b; Higgott 1995; Beeson 1996a).

Australia's economic engagement with Asia attracted increasing scholarly attention in the 1990s, although the literature typically focused more on commentary than on theoretical issues – other than the possible relevance for Australia of the developmental state models of the North-East Asian newly industrialising countries (Cotton and Ravenhill 1997, 2001; Ravenhill 1998a; Robison 1996; Higgott and Nossal 1997). The Asian financial crises of 1997–98 prompted a rare consideration of Australia's role in regional and global financial regimes (Wesley 2001; Noble and Ravenhill 2000).

Political scientists also increasingly focused on Australia's trade policies towards its principal bilateral partners. The relationship with the US was typically portrayed as one of considerable asymmetry, where Australia as the weaker party had few strings to its bow to counter often unhelpful US trade policies – especially given that no government was willing to link the question of the operation of the joint defence facilities to US economic concessions (Higgott 1989a; Leaver 1998; Ravenhill 2001a). Studies of the trade relationship with Japan served as a foundation to criticise the government for its neglect of bilateral trade strategies, and for its unwillingness to promote a unified front among Australian minerals producers to combat that orchestrated by Japanese steel companies (Barratt 1992; Beeson 1995, 1996b, 1997b; Ravenhill 1996).⁷ As official and private-sector disillusionment with APEC's limited results in trade liberalisation prompted the government to jump on the bilateral trade negotiation bandwagon, especially

through efforts to negotiate a free-trade agreement with the US, the merits of this new approach to trade policy were subject to critical academic scrutiny (Leaver and DeBats 2001; Garnaut 2002). Snape (1996; see also Snape, Adams and Morgan 1993) provided earlier discussion of the wisdom of Australia's pursuit of preferential trade agreements.

Foreign economic policy activism was one component of what increasingly, following Putnam (1988), was referred to as a two-level game (Higgott 1991b), an essential adjunct of the domestic economic liberalisation agenda pursued by the ALP governments in the 1980s and first half of the 1990s. The Garnaut Report (1989), which used a study of the North-East Asian experience to advocate more rapid liberalisation of Australian foreign economic policies, was criticised by political economists for its interpretation of the economic history of the region and for its lack of attention to the dynamics of international trade bargaining in its advocacy of unilateral liberalisation. Matthews and Ravenhill (1991) used the burgeoning literature in IPE on regimes and game theory to emphasise the important role that reciprocity had played in successful multilateral trade negotiations.

For the most part, however, the debate on trade policy was conducted with little reference to the theoretical literature. A significant reason was that the positions of the adversaries tended to be exaggerated and simplified for public consumption. This was not merely a matter of 'dumbing down' for a non-professional audience, but of activists' perceptions that the stakes in the debate were too important for the message to be diluted by concessions that the real world might be more complicated than their abstract models allowed. The neoclassical argument on trade policy was presented in its bluntest form; its advocates simply dismissed critics who pointed to the more nuanced messages of the literature on new growth theories that leading US economists had produced in the 1980s.⁸

From the mid-1990s, globalisation went some way towards supplanting economic rationalism as the dominant metaphor in much of the academic work on Australian political economy. The rhetoric and reality of globalisation, particularly regarding more open cross-border flows of trade, investment and finance, has seen a return to nationalist sentiments in some quarters (Capling 1997), even prompting the Howard government's retreat from the doctrinaire economic liberalisation of the Keating years towards a more populist approach. For some authors, a focus on globalisation marked a return to the determinism of the dependency literature of the 1980s: Australian governments were significantly constrained in the policy options available to them in a world in which control over economic decisions had passed to investors and corporations (from opposite ends of the political spectrum, Bryan and Rafferty (1999), and Catley (1996); while Schwartz (1994, 1998) presents a rare contribution from a non-Australia-based author). For some writers (Catley 1996; Latham 1998; Tanner 1999), the globalisation metaphor served primarily as a basis for arguing their preferred policy agenda – a tactic used more widely in political debates, particularly by the neoliberal right, to suggest the inevitability of neoliberal policy convergence in the face of globalisation.

Much of the other work that focuses on the general theme of 'Australia and globalisation' comprises reviews of the history of Australia's integration into the global economy (Capling, Crozier and Considine 1998; Ravenhill 2000; Wiseman 1998) or a

discussion of the evolution of policy in the 1990s with the advent of a conservative Coalition government (Conley 2001). Globalisation, however, is the topic that most clearly illustrates the blurring of the boundaries between the domestic and the international in political economy; much of the literature we discuss in the previous section – for example, on shifts in macroeconomic policy and on the evolving arrangements for welfare provision – is directly relevant to consideration of the topic of how globalisation has exerted an impact on Australia. How much policy change is a response to irresistible economic forces from outside national boundaries and how much it is driven by the independent influence of hegemonic ideas and domestic politics is a question still being debated in Australian political economy (Bell 1997a). Some writers suggest healthy scepticism when evaluating the extent to which globalisation has eroded national policy sovereignty (Argy 1998; Quiggin 2001).

Conclusion

Much of the research of political scientists and others writing on political economy in Australia is driven by contemporary developments – by changes in policies and in institutions. And in relatively small academic communities, such as Australia's, work typically concentrates on the peculiarities of the domestic system. A large portion of the literature has been stimulated either by policy change or by a desire to promote such change; a notable feature is its willingness to engage in or probe the machinations of normative debates (cf. Frankel 2001: chapter 4; Stilwell 2000).

Political economists working on Australia have focused on some of the more unique aspects of the country's economic structure, institutional arrangements and partisan compromises, and this focus on uniqueness has inevitably forced analysts to adopt a comparative perspective. Arguably, it is this comparative approach that has produced the most sophisticated studies of Australian political economy. The second half of the 1980s and the 1990s saw the emergence of a new generation of scholars whose work was much more theoretically informed than that of its predecessors. Particularly notable here was work on the state, on business–state relations, on industry policy, on welfare, and, in international relations, on Australia's new policy activism and its participation in regional institutions. Only recently have some Australian political economists turned to the deductive approaches that have dominated the US study of political economy in the past decade. The relative paucity of deductive approaches results, in part, from local perceptions of the limitations of such work (cf. Stretton and Orchid 1994), but also from the failure or unwillingness of most politics schools (or increasingly sections of schools) in Australian universities to provide training in such methodologies.

The historically rooted identity of political science (Crosier 2001) and political economy in Australia should not be overlooked, but despite the increasingly comparative and theoretically sophisticated nature of work on Australian political economy, very little of it, unfortunately, is read outside of the Antipodes. One reason of course is that the international study of political science continues to be dominated by US scholars, the orientation of many of whom is decidedly parochial. But many Australian political economists have contributed to their own isolation and the lack of impact of their

work in the profession outside Australia by failing to publish in international journals, as is all too evident from the bibliography to this chapter. It is ironic that a good portion of the small number of articles on Australian political economy that have appeared in such journals has been written by non-Australia-based writers, and this work does not always display the most informed understanding of the subject matter. All of this is unfortunate. The uniqueness of the Australian political economy and the research done on it deserve a wider audience.

Notes

- 1 A related developmental picture, stemming from work on the political economy of regionalism, relates to growing regional disparities in Australia, associated with difficulties in the commodities sectors and weaknesses in developing new dynamic sectors. There is no room here to explore this literature, although it should be noted that work on the political economy of regionalism is still underdeveloped in Australia (though see Galligan 1984; Head 1986; Stilwell 1992; Gray and Lawrence 2001; Sorensen 2002).
- 2 This timing was not propitious for the development of the study of IPE in Australian universities, whose phase of rapid expansion (at least in numbers of academic staff if not of students) had ended by then. The number of international-relations specialists in Australian universities has always been small (Kubalkova and Cruickshank 1987) and has shrunk substantially since this observation was recorded. At any one time only a handful of these specialists has been active in researching topics in IPE. Because relatively few academic staff taught the subject, an equally small number of students completed PhDs on IPE topics. Active researchers were also lost to overseas institutions, where the focus of their work inevitably moved away from Australian-oriented topics. At the beginning of 2002, there were only six international-relations specialists with professorial rank in Australian universities, of whom only one specialised in international political economy.
- 3 Significant contributions by historians include Dyster and Meredith (1990) (revised edition Meredith and Dyster 1999), and Pinkstone and Meredith (1992).
- 4 Gregory (1991) provides a rare empirical examination of an issue at the heart of dependency theorists' concerns: the extent to which Australian economic performance and economic policies are determined externally.
- 5 Liberalisation in the financial sphere and Australia's relations with the International Monetary Fund and the World Bank has received relatively little attention. Financial deregulation is covered in Bell (1997), Capling, Crozier and Considine (1998), and Kenwood (1995).
- 6 On the early postwar period, see also Lee (1995). Snape, Luttrell and Gropp (1998) update the trade-policy documents for the period from the mid-1960s to mid-1990s.
- 7 Rix (1986) provides a history of the early postwar relationship.
- 8 Hamilton (1991) and Matthews and Ravenhill (1992) present arguments for the relevance of new economic theorising for Australian trade policies.

References

- ACIRRT. 1999. *Australia at Work: Just Managing*. Australian Centre for Industrial Relations Research and Teaching. Sydney: Prentice Hall.
- Anderson, K., and R. Garnaut. 1987. *Australian Protectionism: Extent, Causes and Effects*. Sydney: Allen and Unwin.
- Anderson, T. 1993. Financial deregulation: Why did competitive markets fail? *Journal of Australian Political Economy* 31:57-73.

- Argy, F. 1996. The integration of world capital markets: Some economic and social implications. *Economic Papers* 15:1–19.
- . 1998. *Australia at the Crossroads: Radical Free Market or a Progressive Liberalism?* Sydney: Allen and Unwin.
- Argyrous, G. 1999. Can the budget surplus last? *Journal of Economic and Social Policy*. 4:27–44.
- Australian Journal of Political Economy*. 1997. (Special issue *Australia Reconstructed*) 39.
- Arndt, H.W. 1965. Australia – developed, developing or midway? *Economic Record* 41:318–40.
- Barratt, P. 1992. Winning Asian markets in the eighties: A model for the nineties. *Australian Quarterly* 64:379–410.
- Battin, T. 1997. *Abandoning Keynes: Australia's Capital Mistake*. Macmillan: London.
- BCA. 1999. *Avoiding Boom/Bust: Macro-Economic Reform for a Globalised Era*. Melbourne: Business Council of Australia.
- Beeson, M. 1995. Australia–Japan trade relations: The coal industry as a case in point. *Australian Quarterly* 67:67–84.
- . 1996a. APEC: Nice theory, shame about the practice. *Australian Quarterly* 68:35–48.
- . 1996b. Trade with Japan: What is to be done? *Australian Quarterly* 68:119–23.
- . 1997a. Who pays the ferryman? Industry policy and shipbuilding in Australia. *Australian Journal of Political Science* 32:437–54.
- . 1997b. Bilateral economic relations in a global political economy: Australia and Japan. *Competition and Change* 2:137–73.
- Beeson, M., and A. Capling. 2002. 'Australia in the world economy: Globalisation, international institutions and economic governance' in *Economic Governance and Institutional Dynamics*. Edited by S. Bell. Melbourne: Oxford University Press.
- Beeson, M., and A. Firth. 1998. Neoliberalism as a political rationality: Australian public policy since the 1980s. *Journal of Sociology* 34:215–30.
- Beilharz, P. 1994. *Transforming Labor*. Melbourne: Cambridge University Press.
- Beilharz, P., and W. Higgins. 1986. Industry policy: Making history. *Politics* 21:40–4.
- Bell, S. 1993a. *Australian Manufacturing and the State: The Politics of Industry Policy in the Post-War Era*. Melbourne: Cambridge University Press.
- . 1993b. Weak on the state: Economic rationalism in Canberra. *Australian and New Zealand Journal of Sociology* 29:387–401.
- . 1995. Between the market and the state: The role of business associations in public policy: Evidence from Australia. *Comparative Politics* 28(1):25–53.
- . 1997a. Globalisation, neoliberalism and the transformation of the Australian state. *Australian Journal of Political Science* 32:345–8.
- . 1997b. Scorched industry policy. *Journal of Economic and Social Policy* 2:5–19.
- . 1997c. *Ungoverning the Economy: The Political Economy of Australian Economic Policy*. Melbourne: Oxford University Press.
- . 1999. The scourge of inflation? Unemployment and orthodox monetary policy. *Australian Economic Review* 32:74–82.
- . 2000a. 'Unemployment, inequality and the politics of redistribution' in *The Unemployment Crisis: Which Way Out?* Edited by S. Bell. Melbourne: Cambridge University Press.
- . 2000b. 'The role of the state: From welfare state to competition state?' in *The Politics of Australian Society: Political Issues for the New Century*. Edited by P. Boreham, R. Hall and G. Stokes. Melbourne: Addison Wesley Longman.
- . 2001. 'Open economy central banking: explaining Australia's re-commitment to central bank independence' *Australian Journal of Political Science* 36:459–80.

- . 2002a. 'The contours and dynamics of unemployment in Australia' in *The Costs of Unemployment*. Edited by P. Saunders and R. Taylor. Sydney: UNSW Press.
- . 2002b. The limits of rational choice: New institutionalism in the test bed of central banking politics in Australia. *Political Studies* 50(3):477–96.
- . Forthcoming. *The New Money Mandarins: The Politics of the Reserve Bank of Australia*.
- Bell, S., J. Burgess and R. Green. 2000. 'Speed limits to growth and the quality of jobs: Economic structure and the current account' in *The Unemployment Crisis in Australia: Which Way Out?* Edited by S. Bell. Melbourne: Cambridge University Press.
- Beresford, M., and P. Kerr. 1980. 'A turning point for Australian capitalism: 1942–1952' in *Essays in the Political Economy of Australian Capitalism*. Vol. 4. Edited by E.L. Wheelwright and K. Buckley. Sydney: ANZ Books.
- Black, L. 1984. Social democracy and full employment: The Australian white paper, 1945. *Labour History* 46:34–51.
- Block, F. 1990. *Post-industrial Possibilities: A Critique of Economic Discourse*. Berkeley, CA: University of California Press.
- Boreham, P. 2002. 'Governance of the labour market: From the market to the state' in *Economic Governance and Institutional Dynamics*. Edited by S. Bell. Melbourne: Oxford University Press.
- Boreham, P., G. Dow and M. Leet. 1999. *Room to Manoeuvre: Political Aspects of Full Employment*. Melbourne: Melbourne University Press.
- Boreham, P., R. Hall and B. Harley. 1996. Two paths to prosperity? Work organisation and industrial relations decentralisation in Australia. *Work, Employment and Society* 10:449–69.
- Botsman, P., and M. Latham (eds). 2001. *The Enabling State*. Sydney: Pluto Press.
- Brain, P. 1999. *Beyond Meltdown: The Global Battle for Sustained Growth*. Melbourne: Scribe.
- Braithwaite, J., and P. Drahos. 2000. *Global Business Regulation*. Cambridge: Cambridge University Press.
- Bramble, T. 1990. The utopian fantasy of post-Fordism. *Socialist Review* 2:85–101.
- . 1994. Interventionist industry policy: A Marxist critique. *Journal of Australian Political Economy* 33:65–89.
- Bray, M. 1994. 'Unions, the Accord and economic restructuring' in *Developments in Australian Politics*. Edited by J. Brett, J. Gillespie and M. Goot. Melbourne: Macmillan.
- Broad, P. 2001. Australian business associations – their strategies for surviving the 1990s and beyond. *Labour and Industry* 11:27–54.
- Bryan, D. 1985. Finance capital: A mechanism for restructuring. *Journal of Australian Political Economy* 18:30–9.
- . 1988. After the long boom: The mining industry and capital restructuring. *Journal of Australian Political Economy* 22:14–26.
- . 1989. *Foreign Investment Policy Issues for Australia*. Canberra: Commonwealth Parliamentary Library.
- . 1995. *The Chase across the Globe: International Accumulation and the Contradictions for Nation States*. Boulder, CO: Westview Press.
- . 2000. National competitiveness and the subordination of labour: An Australian policy study. *Labour and Industry* 11:1–16.
- Bryan, D., and M. Rafferty. 1997. Still calling Australia home: The changing conceptions of internationalisation in government policy. *Australian Journal of International Affairs* 51:5–24.
- . 1999. *The Global Economy in Australia: Global Integration and National Economic Policy*. Sydney: Allen and Unwin.
- Bryant, P. 1997. 'Moving the mindset: The state of manufacturing' in *Turning Point: The State of Australia*. Edited by C. Sheil. Sydney: Allen and Unwin.

- Bryson, L. 1992. *Welfare and the State*. London: Macmillan.
- Buchanan, J., R. Callus and C. Briggs. 1999. What impact has the Howard government had on wages and hours of work? *Journal of Australian Political Economy* 43:1–22.
- Buchanan, J., and I. Watson. 2000. 'Beyond the wage earner model' in *Reshaping Australian Social Policy: Changes in Work, Welfare and Families*. Edited by L. Hancock, B. Howe and A. O'Donnell. Melbourne: Committee for Economic Development of Australia.
- Bulbeck, C. 1983a. 'State and capital in tariff policy' in *State and Economy in Australia*. Edited by B. Head. Melbourne: Oxford University Press.
- . 1983b. 'Economists as midwives of capitalist ideology' in *Essays in the Political Economy of Australian Capitalism*. Vol. 5. Edited by E.L. Wheelwright and K. Buckley. Sydney: ANZ Books.
- Burgess, J., and R. Green. 2000. 'Is growth the answer?' in *The Unemployment Crisis in Australia: Which Way Out?* Edited by S. Bell. Melbourne: Cambridge University Press.
- Burgess, J., and D. Macdonald. 1990. The labour flexibility imperative. *Journal of Australian Political Economy* 27:15–35.
- Butlin, N.G. 1959. 'Colonial socialism in Australia: 1860–1900' in *The State and Economic Growth*. Edited by H.G.J. Aitken. New York: Social Science Council.
- . 1983. 'Trends in public/private relations 1901–75' in *State and Economy in Australia*. Edited by B. Head. Melbourne: Oxford University Press.
- Butlin, N.G., A. Barnard and J.J. Pincus. 1982. *Government and Capitalism*. Sydney: Allen and Unwin.
- Butlin, S.J. 1962. The role of planning in Australia's economic development. *Economic Papers* 15:5–26.
- . 1983. Australian central banking 1945–59. *Australian Economic History Review* 23:95–192.
- Campbell, I. 1989. The Australian trade union movement and post-Fordism. *Journal of Australian Political Economy* 26:1–26.
- . 2000. The spreading net: Age and gender in the process of casualisation in Australia. *Australian Journal of Political Economy* 45:68–98.
- Capling, A. 1997. Economic nationalism in Australia. *Australia Quarterly* 69:1–14.
- . 2001. *Australia and the Global Trade System: From Havana to Seattle*. Cambridge: Cambridge University Press.
- Capling, A., M. Crozier and M. Considine. 1998. *Australian Politics in the Global Era*. Melbourne: Addison Wesley Longman.
- Capling, A., and B. Galligan. 1992. *Beyond the Protective State: The Political Economy of Australia's Manufacturing Industry Policy*. Cambridge: Cambridge University Press.
- Carroll, J., and R. Manne (eds). 1992. *Shutdown: The Failure of Economic Rationalism and How to Rescue Australia*. Melbourne: Text Publishing.
- Cass, B., and J. Freeland. 1994. 'Social security and full employment in Australia: The rise and fall of the Keynesian welfare state, and the search for a post-Keynesian settlement' in *Beveridge and Social Security*. Edited by J. Hills: Oxford: Clarendon Press.
- Castles, F.G. 1985. *The Working Class and Welfare*. Sydney: Allen and Unwin.
- . 1988. *Australian Public Policy and Economic Vulnerability*. Sydney: Allen and Unwin.
- . 1989. 'Social protection by other means: Australia's strategy of coping with external vulnerability' in *The Comparative History of Public Policy*. Edited by F.G. Castles. Cambridge: Polity Press.
- . 1994. The wage earner's welfare state revisited: Refurbishing the established model of Australian social protection: 1983–93. *Australian Journal of Social Issues* 29:120–45.
- Castles, F.G., and D. Mitchell. 1991. *Three Worlds of Welfare Capitalism or Four?* Rev. ed. Canberra: Graduate Program in Public Policy, Australian National University.

- . 1992. Identifying welfare state regimes: The links between politics, instruments and outcomes. *Governance* 5(1):1–26.
- Castles, F.G., and J. Stewart. 1993. 'Towards industrially sustainable development: Industry policy under the Labor government' in *Governing in the 1990s: An Agenda for the Decade*. Edited by I. Marsh. Melbourne: Longman.
- Catley, R. 1996. *Globalising Australian Capitalism*. Melbourne: Cambridge University Press.
- Catley, R., and B. McFarlane. 1981. *Australian Capitalism in Boom and Depression*. Sydney: Southwood Press.
- Chowdhury, A. 2000. 'Dealing with the inflation constraint to growth' in *The Unemployment Crisis in Australia: Which Way Out?* Edited by S. Bell. Melbourne: Cambridge University Press.
- Clark, D. 1975. 'Australia: Victim or partner in British imperialism?' in *Essays in the Political Economy of Australian Capitalism*. Edited by E.L. Wheelwright and K. Buckley. Sydney: ANZ Books.
- Cochrane, P. 1980. *Industrialisation and Dependence: Australia's Road to Economic Development*. Brisbane: University of Queensland Press.
- Committee of Economic Enquiry. 1965. *Report of the Committee of Economic Enquiry*. 2 vols. The Vernon Report. Canberra: Commonwealth of Australia.
- Conley, Tom. 2001. The domestic politics of globalisation. *Australian Journal of Political Science* 36:223–46.
- Cook, M. 1995. The Vernon Report: An anatomy of an assassination. *Journal of Economic and Social Policy* 1:39–43.
- Coombs, H.C. 1981. *Trial Balance: Issues of My Working Life*. Melbourne: Sun Books.
- Cooper, A.F. 1997. *In between Countries: Australia, Canada, and the Search for Order in Agricultural Trade*. Montreal: McGill-Queen's University Press.
- Cooper, A.F., R.A. Higgott and K.R. Nossal. 1993. *Relocating Middle Powers: Australia and Canada in a Changing World Order*. Vancouver: University of British Columbia Press.
- Cornish, S. 1993. The Keynesian revolution in Australia: Fact or fiction? *Australian Economic History Review* 33:42–68.
- Costa, M. 1991. 'Protectionism, mercantilism and free-trade Labor' in *Australian Industry: What Policy?* Edited by M. Costa and M. Easson. Sydney: Pluto Press.
- Cotton, J., and J. Ravenhill (eds). 1997. *Seeking Asian Engagement: Australia in World Affairs, 1991–9*. Melbourne: Oxford University Press.
- (eds). 2001. *The National Interest in a Global Era: Australia in World Affairs 1996–2000*. Melbourne: Oxford University Press.
- Crawford, J.G. 1968. *Australian Trade Policy 1942–66: A Documentary History*. Canberra: ANU Press.
- Crosier, M. 2001. A problematic discipline: The identity of Australian political studies. *Australian Journal of Political Science* 36:7–26.
- Crough, G.J. 1980. 'The political economy of the mineral industry' in *Australia and World Capitalism*. Edited by G. Crough, T. Wheelwright and T. Wilshire. Sydney: Penguin.
- . 1981. The Campbell inquiry: Deregulation and the restructuring of the Australian financial system. *Intervention* 14:5–24.
- Crough, G.J., and E.L. Wheelwright. 1982. *Australia: A Client State*. Melbourne: Penguin.
- Dabscheck, B. 1994. 'The arbitration system since 1967' in *State, Economy and Public Policy in Australia*. Edited by S. Bell and B. Head. Melbourne: Oxford University Press.
- . 1995. *The Struggle for Australian Industrial Relations*. Melbourne: Oxford University Press.
- Dean, M., and B. Hindess (eds). 1998. *Governing Australia: Studies in the Contemporary Rationalities of Government*. Melbourne: Cambridge University Press.
- Denoon, D. 1983. *Settler Capitalism: The Dynamics of Dependent Development in the Southern Hemisphere*. Oxford: Clarendon Press.

- Donaldson, M., and T. Donaldson. 1983. Crisis in the steel industry. *Journal of Australian Political Economy* 14:33–42.
- Dow, G. 1992. The economic consequences of economists. *Australian Journal of Political Science* 27:258–81.
- Dullard, J., and D. Hayward. 1998. The democratic paradox of public choice theory: The case of the Costello cuts. *Journal of Australian Political Economy* 42:16–47.
- Duncan, T. 1993. 'New ways to kill the goose: Sectoral clashes after protectionism' in *A Defence of Economic Rationalism*. Edited by C. James, C. Jones and A. Norton. Sydney: Allen and Unwin.
- Dyster, B., and D. Meredith. 1990. *Australia in the International Economy in the Twentieth Century*. Cambridge: Cambridge University Press.
- Eccleston, R. 1998. The fiscal-electoral nexus in Australia. *Australian Journal of Political Science* 32:267–80.
- . 2000. The significance of business interest associations in economic policy reform: The case of Australian taxation policy. *Business and Politics* 2:309–25.
- Edwards, L. 2002. *How to Argue with an Economist*. Melbourne: Cambridge University Press.
- Eggleston, F.W. 1932. *State Socialism in Victoria*. London: PS. King and Son.
- Eichbaum, C. 1993. Challenging the intellectual climate of the times: Why the Reserve Bank of Australia is too independent. *Economic Papers* 12:1–17.
- Emy, H.V. 1993. *Remaking Australia: The State, the Market and Australia's Future*. Sydney: Allen and Unwin.
- Esping-Andersen, G. 1990. *The Three Worlds of Welfare Capitalism*. Cambridge: Polity Press.
- Evans, G., and B. Grant. 1991. *Australia's Foreign Relations*. Melbourne: Melbourne University Press.
- Evans, P. 1995. *Embedded Autonomy: States and Industrial Transformation*. Princeton, NJ: Princeton University Press.
- Ewer, P., I. Hampson, C. Lloyd, J. Rainford, S. Rix and M. Smith. 1991. *Politics and the Accord*. Sydney: Pluto Press.
- Ewer, P., and W. Higgins. 1987. Industry policy under the Accord: Reform vs. traditionalism. *Politics* 21:28–39.
- Ewer, P., W. Higgins and A. Stevens. 1987. *Unions and the Future of Australian Manufacturing*. Sydney: Allen and Unwin.
- Fenna, A. 1996. Political alignments, political economy and political change in Australia. *Australian Journal of Political Science* 31(1):67–82.
- Fitzpatrick, B. 1939. *British Imperialism and Australia, 1783–1833*. Sydney: University of Sydney Press.
- . 1969. *The British Empire in Australia, 1834–1939*. Melbourne: Macmillan.
- Flew, T. 1989. The limits to political unionism. *Journal of Australian Political Economy* 24:77–99.
- Frankel, B. 2001. *When the Boat Comes In: Transforming Australia in an Age of Globalisation*. Sydney: Pluto Press.
- . 2002. 'Financialisation: How new financial forms of economic governance are reshaping the politics of distribution' in *Economic Governance and Institutional Dynamics*. Edited by S. Bell. Melbourne: Oxford University Press.
- Frieden, J.A., and L.L. Martin. 2002. 'International political economy: The state of the sub-discipline' in *Political Science: The State of the Discipline*. Edited by I. Katznelson and H. Milner. New York: Norton.
- Froud, J., C. Haslam, S. Johal and K. Williams. 2000. Shareholder value and financialisation: Consultancy promises, management moves. *Economy and Society* 29(1):80–110.
- Gahan, P., and T. Harcourt. 1999. Australian labour market institutions: Deregulation and the open economy. *Economic and Labour Relations Review* 10:296–318.
- Gallagher, P.W. 1988. Setting the agenda for trade negotiations: Australia and the Cairns Group. *Australian Outlook* 42:69–74.
- Galligan, B. 1984. The state in Australian political thought. *Politics* 19(2):82–92.

- . 1989. *Utah and Queensland Coal: A Study in the Micro Political Economy of Modern Capitalism and the State*. Brisbane: University of Queensland Press.
- Gardner, M., and G. Palmer. 1997. *Employment Relations*. Melbourne: Macmillan.
- Garnaut, R. 1989. *Australia and the Northeast Asian Ascendancy: Report to the Prime Minister and Minister for Foreign Affairs and Trade*. The Garnaut Report. Canberra: AGPS.
- . 2002. An Australia–United States free trade agreement. *Australian Journal of International Affairs* 56:123–41.
- Gelber, F. 1998. ‘Tackling the current account’ in *Manufacturing Prosperity: Ideas for Industry, Technology and Employment*. Edited by R. Genoff and R. Green. Sydney: Federation Press.
- Genoff, R., and R. Green (eds). 1998. *Manufacturing Prosperity: Ideas for Industry, Technology and Employment*. Sydney: Federation Press.
- Gerritsen, R. 1986. The necessity of ‘corporatism’: The case of the Hawke Labor government. *Politics* 21:19–27.
- . 1994. ‘Microeconomic reform’ in *State, Economy and Public Policy in Australia*. Edited by S. Bell and B. Head. Melbourne: Oxford University Press.
- Gilpin, R. 1987. *The Political Economy of International Relations*. Princeton, NJ: Princeton University Press.
- Glezer, L. 1982. *Tariff Politics*. Melbourne: Melbourne University Press.
- Goldfinch, S. 2000. *Remaking New Zealand and Australian Economic Policy*. Washington, DC: Georgetown University Press.
- . 2002. *Remaking New Zealand and Australian Economic Policy: Ideas, Institutions and Policy Communities*. Washington, DC: George Washington University Press.
- Goldsworthy, D. (ed.). 2001. *Facing North: A Century of Australian Engagement with Asia*. Melbourne: Melbourne University Press.
- Goodin, R. 2000. ‘Whither the welfare state?’ in *Reshaping the Welfare State*. Growth 48. Edited by L. Hancock and B. Howe. Melbourne: Committee for Economic Development of Australia.
- Goth, P. 1995. The liberalisation of the Australian wool industry. *Journal of Australian Political Economy* 35:41–61.
- Gray, I., and G. Lawrence. 2001. *A Future for Regional Australia: Escaping Global Misfortune*. Cambridge: Cambridge University Press.
- Graycar, A. (ed.). 1983. *Retreat from the Welfare State*. Sydney: Allen and Unwin.
- Green, D., and L. Cromwell. 1984. *Mutual Aid or Welfare State? Australia’s Friendly Societies*. Sydney: Allen and Unwin.
- Green, R. 1996. The ‘death’ of comparative wage justice. *Economic and Labour Relations Review* December:224–43.
- Green, R., and J. Burgess. 2000. ‘Is growth the answer?’ in *The Unemployment Crisis in Australia: Which Way Out?* Melbourne: Cambridge University Press.
- Gregory, R.G. 1991. ‘How much are Australia’s economy and economic policy influenced by the world economy?’ in *Australia Compared*. Edited by F.G. Castles, pp. 103–23. Sydney: Allen and Unwin.
- Gregory, R.G., and N.G. Butlin. 1988. *Recovery from the Depression: Australia and the World Economy in the 1930s*. Cambridge: Cambridge University Press.
- Griffiths, A., and R. Parker. 1999. Is firm competitiveness enough? The case for macro level policy solutions. *Journal of Economic and Social Policy* 3:179–202.
- Groenewegen, P., and B. McFarlane. 1990. *A History of Australian Economic Thought*. London: Routledge.
- Grote, J.R., and P.C. Schmitter. 1999. The renaissance of national corporatism: Unintended side-effect of European economic and monetary union or calculated response to the absence of European social policy? *Transfer: European Review of Labour and Research* 5:34–63.

- Hamilton, C. 1991. 'Strategic trade policy and its relevance to Australia' in *The Economic Dynamics of Australian Industry*. Edited by C. Hamilton, pp. 272–88. Sydney: Allen and Unwin.
- Hampson, I. 1991. Post-Fordism, the French regulation school and the work of John Mathews. *Australian Journal of Political Economy* 28:92–130.
- . 1996. The Accord: A post-mortem. *Labour and Industry* 7:55–78.
- Hancock, K., and J. Isaac 1992. Australian experiments in wage policy. *British Journal of Industrial Relations* 30:213–36.
- Hancock, W.K. 1930. *Australia*. London: Ernest Benn.
- Harmon, E. 1996. National competition policy: A study of the policy process and network. *Australian Journal of Political Science* 31:205–23.
- Harris, S. 1994. Policy networks and economic cooperation: Policy coordination in the Asia–Pacific region. *Pacific Review* 7:381–96.
- . 2000. Ellis Krauss on APEC origins. *Pacific Review* 13:521–3.
- Hart, N., and D. Richardson. 1993. 'Industry policy under Labor' in *The Australian Economy under Labor*. Edited by G. Mahony. Sydney: Allen and Unwin.
- Head, B. (ed.) 1983. *State and Economy in Australia*. Melbourne: Oxford University Press.
- (ed.). 1986. *The Politics of Development in Australia*. Sydney: Allen and Unwin.
- Henderson, G. 1983. The industrial relations club. *Quadrant* 27:21–9.
- Higgins, H.B. 1915. A new province of law and order – 1. *Harvard Law Review* 29.
- Higgins, W. 1978. 'State welfare and class warfare' in *Critical Essays in Australian Politics*. Edited by G. Duncan. Melbourne: Edward Arnold.
- . 1991. 'Missing the boat: Labor and industry in the 1980s' in *Business and Government under Labor*. Edited by B. Galligan and G. Singleton. Melbourne: Longman.
- Higgott, R. 1987. 'The dilemmas of interdependence: Australia and the international division of labour in the Asia Pacific region' in *A Changing International Division of Labor*. Edited by J.A. Caporaso, pp. 147–86. Boulder, CO: Lynne Rienner.
- . 1989a. 'The ascendancy of the economic dimension in Australian–American relations' in *No Longer an American Lake? Alliance Problems in the South Pacific*. Edited by J. Ravenhill, pp. 132–68. Berkeley, CA: Institute of International Studies, University of California.
- . 1989b. Trans-regional coalitions and international regimes: The Cairns Group, agricultural trade and the Uruguay Round. *Australia Quarterly*.
- . 1991a. 'International constraints on Labor's economic policy' in *Business and Government under Labor*. Edited by B. Galligan and G. Singleton. Melbourne: Longman.
- . 1991b. The politics of Australia's international economic relations: Adjustment and two-level games. *Australian Journal of Political Science* 26:2–28.
- . 1994. Introduction: Ideas, interests and identity in the Asia–Pacific. *Pacific Review* 7:367–80.
- . 1995. 'APEC: A sceptical view' in *Pacific Cooperation: Building Economic and Security Regimes in the Asia–Pacific Region*. Edited by A. Mack and J. Ravenhill, pp. 66–97. Boulder, CO: Westview Press.
- Higgott, R., and A.F. Cooper. 1990. Middle power leadership and coalition building: Australia, the Cairns Group and the Uruguay Round of trade negotiations. *International Organization* 44:589–632.
- Higgott, R., A.F. Cooper and J. Bonnor. 1990. Cooperation-building in the Asia–Pacific region: APEC and the new institutionalism. *International Journal* 45:823–66.
- Higgott, R., and K.R. Nossal. 1997. The international politics of liminality: Relocating Australia in the Asia Pacific. *Australian Journal of Political Science* 32:169–85.
- Horne, D. (ed.). 1992. *The Trouble with Economic Rationalism*. Melbourne: Scribe Publications.
- Hughes, B. 1980. *Exit Full Employment*. Sydney: Angus and Robertson.

- James, C., C. Jones and A. Norton (eds). 1993. *A Defence of Economic Rationalism*. Sydney: Allen and Unwin.
- Johnson, C. 1986. Social harmony and Australian Labor. *Australian Journal of Politics and History* 32:39–51.
- Jones, E. 1992. 'Heavy engineering' in *Shutdown: The Failure of Economic Rationalism and How to Rescue Australia*. Edited by J. Carroll and R. Manne. Melbourne: Text Publishing.
- . 1998. Effective industry policy? The 'Mortimer' review of business programs. *National Economic Review* 40:1–12.
- . 2000. The Howard government's industry policy. *Economic Papers* 19:60–75.
- Jones, M.A. 1990. *The Australian Welfare State*. Sydney: Allen and Unwin.
- Keating, M., and G. Dixon. 1989. *Making Economic Policy in Australia*. Melbourne: Longman.
- Keating, M., and D. Mitchell. 2000. 'Security and equity in a changing society: Social policy' in *The Future of Governance*. Edited by G. Davis and M. Keating. Sydney: Allen and Unwin.
- Keating, P. 2000. *Engagement: Australia Faces the Asia-Pacific*. Sydney: Pan Macmillan Australia.
- Kelly, P. 1992. *The End of Certainty*. Sydney: Allen and Unwin.
- Kenwood, A.G. 1995. *Australian Economic Institutions since Federation*. Melbourne: Oxford University Press.
- Kewley, T.H. 1975. *Social Security in Australia: 1901–1972*. Sydney: Sydney University Press.
- King, S., and P. Lloyd. 1993. *Economic Rationalism: Dead End or Way Forward?* Sydney: Allen and Unwin.
- Kitay, J. 1989. 'The state, the labour process and the foundations of arbitration' in *Foundations of Arbitration*. Edited by S. Macintyre and R. Mitchell. Melbourne: Oxford University Press.
- Kubalkova, V., and A.A. Cruickshank. 1987. The study of international relations in the South Pacific. *Australian Outlook* 41:110–29.
- Kuhn, R. 1987. Industry policy and the working class. *Politics* 22:97–102.
- Kuhn, R., and T. O'Lincoln. 1989. Profitability and economic crisis. *Journal of Australian Political Economy* 25:44–69.
- Labour and Industry*. 1999. (Special issue *Trade Unions in Crisis*) 9(3).
- . 2001. (Special issue *Ten Years of Enterprise Bargaining*) 12(1).
- Lambert, R. 2000. Globalisation and the erosion of class compromise in contemporary Australia. *Politics and Society* 28:93–118.
- Langmore, J., and J. Quiggin. 1994. *Work for All: Full Employment in the Nineties*. Melbourne: Melbourne University Press.
- Latham, Mark. 1998. *Civilising Global Capital: New Thinking for Australian Labor*. Sydney: Allen and Unwin.
- Lawrence, G. 1987. *Capitalism and the Countryside*. Sydney: Pluto Press.
- Lawrence, G., P. Share and H. Campbell. 1992. Restructuring of agriculture and rural society. *Journal of Australian Political Economy* 30:1–23.
- Leaver, R. 1995. The evolution of the Asia-Pacific policy community in Australia. *Pacific Review* 8:173–89.
- . 1998. 'The economic dimension' in *Australian–American Relations: Looking towards the Next Century*. Edited by W.T. Tow. Melbourne: Macmillan.
- Leaver, R., and D. DeBats (eds). 2001. *Policy, Organisation and Society* (Special issue *An American–Australian Free Trade Treaty?*) 20(1).
- Lee, D. 1995. *Search for Security: The Political Economy of Australia's Post-War Foreign and Defence Policy*. Sydney: Allen and Unwin.
- Lewis, M. 1975. *Values in Australian Income Security Policies*. Commission of Inquiry into Poverty. Canberra: AGPS.
- Lindblom, C.E. 1977. *Politics and Markets: The World's Political Economic Systems*. New York: Basic books.

- Lofgren, H. 1997. Industry policy to set the market free: Drug pricing and the Factor (f) program. *Labour and Industry* 8(2):67–84.
- . 2002. Business associations and the food processing industry in Australia: How neoliberalism has reinforced employer collectivism. *Labour and Industry* 12:77–95.
- Love, P. 1984. *Labor and the Money Power: Australian Labor Populism, 1890–1950*. Melbourne: Melbourne University Press.
- Loveday, P. 1984. Corporatist trends in Australia. *Politics* 19:46–51.
- Macarthy, P. 1970. Employers, the tariff and wage determination in Australia. *Journal of Industrial Relations* 12:182–93.
- McCarthy, G., and D. Taylor. 1995. The politics of the float: Paul Keating and the deregulation of the Australian dollar. *Australian Journal of Politics and History* 41:219–38.
- McEachern, D. 1986. Corporatism and business responses to the Hawke government. *Politics* 21:19–27.
- . 1993. *Business Mates: The Power and Politics of the Hawke Era*. Sydney: Prentice Hall.
- McFarlane, B. 1968. *Economic Policy in Australia: The Case for Reform*. Melbourne: Cheshire.
- McFarlane, B., and M. Beresford. 1980. 'Economic theory as ideology: A Kaleckian analysis of the Australian economic crisis' in *Work and Inequality 1*. Edited by P. Boreham and G. Dow. Melbourne: Macmillan.
- Macfarlane, I.J. 1992. Making monetary policy in an uncertain world. *Reserve Bank Bulletin* September:9–16.
- . 1997. The economics of nostalgia. *Reserve Bank Bulletin* June:1–7.
- McGill, S.C., and G.J. Crough. 1986. *Indigenous Resource Rights and Mining Companies in North America and Australia*. Canberra: AGPS.
- Macintyre, S. 1985. *Winners and Losers: The Pursuit of Social Justice in Australia*. Sydney: Allen and Unwin.
- Macintyre, S., and R. Mitchell (eds). 1989. *Foundations of Arbitration*. Melbourne: Oxford University Press.
- McMichael, P. 1984. *Settlers and the Agrarian Question: Foundations of Capitalism in Colonial Australia*. New York: Cambridge University Press.
- Marceau, J. 1996. 'Refashioning industry policy: Let's use what we know' in *Dialogues on Australia's Future: In Honour of the Late Professor Ronald Henderson*. Edited by P. Sheehan, B. Grewal and M. Kumnick. Melbourne: Centre for Strategic Economic Studies.
- Marceau, J., D. Sicklen and K. Manley. 1997. *The High Road or the Low Road? Alternatives for Australia's Future*. Sydney: Australian Business Chamber.
- Marsh, I. 1995. *Beyond the Two Party System: Political Representation, Economic Competitiveness, and Australian Politics*. Melbourne: Cambridge University Press.
- Mathews, J. 1989a. *Tools of Change: New Technology and the Democratization of Work*. Sydney: Pluto Press.
- . 1989b. *Age of Democracy: The Politics of Post-Fordism*. Melbourne: Oxford University Press.
- . 1992. New production systems: A response to critics and a re-evaluation. *Journal of Australian Political Economy* 30:91–128.
- Mathews, J., and L. Weiss. 1992. 'Policy options for the restructuring of the Australian textile industry' in *Business–Government Relations in Australia*. Edited by S. Bell and J. Wanna. Sydney: Harcourt Brace Jovanovich.
- Matthews, T. 1983. 'Business associations and the state: 1850–1979' in *State and Economy in Australia*. Edited by B. Head. Melbourne: Oxford University Press.
- . 1991. 'Interest group politics: Corporatism without business' in *Australia Compared*. Edited by F.G. Castles, pp. 191–218. Sydney: Allen and Unwin.
- . 1994. 'Employers associations, corporatism and the Accord' in *State, Economy and Public Policy in Australia*. Edited by S. Bell and B. Head. Melbourne: Oxford University Press.

- Matthews, T., and J. Ravenhill. 1991. 'The economic challenge: Is unilateral free trade the correct response?' in *The Northeast Asian Challenge*. Edited by J.L. Richardson, pp. 68–94. Canberra: Department of International Relations, Australian National University.
- . 1992. 'Strategic trade theory and its implications' in *Business-Government Relations in Australia*. Edited by J. Wanna and S. Bell. Sydney: Harcourt Brace Jovanovich.
- . 1994. 'Strategic trade policy: The East Asian experience' in *Business and Government in Industrializing East Asia*. Edited by A. MacIntyre, pp. 29–90. Ithaca, NY: Cornell University Press.
- . 1996. 'The neo-classical ascendancy: The Australian economic policy community and Northeast Asian economic growth' in *Pathways to Asia: The Politics of Engagement*. Edited by R. Robison, pp. 131–70. Sydney: Allen and Unwin.
- Mendes, P. 1997. Blaming the victim: The new assault on the welfare state. *Journal of Economic and Social Policy* 2:41–55.
- Meredith, D., and B. Dyster. 1999. *Australia in the Global Economy: Continuity and Change*. Cambridge: Cambridge University Press.
- Metin, A. 1977. *Socialism without Doctrine*. Translated by R. Ward. Sydney: Alternative Publishing Co-operative.
- Mitchell, W., and E. Carlson. 2001. *Unemployment: The Tip of the Iceberg*. Sydney: CAER.
- Nankivell, P. 1980. 'Australian agribusiness: Structure ownership and control' in *Australia and World Capitalism*. Edited by G. Crough, T. Wheelwright and T. Wilshire. Sydney: Penguin.
- Nevile, J. 2000. 'Can Keynesian policy stimulate jobs and growth?' in *The Unemployment Crisis in Australia: Which Way Out?* Edited by S. Bell. Melbourne: Cambridge University Press.
- Newman, P., J. Phillimore and P. Vintilla (eds). 1992. *Markets, Morals and Manifestos: Fightback! and the Politics of Economic Rationalism in the 1990s*. Perth: Institute for Science and Technology Policy, Murdoch University.
- Noble, G., and J. Ravenhill (eds). 2000. *The Asian Financial Crises and the Global Financial Architecture*. Cambridge: Cambridge University Press.
- Offe, C. 1975. 'The theory of the capitalist state and the problem of policy formation' in *Stress and Contradiction in Modern Capitalism*. Edited by L.N. Linberg et al. Lexington, MA: Lexington Books.
- Painter, M. 1996. Economic policy, market liberalism and the 'end of Australian politics'. *Australian Journal of Political Science* 31:287–99.
- Palmer, G. 1989. 'Corporatism and Australian arbitration' in *Foundations of Arbitration: The Origins and Effects of State Compulsory Arbitration, 1890–1914*. Edited by S. Macintyre and R. Mitchell. Melbourne: Oxford University Press.
- Parker, C. 2002. 'Regulating self-regulation: The ACCC, ASIC, competition policy and corporate regulation' in *Economic Governance and Institutional Dynamics*. Edited by S. Bell. Melbourne: Oxford University Press.
- Parker, R. 1996. Industry policy: Possibilities in a changing international economy. *Journal of Australian Political Economy* 37:49–67.
- Peetz, D. 1982. Protectionism and the labour movement. *Journal of Australian Political Economy* 12/13:60–73.
- . 1998. *Unions in a Contrary World: The Future of the Australian Trade Union Movement*. Melbourne: Cambridge University Press.
- Perkins, J.O.N. 1989. *The Deregulation of the Australian Financial System*. Melbourne: Melbourne University Press.
- Pinkstone, B., and D. Meredith. 1992. *Global Connections: A History of Exports and the Australian Economy*. Canberra: AGPS.
- Pitchford, J. 1990. *Australia's Foreign Debt: Myths and Realities*. Sydney: Allen and Unwin.

- Pixley, J. 1993. *Citizenship and Employment: Investigating Post-Industrial Options*. Melbourne: Cambridge University Press.
- Plowman, D. 1989. *Holding the Line: Compulsory Arbitration and National Employer Coordination in Australia*. Melbourne: Cambridge University Press.
- Polanyi, K. 1944. *The Great Transformation: The Political and Economic Origins of Our Time*. Boston: Beacon Press.
- Pritchard, B. 1994. Finance capital as an engine of restructuring. *Australian Journal of Political Economy* 33:1–20.
- . 1995. Foreign ownership in Australian food processing: The 1995 sale of the Pacific Dunlop Food Division. *Journal of Australian Political Economy* 36:26–47.
- Pusey, M. 1988. 'State and polity' in *A Sociology of Australian Society*. Edited by J.M. Najman and J.S. Western. Brisbane: University of Queensland Press.
- . 1991. *Economic Rationalism in Canberra: A Nation Building State Changes its Mind*. Melbourne: Cambridge University Press.
- Putnam, R.D. 1988. Diplomacy and domestic politics: The logic of two-level games. *International Organization* 42:427–60.
- Quiggin, J. 1996. *Great Expectations: Microeconomic Reform and Australia*. Sydney: Allen and Unwin.
- . 2001. Globalisation and economic sovereignty. *Journal of Political Philosophy* 9:56–80.
- . 2002. 'Economic governance and microeconomic reform' in *Economic Governance and Institutional Dynamics*. Edited by S. Bell. Melbourne: Oxford University Press.
- Quiggin, J., and M. Robinson. 1985. Retreat from social control: Financial deregulation since World War II. *Journal of Australian Political Economy* 18:9–16.
- Quinlan, M. 1987. Early trade union organisation in Australia. *Labour and Industry* 1:61–95.
- . 1989. 'Pre-arbitral labour legislation in Australia and its implications for the introduction of compulsory arbitration' in *Foundations of Arbitration*. Edited by S. Macintyre and R. Mitchell. Melbourne: Oxford University Press.
- . 1998. Industrial relations policy developments 1977–1998. *Journal of Australian Political Economy* 42:75–105.
- Rattigan, A. 1986. *Industry Assistance: The Inside Story*. Melbourne: Melbourne University Press.
- Ravenhill, J. 1994. 'Australia and the global economy' in *State, Economy and Public Policy in Australia*. Edited by S. Bell and B. Head. Melbourne: Oxford University Press.
- . 1996. Trade policy options beyond APEC. *Australian Quarterly* 68:1–15.
- . 1998a. Adjusting to the ASEAN way: Thirty years of Australia's relations with ASEAN. *Pacific Review* 11:267–89.
- . 1998b. Cycles of middle power activism: Constraint and choice in Australian and Canadian foreign policies. *Australian Journal of International Affairs* 52:309–28.
- . 1999. APEC and the WTO: Which way forward for trade liberalization? *Contemporary South-east Asia* 21:221–38.
- . 2000. 'Aiming to secure a piece of the action: Interests, ideas, institutions and individuals in Australian integration into the global economy' in *Responding to Globalization*. Edited by A. Prakesh and J.A. Hart, pp. 118–48. London: Routledge.
- . 2001a. Allies but not friends: The economic relationship. *Australian Journal of International Affairs* 55:249–59.
- . 2001b. *APEC and the Construction of Asia-Pacific Regionalism*. Cambridge: Cambridge University Press.
- Rees, S., G. Rodley and F. Stilwell (eds). 1993. *Beyond the Market: Alternatives to Economic Rationalism*. Sydney: Pluto Press.

- Rix, A. 1986. *Coming to Terms: The Politics of Australia's Trade with Japan 1945–57*. Sydney: Allen and Unwin.
- Robison, R. (ed.). 1996. *Pathways to Asia: The Politics of Engagement*. Sydney: Allen and Unwin.
- Roe, J. 1976. *Social Policy in Australia: Some Perspectives 1901–1975*. Sydney: Cassell.
- Saunders, P. 1994. *Welfare and Inequality*. Melbourne: Cambridge University Press.
- . 1999. Social security in Australia and New Zealand: Means-tested or just mean? *Social Policy and Administration* 33:493–515.
- Saunders, P., and R. Taylor. 2002. *The Price of Prosperity: The Economic and Social Costs of Unemployment*. Sydney: UNSW Press.
- Sawer, M. (ed.) 1982. *Australia and the New Right*. Sydney: Allen and Unwin.
- Schedvin, C.B. 1970. *Australia and the Great Depression*. Sydney: Sydney University Press.
- . 1992. In *Reserve: Central Banking in Australia, 1945–75*. Sydney: Allen and Unwin.
- Scherer, P. 1985. 'State syndicalism' in *Wages Wasteland: A Radical Examination of the Australian Wage Fixing System*. Edited by J. Hyde and J. Nurick. Sydney: Hale and Iremonger.
- Schultz, J. 1985. *Steel City Blues: The Human Cost of Industrial Crisis*. Sydney: Penguin.
- Schwartz, H. 1994. Small states in big trouble: State reorganization in Australia, Denmark, New Zealand, and Sweden in the 1980s. *World Politics* 46:527–55.
- . 1998. Social democracy going down or down under: Institutions, internationalised capital, and indebted state. *Comparative Politics* 30:253–72.
- Shann, E. 1948. *An Economic History of Australia*. Cambridge: Cambridge University Press.
- Simms, M. 1982. *A Liberal Nation: The Liberal Party and Australian Politics*. Sydney: Hale and Iremonger.
- Singleton, G. 1990. *The Accord and the Australian Labor Movement*. Melbourne: Melbourne University Press.
- Smyth, P. 1994. *Australian Social Policy: The Keynesian Chapter*. Sydney: UNSW Press.
- . 1996. 'The future of Australian socialism revisited: The importance of the left's own history' in *Socialism in Contemporary Australia*. Edited by T. Battin and G. Maddox. Sydney: Longman.
- . 2001. Limiting the role of the state: The Catholic social principle of subsidiarity in three different countries. Paper presented at National Social Policy Conference, University of New South Wales, Sydney, 4–6 July.
- Smyth, P., and Wearing, M. 2002. 'After the welfare state: Welfare governance and the communitarian revival' in *Economic Governance and Institutional Dynamics*. Edited by S. Bell. Melbourne: Oxford University Press.
- Snape, R.H. 1996. 'Which regional trade agreement?' in *Regional Integration in the Asia-Pacific*. Edited by B. Bora and C. Findlay, pp. 49–63. Melbourne: Oxford University Press.
- Snape, R.H., J. Adams and D. Morgan. 1993. *Regional Trade Agreements: Implications and Options for Australia*. Canberra: AGPS.
- Snape, R.H., T. Luttrell and L. Gropp. 1998. *Australian Trade Policy, 1965–1997: A Documentary History*. Sydney: Allen and Unwin.
- Sorensen, T. 2002. 'Towards DIY in regional economic governance' in *Economic Governance and Institutional Dynamics*. Edited by S. Bell. Melbourne: Oxford University Press.
- Steven, R. 2000. White settler origins of Australia. *Journal of Australian Political Economy* 46:44–70.
- Stewart, J. 1994. *The Lie of the Level Playing Field: Industry Policy and Australia's Future*. Melbourne: Text Publishing.
- Stewart, R.G. 1985. The politics of the accord: Does corporatism explain it? *Politics* 20:26–35.
- . 1990. 'Industry policy' in *Hawke and Australian Public Policy*. Edited by C. Jennett and R.G. Stewart. Melbourne: Macmillan.
- Stilwell, Frank. 1986. *The Accord and Beyond*. Sydney: Pluto Press.
- . 1991. Wages policy and the Accord. *Journal of Australian Political Economy* 28:27–53.

- . 1992. *Understanding Cities and Regions*. Sydney: Pluto Press.
- . 2000. *Changing Track: A New Political Economic Direction for Australia*. Sydney: Pluto Press.
- Stretton, H. 1993. Whodunnit to social democracy? *Overland* 132:50–64.
- Stretton, H., and L. Orchid. 1994. *Public Goods, Public Enterprise, Public Choice*. London: Macmillan.
- Tanner, L. 1999. *Open Australia*. Sydney: Pluto Press.
- Toner, P. 2000. Manufacturing industry in the Australian economy: Its role and significance. *Journal of Australian Political Economy* 45:18–45.
- Tooze, R. 1984. 'Perspectives and theory: A consumers' guide' in *Paths to International Political Economy*. Edited by S. Strange, pp. 1–22. London: Allen and Unwin.
- Treuren, G. 2000. The concept of the state in Australian industrial relations theory. *Labour and Industry* 11:75–98.
- Tsokhas, K. 1986. *Beyond Dependence: Companies, Labour Processes and Australian Mining*. Melbourne: Oxford University Press.
- . 1995. Sir Otto Niemeyer, the bankrupt state and the federal system. *Australian Journal of Political Science* 30:18–38.
- Wailes, N. 2000. Economic change and domestic industrial relations: Towards a theoretical model. *Journal of Industrial Relations* 42:214–33.
- Wanna, J. 2002. 'A handmaiden to the market? The Treasury and economic governance' in *Economic Governance and Institutional Dynamics*. Edited by S. Bell. Melbourne: Oxford University Press.
- Warhurst, J. 1982. *Jobs or Dogma? The Industries Assistance Commission and Australian Politics*. Brisbane: University of Queensland Press.
- Waters, W.J. 1970. Australian Labor's full employment objective, 1942–45. *Australian Journal of Politics and History* 16:48–64.
- Watts, R. 1987. *Foundations of the National Welfare State*. Sydney: Allen and Unwin.
- . 2000. The persistence of unemployment is the work of economists: Australian employment policy, 1983–1996. *Journal of Economic and Social Policy* 4:48–70.
- Weller, P., and J. Cutt. 1976. *Treasury Control in Australia*. Sydney: Ian Novak.
- Weller, S. 2000. Export performance and export competitiveness: The case of clothing and textiles. *Journal of Australian Political Economy* 46:71–102.
- Wesley, M. 2001. 'Australia and the Asian economic crisis' in *The National Interest in a Global Era: Australia in World Affairs 1996–2000*. Edited by J. Cotton and J. Ravenhill, pp. 301–24. Melbourne: Oxford University Press.
- Wheelwright, E.L. 1982. 'The political economy of foreign domination' in *Quarry Australia? Social and Environmental Perspectives on Managing the Nation's Resources*. Edited by R. Birrell, D. Hill and J. Stanley, pp. 44–58. Melbourne: Oxford University Press.
- Whitwell, G. 1986. *The Treasury Line*. Sydney: Allen and Unwin.
- . 1994. 'The power of economic ideas: Keynesian economic policies in post-war Australia' in *State, Economy and Public Policy in Australia*. Edited by S. Bell and B. Head. Melbourne: Oxford University Press.
- Windschuttle, K. 1980. 'Unemployment and class conflict in Australia: 1978–9–?' in *Essays in the Political Economy of Australian Capitalism*. Vol. 4. Edited by E.L. Wheelwright and K. Windschuttle. Sydney: ANZ Books.
- Wiseman, J. 1996. 'A kinder road to hell: Labor and the politics of progressive competitiveness in Australia' in *The Socialist Register 1996*. Edited by L. Panitch. London: Merlin.
- Wiseman, J. 1998. *Global Nation? Australia and the Politics of Globalisation*. Cambridge: Cambridge University Press.

- Woods, L.T. 1993. *Asia–Pacific Diplomacy: Nongovernmental Organizations and International Relations*. Vancouver: University of British Columbia Press.
- Woodward, D. 2002. 'Economic policy' in *Government, Politics, Power and Policy in Australia*. 7th ed. Edited by J. Summers, D. Woodward and A. Parkin. Melbourne: Longman.
- Wright, C. 1995. *The Management of Labour: A History of Australian Employers*. Melbourne: Oxford University Press.

Public Policy and Public Administration

John Wanna

Public Administration is one of the most important things in the world; but it has little sex-appeal.

US administrative reformer Louis Brownlow, quoted in Spann (1955)

The origins and development of public administration in Australia

Public administration in Australia was initially built upon inherited British traditions that were later interwoven with United States approaches to administrative science. The early formative influences of the field in Australia were academic and professional. Unlike those in the US Wilsonian tradition, Australian writers considered policy and administration as integrated dimensions in a Westminster-based utilitarian government. Practically oriented scholars of public administration rejected any notion of a policy-administration dichotomy. In the 1930s a number of universities established dedicated academic positions and diploma courses in public administration, aimed at training graduates for the public service and at contributing to scholarship (see Scott and Wettenhall's 1981 history of the field). The universities of Sydney and Tasmania, and Victoria College, Wellington, created specialised departmental units to teach public administration, often aligned to economics and commerce, but largely following the emerging US practice of specialist university training. Key local texts included: *Planning and the Modern State* (1945) and *Budget Control* (1946), by F.A. Bland, *State Socialism in Victoria* (1932) by F.W. Eggleston, and various government or royal-commission reports.

The study of public administration was also initiated and dominated by professional public servants across the three levels of government, interested in ideas and sharing experiences. An Institute of Public Administration linked to its English counterpart (formed in 1922) was active in New South Wales, Victoria and South Australia. This association founded the *Australian Journal of Public Administration* in June 1939 (originally called *Public Administration* – the Journal of the Australian Regional Groups of the Institute of Public Administration). The original editor and guiding influence was F.A.

Bland, a distinguished professor of public administration at Sydney University and specialist in public finance (later chair of the Commonwealth Public Accounts Committee in the Menzies era). Early controversies focused on the links with other disciplines, whether public administration was a 'science', and the limits of planning (see Renwick 1943). R.N. Spann assumed the editorship of the journal in 1954, and continued to encourage Australian contributions of practical value to administrators.

Gradually, a group of distinguished scholars besides Bland were attracted to the new field, including: R.S. Parker (the winner in 1939 of the first Sir George Murray award), T.H. Kewley, H.D. Black, J.D.B. Miller, R. Else Mitchell, P.H. Partridge, A.F. Davies, Joan Rydon, S.R. Davis, Sol Encel, Leicester Webb, R.N. Spann and V. Subramaniam. Often these writers contributed essays or particular case studies on some aspect of administration regarded as a problem at the time (for example, employment practices or recruitment, or contemporary issues of transport or water supply, roads and drainage). They rarely offered overviews of the field or the state of knowledge in the area. Kewley's (1972) history of social-security policy remains one of the few sustained policy-related studies from this group (although it rarely investigated how or why policy was made or changed).

Chapters on government administration also began appearing in standard texts on government and politics (for example, Crisp 1965, 1983; Miller 1954; Davies 1958), but these tended to be detailed reports of structures and rules, with the authors concentrating on only one jurisdiction – either the Commonwealth or the New South Wales state administration. The state jurisdictional survey edited by S.R. Davis (1960) included a fine-grained analysis of the various state administrations and, later, each book in the University of Queensland Press series on state governments included a chapter on the public service, administration and finance.¹ An updated replication of Davis's state jurisdictional studies, by Moon and Sharman (2003), also included surveys of the constitutional and administrative politics at the state and territory level. A.F. (Rufus) Davies's *Australian Democracy* (1958, 1964) became the first substantial tertiary study of bureaucratic administration in Australia. In it Davies develops a plausible argument that Australia developed a particular 'talent for bureaucracy' and bureaucratic solutions.

Gradually, more comprehensive studies began to appear. The classic study of Australian public administration from this genre remains Dick Spann's *Public Administration in Australia* (produced through three editions to 1973), and then *Government Administration in Australia* (1979). The last contained an entire part on 'Some problems of policy and management', and included policy-making theory, coordination, budgeting, relations with the public, and administrative reform. These texts provided a convenient compendium to the various aspects of administrative life; they were extensively detailed and comprehensive. The topics were clearly presented, and the prose was precise and succinct, if perhaps a little earnest and dry. Along with Caiden's two studies (1965, 1967) on the career service and the Commonwealth bureaucracy, they were a point of factual reference in which the ideas were often implicit. Like the rest of the field, the works eschewed notions of rationalism and the rational actor literature. They were pre-occupied with rules and procedures, administrative arrangements and normative planning models (see Spann's 'Fashions and fantasies in public administration', 1981).

Although university teaching in public administration was well-established across Australia, academic leadership was concentrated at the University of Sydney and to a lesser extent the Australian National University (ANU); most of the scholarly and research contributions (including texts) emanated from these sources. The major contributors were Dick Spann and Robert Parker, followed by Fin Crisp, Roger Wettenhall and later Martin Painter.

Creating distinction between public policy and public administration

When 'public policy' first took hold (mainly in the mid to late 1970s, although Spann apparently had a subject at Sydney with this title in 1961), a prolonged debate emerged over what was new, different or valuable. Many 'old school' public administrators considered that they always had taught and researched about 'policy' but within the structured bounds of administrative studies. Traditionalists such as Spann (1973), Caiden (1967), Wiltshire (1975), Spann and Curnow (1975), Curnow and Wettenhall (1981) and Nethercote (1982) continued to produce conventional accounts of public administration – some focusing on institutions and administrative processes, but others extending to organisational theory, psychological theory and decision-making theory. For example, Curnow and Wettenhall (1981) presented a retrospective view of public administration as a set of intellectual stances, a focus on the machinery of government, organisation, personnel and administrative theory, administrative reform and ethics, with the designation of public policy as a subfield of the larger area of study.

To this group, public policy represented a superstructural concern to be examined after the basic structures of administrative science were understood; policy studies was simply the preoccupation of policy actors and those close to the sites of decision-making. 'Old public administration' texts were able to include sections or chapters on public policy or policy studies, or on the so-called 'new public administration' (Kelly and Wettenhall 1973; Hawker 1981). There were also some initial attempts by the main authors to combine both approaches or deny there was any substantial difference (see Spann and Curnow (1975:456), which claims policy studies were 'by no means new' and were 'indistinguishable from what was earlier termed the study of government'). Such attempts to integrate public administration and public policy tended to have the reverse effect: they served to throw open debate, broaden the disciplinary focus, and raise other kinds of questions asked by teachers and researchers. Moreover, many of the criticisms of public administration could be levelled against public policy. A decade earlier, Parker (1965) had written a provocative piece predicting 'the end of public administration' because it could not form an intellectual discipline, fit into a 'world of systematic thought', construct a coherent subject matter, or agree on a defined body of knowledge. His criticisms seemed equally applicable to the emerging policy sciences and public policy.

A more intense debate erupted between the main protagonists in the ANU's *Policy Studies Newsletter* in the late 1970s and early 1980s. Public-policy advocates responded

that their theoretical ideas and choices of models were wider and more challenging – and were focused on the nature of government (or the state), on policy choices, and on institutional interests, and generally operated from a greater awareness of the importance of politics and broader interest conflicts. Some suggested that scholars of public administration had not really engaged in providing an independent source of policy advice to government (as opposed to procedural recommendations). Hawker (1978:13) argued that policy studies should ‘focus upon the problems of government with a deliberate disregard for disciplinary boundaries’, and urged academics to forge closer links with governmental agencies and for universities to produce ‘policy advisers’ (not just administrators). Aware of the difficulties his approach would face, he nevertheless argued that ‘giving a policy focus to administrative issues does, however, raise new opportunities and problems’ to study (Hawker 1978:14).

Weller (1980:239), citing Schaffer, also argued that policy science was concerned with ‘real problems’ and was ‘engaged and contingent’. The emphasis on being ‘realistic’ was an explicit attempt to claim that policy studies was problem-oriented, delivering relevant forms of knowledge and training to people other than administrators. He contended that policy skills and analysis were not simply technical and managerial exercises, but were based in, and had to grapple with, intensely political and uncertain environments. Abstract training in administrative sciences was neither sufficient nor increasingly appropriate on its own. ‘If students of public policy are to prosper as a useful adjunct to decision-making in government’, he maintained, then ‘they must tackle the major problems of government’ (Weller 1980:244). Weller also turned around the arguments of the old school, characterising public administration as a subset of public policy. He ventured (Weller 1980:238) that:

Public administration – certainly in its more traditional approaches as taught in Australia – can be one, but only one, of the disciplines that can throw light on public policy. Public policy is not, and never can be, a discipline: it is a field of study that is susceptible to analysis by many different disciplines.

A teacher of public administration who had made the switch, Colebatch, put it succinctly when he stated, one ‘looks at the process not so much in terms of rule compliance, but in terms of power and in terms of outcomes’ (Colebatch 1980:25).

Parker responded to these points by arguing that discontent with public administration did not in itself establish a new field of study. He stated (Parker 1980:3) that:

My vague suspicions about ‘public policy studies’ came gradually to a head after hearing the subject discussed by Hal Colebatch and Geoffrey Hawker at the academics’ meeting following the 1979 RIPA Conference. Colebatch’s outline of the main trends in the fashion tallies well with others ... he confessed that he thought ‘classical public administration’ had ‘left out ... considerations of what the content of policies is’, and of how policies got to be there, and of the ‘outcomes and the impacts of administrative activities’.

Parker went on to argue that, to him, there was no difference between public policy and political studies. He suggested that public policy opted for a policy-centred trajec-

tory of inquiry, whereas public administration opted for an equally valid administrative-centred line of inquiry. Hence, he retorted (Parker 1980:4):

The best you can do is to make a subjective choice and say that the fate of Medibank is more fun to study than the usefulness of organization by process as against by function. But that doesn't justify you in dignifying your preference with the highfalutin title of 'policy studies'. In any case the success of Medibank as a policy might well depend more on whether it is organized by process or by function than on anything else.

Possibly because two rival approaches clashed over the same territory, because careers and reputations were on the line, or because the protagonists felt strongly about their intellectual convictions, this dispute between the old and new schools remains the first and last major debate in which both sides seriously engaged each other and developed arguments against their opponents. Subsequent developments and variations in the field tended to take place without the intellectual engagement, angst or passion expressed over the administration–policy debate. To those outside the field (in other social sciences such as politics, sociology or economics) the debate probably seemed inconsequential or even meaningless. Certainly, in Australian political science the aftermath of the debate has seen traditional public administration wither while the more engaged public policy has thrived. The rise of public policy effectively deprived the old school of public administration of oxygen (especially after governments tended to drop administrative studies as a vocational requirement and instead prefer policy skills). Moreover, the old 'pub. admin.' texts dried up and became dated; it is hard to find a standard public-administration study or text published after 1981.²

Most early writing on public policy was located in a pluralistic or neopluralistic frame of reference, with a strong institutionalist bent that tended to stress decisional networks and the politics of position – ministers, cabinet, bureaucratic actors, interest-group leaders and political operatives (see Weller's 1976 study of the Treasury). Public policy, in contrast to old public administration, was more engaged in the cut and thrust of politics, more sceptical and critical, less positivistic and didactic. Writers incorporated US 'policy science' and policy-process ideas with notions of incrementalism, evaluation, policy brokerage, policy entrepreneurs, issue networks, policy communities and advocacy coalition-building (but few incorporated cost-benefit analysis after Self's 1975 critique). Many simply asked Lasswell's famous question – who gets what, when and how? – and this aphorism served as a guide to the subject matter of research and to the necessary theory. While many advocates of public policy were interested in social change (often from a social-democratic stance), some were overcritical of the 'conservatism' of 'real world' policy because of the likelihood of it serving those in existing positions of power and authority (Hawker 1980).

Gradually, the main locus of the field also shifted from Sydney to the ANU. From the 1980s a number of other universities developed strengths in this area (such as Monash, Melbourne, Griffith, Flinders and Canberra), many establishing active research centres with extensive publications. Much of this work linked public policy either to public-sector management and public-sector reform or to federalism and intergovernmental relations.

Slowly a compendium of books appeared capturing 'public policy' – usually providing tertiary students with some inclusive definition of the field and offering broad content matter and examples of policy analysis. They were usually edited or multi-authored in an attempt to cover the range of topics and approaches conceived as appropriate for a public policy (an early exception was Emy (1976), which provided in an extended essay an overview of the issues). Roy Forward's pioneering *Public Policy in Australia* (1974) collected a series of essays on policy topics, but there was no attempt at integration or cohesive overview of lessons learned. A second text that reflected on the nature of public-policy analysis and attempted more integration was Hawker, Smith and Weller's *Politics and Policy in Australia* (1979).

For many undergraduates engaged in the burgeoning number of public-policy subjects, Hawker, Smith and Weller (1979) provided the first specialist text. It took a wide Simeonian-inspired analytical approach (levels of analysis from social and economic conditions, to ideas, to institutions and individuals). Their theoretical survey of the field of 'public policy and policy processes' (Hawker, Smith and Weller 1979:6–23) was drawn exclusively from overseas writers – they mention no prior Australian conceptual work, and only at the end of their survey (Hawker, Smith and Weller 1979:23–5) comment on the poor state of Australian secondary literature in this area. Subsequently, these ideas were extended in university texts by Davis et al. (1988, 1993); Jennett and Stewart (1990); Bell and Head (1994); Fenna (1998); Bridgman and Davis (1998, 2000); and Colebatch (1998); and from the fifth edition of Parkin, Summers and Woodward (1994) this major series of Australian politics texts explicitly included studies of selected policy areas.

While the dominant theoretical approach tended to be pluralistic, a smaller subset of Marxist studies on public policy appeared (Watts 1987; Catley and McFarlane 1981; Connell et al. 1982; McEachern 1990, 1991; Kuhn 1991), and policy studies developed an overlap with political economy (see Simms 1982; Fenna 1998; Considine 1994; Capling, Considine and Crozier 1998; McCarthy 2002). Pusey's (1991) Habermasian-inspired arguments about economic rationalists nullifying the traditional 'nation-building' state emerge from the critical-theory genre.

The main debates in the general literature were not so much about distinguishing public policy from public administration, but more about what were the main components of the field of public policy and what emphasis should be given to the main drivers of policy (for example, politics and interest clashes, legal decision-making, economics and global integration, the media and agenda-setting). Theoretically, the 'angle' taken or approach adopted was often the main distinguishing feature of policy research, with some overtly state-centred (Bell 1993), some actor-centred (Marsh 1995; Weller 2001), some institutionally focused (Warhurst 1982; Whitwell 1986; Galligan 1987), and others process-centred (Considine 1994; Yeatman 1998). Despite the growth of feminist scholarship in other areas, there is a relatively small analytic literature concerning feminist or gender-oriented perspectives on policy-making (as opposed to critiques of contemporary power relations and attendant policy provision). For examples of feminist or gender-oriented policy studies, see Baldock and Cass (1988); Sawyer (1990); Yeatman (1990); Burton (1991); and van Acker (1999).

Periodically, there was some debate about definitions and the applicability of the term *policy* (see Considine 1994; Colebatch 1998). It would be fair to say that many public-policy contributions either tended to underplay the significance of administrative structures and arrangements, or condemned writers of the old school as misguided normative advocates of administrative science (see Davis et al. 1988). On the other hand, many scholars explicitly collaborated with or incorporated practitioners with detailed knowledge and experience in administrative practice in their research endeavours (see Galligan, Nethercote and Walsh 1990; Davis and Keating 2000; Keating, Wanna and Weller 2000). A survey of contributions to one of the major national journals of public policy and administration in 1996 found that over a twenty-five-year period (1970 to 1995) still 30 per cent of contributors of published articles were professional practitioners and/or public servants (Althaus 1997).

It was certainly the case that when public policy was emerging as a field, critics in political science had suspicions that it would become a vocational field offering a commentary on contemporary policy settings and debates. They feared that, although it might have been established by scholars trained in the classical disciplines, it would gradually become devoid of serious disciplinary training and theoretical insights. There were also some who felt public policy would go the same way as some US centres of policy studies in elevating 'political sycophancy into a science' (Colebatch 1980:25).³ Arguably, most good public-policy scholarship in Australia has engaged with real problems without becoming sycophantic or clientalist.

Australian public-policy analysis

Research in public policy in Australia has tended (perhaps necessarily so) to focus on specific sites of policy-making (the executive, bureaucracy, parties) or specific policy areas or issues (health, welfare, rural). Often these two separate literatures have not been closely integrated, with institutional analyses focusing inwards and policy analyses drilling down within the parameters of the single policy area.

Institutional-based analysis has provided thick descriptions of the ways particular institutions (their functions and actor roles) have shaped policy. For example, the study of the executive as a policy-making or adjudicating forum was pioneered by Encel (1962, 1974) and then dominated by Weller. Weller produced studies of prime-ministerial power and of cabinet government. He also contributed comparative studies of prime ministers in general (1985), individual prime ministers (*Malcolm Fraser PM* 1989) and individual ministers (John Button, in *Dodging Raindrops* 1999). Others have explored the changing pressures that cause leaders to impose policy and resource constraints (Campbell and Halligan 1993). At the state level, similar studies include Painter's (1987) study of central agencies and their rivalries, Costar and Economou's (1999) analysis of the 'Kennett revolution', and Glyn Davis's account of executive coordination (1996). There is now a growing literature on the role of support actors such as ministerial advisers (Walter 1986; Maley 2000; Tiernan 2001), and 'think tanks' (Stone 1996). The significance of royal commissions of inquiry and their influence on executive decision-

making has also attracted attention (Smith and Weller 1978; Hazlehurst and Nethercote 1977; Weller 1994).

Continuing an emerging interest of the old public-administration school, a number of important contributions have explored the politics of bureaucracy (Adams 1975; Campbell and Halligan 1992; Alaba 1994) or politics between departments (Painter and Carey 1979). Others investigated departmental 'mandarins' (Weller 2001) and budgetary processes (Wanna, Kelly and Forster 2000), or the politics of central-agency coordination at the state level (Painter 1987; Davis, G. 1996), and the internal machinations of the machinery of government (Halligan and Power 1992; Campbell and Halligan 1992; Gruen and Grattan 1993; Keating, Wanna and Weller 2000). These studies arguably followed in the footsteps of Crisp's (1972) seminal study of power in the Commonwealth public service. Hawker's (1981) major study of bureaucratic power also canvassed the issue of how far the bureaucracy was 'reformable' and how to get good advice from the bureaucracy. Wilenski (1983, 1986) also attempted to open up wider debates about administration, particularly the issues of representation and responsiveness. Both Hawker and Wilenski found the traditional bureaucratic structures frustrating, and shared an equity-based, social-democratic agenda involving a broader role for government. Burton's study (1991) of the struggle for equal opportunity in a patriarchal bureaucracy and Yeatman's *Bureaucrats, Technocrats and Femocrats* (1990), have enriched these debates over the politics of bureaucracy by highlighting the gender dimension in power structures. Dean and Hindess (1998) and their colleagues, using a Foucauldian 'governmentality' approach, related governmental rationalities to selected sites of policy intervention and regulated conduct. Simms (1987) also linked political militancy among public-service unions with campaigns against government policy, industrial democracy and equal employment opportunity (EEO) policies.

Wettenhall's detailed discussion of statutory authorities, quangos and non-departmental agencies, investigated the implications of organisational form and autonomy (Curnow and Saunders 1983). Corbett (1965) had earlier discussed government regulation of public enterprises, and Warhurst (1980) explored how governments still exercised control over supposedly 'arm's-length' independent bodies. There has not been an equivalent study of the department form and its characteristics, although the now-dated discussion by the Royal Commission on Australian Government Administration (1976) and Spann (1979) goes some way to rectifying this lacuna. The policy capacities of sub-national governments were assessed by the ANU's Federalism Research Centre, which sponsored a series of projects investigating comparative policy-making at the state level (see Galligan 1988; Galligan, Hughes and Walsh 1991). The work of Power, Halligan, Wettenhall and Jones on local and regional governments remains closest in its approach to the concerns of traditional public administration (see Power, Wettenhall and Halligan 1981; Halligan and Paris 1984). From a planning background, a number of policy analysts have investigated the politics of cities or the distributional aspects of policy provision (Stretton 1970; Troy 1978, 1995; Sandercock 1975; Neutze 1977; Parkin 1982; Orchard and Dare 1989).

Policy-area studies are extensive in number and diverse in scope. Some tackle entire policy areas such as health policy, while others focus on specific decisions or citizens/

clients (for example, delivery of HIV/AIDS programs to gay men; see Dowsett 1998; Ballard 1998). Perhaps the main three policy areas to have received attention are economic policy, environmental policy and social-welfare policy. There is insufficient space here except to select a few representational studies from each.

The literature on economic policy is vast and traditionally dominated by economists not much interested in the workings of the policy process. By and large, economists have debated preferred-policy solutions in economic terms, often assuming that once recommended the implementation is unproblematic. Policy analysts, by contrast, tend to investigate how economic policy is made, and by and for whom (Bell 1997). Hence, Whitwell's study of Treasury (1986) does not explore bureaucratic politics but pursues a historical narrative about how institutions are influenced by and reshape ideas – also raising the difficulties in implementing some of these ideas. Castles (1988) presented an argument that economic vulnerability has historically shaped economic policy, entrenching protectionism as the dominant policy response, while Keating and Dixon (1989) combined institutional analysis with an assessment of changing pressures on government to explain the reorientation in economic policy-making under the Hawke government. Keating continued this work in the *Future of Governance* monographs (Davis and Keating 2000; Keating, Wanna and Weller 2000).

Environmental issues have lent themselves admirably to policy analysis – they are typically based around incidents, sites or events and have relatively defined parameters. Case studies have been the main form of analysis, with some writers attempting to feed their findings back into wider debates about power and politics. Hence, McEachern (1991) traced the logging of forests to class power, with governmental policy favouring established economic interests and suppressing dissent. Eckersley (1992), Papadakis (1993, 1996), Dryzek (1997) and Economou (1996) have analysed the shortcomings of environment policy through the various prisms of politics, institutions, players and issue management. Papadakis and Young (2000) suggest that clashing values have made environment policy fractured, although they remain confident that prevailing paradigms can be changed and policy capacities sharpened when agendas are shared. Kellow's research into various environment-policy case studies (see Doyle and Kellow 1995) has also stressed the difficulty of building advocacy coalitions – with Kellow frequently attempting to elaborate a Lowi-derived argument that, in the environment area, the policy domain determines the politics.

Again policy research in the social-welfare area tends to focus on the development of policy and its outcomes, while remaining relatively silent on the policy process. Castles's (1985) innovative work on the exceptionalism of Australian social policy is one case in point (the argument that governments and other actors linked policy instruments to provide a 'historical compromise' based on a means-tested residual welfare system, with protectionism for workers through arbitration and tariff protection for business – later popularised as the 'Australian settlement' in Kelly's derivative *End of Certainty* (1992); see also Fenna (1998)). Similarly, Graycar's (1979) arguments about the consequences and distortions of a minimalist and residual welfare system make for a compelling case but tend to leave the policy process out of the picture. Cass's

work on family policy and social security, and Beilharz, Considine and Watts's (1992) defence of the welfare state suffer the same problems.

Others have contributed policy studies to attempt to direct attention to areas that have been overlooked or excluded from policy considerations – examples here include Deborah Brennan's (1994) study of the politics of childcare; Deborah Mitchell's (1997) analysis of family policy; and Peterson and Sanders's (1998) evaluations of social policies towards Indigenous Australians. Parkin's (1988) comparative study of public-housing provision across the Australian states (involving different policy instruments and outcomes) remains a classic study of how local interests rather than policy learning shaped policy choices. Scotton and MacDonald's (1993) retrospective examination of the policy mechanics of how Medibank was constructed, from a set of policy options to implementation, remains one of the few such studies in the vast literature on policy areas. Other important studies on health policy include Palmer and Short (2000), Gray (1984) and Deeble (1999).

Policy-process studies

Policy-process studies tend to dissect the making of policy into stages – with researchers often specialising in in-depth analysis on one of the stages. This form of analysis is probably one of the least-developed areas of public-policy studies in Australia (compared, say, to the US or even the UK). Australian scholars have contributed occasional case studies that have explored various breakdowns inside the policy process. For example, Graham's work on the 'Australia Card' (1986) showed how the policy process adopted by the Hawke government had the unintended consequence of undermining the idea, leading to the abandonment of the proposal. One of the difficulties with such policy-process analysis is that it has not been built on and remains in the form of individual case studies. At best, some of these accounts are packaged into case-study readers for teaching purposes or policy workshops.

Limited work has been done on agenda-setting or non-decision-making or lobbying. Some works have promulgated policy agendas or challenged policy/party directions (see Marsh 1993; Maddox 1989; Davis and Keating 2000) rather than produced studies of agenda-setting in its various refractions. Ward (1995) has investigated the media's influence on agenda-setting more broadly, although most of his evidence is cited from US sources. Sometimes agendas have been related to specific policy areas, such as Battersby (1980), or Rowse's (1985) agenda for greater policy support and improved funding for the arts. Starr's work on issue management (1993) and the conduits of influence remains one of the few attempts to unpack the technologies and politics not only of 'spin', but also of transformational policy change. Similarly, the role of the Australian and international media in issue formulation and influencing policy choice has also been under-studied in policy studies, and few writers in the related field of media studies have ever linked their work back into public policy (although some like Glyn Davis (1990) and Craik, Bailey and Moran (1995) have made attempts).

Australian scholars have also tended to neglect research into policy coordination and implementation. There is no local equivalent to Aaron Wildavsky, professor of political science and public policy at the University of California, Berkeley, until his death in 1993. Painter's (1987) study of executive fragmentation discussed comparative experiences at central coordination, while Glyn Davis (1996) has reported on the 'government of routines' and the three domains of executive coordination from the experience of one government. Galligan, Nethercote and Walsh's (1990) study of cabinet decision-making subdivided the process of coordination across a variety of domains and players. There have also been some attempts in recent years to link coordination to community-engagement models of consultation.⁴

Analysis of decision-making, inside government and between government and the community, has attracted occasional research – mainly case studies. Schaffer and Corbett's (1965) collection entitled *Decisions* and the second edition by Encel, Wilenski and Schaffer (1981) contain case studies that explored how decisions were made by policy-makers in contentious or conflictual circumstances, and often where there was no agreement about an acceptable solution. Scott's collection (1980) focused on interest-group influence on government decisions, linking policy processes to specific decisions using a case-study approach. These studies have tended not to be replicated, although Considine (1994) draws on this approach to illustrate his key themes and topics. Yeatman's (1998) analyses of 'activism' in the policy process is a noticeable contribution in a relatively sparse field. Moreover, there are few book-length studies on implementation (but see Ryan 1995), evaluation or service-delivery issues, but the parameters of these topics have been sketched by Uhr (1991), O'Faircheallaigh and Ryan (1992), and Davis and Weller (2001). There is, by contrast, an emerging genre of 'how to' books providing instructions to practitioners and policy-makers (Bridgman and Davis 1998, 2000; Hughes 1994; Grogan, Mercer and Engwicht 1995; Stewart 1999; Aulich, Halligan and Nutley 2000).

Public-sector management

The identification of a separate (or distinguishable) body of work under the rubric of public-sector management occurred in the mid to late 1980s. The resort to private-sector management models by governments reignited academic interest in the functioning of the public sector (McCallum 1984). Initially, the term 'managerialism' and its implications were controversial – from critics arguing it commodified administrative behaviour, to traditionalists who believed that the precepts of management had long been practised. Notably, many practitioners from among the new managerialists replied and entered the academic debates, defending managerialism against the various critics. Considine (1990), Yeatman (1986) and Nethercote (1989) were the leading critical protagonists, while Paterson (1988) and Keating (1989) made perhaps the most persuasive defences. Alford (1993) extended the debate towards a new model of public management. A compilation of the main arguments over managerialism was published by Considine and Painter (1997).

A cluster of new texts dissecting public-sector management appeared – not duplicating the topics common to traditional public administration, but stressing corporate and strategic management, devolution, performance and accountability (Wanna, O’Faircheallaigh and Weller 1992; Corbett 1992, 1996; Hughes 1994; Stewart 1999; O’Faircheallaigh, Wanna and Weller 1999; Aulich, Halligan and Nutley 2000). Around seventeen titles appeared in the CAPSM–Macmillan series, covering corporate management, budgeting, deregulation, service delivery, program evaluation, public-sector reform, public entrepreneurialism and new contractualism. Other scholars focused on contracting out, and engaged in debates about whether it was cost effective and improved service delivery, and what new accountability issues were created (Quiggin 1996a; Hood 1997; Mulgan 1997). Alford and O’Neill (1994) examined the ideologically driven ‘contract state’ in Victoria, while Davis, Sullivan and Yeatman (1997) investigated the conceptual aspects involved in contract relations applied to a variety of selected topics. As an international fascination with new public management emerged, some Australia-based scholars questioned whether new public management was a worldwide phenomenon, with Hood initially conceiving it in such terms and later changing his mind (see Hood 1995; Rhodes 1996).

Later debates focused on public-sector leadership and the implications of resorting to contractual employment for senior executives. While governments claimed executive contracts (which were not actually contracts) provided them with flexibility and greater ‘responsiveness’, critics often presented this relationship as a form of political control (see Weller and Wanna 1997; Davis and Rhodes 2000). More recently, scholars have explored the new accountabilities extant or expected under new public management, especially Mulgan (1998, 2000), Jackson (1988) and, in financial accountabilities, Funnell and Cooper (1998). The study of new public management has also been related to government capacities, with the implications of ‘hollowing out’ investigated internationally (Weller, Bakvis and Rhodes 1997).

Federalism and intergovernmental relations

Australian scholars have produced a substantial amount of work on the nature of federalism and intergovernmental relations. In relation to policy studies, four topics have dominated this distinctively Australian literature: the implications of constitutional developments and interpretations; the competing merits of centralisation and decentralisation; federal financial relations; and the policy implications associated with intergovernmental relations. Arguments for the federal compact derived from constitutional law date from classics such as Garran (1958) to the immense contributions of scholars such as Sawyer (1949, 1969, 1977). Sawyer also provided regular articles to the *Journal of Public Administration*, highlighting recent constitutional developments.

More recently, scholars have investigated judicial decision-making and its impact on public policy (Halligan 1987). With increasing fiscal centralisation, postwar debates often focused on the desired degree of centralisation as opposed to regional diversity. Debates over the optimal degree of centralisation (see Wheare 1963; Greenwood 1946;

Holmes and Sharman 1977) were often marginal to policy studies, but protagonists would frequently use regulatory inconsistencies or incompatibilities as evidence of policy failure (Rydon 1975). Hence, the policy implications of federalism were often a cause of much lament (see Patience and Scott 1983). The ANU's Federalism Research Centre played an important role in reassessing these debates, arguing for the preservation of diversity and democratic veto-points, and for consensual intergovernmental relations. Galligan (1988) and Galligan, Hughes and Walsh (1991) provided extensive coverage of policy sectors affected by intergovernmental relations, some where policy activism was stimulated by diversity and decentralisation. Galligan (1995) has developed a persuasive argument concerning Australia operating as a 'federal republic', while Painter's major study of collaborative federalism (1995) stands out as a major contribution to the studies of mature federalism and of public policy (see also Keating, Wanna and Weller 2000).

The study of fiscal federalism was dominated by the late Russell Mathews, with other writers making occasional contributions. Mathews's extensive list of publications chronicled the annual movements in fiscal federalism with the meticulous collation of empirical evidence. Occasionally he edited overviews (for example, Mathews 1974), and his joint books with Jay (Mathews and Jay 1972) and with Grewal (Mathews and Grewal 1997) remain substantial classics in this area. They tended to worry over undue federal fiscal centralisation, while remaining concerned over horizontal equity throughout Australia. Others such as Warren (1997) and Freebairn, Porter and Walsh (1987) have linked trends in fiscal federalism back to tax-reform issues.

The distinctiveness of state political and administrative traditions was recognised in a major empirical study edited by S.R. Davis (1960). This collection not only collated detailed information about state politics and administration, but also developed various arguments to explain state differences. Unfortunately, there was no replication of this work until 2003 (Moon and Sharman 2003). There have also been various policy-related studies of state regimes, which have attempted to document the limitations or predilections of subnational governments. Certainly, as state policy capacities have improved, scholars have mapped the possibilities of policy learning, shared agendas and mutual recognition (Carroll and Painter 1995). Parkin (2002) has recently produced a cogent overview of political-science contributions to the study of the states and Australian federalism.

Public finance

Never particularly strong in Australian universities, public finance tended to be a minority pursuit attached to larger economics departments. Bland (1946) was important in pioneering much of the field, basing his analyses on evolving British practice but translated to Australian experiences. His prolific work addressed budgets and expenditure control, the use of off-budget trust funds, federal financial issues, income and borrowing.⁵ Few scholars carried on his early interests. After the introduction of Keynesian economics in the postwar years, public finance emerged as a subsidiary

interest of macro-economists, particularly those interested in fiscal policy and counter-cyclical management. Academic interest in public finance again surfaced with the onset of fiscal stress in government and the gradual experimentation with elementary budgetary reforms. Knight and Wiltshire's research monograph (1977) presented a good discussion of various systems and options as program budgeting came into vogue.

Only one tertiary text on public finance has appeared to date, produced by Peter Groenewegen over three editions (the latest being 1990). His extensive coverage of the field, blending a knowledge of economic theory and explanations of phenomena with accessible data about Australian spending and taxing, may have discouraged others from compiling similar studies. Other economists contributed on the margins; for example, Fred Gruen's (1985) study of the impact of elections on federal budgets and expenditure growth or Butlin, Barnard and Pincus's (1982) longitudinal survey of public provision and intervention.

Subsequently, interest in government resourcing and financial management emerged out of the public-sector management debates. Often working closely with practitioners, researchers produced a series of monographs surveying recent developments in budgetary reform and expenditure management, including Forster and Wanna (1990); Galligan, Nethercote and Walsh (1990); Keating and Holmes (1990); Zifcak (1994); Quiggin (1996b); Wanna, Kelly and Forster (2000); and Funnel and Cooper (1998). The big gap in the policy literature remains taxation studies. Although taxation issues have surfaced in the fiscal-federalism literature, there is no coherent history of taxation policy or systematic policy analysis. Some populist or tax-institute guides to taxation exist, such as Groenewegen (1980); Wilkes (1980); J. Head (1983); Smith (1993) and Quiggin (1998). Many of the taxation debates concern the merits of business-initiated proposals for tax reform and the fairly sterile arguments over vertical fiscal imbalance (VFI). There has been little debate over hypothecated (earmarked) taxation, the implications of tax policy on client groups, the internal tax administration, or the costs of various forms of revenue collection. Research on tax expenditures is a barren field.

Public choice and policy analysis

Australian policy analysis has had little flirtation with public-choice or rational-choice approaches. Butlin, Barnard and Pincus (1982) is not a traditional public-choice study of government intervention and public-good provision, but certainly its treatment of government is influenced by many of the precepts of public-choice analysis (tempered by the social liberalism of Butlin). Brennan's theoretical work (1980, 1985; Brennan and Hamlin 2000), which enjoys much international renown, has had less impact in policy studies in Australia. He has contributed analyses on the problems of democratic politics, parliamentary systems and federalism. Goodin's (1998) collection also explored theories of institutional design, often from first principles. Walsh attempted to incorporate elements of a public-choice approach when he was director of the ANU's Federalism Research Centre (see Brennan and Walsh 1990). He collaborated with others in producing critiques of state budgeting, arguments to curb spending and

ideas for taxation reform (see Freebairn, Porter and Walsh 1987), and later on the importance of audit reviews and 'zero-basing' (Walsh 1995). Grossman's (1989) study of the Tiebout effect (on local expenditures/policies and interstate migration), and the collection edited by James (1989) on welfare policy, remain among the few empirical studies in this area.

Arguably, public-choice theories and Australian contributions to this field have had relatively little impact on policy studies and policy analysis in Australia. Paradoxically, critiques of public-choice approaches or rationalist assumptions (and even a general economics approach to politics) have attracted far more champions in Australia. Self's (1975) critique of econocrats and the 'insidiousness' of cost-benefit analysis as a substitute for political decision-making remains a classic denouncement that has been widely used in teaching. Carroll and Manne (1992), Pusey (1991), Burchell (1994), and the less overt *Remaking Australia* (Emy 1993) provide rebuffs to economic rationalism and rationalist-inspired economic policy. Orchard (1989) and then Stretton and Orchard (1994) remain perhaps the most sustained and theoretically sophisticated critiques directed against public choice. New-right advocates have used selected public-choice and/or neoliberal arguments in favour of market provision to advance policy agendas such as economic rationalism, the deregulation of higher education and market-determined fees (James, Jones and Norton 1993).

Government–business relations, corporatism and tripartite policy-making

Arguably a thriving component of the Australian public-policy literature is the scholarship on the broad area of government–business relations, which tends to follow a policy-oriented direction. Clearly, not all government–business research and teaching is specifically policy-related (some is more concerned with class relations, structures of power or economic-restructuring debates). The study of government–business relations enjoys a rich tradition going back to Hancock (1930) and Eggleston (1932), but including more recently Matthews (1976); Glezer (1982); Loveday (1984a); Brian Head (1986); Galligan and Singleton (1991); McEachern (1991); Bell and Wanna (1992); Bell (1993, 1997); Stewart (1994); Bell and Head (1994); Capling, Considine and Crozier (1998); and van Acker and Curran (2002). Many of these studies were commissioned as teaching texts, but they served to nourish the growing subfield. Their approach was typically radical or neopluralist, with an emphasis on interest protectionism, industry policies and restructuring. Initially, one of the prime concerns was in charting interest-group activity, but more recently there has been increasing focus on the structural implications of globalisation and economic integration.

Although European literature on corporatism began a revival with Winkler and Schmitter in the mid-1970s, there was little interest in Australia until the ascendancy of the Hawke government and its Prices and Incomes Accord-based incomes policy. Despite a strong tradition of state concertation and regulation in industrial relations, writers such as Rawson could nevertheless write books on unionism without much

mention of government intervention. Some introductory ideas appeared in Beilharz and Watts (1983) and Loveday (1984b), while Stewart and Ballard (1983) developed the notion of simulated corporatism. A symposium on corporatism in Australia was held at the Australasian Political Studies Association (APSA) conference in 1985 (many of the articles appear in *Politics* 21(1) 1986). The politics of the Accord stimulated further debate over tripartism or bipartism in policy development, with Singleton (1990) and journalists such as Carney (1988) exploring the politics of interest mediation, and some of the left producing critiques of the concept and the strategies of the main actors (McEachern 1986). Palmer (1986) argued that while the notion of corporatism was hard to sustain empirically, it opened up new debates and areas of inquiry. Further studies explored industry policy from a corporatist perspective, the best study being Capling and Galligan's (1992) case-study analysis of the 'protective state' and its gradual transformation (essentially applying a sectoral notion of corporatism). Brian Head (1997) provides a useful overview of the 'rise and fall' of the concept.

Conclusion

One of the major difficulties in assessing the range of contributions in public policy and public administration is the lack of clearly defined or agreed parameters. A great many texts and published articles in the fields of politics, sociology, law, cultural studies and economics relate to the study of public policy or make connections to policy studies. The above presentation has attempted to collate the main works central to the field and produced by writers who felt they were primarily contributing to public administration or public policy. Moreover, it is not clear that public policy has built on the foundation of traditional public administration. Often the topics described in great detail in public administration have been ignored or marginalised by policy studies in the 1980s and 1990s. Traditional public administration remains a vast body of literature (now somewhat dated) that may assist in administrative histories in the future, but its relevance today is limited because of the many changes to public-sector practice since the 1980s.

Finally, in a previous survey of the study of institutions in political science, Jinks (1985:157) noted that while there were many gaps in the Australian literature,

it would be equally correct to point out that the relatively small number of students of Australian politics have done a pretty good job in dealing with a complex set of institutions.

Can the same be said of the public-administration and public-policy literature? Surely it is for others to judge that, and arguably for most of the extant public-policy literature it may be too soon to make that judgement. Although there are certainly gaps in the research and areas that need further development, there is evidence of a commitment to cover the breadth of policy activities and to explore new areas of research. If public administration was characterised, as Parker has previously argued, by a 'nebulous scope and its lack of any distinctive technique', then public-policy scholarship has fared no better. It has become arguably more engaged, wider in its theoretical scope

and more critical in its approach. Whatever future generations make of this combined literature, there is certainly a substantial body of administrative and policy studies on which to critically engage.

Notes

- 1 The survey of Victoria was authored by Jean Holmes; Tasmania by W. Townsley; South Australia by Dean Jaensch; the Australian Capital Territory by Ruth Atkins; the Northern Territory by Alistair Heatley; New South Wales by Robert Parker; and Queensland by Colin Hughes.
- 2 To my knowledge there has only been one attempt (in the late 1980s) to update and revise Spann's *Public Administration in Australia*, but this did not eventuate. The *Wettenhall festschrift* (Halligan 1996), with its continued commitment to 'administration', may be one exception, but it is not an integrated text on public administration *per se*. Similarly, Power's edited collection called *Public Administration in Australia: A Watershed* (1990), included some reflexive essays on constitutional and administrative history and contemporary reforms, but it is neither a study in its own right nor an integrated text.
- 3 The original use of this phrase was by Dick Spann, who, when commenting on the conclusions of the Hawker, Smith and Weller (1979) text, chastised them for finding 'few lessons drawn of the most general kind'. He went on to say: 'I quote their main conclusion: "Bureaucratic failings, departmental ideologies, internal incentive systems, political pressures and individual ambitions must all be accepted as proper and unavoidable parts of the policy processes, not as obstacles to rational policy"'. Carried *nem.con.*? Well yes, though maybe that non-voter in the corner is muttering to himself about political sycophancy being elevated into a science' (Spann 1981:23).
- 4 See the special issue of *Australian Journal of Public Administration* 61(1) 2002, with contributions by Patrick Bishop, Barry Hindess and Marian Sawyer, among others.
- 5 See *Public Administration* 7(2) 1948, for a complete bibliography of his works.

References

- Adams, D. 1975. Teaching public administration: A review article. *Australian Journal of Public Administration* 34(4).
- Aitkin, D. (ed.). 1985. *Surveys of Australian Political Science*. Sydney: George Allen and Unwin.
- Alaba, R. 1994. *Inside Bureaucratic Power: The Wilenski Review of New South Wales Government Administration*. Sydney: Hale and Iremonger.
- Aldred, J., and J. Wilkes (eds). 1983. *A Fractured Federation: Australia in the 1980s*. Sydney: Allen and Unwin.
- Alford, J. 1993. Towards a new public management model: Beyond 'managerialism' and its critics. *Australian Journal of Public Administration* 52(2).
- Alford, J., and D. O'Neill (eds). 1994. *The Contract State: Public Management under the Kennett Government*. Geelong: Deakin University Press.
- Althaus, C. 1997. What do we talk about? Publications in *AJPA*, 1970–1995. *Australian Journal of Public Administration* 56(1).
- Aulich, C., J. Halligan and S. Nutley (eds). 2000. *Australian Handbook of Public Sector Management*. Sydney: Allen and Unwin.
- Australian Journal of Public Administration*. 2002. (Community Consultation – Coombs: 25 Years On) 61(1).

- Baldock, C., and B. Cass. 1988. *Women, Social Welfare and the State*. Sydney: Allen and Unwin.
- Ballard, J. 1998. 'The constitution of AIDS in Australia: Taking "government at a distance" seriously' in *Governing Australia: Studies in Contemporary Rationalities of Government*. Edited by M. Dean and B. Hindess. Melbourne: Cambridge University Press.
- Battersby, J. 1980. *Cultural Policy in Australia*. Paris: UNESCO.
- Beilharz, P., M. Considine and R. Watts, 1992. *Arguing about the Welfare State: The Australian Experience*. Sydney: Allen and Unwin.
- Beilharz, P., and R. Watts, 1983. The discovery of corporatism. *Australian Society* 2(10).
- Bell S. 1993. *Australian Manufacturing and the State*. Melbourne: Cambridge University Press.
- . 1997. *Ungoverning the Economy: The Political Economy of Australian Economic Policy*. Melbourne: Cambridge University Press.
- Bell, S., and B. Head. 1994. *State, Economy and Public Policy in Australia*. Melbourne: Oxford University Press.
- Bell, S., and J. Wanna (eds). 1992. *Business–Government Relations in Australia*. Sydney: Harcourt Brace Jovanovich.
- Bland, F.A. 1945. *Planning and the Modern State*. Sydney: Angus and Robertson.
- . 1946 (1931). *Budget Control: An Introduction to the Financial System of NSW*. 4th ed. Sydney: Angus and Robertson.
- Brennan, D. 1994. *The Politics of Australian Child Care: From Philanthropy to Feminism*. Melbourne: Cambridge University Press.
- Brennan, G., and A. Hamlin. 2000. *Democratic Devices and Desires*. Melbourne: Cambridge University Press.
- Brennan, G., and C. Walsh, 1990. *Rationality, Individualism and Public Policy*. Canberra: Federalism Research Centre, Australian National University.
- Bridgman, P., and G. Davis. 1998. *Australian Policy Handbook*. Sydney: Allen and Unwin.
- . 2000. *Australia Policy Handbook*. 2nd ed. Sydney: Allen and Unwin.
- Burchell, D. 1994. The curious career of economic rationalism. *Australian and New Zealand Journal of Sociology*. 30(3).
- Burton, C. 1991. *The Promise and the Price: The Struggle for Equal Opportunity in Women's Employment*. Sydney: Allen and Unwin.
- Butlin, N., A. Barnard and J. Pincus. 1982. *Government and Capitalism: Public and Private Choice in Twentieth Century Australia*. Sydney: Allen and Unwin.
- Caiden, G.E. 1965. *The Career Service*. Melbourne: Melbourne University Press.
- . 1967. *The Commonwealth Bureaucracy*. Melbourne: Melbourne University Press.
- Campbell, C., and J. Halligan. 1992. *Political Leadership in an Age of Constraint*. Sydney: Allen and Unwin.
- Capling, A., M. Considine and M. Crozier. 1998. *Australian Politics in the Global Era*. Melbourne: Longman.
- Capling, A., and J. Galligan. 1992. *Beyond the Protective State: The Political Economy of Australia's Manufacturing Industry Policy*. Cambridge: Cambridge University Press.
- Carney, S. 1988. *Australia in Accord*. Melbourne: Sun Books.
- Carroll, J., and R. Manne (eds). 1992. *Shutdown: The Failure of Economic Rationalism and How to Rescue Australia*. Melbourne: Text Publishing.
- Carroll, P., and M. Painter (eds). 1995. *Microeconomic Reform of Federalism*. Canberra: Federalism Research Centre, Australian National University.
- Castles, F. 1985. *The Working Class and Welfare*. Sydney: Allen and Unwin.
- . 1988. *Australian Public Policy and Economic Vulnerability*. Sydney: Allen and Unwin.

- Catley, R., and B. McFarlane. 1981. *Australian Capitalism in Boom and Depression*. Chippendale: Alternative Publishing Cooperative.
- Colebatch, H. 1980. Public policy and public administration: New wine in old bottles? *Policy Studies Newsletter* 5.
- . 1998. *Policy*. Buckingham: Open University Press.
- Connell, R., D. Ashenden, S. Kessell and G. Dowsett. 1982. *Making the Difference: Schools, Families and Social Division*. Sydney: George Allen and Unwin.
- Considine, M. 1990. Managerialism strikes out. *Australian Journal of Public Administration* 49(2).
- . 1994. *Public Policy: A Critical Approach*. Melbourne: Macmillan.
- Considine, M., and M. Painter, eds. 1997. *Managerialism: the Great Debate*. Melbourne: Melbourne University Press.
- Corbett, D. 1965. *Politics and the Airlines*. London: Allen and Unwin.
- . 1992. *Australian Public Sector Management*. Sydney: Allen and Unwin.
- . 1996. *Australian Public Sector Management*. 2nd ed. Sydney: Allen and Unwin.
- Costar, B., and N. Economou (eds). 1999. *The Kennett Revolution: Victorian Politics in the 1990s*. Sydney: UNSW Press.
- Craik, J., J. Bailey and A. Moran. 1995. *Public Voices, Private Interests: Australia's Media Policy*. Sydney: Allen and Unwin.
- Crisp, L.F. 1965. *Australian National Government*. Melbourne: Longmans.
- . 1983. *Australian National Government*. 5th ed. Melbourne: Longman Cheshire.
- . 1972. Politics and the Commonwealth bureaucracy. *Public Administration* 31 (4).
- Curnow, G.R., and C. Saunders. 1983. *Quangos: The Australian Experience*. Sydney: Hale and Iremonger.
- Curnow, G.R., and R. Wettenhall (eds). 1981. *Understanding Public Administration*. Sydney: George Allen and Unwin.
- Davies, A.F. 1958. *Australian Democracy: An Introduction to the Political System*. London: Longmans, Green.
- . 1964. *Australian Democracy: An Introduction to the Political System*. 2nd ed. Melbourne: Longmans, Green.
- Davis, G. 1990. *Breaking up the ABC*. Sydney: Allen and Unwin.
- . 1996. *A Government of Routines: Executive Coordination in an Australian State*. Melbourne: Macmillan.
- Davis, G., and M. Keating. 2000. *The Future of Governance: Policy Choices*. Sydney: Allen and Unwin.
- Davis, G., and R.A.W. Rhodes. 2000. 'From hierarchy to contracts and back again: Reforming the Australian public service' in *Institutions on the Edge? Capacity for Governance*. Edited by M. Keating, J. Wanna and P. Weller. Sydney: Allen and Unwin.
- Davis, G., B. Sullivan and A. Yeatman (eds). 1997. *The New Contractualism?* Melbourne: Macmillan Education.
- Davis, G., J. Wanna, J. Warhurst and P. Weller. 1988. *Public Policy in Australia*. Sydney: Allen and Unwin.
- . 1993. *Public Policy in Australia*. 2nd ed. Sydney: Allen and Unwin.
- Davis, G., and P. Weller (eds). 2001. *Are You Being Served? State, Citizens and Governance*. Sydney: Allen and Unwin.
- Davis, S.R. (ed.). 1960. *The Government of the Australian States*. London: Longmans, Green.
- Dean, M., and B. Hindess (eds). 1998. *Governing Australia: Studies in Contemporary Rationalities of Government*. Melbourne: Cambridge University Press.
- Deeble, J. 1999. *Resource Allocation in Public Health*. Melbourne: National Public Health Partnership.
- Dowsett, G. 1998. 'Governing queens: Gay communities and the state in contemporary Australia' in *Governing Australia: Studies in Contemporary Rationalities of Government*. Edited by M. Dean and B. Hindess. Melbourne: Cambridge University Press.
- Doyle, T., and A. Kellow. 1995. *Environmental Politics and Policymaking in Australia*. Melbourne: Macmillan.

- Dryzek, J. 1997. *The Politics of the Earth*. Oxford: Oxford University Press.
- Eckersley, R. 1992. *Environmentalism and Political Theory: Towards an Ecocentric Approach*. Albany, NY: State University of New York Press.
- Economou, N. 1996. Australian environmental policy making in transition: The rise and fall of the Resource Assessment Commission. *Australian Journal of Public Administration* 55(1).
- Eggleston, F.W. 1932. *State Socialism in Victoria*. London: P.S. King.
- Emy, H.V. 1976. *Public Policy: Problems and Paradoxes*. Melbourne: Macmillan.
- . 1993. *Remaking Australia: The State, the Market and Australia's Future*. Sydney: Allen and Unwin.
- Encel, S. 1962. *Cabinet Government in Australia*. Melbourne: Melbourne University Press.
- . 1974. *Cabinet Government in Australia*. 2nd ed. Melbourne: Melbourne University Press.
- Encel, S., P. Wilenski and B.B. Schaffer (eds). 1981. *Decisions*. Melbourne: Longman Cheshire.
- Fenna, A. 1998. *Introduction to Australian Public Policy*. Melbourne: Longman.
- Forster, J., and J. Wanna (eds). 1990. *Budgetary Management and Control*. Melbourne: Macmillan.
- Forward, R. (ed.). 1974. *Public Policy in Australia*. Sydney: Cheshire.
- Freebairn, J., M. Porter and C. Walsh. 1987. *Spending and Taxing: Australian Reform Options*. Sydney: Allen and Unwin.
- Funnell, W., and K. Cooper. 1998. *Public Sector Accounting and Accountability*. Sydney: UNSW Press.
- Galligan, B. 1987. *The Politics of the High Court*. Brisbane: University of Queensland Press.
- (ed.). 1988. *Comparative State Policies*. Melbourne: Longman Cheshire.
- . 1995. *A Federal Republic*. Melbourne: Cambridge University Press.
- Galligan, B., O. Hughes and C. Walsh (eds). 1991. *Intergovernmental Relations and Public Policy*. Sydney: Allen and Unwin.
- Galligan, B., J. Nethercote and C. Walsh (eds). 1990. *The Cabinet and Budget Processes*. Canberra: Federalism Research Centre, Australian National University.
- Galligan, B., and G. Singleton (eds). 1991. *Business and Government under Labor*. Melbourne: Longman Cheshire.
- Garran, R. 1958. *Prosper the Commonwealth*. Sydney: Angus and Robertson.
- Glezer, L. 1982. *Tariff Politics: Australian Policymaking 1960–80*. Melbourne: Melbourne University Press.
- Goodin, R.E. (ed.). 1996. *The Theory of Institutional Design*. Melbourne: Cambridge University Press.
- Graham, P. 1986. "The Australia Card: A burden rather than a relief?" *Australian Quarterly* 58(1).
- Gray, G. 1984. Termination of Medibank. *Politics* 19(2).
- Graycar, A. 1979. *Welfare Politics in Australia: A Study in Policy Analysis*. Melbourne: Macmillan.
- Greenwood, G. 1946. *The Future of Australian Federalism*. Melbourne: Melbourne University Press.
- Groenewegen, P. 1980. *Australian Taxation Policy*. Melbourne; Longman Cheshire.
- . 1990. *Public Finance in Australia*. 3rd ed. Sydney: Prentice Hall.
- Grogan, D., C. Mercer and D. Engwicht. 1995. *The Cultural Planning Handbook*. Sydney: Allen and Unwin.
- Grossman, P. 1989. *Fiscal Federalism: Constraining Governments with Competition*. Perth: Australian Institute for Public Policy.
- Gruen, F. 1985. *The Federal Budget: How Much Difference Do Elections Make?* Canberra: Australian National University.
- Gruen, F., and M. Grattan. 1993. *Managing Government: Labor's Achievements and Failures*. Melbourne: Longman Cheshire.
- Halligan, J. 1996. *Public Administration under Scrutiny*. Canberra: Centre for Research in Public Sector Management, University of Canberra.
- Halligan, J., and C. Campbell. 1992. *Political Management in the 1990s*. Melbourne: Oxford University Press.

- Halligan, J., and C. Paris (eds). 1984. *Australian Urban Politics*. Melbourne: Longman Cheshire
- Hancock, W.K. 1930. *Australia*. London: Ernest Benn.
- Hawker, G. 1978. Prospects for policy studies. *Policy Studies Newsletter* 3.
- . 1980. Public policy and public administration: New wine in old bottles? *Policy Studies Newsletter* 5.
- . 1981. *Who's Master, Who's Servant? Reforming Bureaucracy*. Sydney: Allen and Unwin.
- Hawker, G., R.F.I. Smith and P. Weller. 1979. *Politics and Policy in Australia*. Brisbane: University of Queensland Press.
- Hazlehurst, C., and J.R. Nethercote (eds). 1977 *Reforming Australian Government: The Coombs Report and Beyond*. Canberra: Australian National University Press.
- Head, B. (ed.). 1983. *State and Economy in Australia*. Melbourne: Oxford University Press.
- (ed.). 1986. *The Politics of Development in Australia*. Sydney: Allen and Unwin.
- . 1997. 'Corporatist analysis' in *Government, Politics, Power and Policy in Australia*. 5th ed. Edited by A. Parkin, J. Summers and D. Woodward. Melbourne: Longman Cheshire.
- Head, J. (ed.). 1983. *Taxation Issues of the 1980s*. Sydney: Australian Tax Research Foundation.
- Holmes, J., and C. Sharman. 1977. *The Australian Federal System*. Sydney: Allen and Unwin.
- Hood, C. 1995. Contemporary public management: A new global paradigm? *Public Policy and Administration* 10(2).
- . 1997. Which contract state? Four perspectives on over-out-sourcing for public services. *Australian Journal of Public Administration* 56(3).
- Hughes, O. 1994. *Public Management and Administration: An Introduction*. London: St Martin's Press.
- Jackson, M. 1988. The public interest, public service and democracy. *Australian Journal of Public Administration* 47(3).
- James, C., C. Jones and A. Norton (eds). 1993. *A Defence of Economic Rationalism*. Sydney: Allen and Unwin.
- James, M. (ed.). 1989. *The Welfare State: Foundations and Alternatives*. Sydney: Centre for Independent Studies.
- Jennett, C., and R.G. Stewart (eds). 1990. *Hawke and Australian Public Policy*. Melbourne: Macmillan.
- Jinks, B. 1985. 'Political institutions' in *Surveys of Australian Political Science*. Edited by D. Aitkin. Sydney: George Allen and Unwin.
- Keating, M. 1989. Quo vadis? Challenges of public administration. *Australian Journal of Public Administration* 48(2).
- Keating, M., and G. Dixon. 1989. *Making Economic Policy in Australia 1983–1988*. Melbourne: Longman Cheshire.
- Keating, M., and M. Holmes. 1990. Australia's budgetary and financial management reforms. *Governance* 3(2).
- Keating, M., J. Wanna and P. Weller. 2000. *Institutions on the Edge? Capacity for Governance*. Sydney: Allen and Unwin.
- Kelly, E., and R. Wettenhall. 1973. Policy analysis and the 'new public administration'. *Australian Journal of Public Administration* 32(4).
- Kelly, P. 1992. *The End of Certainty*. Sydney: Allen and Unwin.
- Kewley, T.H. 1972. *Social Security in Australia 1900–72*. Sydney: Sydney University Press.
- Knight, K., and K. Wiltshire. 1977. *Formulating Government Budgets*. Brisbane: University of Queensland Press.
- Kuhn, R. 1991. 'The Accord and business: The distinctiveness of the Hawke government's approach to capital accumulation' in *Business and Government under Labor*. Edited by B. Galligan and G. Singleton. Melbourne: Longman Cheshire.

- Loveday, P. 1984a. *Promoting Industry: Recent Australian Experience*. Brisbane: Queensland University Press.
- . 1984b. Corporatist trends in Australia. *Politics* 19(1).
- McCallum, B. 1984. *The Public Service Manager*. Sydney: Longman Cheshire.
- McCarthy, G. 2002. *Things Fall Apart: A History of the State Bank of South Australia*. Melbourne: Australian Scholarly Publishing.
- McEachern, D. 1986. Corporatism and business responses to the Hawke government. *Politics* 21(1).
- . 1990. *The Expanding State: Class and Economy in Western Europe since 1945*. London: Wheatsheaf-Harvester Press.
- . 1991. *Business Mates: The Power and Politics of the Hawke Era*. Sydney: Prentice Hall.
- Maddox, G. 1989. *The Hawke Government and Labor Tradition*. Melbourne: Penguin.
- Maley, M. 2000. Too many or too few? The increase in federal ministerial advisers 1972–99. *Australian Journal of Public Administration* 59(4).
- Marsh, I. (ed.). 1993. *Governing in the 1990s: An Agenda for the Decade*. Melbourne: Longman.
- . 1995. *Beyond the Two-Party System*. Melbourne: Cambridge University Press.
- Mathews, R. (ed.). 1974. *Intergovernmental Relations in Australia*. Sydney: Angus and Robertson.
- Mathews, R., and B. Grewal. 1997. *The Public Sector in Jeopardy: Australian Fiscal Federalism from Whitlam to Keating*. Melbourne: Centre for Strategic Economic Studies, Victoria University.
- Mathews, R., and W. Jay. 1972. *Federal Finance: Intergovernmental Relations in Australia Since Federation*. Sydney: Nelson.
- Matthews, T. 1976. 'Interest group access to the Australian government bureaucracy' in *Appendixes to Report*. Vol. 2. Royal Commission of Australian Government Administration. Canberra: AGPS.
- Miller, J.D.B. 1954. *Australian Government and Politics*. 4th ed. London: Duckworth.
- Mitchell, D. 1997. *Family Policy in Australia*. Canberra: ANU Graduate Program in Public Policy.
- Moon, J., and C. Sharman. 2003. *Australian Politics and Government: The Commonwealth, the States and the Territories*. Melbourne: Cambridge University Press.
- Mulgan, R. 1997. Contracting out and accountability. *Australian Journal of Public Administration* 56(4).
- . 1998. Politicisation of senior appointments in the Australian public service. *Australian Journal of Public Administration* 57(3).
- . 2000. Accountability – an ever-expanding concept? *Public Administration* 78(3).
- Nethercote, J. (ed.). 1982. *Parliament and Bureaucracy*. Sydney: Hale and Iremonger.
- . 1989. The rhetorical tactics of managerialism: Reflections on Michael Keating's apologia, Quo vadis? *Australian Journal of Public Administration* 48(4):363–7.
- Neutze, M. 1977. *Urban Development in Australia*. Sydney: Allen and Unwin.
- O'Faircheallaigh, C., and B. Ryan, eds. 1992. *Program Evaluation and Performance Monitoring*. Melbourne: Macmillan.
- O'Faircheallaigh, C., J. Wanna and P. Weller. 1999. *Public Sector Management in Australia: New Challenges, New Directions*. 2nd ed. Melbourne: Macmillan.
- Orchard, L. 1989. 'Public choice theory and the common good' in *Markets, Morals and Public Policy*. Edited by L. Orchard and R. Dare. Sydney: Federation Press.
- Orchard, L., and R. Dare (eds). 1989. *Markets, Morals and Public Policy*. Sydney: Federation Press.
- Painter, M. 1987. *Steering the Modern State: Changes in Central Coordination in Three Australian State Governments*. Sydney: Sydney University Press.
- . 1995. *Cooperative Federalism: Economic Reform in Australia in the 1990s*. Cambridge: Cambridge University Press.
- Painter, M., and B. Carey. 1979. *Politics between Departments: The Fragmentation of Executive Control in Australian Government*. Brisbane: University of Queensland Press.

- Palmer, G., and S. Short. 2000. *Health Care and Public Policy*. 3rd ed. Melbourne: Macmillan.
- Palmer, J. 1986. Corporatism in Australia. Paper presented at the Australasian Political Studies Association Conference, Brisbane, August.
- Papadakis, E. 1993. *Politics and the Environment*. Sydney: Allen and Unwin.
- . 1996. *Environmental Politics and Institutional Change*. Cambridge: Cambridge University Press.
- Papadakis, E., and E. Young. 2000. 'Mediating clashing values: Environmental policy' in *The Future of Governance: Policy Choices*. Edited by G. Davis and M. Keating. Sydney: Allen and Unwin.
- Parker, R. 1965. The end of public administration. *Australian Journal of Public Administration* 24(2).
- . 1980. The nature of 'public policy studies'. *Policy Studies Newsletter* 6.
- Parkin, A. 1982. *Governing the Cities: The Australian Experience*. Melbourne: Macmillan.
- . 1998. 'Housing policy' in *Comparative State Policies*. Edited by B. Galligan. Melbourne: Longman Cheshire.
- . 2002. The states: Federalism and political science: A fifty-year appraisal. Paper presented at the Australasian Political Studies Association Conference, Canberra, October.
- Parkin, A., J. Summers and D. Woodward (eds). 1994. *Government, Politics, Power and Policy in Australia*. 5th ed. Melbourne: Longman Cheshire.
- Paterson, J. 1988. A managerialist strikes back. *Australian Journal of Public Administration* 47(4).
- Peterson, N., and W. Sanders (eds). 1998. *Citizenship and Indigenous Australians: Changing Conceptions and Possibilities*. Melbourne: Cambridge University Press.
- Patience, A., and J. Scott (eds). 1983. *Australian Federalism: Future Tense*. Melbourne: Oxford University Press.
- Power, J. 1990. *Public Administration in Australia: A Watershed*. Sydney: Hale and Iremonger.
- Power, J., R. Wettenhall and J. Halligan (eds). 1981. *Local Government Systems of Australia*. Canberra: AGPS.
- Pusey, M. 1991. *Economic Rationalism in Canberra*. Cambridge: Cambridge University Press.
- Quiggin, J. 1996a. Competitive tendering and contracting in the Australian public sector. *Australian Journal of Public Administration* 55(3).
- . 1996b. 'The "black hole": Myth or reality?' in *Public Finance Choices: Alternatives to the Coalition Attack on the Public Sector*. J. Quiggin, J. Juniper and A. Umar. Sydney: Public Sector Research Centre, University of New South Wales.
- . 1998. *Taxing Times: A Guide to Australia's Tax Reform Debate*. Sydney: UNSW Press.
- Renwick, C. 1943. Public administration: A suggestion for its development as a science. *Public Administration* 4(5).
- Rhodes, R.A.W. 1996. Looking beyond managerialism. *Australian Journal of Public Administration* 55(2).
- Rowse, T. 1985. *Arguing the Arts: The Funding of the Arts in Australia*. Melbourne: Penguin.
- Royal Commission on Australian Government Administration. 1976. *Report. The Coombs Report*. Canberra: AGPS.
- Ryan, N. 1995. *Program Implementation in the Public Sector*. Brisbane: Royal Institute of Public Administration Australia.
- Rydon, J. 1975. Frustrations of federalism. *Australian Quarterly* 47(4).
- Sandercock, L. 1975. *Cities for Sale*. Parkville: Melbourne University Press.
- Sawer, G. 1949. *Federalism in Australia*. Melbourne: Cheshire.
- . 1969. *Modern Federalism*. Melbourne: C.A. Watts.
- . 1977. *Federation under Strain*. Melbourne: Melbourne University Press.
- Sawer, M. 1990. *Sisters in Suits: Women and Public Policy*. Sydney: Allen and Unwin.
- Schaffer, B. 1977. On the politics of policy. *Australian Journal of Politics and History* 23(1).

- Schaffer, B.B., and D.C. Corbett (eds). 1965. *Decisions: Case Studies in Australian Administration*. Melbourne: F.W. Cheshire.
- Scott, R. (ed.). 1980. *Interest Groups and Public Policy*. Melbourne: Macmillan.
- Scott, R., and R. Wettenhall. 1981. 'Public administration as a teaching and research field' in *Understanding Public Administration*. Edited by G.R. Curnow and R. Wettenhall. Sydney: George Allen and Unwin.
- Scotton, R., and C.R. MacDonald. 1993. *The Making of Medibank*. Sydney: UNSW Health Services Management.
- Self, P. 1975. *Econocrats and the Policy Process: The Politics and Philosophy of Cost-Benefit Analysis*. London: Macmillan.
- Simms, M. 1982. *A Liberal Nation*. Sydney: Hale and Iremonger.
- . 1987. *Militant Public Servants*. Melbourne: Macmillan.
- Smith, J. 1993. *Taxing Popularity: The Story of Taxation in Australia*. Canberra: Federalism Research Centre, Australian National University.
- Smith, R.F.I., and P. Weller (eds). 1978. *Public Service Inquiries in Australia*. Brisbane: University of Queensland Press.
- Spann, R.N. 1955. Public administration and the university. *Public Administration* 14(3).
- . 1973. *Public Administration in Australia*. Sydney: NSW Government Printer.
- . 1979. *Government Administration in Australia*. Sydney: Allen and Unwin.
- . 1981. Fashions and fantasies in public administration. *Australian Journal of Public Administration* 40(1).
- Spann, R.N., and G.R. Curnow (eds). 1975. *Public Policy and Administration in Australia*. Sydney: John Wiley.
- Starr, G. 1993. 'Issues management in a transformed political environment' in *Policy-Making in Volatile Times*. Edited by A. Hede and S. Prasser. Sydney: Hale and Iremonger.
- Stewart, R.G. (ed.). 1994. *Government and Business Relations in Australia*. Sydney: Allen and Unwin.
- . 1999. *Public Policy Strategy and Accountability*. Melbourne: University of Sydney.
- Stewart, R.G., and J. Ballard. 1983. The summit as simulated politics. Paper presented at the Australasian Political Studies Association Conference, August.
- Stone, D. 1996. *Capturing the Political Imagination: Think Tanks and the Policy Process*. London: Frank Cass.
- Stretton, H. 1970. *Ideas for Australian Cities*. Adelaide: Published by the author.
- . 1989. *Ideas for Australian Cities*. 3rd ed. Sydney: Transit Australia.
- Stretton, H., and L. Orchard. 1994. *Public Goods, Public Enterprise, Public Choice*. New York: St Martin's Press.
- Tiernan, A. 2001. 'Problem or solution? The role of ministerial staff' in *Motivating Ministers to Morality*. Edited by J. Fleming and I. Holland. Aldershot: Ashgate.
- Troy, P. (ed.). 1978. *Federal Power in Australia's Cities*. Sydney: Hale and Iremonger.
- (ed.). 1995. *Australian Cities: Issues, Strategies and Policies for Urban Australia in the 1990s*. Melbourne: Cambridge University Press.
- Uhr, J. 1991. *Program Evaluation*. Canberra: Federalism Research Centre, Australian National University.
- Uhr, J., and K. Mackay. 1996. *Evaluating Policy Advice: Learning from Commonwealth Experience*. Canberra: Federalism Research Centre and Department of Finance.
- van Acker, E. 1999. *Different Voices: Gender and Politics in Australia*. Melbourne: Macmillan.
- van Acker, E., and G. Curran (eds). 2002. *Business, Government and Globalisation*. Sydney: Longman.
- Walsh, C. 1995. Creating a competitive culture in the public service: The role of audits and other reviews. *Australian Journal of Public Administration* 54(3).

- Walter, J. 1986. *The Ministers' Minders: Personal Advisers in National Government*. Melbourne: Oxford University Press.
- Wanna, J., C. O'Faircheallaigh and P. Weller. 1992. *Public Sector Management in Australia*. Melbourne: Macmillan.
- Wanna, J., J. Kelly and J. Forster. 2000. *Managing Public Expenditure in Australia*. Sydney: Allen and Unwin.
- Ward, I. 1995. *Politics of the Media*. Melbourne: Macmillan.
- Warhurst, J. 1980. 'Exercising control over statutory authorities: A study in government techniques' in *Responsible Government in Australia*. Edited by P. Weller and D. Jaensch. Melbourne: Drummond.
- . 1982. *Jobs or Dogma? The Industries Assistance Commission and Australian Politics*. Brisbane: University of Queensland Press.
- Warren, N. 1997. *Reshaping Fiscal Federalism in Australia*. Sydney: Australian Tax Research Foundation.
- Watts, R. 1987. *The Foundations of the National Welfare State*. Sydney: Allen and Unwin.
- Weller, P. 1980. The study of public policy. *Australian Journal of Public Administration* 39(3/4).
- . 1985. *First among Equals*. Sydney: Allen and Unwin.
- . 1989. *Malcolm Fraser PM*. Ringwood: Penguin.
- (ed.). 1994. *Royal Commissions and the Making of Public Policy*. Melbourne: Macmillan.
- . 1999. *Dodging Raindrops – John Button: A Labor Life*. Sydney: Allen and Unwin.
- . 2001. *Australia's Mandarins: The Frank and the Fearless*. Sydney: Allen and Unwin.
- Weller, P., H. Bakvis and R.A.W. Rhodes (eds). 1997. *The Hollow Crown: Countervailing Trends in Core Executives*. London: Macmillan.
- Weller, P., and J. Cutt. 1976. *Treasury Control in Australia*. Sydney: Ian Novak.
- Weller, P., and J. Wanna. 1997. Departmental secretaries: Appointment, termination and their impact. *Australian Journal of Public Administration* 56(4).
- Wheare, K. 1963. *Federal Government*. 4th ed. London: Oxford University Press.
- Whitwell, G. 1986. *The Treasury Line*. Sydney: Allen and Unwin.
- Wilenski, P. 1983. Small government and social equity. *Politics* 18(1).
- . 1986. *Public Power and Public Administration*. Sydney: Hale and Iremonger.
- Wilkes, J. (ed.). 1980. *The Politics of Taxation*. Sydney: Hodder and Stoughton.
- Wiltshire, K. 1975. *An Introduction to Australian Public Administration*. Melbourne: Cassell Australia.
- Yeatman, A. 1986. Administrative reform and management improvement: A new iron cage? *Canberra Bulletin of Public Administration* 13(4).
- . 1990. *Bureaucrats, Technocrats, Femocrats: Essays on the Contemporary Australian State*. Sydney: Allen and Unwin.
- (ed.). 1998. *Activism and the Policy Process*. Sydney: Allen and Unwin.
- Zifcak, S. 1994. *New Managerialism: Administrative Reform in Whitehall and Canberra*. Buckingham: Open University Press.

Part 3

SOCIOLOGY

Patterns of Social Inequality

Kathryn Dwan and John S. Western

Social inequality is a major feature of virtually all societies, and it is generally associated with differences in income and wealth. Such a view prevails among academic circles, as ‘most of the modern literature on inequality and economic wellbeing is based on measures of after-tax income adjusted for need or equivalent disposable income’ (Saunders 1998:1; emphasis added). The general consensus appears to be that the gap between the ‘rich’ and the ‘poor’ is increasing (Harding, Lloyd and Greenwell 2001; Tsumori, Saunders and Hughes 2002). More controversial is whether or not this is necessarily a bad thing, as it is associated with increases in income for the ‘poor’. For instance, recent research has demonstrated that the disposable income of people in the lowest quintile (or one-fifth of the population) increased noticeably throughout the 1990s, although not as much as that of the ‘rich’ (Harding, Lloyd and Greenwell 2001).

Some researchers claim it is ‘implausible’ to label people at the bottom of the income hierarchy as ‘poor’ simply because the gap between their income and that of those at the top is increasing (Tsumori, Saunders and Hughes 2002:1); to do so is to engage in the ‘politics of envy’ (Hughes 2001:13). Others consider that the ‘inherent injustices’ of such a divide is an ‘offence to moral sensibility’ (Turrell 2001:83). At issue here, apart from methodological differences (Tsumori, Saunders and Hughes 2002), are the differences between relative and absolute poverty, and the normative standards by which they are assessed. Although these debates are of some importance, we believe that they arise from a lack of conceptual clarity. Turrell and Mathers (2000) are among the few researchers who have addressed this issue.

Theoretical framework

A feature of all societies is the presence of socially defined scarce and valued resources to which access is limited. These resources can be understood as factors impacting on quality of life and human wellbeing, and access to them leads to an enhanced quality of life, while their absence generally has negative consequences. We describe these scarce and valued resources as dimensions of inequality. They include income, to be sure, but also employment, health, education, welfare, housing, access to the legal and

political systems, access to leisure, and other matters. Of great importance is the fact that access to these resources is structurally patterned. By this we mean that access is determined by societal factors that rest largely outside the realm of individual agency.

John Western (1983) originally proposed seven social categories which appeared to influence one's chances in life – class, status, party, gender, ethnicity, Aboriginality and age. A decade later Western and Turrell (1993) refined this list to four structural bases that underpin and shape Australian society, specifically social class, gender, ethnicity and Aboriginality. Another way to think of these bases is as systems of social relations or systems of inequality. The collective and individual importance of these structural bases derives from their significance in group formation; their role in patterning, maintaining and reproducing social behaviour, attitudes, values and belief systems; and their influence on the allocation of society's scarce and valued resources. These four bases differ in contentiousness and clarity of definition, but before discussing them further it is important to summarise our conceptual position.

Building on the foundations laid by John Western and others, we identify four bases of social inequality; that is, the factors that give rise to inequality – class, gender, ethnicity and Aboriginality (Western, J. 1983; Western and Turrell 1993). The numerous dimensions of social inequality are the scarce and valued resources to which social groups have differential access, and the connections among the bases and dimensions express the empirical relationship each bears to the others. Within our rapidly changing society it is possible that other factors will emerge that conceptually belong among the bases or systems of inequality. Two probable candidates are space or geographical location, and the stages of the life course. Given the constraints of space, we will limit our discussion of the dimensions of social inequality to income, education and health, but we acknowledge that this is a much-abridged list. The relationships among the bases and dimensions are many, varied and, to date, inadequately specified, which is due in no small part to the difficulty in gathering valid and sufficiently complex empirical evidence on which to base them. Nevertheless, we can safely assume that some of these relationships may be causal, some may hold primacy over others, or alternatively, some may exert their influence only indirectly. The emergent patterns of relationships among bases and dimensions are the patterns of social inequality.

In brief, patterns of inequality can be understood in terms of the differential access certain social groups have to scarce and valued societal resources; because this access is socially patterned, the benefits from the resources are distributed inequitably. Our interest rests less with the inequality *per se* and rather more with its structurally patterned nature. Figure 24.1 presents this conceptual model diagrammatically. Illustratively, we have included a number of possible relationships, specifically the relationships among class, income and health; gender and income; ethnicity and education; and Aboriginality and health. The first relationship ('Class') in Figure 24.1 implies that class determines one's income, and that income and health interact in a complex yet uniform manner. The second relationship ('Gender') suggests that one's income may also be affected by one's gender. The third relationship ('Ethnicity') indicates that one's country of birth may impact on one's educational achievement. Finally, the fourth relationship ('Aboriginality') suggests that Aboriginal heritage influences access to the

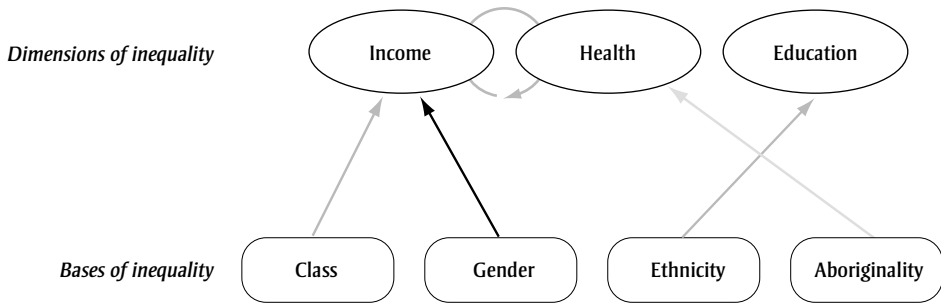


Figure 24.1 A conceptual model of the structural bases and dimensions of inequality

scarce and valued resource of health. These relations and others will be explored in the second half of this chapter.

Literature

Returning to our discussion of the structural bases, gender, ethnicity and Aboriginality divide the population into relatively unambiguous groups, and commonsense understandings of how these groups are formed and of whom they are comprised coincide fairly closely with sociological ideas about their composition (Western, M. 2000). Class, however, is more complex and less intuitive, therefore we shall devote comparably more space to its discussion.

Gender encompasses the social categories of male and female; the categories are social because they define structural positions within the society which individuals occupy. It is true that theories of gender can be quite complex (England 1993; Ferree, Lorber and Hess 2000; Gatens and Mackinnon 1998), but, for simplicity, social scientists and other people typically associate males and females, men and women, girls and boys with the term 'gender'; they are social categories that are visible and familiar (Western, M. 2000).

Ethnicity is defined in terms of birthplace, ancestry and self-identification, and there are a number of visible signs of ethnicity, such as language, religion, culture and custom, which enable the identification of different groups in the population. Once again ethnicity is understood in much the same way by social scientists and members of the lay public, although of course the valuation placed on particular ethnic groups may differ enormously, as witness the demonising of particular groups at the 2001 federal election by members from all sides of parliament.

Aboriginality distinguishes between those who are defined in census terms as 'Aboriginal' or 'Torres Strait Islander', or who choose to define themselves in these terms or similar ones, and once again the conventional groupings and the sociological groupings are almost identical. So gender, ethnicity and Aboriginality, for the purposes of this chapter, are relatively unambiguous; the question with respect to social class, however, is a somewhat different matter.

The historical foundations of class and stratification

Class and its close relative social stratification are at the centre of sociological analysis. They are fundamental concepts relating to the basic structure of society. Two approaches to class analysis, the Marxist and the Weberian, have a long history in sociology. The social stratificationist perspective owes its origins to the French sociology of Emile Durkheim, although this paternity is not always acknowledged, with the perspective often being identified with an orientation in US sociology of the post-World War II period (Western, M. 1993).

A common thread underlies each of the three approaches, having its origins in a concern for economic activity and the economic relationships that are reflected in such activity. However, there is one important basic difference. Put simply, from either a Marxist or a Weberian perspective, the class structure consists of a relatively small number of fairly discrete class categories that exist in relationship to each other and that are defined in terms of the characteristics of people's jobs. This relational approach is contrasted with social stratificationist theories, which see the occupational structure as a continuous hierarchy of occupations that runs from high to low on some attribute such as occupational prestige or the level of education required by a particular occupation. While Marxist and Weberian approaches are both relational, there are substantial differences in emphasis. Useful summaries of both approaches are provided in M. Western (1993), Western and Western (1988), and J. Western (1983).

In contrast to the analyses of Marx and Weber, the stratificationist approach seeks to place individuals, families, households, and even aggregates such as communities and cities, in some hierarchical order reflecting their ability to produce and consume the scarce and valued resources of society. Three major papers published in the 1940s and 1950s, two by Parsons (1940, 1953) and one by Davis and Moore (1945), provide the basis for this approach.

Marx and Weber have spawned a number of followers. Of the numerous conceptualisations that have appeared in the past decade or so, two have come to assume particular prominence; they are Erick Wright's structural Marxist account, derived from an analysis of the social relations of production (Wright 1985, 1997), and John Goldthorpe's Weberian schema, based upon the work and market structure of particular occupational groupings (Goldthorpe 1987, 1996).

Wright (1985) begins his analysis of the class structure with the basic Marxist distinction between the owners of productive property and those who must work for someone else for a living. However, he asserts that the class structure is more complex than just a division between owners and workers. Managers and supervisors should be differentiated from non-managers, and skilled professional and technical employees should be distinguished from employees without substantial skills. Thus it is on the basis of the ownership or non-ownership of productive property, the control of skills and organisational resources that Wright defines the class structure.

Following Weber, Goldthorpe (1996) argues that class situation depends upon market situation, and relationships of authority and autonomy in the workplace. The class structure for Goldthorpe then is defined by groups of occupations with comparable market and work situations (Goldthorpe, Llewellyn and Payne 1980). He identifies

seven major classes, comprising individuals in professional occupations, managers and administrators, and proprietors of large establishments, routine non-manual clerical and sales employees, small proprietors and *petite bourgeoisie*, lower-level technical workers and supervisors, skilled manual workers, and unskilled blue-collar workers.

Wright and Goldthorpe provide contemporary expressions of the Marxist and Weberian approaches. But what of the stratificationist position? A great deal has been written in recent times. The first major national study of occupational prestige was undertaken by researchers at the University of Chicago in the early 1940s (Reiss et al. 1961). A great number of studies followed (Blau and Duncan 1967; Duncan 1961). Duncan proposed that prestige scores of occupations could be predicted well from level of educational achievement and mean income, and referred to this score as an 'index of socioeconomic status' (Duncan 1961). Updates of Duncan's pioneering work were made by Stevens and Featherman (1981), Stevens and Cho (1985), and Nakao and Treas (1994). Recently Hauser and Warren (1997) have argued that the index of socioeconomic status is most appropriately derived from the educational level of any occupation alone (Hauser and Warren 1997:251).

The Australian contribution to class and stratification

All three traditions, briefly sketched out in the preceding pages, find their adherents on the Australian sociological scene. R.W. Connell is a well-known proponent of a Marxist approach to class analysis. He has written about the Australian ruling class (Connell 1977) and, with Terry Irving, has argued that class should be understood as a lived experience embedded in an historical context (Connell and Irving 1980). He has also examined how schools are related to the patterning of class and gender inequality in Australia (Connell 1985; Connell et al. 1982). In contrast to this type of Marxist class analysis, Janeen Baxter, Michael Emmison, Mark Western and John Western have conducted large-scale empirical studies based on Wright's structural Marxism (Baxter et al. 1991; Baxter and Western 2001). This study was the first empirical application of a modified version of Wright's class structure in Australia, an approach that has since been refined by one of the original authors (Western, M. 2000). The study measured class, gender, income and social mobility, and noted the relative permeability of class boundaries (Baxter et al. 1991).

Ron Wild's *Bradstow* (1974), a study of class and status in a New South Wales country town, is still probably the most influential work in Australia from a Weberian perspective, although Ken Dempsey's *Smalltown* (1990) and *A Man's Town* (1992), based on extensive fieldwork over a fifteen-year period from 1973 to 1987 in a Victorian farming community, come a close, equal second.

The first attempt at developing a prestige ranking of occupations in the Australian context was made by Athol Congalton in the early 1960s and was based on 134 occupations (Congalton 1963). Twenty years later, Ann Daniel (1983) developed a scale of occupational prestige based on sixty occupations. Using a strategy very similar to Duncan's index of socioeconomic status, Frank Jones, based at the Australian National University (ANU), in collaboration with others, developed a series of scales that assign socioeconomic status scores to occupations included in the ABS Classification of Occupations (Broom and Jones 1976; Broom et al. 1980). These scales became known as the

ANU1, ANU2 and ANU3 scales. Most recently the ANU3–2 and the ANU4 scale have been developed (Jones and McMillan 2001; McMillan and Jones 2000).

Structural bases and systems of inequality

We are finally done with this introduction to class and stratification. The account has been inevitably sketchy, but it was necessary to deal with the origins of the concepts and the theoretical advances that subsequently evolved. To return to our main argument, there are four structural bases to society – class, gender, ethnicity and Aboriginality – which shape much group-formation in society. These bases are responsible for the patterning, maintenance and reproduction of social behaviours, attitudes, values and belief systems, and affect in *patterned ways* the allocation of society's scarce and valued resources. It is the latter point that is important here, because it highlights the importance of the structural bases for patterns of inequality.

Are the systems of inequality ordered? That is to say, is one structural base more important than another? For instance, Marxists would argue for the primacy of class, while some feminists would claim a similar position for gender. Similarly, do the bases and dimensions interact? For example, do male expert managers earn more than female expert managers? Importantly, we believe these to be empirical questions. In the sections to follow, we examine the 'independent effects' of the systems or bases of inequality on access to scarce and valued resources, while also being alert to the possibility of 'interactive effects'.

The Australian class structure

From the prior discussion it is clear that class is a multivalent concept that throws up many practical challenges, particularly with regard to its measurement. We have adopted a pragmatic approach to measurement, therefore, and impute class from the occupational categories that the Australian Bureau of Statistics (ABS) provides. These nine categories contain elements of the definitions of both Wright and Goldthorpe, in that they give some indication of the skills possessed by workers and the organisational resources to which they have access; in doing so they highlight relationships of autonomy and authority. Unfortunately and significantly, ownership of the means of production is absent from the ABS categories; also absent are those who are unemployed. Table 24.1 provides a rough guide as to how Wright's and Goldthorpe's categories map onto the ABS occupational categories. Also shown are the generic terms commonly used to describe different groupings. Having clarified how we propose to operationalise class, let us consider the proportions of employed Australians in each class or occupational category, and also the extent to which the other structural bases – gender, ethnicity and Aboriginality – interact with it.

Occupational categories and class

As can be seen from Figure 24.2, less than 10 per cent of the Australian workforce is engaged in senior managerial or administrative positions (8 per cent). In contrast, the professions is the most numerous occupational category, accounting for almost 20 per

Table 24.1 ABS occupational categories, Wright's class structure, Goldthorpe's occupational groups and the colloquial terms commonly used to describe different groupings

ABS occupational group	Wright class structure	Goldthorpe occupational groupings	Generic
	Employers <i>Petite bourgeoisie</i>	Class 4 Small proprietors and <i>petite bourgeoisie</i>	
Managers and administrators	Expert managers	Classes 1, 2 Managers and administrators Large proprietors	Upper middle class Upper white-collar
Professionals	Managers	Professionals	
Associated professionals	Experts		
Advanced clerical and service Intermediate clerical, sales and service Elementary clerical, sales and service	Non-manual workers	Class 3 Routine non-manual clerical and sales	Lower middle class Lower white-collar (Unskilled non-manual workers)
Tradespersons	Manual workers	Class 6 Skilled manual workers	Skilled working class Upper blue-collar (Skilled manual workers)
Intermediate production and transport		Class 5 Lower level technical workers and supervisors	Semiskilled/unskilled working class
Labourers		Class 7 Service and unskilled blue-collar workers	Lower blue-collar (Semiskilled/unskilled manual workers)

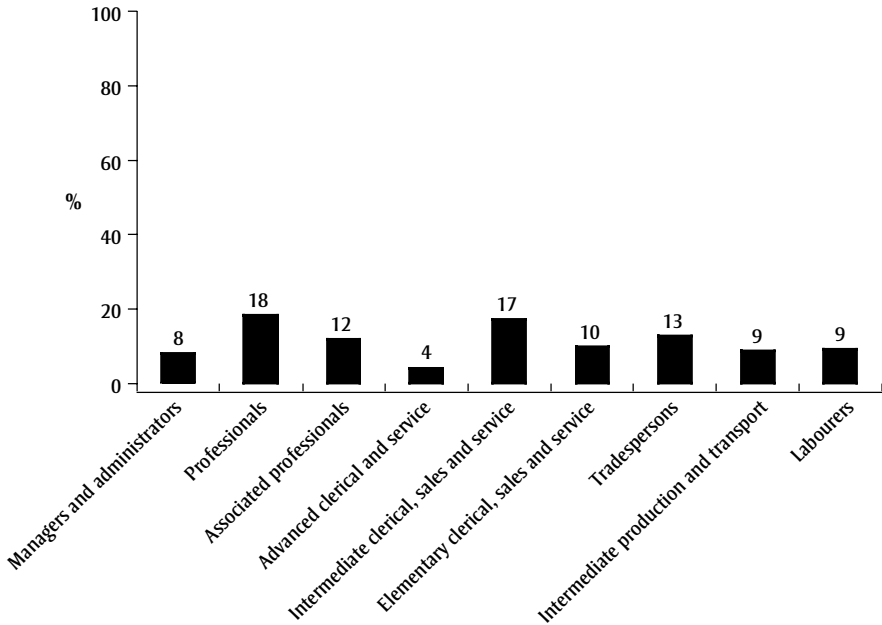


Figure 24.2 Proportion of employed Australians located in each occupational category, November 2001

cent of the Australian workforce (18.3 per cent), with a further almost 12 per cent of Australian workers classified as associated professionals (11.9 per cent). Thus the upper white-collar class accounts for almost 40 per cent of the workforce. The combined clerical, sales and service categories – that is to say the lower white-collar class – amounts to approximately 30 per cent of employees, which brings the total in the non-manual classes to more than 70 per cent of all employees. People who practise a trade (12.8 per cent) are as numerous as those in the associated professions, and in combination with the intermediate production and transport workers, and labourers (8.59 and 9.1 per cent respectively), form the blue-collar or manual class that accounts for the remaining 30 per cent of the employed population.

Gender and class

Women and men have different patterns of employment (Figure 24.3). While men are noticeably over-represented among senior managers and administrators, women are relatively more common among the professions and lower white-collar workers, such as sales and clerical workers. Women’s over-representation in the professions is largely due to their prevalence in teaching and nursing; these professions coincidentally tend not to be as highly esteemed as the archetypal professions of medicine and law (Jones and McMillan 2001).

The traditional configurations of masculinity and femininity are also played out in terms of manual and non-manual labour. Predictably, more men have a trade, and are more likely to be involved in production and transport industries – all manual occupations. Conversely, women are over-represented in clerical, sales and service positions at

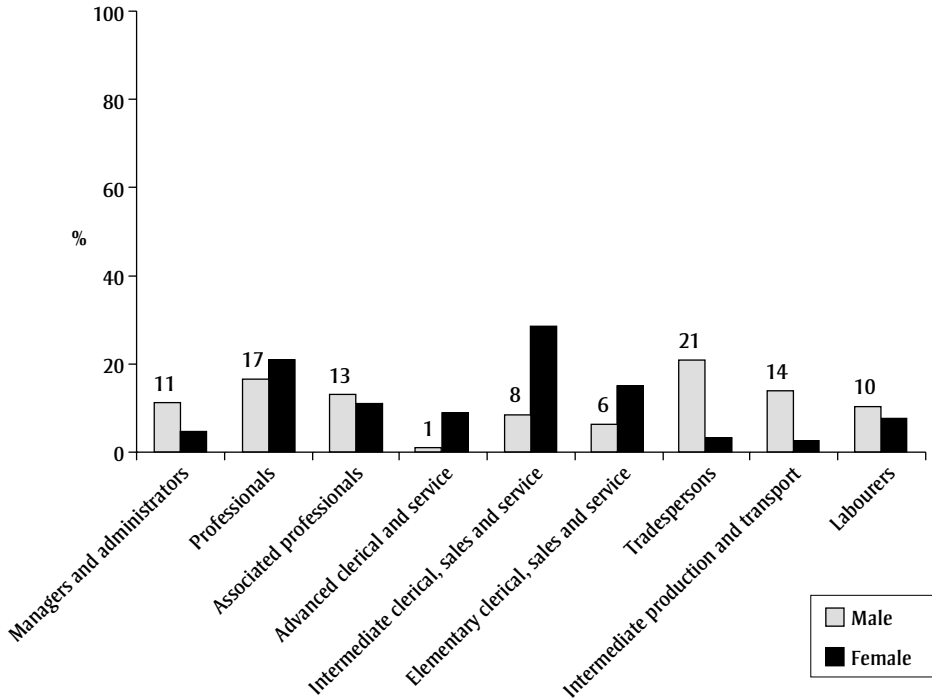


Figure 24.3 Proportion of employed Australian men ($n=5.1$ m) and women ($n=4.1$ m) located in each occupational category, November 2001

all levels – all non-manual occupations. Perhaps a little surprising is the relative parity of numbers between male and female labourers. Thus the data suggest that class is socially patterned along the lines of gender. However, do class and ethnicity interact in a similar manner?

Ethnicity and class

Immigrants take part in Australia's workforce in roughly similar proportions to their Australian-born contemporaries, although overseas-born workers are slightly more likely to occupy professional positions. This is hardly surprising given that 44 per cent of immigrants between 1999 and 2000 were employed in professional or paraprofessional positions (DIMIA 2002:61). Indeed, Australian immigration policies favour applicants who demonstrate a high level of technical skill, a strong employment history and good English-language skills, and who are under 45 years of age (DIMA 2000). With some justification, Iredale (1997) claims that there is an 'increased attempt to synchronise immigration policy with economic policies' (Iredale 1997:239), and that Australia is one of the few countries in the world that 'select on the basis of economic considerations and social utility' (Jupp 1993:245, cited in Iredale 1997:239–40).

Multivariate studies demonstrate that the occupational achievement of immigrants is not commensurate with their education, at least relative to their Australian-born contemporaries in similar positions. For instance, Borooah and Mangan (2002:40) found

that Asian men and women with appropriate educational qualifications were less likely to be in professional, managerial and technical occupations than equivalently educated white, Australian-born men and women. This finding and others suggest that qualifications gained overseas may be less highly regarded in the domestic market. That teachers trained overseas find it difficult to secure teaching positions in Australia (Clyne 1998; Iredale 1997) adds weight to this contention. Interestingly, researchers have established that 'having the cultural attributes of an English-speaking background was much more important for occupational success than a pedantic proficiency in English', although poor English certainly appears to compound the problem (Borooah and Mangan 2002:45–6).

While univariate national data suggest that immigrants are proportionally represented across the nine occupational categories, multivariate analyses suggest the situation is more complex than it initially appears. Miller and Neo claimed that recent immigrants are disadvantaged in terms of employment, and that this disadvantage persists for a considerable period (Miller and Neo 1997:156). In contrast, recent longitudinal studies have tended to maintain that the disadvantage initially experienced by immigrants does not persist beyond the first few years of residence and is further minimised with increased English proficiency (Richardson, Robertson and Ilsley 2001; VandenHeuvel and Wooden 1999). What of Indigenous Australians?

Aboriginality and class

Census data from 1996 clearly demonstrate the extent to which Indigenous Australians are under-represented in the more prestigious and better-paid occupations. Conversely, they are vastly over-represented among labourers; while less than one-tenth of the Australian population was engaged in unskilled manual labour in 1996, almost one-fifth of the Indigenous population was similarly employed in low-paid, unskilled work.

The recent paper by Borooah and Mangan (2002) looked at 'occupational discrimination' rather than 'earnings discrimination' among Asian, Indigenous and white Australians, because although particular groups are less likely to be employed in prestigious or well-paid occupations (occupation discrimination), at any given level of employment members of these groups receive a wage equivalent to that of a white, Australian-born worker. Were they to receive a lesser salary, this would be an example of earnings discrimination. Because occupation correlates strongly with income, attention to occupational discrimination will indicate the extent to which Aboriginal and Asian Australians are disadvantaged in terms of income (Borooah and Mangan 2002:32).

The researchers were particularly interested in racial disadvantage, defined as the probability of attaining an occupational status, which cannot be explained by sole reference to differences in non-racial attributes such as education. Their findings were grim and compelling. With respect to professional, managerial and technical occupations, Indigenous men faced an overall disadvantage of 35 per cent, two-thirds of which could be attributed to nothing other than their Aboriginality (Borooah and Mangan 2002:45). Indigenous women fared better, because non-racial attributes, such as education, appeared to be the only thing preventing them from performing equally well in skilled and unskilled jobs, and they suffered no disadvantage in professional, managerial and

technical occupations (Borooah and Mangan 2002:45). The authors found this encouraging because, as they stated, 'education [sic] limitations can be overcome more rapidly and effectively than the barriers posed by bigotry' (Borooah and Mangan 2002:45). Unfortunately and unsurprisingly, Indigenous men are the most heavily disadvantaged group in the Australian labour market (Borooah and Mangan 2002:45).

Class summary

This preliminary analysis suggests that Australian society can be thought of as comprising an upper middle class of managers and professionals making up approximately 40 per cent of the population, a lower middle class making up about 30 per cent, and a manual working class comprising the remaining 30 per cent. Women are less likely than men to be found in the managerial fraction of the upper middle class, but more likely to be found among the 'lesser' professions. Overall, however, among the upper middle class these gender differences even themselves out. Despite the differences we have at the aggregate level, ethnicity does not colour the class structure, although Aboriginality does, with Aboriginal men, in particular, being found disproportionately in semiskilled and unskilled manual jobs. So while Aboriginality, and to a lesser extent gender, affects one's location within the class structure, ethnicity, by and large, does not. We turn now to the first of our dimensions of inequality, income, and as we shall see, class and income are related, but not in a linear fashion.

Income

We have already noted the contention surrounding notions of inequality. For instance, Hughes (2001) would have us believe that 'equality of incomes ... is neither desirable nor feasible' (Hughes 2001:13), while Turrell (2001:83) finds the income differences among classes morally offensive. Ideological preferences aside, let us look at the data, remembering that we are imputing class from occupation.

Class and income

A comparison of the income distribution between the first and fifth quintiles of Australian families over the years 1994 to 1998 reveals that families in the fifth, or bottom, quintile receive less than 4 per cent of the total income of all Australian families, while those families in the first, or top, quintile receive just under 50 per cent (Turrell 2001). Members of the upper middle class – managers, administrators and professionals – earn considerably more than members of all other classes, ranging from \$770 per week for associate professionals to \$1,260 per week for managers and administrators. The skilled manual workers – that is, those with a trade qualification – come next in the income hierarchy, with average weekly earnings of \$690, closely followed by production and transport workers at \$660 per week. The remaining white-collar workers – that is clerical, sales and service workers – earn notably less than these skilled and unskilled manual employees, averaging only \$505 to \$590 a week. Initially surprising is the finding that unskilled blue-collar workers earn more than their unskilled white-collar counterparts;

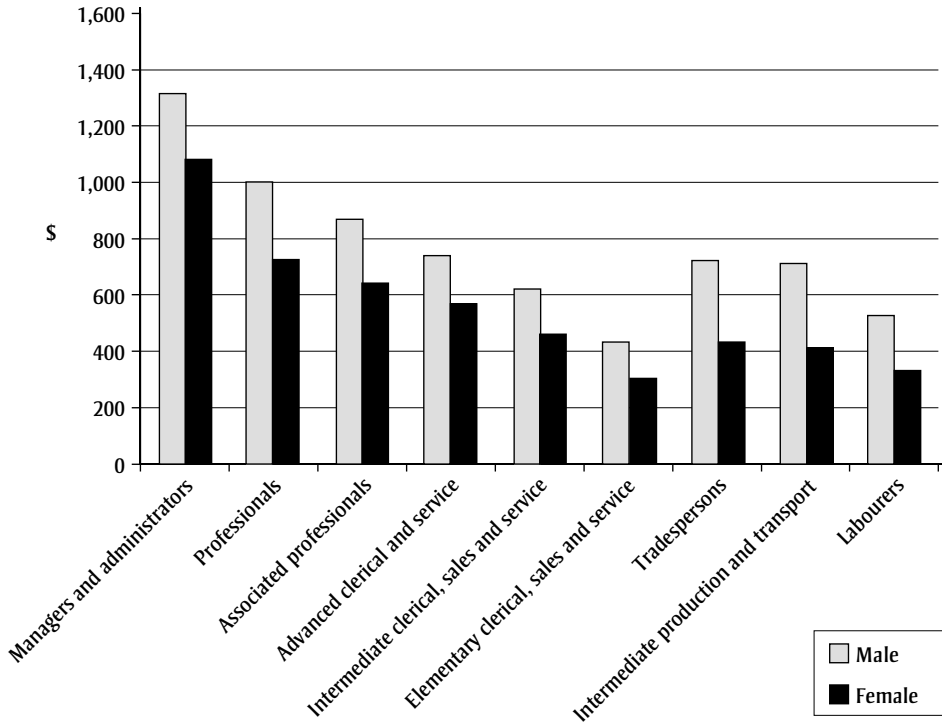


Figure 24.4 Average weekly earnings of male and female, Australian employees located in each occupational category, May 2000

\$450 compared with \$345 per week. However, the internal logic of discrimination becomes apparent when we recall our findings of occupation relative to gender (see Figure 24.3) and we note that men dominate unskilled blue-collar work, while women dominate less-well-paid unskilled white-collar work (ABS 2001b).

Gender and income

Despite the 1969 ruling by the Commonwealth Conciliation and Arbitration Commission which granted ‘equal pay for equal work’, and its 1972 finding of ‘equal pay for equal value’, data on average weekly earnings of Australian employees indicate that women uniformly earn less than their male counterparts in all occupations (Figure 24.4). The greater tendency of women to seek part-time work is often used to explain this difference. However, even when we control for part-time work, men still, on average, take home fatter pay packets, giving an indication that gender remains a structural base of inequality for women, at least with respect to income. Regardless of the nature of their employment (full-time or part-time) women still tend to earn less than men, save for the incongruous finding that, in the best-remunerated category of managers and administrators, women employed part-time earn considerably more than their male counterparts (ABS 2001a). Wooden’s (1999:167) research on gender pay equity suggests that remuneration for very senior positions often rests outside the ambit of the industrial tribunals,

and is determined by other factors such as private negotiations with senior managers and chief executive officers. Unfortunately, because his research did not include those employed in senior management, we are little closer to explaining this anomaly.

Numerous Australian studies have indicated the presence and persistence of a wage gap based on gender (see, for example, Borland 1999; Gregory 1999; Wooden 1999). These studies of the 'gender pay gap', as it is known, reflect two main influences: differences 'justified' in terms of average skills or job types between male and female employees; and 'unjustified' differences in returns on the skills or job type between male and female employees (Borland 1999:268). Using the 1995 Australian Workplace Industrial Relations Survey, Reiman (2001:12) sought to reconcile the tensions between institutional or econometric variables, such as employer's gender bias, size of firm, profitability of workplace and competition intensity, and theories of human capital that use variables such as working hours, schooling, firm-specific workplace training, and family background (Gregory 1999).

Reiman (2001) found that when all else is held constant, men earn 7 per cent more than women, and further pointed out that 61 per cent of the gender gap is attributable to 'unjustified' differences, the foremost being gender. Nevertheless, this situation is a vast improvement on the early twentieth century, when women earned less than half the award rate of men, and the 1950s, by which time the pay ratio had improved by 25 per cent (Borland 1999). As a result of the Conciliation and Arbitration Commission's 1969 ruling, the gender pay ratio improved a further 30 per cent in six years (Gregory and Daly 1991, cited in Gregory 1999). Borland (1999) agrees that institutional factors, such as the equal-pay cases, have improved women's wages (Borland 1999:268), and Wooden's (1999) recent research detects only about a 3.5 percentage-point differential between male and female employees (Wooden 1999:169). However, Gregory (1999) is less sanguine, suggesting that low-paid women will be adversely affected by changes in the labour market, such as the weakening of unions and the decentralisation of pay-setting (Gregory 1999:277).

While we do not have specific figures for the average weekly earnings of overseas-born Australians, the previously mentioned study by Borooah and Mangan (2002) indicates that their occupations and thus income are not commensurate with their qualifications. Similarly, Miller and Neo (1997:155) state that

if immigrants' marketable characteristics were rewarded in the labour market in the same way that the Australian born's characteristics are rewarded, then immigrants would experience considerably lower unemployment rates than those of the Australian born.

Overseas-born Australians would consequently earn higher salaries. What of another Australian-born group – Aborigines and Torres Strait Islanders?

Aboriginality and income

During the census week of 1996, the average personal income of Indigenous Australian's was 25 per cent less than that of the total population (ABS 1996:47), and this disparity was retained even when comparing employed Indigenous Australians with the total employed population (ABS 1996:48). Furthermore, when we consider average weekly

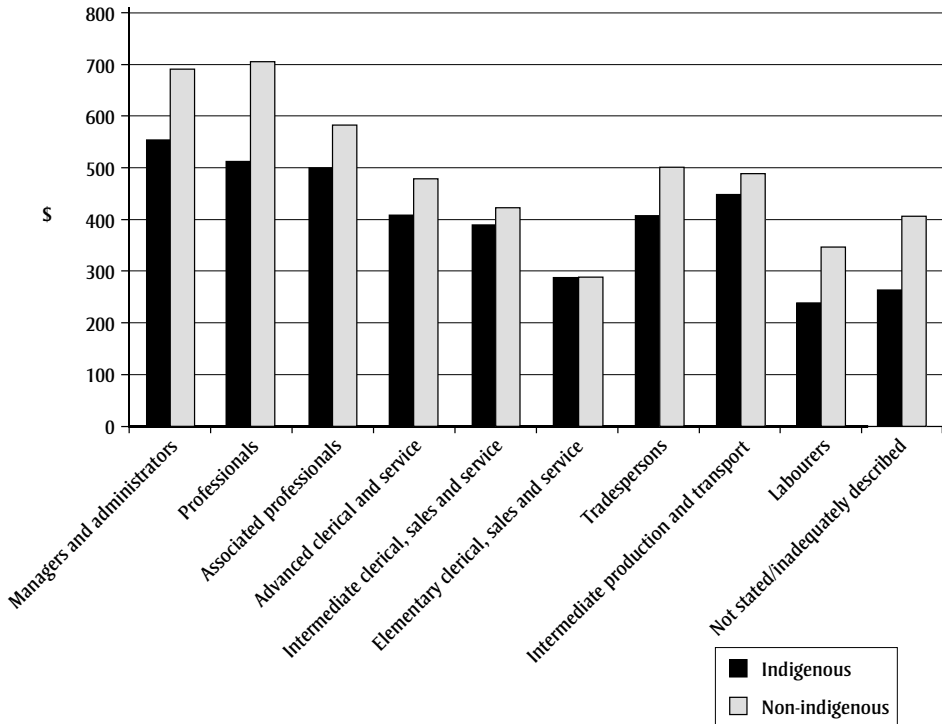


Figure 24.5 Individual weekly income of Indigenous and non-Indigenous Australians in each occupational category, Census 1996

earnings by occupation, Indigenous Australians were less well-paid in all nine categories (see Figure 24.5). This maintains a fine, historical tradition of the original inhabitants of Australia being economically disadvantaged by introduced laws, policies and institutions, the exemplar of which would have to be the *Aboriginals Protection and Restriction of Sale of Opium Act 1897* (Queensland). This act allowed for ‘compulsory savings’ and ‘statutory deductions’ from Indigenous wages, which were already exempt from award regulations (Dieckmann 2001) such as those specified in the *Station Hands Award of 1916* (Plevitz 1996:4).

Income summary

Class is related to income but not in a linear fashion; that is to say, white-collar positions tend to have a higher status than blue-collar positions, but do not necessarily pay as well. Upper middle class, managerial and professional positions are the most highly rewarded in monetary terms, followed by skilled blue-collar positions such as tradespersons and related workers. Semiskilled and unskilled blue-collar workers are the next well paid, while white-collar unskilled positions are the least well paid. Interestingly, women are more likely to hold these unskilled white-collar positions. Men, on the other hand, tend to dominate the best-paid and high-status positions of managers and administrators, as well as the skilled and unskilled blue-collar positions.

Women and Indigenous Australians are likely to be paid less than men and non-Indigenous Australians, respectively, and our earlier discussion on ethnicity and class indicates that being born outside Australia is likely to lead to occupational discrimination and hence to earnings discrimination (Borooah and Mangan 2002). Education is the next of the dimensions of social inequality that we will consider. Predictably, the level of education one achieves is influenced by the class of one's parents, but it also influences one's class.

Education

Class and schooling

Between the ages of 6 and 15 years, school attendance is compulsory for all Australian children (ABS 2001a). Completion of Year 12 is optional, but nevertheless strongly encouraged because it improves one's chances of finding steady employment (Lamb 2001; Lamb and McKenzie 2001). The acquisition of post-school qualifications, which often, but not always, depends upon completion of Year 12, further enhances one's job prospects, particularly for the better-paid occupations (Lamb 2001). Therefore, retention rates may give some early indication of patterns of inequality. As can be seen from Figure 24.6, retention rates have improved markedly since the late 1970s and early 1980s. In 1981, for instance, around two-fifths (39 per cent) of Australian young people completed Year 12, but by 2001 that rate had almost doubled (75.4 per cent). Closer examination of the data reveals that retention rates at non-government schools improved by 26 per cent, while government schools saw an even greater improvement of 38 per cent. Non-government schools have better retention rates historically, thus the proportionally better progress of government schools has gone some way to closing the gap between the two.

The distinction between government, Catholic and independent schools is of some importance to our discussion of education. Unpublished data from the Longitudinal Survey of Australian Youth¹ indicates that while independent schools educate roughly 12 per cent of Australian children, 67 per cent of those children have parents who are in professional or senior managerial/administrative occupations. In contrast, while more than three-quarters of the children educated at government schools have parents who are unskilled manual workers, only 7 per cent of children at independent schools have parents similarly employed. Catholic schools fall between the two, but more closely reflect the patterns of the independent schools. In addition, the retention rates of independent schools are noticeably better than those of the other two school types (Lamb and McKenzie 2001). Because social background is strongly related to the smooth transition from school to full-time work and higher education (Lamb and McKenzie 2001), class plays an important role in determining one's life chances.

Gender and schooling

Historically, females have received more formal schooling than their male counterparts (Lewis and Koshy 1999). Not only has this trend continued into the twenty-first century,

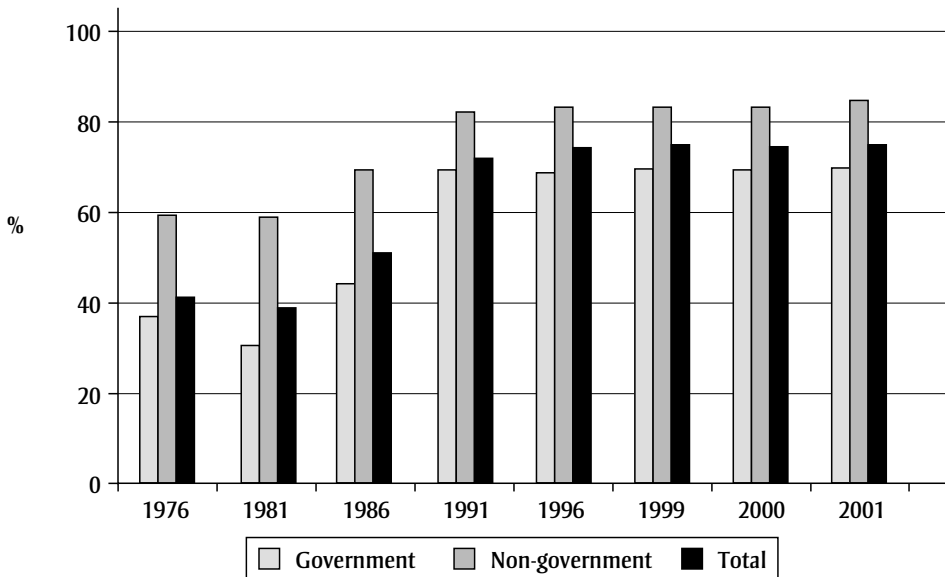


Figure 24.6 Retention rates from years 10 to 12 at government and non-government schools, 1976 to 2001

but it has grown (see Figure 24.7). Whereas the retention rate for females has hovered just below 80 per cent for a decade, rates for males have only just reached 70 per cent. Over the past decade these high levels of school completion by young women have translated into completion of tertiary education, and attainment of positions commensurate with that education (Birrell et al. 1995; Rapson 1997). And yet this is not enough to completely negate the power of gender as a structural basis of inequality. Women are yet to make any significant inroads into the fields of engineering and computing (Rapson 1997:64–5). For instance, they make up no more than 10 to 15 per cent of the student population in tertiary education programs in these areas. Nevertheless, women are doing well relative to Indigenous Australians, who, along with their over-representation in poorly paid, unskilled occupations, do not attain the same level of schooling as non-Indigenous Australians.

Aboriginality and schooling

The educational picture for Indigenous Australians is stark. Indigenous children are far more likely to drop out of school than their non-Indigenous contemporaries, and increasingly so in the higher grades. Table 24.2 presents the difference in retention rates for the two groups since 1994. The generally downward trend from 1994 to 2001, across years 9 to 12, indicates that Indigenous students are remaining at school longer than they did previously. However, it also demonstrates that their retention rates relative to non-Indigenous students are still disturbingly low. Since 1994, nearly all Australian children have completed Year 9, although retention rates are between 3 and 10 per cent lower for Indigenous children. Again, while nearly all non-Indigenous students complete Year 10, far fewer Indigenous young people do so, with the difference

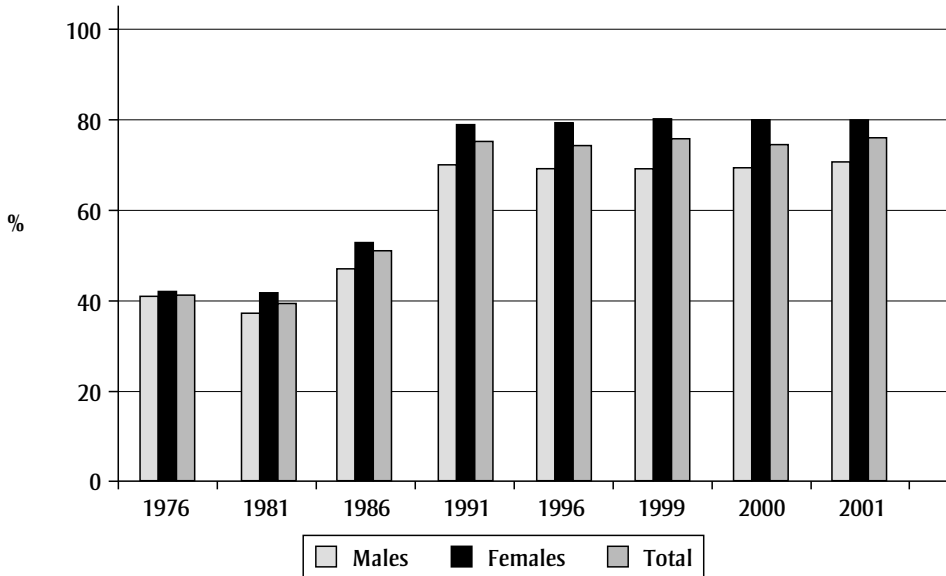


Figure 24.7 Retention rates of male and female children from years 10 to 12, 1976 to 2001

being in the order of 12 to 21 percentage points. At Year 11 the differences are even greater, ranging from 30 to 39 percentage points, reaching a maximum in Year 12 of between 38 and 43 percentage points. It is also interesting to note that the greatest difference in retention rates among Indigenous students occurs between years 10 and 11, suggesting that the final two years of high school are still a luxury for the great majority of Indigenous young people.

Class and higher education

Data from the mid-1970s, after the abolition of university fees by the Whitlam government, indicated that close to 60 per cent of students attending tertiary-educational institutions came from professional and managerial backgrounds, while no more than 15 per cent of the comparable adult male population fell into the same occupational category (Anderson et al. 1980). More recently, longitudinal research undertaken by ACER demonstrates that the children of upper-middle-class parents were more likely to have completed Year 12 and to have participated in higher education by the age of 19 than children from any other class background (Long, Carpenter and Hayden 1999). Correspondingly, those attending non-government schools were more likely than students from government schools to be attending university (Long, Carpenter and Hayden 1999).

Furthermore, an analysis of academic performance of the same students in Year 9 indicates that one's socioeconomic background is a stronger determinant of entry to higher education than any other factor (Marks, McMillan and Hillman 2001). Put bluntly, the children from upper-middle-class homes are more likely to complete Year 12, acquire post-school education, earn a comfortable living and enjoy the benefits of their class location than the children of unskilled workers.

Table 24.2 Difference in retention rates between Indigenous and non-Indigenous students, years 9 to 12, 1994 to 2001

	Year 9	Year 10	Year 11	Year 12
1994	-7.3	-18.8	-38.8	-43.1
1995	-10.1	-20.4	-35.4	-42.6
1996	-2.8	-21.5	-37.1	-43.2
1997	-3.6	-17.0	-35.7	-42.0
1998	-4.7	-14.4	-32.9	-40.6
1999	-6.0	-15.9	-30.4	-38.5
2000	-4.1	-15.0	-32.6	-36.9
2001	-3.5	-12.2	-31.5	-38.2

Source: ABS 2001d.

As well as generating financial benefits for the graduates, tertiary education benefits the Australian government, because graduates achieve a greater average income throughout life, and consequently provide the government with greater tax revenue (Johnson and Lloyd 2000). However, the graduate is the ultimate beneficiary, as the government underwrites tertiary education through subsidisation and the provision of Higher Education Contribution Scheme (HECS) loans (Johnson and Lloyd 2000). The children of more privileged classes therefore benefit appreciably not only by virtue of their education securing them a well-paid position, but also because the society as a whole supports their education, via the taxation system.

Aboriginality and higher education

The pattern of disadvantage we have seen characterising the Aboriginal population is maintained when we examine their tertiary qualifications. Table 24.3 presents the ratios of Indigenous men and women to their non-Indigenous counterparts in terms of the highest qualification they achieved in 1991 and 1996. There has been an improvement in the proportion of Indigenous women, compared with Indigenous men, receiving education or training in all categories except undergraduate diplomas, and overall a very slight improvement in the ratio. However, in 1996 they still remained significantly disadvantaged relative to their non-Indigenous counterparts (odds ratio 0.55). Despite achieving proportionately more associate diplomas and basic vocational qualifications than their counterparts (odds ratio 1.03 and 1.13), bachelors' degrees and postgraduate qualifications still elude Aboriginal women; they are two-thirds and one-tenth as likely to acquire these credentials as their white counterparts.

Aboriginal men do not fare even as well as Aboriginal women. While once again there has been a slight improvement overall of 0.05 in the odds ratio, Indigenous men are only half as likely as non-Indigenous men to acquire further education and training. Like Indigenous women, they also improved in all categories, except higher degrees, between 1991 and 1996. The fact remains, however, that non-Indigenous men are almost twice as likely as Indigenous men to acquire a postgraduate degree. That Indigenous men and women tend to achieve basic vocational qualifications in greater

Table 24.3 Highest level of qualification in the working-age population, 1991 to 1996; Indigenous education participant and attainment

	Ratio of Indigenous to non-Indigenous			
	Male		Female	
	1991	1996	1994	1996
Higher degree	0.13	0.13	0.14	0.29
Postgraduate diploma	0.24	0.31	0.30	0.38
Bachelor degree	0.14	0.26	0.26	0.38
Undergraduate diploma	0.36	0.42	0.49	0.47
Associate diploma	0.46	0.56	0.95	1.03
Skilled vocational	0.62	0.68	0.78	0.81
Basic vocational	0.91	1.04	1.08	1.13
Total qualification	0.50	0.55	0.58	0.62

Source: Gray, Hunter and Schwab 2000.

proportions than their opposite numbers suggests that Aborigines are less likely to move beyond these basic qualifications, and thus they are profoundly disadvantaged in the employment market.

The reasons for relatively poor educational attainment among Indigenous people are multifarious, but include the relatively high rates of suspension and expulsion, absenteeism, high death rates and the consequent social obligations, high arrest rates, and high mobility (Groome and Hamilton 1995; Hunter and Schwab 1998; Schwab 1998). Gray, Hunter and Schwab (2000) counter the 'politics of envy' (Hughes 2001) by stating that 'if minority groups fail to keep up with the rate of increase of other Australians, it is likely that they will suffer increasing disadvantage and marginalisation in labour markets' (Gray, Hunter and Schwab 2000:101–2). This is important, because completing Year 12 and achieving well in school have significant employment and earnings outcomes for young people a decade or more after leaving school (Lamb and McKenzie 2001).

Ethnicity and education

Finally we consider the extent to which ethnicity influences participation in education. As early as 1975, the Schools Commission stated that 'the multicultural reality of Australian society needs to be reflected in school curricula' (cited in Iredale 1997:91); and by 1993, Western and Turrell's review of the available evidence suggested that 'settled migrants from non-English speaking backgrounds experience few problems with education participation' (Western and Turrell 1993:204). However, it is misleading to assume that all ethnic groups are homogeneous in their educational experiences and outcomes. For instance, Australian schools are generally described as 'free, secular and compulsory', whereas for Muslims, education is a 'religious obligation not a secular process' (Clyne 1998:281). In contrast to the disciplinarian style of Muslim education, where students rote-learn known facts, Australian educators are moving towards more student-centred learning that encourages scepticism, promotes individual rights over

the community's, and tends to coeducate young men and women after puberty (Clyne 1998:285). All these factors sit uncomfortably with Australian Muslim parents.

In addition, data from the mid-1980s suggests that migrant students do suffer some performance disadvantage at primary and secondary level, but that it is 'more marked at the primary school level and it is more evident in literary results than numeracy results' (Marsh 1988:13, cited in Western and Turrell 1993:205). Williams et al. (1993, cited in Iredale 1997:250) support this finding by noting that students from a non-English-speaking background tend to 'choose subjects that appear to require a minimum of English expression, focusing instead on mathematics and science subjects'. But having gained entrance to university, they may then experience learning and adjustment difficulties.

In contrast, the national picture suggests that, far from being disadvantaged, young people between the ages of 15 and 24 who were born overseas but are currently living in Australia are more likely to be attending an educational institution than not (ABS 1999). These data are supported by ACER studies, which further add that this difference is not reflected in access to TAFE programs or apprenticeships (Long, Carpenter and Hayden 1999; Marks et al. 2000). Indeed, while slightly more than half the Australian-born people aged between 15 and 24 years are engaged in some form of education, almost two-thirds of overseas-born young Australians are similarly engaged. Furthermore, overseas-born students are more likely to be completing higher degrees than their Australian-born counterparts. These data must be treated with caution because they do not exclude those residing within Australia for the purpose of study and who intend to return to their country of origin (ABS 1999). Tellingly, the number of visas issued for temporary migration is eighteen to twenty times larger than the number of permanent visas (Sloan and Kennedy 1992, cited in Iredale 1997:242).

Education summary

Education is determined by one's class, gender, ethnicity and Aboriginality, but not equally so. Class determines the school system one enters, retention rates, and the likelihood of going on to higher education. While women perform well at school, they have only recently moved into non-traditional fields, which are yet to be transformed into 'equal pay for equal value'. Immigrants are similarly affected, as they tend to be underpaid relative to their educational achievement. Once again Indigenous Australians fare poorly. Although recent Year 10 completion rates have improved, senior high school is still not a reality for many young Aboriginal Australians, and tertiary education a luxury for a minority.

Health

In this section we adopt an ecological view of health. That is to say, an individual's health is not necessarily nor exclusively seen to be a consequence of his or her individual characteristics; the social, economic and environmental circumstances in which one lives also influence one's health (Turrell 2001:85).

The health of Australian men and women

In considering structurally patterned access to health, we rely heavily upon an excellent study by Turrell and Mathers (2000). The study examined the differences in mortality rates across high, medium and low socioeconomic groups, and also considered the changes in these rates between the mid-1980s and mid-1990s. The mortality rates of Australian men and women in all age groups, and from all socioeconomic backgrounds, decreased over the ten-year period that separated the two data collections (Turrell and Mathers 2000:35). Nevertheless, the mortality rates are clearly stratified according to the socioeconomic characteristics of the area in which the respondents lived, suggesting a class-based pattern of health inequality. It is worth noting that the authors' chosen method is likely to have underestimated the rates of inequality. In essence, socioeconomic disadvantage translates into poorer health for Australian men and women (Turrell and Mathers 2000), and once ill, unskilled workers are less likely to receive as much time as general practitioners devote, on average, to patients from professional occupations (Wiggers and Sanson-Fisher 1997). Related findings have been widely reported (see, for example, Najman 2000, and also his chapter 29, this volume).

Utilising the Gini coefficient (Creedy 1996), Turrell and Mathers (2000) found that in the period from 1985 to 1987, death rates for all-cause mortality increased significantly with decreasing socioeconomic status for men and women in the three age groups studied: 0 to 14 years, 15 to 24 years and 25 to 64 years. Despite an overall decline in rates in the decade to 1995–97 the socioeconomic differences were maintained (Turrell and Mathers 2000). The use of the blanket all-cause mortality hides changes in specific causes of death. For instance, while overall mortality rates decreased for men aged 15 to 24 years in the decade, there was a rise in rates for suicide and an increase in the socioeconomic differential (Turrell and Mathers 2000).

As already noted, the overall pattern for women is relatively better than that for men, but also more complicated. All-cause mortality fell significantly among all age groups across the decade for women. However, an increase in mortality inequality was found for SIDS (0 to 14 years), motor vehicle traffic accidents (15 to 24 and 25 to 64 years), and coronary heart disease, diabetes mellitus, cancer and diseases of the respiratory system (25 to 64 years).

As a further point of clarification, a decrease in inequality may result either from greater death rates among those from higher socioeconomic backgrounds, or a decrease in mortality rates among those of the working classes. The evidence presented by Turrell and Mathers (2000) agrees with the international literature, which suggests that increases in mortality inequality across socioeconomic groups are due mainly to greater declines in death rates among those from higher socioeconomic positions (Turrell and Mathers 2000:238). Thus while the poor are not becoming any sicker, the rich are becoming healthier.

Ethnicity and health

Concern was first expressed for the health of Australia's migrants in the 1976 Australian Government Commission of Inquiry into Poverty (Martin 1976). However, good-quality survey data relating to health and ethnicity is difficult to obtain, given the

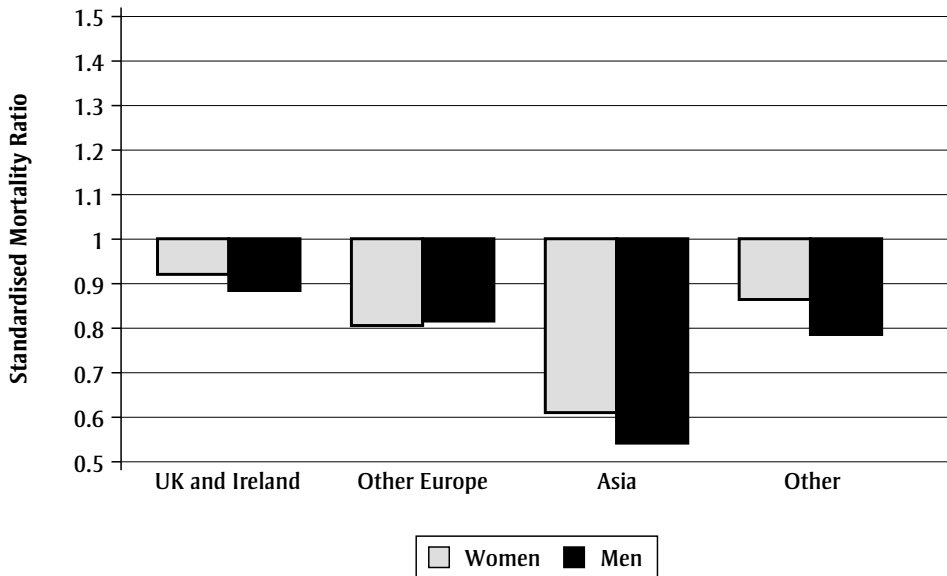


Figure 24.8 Age-standardised mortality ratio for Australian men and women, 1996 to 1998

intrinsic complexity of health, and the observational bias that arises from the culturally different ways people experience and label health and ill health (Powles and Gifford 1990:81; see also AIHW 2000: chapter 4).

The mortality ratios for Australian and overseas-born men and women (Figure 24.8) confirm the 'healthy migrant effect'; immigrants are generally healthier than Australian-born nationals, because they must meet stringent visa requirements. After controlling for the age structure of migrant groups, the data indicate that those of British or Irish descent more closely approximate the circumstances of Australian-born men and women, while those of Asian birth show the greatest difference. For example, the standardised mortality ratio (SMR) for British-born and Irish-born men living in Australia is 12 per cent less than for Australian-born men, while the ratio among Asian-born men is 46 per cent lower than that of their Australian-born counterparts. Women born in the UK and Ireland are closer to the norm, but still have a significantly lower SMR than the Australian-born, and the ratio for Asian-born women is even lower. These findings support those collated by Young (1986, cited in Powles and Gifford 1990) more than a decade earlier.

Once again we must warn that a macro view of inequality may conceal notable structural differences. For instance, while Asian-born Australians exhibit lower all-cause mortality ratios, they also exhibit higher ratios for infectious diseases and diabetes (DIMA 2000:61). Nevertheless, we agree with Powles and Gifford (1990:103) that reports of 'immigrants being generally disadvantaged in their health experience are poorly founded'. In contrast, education and occupation prior to immigration are far more useful predictors of health than ethnicity itself (Bottomley and de Laperanche 1990).

In summary, the apparent benefit of being born outside Australia pertains mainly to the stringent health requirements that must be met before immigration, and to the government's preference for well-qualified immigrants (DIMA 2000). In addition, the technical problems involved with gathering representative and reliable data of sufficient size make it difficult to undertake analyses that better indicate the extent to which one's ethnicity can be detrimental to one's health outcomes (Powles and Gifford 1990:79).

Aboriginality and health

At all ages, Indigenous Australians die at rates disproportionate to their representation in the general population. Almost one-fifth of the deaths among children who do not live to celebrate their first birthday are Indigenous children, and yet they constitute only 6 per cent of all children in that age group. Put another way, Aboriginal and Torres Strait Islander children under 12 months of age are 2.6 times as likely to die as their white counterparts (ABS 2001c:115), and even if they survive the first twelve months they continue to experience much poorer health than the general Australian population (Edwards and Madden 2001).

Arguably, things do not get really bad for Indigenous Australians until they turn 25, when they are 4.5 times more likely to die than the rest of the population. Their death rates relative to those of white Australians peak between 35 and 44 years of age at the not inconsiderable ratio of 5.5 times the norm (ABS 2001c:115; Edwards and Madden 2001:115). Diseases of the circulatory system, cancer and external causes account for 60 per cent of all identified Indigenous deaths (Edwards and Madden 2001:4), and according to 1995–97 data, respiratory conditions are the major contributors (ABS 1997b). While these conditions are also significant killers among the white population, they affect Indigenous people at much younger ages. After 65 years the mortality rate, while still higher than Indigenous representation in the general population would suggest, substantially decreases to the point where one is only three times as likely to die as other similarly aged Australians. Unremarkably, given the above trends, Indigenous males and females can expect to live twenty years fewer than non-Indigenous Australians. The life expectancy for Aboriginal males, currently 56 years, is the same as that for white Australian men who lived at the turn of the twentieth century. Similarly, the 63 years of life reasonably expected by Indigenous women is comparable to the life expectancy of white Australian women in the early 1920s (Edwards and Madden 2001:4).

National surveys in 1994 and 1995 indicated that Indigenous people exhibit many characteristics and behaviours that are detrimental to good health; for example, smoking, excessive alcohol consumption, obesity and exposure to violence (Edwards and Madden 2001:4). Some authors regret the lack of well-designed studies (defined as randomised controlled trials) assessing medical intervention in Aboriginal health matters (Morris 1999), while others argue that a culturally sensitive, community-based approach to health care is needed (Morgan, Slade and Morgan 1997; RACGP 2000). The dismal national state of Indigenous health continues, despite the federal government spending an additional 22 cents on Indigenous health for every dollar spent on the health of non-Indigenous Australians (Edwards and Madden 2001:3).

Health summary

This section has shown that social class exerts a considerable influence on health, and decreasing mortality rates reflect an improvement in the health of the advantaged compared to the less advantaged in socioeconomic and educational terms. We also saw that men are likely to die earlier than women, whereas overseas-born Australians, particularly those from Asian countries, appear to enjoy greater longevity than the Australian born. Yet again Indigenous Australians find themselves more disadvantaged than any other group.

Conclusion

Structurally based social inequality is ubiquitous. It is a characteristic of all countries of the world, and with increasing globalisation the nation-state as a structural basis for global inequality is likely to warrant serious consideration. Our concern with inequality is the manner in which it is socially patterned; that is to say, the extent to which social groups differ in their access to scarce and valued resources. The structural bases define the social groups in which we are interested, and the scarce and valued resources to which they have variable access are labelled the dimensions of inequality. Having considered the structural bases of class, gender, ethnicity and Aboriginality along three dimensions of inequality – income, education and health – we have made some interesting findings.

When compared with Australia of the late 1970s and early 1980s, not much has changed as far as social class is concerned (Western, J. 1983). The upper middle class still earns substantially more than the lower middle class and the manual working class, although the last of these have improved their position somewhat in comparison to the lower middle class. They now clearly earn more than the lower middle, while in the earlier period they were only marginally in front. As far as education is concerned, the more advantaged do better. The differentials that were observed in the early 1980s still obtain, although the differences are not as great as they were then. Nothing much has changed as far as health is concerned. Class location is still an important determinant of age-specific mortality rates and life expectancy.

Women are doing better than they were in the earlier period. Although income differentials are apparent they are not as great, and while entry into particular professions is still slight, for engineering and IT in particular, these areas are opening up. School retention rates for women have increased substantially, and women comprise more than 50 per cent of the tertiary student population. Life expectancy is greater than it is for men and age-specific mortality rates are lower. There has been little change in these differentials over time.

Writing in 1976, G.W. Ford suggested that ‘migrants are concentrated in those sectors of manufacturing with the worst physical working conditions, the worst pay, and the jobs which are physically hard and contain the most menial tasks’. Conditions have changed. While in the 1970s more than 60 per cent of employed migrants could be classified as manual workers, compared with only 42 per cent of the Australian born (Western, J. 1983), today less than a third of each group are manual workers.

Migrants are also marginally more likely to be professionals. They are also more likely to be engaged in tertiary study than the Australian born, but tend to be underpaid relative to their educational achievement. These latter two findings suggest perhaps generational differences, with the second-generation migrants being the more likely to be undertaking tertiary studies and the first-generation migrants being the more likely to be underpaid. As a group, migrants are healthier than the Australian born, but do exhibit higher ratios for infectious diseases such as tuberculosis. Ethnicity perhaps needs to be revisited, because it may be too homogenous a term for too heterogeneous a group.

Aboriginality is little different from class; very little has changed over the past twenty years. Indigenous Australians are disproportionately found among manual workers. Their levels of education and school retention rates are low. Life expectancy and age-specific death rates when compared with the non-Indigenous population also clearly reflect their disadvantaged status. A marginal improvement in the life situation of Indigenous women is the only positive change that has occurred over time.

In summary, class and Aboriginality are still major structural bases of inequality, and gender and ethnicity appear to be less significant than they were twenty years ago. There are also two new contenders for consideration as structural bases, it would appear. They are spatial location and life-course position. Spatial location draws attention to issues of rurality and urban and suburban living, while life-course position highlights the consequences of youth and ageing, in particular. We have not had the opportunity to consider these issues in the present chapter, but we know enough about ageing and poverty and the exigencies of rural and outer-suburban living to recognise that these factors importantly colour the life circumstances of groups of people. However, these are matters that await empirical assessment.

Notes

- 1 Unpublished data from the Longitudinal Surveys of Australian Youth prepared by Dr Julie McMillan of the Australian Council for Educational Research (ACER) in June 2002.

References

- ABS. 1996. *Census of Population and Housing: Aboriginal and Torres Strait Islander People, Australia*. Cat. No. 2034.0. Canberra: Australian Bureau of Statistics.
- . 1997a. *1996 Census of Population and Housing: Selected Social and Housing Characteristics*. Cat. No. 2015.0. Canberra: Australian Bureau of Statistics.
- . 1997b. *Occasional Paper: Mortality of Aboriginal and Torres Strait Islander Australians*. Cat. No. 3315.0. Canberra: Australian Bureau of Statistics.
- . 1999. *Participation in Education, Australia*. Cat. No. 6272.0. Canberra: Australian Bureau of Statistics.
- . 2001a. 'Education and training: Primary and secondary education' in *Australia Now 2001*. Canberra: Australian Bureau of Statistics.
- . 2001b. *Employee Earnings and Hours, Australia*. May 2000. Cat. No. 6306.0. Canberra: Australian Bureau of Statistics.

- . 2001c. *The Health and Welfare of Australia's Aboriginal and Torres Strait Islander People*. Cat. No. 4704.0. Canberra: Australian Bureau of Statistics.
- . 2001d. *Schools, Australia*. Cat No 4221.0. Canberra: Australian Bureau of Statistics.
- . 2002. *Labour Force, Australia*. Cat. No. 6203.0. Canberra: Australian Bureau of Statistics.
- AIHW. 2000. *Australia's Health: The Seventh Biennial Health Report of the Australian Institute of Health and Welfare*. Canberra: AGPS.
- Anderson, D.S., R. Boven, P.J. Fensham and J.P. Powell. 1980. *Students in Australian Higher Education: A Study of the Social Composition since the Abolition of Fees*. Education Research and Development Committee. Canberra: AGPS.
- Baxter, J., M. Emmison, M. Western and J. Western (eds). 1991. *Class Analysis and Contemporary Australia*. Melbourne: Macmillan.
- Baxter, J., and M. Western (eds). 2001. *Reconfigurations of Class and Gender*. Stanford, CA: Stanford University Press.
- Birrell, B., I. Dobson, V. Rapson and T.F. Smith. 1995. Female achievement in higher education and the professions. *People and Place* 3(1):43–54.
- Blau, P.M., and O.D. Duncan. 1967. *The American Occupational Structure*. New York: Wiley.
- Borland, J. 1999. The equal pay case – thirty years on. *Australian Economic Review* 32(3):265–72.
- Borooh, V.K., and J. Mangan. 2002. An analysis of occupational outcomes for Indigenous and Asian employees in Australia. *Economic Record* 78(240):31–49.
- Bottomley, G., and M. de Lepervanche. 1990. 'The social context of immigrant health and illness' in *The Health of Immigrant Australia: A Social Perspective*. Edited by J. Reid and P. Trompf. Sydney: Harcourt Brace Jovanovich.
- Broom, L., and F.L. Jones. 1976. *Opportunity and Attainment in Australia*. Canberra: Australian National University Press.
- Broom, L., F.L. Jones, P. McDonnell and T. Williams. 1980. *The Inheritance of Inequality*. London: Routledge and Kegan Paul.
- Clyne, I.D. 1998. Cultural diversity and the curriculum: The Muslim experience in Australia. *European Journal of Intercultural Studies* 9(3):279–89.
- Congalton, A.A. 1963. *Occupational Status in Australia*. Sydney: UNSW Press.
- Connell, R.W. 1977. *Ruling Class, Ruling Culture: Studies of Conflict, Power and Hegemony in Australian Life*. Cambridge: Cambridge University Press.
- . 1985. *Teacher's Work*. Sydney: Allen and Unwin.
- Connell, R.W., D. Ashenden, S. Kessler and G. Dowsett. 1982. *Making the Difference: Schools, Families and Social Division*. Sydney: Allen and Unwin.
- Connell, R.W., and T.H. Irving. 1980. *Class Structure in Australian History*. Melbourne: Longman Cheshire.
- Creedy, J. 1996. Measuring income inequality. *Australian Economic Review* 2:236–46.
- Daniel, A. 1983. *Power, Privilege and Prestige: Occupations in Australia*, Melbourne: Longman Cheshire.
- Davis, K., and W.E. Moore. 1945. Some principles of stratification. *American Sociology Review* 10:242–9.
- Dempsey, K. 1990. *Smalltown: A Study of Social Inequality, Cohesion and Belonging*. Melbourne: Oxford University Press.
- . 1992. *A Man's Town: Inequality between Women and Men in Rural Australia*. Melbourne: Oxford University Press.
- Dieckmann, C. 2001. Calling in debts: The Savings Accounts and Wages Project – formerly known as the Aborigines' Welfare Fund Project. *Indigenous Law Bulletin* 5(12):10–12.
- DIMA. 2000. *Population Flows: Immigration Aspects 2000*. Department of Immigration and Multicultural Affairs. Canberra: Commonwealth of Australia.

- DIMIA. 2002. 'Migrants and the labour market' in *Population Flows: Immigration Aspects*. Department of Immigration and Multicultural and Indigenous Affairs. Canberra: Commonwealth of Australia.
- Duncan, O.D. 1961. 'A socioeconomic index for all occupations' in *Occupations and Social Status*. Edited by A.J. Reiss. New York: Free Press.
- Edwards, R.W., and R. Madden. 2001. *The Health and Welfare of Australia's Aboriginal and Torres Strait Islander People*. Cat. No. 4704.0. Canberra: Australian Bureau of Statistics.
- England, P. (ed.). 1993. *Theory on Gender / Feminism on Theory*. New York: Aldine de Gruyter.
- Ferree, M.M., J. Lorber and B.B. Hess (eds). 2000. *Revisioning Gender*. Walnut Creek, CA: AltaMira Press.
- Ford, G.W. 1976. *Policies for the Development of Manufacturing Industry: A Green Paper*. The Jackson Report. Committee to Advise on Policies for Manufacturing Industry. Canberra: AGPS.
- Gatens, M., and A. Mackinnon (eds). 1998. *Gender and Institutions: Welfare, Work and Citizenship*. Cambridge: Cambridge University Press.
- Goldthorpe, J.H. 1987. *Social Class and Social Mobility in Modern Britain*. 2nd ed. Oxford: Clarendon Press.
- . 1996. 'The service class revisited' in *Social Change and the Middle Classes*. Edited by T. Butler and M. Savage. London: UCL Press.
- Goldthorpe, J.H., C. Llewellyn and C. Payne. 1980. *Social Mobility and Class Structures in Modern Britain*. Oxford: Clarendon Press.
- Gray, M.C., B. Hunter and R.G. Schwab. 2000. Trends in indigenous educational participation and attainment, 1986–96. *Australian Journal of Education* 44(2):101–17.
- Gregory, B. 1999. Labour market institutions and the gender pay ratio. *Australian Economic Review* 32(3):273–8.
- Groome, H., and A. Hamilton. 1995. *Meeting the Educational Needs of Aboriginal Adolescents*. Commissioned Report 35, National Board of Employment, Education and Training. Canberra: AGPS.
- Harding, A., R. Lloyd and H. Greenwell. 2001. *Financial Disadvantage in Australia 1990 to 2000: The Persistence of Poverty in a Decade of Growth*. Sydney: Smith Family.
- Hauser, R.M., and J.R. Warren. 1997. Sociological indexes for occupations: A review, update and critique. *Sociological Methodology* 27:177–298.
- Hughes, H. 2001. The politics of envy: Poverty and income distribution. *Policy* 17(2):13–18.
- Hunter, B., and R.G. Schwab. 1998. *The Determinants of Indigenous Educational Outcomes*. Canberra: Australian National University.
- Iredale, R. 1997. The impact of immigration policies on school education in New South Wales. *Australian Journal of Social Issues* 32(3):237–55.
- Johnson, P., and R. Lloyd. 2000. Does higher education pay? Results from the Returns to Education model. Report to DETYA by the National Centre for Social and Economic Modelling, University of Canberra. Paper presented to the 29th Conference of Economists, Gold Coast, 3–6 July.
- Jones, F., and J. McMillan. 2001. Scoring occupational categories for social research: A review of current practice, with Australian examples. *Work, Employment and Society* 15(3):539–63.
- Lamb, S. 2001. *The Pathways from School to Further Study and Work for Australian Graduates*. Longitudinal Surveys of Australian Youth, Research Report 19. Melbourne: Australian Council for Educational Research.
- Lamb, S. and P. McKenzie. 2001. *Patterns of Success and Failure in the Transition from School to Work in Australia*. Longitudinal Surveys of Australian Youth, Research Report 18. Melbourne: Australian Council for Educational Research.
- Lewis, P.E.T., and P. Koshy. 1999. Youth employment, unemployment and school participation. *Australian Journal of Education* 43(1):42–57.

- Long, M., P. Carpenter and M. Hayden. 1999. *Participation in Education and Training 1980–1994*. Longitudinal Surveys of Australian Youth, Research Report 13. Melbourne: Australian Council for Educational Research.
- McMillan, J., and F.L. Jones. 2000. The ANU3–2 scale: A revised occupational status scale for Australia. *Journal of Sociology* 36(1):64–80.
- Marks, G., N. Fleming, M. Long and J. McMillan. 2000. *Patterns of Participation in Year 12 and Higher Education in Australia: Trends and Issues*. Longitudinal Surveys of Australian Youth, Research Report 17. Melbourne: Australian Council for Educational Research.
- Marks, G., J. McMillan and K. Hillman. 2001. *Tertiary Entrance Performance: The Role of Student Background and School Factors*. Longitudinal Surveys of Australian Youth, Research Report 22. Melbourne: Australian Council for Educational Research.
- Martin, G.S. 1976. *Australian Government Commission of Inquiry into Poverty: 3rd Main Report – Social/Medical Aspects of Poverty in Australia*, Commonwealth Government of Australia. Canberra: AGPS.
- Miller, P.W., and L.M. Neo. 1997. Immigrant unemployment: The Australian experience. *International Migration* 35(2):155–83.
- Morgan, D.L., M.D. Slade and C.M.A. Morgan. 1997. Aboriginal philosophy and its impact on health care outcomes. *Australian and New Journal of Public Health* 21(6):597–601.
- Morris, P.S. 1999. Randomised controlled trials addressing Australian Aboriginal health needs: A systematic review of the literature. *Journal of Paediatric and Child Health* 35:130–5.
- Najman, J.M. 2000. 'The health of the Australian population: Priorities and needs' in *A Sociology of Australian Society*. 3rd ed. Edited by J.M. Najman and J.S. Western. Melbourne: Macmillan.
- Nakao, K., and J. Treas. 1994. 'Updating occupational prestige and socioeconomic scores: How the new measures measure up' in *Sociological Methodology*. Edited by P.V. Marsden. Oxford: Blackwell.
- Parsons, T. 1940. An analytical approach to the theory of social stratification. *American Journal of Sociology* 45:841–62.
- . 1953. 'A revised analytical approach to the theory of social stratification' in *Class Status and Power: A Reader in Social Stratification*. Edited by R. Bendix and S.M. Lipsett. New York: Free Press.
- Plevitz, L. de. 1996. Working for the man: Wages lost to Queensland workers 'under the act'. *Aboriginal Law Bulletin* 3(81):4–8.
- Powles, J., and S. Gifford. 1990. 'How healthy are Australia's immigrants?' in *The Health of Immigrant Australia: A Social Perspective*. Edited by J. Reid and P. Trompf. Sydney: Harcourt Brace Jovanovich.
- RACGP. 2000. *Aboriginal Health Policy*. Melbourne: Royal Australian College of General Practitioners.
- Rapson, V. 1997. The graduate labour force: Gender at work. *People and Place* 5(2):58–67.
- Reiman, C. 2001. *The Gender Wage Gap in Australia: Accounting for Linked Employer–Employee Data from the 1995 Australian Workplace Industrial Relations Survey*. Discussion Paper 54. Canberra: National Centre for Social and Economic Modelling, University of Canberra.
- Reiss, A.J., O.D. Duncan, P.K. Hatt and C.C. North. 1961. *Occupations and Social Status*. New York: Free Press.
- Richardson, S., F. Robertson and D. Ilsley. 2001. *The Labour Force Experience of New Migrants*. Adelaide: National Institute of Labour Studies.
- Saunders, P. 1998. *Household Budgets and Income Distribution over the Longer Term: Evidence for Australia*. Social Policy Research Centre Discussion Paper 89. Sydney: SPRC, University of New South Wales.
- Schwab, R.G. 1998. *Educational 'Failure' and Educational 'Success' in an Aboriginal Community*. Canberra: Australian National University.
- Stevens, G., and J.H. Cho. 1985. Socioeconomic indices and the new 1980 census occupational classification scheme. *Social Science Research* 14:74–168.

- Stevens, G., and D.L. Featherman. 1981. A revised socioeconomic index of occupational status. *Social Science Research* 10(4):365–95.
- Tsumori, K., P. Saunders and H. Hughes. 2002. *Poor Arguments: A Response to the Smith Family Report on Poverty in Australia*. Issue Analysis 21. Sydney: Centre for Independent Studies.
- Turrell, G. 2001. 'Income inequality and health: In search of fundamental causes' in *The Social Origins of Health and Well-Being*. Edited by R. Eckersley, J. Dixon and B. Douglas. Melbourne: Cambridge University Press.
- Turrell, G., and C. Mathers. 2000. Socioeconomic inequalities in all-cause and specific-cause mortality in Australia: 1985–87 and 1995–97. *International Journal of Epidemiology* 29:231–9.
- VandenHeuvel, A., and M. Wooden. 1999. *New Settlers Have Their Say – How Immigrants Fare over the Early Years of Settlement: An Analysis of Data from the Three Waves of the Longitudinal Survey of Immigrants to Australia*. Canberra: Department of Immigration and Multicultural Affairs.
- Western, J.S. 1983. *Social Inequality in Australian society*. Melbourne: Macmillan.
- Western, J., and G. Turrell. 1993. 'Australian society and the ethnic presence' in *Kulturelle Eigenentwicklung: Perspektiven einer neuen Entwicklungspolitik*. Edited by P. Ateslander. New York: Campus-Verlag.
- Western, M. 1993. 'Class and stratification' in *A Sociology of Australian Society: Introductory Readings*. 2nd ed. Edited by J.M. Najman and J.S. Western. Melbourne: Macmillan.
- . 2000. 'Class in Australia in the 1980s and 1990s' in *A Sociology of Australian Society*. 3rd ed. Edited by J.M. Najman and J.S. Western. Melbourne: Macmillan.
- Western, M., and J. Western. 1988. 'Class and inequality, theory and research' in *A Sociology of Australian Society: Introductory Readings*. Edited by J.M. Najman and J.S. Western. Melbourne: Macmillan.
- Wiggers, J.H., and R. Sanson-Fisher. 1997. Duration of general practice consultations: Association with patient occupational and educational status. *Social Science and Medicine* 44(7):925–34.
- Wild, R.A. 1974. *Bradstow: A Study of Status, Class and Power in the Small Australian Town*. Sydney: Angus and Robertson.
- Wooden, M. 1999. Gender pay equity and comparable worth in Australia: A reassessment. *Australian Economic Review* 32(2):157–71.
- Wright, Erik Olin. 1985. *Classes*. London: Verso.
- . 1997. *Class Counts: Comparative Studies in Class Analysis*. Cambridge: Cambridge University Press.

Families and Households

Janeen Baxter

Family life in Australia, as in many other parts of the western world, has undergone profound transitions during the past century. Giddens (2001:17) has referred to this as a 'global revolution in how we think of ourselves and how we form ties and connections with others'. Beck and Beck-Gernsheim (1995:5) make a similar point:

it is no longer possible to pronounce in some binding way what family, marriage, parenthood, sexuality or love mean, what they should or could be; rather, these vary in substance, expectations, norms and morality from individual to individual and from relationship to relationship.

Understanding the diversity of families has been a central theme in Australian social research on family life. Typically the first chapter in any recent textbook on the sociology of the family introduces the problem of defining 'the' family and argues instead for recognition of social, cultural and historical divergences in definitions of families. The evidence to support the diverse social bases of family life lies not only in the wide variety of family forms across cultures and historical periods, but also in the enormous changes that have taken place in family formation and dissolution patterns during the past thirty years. The rising divorce rate, increase in de facto cohabitation, declining fertility rate and increased entry of married women into paid employment are just some of the trends that point to a quite radical reorganisation of family life. This reorganisation has been accompanied by changes in values and attitudes towards marriage. One indication of these changing attitudes is the increased use of civil celebrants in 'do it yourself'-style marriage ceremonies rather than more traditional religious marriage services. In 1966 only 11 per cent of marriages were performed by a civil celebrant, compared to 43 per cent in 1994 (De Vaus and Wolcott 1997:15).

These kinds of statistics are often used as the basis for claims that historically the family, or family values, are in decline. Typically this concern is couched in terms of the consequences for children of changing family structures. Recently, for example, Bettina Arndt, commenting on the award of Australian of the Year to Pat Rafter, bemoaned the fact that the Australia Day Council was unconcerned about giving the award to an unmarried father-to-be. According to Arndt (2002), there is

a worrying sector of Australian society where increasing numbers of children are born to young unmarried couples in unstable, impoverished relationships. These are the children most likely to

suffer the consequences of their parents' casual life choices, as they grow up in deprived, often chaotic circumstances.

The assumption underlying these kinds of statements is that de facto relationships are less secure, less caring and less committed than married relationships. However, there is not a great deal of evidence to support this view. On the contrary, because most couples in de facto relationships go on to marriage at a later date, it is probably more accurate to see de facto cohabitation as a new stage in the courtship process rather than an alternative to marriage (Glezer 1997).

Perhaps the most dramatic change in the lives of children and their parents in recent years has been the increased involvement of mothers in paid work. While the labour-force involvement of all women has increased significantly since the mid-1960s, the patterns are even more marked for married women. The labour-force participation rate for married women aged 15 to 64 increased from 34 per cent in 1968 to 63 per cent in 1998 (ABS 1998:112). The burden of combining paid and unpaid work falls primarily on women's shoulders, with studies clearly showing that women are still responsible for the bulk of childcare and housework duties (Bittman 1999; Baxter 2002). This burden is made even more problematic by the fact that much of the way paid work is organised is based on assumptions that the standard worker is full-time and male, with a stay-at-home wife to take care of domestic and family responsibilities.

The 'male-breadwinner model' is the view of the family that has formed the basis for most social-welfare programs relating to the family in Australia. This model was enshrined in public policy in 1907 in the infamous *Harvester* case, in which the High Court established a federal wage designed to cover the needs of a man, his wife and two children. Women's wages were set at 54 per cent of the male wage. It was not until the end of the 1960s, when equal pay for equal work legislation was first introduced, that this model was challenged. Despite this legislation, however, sex segregation across occupations and the gender gap in access to authority within occupations mean that full-time employed women still earn around 90 per cent of men's full-time earnings. Since the early 1980s a number of reforms have been introduced to the welfare state that move it away from a model based on the idea of nuclear families 'headed' by a male breadwinner to a more gender-neutral one in which both genders are expected to be income earners. As Baker (2001:226) notes, this transition could be beneficial to women, with the exception that women are still expected to undertake unpaid caring work within the home. The twin responsibilities of caring and paid work become most problematic in the case of single mothers, who are increasingly required to simultaneously fulfil both roles.

This chapter takes up these four themes: family diversity and trends in the demography of families and households; historical accounts of the Australian family and the social construction of private family life; sociological analyses of women's work within the family, and the problems of combining paid and unpaid work; and finally, social and political critiques of the role of the welfare state in regulating family life. These four themes cover the key areas that have been the focus of Australian sociological family research. One of the distinctive features of Australian family research, in contrast to research coming from the United States and Britain, is the centrality of feminism to

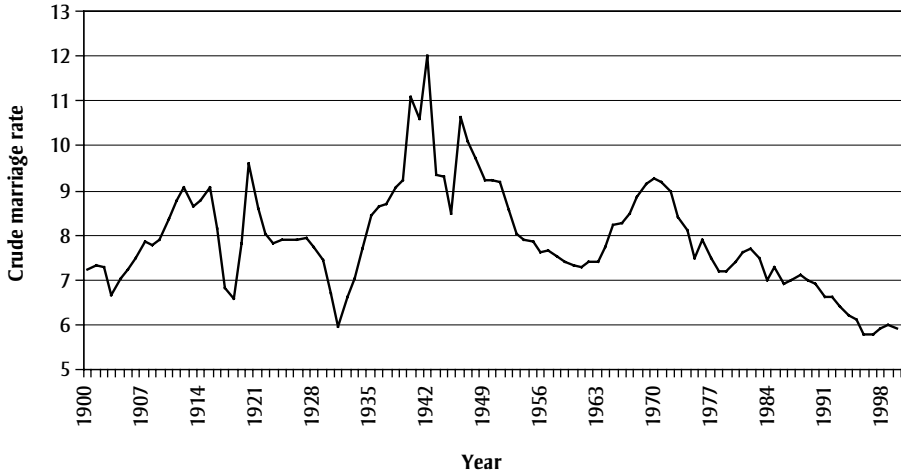


Figure 25.1 Crude marriage rates,¹ Australia, 1900 to 2000

Note: ¹ Crude marriage rate: Number of marriages per 1,000 of mean population.

Source: ABS (various years), *Marriages and Divorces, Australia*, Cat. No. 3310.0.

much Australian sociological work on the family. For example, with some notable exceptions (for example, Bernard 1972), US family studies have developed from a strong tradition of functionalism, notably the work of Parsons and Bales (1955), and Goode (1964). While feminist research has had a marked influence on recent US family studies, a concern with gender inequality is not central in the way that it has been in Australian studies of the family. In Australia the focus of sociological research on the family has been more centrally concerned with gender inequalities within the family, changing family structures as a result of changing gender roles, and the role of the state in underpinning traditional family values.

The demography of families and households in Australia

There is little doubt that patterns of family formation and dissolution in Australia have undergone considerable changes in recent decades. Although marriage remains very popular, with the bulk of the Australian population marrying at least once in their lives, marriage rates have declined significantly since the mid-1970s, as shown in Figure 25.1, and moreover, the pathways to marriage and family formation have changed dramatically over this period. For example, Australia, like many other advanced countries, has experienced a huge growth in the percentage of couples choosing to cohabit with their partner in a de facto relationship rather than to marry (Glezer 1997; ABS 1998). In Australia, 'of those who married in 1976, almost 16 per cent had cohabited prior to marriage. By 1992 this proportion had increased to 56 per cent' (De Vaus and Wolcott 1997:17).

But while the percentage of people who cohabit in a de facto relationship at some stage of their lives has increased dramatically, the proportion of couples in de facto relationships at any given time is relatively small (De Vaus and Wolcott 1997; Glezer 1997).

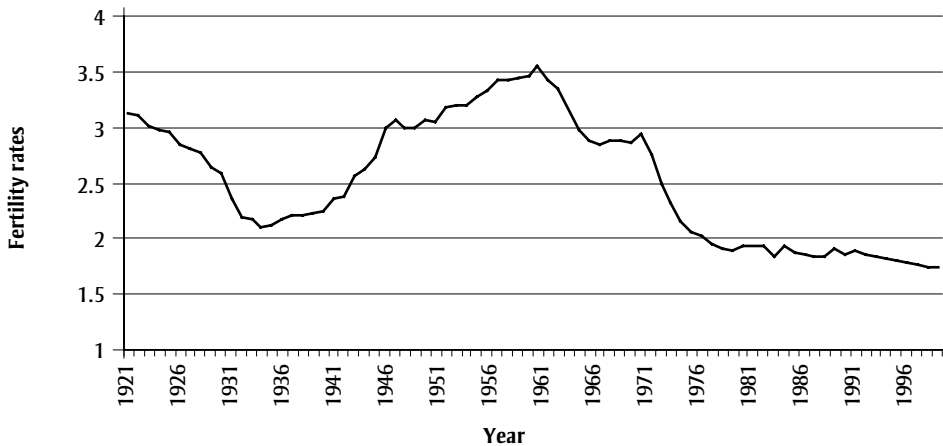


Figure 25.2 Fertility rates,¹ Australia, 1921 to 2000

Note: ¹ Fertility rate: Births per 1,000 women.

Source: ABS (various years), *Births, Australia*, Cat. No. 3301.0.

In Australia in 1996, de facto couples comprised only about 10 per cent of all couples (ABS 1999). Some of these cohabitation unions will dissolve, but many others will move on to legal marriage. This suggests that de facto relationships should be seen as a stage in the 'courtship' process, or as a trial marriage, with many people then choosing to marry (Glezer 1997). In other words, for many couples de facto cohabitation appears to be an alternative at a particular stage in the life course, rather than a long-term rejection of marriage.

In line with the trend towards greater rates of de facto cohabitation prior to marriage, Australia has also witnessed a marked increase in age at first marriage. Young people are delaying the age at which they marry to the point where it is increasingly uncommon to marry before the age of 25 (De Vaus and Wolcott 1997; Weston et al. 2001). This trend is further supported by delays in the age at which young people leave home, delays in the age at which they enter full-time employment, and an increasing propensity to remain in education for longer periods.

Australia has one of the lowest fertility levels of all OECD nations, at just below 1.8 births per woman. As Figure 25.2 shows, the high point for Australian fertility levels occurred in the early 1960s, with women bearing an average of 3.5 babies in their lifetime. This rate fell considerably over the next two decades, to just below replacement level (2.1) in 1976. During the 1970s and 1980s, fertility levels remained stable, but they have fallen again during the 1990s to below 1.8 (Weston et al. 2001). Interestingly there are marked variations in fertility levels by age. While the fall in fertility is apparent across all age groups, the fall has been most marked among younger women below the age of 30. In contrast, the proportion of women over age 30 giving birth has risen in recent decades, and increasingly these women tend to be first-time mothers (Weston et al. 2001). This reflects the trend away from teenage women giving birth and the general trend towards delaying child-bearing (De Vaus and Wolcott 1997).

McDonald (2000) has proposed a specific theory of the relationship between levels of fertility and gender equity. He argues that since the 1950s, societal institutions

have been moving away from the assumption of the male-breadwinner model of the family, in which the father goes out to work and the mother stays at home to care for the children. This model reached its peak in the 1950s and was based on presumptions about the natural differentiation between men and women in terms of their suitability for earning versus caring work. McDonald argues, however, that differing institutions have moved away from this model at differing speeds, leading to substantial gaps and inconsistencies in the kind of family model presumed by differing institutions. For example, he suggests that the assumption of the male-breadwinner model has been virtually eliminated from educational and labour-market institutions. Women are now educated to the same extent as men, there is equal pay for equal work, and levels of discrimination have been reduced through various pieces of legislation such as equal employment opportunity. On the other hand, institutions related to family and parenthood, such as childcare, aged care, school hours, hours of work, leave conditions, and tax-transfer systems, have been much slower to change. McDonald (2000:1) argues that

if women are provided with opportunities nearly equivalent to those of men in education and market employment, but these opportunities are severely curtailed by having children, then, on average, women will restrict the number of children that they have to an extent which leaves fertility at a precariously low, long-term level.

The only solution to continued fertility decline, according to McDonald, is the promotion of gender equity within the family. This means changing cultural values about the roles of men and women within families, as well as changing transfer systems, family services and industrial-relations policies in directions that support greater gender equity within families (McDonald 2000:12).

At the other end of the marriage cycle, the rate of divorce has also risen dramatically since the mid-1970s (see Figure 25.3). In the early part of the twentieth century the number of divorces was negligible, rising slightly in the 1940s, possibly due to the instability and disruption caused by war, and then falling again throughout the 1960s (Weston et al. 2001). In 1975 the Family Law Act was introduced providing for no-fault divorce. The act allowed a divorce based on irretrievable breakdown as measured by at least twelve months of separation (Weston et al. 2001). Following the introduction of the act, there was a sharp increase in the rate of divorces, rising to 4.5 per 1,000 population in 1976. This clearly illustrates the existence of a large backlog of separations that were brought before the courts once the legislation was changed. Since then the rate has declined to approximately 2.5 to 2.9 per 1,000 population, and has remained steady.

These trends in family formation and dissolution are not unique to Australia. Similar patterns have been documented for the US (Bumpass and Lu 2000) and Europe (Kiernan 2000), although the pace of change varies across countries. For example, although Australia's fertility levels are low, they are not as low as those in Italy, Spain, Germany, Austria, Switzerland, Greece, Portugal, Japan, Hong Kong or Macau, countries that in 1995 all had total fertility rates lower than 1.5 (McDonald 2000). Although Australia and the US have similar patterns of divorce rates, with the divorce rate peaking in both countries in the late 1970s and early 1980s, since then the patterns have diverged. The US has experienced a slow drop-off in the divorce rate since the early 1980s, whereas in Australia the rate declined to just below 3 per 1,000 and since then

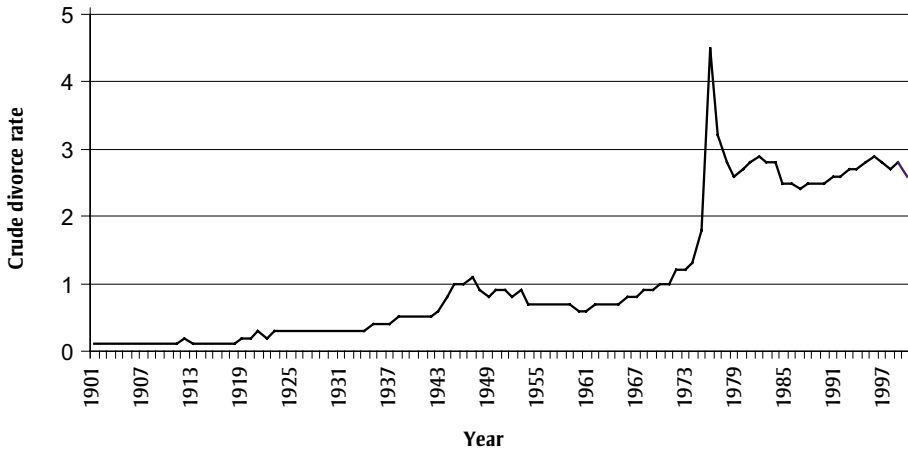


Figure 25.3 Crude divorce rates,¹ Australia, 1901 to 2000

Note: ¹ Crude divorce rate: Divorces per 1,000 mean head of population.

Sources: 1901–1995: ABS (various years), *Marriages and Divorces, Australia*, Cat. No. 3310.0; 1997–2000: ABS (various years), *Australian Demographic Statistics*, 3101.0.

has remained steady (Coltrane and Collins 2001:128). Similarly, although both countries have experienced similar marriage-pattern rates since the turn of the century, with the peak in both countries occurring just after World War II, in Australia the marriage rate has declined more sharply than in the US (Coltrane and Collins 2001).

Generally speaking, there are four common trends across western nations that are associated with family change: the increased involvement of married women in paid work; the increasing tendency for men and, especially, women to pursue higher education; the decline in the value of real wages, making it increasingly difficult for families to survive on one income; and changing attitudes and values to gender roles. The question is whether these trends signal the disappearance of the family or a change in typical family patterns. Opinions on this issue will vary, but two things stand out from the patterns shown in figures 25.1 and 25.2. First, family structures are constantly undergoing change. Second, the period just after World War II was different from any other period over the century. This was a time when the nuclear family was at its peak, marriage and fertility rates were high, and divorce rates were low. If we compare ourselves to this period alone, then we will undoubtedly draw the conclusion that the family is disappearing. But if we take a longer historical view, our conclusion is likely to be that there is permanent diversity in family life.

Historical perspectives

While the focus of the work discussed above has been on the development of Australian families in terms of demographic patterns, a second stream of work, largely feminist in orientation, has documented historical trends in the development of the concept and ideology of the Australian family. While some of this work focused on developing a social history of women and family life in early colonial Australia (Dixon 1976; Alford

1984; Grimshaw and Willett 1981; Grimshaw, McConville and McEwen 1985), much of the sociological work has concentrated on the development of the Australian 'suburban dream' from the mid-nineteenth century onwards, and the social construction of the 'classless' housewife (Kingston 1975; Summers 1975; Game and Pringle 1979; Reiger 1985; Gilding 1991). Bound up with this work are two interrelated themes: analyses of the changing ideologies of masculinity and femininity, and analyses of the development of consumer capitalism and the welfare state in Australia. Both are seen as fundamental in shaping the changing relationships between gender and work, and in particular the social construction of the modern housewife and the private sphere of the family.

In Kingston's work, for example, we find a lively account of the emergence of the 'Australian suburban housewife's nightmare', the unpaid, unrewarded and unrecognised work carried out by women for love or duty in 'the great temple of Australian society, the home' (Kingston 1975:4–5). Although middle-class women initially escaped some of the drudgery associated with domestic work, the decreasing number of reliable young Australian women available for employment as domestic servants in Australia at the turn of the century meant that middle-class women increasingly had to perform their own domestic labour. This was partly due to the nature and conditions of domestic service work – often demeaning, poorly paid and physically demanding, making it a largely unattractive option – but also to the relatively superior conditions in other forms of available female work, such as process work in factories.

The great attractions of the factory were the company it provided at work, the sense of being one in adversity with one's fellow sufferers, the regulated and relatively short hours, and the relatively generous pay. All this – the companionship, the free evenings and weekends, and the pay packet – added up to a kind of freedom quite unknown to any housewife or girl in service (Kingston 1975:58–9).

Kingston's work documents the parallels between women's employment, industrial development in Australia, and the emergence of the ideal of the nuclear family with a male breadwinner and stay-at-home wife and mother. From about 1860 through to 1900, the pastoral economy dominant in Australia saw most young unmarried working-class women employed as domestic servants or home help. The only real escape for such a woman was through marriage to a suitable husband who could provide the means for her to be mistress in their own home. As Australia's industrial economy developed, working-class women gradually moved away from domestic service into process work in factories, and later from there to areas of health, education, commerce and finance with the development of the service economy (Kingston 1975:61). Of course, employment for women was only possible outside of marriage:

The high wages paid to men, the emphasis on the family in the wage structure and on children in the national value system, the suburban sprawl, and the lack of childcare facilities all combined to keep married women at home. [Kingston 1975:62]

Even women without children were actively discouraged from employment, through policies such as the marriage bar, which prohibited married women from employment in the public service right up until 1966. Women's employment was defined as an inferior substitute to marriage. Moreover, the status of the working man was significantly improved if his wife was not employed (Kingston 1975:138).

The development of industrial factories not only impacted on the kind of employment opportunities available to working-class women prior to marriage, but also on the daily routines of middle-class married women, who were increasingly forced to carry out their own housework. Reiger's (1985) work on the modernisation of the Australian family from 1880 to 1940 takes up these themes. While Kingston's work focused on the way in which changing employment opportunities for working-class women impacted on the social construction of the housewife, Reiger focused on the reform attempts of an emerging class of reformers, technocrats and experts who sought to reshape and reorganise the family-household system and, specifically, women's role within it. For example, the domestic economy movement sought to elevate housework to a new professional status; new scientific developments in health, hygiene and cleanliness justified the increasing amounts of time women were required to spend on housework; and new technological developments changed the nature and kind of work to be carried out. The domestic economy movement, with its emphasis on scientific training and the need to teach women the principles of hygienic cleaning and cooking, provided a rationale for elevating housework to a scientific profession for women. Housework was promoted as a new profession, combining a range of managerial, scientific and creative skills. Women were not only naturally obliged to learn these skills for the sake of their families, but a clean home and well-prepared meals were now signs of upward mobility and status. In addition, new tasks were invented, ostensibly to make housework more efficient, but actually resulting in an increase in the amount of time spent on housework (Reiger 1985). As more middle-class women were forced to spend their days in the kitchen, housework, in particular cooking, took on creative and scientific elements.

At the same time, Reiger (1985) notes that the architecture of the home, particularly the kitchen, was revised to accommodate the new image of the kitchen as a laboratory where the woman of the house now spent a great deal of her time. The introduction of so-called 'labour-saving' devices into the home also necessitated a number of architectural changes. For example, space had now to be made for the refrigerator, the stove and a hot-water service (Reiger 1985). Part of the rationalisation behind this process was the need for middle-class women to have machines to do the work once performed by servants. During the 1920s and 1930s, after the introduction of gas and electricity to many Australian homes, the washing machine, vacuum cleaner and refrigerator rapidly became essential household appliances.

As Reiger (1985) shows, however, attempts to reform the Australian home were fundamentally contradictory at a number of levels. Efforts to extend principles of rationality and scientific management to the home contradicted the bourgeois ideology of the home as a private place of refuge. The household was increasingly defined as a private place of refuge, yet women were instructed to organise it on the basis of business and commercial styles of management.

One of the main contributions of this historical work is to point to the social development of the Australian family and the way in which various institutions and agencies contributed to the development of a peculiarly 'Australian' family life. While many of these developments have parallels in what was happening in other western countries, there are also features of family life that are specific to the Australian

context. For example, as Game and Pringle (1979) show in their well-known and influential article titled 'Sexuality and the suburban dream', home ownership is a particularly important feature of Australian family life. Australia is distinctive in having a very high level of urbanisation, which long preceded industrialisation (Game and Pringle 1979:6). Australia is also distinctive in having much higher rates of home ownership than other similar nations. According to Game and Pringle (1979), marriage and home ownership became engrained in Australia from the late nineteenth century. The 'suburban dream' or the 'great Australian temple', as referred to by Kingston (1975), was made possible not just by economic conditions and the relative affluence of the working class, but also by a gendered division of labour in which men were full-time breadwinners and women were full-time homemakers and carers.

The domestic division of labour

The social history of the development of family life in Australia provided the basis for more in-depth analyses of women's work within the family. Research attention now moved from understanding the social development of the gender division of labour to a focus on how that division was maintained over time. The increased involvement of married women in paid work from the mid-1960s onwards led many to believe that gender divisions within the family would begin to break down. Once it became clear that a revolution in family roles was not imminent, feminist researchers began to focus on the strategies women adopted to combine paid and unpaid work, and the ways in which families adapted to the breakdown of the traditional breadwinner–housewife split (Harper and Richards 1979; Wearing 1984; Richards 1985).

For example, Harper and Richards (1979) conducted a detailed study of couples in Melbourne in the 1970s, in which they sought to understand the ways in which families coped with the contradictions and strains placed on traditional roles of parenting by women's movement into the workforce. This work follows closely the tradition of feminist work on the family developed in the UK by researchers such as Ann Oakley (1974, 1981), Sue Sharpe (1984), Susan Yeandle (1984), and others. Their overall finding in relation to domestic work was that wives, irrespective of workforce participation, were still responsible for most household chores, although specific arrangements varied considerably between households. Husbands whose wives were employed full-time tended to do slightly more than those whose wives were employed part-time or not at all, but the difference was very slight. Husbands who did increase their workload tended to opt for some jobs more than others, mostly cooking and helping with washing up. Wives were left with the more time-consuming and onerous tasks of cleaning, washing and ironing.

Other researchers focused on specific groups of couples, who had managed to move away from traditional patterns, as a means of understanding how change occurred and what kinds of conditions were necessary to bring about change in gender roles within families (Harper 1980; Russell 1983; Goodnow and Bowes 1994). For

example, Harper studied a group of fathers who had opted to give up paid work in preference to a full-time role as stay-at-home fathers. Although these groups are a statistical anomaly, their atypical nature provides valuable insights into the processes maintaining traditional patterns.

A second stream of Australian studies that examined women's work within the family was based more closely on the community-studies approach, and sought to examine the connections between gender relations and the family in specific social contexts (Dempsey 1992, 1997; Williams 1981). Williams, for example, examined the domestic division of labour in a sample of fifty-one families as part of a broader study of work and family relationships in two open-cut coalmining townships in Central Queensland. She found (Williams 1981:146) that

whatever their personal views of sex roles, the unavailability of work outside the home for women, coupled with demands on men for shift work and overtime, confine couples within a rigid pattern of task-sharing where the husband is the earner and the wife is a servant to husband and children.

While family relations comprised only one aspect of Williams's study, they were a central theme in Dempsey's (1992, 1997) work on community relations in a small town in rural Victoria. Dempsey's very detailed work on gender equality in marriage showed that men's involvement in domestic work tended to be tokenistic and highly discretionary. He concluded that the biggest obstacles to gender inequality in the community that he studied were women's financial dependence and men's ideological hegemony (Dempsey 1992:113). Even when women did enter paid work, they had very little chance of reducing their financial dependence because of men's control of the main productive resource in the community – farming land (Dempsey 1992:113). Moreover, the kinds of paid jobs available to women tended to require skills that reinforced their identity as mothers and wives (Dempsey 1992:113).

A third stream, comprising some of the most recent Australian research on women's work within the family, has moved away from an emphasis on the small-scale microdynamics of the gender division of labour in the home, to a more macro style of research focused on describing and analysing the determinants of the gender division of time and tasks in the home (Bittman 1991, 1995, 1999; Bittman, Matheson and Meagher 1999; Baxter 1992, 1993, 1997, 2000, 2002). This shift reflects not just a change in methodological approaches, but also a shift in the kinds of questions underlying research on the domestic division of labour. While the earlier work focused on the way in which the gender division of labour was constructed and maintained in everyday life, the latter is more concerned with the broad social determinants of the domestic division of labour, the way in which different institutional and political settings influence domestic work cross-nationally, and long-term changes over time in the way in which men and women divide household work.

A significant development in this area was the decision by the Australian Bureau of Statistics (ABS) to conduct five-yearly time-use studies of the way Australians spend time outside paid work hours. After much lobbying from women's groups and some strategic work by women inside the bureaucracy, the ABS conducted a pilot survey of

time-use in 1987 using detailed time-budget diaries. This was followed in 1992 and 1997 by the first national time-use surveys in Australia. Apart from providing detailed information on time spent on domestic labour, information from the surveys also helped to advance a number of broader political aims: to increase public awareness of women's double load; to highlight the need for more flexible work schedules for men and women; to add weight to the argument for parental and family leave; to increase awareness of the contribution of unpaid work to the economy; and to increase expenditure on infrastructure to support it (Curtin and Sawer 1996:191). On the basis of the 1992 survey, the ABS estimated that the total value of unpaid work was \$227.8 billion. Although domestic labour is not an official component of gross domestic product, publication of these calculations implies recognition of the importance to the economy of activities outside the paid labour force. This has implications for the development of social policies and future planning, and may go some way towards making domestic work visible. For example, the information from the pilot survey in 1987 provided an important impetus for policies relating to International Labour Organisation Convention 156 on Equal Treatment for Workers with Family Responsibilities, ratified by Australia in 1990. This convention requires policies to enable persons with family responsibilities who are engaged in or wish to engage in employment to exercise their right to do so without being subject to discrimination and, to the extent possible, without conflict between their employment and family responsibilities.

Bittman has analysed the Australian time-use data extensively. In *Juggling Time* (1991), a report based on the 1987 time-use pilot study, he reports that women perform about 70 per cent of unpaid labour within the household, with cooking, cleaning and laundry accounting for 58 per cent of this work (Bittman 1991:33). By contrast, men spend most time on outdoor activities, with a third of their unpaid work devoted to outdoor tasks such as maintaining home, car, pool, lawn and garden (Bittman 1991:34). But these tasks take up very little time compared to the amount of time spent by women on regular indoor activities. Overall, married employed men were found to spend approximately fifteen hours per week on unpaid domestic work, including childcare, compared to approximately thirty-four hours per week for their female counterparts (Bittman 1991:34). Baxter's (1993, 1997) research, based on representative national samples, finds very similar results, with employed wives spending at least thirty hours per week on housework compared to between ten and twelve hours per week for employed men.

These kinds of patterns are not unique to Australia. Overseas studies consistently show that women spend considerably more time on domestic work than men, and that women have responsibility for the majority of tasks (Berk 1985; Shelton and John 1993; South and Spitze 1994; Brines 1994; Sullivan 1997). Moreover, there is very little evidence of change over time in these patterns. Although some recent work in the US does show a long-term increase in men's involvement in domestic work (Bianchi et al. 2000), the overall pattern is one of stability rather than change. The gender division of labour in the home, in terms of the gender gap in time spent on childcare and housework and of gender differences in the kinds of tasks that men and women do in the home, appears to be one of the most enduring patterns in modern social life.

Table 25.1 Mean hours per week spent by men and women on housework tasks, 1986, 1993 and 1997^a

	1986		1993		1997		Change over time	
	Men ^b	Women	Men	Women	Men	Women	Men	Women
Preparing for and cleaning up after meals	7	14	6	16	5	10	-2	-4
Grocery shopping	1	2	1	3	1	2	0	0
Cleaning the house and washing	3	10	3	12	3	8	0	-2
Housework hours scale	11	26	10	30	9	20	-2	-6
N	471	325	618	546	545	572		

Notes: ^a The data for this table come from three national cross-sectional studies: the 1986 Class Structure of Australia Project; the 1993 Class Structure of Australia Project; and the 1997 Negotiating the Lifecourse Project. The samples for the analyses have been restricted to married or cohabiting employed respondents between 18 and 54 years of age. The means are calculated controlling for other independent variables. See Baxter (2002) for full details.

^b All of the gender differences are statistically significant within each time period as indicated by t-tests of mean differences.

Baxter's most recent work compares changes in the domestic division of labour in Australia from 1986 to 1997. She finds evidence that men are doing a greater share of housework, particularly preparing meals, but that this was not translated into greater time spent on housework. Rather, the evidence indicated that men were spending less time preparing and cleaning up after meals than in the past, a decline of two hours per week in the period from 1986 to 1997 (see Table 25.1). This is not a contradictory finding. The trend towards greater consumption of pre-prepared foods and takeaway foods may lead to an alteration in the way men and women share this activity, while simultaneously leading to less time spent doing the work. There was also evidence that women were spending less time on a range of tasks, resulting in a significant decline overall of six hours per week on housework between 1986 and 1997.

Broadly speaking, this work suggests that we are witnessing changes in the domestic division of labour, but they are not the ones that we might have imagined. Men are not taking on a greater share of household work in response to the movement of married women into paid work. Nor are we seeing a huge expansion in the use of domestic help to perform regular cleaning and laundry activities (Bittman 1999). The gender gap in domestic labour involvement by men and women is getting smaller, but mainly because women are doing much less, rather than men doing much more. It may be that some of this change is the result of changes in consumption patterns, the way housework is performed as a result of technological devices, and changing household standards, rather than a deliberate attempt by men and women to eradicate gender inequality in their domestic division of labour. For example, women's reduced responsibility for preparing meals may have more to do with women's increased involvement

in paid work and the fact that they have less time to prepare elaborate meals. At the same time, the increased reliance on the service economy to provide the goods formerly produced in the home may also lead to less time on certain activities. For example, time spent cooking may have been reduced as a result of the rapid expansion of take-away food and pre-prepared food. Schlosser (2001) has estimated that Americans spent US\$6 billion on fast food in 1970 compared to US\$110 billion in 2000. It is likely that a similar rate of expansion in the consumption of take away food has occurred in Australia, although certainly not to the same levels. Bittman (1999:35), for example, has found that for Australia, 'In any two week period, over 90 per cent of households replace some meal preparation with restaurant meals or food-to-go'.

It is possible that changes in the kinds of food eaten and the level of preparation necessary has led not only to a reduction in time on cooking, but also to a reorganisation of men's and women's responsibility for certain tasks. For example, men may be more inclined to do meal preparation if it involves pre-prepared food than if it involves more elaborate or time-consuming preparation. In other words, we may be witnessing quite important changes in the kinds of work being done in the home, and these changes may be helping to lead to a shift in who does the work, in addition to how much time is spent doing it.

State regulation of family life

The final area of research that has been a major theme in Australian sociology of the family is analyses of the role of the state in regulating family life. The state has always played a key role in Australia in regulating who is eligible to marry, who can divorce, and who has the right to bear and raise children, as well as in terms of providing income assistance and other forms of support for families in need. In terms of these kinds of policies, the pattern of state regulation in Australia is similar to many other countries such as Britain, Canada and the US, and in terms of Esping-Andersen's (1990) typology falls with the liberal welfare regime. Where Australia differs from other countries is in terms of the specific points of state intervention in family life. For example, one of the defining moments in the history of the gender division of labour in Australia was the setting of the first basic wage in 1907 by Justice Higgins of the High Court of Australia. The wage was intended to provide for a man and his wife and two or three children in frugal comfort (Summers 1975:336; Bryson 1992:168). Higgins claimed that whereas the normal needs of a man included domestic life and that he was legally obliged to support a family if he had one, the same was not usually true of women. He concluded that women were not therefore entitled to equal pay, but merely to a wage that would enable a single woman without dependants to find her own food, clothing and shelter. It was only in industries where women competed for male jobs that women should be paid the male rate in order to prevent men from being pushed out of those jobs. This legislation had far-reaching consequences, because it effectively enshrined in law the view that women are dependants and that a family should consist of a full-time male breadwinner and stay-at-home wife.

Other pieces of state legislation last century also helped to enshrine the gender division of labour and women's place within the home as full-time carers and dependants. The 1911 report of the Royal Commission into the Hours and General Conditions of Employment of Female and Juvenile Labour in New South Wales stated six main objections to women working:

1. Women working encouraged the use of contraception. This was problematic in a time of populate or perish.
2. Women working risked miscarriage.
3. Women who worked had to stop breastfeeding and this risked infant mortality.
4. Women working used up all their energy on making money and hence neglected the home.
5. Women working encouraged idle and extravagant men.
6. Married women working were a bad influence on single girls.

Legislation around employment-protection policies and wages was based on gendered assumptions about the male breadwinner and female unpaid homemaker. The work of Ryan and Conlon (1975), Baldock and Cass (1983) and Bryson (1992) has been instrumental in documenting the way in which state policies in the early part of the twentieth century in Australia have shaped the organisation of domestic life in this country.

In the light of these kinds of historical underpinnings, Bryson (1992), Baker (2001) and others have argued that, until the late 1970s, social policy in Australia may be categorised as part of a male-breadwinner state. Under this kind of model, policy-makers assume that people live in heterosexual families in which men are the primary earners and women are wives, mothers and caregivers. Men are financially responsible for the women they live with and for their children. If a male earner is not present in the household, either because of death or desertion, the state will replace a portion of the breadwinner's wage through various income-support programs.

Since the 1970s, the state has begun to move away from this kind of model to a more egalitarian, individual approach to social support. A range of policies has been introduced that recognises and gives some legitimacy to alternative family forms. These policies include sole parent pensions, equal pay legislation, divorce reform, enforcement of laws against domestic violence, antidiscrimination legislation, equal-opportunity legislation, state support for childcare services, and reproductive rights. Such developments give women and men the legal right, and go some way towards providing them the material means, to live outside of the traditional nuclear family. According to Baker (2001:214):

This is partially an adaptation to real changes in family patterns but is also an attempt to encourage more women to become self supporting so that governments do not have to pay for social assistance.

For example, in 1977 the Supporting Mothers' Benefit was extended to fathers in similar circumstances and renamed Supporting Parents' Benefit. Moreover, since 1980 all

single parents have been virtually eligible for the same level of benefit, irrespective of the reason for their sole parenthood.

Most recently, economic restructuring and trends towards neoliberalism have led to moves to decrease the level of spending on social-assistance programs, to tighten eligibility and to make welfare recipients more employable (Baker 2000). Welfare beneficiaries are now required to undertake education programs that upgrade their skills, provide evidence of attempts to find employment, and provide community service in return for income support (Baker 2000). But as Baker points out, these kinds of policy changes rest on a number of questionable assumptions. Employability programs assume that paid employment provides the best route out of poverty. But getting a job does not necessarily guarantee a better level of material wellbeing, especially for low-income mothers. For example, women with dependants must find work that will enable them to pay for substitute care while they are at work. There are also other additional job-related expenses, such as transport, that must be covered. In the current labour market, the kinds of job available to women with dependants, limited mobility and often interrupted work histories, is usually low-paid and dead-end, and often temporary (Baker 2000). In a similar vein, Walter (2002) has shown that in terms of material wellbeing, marriage may offer single mothers a more economically sound route out of poverty. Walter has also shown that in terms of labour-market involvement, single mothers have higher rates of involvement in paid work than married mothers. The assumption that all single mothers are welfare recipients is incorrect. Moreover, Walter (2002) has also pointed to the inconsistencies inherent in government discourses on mothering. On the one hand, government policy for married mothers promotes the virtues of the stay-at-home homemaker role for mothers of small children. On the other hand, single mothers of small children are encouraged to pursue paid employment. It seems that marital status plays an important part in ideologies of 'good mothering'.

Puls (2002) has argued that there has been a major shift of emphasis in feminist analyses of the family in recent years. She suggests (Puls 2002:77) that 'there has been a move away from primarily highlighting women's disadvantage within the family, to primarily highlighting women's disadvantage and deprivation outside it'. By this she means that the focus of recent work by policy feminists concerned with the family has been on the economic needs, and fundamentally economic solutions, to the income deprivation suffered by single parents and by other non-nuclear family groups. Conservative groups and policy feminists share the same aim of shifting single parents off benefits and into economic independence (Puls 2002:75): 'Both sides of politics assume that direct dependency on government pensions and benefits is undesirable and produces detrimental social effects'. Puls argues that in effect this ignores the positive outcomes and experiences of single parenthood and recent changes in family structure, and that in turn it serves to strengthen the normative status of the nuclear family as the best form of family structure:

With the continual portrayal of single parents as poor and disadvantaged, policy-feminists (and the left) effectively help *construct* these families as 'problem families' and 'deficit households' in need of expert assistance and therefore greater expert intervention into, and government regulation of, their lives. [Puls 2002:77]

Conclusion

This chapter has discussed some of the main themes in research on the sociology of families and households in Australia. It has focused on four main areas – research on demographic trends in family formation and dissolution, research on the historical construction of the family, research on the gender division of labour in families and, finally, research on state regulation of family life. The account is undoubtedly sketchy and necessarily brief, but it does provide an outline of key themes and the contributions made by various scholars in each of these areas.

Australian research on families and households has been distinctive in its critical stance on issues to do with gender inequality. The feminist critique of gender roles has permeated all areas of the sociology of the family and has provided the underpinnings for all of the research discussed above. Feminism has not only promoted equality within families, but has also influenced the way we view families and, in part, the way the state has responded to family diversity and changes in family patterns. Some of the developments that have taken place in social policies around family life, including recent moves to introduce paid maternity leave, have stemmed from a long history of ‘femocrat’ agitation around issues of gender equality from within the bureaucracy.

Undoubtedly there will be further debate over the future of family life. Nostalgia for the familial and cultural ideals that dominated in the 1950s and 1960s will probably continue for some time. But with each successive generation, new ideals and new benchmarks will be established. This global revolution in family life (Giddens 2000) is bound up with other changes that are taking place in postindustrial societies around the world. In response to those who argue that family life is in decline, we may well argue that families are more important than ever. The declining marriage rate, declining fertility level and rising divorce rate may all in fact indicate the increasing importance that individuals now place on personal relationships (Giddens 2001). The task of sociologists of families and households is to help unravel and explain these continuing changes and the diversity and uniformity of family life.

References

- Alford, K. 1984. *Production or Reproduction? An Economic History of Women in Australia, 1788–1850*. Melbourne: Oxford University Press.
- Arndt, B. 2002. A good role model. *Australian* 31 January.
- ABS. 1979–2000. *Labour Force Status and other Characteristics of Families*. Cat. No. 6224.0. Canberra: Australian Bureau of Statistics.
- . 1995. *Marriages and Divorces*. Cat. No. 3310.0. Canberra: Australian Bureau of Statistics.
- . 1998. *Australian Social Trends*. Cat. No. 4102.0. Canberra: Australian Bureau of Statistics.
- . 1999. *Australian Social Trends*. Cat. No. 4102.0. Canberra: Australian Bureau of Statistics.
- . 2000a. *Australian Demographic Statistics*. Cat. No. 3301.0. Canberra: Australian Bureau of Statistics.
- . 2000b. *Births*. Cat. No. 3301.0. Canberra: Australian Bureau of Statistics.
- Baker M. 2000. New employment policies, poverty and mothering. *Family Matters* 55:46–51.
- . 2001. *Families, Labour and Love: Family Diversity in a Changing World*. Sydney: Allen and Unwin.
- Baldock, C., and B. Cass (eds). 1983. *Women, Social Welfare and the State*. Sydney: Allen and Unwin.

- Baxter, J. 1992. Power, attitudes and time: The domestic division of labour. *Journal of Comparative Family Studies* 23(2):165–82.
- . 1993. *Work at Home: The Domestic Division of Labour*. Brisbane: University of Queensland Press.
- . 1997. Gender equality and participation in housework: A cross national perspective. *Journal of Comparative Family Studies* 28(3):220–47.
- . 2000. The joys and justice of housework. *Sociology* 34(4):609–31.
- . 2002. Patterns of change and stability in the gender division of household labour in Australia, 1986–1997. *Journal of Sociology* 38(4):399–424.
- Beck, U., and E. Beck-Gernsheim. 1995. *The Normal Chaos of Love*. Cambridge: Polity Press.
- Berk, S.F. 1985. *The Gender Factory: The Apportionment of Work in American Households*. New York: Plenum Press.
- Bernard, J. 1972. *The Future of Marriage*. New Haven, CT: Yale University Press.
- Bianchi, S.M., M.A. Milkie, L.C. Sayer and J.P. Robinson. 2000. Is anyone doing the housework? Trends in the gender division of household labor. *Social Forces* 79(1):191–228.
- Bittman, M. 1991. *Juggling Time: How Australian Families Use Time*. Canberra: AGPS.
- . 1995. The politics of the study of unpaid work. *Just Policy* 2:3–10.
- . 1999. Parenthood without penalty: Time use and public policy in Australia and Finland. *Feminist Economics* 5(3):27–42.
- Bittman, M., G. Matheson and D. Meagher. 1999. The changing boundary between home and market. *Work, Employment and Society* 13(2):249–73.
- Brines, J. 1994. Economic dependency, gender and the division of labor at home. *American Journal of Sociology* 100(3):652–88.
- Bryson, L. 1992. *Welfare and the State*. London: Macmillan.
- Bumpass, L., and H.H. Lu. 2000. Trends in cohabitation and implications for children's family contexts in the United States. *Population Studies* 54(1):29–41.
- Coltrane, S., and R. Collins. 2001. *Sociology of Marriage and the Family: Gender, Love, and Property*. Belmont, CA: Wadsworth Thomson Learning.
- Curtin, J., and H. Sawyer. 1996. 'Gender equity in the shrinking state: Women and the great experiment' in *The Great Experiment: Labour Parties and Public Policy Transformation in Australia and New Zealand*. Edited by F. Castles, R. Gerritsen and J. Vowles. Sydney: Allen and Unwin.
- Dempsey, K. 1992. *A Man's Town: Inequality between Women and Men in Rural Australia*. Melbourne: Oxford University Press.
- . 1997. *Inequalities in Marriage: Australia and Beyond*. Melbourne: Oxford University Press.
- De Vaus, D., and I. Wolcott (eds). 1997. *Australian Family Profiles: Social and Demographic Patterns*. Melbourne: Australian Institute of Family Studies.
- Dixson, M. 1976. *The Real Matilda: Women and Identity in Australia, 1788–1975*. Melbourne: Penguin.
- Esping-Andersen, G. 1990. *The Three Worlds of Welfare Capitalism*. Cambridge: Polity Press.
- Game, A., and R. Pringle. 1979. Sexuality and the suburban dream. *Australian and New Zealand Journal of Sociology* 15(2):4–15.
- Giddens, A. 2001. 'The global revolution in family and personal life' in *Family in Transition*. Edited by A. Skolnick and J. Skolnick. Boston: Allyn and Bacon.
- Gilding, M. 1991. *The Making and Breaking of the Australian Family*. Sydney: Allen and Unwin.
- Glezer, H. 1997. Marriage and cohabitation relationships in the 1990s. *Family Matters* 47:5–9.
- Goode, W.J. 1964. *Readings on the Family and Society*. Englewood Cliffs, NJ: Prentice-Hall.
- Goodnow, J.J., and J.M. Bowes. 1994. *Men, Women and Household Work*. Melbourne: Oxford University Press.
- Grimshaw, P., C. McConville and E. McEwen. 1985. *Families in Colonial Australia*. Sydney: Allen and Unwin.

- Grimshaw, P., and G. Willett. 1981. 'Women's history and family history: An exploration of colonial family structure' in *Australian Women: Feminist Perspectives*. Edited by N. Grieve and P. Grimshaw. Melbourne: Oxford University Press.
- Harper, J. 1980. *Fathers at Home*. Melbourne: Penguin.
- Harper, J., and L. Richards. 1979. *Mothers and Working Mothers*. Melbourne: Penguin.
- Kiernan, K. 2000. 'European perspectives on union formation' in *The Ties that Bind: Perspectives on Marriage and Cohabitation*. Edited by L. Waite. New York: Aldine de Gruyter.
- Kingston, B. 1975. *My Wife, My Daughter, and Poor Mary Ann: Women and Work in Australia*. Melbourne: Nelson.
- McDonald, P. 2000. Gender equity, social institutions and the future of fertility. *Journal of Population Research* 17(1):1–16.
- Oakley, A. 1974. *The Sociology of Housework*. New York: Pantheon Books.
- . 1981. *From Here to Maternity: Becoming a Mother*. Harmondsworth: Penguin.
- Parsons, T., and R. Bales. 1955. *Family: Socialisation and Interaction Processes*. Glencoe, IL: Free Press.
- Pleck, J.H. 1985. *Working Wives, Working Husbands*. London: Sage Publications.
- Puls, J. 2002. Poor women and children. *Australian Feminist Studies* 17(37):65–79.
- Richards, L. 1985. *Having Families: Marriage, Parenthood and Social Pressure in Australia*. Melbourne: Penguin.
- Reiger, K. 1985. *The Disenchantment of the Home: Modernizing the Australian Family, 1880–1940*. Melbourne: Oxford University Press.
- Russell, G. 1983. *The Changing Role of Fathers*. Brisbane: University of Queensland Press.
- Ryan, E., and A. Conlon. 1975. *Gentle Invaders: Australian Women at Work 1988–1974*. Melbourne: Nelson.
- Schlosser, E. 2001. *Fast Food Nation. The Dark Side of the All-American Meal*. Boston: Houghton Mifflin.
- Sharpe, S. 1984. *Double Identity: The Lives of Working Mothers*. Harmondsworth: Penguin.
- Shelton, B.A., and D. John 1993. Does marital status make a difference? Housework among married and cohabiting men and women. *Journal of Family Issues* 14(3):401–20.
- South, S.J., and G. Spitze 1994. Housework in marital and nonmarital households. *American Sociological Review* 59(3):327–47.
- Sullivan, O. 2000. The division of domestic labour: Twenty years of change? *Sociology* 34(3):437–56.
- Summers, A. 1975. *Damned Whores and God's Police: The Colonization of Women in Australia*. Harmondsworth: Penguin.
- Walter, M. 2002. Working their way out of poverty? Sole motherhood, labour market participation and welfare reform in Australia. PhD thesis, University of Tasmania.
- Wearing, B. 1984. *The Ideology of Motherhood: A Study of Sydney Suburban Mothers*. Sydney: Allen and Unwin.
- Weston, R., D. Stanton, L. Qu and G. Soriano 2001. Australian families in transition: Sociodemographic trends 1901–2001. *Family Matters* 60:6–11.
- Williams, C. 1981. *Open Cut: The Working Class in an Australian Mining Town*. Sydney: Allen and Unwin.
- Yeandle, S. 1984. *Women's Working Lives: Patterns and Strategies*. London: Tavistock Publications.

Gender Perspectives

Chilla Bulbeck

Gender perspectives in the social sciences

There is not a single discipline in the Humanities, and probably not in the Social Sciences, which has remained untouched by the feminist work of the past thirty years. Gender is now on the agenda in all of the disciplines. [Threadgold 1998:138]

gender studies now constitute an area of strength in the social sciences. The scholarship has helped us understand Australian society better, and Australian scholars in the field have, in the last decade especially, played a significant role internationally, often out of proportion to their numbers. [Curthoys 1998:177]

By contrast with these claims concerning the revolutionary impact of feminist thought on the human disciplines, fifteen years ago Bev Thiele (1986) wrote of 'Vanishing acts in social and political thought', while Judith Stacey and Barrie Thorne (1985) pondered feminism's 'missing revolution' in sociology. Stacey and Thorne contended that anthropology, history and literature had been more deeply transformed. On the one hand, women's studies shattered the masculinist orientation of literature and history, challenging the very notion of an incontestable literary canon and forcing a redefinition of history to encompass more than the political and national deeds of men. By contrast, the study of whole societies using concepts like kinship meant that anthropology was already gendered and feminist theory found a ready foothold.

Sociology took up a midway position by mirroring within the discipline the public/private split in the social world. Gender-affected areas were cordoned off from a gender-neutral approach in other areas. Women and feminism were consigned to the family, community and demography, while a focus on men and 'malestream' theory was retained in the areas of formal organisations, social change and politics. In contrast with anthropology, gender was treated more as a variable, an individual characteristic, than as a social structure for analysis or a concept to be theorised (for example, while sociologists spoke of gender roles, they did not refer to class roles or race roles) (Stacey and Thorne 1985:307; see also Yeatman 1986:158–62).

Had Stacey and Thorne drawn their comparison with economics or politics, they might have told a different tale. I well remember, in the early 1980s, the crowded and boisterous 'women's sections' at the annual conferences of the Sociological Association of Australia and New Zealand (as the professional organisation was then called). Meetings of the Australian Political Science Association were dominated by male scholars in suits, even though Carole Pateman was president in 1979 and Marian Sawer initiated a 'Women and Politics' essay prize in 1981 (Curthoys 1998:191). Even today, 'mainstream Political Science tends to "add gender and shake", rather than accept gender as a fundamental structuring principle' (Di Zetlin, in Curthoys 1998:191; see also Curthoys 1998:193 on politics textbooks). That economics still effectively resists the challenge of feminist theory is suggested by the fact that this handbook does not even contain a chapter on the impact of gendered theorising in economics (see also Curthoys (1998:194–5), where a number of the scholars cited as a challenge to the economics discipline are sociologists, studying, for example, pay inequality or household time-use analyses).

Similarly, the economics and politics sections of this volume have only one chapter each contributed solely by a female scholar, although the sociology section, with four chapters, is certainly nowhere near parity, or perhaps reflecting that the largest research concentration among the Australian Sociological Association's members is a cluster defined as 'gender/medical/family' (the cluster covers almost a quarter of members (22.3 per cent), within which feminism and gender studies accounts for 8.3 per cent of members) (Alexander 1999:4–5; reported also in Western 1998:226). In his review of sociology for the Academy of the Social Sciences in Australia, John Western (1998:226) notes the appointment to professorial chairs of the feminists Lois Bryson, Bettina Cass, Anne Edwards, Rosemary Pringle, Belinda Probert, Judy Wajcman and Anna Yeatman, concluding that 'Feminist theory and gender studies are clearly areas of special strength'.

Feminist sociologists in Australia are no longer confined to family and community studies, if they ever really were. Besides claiming that 'natural' or 'trivial' areas of social life are worth analysis, as in the sociology of childbirth (for example, Zadoroznyj 2001) or the experiences of new mothers isolated in the suburbs (Waring, B. 1984) feminist sociology has also challenged the private/public divide, just as these studies do (for example, see Waring, B. 1984:11, 200–5). Before feminist intervention, dualisms such as public/private, mind/body, rational/emotional divided the world into two, that which was normative and worthy of research and that which was devalued and either invisible to the social scientific gaze or quarantined so that the impact of the private on the public was not interrogated.

Work did not occur in the home, where housewives expressed relationships of love and emotional attachment when they washed dishes or took children to school. Sex did not occur in the public domain, so that sexual harassment or sex work were either incomprehensible or trivial, of no research interest. Men in public spaces did not have bodies, which meant there was no need for research interest in how men were clothed, cleaned and fed to get them back to work the next day. Men did not have emotions that got in the way of their rational actions; thoughts of sex or feelings of rage rarely overtook them, unless perhaps they were members of more disorganised social classes or ethnic groups, prone to 'deviance'. Few sociological researchers today would hold to

these particular dualistic distinctions, as indicated by the thoroughgoing feminist critique of empiricist sociology's assumptions concerning objectivity, reliability and neutrality. Concepts such as 'domestic labour', 'body politic', 'sex work' or 'volunteer work' challenge former understandings of the public/private divide.

Cora Baldock (1998:28) argues that the structure of the volunteer-work sector is an extension of women's involvement in paid work. Women are available for volunteer work because of their limited access to paid labour; in both sectors they form a pool of flexible and expendable labour. In the volunteer sector, as in the paid-work sector, the majority of women carry out support tasks, while a minority, usually from the middle class, perform managerial functions.

Comparison with less-transformed disciplines highlights the significance of changes in sociological theory wrought by feminist critiques. 'Economic man' is still postulated as a self-interested rational actor carefully weighing his preferences for particular products. Despite his selfish approach in the public realm, astonishingly he comes home to his wife and family, suddenly capable of altruistic actions in their best interests (England 1993:37, 42–3, 45). This dramatic change in his behaviour is largely hidden from the discipline's view. The internal workings of the family remain a 'black box' in economic analysis, the 'head of household' or 'breadwinner' standing in for all the fascinating (and unfair) relations within households (Nelson 1996:63). Women in economic organisations are either presumed to act like men or their differences are reasons for their lower wages, as, for example, in human capital theories.

The dilemmas of the sameness–difference approaches in theory and political intervention are explored in Carol Bacchi's (1990) influential text. Similarly, political theory is still grappling with Carole Pateman's (1988) analysis of the social contract founded on the exclusion of women and the consequent gendering of citizenship as a male preserve. Political science's explorations of citizenship still do not usually encompass the work of women in voluntary or community organisations (Baldock 1990, 1998), expressions of small gestures of civility (Cox 1995), or challenges to the very notion of possessive individualism in feminist theories through alternative claims that adults are created in caring and interdependence (Cass 1992; Held 1993).

Indeed, histories of Australian women's studies usually acknowledge the close connection between sociology and women's studies in the 1980s. Women's studies had a 'strong emphasis on empirically-based research grounded particularly in sociology' (Cate Poynton, cited in Threadgold 1998:134), which 'conceived of feminism as activism, as practice, as experience' (Threadgold 1998:129). By the 1990s, this sociological 'monologic focus on white heterosexual women's un-theorised "experience"' (Threadgold 1998:134) was increasingly found wanting and 'Gender Studies, Gay and Lesbian Studies and Queer Theory, and still later ... race' (Threadgold 1998:134) challenged the presumed singular subject of women's studies.

A theoretical approach grounded in humanist presumptions (for example, Marxism or radical feminism) was replaced by posthumanist notions of fractured and contradictory subjects. This was echoed in a move in political orientations, from social and economic change to cultural intervention; from analysing work, violence, sexuality and reproduction as locations of structural gendered inequality to explorations of the

riot grrrls or Ally McBeal. The essentialism of sex or the simplistic sociological dualism of sex versus gender was displaced for more complicated understandings of sexualities built on the work of scholars such as Michel Foucault, Judith Butler, Jacques Lacan, the French feminists, and the Australian 'embodiment' theorists (see also Curthoys 1998:196). Indeed, the rise of cultural studies in sociology has also been remarked, where debates between modernists and postmodernists have displaced the former divide between positivists and Marxists (Western 1998:225). Lois Bryson (pers. comm.) suggests that 'post-modernism/poststructuralism interrupted the contribution of sociologists to social policy', although she recognises this is part of a widespread conservative trend.

No doubt many feminist sociologists would bridle at the suggestion that we were particularly guilty of research that presumed the unquestioned normative middle-class white woman; that we peculiarly failed to see the theoretical possibilities of the 'post-' discourses; that we blindly continued our focus on doomed because simplistic strategies for domestic-violence prevention or overcoming gender segregation in workplaces. Indeed, feminist sociologists have made significant contributions to what this handbook labels 'Race, Ethnicity and Immigration' studies (chapter 31, this volume). Feminist sociological research threw down a challenge to research in women's studies, sociology and everyday knowledge that invoked the stereotype of the 'other' (non-Anglo) woman caught in backward traditions (for example, see Kalantzis 1990:40; Martin 1991:126; Vasta 1991:163).

Sociological research has identified the particular contributions of women of non-English-speaking background to the Australian economy. The specific needs of non-English-speaking-background women have been identified, for example, as arising from particular workforce participation experiences, or from being members of a minority community within a dominant Anglo-Australian society (for example, see Bottomley 1992; Cox 1993; Alcorso 1993; Cora Baldock (pers. comm.) is now researching in this area).

Pioneering considerations of the 'holy trinity' of class, gender and ethnicity can be found in the collection edited by Gillian Bottomley and Marie de Lepervanche (1984), *Ethnicity, Class and Gender in Australia* (not that all the contributors in this collection dealt with gender, indicating how challenging the concept was, even for sympathetic scholars). A second volume, edited by Gillian Bottomley, Marie de Lepervanche and Jeannie Martin (1991), *Intersexions: Gender/Class/Culture/Ethnicity*, reveals the shift to 'contextualising feminism within and against the discourses of class and ethnicity' and taking account of post-colonial writing, particularly in relation to issues of representation and in a 'healthy scepticism about very bases of knowledge'. Essays in the second volume examine representation in discourses; for example, Aboriginal identity in the work of Aboriginal women writers (Jan Larbalestier), 'a multiculturalist reading of feminism' (Jeannie Martin) or 'a critical view of racism and sexism in sociology' (Jan Pettman) (Bottomley, de Lepervanche and Martin 1991:viii–xi). Indeed, these two volumes nicely reveal the move from context to text that marked women's studies and sociology more generally.

In another volume, Anna Yeatman (1993) explored the productive possibilities of conversations between white feminists and Indigenous scholars, a dialogue that makes

white feminists more aware of their privilege as colonising selves and in which Indigenous women become participants in the politics of feminism. The still-rudimentary nature of this conversation is indicated by the recent publication of Aileen Moreton-Robinson's (2000) critique of the continuing whiteness of feminism in Australia and the indifference to Aboriginal women's issues and race relations.

The remainder of this chapter explores two ways in which a gendered analysis across domains offers insights concerning both gender and the functioning of society that the piecemeal focus of gender in health or gender in rural sociology will not readily yield. First, I explore the development and impact of 'theories of gender', what Bob Connell (1995) calls the 'structure of gender', but which is also described as 'sexualities'. These structures and practices are expressed in and influenced by every domain of social life, not merely private intimate relations. Second, I outline the impact of feminist social theory and research on changes in Australian society over the past thirty years. I have chosen two areas that reflect Barbara Sullivan's identification of Australian feminism's twin claims to fame. The first is the work on embodiment by theorists such as Moira Gatens and Elisabeth Grosz.¹ Their 'feminist anti-humanism' identifies the body as a social construct, thus avoiding the 'oppositions of mind/body, natural/social, sex/gender, emotion/reason (and by implication male/female)'. The second area of international renown is 'official feminism', in Hester Eisenstein's coinage, or Australian feminists' engagement with mainstream politics and state institutions and processes (Sullivan 1994:161, 153).

Sexuality as a structure of power

Both public and private realms must be brought into view, since women must negotiate the complex connections of the requirements of each if they are to challenge the sexual politics of the public domain. Thus feminist politics is necessary to subvert, reconfigure and challenge the dominant meanings and effects of the public/private domains. [Franzway 2001:3]

Early essays by the major theorists of 'corporeal feminism' are collected in two issues of *Australian Feminist Studies* (numbers 5 and 10, featuring Grosz (1987), Lloyd (1989) and Gatens (1989)). The latter issue features an article by Anne Edwards discussing the sex/gender distinction. The sex/gender distinction was developed by sociologists in the 1970s (Edwards, A. 1989:4) and immediately seized upon by feminists more generally to become the dominant way of understanding gender, until the mid-1980s. In distinguishing sex from gender, feminist sociologists applied the sociological insight that much in the world which is considered to be natural, or biologically determined, is actually socially constructed.

The sex/gender distinction meant a move away from gender as an empirical category to gender as a theoretical construct, referring to 'potentially distinct and identifiable sets of ideas or institutions', a gender order or gender system, sometimes connected to the notion of patriarchy (Edwards, A. 1989:5). A radical revisioning of the social world at the time of its formulation, the sex/gender distinction still runs counter to popular understanding of gender differences based on 'categorical theory'. Men and women are

treated as preformed categories, whether the differences are determined biologically, socially or psychologically (Connell 2000:18). The intransigence of 'categorical theory' is indicated by the enormous popularity of self-help books, such as John Gray's 'Mars and Venus' books, and the contemporary revival of biological determinism, such as Moir and Moir's (1998) *Why Men Don't Iron*.

Even when Edwards wrote, the sex/gender distinction was crumbling, as indicated by the question she posed in her title: 'The sex/gender distinction: Has it outlived its usefulness?' Feminist antihumanism replied that indeed it had, claiming that sexual difference pervades both mind and body (Lloyd 1989:20–1), that gender performance is limited by the real material of our bodies as well as the social meanings that accrue to them, even if bodies can be radically sculpted through transsexual surgery, body-building or anorexia. Feminine behaviours acted out by a male body have different meanings from feminine practices acted out by a female body. It is not masculinity *per se* that is valorised but the 'masculine male' (Gatens 1990:154, 151). This is what Bob Connell (1990:59) calls 'somatic compliance' in his analysis of an 'iron man', Steve. Sporting heroes require bodies that can be moulded into hefty muscles, just as in a society that celebrates white female beauty, many Asian or Aboriginal women lack the necessary 'somatic compliance' to achieve this beauty ideal.

Where feminist philosophers have focused on gender performance as an embodied achievement, sociological theories of gender continue to stress issues of power and social structures. Internationally, the best-known Australian sociological theorist of gender relations is Bob Connell. His work combines feminist theory, philosophy and psychoanalysis with the insights of specific sociological and historical case studies of masculinities to produce a theory of gender that has become a constant reference point for scholars inside and beyond sociology. While Connell (2000:28) explores the 'structure of gender', he asserts that 'Masculinity and femininity must be understood as *gender projects*. These are dynamic processes of configuring practice through time, which transform their starting points in gender structures'. Yet gender is not a voluntary performance, but one constrained by the 'structure of gender', which rewards some performances and some performers more than it does others.

Crucially, in terms of a feminist theoretical contribution to sociology, 'To recognise gender as a social pattern requires us to see it as a product of history, and also as a *producer of history*' (Connell 1995:81). Feminist scholars claim that social theorists cannot think about any domain of social life, from the microcosm of family relations to the macrocosm of colonialism and imperialism, without questioning how gender relations structure and are structured by that domain.

This approach is aptly described by Connell (1993) as 'The big picture: Masculinities in recent world history' (see also Bulbeck 1998). The continuing resistance of many scholars to this big picture is explored by Jan Jindy Pettman (1996) in her critique of international relations (IR). Even in the mid-1990s, 'IR is one of the most masculinist of disciplines, in its personnel and in its understandings of states, wars and markets' (Pettman 1996:vii). Not for IR the war of domestic violence or rape in war; nor the state as a body politic embracing (or ignoring) women's needs; nor production for world markets based in women's bodies in Third World countries, whether it be their nimble fingers or their exoticised sexual otherness.

Connell (2000:24–6) defines the structure of gender as constituted by relations of power, relations of production, relations of cathexis (emotional attachment) and symbolism. The main axis of power is the overall subordination of women and domination by men, what women's liberation termed 'patriarchy'. But there are also hegemonic masculinities and subordinate masculinities. In western societies (at least) the most despised masculinities are gay masculinities, often devalued as feminine. However, working-class 'macho masculinity' based solely on brawn is inferior to middle-class masculinity, working-class men expressing weakness in violence because they have few resources other than their bodies. Middle-class masculinity is based on dominance and expertise within economic organisations (Connell 1993:612), this being one instance where Connell links different masculinities to the spread of multinational corporations. The now much-noted trend for middle-class girls to define themselves in formerly masculinist terms was identified in the classic study *Making the Difference*, by Bob Connell and colleagues (1982). Similarly, Pam Gilbert and Sandra Taylor (1991:95–101) noted that middle-class girls rejected 'Dolly Fiction' because they 'knew' that romance fiction was inferior: fathers, teachers and other authority figures had told them so.

Production relations refer to the economic consequences of gender divisions of labour, the fact that women earn about half men's wages, that women do a majority of unpaid labour, that very few women are in control of corporations. Here Connell draws on the rich sociological research on gender relations in households and workplaces. A path-breaking study in this field was *Gender at Work* (1983), by Ann Game and Rosemary Pringle. It is difficult to recapture the excitement with which many of us responded to this book, as well as the puzzlement that housework really was work, disguised by its 'emotionalisation', or that gender segregation in workplaces was almost completely arbitrary in terms of jobs, yet apparently universal in its prevalence (Game and Pringle 1983:15).

Pringle and Game's research on gender at work tracks the increasing complexity of feminist analyses as they draw on Foucault, Bourdieu and psychoanalytic theory to examine the working relations of secretaries, butchers and doctors. Their work has moved from a reasonably simple claim that men oppress women at work and all workplaces are marked by gender segregation. Women sometimes collude in their oppression; for example, secretaries who enjoy expressing their femininity at work (Pringle 1988). The entry of women into medicine has transformed some practices, but only in limited ways and in particular specialities. For example, the numbers and roles of women in different medical specialities are a variable interplay of opportunities (recently expanding areas like plastic surgery), work schedules that fit in with childcare (skin diseases are rarely life-threatening) and persistent symbolic meanings (gynaecology, surprisingly, remains male-dominated because the gynaecologist stands in as husband to the wife) (Pringle 1998).

In her study of women union officials, Suzanne Franzway (2001:39) draws on research that goes beyond gender statistics to identify 'a highly masculinised labour iconography' that equates unionist with aggressive man (Kathie Muir, in Franzway 2001:46), celebrates a 'real cowboy thing' in which masculinity is displayed through long hours (Franzway 2001:84–5), and allows homophobia and contradictory politics

around sexual harassment (Franzway 2001:12). Given this, Franzway (2001:11) asks, 'how and why do dedicated and enthusiastic women activists persist in the trade union movement?' That few other researchers have asked, let alone answered, the question suggests the lack of research interest in gender in trade unions, as is regularly noted by the collections that do explore the 'strife' of gender politics in the labour movement (Muir and Franzway 2000:4–5; Pocock 1997:2).

Franzway holds the family and union in view at the one time, describing both as 'greedy institutions' (in Lewis Coser's phrase; Franzway 2001:3) institutions that rely 'on the voluntary compliance of ... loyal and committed members' (Franzway 2001:34). Torn apart by these greedy institutions, women union officials experience the exhaustion of the union shift and the 'drag shift' (as one union official called household management; Franzway 2001:114–15), leaving little time for the 'labouring body' shift. This is the shift in which a woman remakes her 'body which requires care in order to work (in both public and private domains)' (Franzway 2001:12). Franzway combines theories of embodiment, sexualities and the public/private split to produce new insights to explain why so few women are drawn to work as union officials, a situation that now challenges the very future of unions, as Pocock's (1997) research reveals.

Returning to Connell's structure of gender, symbolism refers to the process of communication, from linguistic practices through to dress, make-up, gesture, and so on. A muscular masculine body is a symbolic expression, as is a slim, sculpted female body topped by blonde hair. For example, Bronwyn Davies's (1988:133; 1993) fascinating studies of 'category-maintenance' work explore how social actors continually maintain sexed distinctions despite their different ways of being masculine or feminine. For example, private-school girls used social class to distinguish their femininity as superior to the 'rough', 'unladylike' versions performed by state-school girls (Davies 1993:80). Cathexis refers to desire, emotional energy attached to an object, whether heterosexual or homosexual, consensual or coercive. Sexual desire has entered the public domain in domestic-violence policies or legislation granting some rights to gay couples.

Research on masculinities has resulted in a teaching profile in several universities; for example, men's health topics are taught at Curtin and Edith Cowan universities. The Centre for Cultural Risk and Policy Studies at Charles Sturt University is producing 'good research ... on media, AIDS, embodiment and gender' (Threadgold 1998:127, 133). By contrast, there is no body of sociological research in Australia collected under the umbrella of 'femininities', partly because this is a central project of women's studies groups.

However, where women's studies has focused on retrieving invisible women 'hidden from history' and validating their entry and rewards in the public world, masculinities research challenges the concepts and assumptions underpinning 'rational man', 'reasonable man', 'economic man', clothing these abstract men-minds with bodies. Men thus become leaky, fragile vessels just as women are, capable of emotions such as violence or envy, anxious about their performance in bed or the boardroom, even as they may denigrate the feminine in themselves and others.

Taking a leaf out of the femocrats' book, masculinity studies have contributed to policy debates in a number of fields; for example, education and health. In response to the

cry of boys' disadvantage in the suddenly excessive feminine environments of schools, masculinity studies has turned attention away from constituting girls as the 'problem', yet again. Class is a significant dimension, usually neglected in the media outcry. It is largely working-class boys who are experiencing disadvantage, which does not always translate into the same extent of disadvantages in wages and work. For example, in one study, young men who scored low and very low literary-skills results earned more than young women with very high levels of literary achievement. Research has explored aspects of masculinity – for example, aggression – which impact negatively on subordinate boys as well as girls. Masculinity also encourages boys to persist in 'masculine' subjects, like mathematics, even if they are not succeeding in them (for example, see Gilbert and Gilbert 1998; Kenway et al. 1997). Masculinity studies have drawn on feminist research to discuss 'men's health' (Connell 2000:177) not in terms of more funding for prostate cancer research, but in terms of the health effects of masculinity.

Manhood encourages violence against women and other men, life-threatening activities like dangerous driving, violent sport, drinking and smoking, resistance to visiting doctors or wearing hard-hats in dangerous work environments. Of course men's health is no more all of a piece than is women's health: Aboriginal men, homeless men, young men, gay men require different initiatives (Connell 2000:180, 184–92). An internationally recognised example is policies concerning AIDS-awareness in the gay community, resulting in part from research by scholars like Dennis Altman (most recently 2001) and Gary Dowsett (1996). It is to the further contributions of feminist sociology in reshaping Australian life that we now turn.

Sociologists as femocrats: Changing Australian society

The theme that underlies much of the discussion in this book is the problem of reconciling women's role as paid workers with their socially assigned responsibility of caring for others. [Neave (1995:223), commenting on the collection by Anne Edwards and Susan Magarey, *Women in a Restructuring Australia* (1995)]

John Western's review of sociology (1998:224, 227) notes the desire of many sociologists to 'engage in social reformist activities' or 'problem-oriented research'. Sociology and women's studies formed a happy partnership in the heyday of 'official feminism': a uniquely Australian configuration' in which 'the perspectives of political science, history, sociology, economics and law' explored 'the possibilities of the action of "the state", or governing institutions, for effecting changes in gender relations' (Curthoys 1998:179).

The term 'femocrat', probably coined in Australia, denotes feminism's relationship with the state (Eisenstein 1991:12), Australian femocrats achieving international renown for their success in working with state agencies to achieve change for women. Reformist Labor governments elected in the 1970s accepted the extension of 'representative bureaucracy' to women, or the widespread acceptance that different arms of the bureaucracy serve different interest groups; for example, the primary industry department for farmers (see Sawyer 1993; Eisenstein 1996:3–16). Femocrats instituted

innovations like the 'hub and spokes' model, developed by Sara Dowse, in which women's interests were represented in the hub, the prime minister's department, and in each of the other departments (Sawer 1990:29–30). Another innovation, the women's budget statements, is still being exported to the world, with Rhonda Sharp providing advice to interested governments on the development of such statements.

Where liberal feminism saw nothing wrong in using the government to improve the position of women, a spirited debate concerning the limitations of femocracy developed in academia. Marxist/socialist feminists and radical feminists believed that, of necessity, femocrats would be forced to 'sell out' to work with male bureaucrats and politicians, whether they represented capitalism or the patriarchy or both. For socialist feminists, femocrats were well-paid workers who shared the class position of white middle-class men. As managers they benefited from women's secretarial and clerical work, while they often exploited other women as housekeepers and childcarers.

Furthermore, according to Anna Yeatman (1990:66–7, 92–4, 96–7) femocrats expressed their class position in the policies they supported. Yeatman gave as an example femocrat endorsement of a proposal to guarantee the payment of court-ordered maintenance for children to be paid by non-custodial parents (usually fathers) by garnisheeing the payments out of the non-custodial parent's wages before he received them. By contrast, Yeatman argued that responsibility for raising the next generation belongs to the community as a whole, and should be expressed in supporting-parents' pensions. Poor fathers, particularly, became subject to the 'God's police' of femocrats, enforcing obligations on errant fathers to 'protect' women. As Rosemary Pringle and Sophie Watson (1992:68) pointed out, while some working-class men suffered from the garnishee system, many middle-class men benefited (in reduced taxes). For her part, the femocrat at the centre of the debate, Meredith Edwards, noted that she had recommended the garnishee scheme and a guaranteed minimum income for supporting parents where the non-custodial parent could not be located or could not afford to pay (Eisenstein 1996:174–5). That the government adopted the former but rejected the latter does suggest that femocrats worked within constraints not unlike those suggested by more radical or revolutionary feminists.

This debate suggests feminists' (and femocrats') need for a theory of the state, of the part the state plays in constituting and maintaining the gender order (as well as how the state is marked by the structure of gender). Such a theory will avoid both the refusal to engage (which is impossible) and unwitting complicity (Franzway, Court and Connell 1989). Marian Sawer (1990) and Hester Eisenstein (1996) provide a more positive evaluation of femocracy than that offered by Anna Yeatman, while the collections of Dorothy Broom (1984) and Sophie Watson (1990) worry at the relationship between women and the state, theoretically and practically, and the mutual misunderstanding between women's movement activists and femocrats.

Femocrats were just one part of a women's movement that embraced community activists, students and academics, feminist politicians, lawyers, educators and artists. According to Gisela Kaplan (1996:61), 'Per capita, Australia probably had more feminist organisations, collectives, interest groups and social clubs than almost any other nation'. As feminists of different stripes entered corporations, universities, unions,

schools, hospitals, golf clubs and television stations, they took ideas for change with them – being more successful in some environments than others. Only in the 1990s did women achieve ordination and only in some religious faiths. Women in agriculture face particular structural issues, usually marrying into a patrilocal family that controls the major income-earning asset (for discussions of women in agriculture, see Alston (1995) and the collection by Franklin, Short and Teather (1994)).

Women in the movement opened refuges, rape-crisis centres, women's health centres and working women's centres; changed the laws governing marriage, divorce and custody; introduced antidiscrimination and affirmative-action legislation; expanded government-funded childcare places; and developed changes in the welfare and taxation systems, most notably recognising women's independent right to support as either primary caregivers or worker-citizens. Legislation and services have sought to extend women's control over their bodies, including freedom from domestic violence, sexual harassment, rape and sexual assault, and reproductive freedom and better health.

Feminist sociologists have contributed to policy development in many of these areas (for example, see Baldock and Cass (1983, 1988), and for more recent concerns, such as superannuation and divorce, Edwards and Magarey (1995)). An international pioneer and a polymath in gender and social-policy research is Lois Bryson, who has two main areas of research. One is the systematic, comparative analysis and documentation of men's and women's welfare states (for example, see Bryson 1983, 1992a, 1993, 2001; Bryson, Bittman and Donath 1994). The second area concerns the links between male sport and women's subordinated position. Indeed, Bryson's first article in this area (Bryson 1987) has been reprinted twice (see also Bryson 1990, 1992b). Other areas of research are domestic labour (for example, Bryson 1985, 1996), sexual harassment, and the Women's Health Australia project (of which Bryson was one of the original chief investigators). Bryson, McPhillips and Robinson's (2001) strategies for dealing with lead contamination nicely demonstrate how public issues become private troubles and responsibilities. Instead of decontaminating the environment and reducing lead pollution created by offending industries, public-health responses make mothers living in affected areas responsible for washing their children's hands, clothes and toys. Mothers, then, rather than the companies that created the pollution, are blamed if children's lead levels are dangerously high (Bryson, McPhillips and Robinson 2001).

Feminist sociologists have challenged the definitions of health and illness; for example, stretching the category of health to cover domestic violence and reproductive choice, and narrowing the category of illness to exclude normal pregnancies or menopause (for example, see Broom 1991; Albury 1999). Research by Lyndall Ryan, Margie Ripper and Barbara Buttfield has identified the clear contrast between women's and service providers' understandings of abortion as a health issue and not a moral dilemma. They have influenced the translation of this research finding into legislation and policy, although contested in the contemporary conservative climate (Ryan, Ripper and Buttfield 1994; Ripper and Ryan 1998). Women of non-English-speaking background have developed their own health strategies; for example, removing men from violent households rather than women to shelters, which deprives women of their community support, or meeting the specific health care needs of migrant women

working in appalling conditions in factories (La Marchesina 1994). An indigenous women's initiative, Congress Alukura borning centre, near Alice Springs, combines 'the grandmothers' law' with white medicine in 'two-way borning' (Carter et al. 1987).

Women have still not invaded boardrooms or engineering departments; they have also failed to transform family relations. Feminist scholars quickly exposed the unfairness of the *Harvester* judgement's family wage and the exclusion of married women until the mid-1960s from the public service and other industries (for example, see Deacon 1989). Policy developments changed this situation in two significant ways: increasing the ability of women who were primary caregivers to live independently of men, and improving mothers' access to and rewards from the workforce. Clare Burton's (1991) incisive analysis of merit and her subsequent indefatigable work as a consultant reformed many an organisation's selection and appointment principles. More women entered the workforce and struggled with the double shift. After extensive debate, research and lobbying, childcare policies shifted from supporting the presumed full-time mother at home in her child-development tasks to supporting women's entry into paid work (Brennan 1998).

Pioneering research by Meredith Edwards (1981) inside the black box of the family revealed that a wife's control of the family budget depended very much on her own income contributions to the family. Bettina Cass (1986) headed the Social Security Review, which focused on intrafamily equity. Her review, when implemented, delivered a major shift in resources to women. She recommended a shift from taxation rebates to direct payment of pensions. The former are regressive, being of no use to those whose income is too low to pay taxes, while they also go to the taxpayer rather than his (as it usually is) dependants. The review recommended payment of family-support pensions to the primary caregiver, usually the mother. These issues are nicely captured in Lois Bryson's concept of men's and women's welfare states, or in contrasting the way Australians are rewarded and supported as either carer-citizens (largely women) or worker-citizens (largely men), rather than as individuals with changing needs over the life course (for example, see Mitchell 1998).

For all this change in public policy, men's contribution to housework and childcare has remained stubbornly resistant to significant change. Australian sociologists have conducted exhaustive analyses of housework: who does it (women and girls mainly; see Baxter, Gibson and Lynch-Blosse 1990; Bittman 1991; Reiger 1991), what it is worth (most men could not afford their wives' services at market rates), and whether it should be included in the National Accounts or is a labour of love (Waring, M. 1988). Michael Bittman and Jocelyn Pixley (1997:155) label the present contradiction between discourses of equality between the sexes, an achievement of the women's movement, and continuing inequality in housework, 'pseudomutuality' (see also Dempsey 1997; Baxter 1998; McMahan 1999). The practices of housework continue to resist discourses of equality because it is in men's interests that they remain unchanged, and because housework is more than an expression of gender: it also produces gender.

A recent study by Barbara Pocock (2001) focuses the research literature on pay equity and women in the workforce, inequality in housework and childcare, women's

diminishing ability to contribute to voluntary organisations, and the erosion of social capital and trust on an exploration of women's experiences in a globalising Australia. Women speak of deserted streets and declining local communities, of resentment born of exhaustion (Pocock 2001:57–8) and lives pinched by economic rationalism and declining government services, of guilt in the grip of the enduring deeply entrenched 'mythology of "proper mothering"' (Pocock 2001:38).

Older women, now disproportionately responsible for volunteer work, criticised young working women as selfish and 'introverted', only interested in saving money and going overseas (Pocock 2001:85). Women in work saw and resented men's higher wages, greater access to promotion and better conditions, especially when men were doing less-skilled or less-important work (Pocock 2001:115). Far from 'pseudomutuality', many women resented the lack of support from husbands, which often led to divorce (Pocock 2001:30). As Suzanne Franzway found with women union officials, many of these women also had 'no time for me' (Pocock 2001:57) or for intimacy with their partners (Pocock 2001:64). Flexible working conditions offer no panacea. As Judy Wajcman (1999) also found in her study of female managers in Britain, employers provide flexible working conditions as commitment tests, to screen out those people who are not 'real' workers (Pocock 2001:88).

Conclusion

Pocock's research resulted in widespread media interest and many speaking engagements, and the secondment of Barbara Pocock to Natasha Stott Despoja's office as a policy officer for the Australian Democrats. However, in telling contrast with the heady days of the femocrats, Pocock's ideas are not finding expression in major political-party platforms, government legislation, or company and public-service practice. Threadgold (1998:35) also notes the minimal impact of feminist theory 'on Faculties of Business and Economics, or on the corporate culture with which we are now forced to engage'.

It is not that feminist sociologists do not still have policy ideas arising from their research, but that Australia is presently largely a policy wasteland for those of a reforming bent. As arts and social-science faculties wither from lack of public funding, a challenge for feminist sociologists of the future is to remake ourselves so that we can find a productive space in universities increasingly dominated by marketing, computing and biomedical studies. What research should we be encouraging in our postgraduates and younger colleagues? What alliances should we be making to extend, if not reform, ourselves into new arenas? Perhaps instead of continuing sociology's love affair with cultural studies and postmodernism, we committed feminist sociologists should be elbowing our way into MBA courses.

Feminist sociologists also need to find new ways to make the apparent eternal verities of gendered inequality interesting to students and young researchers. Several examples of research by new scholars suggest some possibilities. Ainsley Harper (2001) applied Joan Eveline's (1994) notion of 'men's advantage' to rethink the issue of sexually transmitted debt. Instead of blaming women for their gullibility or lack of

business sense, or becoming bogged down in the sameness–difference debate concerning the best legal treatment of women, Harper focuses on ‘bank’s advantage’. In the present climate, banks obtain risk-free loans with almost no obligations towards the party who takes on the risk and gains no financial advantage, the women who become guarantors for their male partners. Despite claims that young men are different from their fathers, Donna Chung’s doctoral thesis on violence in young people’s sexual relationships identifies the tensions of pseudomutuality. Young women ‘know’ they are equal with men, and so must deploy a range of strategies to explain (away) violence and inequality. They claim their greater maturity in doing the emotion work of which men are incapable; they suggest that the violence they have experienced (always in a past relationship) has made them a better person.

These strategies, which lay all explanatory power on individual behaviours rather than the structures of sexuality, allow the practice of masculinity to proceed largely unchallenged (for example, see Chung 2002). Chung’s research indicates that young women’s subjectivities are different in the so-called postfeminist age. How women born since women’s liberation understand themselves, their politics and their futures is a growing research area. Anita Harris (1999, 2001) has studied young feminist women’s politics as expressed in fanzines and Internet exchanges, noting that their double denigration as ‘youth’ and ‘female’ makes young women suspicious of adult culture, including corporate culture.

Indeed, it will be interesting to see what young women make of their adult worlds. Despite thirty years of feminist research and women’s movement activism, gender relations remain deeply embedded, in our practices (the failure of many men to overcome their aggressive responses to women), our psyches (the persistence of the ‘good mother’ stereotype) and our public discourse (notions of sexual difference justify inequality). However, young women do have different experiences, particularly of education and paid work, and alternative subjectivities; for example, their presumption of gender equality and an apparently greater tolerance of difference. They, too, will live in interesting times.

Notes

I would like to thank Lois Bryson and Cora Baldock for their reflections on feminism in Australian sociology.

- 1 Recognised as a specifically Australian contribution to international feminist knowledge in Barrett (1988:xxix) and a special issue of *Hypatia: A Journal of Feminist Philosophy* (15(2), Spring 2000) called *Going Australian: Reconfiguring Feminism and Philosophy*, which identifies Australian ‘corporeal feminists’.

References

- Albury, R. 1999. *The Politics of Reproduction: Thinking Beyond the Slogans*. Sydney: Allen and Unwin.
- Alcorso, C. 1993. ‘And I’d like to thank my wife ...’: Gender dynamics and the ethnic family business. *Australian Feminist Studies* 17:93–6, 101–6.

- Alexander, M. 1999. Patterns of sociological specialisation: The internal structure of TASA fields of interest. *Nexus* 11(2):4–6.
- Alston, M. 1995. *Women on the Land: The Hidden Heart of Rural Australia*. Sydney: UNSW Press.
- Altman, D. 2001. *Global Sex*. Sydney: Allen and Unwin.
- Bacchi, C. 1990. *Same Difference: Feminism and Sexual Difference*. Sydney: Allen and Unwin.
- Baldock, C.V. 1990. *Volunteers in Welfare*. Sydney: Allen and Unwin.
- . 1998. Feminist discourses of unwaged work: The case of volunteerism. *Australian Feminist Studies* 13(27):19–34.
- Baldock, C.V., and B. Cass. (eds). 1983. *Women, Social Welfare and the State*. Sydney: Allen and Unwin.
- (eds). 1988. *Women, Social Welfare and the State*. 2nd ed. Sydney: Allen and Unwin.
- Barrett, M. 1988. *Women's Oppression Today*. London: Verso.
- Baxter, J. 1998. 'Moving toward equality? Questions of change and equality in household work patterns' in *Gender and Institutions: Welfare, Work and Citizenship*. Edited by M. Gatens and A. Mackinnon. Cambridge: Cambridge University Press.
- Baxter, J., and D. Gibson with M. Lynch-Blosse. 1990. *Double Take: The Links Between Paid and Unpaid Work*. Canberra: AGPS.
- Bittman, Michael. 1991. *Juggling Time: How Australian Families Use Time*. Canberra: Office of the Status of Women, Department of the Prime Minister and Cabinet.
- Bittman, M., and J. Pixley. 1997. *The Double Life of the Family*. Sydney: Allen and Unwin.
- Bottomley, G. 1992. *From Another Place: Migration and the Politics of Culture*. Cambridge: Cambridge University Press.
- Bottomley, G., and M. de Lepervanche (eds). 1984. *Ethnicity, Class and Gender in Australia*. Sydney: Allen and Unwin.
- Bottomley, G., M. de Lepervanche and J. Martin. 1991. 'Preface' in *Intersexions: Gender/Class/Culture/Ethnicity*. Edited by G. Bottomley, M. de Lepervanche and J. Martin. Sydney: Allen and Unwin.
- Brennan, D. 1998. *The Politics of Australian Child Care: Philanthropy to Feminism and Beyond*. Cambridge: Cambridge University Press.
- Broom, D.H. 1991. *Damned If We Do: Contradictions in Women's Health Care*. Sydney: Allen and Unwin.
- . (ed.). 1984. *Unfinished Business: Social Justice for Women in Australia*. Sydney: Allen and Unwin.
- Bryson, Lois. 1983. 'Women as welfare recipients: Women poverty and the state' in *Women, Social Welfare and the State*. Edited by C. Baldock and B. Cass. Sydney: George Allen and Unwin.
- . 1987. Sport and the maintenance of masculine hegemony. *Women's Studies International Forum* 10(4):349–60. (Reprinted in Birrell, S. (ed.). *Women, Sport and Culture*. Champaign, IL: Human Kinetics Publishers; and 1992 in Yiannakis, A., T. McIntyre and M. Melick (eds). 1992. *Sport Sociology: Contemporary Themes*. Dubuque, IA: Kendall-Hunt.)
- . 1990. 'Challenges to male hegemony in sport' in *Critical Perspectives on Sport, Patriarchy and Men*. Edited by M. Messner and D.F. Sabo. Champaign, IL: Human Kinetics Publishers.
- . 1992a. *Welfare and the State: Who Benefits?* London: Macmillan.
- . 1992b. 'Gender' in *Oxford Companion to Australian Sport*. Melbourne: Oxford University Press.
- . 1993. Equality parenting and policymaking. *Australian Journal of Marriage and Family* 14(2):66–75.
- . 1994. *Dealing with a Changing Work Environment: the Issue of Sexual Harassment in the ADF*. Report prepared for the Assistant Chief of Defence Force Personnel. Canberra: Australian Defence Forces.
- . 1995. 'Two welfare states: One for women one for men' in *Women in a Restructuring Australia: Work and Welfare*. Edited by A. Edwards and S. Magarey. Sydney: Allen and Unwin.
- . 1996. Revaluating the household economy. *Women's Studies International Forum* 19(3):207–19.

- . 2001. 'Australia: The transformation of the wage earners' welfare state' in *International Social Policy*. Edited by P. Alcock and G. Craig. Hampshire: Palgrave.
- Bryson, L., with M. Bittman and S. Donath. 1994. 'Men's and women's welfare state: Tendencies to convergence in theory and practice?' in *Gendering Welfare States*. Edited by D. Sainsbury. London: Sage.
- Bryson, L., K. McPhillips and K. Robinson. 2001. Turning public issues into private troubles: Lead contamination, domestic labour, and the exploitation of women's unpaid labour in Australia. *Gender and Society* 15(5):754–72.
- Bulbeck, C. 1998. *Re-orienting Western Feminisms: Women's Diversity in a Postcolonial World*. Cambridge: Cambridge University Press.
- Burton, C. 1991. *The Promise and the Price*. Sydney: Allen and Unwin.
- Carter, B., E. Hussen, L. Abbott, M. Liddle, M. Wighton, M. McCormack, P. Duncan and P. Nathan. 1987. Borning: Pmere Laltyeke Anwerne Ampe Mpwaretyeke – Congress Alukura by the grandmothers' law. *Australian Aboriginal Studies* 1:2–33.
- Cass, B. 1986. *Income Support for Families and Children*. Social Security Review Issues Paper 1. Canberra: AGPS.
- . 1992. 'The limits of the public/private dichotomy: A comment on Coady & Coady' in *Children, Rights, and the Law*. Edited by P. Alston, S. Parker and J. Seymour. Oxford: Clarendon Press.
- Chung, D. 2002. Violence, control, romance and gender equality: Young women negotiating heterosexuality with a male gaze. Paper presented at the conference 'Expanding Our Horizons: Understanding the Complexities of Violence against Women', University of Sydney, 18–22 February.
- Civics Expert Group. 1994. *Whereas the People ... Civics and Citizenship Education*. Report of the Civics Expert Group. Canberra: AGPS.
- Connell, R.W. 1987. *Gender and Power: Society, the Person and Sexual Politics*. Stanford, CA: Stanford University Press.
- . 1990. 'An iron man: The body and some contradictions of hegemonic masculinity' in *Sport, Man and the Gender Code: Critical Feminist Perspectives*. Edited by M.A. Messner and D.F. Sabo. Champaign, IL: Human Kinetic Books.
- . 1993. The big picture: Masculinities in recent world history. *Theory and Society* 22:597–623.
- . 1995. *Masculinities*. Sydney: Allen and Unwin.
- . 2000. *The Men and the Boys*. Sydney: Allen and Unwin.
- Connell, R.W., D.J. Ashenden, S. Kessler and G.W. Dowsett. 1982. *Making the Difference: Schools, Families and Social Division*. Sydney: George Allen and Unwin.
- Cox, Eva. 1993. Policy contest: Immigrant women on a flat playing field. *Australian Feminist Studies* 18:25–48.
- . 1995. *A Truly Civil Society: 1995 Boyer Lectures*. Sydney: Australian Broadcasting Corporation.
- Curthoys, A. 1998. 'Gender in the social sciences in Australia' in *Challenges for the Social Sciences in Australia*. Academy of the Social Sciences in Australia. Canberra: Australian Research Council, Discipline Research Strategies.
- Davies, B. 1989. *Frogs and Snails and Feminist Tales*. Sydney: Allen and Unwin.
- . 1993. *Shards of Glass: Children Reading and Writing Beyond Gendered Identities*. Sydney: Allen and Unwin.
- Deacon, D. 1989. *Managing Gender: The State, the New Middle Class and Women Workers 1830–1930*. Melbourne: Oxford University Press.
- Dempsey, K. 1997. *Inequalities in Marriage: Australia and Beyond*. Melbourne: Oxford University Press.
- Dowsett, G. 1996. *Practising Desire: Homosexual Sex in the Era of AIDS*. Stanford, CA: Stanford University Press.

- Edwards, A. 1989. The sex/gender distinction: Has it outlived its usefulness? *Australian Feminist Studies* 10:1–12.
- Edwards, A., and S. Magarey (eds). 1995. *Women in a Restructuring Australia: Work and Welfare*. Sydney: Allen and Unwin.
- Edwards, M. 1981. *Financial Arrangements within Families Part 1*. Canberra: National Women's Advisory Council.
- . 1984. 'The distribution of income within households' in *Unfinished Business: Social Justice for Women in Australia*. Edited by D.H. Broom. Sydney: George Allen and Unwin.
- Eisenstein, H. 1991. *Gender Shock: Practising Feminism on Two Continents*. Sydney: Allen and Unwin.
- . 1996. *Inside Agitators: Australian Femocrats and the State*. Sydney: Allen and Unwin.
- England, P. 1993. 'The separate self: Androcentric bias in neoclassical assumptions' in *Beyond Economic Man: Feminist Theory and Economics*. Edited by M.A. Ferber and J.A. Nelson. Chicago: University of Chicago Press.
- Eveline, J. 1994. The politics of advantage. *Australian Feminist Studies* 19:129–54.
- Franklin, M.-A., L.M. Short and E.K. Teather (eds). 1994. *Country Women at the Crossroads: Perspectives on the Lives of Rural Australian Women in the 1990s*. Armidale, NSW: University of New England Press.
- Franzway, S. 2001. *Sexual Politics and Greedy Institutions: Union Women, Commitments and Conflicts in Public and in Private*. Annandale: Pluto Press.
- Franzway, S., D. Court and R.W. Connell. 1989. *Staking a Claim: Feminism, Bureaucracy and the State*. Sydney: Allen and Unwin.
- Fraser, N., and L. Gordon. 1994. A genealogy of dependency: Tracing a keyword of the U.S. welfare state. *Signs: Journal of Women in Culture and Society* 19(2):309–36
- Game, A., and R. Pringle. 1983. *Gender at Work*. Sydney: George Allen and Unwin.
- Gatens, M. 1989. Woman and her double(s): Sex, gender and ethics. *Australian Feminist Studies* 10:33–47.
- . 1990. 'A critique of the sex/gender distinction' in *A Reader in Feminist Knowledge*. Edited by S. Gunew. London: Routledge.
- Gilbert, P., and S. Taylor. 1991. *Fashioning the Feminine: Girls, Popular Culture and Schooling*. Sydney: Allen and Unwin.
- Gilbert, R., and P. Gilbert. 1998. *Masculinity Goes to School*. Sydney: Allen and Unwin.
- Grosz, E. 1987. Notes towards a corporeal feminism. *Australian Feminist Studies* 5:1–16.
- Harper, A. 2001. Sexually transmitted debt: Credibility, culpability and the burden of responsibility. PhD thesis, Department of Social Inquiry, Adelaide University.
- Harris, A. 1999. 'Defining and contesting DIY feminism: The politics of grrrlpower' in *Proceedings of the 1999 Conference of the Australasian Political Studies Association 26–29 September University of Sydney*. Vol. 2. Compiled by J. Brookfield, S. Windybank, A. Benz and V. Kirkpatrick, pp. 283–288. Sydney: Australasian Political Studies Association.
- . 2001. Not waving or drowning: Young women, feminism, and the limits of the next wave debate. *Outskirts: Feminisms along the Edge* 8 (May). <http://www.chloe.uwa.edu.au/outskirts/>
- Held, V. 1993. *Feminist Morality: Transforming Culture, Society and Politics*. Chicago: University of Chicago Press.
- Kalantzis, M. 1990. 'Ethnicity meets gender meets class in Australia' in *Playing the State: Australian Feminist Interventions*. Edited by S. Watson. Sydney: Allen and Unwin.
- Kaplan, G. 1996. *The Meagre Harvest: The Australian Women's Movement 1950s–1990s*. Sydney: Allen and Unwin.
- Kenway, J., and S. Willis, with J. Blackmore and L. Rennie. 1997. *Answering Back: Girls, Boys and Feminism in Schools*. Sydney: Allen and Unwin.

- La Marchesina, C. 1994. 'Working with women in the workplace: The story of WICH' in *Women Working Together: Lessons from Feminist Women's Services*. Edited by W. Weeks. Melbourne: Longman Cheshire.
- Lloyd, G. 1989. Woman as other: Sex, gender and subjectivity. *Australian Feminist Studies* 10:13–22.
- McMahon, A. 1999. *Taking Care of Men: Sexual Politics in the Public Mind*. Cambridge: Cambridge University Press.
- Martin, Jeannie. 1991. 'Multiculturalism and feminism' in *Intersections: Gender/Class/Culture/Ethnicity*. Edited by G. Bottomley, M. de Lepervanche and J. Martin. Sydney: Allen and Unwin.
- Mitchell, D. 1998. 'Life-course and labour market transitions: Alternatives to the breadwinner welfare state' in *Gender and Institutions: Welfare, Work and Citizenship*. Edited by M. Gatens and A. Mackinnon. Cambridge: Cambridge University Press.
- Moir, B. and A. 1998. *Why Men Don't Iron: The Real Science of Gender Studies*. London: HarperCollins.
- Moreton-Robinson, A. 2000. *Talking 'Up' to the White Woman: Aboriginal Women and Feminism*. Brisbane: University of Queensland Press.
- Muir, K., and S. Franzway. 2000. Editorial: Sexual politics and trade unions. *Hecate* 26(2):4–9
- Neave, M. 1995. 'Women, divorce and redistributing the cost of children' in *Women in a Restructuring Australia: Work and Welfare*. Edited by A. Edwards and S. Magarey. Sydney: Allen and Unwin.
- Nelson, J.A. 1996. *Feminism, Objectivity and Economics*. London: Routledge (especially pp. 20–38).
- Pateman, C. 1988. *The Sexual Contract*. Oxford: Polity Press.
- Pettman, J.J. 1996. *Worlding Women: A Feminist International Politics*. Sydney: Allen and Unwin.
- Pocock, B. 1997. 'Introduction' in *Strife: Sex and Politics in Labour Unions*. Edited by B. Pocock. Sydney: Allen and Unwin.
- . 2001. *Having a Life: Work, Family Fairness and Community in 2000*. Adelaide: Centre for Labour Research, Adelaide University.
- Pringle, R. 1988. *Secretaries Talk: Sexuality, Power and Work*. Sydney: Allen and Unwin.
- . 1998. *Sex and Medicine: Gender, Power and Authority in the Medical Profession*. Cambridge: Cambridge University Press.
- Pringle, R., and S. Watson. 1992. 'Women's interests and the post-structuralist state' in *Destabilizing Theory: Contemporary Feminist Debates*. Edited by M. Barrett and A. Phillips. Cambridge: Polity.
- Reiger, K. 1991. *Family Economy*. Melbourne: McPhee Gribble/Penguin.
- Ripper, M., and L. Ryan. 1998. The role of the 'withdrawal method' in the control of abortion. *Australian Feminist Studies* 13(28):313–21.
- Ryan, L., M. Ripper and B. Buttfield. 1994. *We Women Decide: Women's Experiences of Seeking Abortion in Queensland, South Australia and Tasmania 1985–1992*. Adelaide: Women's Studies Unit, Faculty of Social Sciences, Flinders University.
- Sawer, M. 1990. *Sisters in Suits: Women and Public Policy in Australia*. Sydney: Allen and Unwin.
- . 1993. 'Reclaiming social liberalism: The women's movement and the state. *Journal of Australian Studies* (Special issue *Women and the State: Australian Perspectives*, edited by R. Howe) June:1–21.
- Stacey, J., and B. Thorne. 1985. The missing feminist revolution in sociology. *Social Problems* 32(4):301–16.
- Sullivan, B. 1994. 'Contemporary Australian feminism: A critical review' in *Australian Political Ideas*. Edited by G. Stokes. Sydney: UNSW Press.
- Thiele, B. 1986. 'Vanishing acts in social and political thought: Tricks of the trade' in *Feminist Challenges: Social and Political Theory*. Edited by C. Pateman and E. Gross. Sydney: Allen and Unwin.
- Thorne, B. 2000. A telling time for women's studies. *Signs: Journal of Women in Culture and Society* 25(4):1183–8.

- Threadgold, T. 1998. 'Gender studies and women's studies' in *Knowing Ourselves and Others: The Humanities in Australia into the 21st Century*. Vol. 2. Reference Group for the Australian Academy of the Humanities. Canberra: Australian Research Council, Discipline Research Strategies.
- Vasta, E. 1991. 'Gender, class and ethnic relations: The domestic and work experiences of Italian migrant women in Australia' in *Intersections: Gender/Class/Culture/Ethnicity*. Edited by G. Bottomley, M. de Lepervanche and J. Martin. Sydney: Allen and Unwin.
- Wajcman, J. 1999. *Managing Like a Man*. Sydney: Allen and Unwin.
- Waring, B. 1984. *The Ideology of Motherhood: A Study of Sydney Suburban Mothers*. Sydney: George Allen and Unwin.
- Waring, M. 1988. *Counting For Nothing: What Men Value and What Women are Worth*. Wellington and Auckland: Allen and Unwin in association with Port Nicholson Press.
- Watson, S. (ed.) 1990. *Playing the State: Australian Feminist Interventions*. Sydney: Allen and Unwin.
- Western, J.S. 1998. 'Sociology' in *Challenges for the Social Sciences in Australia*. Academy of the Social Sciences in Australia. Canberra: AGPS.
- Yeatman, A. 1986. 'Women, domestic life and sociology' in *Feminist Challenges: Social and Political Theory*. Edited by C. Pateman and E. Gross. Sydney: Allen and Unwin.
- . 1990. *Bureaucrats, Technocrats, Femocrats: Essays on the Contemporary Australian State*. Sydney: Allen and Unwin.
- . 1993. 'Voice and representation in the politics of difference' in *Feminism and Politics of Difference*. Edited by S. Gunew and A. Yeatman. Sydney: Allen and Unwin.
- Zadoroznyj, Maria. 2001. Birth and the 'reflexive consumer': Trust, risk and medical dominance in obstetric encounters. *Journal of Sociology* 37(2):117–39.

Work and Employment

Bill Martin

At the end of the 1980s, a confident reviewer might have surveyed the record of Australian sociological research on work and employment and concluded that its cumulative achievements were considerable and that the field had a promising future. Indeed, the range of significant monographic studies of various aspects of work displayed impressive theoretical concerns and advances, alongside a very solid empirical base. Claire Williams (1981) had turned a study of work in a Queensland coalmine into a path-breaking treatise on the complexities of gender and class dynamics in the interface between work, family life and community. Roy Kriegler (1980) worked in a Whyalla shipyard and laid bare the myriad oppressions and indignities that went to make up class authority in an Australian workplace. Evan Willis (1983) used a quasi-Marxist framework to analyse the dominance of the medical profession in the Australian health system, emphasising particularly the role of state regulation. Other works have included Bob Connell's *Teacher's Work* (1985), which examined public and private schools, exploring teaching as profession, craft, and labour process, and placing it in the school environment with relationships to children and families. Williams (1988) made another major contribution, showing the complexities of the work and class situations of employees who were 'in between' – technicians, flight attendants and bank workers. Ann Game and Rosemary Pringle's highly influential *Gender at Work* (1983) was followed by Pringle's powerful demonstration of the deep implication of sexuality in the operation of day-to-day workplace patriarchy (Pringle 1988). Jock Collins (1988) and Constance Lever-Tracy and Mike Quinlan (1988) developed competing, but powerful accounts of the postwar wave of migration to Australia, the patterns of ethnic segmentation that resulted and the forces that generated it.

Into the early 1990s, attempts to synthesise knowledge began to appear (Probert 1989; Williams with Thorpe 1992), and one would have guessed that researchers were ready to consolidate the advances of the 1980s and move on to systematically develop the field. However, recent commentaries suggest that the 1990s appear more as a period of 'fragmentation', even 'dissipation' in Australian sociology of work (Campbell 2002; Harding and Sappey 2002). One reason for this impression is undoubtedly that a tide of workplace and labour-market change overtook the settled patterns of earlier decades, and researchers focused their attention on these changes. Indeed, new attention to such

issues as shifting labour-market structures and institutions, changing work identities, growing non-standard employment, and expanding participation in the paid workforce all combined to disrupt the sense of certainty the field had begun to develop. To the extent that it took time to come to terms with what many saw as a new world of work, the field necessarily appeared fragmented. Perhaps, as one commentator has suggested, the impression of dissipation is 'deceptive', with the net effect of the past decade and a half of research being a broader understanding of the workplace and workplace change (Campbell 2002).

However, at the same time as researchers have focused on what is new and different in Australians' experience of work, one key intellectual development – the rise of feminist perspectives and other new theoretical developments they have inspired – has led sociologists to see aspects of that experience that were previously opaque. One major change in the labour market, the growing participation of women in paid work, is an important aspect of this development. However, its core is new perspectives that illuminate the ways gender, sexuality and other aspects of the embodiment of social life infuse the experience of work.

In many respects, the story is of the resistance of entrenched social patterns to change. Thus, the impression of fragmentation in the field arises not only from new realities in the world of work, but also from new ways of seeing work and the labour market that often emphasise continuity with the past.¹ A key challenge in the field, therefore, is to integrate understanding of the forces that are transforming work and workplaces alongside those that resist change. In this chapter, I begin by briefly outlining some of the major contours of change in work and the labour market as context for the next section, which outlines the major directions in sociological studies of the new world of work. Finally, I briefly consider the literature focused on gender and other forms of embodiment at work, and conclude with some brief reflections on possible future directions in the field.

Change in work and the labour market

Like those in other advanced industrial societies, Australian workplaces have seen enormous technological change over the past two or three decades. Between 1990 and 1999, Australian investment in new information and communication technologies (ICTs) grew at nearly 15 per cent per annum, with more than 76 per cent of businesses using computer equipment in the workplace by 1999–2000 (Parham, Roberts and Sen 2001). Most obviously, the penetration of ICTs into almost every corner of the economy has eliminated jobs through automation, changed the nature of other jobs, and created entirely new jobs. At the same time, it has offered new possibilities for monitoring and controlling workers, but also generated opportunities for employee autonomy and innovation, and facilitated many of the new, dynamic service businesses. However, there is considerable debate about the extent to which a focus on technological developments alone illuminates the most significant workplace and labour-market changes, as consideration of summary indicators of the contours of the labour market and workforce shows.

The growth of non-standard forms of employment – part-time work, casual work, contract work – is well-documented. While 76 per cent of the Australian workforce was in full-time permanent employment in 1971, by 2000 the figure had fallen to 53 per cent, with part-time casual employees growing from less than 5 per cent of the workforce to more than 15 per cent in the same period (Wooden 2002). Many analysts consider that figures like these actually understate the extent of change in employment security, because many people in ‘permanent’ employment now experience far less certainty than they did twenty years ago (Kelley, Evans and Dawkins 1998). A very large proportion of the new army of part-time and casual employees is women (44 per cent of women’s employment was part-time in 1999 compared to 12 per cent of men’s), and the expansion of women’s labour-force participation (from 50 per cent of 15- to 64-year-old women in 1978 to 64 per cent by 2000) is another fundamental feature of the changing world of work in Australia (figures from Cass 2002). At the same time, older men have withdrawn from the labour force, with just over 70 per cent of 55- to 59-year-olds being in the labour force in 2000, compared to just under 80 per cent in 1982 (ABS 2002).

Alongside these demographic shifts and changes in the nature of employment contracts, a long-evident move towards a ‘service economy’ has continued apace, with personal and business service sector employment rising from 26 per cent of jobs in 1970 to 45 per cent in 2000, while manufacturing employment fell from 25 per cent to 13 per cent in the same period (Wooden 2002). The occupational structure too has changed, though less quickly, with increasing proportions of workers and work effort in managerial, professional and semi-professional jobs, while fewer are in unskilled positions (Martin 1998; Wooden 2002). Some growth in earnings inequality has accompanied these changes. Private-sector managers and business professionals have been notable winners (Martin 1998), while there is increasing evidence of stagnating or falling wages among a growing group of the ‘working poor’ (Harding and Greenwell 2002).

At the same time, the Australian industrial-relations system has been transformed (Richardson 1998). Semi-judicial awards covering wages and conditions across enterprises have much less impact than they did twenty years ago, and enterprise-level agreements are now the legislated form of industrial contracts. Some legislated union and employment protections have been removed, leading to a substantially less-regulated labour market. Rates of union membership have continued to fall, while a wave of union mergers has led to a growing dominance of large unions that cross previously sacrosanct industry and occupation divisions (see Western 1996). While the impacts of these changes remain matters of controversy, the extent of decentralisation and deinstitutionalisation of Australian industrial relations cannot be underestimated. Indeed, further moves in these directions seem likely.

A new world of work?

Given the changes just outlined, there can be little doubt that the social landscape facing sociologists of work and employment in Australia has changed rapidly over the

past fifteen to twenty years. However, understanding exactly what changes have occurred and how people have experienced them are difficult matters that have occupied the attention of Australian sociologists of work and employment. Insofar as the Australian experience is largely consistent with that in other advanced industrial societies, it is not surprising that British and US research has often provided the framework for local research. Nevertheless, the Australian experience has unique elements, most obviously those arising from the dominance of the semi-judicial award system that shaped Australian industrial relations for much of the twentieth century, but also in the exact pattern and timing of other changes. In this section of the chapter, I outline the main lines of research that have opened up as sociologists have explored the new world of work.

Technological change is the starting point for many popular, and sociological, accounts of workplace change of the past twenty years. During the 1980s, a focus on the labour process provided the key orientation for most Australian studies of the implementation of new technologies in the workplace. Researchers enthusiastically joined the international debates about the extent and nature of deskilling (and *enskill*ing) entailed in various new technologies, the extent to which the workplace outcomes of technological change are the result of conflict and negotiation between workers and management, and the relation of these issues to the structure of labour markets (for example, see the contributions to Willis 1988). As elsewhere, the general conclusions were that Braverman's original thesis was overdeterministic in assuming that technological change was always driven by management's desire to deskill and thereby disempower employees, that management was always able to control how new technology was implemented, or that its main effect was always to reduce employees' skills (for example, Davis 1988; Greig 1990; Reed 1988; Wilkinson 1988).

Research demonstrated that a range of contextual factors were important in determining the workplace outcomes of new technology. These included the orientations and actions of workers and unions (Palmer 1988; Reed 1988), varying labour-market conditions (Wajcman and Probert 1988), and the level of pre-existing control professions had over their work and their relation to the state (Daly and Willis 1988). In a recent contribution, Marjoribanks (2000) has developed a model of the implementation of technological change that reverberates with these earlier contributions. Through a cross-national study of new technology in News Corporation, a single global firm, he argues that outcomes vary from location to location, depending on the relations between key actors such as management, workers, unions and state players, along with wider social context.

At the same time as researchers moved beyond the simple hypothesis of deskilling, the new ICTs were rapidly implemented, quickly transforming many jobs (for example, Isdale 1999; Wright and Lund 1998). During the 1990s, workplace organisation received much attention as a central factor mediating the effect of introduction of new ICTs. An initial focus was the extent to which these new technologies were being introduced primarily as elements in a new, more flexible 'post-Fordist' production regime that would give employees greater discretion and autonomy (see Matthews 1989). Such a hypothesis was quite widely viewed as technologically determinist (for example, Campbell 1990; Probert and Wajcman 1988), and research in workplaces quickly showed that new technology was often implemented without the introduc-

tion of such production regimes and without significant effects on employees' autonomy (Boreham 1992; Greig 1992). Indeed, the impacts of new ICTs on workers and organisations may be largely unintended by management, and depend on how work using ICTs fits into other tasks employees perform, and the support and training they are given (for example, Isdale 1999). New opportunities for worker surveillance and supervision arising from introduction of ICTs, with concomitant rising work demands and stress, have also drawn the attention of researchers (Wright and Lund 1998). However, neither stress nor greater worker surveillance and supervision are necessary consequences of the introduction of ICTs, but depend on the social relations of the workplace (Yeuk-Mui 2001).

More enduring than the concern with the relation between post-Fordism and new technology has been the issue of new forms of work organisation that are made possible through the new ICTs. Probert and Wajcman (1988) were prescient in identifying the 'virtual workplace' as an emerging issue in the 1980s (Wajcman and Probert 1988). They emphasised the complex relations between gender, family, and labour-market structure and demand that produce varying experiences of the virtual workplace among 'new technology homeworkers'. Although subsequent Australian research focused on this issue has been limited, perhaps partly because ICT-dependent outwork has expanded more slowly than many analysts initially expected (Diamond and Lafferty 2000), it remains a topic of interest and likely future research (for example, Dawson et al. 2000). Recent developments, such as the use of highly educated workers in India to undertake medical transcriptions for Australian specialists (Sinclair-Jones 2000), point to a new kind of telework based on an international division of labour only recently possible.

Most influential sociological analyses have seen technological change as being embedded in wider processes of social change. For example, while new ICTs greatly assist in the development of 'post-Fordist' production regimes, common explanations for the appearance of such new modes of work organisation focus on the logic of consumer capitalism and globalisation eschewing technological determinism (for example, Lash and Urry 1988). As private firms, and then the public sector, underwent waves of organisational change, researchers began to focus on the exact nature and effects of these shifts in workplace organisation. Common images of the resulting restructured organisations varied from the negative stereotype of the 'regimented work organisation' – a contemporary, coercive version of bureaucracy – to the post-bureaucratic 'empowered organisation' that offered employees new levels of work autonomy and freedom from hierarchic authority relations (Frenkel et al. 1999).

In their path-breaking study of three kinds of 'front-line' work, Frenkel et al. (1999) showed that a single homogeneous form of work organisation was not emerging, with organisational models requiring employees to act as quasi-entrepreneurs appearing alongside the 'empowering' and 'regimenting' models. Research focused on the effects of organisational change on career paths and long-term employment in organisations has also shown that organisational change is complex. Despite some evidence consistent with major disruption to organisational careers in the early 1990s (Littler et al. 1996), subsequent research has shown strong continuities in employment patterns in large organisations and rejected the image of a wholesale shift away from bureaucratic employment models (Harley 1999; Wajcman and Martin 2001).

Nevertheless, there is no doubt that organisational change and restructuring has been a feature of Australian workplaces over the past fifteen to twenty years or so, as it has of those around the world, and that redundancy is a common feature of such change (Morehead et al. 1997). Vulnerable workers – those with limited formal training, older workers, women, and members of some ethnic groups – are indeed at risk of longer-term unemployment, with its associated negative effects on subsequent income, health and general wellbeing (Webber and Campbell 1997). However, as greater ‘churning’ becomes an accepted feature of the labour market, it appears that workers in stronger labour-market positions suffer few negative consequences from redundancy (Evans and Kelley 2001; Wajcman and Martin 2001).

How workers understand these changes and integrate them into their work identities and commitments is an issue that has produced innovative Australian research. Pusey (2003) has most tenaciously developed the interpretation that workplace changes are producing great resentment in ‘middle Australia’. Arguing that many employees’ negative views about changes to the labour market are linked to their distrust of wider aspects of ‘economic rationalism’ (the Australian version of neoliberalism), he also suggests that their frustration has no clear targets. However, researchers studying workers in workplaces have found more nuanced responses. A key issue in Australia, as elsewhere, is how employees react to attempts to impose new work and career meanings on them through organisational and workplace cultures. Responding to overseas research claiming that workers often straightforwardly internalise workplace cultures offered to them by employers, some Australian studies have confirmed this image (for example, Barrett 2001). However, other important analyses have substantially qualified the picture. An emerging theme focuses on the ways workers, particularly non-managerial ones, resist simple imposition of management’s culture and construct identities that preserve images of themselves that they value. They retain autonomy particularly in defining ‘good’ behaviour in the workplace, as, for example, when front-line workers resist conflating sales with customer-service work because they perceive it as taking advantage of customers (Korczyński et al. 2000), or when workers respond to change by acting upon the responsibilities they feel to coworkers (Skinner 2002).

At the same time, Martin and Wajcman (2002) argue that managers go well-beyond merely resisting new workplace cultures. They have appropriated and internalised a kind of individualised neoliberalism that provides them with identity, some autonomy and a capacity to sustain a sense of agency in the face of levels of organisational and career uncertainty that would have devastated their identities twenty years ago. At the other end of the spectrum, McDonald’s (1999) study of unemployed young people and their relationship to their local community explores the difficulties of identity formation when work is absent (see also Probert and Macdonald 1996). Together, these studies point to a distinctively sociological research agenda focused on shifting workplace and labour-market identities and their relation to such issues as commitment, managerial strategies, career orientations and industrial conflict. However, there remains a considerable challenge in attempting to integrate understanding of the various ‘identity strategies’ that have been documented into a theoretically satisfying

account of the logic of identity formation in differing settings. Such an understanding would be of international significance.

Closely related to changes in the Australian experience of work associated with new technologies and workplace reorganisation have been major changes in the labour market as an institution and in the industrial-relations system. The growth of 'non-standard' (that is, not permanent and full-time) employment is one of the key changes, and has received much attention. As is the case in many other industrialised societies, women have been heavily over-represented among those holding such jobs. A dominant interpretation has been that these jobs are inferior to standard ones – in terms of conditions, security, training availability and, often, pay – and the result is that women are significantly disadvantaged in the labour market compared to men (for example, Harley and Whitehouse 2001; Probert 1997; Pocock 1995). Specifying and documenting the conditions of non-standard employment has been a matter of some controversy, with some researchers arguing that the Australian experience of such jobs is not nearly as negative as many believe (for example, Wooden 2002). The concept of 'precarious employment' may offer a route for more usefully locating and understanding the 'bad' jobs that are undoubtedly over-represented in non-standard employment (Burgess and Campbell 1998; see Campbell and Burgess 2001a, 2001b; Wooden 2001).

In line with international research, a simmering issue in Australia has been whether the rise in non-standard employment reflects employers' own desire for flexibility, their acquiescence to women's needs and preferences, or the impact of other factors. While it is fairly clear that industrial restructuring alone cannot explain the rise (de Ruyter and Burgess 2000), there is some evidence that employers' growing desire for flexibility is important. Both numerical flexibility (variation of the number of employees, particularly through casual employment) and working-time flexibility (variation in the times or number of hours worked by permanent employees) are well-documented strategies used by Australian employers to adjust labour supply to their needs (Boreham et al. 1996; Jamieson and Webber 1991). Many analysts have assumed that women were better off where the latter strategy was used in preference to the former. However, even in relation to employment security, there is no guarantee of this (Boreham et al. 1996; Junor 1998). In a subtle analysis of the dilemmas involved, Probert (1995) used a study of the implementation of two enterprise agreements to argue that women's domestic responsibilities and the implicitly male standard employment model mean that making part-time and casual jobs more like standard ones does not always benefit women. Moreover, whether flexibility is achieved through employment of casuals, part-time workers, or standard employees who are deployed flexibly depends at least as much on industry and workplace traditions and cultures as it does on rational management.

Deregulation of the labour market, rollback of state-funded services such as child-care, and the growth of dual-earner households have led to growth in other forms of non-standard employment, and in blurring of the boundaries between paid employment and volunteer work. Outwork has begun to receive some attention beyond the interest in telework, with growing concern about exploitation of disadvantaged workers in the clothing industry (Delaney 1994; Lafferty et al. 1997; Peck 1990). Family-based

day-care grew rapidly during the late 1980s and 1990s, prompting research on the experience of carers as paid workers and on the transformation of mothering into a marketable skill (Saggers et al. 1994). Volunteer work, too, has received attention as activities move in and out of the volunteer sector, particularly with funding difficulties in many welfare areas (Baldock 1998). In parallel, research on trends in outsourcing of domestic labour documents the steady shift of some household activities such as cooking and childcare into the realm of paid work (Bittman, Matheson and Meagher 1999). Models for theorising the relationship between trends towards various forms of non-standard work, shifts in industrial and occupational structure and growing demand for personal services exist in the international literature (for example, Gregson and Lowe 1994; Sassen 1988). However, Australian attempts to systematically theorise these connections are limited (see Bittman, Matheson and Meagher 1999).

Any such attempts would need to take account of shifting patterns of work hours and distribution of paid work through the life cycle. For at least the past twenty years there has been a progressive polarisation of working hours, so that a greater proportion of employees work part-time and a greater proportion work long hours (Tracy and Lever Tracy 1991; Wooden 2002). Alongside shifts towards work more commonly being done outside normal ('social') hours and rises in dual-earner households, these changes have increasingly been seen as producing stresses in the relationship between work and family life (Bittman and Rice 2002). There has been much public and media interest in these issues, as evidenced by the attention recently given to Pocock's (2001a, 2001b) research on the work-family life balance (see also Donaldson 1996). Franzway (2001) has recently revived the concept, arising from a study of women trade-union leaders, of 'greedy institutions', characterising some workplaces and families in this way to account for the stresses many women face in combining family responsibilities and paid work. If paid work is more time-consuming, it has also become more concentrated in the life cycle, especially for men. Falling labour-force participation rates for men over 50 have begun to receive attention, though there is still no systematic research on the reasons for this decline, what such former workers do, whether more intense work is tolerated because of expectations of early retirement, and other related issues.

The revolutionising of the Australian industrial-relations system that has occurred over the past fifteen years is an important element in the changing experience of work (see Richardson 1998). With the move from centralised towards enterprise-level agreements, and recent reduction of the scope for labour-market regulation, researchers have focused on a number of issues. A widespread anticipation was that decentralisation would particularly disadvantage vulnerable workers, especially those with low skills, and women. It certainly has offered no improvements for such workers in 'bad' jobs (Baldock and Mulligan 1996). As indicated above, the issue of possible increases in 'flexibility' of working hours has turned out to be a complex one for women, with much work showing that it does not offer a panacea for the problems of balancing paid work and family (for example, Probert 1995; Charlesworth 1997). Other research has focused on the broad individualising impact that decentralisation has had, especially through the introduction of enterprise and individual contracts where industry-wide awards previously applied (for example, O'Brien and O'Donnell 2002). Although work in this area

is at present limited, it offers fertile ground for linking to wider sociological concerns with individualisation and the reconstruction of work and career identities.

In a more macro-sociological vein, we might expect concern with the fact that reformation of the industrial-relations system has occurred alongside major changes to the social-welfare system, including its labour-market-related provisions. Indeed, there is a common perception that the distinctively Australian 'labourist' settlement around a 'wage earners' welfare state' (Castles 1985) is in crisis, if not already gone (Beilharz 1994; Castles 2001). With the industrial-relations system far less able to guarantee a living wage and a welfare system that has become more punitive and more focused on 'mutual responsibility', such verdicts seem apposite. But if the Australian work-welfare regime is shifting, analysts have yet to provide an overarching account of the character of that shift, one that explains how it might fit into a new work-welfare regime. The work of feminist scholars also emphasises the importance of taking into account shifting gender patterns of workforce participation, and the corresponding new pressures on family and gender relations (see Edwards and Magarey 1995; O'Connor, Orloff and Shaver 1999).

Changing patterns of inequality are an important possible consequence of many of the changes at work already discussed. The best estimates of economists do suggest increases in overall income inequality, particularly earnings inequality (Harding and Greenwell 2002). However, sociologists have been most concerned with understanding the sources of change in the pattern of income and wealth distribution, notably the shifting effects of social class and gender. The class basis for income and earnings inequality, a topic of research in previous decades (for example, Martin 1994; Western 1991), has received little recent attention and remains a fertile area for research.

Some analysis suggests that the most significant changes in inequality may be in the relative fortunes of different occupational groups or class segments, rather than in the net income distribution (Martin 1998). Focus on gender inequalities in earnings has been more consistent, especially given the widespread anticipation that the decline of centralised industrial relations would affect women particularly negatively (for example, Women's Electoral Lobby 1992). Consistent evidence of an overall worsening of the gender wage gap has not materialised. However, recent research focusing on the interacting trends that determine the overall gap suggests that an apparently benign outcome may disguise a more complex picture, with trends that could produce worsening gender pay gaps in the future (Pocock 1998; Whitehouse 2001). Again, careful, sociologically informed analysis suggests that aggregate inequality measures may hide important changes that impact on many employees.

Seeing work anew: Gender, sexuality, race and ethnicity

By the late 1980s it was already evident that the sociology of work in Australia was being transformed by the influence of feminist perspectives that revealed hitherto unseen gender dimensions of structure and power in Australian workplaces. Indeed, a number of the most influential publications in the field at the time focused on exactly

this issue (for example, Game and Pringle 1983; Pringle 1988; Wajcman 1983; Williams 1981). While the tide of workplace change was shifting many researchers' attention to new experiences at work, feminist perspectives encouraged them to examine the powerfully entrenched gender relations that persisted and adapted even as work and the labour market were being transformed. The development of new theoretical perspectives on other aspects of embodiment, such as race, ethnicity, sexuality and, recently, the physical body, are having similar effects, again emphasising dimensions of the work experience that are not new, but have been previously neglected.

A number of key themes can readily be identified in the literature focusing on gender and work in Australia.² Here I focus on three of these: the gender structuring of the labour market, women's experience in the workplace, and the relation between work and family life.

As in other comparable societies, the most fundamental aspect of gender structuring of the Australian labour market remains sex segregation of occupations and industries. Recent research shows that it remains generally unchanged or, at best, is shifting only very slowly. Change is occurring most noticeably in some professional and managerial occupations, probably where formal education is a gateway to employment (Martin 1998; Pocock 1998). There is good evidence that areas of the labour market in which women are concentrated suffer significant wage disadvantages (Pocock and Alexander 1999), with the concentration of women in casual and part-time jobs also producing poorer employment conditions for women's jobs. The lack of women in senior managerial positions, particularly in the private sector, has received some attention, with particular interest in the 'glass ceiling' hypothesis (Baxter and Wright 2000; Hede and Ralston 1993; Still 1997).

Unpacking the causes of gender segmentation is an important issue that has produced a small amount of influential Australian research. Simple discrimination, in which employers (particularly men) avoid appointing women to jobs or fail to promote them, remains well-documented (for example, Wearing 1985). However, equally pervasive effects are produced through the gendering of jobs and occupations as male or female, so that particular work becomes understood as embodying a form of masculinity or femininity. On one side, feminists have shown how some areas of work are seen as women's, often because they involve direct subordination to men in workplaces (for example, secretaries or nurses; see Pringle 1988) or because of an apparent connection between them and women's domestic work. On the other side, stories about women's lack of certain essential abilities are used to justify regarding certain occupations as men's jobs, ones that women are simply unable to perform (Eveline 1998). Where women do obtain jobs that are gendered as male, they have to act 'like men' to succeed in them (Wajcman 1998). Other research has closely studied previously male occupations where women have been able to establish a place (Pringle and Alley 1995; Roach Anleu 1992; Smith and McAllister 1991), or new occupations that become gender-typed as female from the outset (Bennett 1991; Saggars et al. 1994). Together, these studies provide a fairly comprehensive picture of the processes that produce highly gendered jobs and occupations.

Nevertheless, valuable research could be undertaken on how these processes might be shifting in the changing world of work. Consistent with the general development of feminist thought, there is a strong thread of research concerned with how women expe-

rience the workplace and labour market and how they strategise in relation to them. Sexual harassment remains a significant issue (for example, Bryson 1994), and women use a range of strategies to deal with workplaces in which gender expectations are powerfully entrenched (Agostino 1998, 2000; Pyett and Warr 1999). An increasingly common emphasis is on how gender patterns are constantly defined and redefined in everyday workplace activities (for example, Grant and Porter 1994). Expectations that women's family and private roles dominate their lives are a central component in the tendency of many workplaces to view them as transient 'working mums' rather than employees with the same status as their male counterparts (Charlesworth 1999).

The new gender perspectives have produced profound shifts in sociological understandings of the connections between paid and unpaid work, and between families and the labour market. In Australian sociology, as elsewhere, research on domestic power relationships and the domestic division of labour has shown how paid work and the labour market are built around gendered domestic patterns (for example, Baxter, Gibson and Lynch-Blosse 1990; Bittman and Pixley 1997). One major strand of this analysis has focused on understanding gender dimensions of the forces propelling and shaping the growth in non-standard employment, an issue considered above. Gender perspectives have led to research showing how women's willingness to accept part-time and casual jobs, based on unquestioned domestic responsibilities, provides employers with skills and experience that would otherwise be out of their reach (Bennett 1991; Jamieson and Webber 1991; Junor 1998). Moreover, women who do seek career jobs face domestic responsibilities and identities that create trade-offs, dilemmas and career barriers from which men are largely immune (Morehead 2001; Zetlin and Whitehouse 1998).

In either case, there is ample evidence that employers rarely shape employment arrangements to assist women's management of their family roles (Probert 1995; Whitehouse 2001), with recent analysis suggesting unions are often ineffective in attempting to compel employers to change (Lyons 1996; Probert, Whiting and Ewer 2000). Placing these findings in the context of women's rising labour-force participation and increasing demands for employees to work long hours has stimulated a recent spate of research on the stresses families are currently facing (Bittman and Rice 2002; Pocock 2001a, 2001b; Probert, Whiting and Ewer 2000).

Although the research is much more limited than that on gender, other aspects of embodiment also appear to be important but slow-changing aspects of work experience. Racial and ethnic markers continue to powerfully affect workers' experiences and labour-market chances (for example, Campbell, Fincher and Webber 1991). Sexuality at work has received some study (Connell 1991; Pringle 1988), though the primary recent research has related to sex workers (Browne and Minichiello 1996; Pyett and Warr 1999), with British research on the performance of gender and sexuality (for example, Adkins and Merchant 1996) having no current Australian counterparts. Influenced by postmodern sociological approaches to the body in the workplace, emerging approaches to occupational health and safety see the workplace in ways not previously possible by emphasising how workplaces create danger for workers' bodies (see Williams 1997).

'Gender clearly continues to shape the employment opportunities in ... workplaces, unchallenged as ever.' With these words, Probert (1995:42) might be thought to summarise not only the findings of her research, but the overall sense arising from

much of that on gender processes at work. Gender processes remain deeply entrenched in the social organisation of work and labour markets, and largely unacknowledged. What evidence there is of changing gender processes indicates that change is extremely slow. Other aspects of socially constructed embodiment, too, may be remarkably resistant to change. Mapping and understanding these aspects of the social organisation of work and their persistence will undoubtedly remain an important concern into the future, especially as relevant theory is further developed and elaborated.

Conclusion

Perhaps the current sense of fragmentation in Australian literature on the sociology of work and employment is an important sign of its maturity. It reflects the fact that there is no single key to understanding contemporary workplace experience and change: the forces generating change and the perspectives from which it can be viewed are disparate. However, this need not lead to a postmodern disavowal of any synthetic project, at least in this field. The Australian sociology of work and employment has been largely free of the more extreme influences of postmodernism's relativism and attempt to reduce all social life to culture wars. Indeed, one might wish that some of the more productive perspectives from postmodernism, such as the British literature on the performance of gender and sexuality at work (for example, Adkins and Merchant 1996) or on the culturally embedded character of economic life (du Gay and Pryke 2002) could have had greater impact in Australia. Nevertheless, the field in Australia is most likely to benefit from some greater synthesis or, at the least, more sustained dialogue about the interactions of various trends, forces for change and divergent experiences in contemporary labour markets and workplaces. It is possible to suggest some research directions and issues that might foster explicit realisation and development of the 'deeper understanding' of work that Campbell (2002) saw underlying the surface appearance of fragmentation.

The current literature documents a variety of differing experiences in the new world of work, and responses to it. While some of the issues that affect basic labour-market opportunities and work experiences, such as education and gender, are clearly understood, there is a lack of research attempting to systematically elucidate the complex institutional and individual factors that combine to produce the range of such experiences. Much existing literature has focused on the important task of understanding the dangers and uncertainties arising from current work and labour-market trends.

However, deeper insight into the processes and effects of change may only come with the search for more equivocal or even positive experiences. This will require a focus on such areas as the current fast-growing professional and managerial workplaces, self-employment (especially in business and personal-service areas), and the fate of skilled trades. The most productive synthesis will come from approaches that are neither simply celebratory nor condemnatory of the new world of work, but that try to understand the relationship between the variety of experiences that make up the universe of contemporary workplaces. What, for example, is the relationship between the

apparently positive experiences of many private-sector managers or new global consultants and image-makers (Wajcman and Martin 2001; Wood and Connell 2002) and the much more negative ones of, say, women in routine service-sector work?

The current literature is almost devoid of research focused on aspects of how people's experiences of work and the labour market unfold over time. Virtually all research on such issues relies on the recall of experience by members of cross-sectional samples. Longitudinal research on aspects of work and the labour market may offer important new insights into the new world of work, including essential elements in understanding the factors affecting variations in people's experiences. While studies like the recently begun Household, Income and Labour Dynamics Australia (HILDA) study may offer some possibilities here (Wooden and Watson 2001), data generated through an explicit focus on issues arising from the existing sociological literature on work and employment is likely to be essential. Greater coordination and cooperation between sociologically influenced researchers in the field may pay major dividends. At present, research is often disparate, arising from varying concerns, and researchers only comprehend their mutual interests in retrospect. Larger, more coordinated research efforts may also counteract the worsening institutional position of sociologists of work, and allied researchers, who often face a university environment largely unsympathetic to the fundamental, but hardly shiny and new, issues with which they are concerned.

At the same time, the growing body of research on various aspects of the embodiment of the social experience of work needs to be integrated into research on the changing world of work. This process has been started in the literature on some aspects of women's employment, such as the relation between work and family. However, some more overarching integration may be possible using contemporary theoretical approaches. For example, much recent workplace change may be susceptible to analysis in terms of a newly revived and powerful social process of 'individualisation' (Beck and Beck-Gernsheim 2001). Yet there have been only limited attempts to understand how such a process develops alongside the strikingly persistent aspects of the embodiment of social experience that are revealed by feminist perspectives and those focused on other aspects of embodiment. Understanding the complex intertwining of such dynamic forces as individualisation with those most resistant to change, such as some aspects of embodiment, is a challenging issue for the sociology of work and employment in Australia. Here, too, the benefits of longitudinal research and research on the 'winners' in the new world of work would undoubtedly pay dividends. Nevertheless, some sense of fragmentation is likely to remain in the field, if only because researchers will uncover new and unanticipated aspects of the rapidly changing experience of work.

Notes

- 1 There is a further possible reason for the sense of fragmentation in the Australian sociology of work of the past fifteen years or so, one that affects all fields in sociology. This is, of course, the increasingly precarious state of the discipline of sociology in Australian universities. With many departments losing close to half their permanent academic positions, and most being

merged with other social sciences or with social-work programs, the academic sociological workforce and the distinctiveness of the discipline have been substantially diluted. As a result the boundaries between sociological and other allied approaches to work and labour markets, notably those of industrial-relations academics, have become increasingly blurred. In this chapter, I focus on research that is either directly in the tradition of the sociology of work or that is framed in terms that form part of the field, whether it is undertaken by researchers whose background is in sociology, industrial relations, or even economics.

- 2 Bulbeck's chapter 26 in this volume offers a considered account of the impact of gender perspectives on Australian sociology. Here I simply attempt to outline the main themes that have been taken up in the sociology of work and employment.

References

- ABS. 2002. *Labour Force (PR) Participation Rate – Australia – Monthly*. Cat. No. 6291.0.40.001. Australian Bureau of Statistics. <http://www.abs.gov.au/ausstats>
- Adkins, L., and V. Merchant 1996. *Sexualizing the Social: Power and the Organization of Sexuality*. Basingstoke: Macmillan.
- Agostino, K. 1998. 'She's a good hand': Navy women's strategies in masculinist workplaces. *Journal of Interdisciplinary Gender Studies* 3:1–22.
- . 2000. 'Women's strategies in the Royal Australian Navy' in *Making the Link II: Affirmative Action and Industrial Relations*. Edited by E. Davis and V. Pratt. Sydney: CCH Australia.
- Baldock, C.V. 1998. Feminist discourses of unwaged work: The case of volunteerism. *Australian Feminist Studies* 13:19–34.
- Baldock, C.V., and D. Mulligan. 1996. Work conditions in home and community care: The case of Western Australia. *Labour and Industry* 7:69–85.
- Barrett, R. 2001. Labouring under an illusion? The labour process of software development in the Australian information industry. *New Technology, Work and Employment* 16:18–34.
- Baxter, J., and D. Gibson, with M. Lynch-Blosse. 1990. *Double Take: The Links between Paid and Unpaid Work*. Canberra: AGPS.
- Baxter, J., and E. Olin Wright. 2000. The glass ceiling hypothesis: A comparative study of the United States, Sweden, and Australia. *Gender and Society* 14:275–94.
- Beck, U., and E. Beck-Gernsheim. 2001. *Individualization: Institutionalized Individualism and its Social and Political Consequences*. London: Sage.
- Beilharz, P. 1994. *Transforming Labor: The Labor Tradition and the Labor Decade in Australia*. Cambridge: Cambridge University Press.
- Bennett, L. 1991. Women, exploitation and the Australian child-care industry: Breaking the vicious circle. *Journal of Industrial Relations* 33:20–40.
- Bittman, M., G. Matheson and G. Meagher. 1999. The changing boundary between home and market: Australian trends in outsourcing domestic labour. *Work, Employment and Society* 13:249–73.
- Bittman, M., and J. Pixley. 1997. *The Double Life of the Family*. Sydney: Allen and Unwin.
- Bittman, M., and J.M. Rice. 2002. The spectre of overwork: An analysis of trends between 1974 and 1997 using Australian time-use diaries. *Labour and Industry* 12:5–25.
- Boreham, P. 1992. The myth of post Fordist management: Work organization and employee discretion in seven countries: Australia, Great Britain, Canada, Germany, Japan, Sweden, United States. *Employee Relations* 14:13–24.

- Boreham, P., R. Hall, B. Harley and G. Whitehouse. 1996. Labour flexibility and gender in the service sector: A study of employment practices in law and accounting firms. *Australian and New Zealand Journal of Sociology* 32:20–37.
- Browne, J., and V. Minichiello. 1996. The social and work context of commercial sex between men: A research note. *Australian and New Zealand Journal of Sociology* 32:86–92.
- Burgess, J., and I. Campbell. 1998. The nature and dimensions of precarious employment in Australia. *Labour and Industry* 8:5–21.
- Campbell, I. 2002. Introduction: Selected studies in the sociology of work. *Labour and Industry* 12:1–3.
- Campbell, I., and J. Burgess. 2001a. Casual employment in Australia and temporary employment in Europe: Developing a cross-national comparison. *Work, Employment and Society* 15:171–84.
- . 2001b. Temporary and casual: A rejoinder to Wooden. *Work, Employment and Society* 15:885–7.
- Campbell, I., R. Fincher and M. Webber. 1991. Occupational mobility in segmented labour markets: The experience of immigrant workers in Melbourne. *Australian and New Zealand Journal of Sociology* 27:172–94.
- Cass, B. 2002. 'Employment time and family time: The intersection of labour market transformation and family responsibilities in Australia' in *Working Futures: The Changing Nature of Work and Employment Relations in Australia*. Edited by R. Callus and R.D. Lansbury. Sydney: Federation Press.
- Castles, F.G. 1985. *The Working Class and Welfare: Reflections on the Political Development of the Welfare State in Australia and New Zealand, 1890–1980*. Wellington: Allen and Unwin.
- . 2001. A farewell to the Australian welfare state. *Eureka Street* 11:29–31.
- Charlesworth, S. 1997. Enterprise bargaining and women workers: The seven perils of flexibility. *Labour and Industry* 8:101–15.
- . 1999. Working mums: The construction of women in the banking industry. *Journal of Interdisciplinary Gender Studies* 4:12–28.
- Collins, J. 1988. *Migrant Hands in a Distant Land: Australia's Post-War Immigration*. Sydney: Pluto.
- Connell, R.W. 1985. *Teachers' Work*. Sydney: George Allen and Unwin.
- . 1991. Live fast and die young: The construction of masculinity among young working-class men on the margin of the labour market. *Australian and New Zealand Journal of Sociology* 27:141–71.
- Connell, R.W., and J. Wood. 2002. Globalization and scientific labour: Patterns in a life-history study of intellectual workers in the periphery. *Journal of Sociology* 38(02).
- Daly, J., and E. Willis. 1988. 'Technological innovation in health care' in *Technology and the Labour Process*. Edited by E. Willis. Sydney: Allen and Unwin.
- Davis, D.J. 1988. Technology and deskilling: The case of five principal trade areas in New South Wales. *New Technology, Work and Employment* 3:47–55.
- Dawson, P., R. Drinkwater, N. Gunson and M. Atkins. 2000. Computer-mediated communication and the virtual workplace: The social and political processes of change. *Labour and Industry* 10:17–36.
- de Ruyter, A., and J. Burgess. 2000. Part-time employment in Australia: Evidence for globalisation? *International Journal of Manpower* 21(6):452–63.
- Diamond, C., and G. Lafferty. 2000. Telework: Issues for research, policy and regulation. *Labour and Industry* 11:115–28.
- Donaldson, M. 1996. *Taking Our Time: Remaking the Temporal Order*. Nedlands, WA: University of Western Australia Press.
- du Gay, P., and M. Pryke (eds). 2002. *Cultural Economy: Cultural Analysis and Commercial Life*. London: Sage.

- Edwards, A., and S. Magarey (eds). 1995. *Women in a Restructuring Australia: Work and Welfare*. Sydney: Allen and Unwin.
- Evans, M.D.R., and J. Kelley. 2001. Is there life after downsizing? *Australian Social Monitor* 4(4).
- Eveline, J. 1998. 'Heavy, dirty and limp stories' in *Gender and Institutions: Welfare, Work and Citizenship*. Edited by M. Gatens and A. Mackinnon. Melbourne: Cambridge University Press.
- Franzway, S. 2001. *Sexual Politics and Greedy Institutions: Union Women, Commitments and Conflicts in Public and Private*. Sydney: Pluto.
- Frenkel, S., M. Korczynski, K. Shire and M. Tam. 1999. *On the Front Line: Organization of Work in the Information Economy*. Ithaca, NY: Cornell University Press.
- Game, A., and R. Pringle. 1983. *Gender at Work*. Sydney: Allen and Unwin.
- Gregson, N., and M. Lowe. 1994. *Servicing the Middle Classes: Class, Gender and Waged Domestic Labour in Contemporary Britain*. London: Routledge.
- Greig, A. 1990. Technological change and innovation in the clothing industry: The role of retailing. *Labour and Industry* 3:2-3, 330-53.
- . 1992. Rhetoric and reality in the clothing industry: The case of post-Fordism. *Australian and New Zealand Journal of Sociology* 28:45-70.
- Harding, A., and H. Greenwell. 2002. *Trends in Income and Expenditure Inequality in the 1980s and 1990s – A Re-examination and Further Results*. Discussion Paper 57. Canberra: National Centre for Social and Economic Modelling, University of Canberra.
- Harding, S., and R. Sappey. 2002. 'The sociology of work in Australia' in *Worlds of Work: Building an International Sociology of Work*. Edited by D.B. Cornfield and R. Hodson. New York: Kluwer/Plenum.
- Harley, B. 1999. The myth of empowerment: Work organisation, hierarchy and employee autonomy in contemporary Australian workplaces. *Work, Employment and Society* 13:41-66.
- Harley, B., and G. Whitehouse. 2001. Women in part-time work: A comparative study of Australia and the United Kingdom. *Labour and Industry* 12:33-59.
- Hede, A., and D. Ralston. 1993. Managerial career progression and aspiration: Evidence of a 'glass ceiling'. *International Journal of Employment Studies* 1:253-82.
- Isdale, L. 1999. Global discourses, school management systems and the work of school 'office girls'. *Labour and Industry* 10:1-14.
- Jamieson, N., and M. Webber. 1991. Flexibility and part-time employment in retailing. *Labour and Industry* 4:55-70.
- Junor, A. 1998. Permanent part-time work: New family-friendly standard or high intensity cheap skills? *Labour and Industry* 8:77-95.
- Kelley, J., M.D.R. Evans and P. Dawkins. 1998. Job security in the 1990s: How much is job security worth to employees? *Australian Social Monitor* 1:1-7.
- Korczynski, M., K. Shire, S. Frenkel and M. Tam. 2000. Service work in consumer capitalism: Customers, control and contradictions. *Work, Employment and Society* 14:669-87.
- Kriegler, R. 1980. *Working for the Company: Work and Control in the Whyalla Shipyard*. Melbourne: Oxford University Press.
- Lafferty, G., R. Hall, B. Harley and G. Whitehouse. 1997. Homeworking in Australia: An assessment of current trends. *Australian Bureau of Labour* 23(2):143-56.
- Lash, S., and J. Urry. 1987. *The End of Organized Capitalism*. Cambridge: Polity Press.
- Lever-Tracy, C., and M. Quinlan. 1988. *A Divided Working Class: Ethnic Segmentation and Industrial Conflict in Australia*. London: Routledge and Kegan Paul.
- Littler, C.R., R. Dunford, T. Bramble and A. Hede. 1996. The dynamics of downsizing in Australia and New Zealand. *Asia Pacific Journal of Human Resources* 35:65-79.

- Lyons, M. 1996. Who cares? Child care, trade unions and staff turnover. *Journal of Industrial Relations* 38:629–47.
- McDonald, K. 1999. *Struggles for Subjectivity: Identity, Action and Youth Experience*. Cambridge: Cambridge University Press.
- Marjoribanks, T. 2000. *News Corporation, Technology and the Workplace: Global Strategies, Local Change*. Cambridge: Cambridge University Press.
- Martin, B. 1994. Understanding class segmentation in the labour market: An empirical study of earnings determination in Australia. *Work, Employment and Society* 8:357–85.
- . 1998. The Australian middle class, 1986–1995: Stable, declining, or restructuring. *Journal of Sociology* 34:135–51.
- Martin, B., W. Riemens and J. Wajcman. 2000. Managerial and professional careers in an age of organisational restructuring. *Journal of Sociology* 36(3):329–44.
- Matthews, J. 1989. *Tools of Change: New Technology and the Democratisation of Work*. Sydney: Pluto.
- Morehead, A. 2001. Synchronizing time for work and family: Preliminary insights from qualitative research with mothers. *Journal of Sociology* 37:355–69.
- Morehead, A., M. Steele, M. Alexander, K. Stephen and L. Duffin. 1997. *Changes at Work: The 1995 Australian Workplace Industrial Relations Survey*. Melbourne: Longman.
- O'Connor, J.S., A.S. Orloff and S. Shaver. 1999. *States, Markets, Families: Gender, Liberalism, and Social Policy in Australia, Canada, Great Britain, and the United States*. Cambridge: Cambridge University Press.
- O'Brien, J., and M. O'Donnell. 2002. Individualism, union organisation and management pre-rogatives in the Australian public service 1983–2000. *Labour and Industry* 12:103–22.
- Palmer, L. 1988. 'Telephone exchange maintenance' in *Technology and the Labour Process*. Edited by E. Willis. Sydney: Allen and Unwin.
- Parham, D., P. Roberts and H. Sen. 2001. *Information Technology and Australia's Productivity Surge*. Productivity Commission Staff Research Paper. Canberra: AusInfo.
- Pocock, B. 1995. 'Women's work and wages' in *Women in a Restructuring Australia: Work and Welfare*. Edited by A. Edwards and S. Magarey. Sydney: Allen and Unwin.
- . 1998. All change, still gendered: The Australian labour market in the 1990s. *Journal of Industrial Relations* 40:580–604.
- . 2001a. *Fifty Families: What Unreasonable Hours Are Doing to Australians, Their Families and Their Communities*. Melbourne: Australian Council of Trade Unions.
- . 2001b. *Having a Life: Work, Family, Fairness and Community in 2000*. Adelaide: Centre for Labour Studies, University of Adelaide.
- Pocock, B., and M. Alexander. 1999. The price of feminised jobs: New evidence on the gender pay gap in Australia. *Labour and Industry* 10:75–100.
- Pringle, R. 1988. *Secretaries Talk: Sexuality, Power and Work*. Sydney: Allen and Unwin.
- Pringle, R., and J. Alley. 1995. Gender and the funeral industry: The work of citizenship. *Australian and New Zealand Journal of Sociology* 31:107–21.
- Probert, B. 1995. *Part-Time Work and Managerial Strategy: 'Flexibility' in the New Industrial Relations Framework*. Department of Employment, Education and Training. Canberra: AGPS.
- . 1997. 'Women's working lives' in *Contemporary Australian Feminism 2*. Edited by K.P. Hughes. Melbourne: Addison Wesley Longman.
- Probert, B., and F. Macdonald. 1996. *The Work Generation: Work and Identity in the Nineties*. Melbourne: Brotherhood of St Laurence.
- Probert, B., and J. Wajcman. 1988. Technological change and the future of work. *Journal of Industrial Relations* 30:432–48.

- Probert, B., K. Whiting and P. Ewer. 2000. *Pressure from All Sides: Life and work in the Finance Sector*. Melbourne: Finance Sector Union.
- Pusey, M. 2003. *The Experience of Middle Australia: The Dark Side of Economic Reform*. Melbourne: Cambridge University Press.
- Pyett, P., and D. Warr. 1999. Women at risk in sex work: Strategies for survival. *Journal of Sociology* 35:183–97.
- Reed, R. 1988. 'From hot metal to cold type printing technology' in *Technology and the Labour Process*. Edited by E. Willis. Sydney: Allen and Unwin.
- Richardson, S. 1998. *Reshaping the Labour Market*. Cambridge: Cambridge University Press.
- Roach Anleu, S. 1992. Women in law: Theory, research and practice. *Australian and New Zealand Journal of Sociology* 28:391–410.
- Robertson, T. 2000. Co-operative work, women and the working environments of technology design. *Australian Feminist Studies* 15:205–19.
- Saggers, S., J. Grant, M. Woodhead and V. Banham. 1994. The professionalisation of mothering: Family day care. *Australian and New Zealand Journal of Sociology* 30:273–87.
- Sassen, S. 1988. *The Mobility of Labor and Capital: A Study in International Investment and Labor Flow*. Cambridge: Cambridge University Press.
- Sinclair-Jones, J. 2000. E-medicine and e-work: The new international division of labour. *Annual Review of Health Social Sciences* 10:19–30.
- Skinner, J. 2002. The unintended consequences of doing the right thing: Why some workers are working harder. *Labour and Industry* 12:27–41.
- Smith, H., and I. McAllister. 1991. The changing military profession: Integrating women in the Australian Defence Force. *Australian and New Zealand Journal of Sociology* 27:369–91.
- Still, L. 1997. *Glass Ceilings, Sticky Floors: Barriers to the Careers of Women in the Australia Finance Industry*. Sydney: Human Rights and Equal Opportunity Commission.
- Wajcman, J. 1998. *Managing Like a Man*. Cambridge: Polity.
- Wajcman, J., and B. Martin. 2001. My company or my career: Managerial achievement and loyalty. *British Journal of Sociology* 52:559–78.
- . 2002. Narratives of identity in modern management: The corrosion of gender difference. *Sociology*. 36:985–1002.
- Wajcman, J., and B. Probert. 1988. 'New technology outwork' in *Technology and the Labour Process*. Edited by E. Willis. Sydney: Allen and Unwin.
- Wearing, B. 1985. Gender and power in social work. *Australian Social Work* 38:11–18.
- Webber, M., and I. Campbell. 1997. Labour market outcomes among retrenched workers in Australia: A review. *Australian and New Zealand Journal of Sociology* 33:187–204.
- Western, B. 1996. The puzzle of Australian union decline. *Australian and New Zealand Journal of Sociology* 32:31–43.
- Western, M. 1991. 'The process of income determination' in *Class Analysis and Contemporary Australia*. Edited by J. Baxter, M. Emmison, J. Western and M. Western. Melbourne: Macmillan.
- Whitehouse, G. 2001. Recent trends in pay equity: Beyond the aggregate statistics. *Journal of Industrial Relations* 43:66–78.
- Wilkinson, R. 1988. 'Management strategies in the motor vehicle industry' in *Technology and the Labour Process*. Edited by E. Willis. Sydney: Allen and Unwin.
- Williams, C. 1981. *Open Cut: The Working Class in an Australian Mining Town*. Sydney: Allen and Unwin.
- . 1988. *Blue, White and Pink Collar Workers in Australia*. Sydney: Allen and Unwin.
- . 1997. Women and occupational health and safety: From narratives of danger to invisibility. *Labour History* 73:30–52.

- Willis, E. 1983. *Medical Dominance*. Sydney: Allen and Unwin.
- (ed.). 1988. *Technology and the Labour Process*. Sydney: Allen and Unwin.
- Women's Electoral Lobby. 1992. *Impact of Enterprise Bargaining on Women: Statement of Concern*. Canberra: Women's Electoral Lobby.
- Wooden, M. 2001. How temporary are Australia's casual jobs? *Work, Employment and Society* 15:875–83.
- . 2002. 'The changing labour market and its impact on work and employment relations' in *Working Futures: The Changing Nature of Work and Employment Relations in Australia*. Edited by R. Callus and R.D. Lansbury. Sydney: Federation Press.
- Wooden, M., and N. Watson. 2001. *The Household, Income and Labour Dynamics in Australia (HILDA) Survey: An Introduction to the Proposed Survey Design and Plan*. HILDA Discussion Paper Series 1/00, rev. version. Melbourne: Melbourne Institute of Applied Economic and Social Research, University of Melbourne.
- Wright, C., and J. Lund. 1998. Under the clock: Trade union responses to computerised control in US and Australian grocery warehousing. *New Technology, Work and Employment* 13:3–15.
- Yeuk-Mui, M.T. 2001. Information technology in frontline service work organization. *Journal of Sociology* 37:177–206.
- Zetlin, D., and G. Whitehouse. 1998. Balancing work and family commitments: Developments in innovative organisations. *Australian Journal of Early Childhood* 23:9–13.

Crime and Deviance

Sharyn L. Roach Anleu

The topics of crime and deviance have always been a staple of Australian sociology. At the outset, crime, deviance and delinquency tended to be treated synonymously, as was the case in all national sociologies. Now there is more diversification with the emergence of criminology and continuing research on deviance, and since the 1980s the allied field of the sociology of law has developed (Hunt and Wickham 1994; Roach Anleu 2000). This chapter canvasses theoretical work and research undertaken in the study of crime and deviance. It concludes by addressing the current supposed crisis in the sociology of crime and deviance.

Studies of crime and deviance

In discussions of crime there are new emphases on rational choice theory and opportunism. Situational crime prevention is an important perspective in contemporary discussions of crime control, and policy-makers, in Australia as elsewhere, have adopted crime-prevention programs with alacrity (O'Malley 1992; O'Malley and Sutton 1997; Sutton 1994). Advocates conceptualise criminal activity as the outcome of rational decision-making in the context of perceived available opportunities and the lack of adequate social control (Clarke 1992). Accordingly, a strategy to prevent or manage crime must modify the spatial, temporal, social and physical opportunities, thereby indirectly affecting criminal behaviour. Situational crime-prevention techniques involve increasing the potential offender's effort, increasing the risks and reducing the rewards of criminal activity. Crime-prevention initiatives on Melbourne's high-density, high-rise public-housing estates, for example, included the installation of high-tech entry and surveillance equipment; increasing lighting; upgrading of shared amenities; and the introduction of community guardian services (James 1997:48–52).

Crime prevention also entails attention to geographic and spatial locations – 'hot spots' – where crimes are likely to occur; for example, some neighbourhoods, specific kinds of buildings or sites, and such public spaces as parks or beach foreshores, shopping malls, public transport systems and central business districts (White and Sutton 1995:82–5). Those same locations or situations are also the sites of conformity: the

same opportunities may be taken for legitimate or illegitimate pursuits. Behaviour deemed to be ancillary to criminal deviance, or even to cause crime, such as alcohol consumption, is also targeted. Altering opportunities for criminal activity can also involve regulating the activities of individuals (third parties) not engaged in criminal activity, but who because of their relations with potential offenders can actually, albeit unintentionally, enhance criminal opportunities (Roach Anleu 1998:33–5).

Attention to the social, economic and political causes of crime and criminalisation and social amelioration via long-term collective welfare programs has been displaced by enthusiasm for the situational manifestation of crime and the appeal of short-term programs to rid areas of criminal deviance. There is debate about the extent to which crime-prevention programs merely displace or diffuse criminal activity, and concern about the exclusion of some social groups of people from public or quasi-public spaces (Green 1996:71–3; White and Sutton 1995:89–91). O'Malley suggests that the ascendancy of post-Keynesian, neoliberal political rationality provides a better explanation for the popularity of situational crime prevention than do arguments about its efficiency or necessity in countering rising crime rates (O'Malley 1994:285). The focus on individuals as rational decision-makers in criminogenic situations shifts concern away from more macro conditions that have traditionally been central sociological concerns for understanding so-called everyday or ordinary crimes, namely the class structure, inequality, education, unemployment, poverty, value systems, and cultures or subcultures.

One of the most significant contributions to crime and deviance theory (with policy implications) is the theory of reintegrative shaming. In developing this framework, Braithwaite (1989:3) seeks to synthesise existing theories while retaining the view that most criminal laws, especially those dealing with predatory offences against persons and property, are the outcome of overwhelming consensus. He takes elements from labelling, subcultural, control, opportunity and learning theories in order to link societal pressures with individuals' choices to engage in criminal deviance or to conform. The proposition that deviance results when individuals' bonds to society are tenuous is a core assumption, and Braithwaite is concerned with the strengthening of those ties. Reintegrative shaming is central to achieving conformity because it allows for social control without stigmatising or ostracising the offender from the community:

Reintegrative shaming means that expressions of community disapproval, which may range from mild rebuke to degradation ceremonies, are followed by gestures of reacceptance into the community of law-abiding citizens. [Braithwaite 1989:55]

The ideal type of shaming occurs within loving families, where punishment is imposed within a framework of reconcilable and collective interests. Where family ties are strong and individualism is weak, crime rates will be low. Braithwaite concludes that crime is best-controlled when members of the community actively participate in shaming and the subsequent reintegration of a norm breaker. Social control from this perspective has moral, denunciatory and educative dimensions, and is not totally repressive or stigmatising. Braithwaite demonstrates the relevance of shaming, interdependency, communitarianism and apology to crime control in the areas of juvenile justice as well as white-collar crime (Braithwaite 1989); compliance with industry standards (Makkai

and Braithwaite 1994); and substance abuse (Braithwaite 2001). Further developments apply the concepts of shame, shame management and regulation to drink-driving and bullying (Ahmed et al. 2001).

Braithwaite's conceptualisation of shaming holds that such moralising is more effective as a source of social control than more overtly repressive approaches because of its focus on achieving compliance and social integration rather than ostracism or stigmatisation. Braithwaite concentrates on shaming behaviour rather than shame as an emotion that is largely unconscious, automatic and not an entirely rational process. The suggestion is that shaming can be consciously manipulated and incorporated into social and criminal justice policies. This, of course, has been the case. The notion of reintegrative shaming plus the direct involvement of families or other primary group members in the criminal justice process are the linchpins of the reform movement known as restorative justice, which has made the most impact on juvenile justice systems. Restorative justice programs focus on repairing community relationships disrupted as a result of criminal activity, by providing opportunities for apology, restitution and mediation between offenders and victims (Daly 1999:168, 171–83).

Crime patterns

All eight Australian states and territories and the Commonwealth have their own criminal laws and procedures, separate police forces, courts and correctional services. Any crime statistics collected by these different jurisdictions will be affected by the local criminal justice organisation, and as such are not strictly comparable. The National Crime Statistics Unit (NCSU), which is part of the Australian Bureau of Statistics (ABS), compiles Australia-wide statistics of crimes reported to police. It has developed standards for the collection and production of national crime statistics, though some discrepancies between jurisdictions remain due to legislative and procedural differences (ABS 1998:3, 7). The national offence categories are: homicide and related offences, assault, sexual assault, kidnapping/abduction, robbery, blackmail/extortion, unlawful entry with intent, motor-vehicle theft and other theft (ABS 2001b:3). A National Criminal Courts Statistics Unit (NCCSU) was also established in 1994 to provide nationally comparable data on the volume and flow of criminal matters through the higher courts (state supreme courts and intermediate courts, known as district or county courts) in each state and territory (ABS 1997:3).

Overall the level of property crime in Australia is on the increase and most crimes relate to property offences; numerically, crimes against property outweigh crimes against the person. Homicide rates do not change drastically in the long term, but in the short term can fluctuate dramatically due to single events. The 1995 Port Arthur massacre in Tasmania, the discovery of twelve bodies in barrels in a disused bank vault in Snowtown, South Australia, and the fatal fire in 2000 at Childers, Queensland, where fifteen murder victims were recorded, have caused such fluctuations. The total number of victims recorded by police increased between 1999 and 2000 for all of the national offence categories, with the largest increases recorded for victims of driving causing

death (12 per cent), sexual assault (11 per cent) and other theft (10 per cent) (defined as the taking of another person's property with the intention of depriving the owner of the property but without the use of force or deceit) (ABS 2001b:3).

In 2000, the highest assault rates were recorded in the Northern Territory, New South Wales and South Australia (1,580, 1,063 and 1,030 victims per 100,000 persons, respectively), with the lowest rate being recorded in Victoria (347 victims per 100,000 persons). New South Wales also recorded the highest victimisation rate for robbery in 2000 (206 victims per 100,000 persons), almost twice that of the next highest figure, which was recorded in South Australia and Western Australia (both 111 victims per 100,000). The rate of sexual-assault victimisation increased by 18 per cent in the period 1993 to 2000, from 69 to 82 victims per 100,000 persons. The rate of robbery victimisation increased by 68 per cent in the same period, from 72 to 122 victims per 100,000. While the incidence of unarmed robbery grew over the past eight years, the rate of unarmed robbery has declined since 1998. With regard to property offences, the motor-vehicle theft victimisation rate increased by 14 per cent between 1993 and 2000. The rate of other theft was 3,523 per 100,000 persons, which represents an increase of almost one-third since 1995 (ABS 2001b:4–10). About two-thirds of all homicides, two-thirds of all break-and-enter offences, one-third of all assaults, and more than three-fifths of all sexual assaults in Australia occur in residential locations, mostly private dwellings (Mukherjee, Carcach and Higgins 1997:15–16).

As in other settler societies – for example, Canada and New Zealand – Indigenous (Aboriginal or Torres Strait Islander in Australia) people are more likely than their non-Indigenous counterparts to come into contact with and be formally processed by the criminal justice system. This is true for juveniles as well as adults (Cunneen 1997:110–16; Cunneen and White 1995:135–54). Aboriginal people are more than ten times more likely to appear before a magistrate's court than are other Australian-born people. They are more likely to face a charge of offence against good order as their most serious offence; non-Aboriginal people are more likely to be defending a driving charge as their most serious offence (Roach Anleu 1999:145). Indigenous people are more than eighteen times more likely to be in prison and more than twenty-six times more likely to be in police custody than are non-Indigenous people. Aboriginal and Torres Strait Islander people constituted almost one-fifth of the Australian prison population on the prison census date (30 June 2000), but less than 2 per cent of the general population. The average rate of Indigenous imprisonment is 1,727 per 100,000 adult indigenous population, which is almost fifteen times the rate for the non-Indigenous population (ABS 2001a).

Changes in crime statistics may result from increasing police efficiency or crack-downs on certain kinds of offences, a greater willingness on the part of victims or witnesses to report crimes (this may be especially true in offences of rape and sexual assault), insurance companies' requirements that thefts be reported to police before any claim can be processed, changed legal definitions of crime, or changes in the way the police or the courts count and record offences. Regardless of whether increases are real or perceived, they have become the foundation for various law-and-order campaigns and greater public discussion of and research attention to mandatory prison sentences, for example.

White-collar crime

During the 1980s there was considerable research into corporate crime and greater public attention to publicising and prosecuting the alleged illegal activities of corporate actors (Braithwaite 1985; Grabosky 1984; Grabosky and Braithwaite 1987; Grabosky, Braithwaite and Wilson 1987). Several major corporate collapses led to government inquiries and attempts to prosecute, in civil and criminal courts, some high-profile entrepreneurs. While it is no longer valid to conclude that the most economically significant deviance is the least publicised, investigated or punished, there are few successful prosecutions, due to the resources available to corporate offenders, the complexity of the trials in which most of the evidence is documentary, and the difficulties for the prosecution in proving 'beyond reasonable doubt' cases of corporate crime. There is considerable research into various types of fraud, environmental pollution, tax evasion, corporate collapses and unsafe workplace practices and conditions, and into compliance with regulatory frameworks (Braithwaite 1982, 1984; Braithwaite and Drahos 2000; Braithwaite and Fisse 1983; Grabosky 1994, 1995, 1997; Grabosky and Braithwaite 1986; Grabosky and Sutton 1989; Hopkins and Parnell 1984; Wilson and Braithwaite 1978).

One early Australian study suggests that used-car fraud, for example, reflects highly competitive market conditions that encourage 'cutting corners' and obtaining an edge on competitors by engaging in criminal fraud (Braithwaite 1978:118). This case study suggests that small businesses are victims merely responding to their market situation and not actively seeking to violate the law. By contrast, Sutton and Wild's investigation into a finance company established to lend money to small entrepreneurs suggests that even though large national and multinational corporations restrict small-business people's life chances, such people's commitment to a particular lifestyle gives them immense tenacity to survive (Sutton and Wild 1985:255-7).

Insider trading was perhaps the quintessential corporate crime of the 1980s. Tomasic and Pentony (1989a, 1989b, 1989c) interviewed lawyers and stockbrokers and other market participants, and discovered widespread use of verbalisations that normalised insider trading. The verbalisations all indicate a *laissez-faire* view of the market, which tolerates illegal activities if they provide competitive advantage. One broker describes the market as being 'like the racetrack. Everyone tries to get a piece of the action'. A lawyer comments: 'people will have a flutter. Insider trading is almost accepted as one of the risks of trading' (Tomasic and Pentony 1989a:4). Tomasic and Pentony's research suggests that insider trading is a widespread and 'normal' business practice, especially in relation to the shares of speculative, volatile, mining high-technology companies or in those owned by a small number of shareholders (1989c:188). The Australian Corporations Law (1992) prohibits insider trading and provides criminal and civil sanctions, but there have been few successful prosecutions. Difficulties in measuring and detecting insider trading, the lack of a vocal victim, its tolerance and encouragement within the securities industry, legal complexity including problems of proof, and the impersonal nature of the transaction impede prosecutions.

There has also been research into tax avoidance and welfare fraud (Bright 1978; Weatherly 1993). One of the most highly publicised examples of tax evasion in Aus-

tralia was the so-called ‘bottom of the harbour’ scheme, which sparked the Costigan Royal Commission, reporting in 1982 and 1984, and an inquiry by the Victorian Corporate Affairs Office into the activities of the Federated Ship Painters and Dockers Union. The scheme involved union officials acting as ‘bogus’ or ‘straw’ company directors involved in tax evasion, drug importation and trafficking, starting price (SP) book-making, money laundering and social-security fraud (Sutton 1989:3–6). The ‘bottom of the harbour’ scheme is an example of how laws create opportunities for deviant behaviour rather than deterring or punishing it. The emergence of such a scheme required three central conditions: low perceived risks of detection and prosecution; the opportunity to make vast amounts of money; and a number of people willing to act as directors in false companies without asking too many questions (Sutton 1989:9).

Other research in this area includes medical-benefits fraud and overservicing (for example, unnecessary surgery performed only because a government or private insurance program will cover the cost, ordering superfluous laboratory tests, and encouraging unnecessary office visits or hospitalisation) (Grabosky and Braithwaite 1986:154), and the fudging of research data (Daniel 1998:132–44; Nicol 1989). Daniel (1998) examines what happens when members of professional associations are designated as deviant by those associations and deregistered by their profession’s disciplinary committee. Following a close examination of four different cases involving alleged professional impropriety, she concludes that to maintain autonomy, a sense of collectivity and cohesion, plus some level of accountability, the professions every now and then identify and persecute scapegoats. The ‘crimes’ of the scapegoat may be relatively minor (not all members guilty of such ‘crimes’ will be scapegoated) or incidental; the purpose of scapegoating is not punishment of an offender – because the punishment of banishment usually holds out no opportunity for expiation or reform – but a ritual cleansing of the community and reassertion of its distinctive identity. ‘Overall, the scapegoat’s timeless purpose is to relieve the group of its guilt’ (Daniel 1998:17). The complaints that succeed are not necessarily due to the strength or credibility of the complainant’s case, but may relate more to the profession’s need for a scapegoat at a particular point in time. What is distinctive about scapegoating and deregistration (as distinct from the simple punishment of a crime) is the closure of any opportunity for expiation; the person scapegoated is totally banished from the professional community and publicly vilified, and usually cannot return to professional practice.

Young people

Periodically, media attention and government concern focus on young people and criminal deviance (actual and suspected or assumed), although juvenile delinquency and the juvenile justice system are and have been ongoing topics of inquiry in crime and deviance (Borowski and O’Connor 1997; Gale, Naffine and Wunderstz 1993; Wunderstz 1992, 1997). Paul Wilson wrote in 1977: ‘Youthful crime, what is generally known as delinquency, probably receives more public and official attention than any other form of criminal activity’ (Wilson 1977:xi). Youth offending, especially regarding such

minor property offences as graffiti, motor vehicle theft and street activities, has periodically stimulated moral panics (Braithwaite and Barker 1978). The media are instrumental in portraying these young people as 'folk devils' by exaggerating and distorting the seriousness, numbers of people and degree of damage or violence involved in particular incidents and confrontations with the police. Media reports often emphasise several serious and/or violent offences committed by repeat offenders to justify arguments that the juvenile justice system requires reform and that young offenders should be punished more severely (Simpson and Hil 1995; Roach Anleu 1995).

There is also anxiety about young people's use of public space or private spaces frequented by members of the public; for example, shopping malls (see National Crime Prevention 1999; White 1993; White and Sutton 1995). Recent media reporting has emphasised the ethnicity of gang members or the young people who have been involved in crimes, particularly sexual assault, crimes of violence and illicit drug-selling (Perrone and White 2000). For example, young people are described as belonging to Lebanese youth gangs or to Asian triads. Such reporting can have the effect of presenting the gang and the behaviour of members as being a particular ethnic phenomenon, which can stigmatise non-gang members of the same ethnicity. Poynting, Noble and Tabar (2001) analyse English-language press, radio, and television to detail a moral panic between 1998 and 2000 about 'ethnic gangs' in Sydney's south-western suburbs. They highlight the ways in which the media associate ethnicity, young people and crime: young people of Middle Eastern appearance tend to be criminalised, while the reporting of street crime has a racialised dimension (Poynting, Noble and Tabar 2001:72–7).

Women and crime

In the past twenty years or so, there has been an upsurge of interest in the topics of women and deviance, in particular women and crime, as victims of criminal-law violations and as perpetrators of criminal deviance (Cook and Bessant 1997; Naffine 1987, 1997). New and reformed laws in the areas of rape, sexual harassment, equal employment opportunity, sex discrimination, and domestic violence, for example, indicate greater criminalisation of, or prohibitions on, certain kinds of behaviour. Previously, some individuals may have identified actions as unacceptable and deviant, but they remained private issues. Now domestic violence, harassment in the workplace and rape are public concerns and have been criminalised. Where new laws exist, widespread debate focuses on the extent to which they are enforced. Despite explicit and unambiguous legislation, the police and the courts, and indeed segments of the population, may not agree that such proscribed behaviour as rape, domestic violence or sexual harassment is really criminal, or deviant.

Considerable discussion and research also exists on the involvement of women in criminal activities and their experience of the criminal justice system. Until recently, these issues were relatively unresearched. In Australia, as elsewhere, it is well-established that women's and girls' participation in criminal deviance is much lower than that of men and boys (Mukherjee and Dagger 1993).

Carrington (1990a, 1990b) questions the argument that the juvenile justice system operates on a double standard of morality punishing sexually active girls but not boys via welfare or status complaints. First, by privileging and isolating gender, the thesis omits race, thereby failing to examine the specific experiences of Aboriginal women and the massive criminalisation rates of Aboriginal youth in general (Carrington 1993:124). Second, New South Wales data indicate that courts deal more harshly with girls and boys appearing on welfare matters than on criminal matters. Carrington suggests that this outcome relates to the influence of social-work practices and recommendations within the court. She points out that:

it has been too confidently assumed in essentialist readings of female delinquency that the vehicle of sexualisation is some patriarchal family or some male magistrate, father or police officer, rather than some female social worker, district officer, school counsellor or departmental psychologist. [Carrington 1990a:25]

Particular attention has been paid to the laws and procedures regarding rape (Brereton 1994, 1997; Eastal 1998; Edwards and Heenan 1994). Legal rules that primarily pertained to rape trials highlighted concerns about women's credibility, in particular the supposed ease with which allegations of rape can be made and the difficulty in defending oneself against them (Mack 1998:60–3). At common law the trial judge was required to warn the jury of the dangers of convicting a person accused of sexual assault on the uncorroborated evidence of the complainant; the law allowed cross-examination of the complainant about her previous sexual history in order to establish credibility and the likelihood of consent. Corroboration rules pertaining to women alleging rape contrast sharply with the usual common-law rule that the jury is entitled to convict on the unsupported testimony of one witness (Mack 1993:332). The specific application of these rules to rape charges has been modified. Feminists consistently question the common-law view that the sexual past of a victim is relevant to the issue of consent (Naffine 1992:745). In Australia, where a corroboration warning has not been given (as part of the trial judge's discretion) and a conviction results, appeal courts have reversed some decisions, holding that the trial judge did not sufficiently advise the jury of special circumstances – for example, a lapse of time before the complaint was made – which they suggest raises doubts about the credibility of the female victim (Mack 1994:189).

While it appears that women's involvement in criminal activities is much lower than men's, where women do participate there appear to be significant differences between men's and women's criminality (Morgan 1996). Contemporary research on women's involvement in drug-related crime shows the existence of sex segregation, discrimination and marginalisation (as in the conventional occupational structure) in the male-dominated drug-selling economy (Denton 2001; Denton and O'Malley 1999; Maher and Dixon 1999). Denton's research on the illegal drug markets in Melbourne shows there are successful female dealers. She found that there was no single reason why the women she studied participated in drug-distribution networks, but they gained entry through their involvement in social networks where illegal drugs and drug-selling were a part of everyday life. There was little evidence that women were tricked or coerced into drug use and distribution (Denton 2001:172–5).

Drugs

The major source of information in Australia about the use of drugs – including tobacco, alcohol, marijuana, medically prescribed painkillers, heroin, amphetamines and designer drugs – is the series of National Drug Strategy (NDS) household surveys, conducted most recently in 1998 (see <http://www.aihw.gov.au/publications/health/ndshs98d/index.html>). One limitation of this survey is its focus on households, thus excluding information on people not in households. The NDS is an intergovernmental strategy involving non-government organisations and was established in 1985. The central elements of this strategy include mass-media and public-information campaigns, the Commonwealth government-funded Centre for Research into the Prevention of Drug Abuse in Perth, and the National Drug and Alcohol Research Centre in Sydney, and national grants for drug-abuse research and education programs, as well as law-enforcement strategies. In 2001, the Commonwealth government's National Illicit Drugs Campaign organised the distribution to households across Australia of a booklet about illicit drug use, drug-related crime, health consequences of such drug use, and estimated financial costs to the community. The title is *Our Strongest Defence against the Drug Problem . . .*, and the document identifies the best defence as families (see <http://www.drugs.health.gov.au>).

The most commonly used illicit drug in Australia is cannabis (marijuana). The 1998 NDS survey (with a sample of 10,030 Australians aged 14 years and older) indicates that 35 per cent of females as compared with 44 per cent of males reported having tried marijuana; 7 per cent of females and 11 per cent of males reported trying amphetamines or barbiturates; 3 per cent of females and 5 per cent of males reported having tried cocaine/crack; 1 per cent of females and 3 per cent of males indicated having tried heroin; and 4 per cent of females and 6 per cent of males reported having tried designer drugs, including ecstasy (Adhikari and Summerhill 2000). Taking into account age, the proportions reporting that they had tried marijuana are highest between 20 and 39 years (Adhikari and Summerhill 2000:26). In general, the survey showed unemployed persons, persons with low educational qualifications, those working in blue-collar jobs and persons who were never married were more likely than others to be using drugs.

A longitudinal analysis of marijuana use in Australia between 1985 and 1995 finds that it is widely accepted and available, with around 30 per cent of participants in national drug surveys indicating having tried the drug, just under half reporting being offered it, and around 15 per cent indicating that they would try marijuana if offered it by a close friend. Nonetheless, only 12 per cent reported that they had used marijuana in the past twelve months (Makkai and McAllister 1997:2–5). The proportion of people reporting having tried cannabis has increased from 28 per cent in the 1985 survey to 34 per cent in the 1993 survey, but the percentage of people reporting use of other illicit drugs remains minimal and relatively stable. Contrary to the public concern and media attention around 'hard' drugs, it appears that frequent users are a very small minority of the general population (Adhikari and Summerhill 2000). Marijuana is produced domestically and seems to be controlled largely by Italian organised-crime groups. Ethnic Chinese criminals dominate international heroin trafficking and are responsible for 80 per cent of heroin annually imported into Australia; most cocaine

derives from South America, and motorcycle gangs appear to control illicit amphetamine distribution (Dobinson 1993:373; Makkai, McAllister and Moore 1994:122–7). It appears that the anticipated upsurge in cocaine use in Australia has not occurred because of its relative expense and the negative imagery and fatal consequences associated with crack cocaine, especially among the urban underclass in the USA (McAllister, Moore and Makkai 1991:117–18).

Supplementing quantitative research into drug-use patterns, ethnographic research in Sydney's principal street-level drug market showed that law enforcement may push illegal markets in directions that are highly undesirable, especially from a public-health viewpoint (Maher and Dixon 1999:496). The impact of highly visible uniformed police personnel in Cabramatta (western Sydney) increased the risk that those who participated in drug use and distribution (often simultaneously) will come to police attention. This engendered a climate of fear and uncertainty with unforeseen negative consequences, including the oral and nasal storage and transfer of heroin; a reluctance to carry injecting equipment; an increase in risk-taking, unsafe drug preparation and using unsafe needles; displacement of drug activities away from well-known locations into streets and parks; and an increase in property crime as heroin-selling becomes too risky (Maher and Dixon 1999:496–506).

Controlling illegal drug use in Australia is the responsibility of federal and state governments. The general policy is total prohibition of illegal drugs, but there are considerable differences in the various criminal penalties and health policies that different jurisdictions in Australia have adopted. For example, the maximum penalty for possession of less than 2 grams of heroin in Victoria is a fine of \$30,000 and/or a one-year jail sentence, compared with Western Australia, where the maximum fine is \$2,000 and/or two years imprisonment. However, in some jurisdictions, possession of very small amounts of heroin (for example 0.5 grams or more in Tasmania) can be considered trafficking and subject to much greater penalties, especially long prison terms. As part of governments' anti-drug strategies, which rely on medical rather than legal intervention, several controversial heroin trials have been instigated, involving such substitutes as methadone, morphine and Narcan as an attempt to reduce addiction (Lyll and McGarry 1997:6; Walker 1999:1, 4).

Broadly, Commonwealth laws and enforcement agencies deal with importation and trafficking offences, as well as organised crime, while the states criminalise cultivation, manufacture, possession, use and supply of prohibited or restricted substances. During the 1980s, law-enforcement efforts in some jurisdictions were directed away from users and towards large-scale drug importation, trafficking and organised crime. For example, in 1987 an expiation system for possession, cultivation or personal use of small amounts (less than 100 grams, or 20 grams of resin) of cannabis by adults came into effect in South Australia. Adults found committing the offences are issued with a Cannabis Expiation Notice (CEN) – similar to a traffic fine – by the police. Paying the fine avoids a court appearance and record of conviction. On the other side, those deemed to be large-scale operators are subject to large fines and lengthy imprisonment (Sarre, Sutton and Pulsford 1989:1–3). The Australian Capital Territory followed this approach in 1992. Except for these two jurisdictions, it appears that legislation aimed

at reducing illicit drug use has become more draconian (Makkai, McAllister and Moore 1994:135). Another innovation in some magistrate's courts is the recent establishment of drug courts, which are targeted at individuals facing certain criminal charges who are dependent on drugs (including alcohol), and whose dependency contributed to their offending (Department of Justice, Victoria 2002).

In terms of the public-health problems, legal drugs clearly outweigh the illegal drugs, largely because more people use them. The Australian Institute of Health and Welfare (AIHW) estimates that in 1997 tobacco was associated with 18,000 deaths, and alcohol almost 4,000 (including road accidents where alcohol was involved) – these drugs accounted for more than 96 per cent of the drug-related deaths and hospitalisations (AIHW 1999:1). The National Drug Surveys show that the overall rates of tobacco use are in decline but not among young women. Passive smoking is increasingly becoming defined as a major cause of tobacco-related mortality, with some courts awarding damages to victims of passive smoking. The world's first passive-smoking ruling was made by the Australian Federal Court in 1992, when it found that a Tobacco Institute advertisement that passive smoking was not harmful to health was misleading and deceptive. This decision led directly to workplace smoking bans (Fife-Yeomans 1997:6).

Decriminalisation and recriminalisation

In Australia, as elsewhere, a number of activities, which were prohibited by the criminal law, have become decriminalised; for example, abortion, homosexuality, prostitution and some drug use (see below). These are activities where the criminal status of the behaviour was subject to debate and dissension (Wilson 1971). The decriminalisation of these activities has been, in part, due to the activism of reformative social movements. Despite some efforts in the 1960s, there was little public debate for the decriminalisation of abortion until the British parliament's liberalisation of the criminal law regarding abortion in 1967. After that, abortion, under certain circumstances – typically following medical agreement that the woman's physical and/or mental health is threatened by continuing the pregnancy, and only where the procedure is performed by a medical practitioner – became legal either via legislative change, as in South Australia, the Northern Territory and Western Australia, or judicial determination, as in the case of New South Wales, Victoria and Queensland. Nonetheless, since decriminalisation there have been numerous (unsuccessful) attempts to recriminalise abortion (Roach Anleu 1999:80–3).

Legislation decriminalising homosexual relations between consenting adults, antidiscrimination laws and increases in people 'coming out' suggest that homosexuality is becoming more accepted and homosexual people more integrated into society. Tasmania was the last Australian state to decriminalise homosexuality, in 1997. The rising incidence and government recognition of violence, abuse and harassment directed against gay men and lesbians, combined with attempts to restrict such events as the annual Sydney Gay and Lesbian Mardi Gras, highlight the pervasiveness and persistence of homophobia in Australian society (Mason and Tomsen 1997). Research conducted

in Victoria on the experiences of lesbians and in New South Wales on homicides with anti-homosexual motives indicates the importance of violence and harassment for the attainment and protection of a masculine identity among perpetrators. It suggests that homophobia is not a disturbed minority condition but a useful description of everyday emotional tension about sexual identity, especially among heterosexual men (Tomson and Mason 2001).

Popular definitions of homosexuality focus on overt appearance and mannerisms. Connell observes that: 'To many people [male] homosexuality is a *negation* of masculinity, and homosexual men must be effeminate' (Connell 1992:736; emphasis in original). Connell suggests that a focus on identity and subculture shifts attention away from structural questions about gender. His primary concern is with gay men and masculinity, specifically:

the construction of masculinity in the lives of gay men; the construction of sexuality and its relationship to identity and subculture; the interplay between heterosexual and homosexual masculinities; and the experience of change in gender relations. [Connell 1992:738]

By investigating the life histories of eight men recruited from an urban gay community in Sydney, Connell details the construction of a homosexual masculinity via multilateral negotiations around emotional relations in the home, among friends and in the sexual marketplace, and negotiations of economic, workplace and authority relations. Despite differences in personal experiences, the narratives revealed three common elements in the process of homosexual masculinity construction: an engagement with hegemonic masculinity; a closure of sexuality around relationships with men; and participation in the collective life of the gay community (Connell 1992:747). This last element, however, has a class dimension. Working-class men do not often seek a 'gay identity', but draw on conventional working-class masculinities, and as such are more committed to informal networks than to urban, gay communities (Connell, Davis and Dowsett 1993:112–13, 125–6).

Prostitution, *per se*, is not a criminal offence in any of the Australian jurisdictions, but related activities, including permitting premises to be used for prostitution, soliciting in certain types of public places (for example, near a dwelling, school, church or hospital), or living on the earnings of a prostitute are subject to criminal sanctions (Brown et al. 2001:1053–63). Generally, these laws criminalise and stigmatise the sex worker and not the customer, and most prosecutions have been against the former (Egger and Harcourt 1993:115; Neave 1985a, 1985b, 1988; Sullivan 1991). Decriminalisation in the different Australian jurisdictions varies: for example, Victoria adopted a system of licensing and registering brothels, with the criminal law retaining a significant role in prosecuting brothels and workers operating outside the legal framework; from 2000, Queensland has also had a licensing scheme with a range of restrictions and requirements regarding health and the physical characteristics of the brothel; attempts to decriminalise prostitution in South Australia have failed (Brown et al. 2001:1064–6). Aside from the legal status of sex work in Australia, there are several important examinations of the experiences of sex workers (Perkins et al. 1994). In particular, research shows those women working as street prostitutes not only face legal sanctions, but are also particularly vulnerable to

violence from customers and their demands for unsafe sex. Nonetheless, one Victorian qualitative study of female sex workers suggests that problems associated with homelessness, drug use and extreme social isolation outweighed most of the risks associated with sex work (Pyett and Warr 1999).

Conclusion: A crisis in social approaches to crime and deviance?

Since the 1980s a number of theorists have suggested the decline in the utility of social explanations for understanding crime and deviance, thus undercutting the relevance and contribution of sociological perspectives and research. Conventional theories of crime and deviance, including social ecology, anomie theory, social pathology and sub-cultural theories, relied on the premise that crime and deviance can be explained in terms of social causes (Bendle 1999:45). These theories, some argue, have failed on several counts, including: a failure to explain the non-existence of crime/deviance under social conditions that are theoretically specified as conducive to deviation; the failure of policy intervention informed by sociological research to reduce crime and deviance; and the recognition that there is no single, overriding normative framework that leads to relativism in explanations and multiple theories. In an important essay, Bendle (1999) posits that the relationship between crime–deviance–difference is incoherent. He suggests that the continuum tends to polarise: reactions to crime become increasingly harsh (with less consideration of the social influences and disadvantages as causes of crime), while social differences are increasingly tolerated, even celebrated. This polarisation results in the category of deviance becoming increasingly contentless and anachronistic (Bendle 1999:48).

To take up the last point – if deviance is taken to be more than criminal (or quasi-criminal) behaviour, and if its subject matter is to include regulation and discipline, then the sociology of deviance is more buoyant than ever. Second, if the sociological imagination is cast away from the criminal justice system and onto everyday life, there are many examples of deviance designation and management. For example, a range of everyday norms and expectations around food and hygiene seek to regulate the body and its functions (Germov and Williams 1999). Social etiquette specifies what to do with one's body; what gestures and emotions are appropriate; and how to manage, arrange, decorate or adorn the body in social situations.

Deviation from gender norms regarding food-preparation norms entails reactions and consequences, while compliance can reproduce ostensible harmony (Lupton 2000:182–3). Lupton demonstrates that the consumption of food (also its production and preparation) is a highly regulated social activity providing many opportunities for deviation and social control. The notion of what constitutes food is culturally variable and situational. Cultural values define what constitutes appropriate food, good food, a proper meal, a cooked dinner or a healthy meal (Lupton 1996:40). Members of affluent, western societies tend to view viscera or offal as inedible, disgusting, not as food – that is, as deviant to consume. Dining out in restaurants is an important practice of

the self in western societies, and is a public demonstration of economic and cultural capital and expression of class distinctions: distinguishing self from the deviant other. Restaurants vary in terms of the types of food served, the nature of the service, the gender of the waiters, dress codes, the etiquette or protocol anticipated and the cost (including the gratuity expected) (Lupton 1996:97–104). In sum, they vary in the social norms and rules of compliance.

References

- ABS. 1997. *Australian Criminal Courts*. Cat. No. 4513.0. Canberra: Australian Bureau of Statistics.
- . 1998. *Recorded Crime, Australia 1997*. Cat. no. 4510.0. Canberra: Australian Bureau of Statistics.
- . 2001a. *Prisoners in Australia 2000*. Cat. No. 4517.0. Canberra: Australian Bureau of Statistics.
- . 2001b. *Recorded Crime 2000*. Cat. No. 4510.0. Canberra: Australian Bureau of Statistics.
- Adhikari, P., and A. Summerhill. 2000. *1998 National Drug Strategy Survey: Detailed Findings*. Cat. No. PHE 27. Canberra: Australian Institute of Health and Welfare.
- Ahmed, E., N. Harris, J. Braithwaite and V. Braithwaite. 2001. *Shame Management through Reintegration*. Cambridge: Cambridge University Press.
- AIHW. 1999. *1998 National Drug Strategy Household Survey: First Results*. Cat. No. PHE 15. Canberra: Australian Institute of Health and Welfare.
- Bendle, M.F. 1999. The death of the sociology of deviance? *Journal of Sociology* 35:42–59.
- Borowski, A., and I. O'Connor (eds). 1997. *Juvenile Crime Justice and Corrections*. Melbourne: Longman.
- Braithwaite, J. 1978. 'An exploratory study of used car fraud' in *Two Faces of Deviance: Crimes of the Powerless and the Powerful*. Edited by P.R. Wilson and J. Braithwaite. Brisbane: University of Queensland Press.
- . 1982. Challenging just deserts: Punishing white collar criminals. *Journal of Criminal Law and Criminology* 73:723–63.
- . 1984. *Corporate Crime in the Pharmaceutical Industry*. London: Routledge and Kegan Paul.
- . 1985. White collar crime. *Annual Review of Sociology* 11:1–25.
- . 1989. *Crime, Shame and Reintegration*. Cambridge: Cambridge University Press.
- . 2001. Restorative justice and a new criminal law of substance abuse. *Youth and Society* 33:227–48.
- Braithwaite, J., and M. Barker. 1978. 'Bodgies and widgees: Folk devils of the fifties' in *Two Faces of Deviance: Crimes of the Powerless and the Powerful*. Edited by P.R. Wilson and J. Braithwaite. Brisbane: University of Queensland Press.
- Braithwaite, J., and P. Drahos. 2000. *Global Business Regulation*. Cambridge: Cambridge University Press.
- Braithwaite, J., and B. Fisse. 1983. Asbestos and health: A case of informal social control. *Australian and New Zealand Journal of Criminology* 16:67–80.
- Brereton, D. 1994. 'Real rape', law reform and the role of research: The evolution of the Victorian Crimes (Rape) Act 1991. *Australian and New Zealand Journal of Criminology* 27:74–94.
- . 1997. How different are rape trials? A comparison of the cross-examination of complainants in rape and assault trials. *British Journal of Criminology* 37:242–61.
- Bright, R.A. 1978. 'Dole bludgers or tax dodgers: Who is the deviant?' in *Two Faces of Deviance: Crimes of the Powerless and the Powerful*. Edited by P.R. Wilson and J. Braithwaite. Brisbane: University of Queensland Press.

- Brown, D., D. Farrier, S. Egger and L. McNamara. 2001. *Criminal Laws: Materials and Commentary on Criminal Law and Process in New South Wales*. Sydney: Federation Press.
- Carrington, K. 1990a. Feminist readings of female delinquency. *Law in Context* 8:5–31.
- . 1990b. Truancy, schooling and juvenile justice: 'She says she hates school'. *Australian and New Zealand Journal of Criminology* 23:259–68.
- . 1993. *Offending Girls*. Sydney: Allen and Unwin.
- Clarke, R.V. (ed.). 1992. *Situational Crime Prevention: Successful Case Studies*. New York: Harrow and Heston.
- Connell, R.W. 1992. A very straight gay: Masculinity, homosexual experience, and the dynamics of gender. *American Sociological Review* 57:735–51.
- Connell R.W., M.D. Davis and G.W. Dowsett. 1993. A bastard of a life: Homosexual desire and practice among men in working-class milieux. *Australian and New Zealand Journal of Sociology* 29:112–35.
- Cook, S., and J. Bessant (eds). 1997. *Women's Encounters with Violence: Australian Experiences*. London: Sage.
- Cunneen, C. 1997. 'Indigenous young people and juvenile crime' in *Juvenile Crime Justice and Corrections*. Edited by A. Borowski and I. O'Connor. Melbourne: Longman.
- Cunneen, C., and R. White. 1995. *Juvenile Justice: An Australian Perspective*. Melbourne: Oxford University Press.
- Daly, K. 1999. Restorative justice in diverse and unequal societies. *Law in Context* 17:167–90.
- Daniel, A. 1998. *Scapegoats for a Profession: Uncovering Procedural Injustice*. Amsterdam: Harwood Academic Publishers.
- Denton, B. 2001. *Dealing: Women in the Drug Economy*. Sydney: UNSW Press.
- Denton, B., and P. O'Malley. 1999. Gender trust and business: Women drug dealers in the illicit economy. *British Journal of Criminology* 39:513–30.
- Department of Justice, Victoria. 2002. *Court Diversion Program Evaluation: Request for Tender*. Melbourne: Department of Justice.
- Dobinson, I. 1993. Pinning a tail on the dragon: The Chinese and the international heroin trade. *Crime and Delinquency* 39:373–84.
- Easteal, P. (ed.). 1998. *Balancing the Scales: Rape, Law Reform and Australian Culture*. Sydney: Federation Press.
- Edwards, A., and M. Heenan. 1994. Rape trials in Victoria: Gender, socio-cultural factors and justice. *Australian and New Zealand Journal of Criminology* 27:213–36.
- Egger, S., and C. Harcourt. 1993. 'Prostitution in NSW: The impact of deregulation' in *Women and the Law*: Edited by P. Weiser Easteal and S. McKillop. Canberra: Australian Institute of Criminology.
- Fife-Yeomans, J. 1997. Lawyers seek \$600,000 to launch smoking class action. *Australian* 30 July:5.
- Gale, F., N. Naffine and J. Wundersitz (eds). 1993. *Juvenile Justice: Debating the Issues*. Sydney: Allen and Unwin.
- Germov, J., and L. Williams (eds). 1999. *A Sociology of Food and Nutrition: The Social Appetite*. Melbourne: Oxford University Press.
- Grabosky, P. 1984. Corporate crime in Australia: An agenda for research. *Australian and New Zealand Journal of Criminology* 17:95–107.
- . 1989. *Wayward Governance: Illegality and Its Control in the Public Sector*. Canberra: Australian Institute of Criminology.
- . 1994. Green markets: Environmental regulation by the private sector. *Law and Policy* 16:419–48.
- . 1995. Using non-governmental resources to foster regulatory compliance. *Governance* 18:527–50.

- . 1997. Inside the pyramid: Towards a conceptual framework for the analysis of regulatory systems. *International Journal of the Sociology of Law* 25:195–201.
- Grabosky, P., and J. Braithwaite. 1986. *Of Manners Gentle: Enforcement Strategies of Australian Business Regulatory Agencies*. Melbourne: Oxford University Press.
- . 1987. *Corporate Crime in Australia*. Canberra: Australian Institute of Criminology.
- Grabosky, P., J. Braithwaite and P. Wilson. 1987. The myth of community tolerance toward white-collar crime. *Australian and New Zealand Journal of Criminology* 20:33–44.
- Grabosky, P., and A. Sutton (eds). 1989. *Stains on a White Collar: Fourteen Studies in Corporate Crime or Corporate Harm*. Sydney: Hutchinson.
- Green, L. 1996. *Policing Places with Drug Problems*. Thousand Oaks, CA: Sage.
- Hopkins, A., and N. Parnell. 1984. Why coal mine safety regulations in Australia are not enforced. *International Journal of the Sociology of Law* 12:79–94.
- Hunt, A., and G. Wickham. 1994. *Foucault and Law: Toward a Sociology of Law as Governance*. London: Pluto Press.
- Lupton, D. 1996. *Food, the Body and the Self*. London: Sage.
- . 2000. 'Where's me dinner?' Food preparation arrangements in rural Australian families. *Journal of Sociology* 36:172–86.
- James, S. 1997. 'Crime prevention and public housing: The dynamics of control' in *Crime Prevention in Australia: Issues in Policy and Research*. Edited by P. O'Malley and A. Sutton. Sydney: Federation Press.
- Lyall, K., and A. McGarry. 1997. Go-slow morphine plan for addicts. *Australian* 30:6.
- McAllister, I., R. Moore and T. Makkai. 1991. *Drugs in Australian Society: Patterns, Attitudes and Policy*. Melbourne: Longman.
- Mack, K. 1993. Continuing barriers to women's credibility: A feminist perspective on the proof process. *Criminal Law Forum* 4:327–53.
- . 1994. *B. v R.*: Negative stereotypes and women's credibility. *Feminist Legal Studies* 11:183–94.
- . 1998. "'You should scrutinise her evidence with great care": Corroboration of women's testimony about sexual assault' in *Balancing the Scales: Rape, Law Reform and Australian Culture*. Edited by P. Easta. Sydney: Federation Press.
- Maher, L., and D. Dixon. 1999. Policing and public health: Law enforcement and harm minimization in a street-level drug market. *British Journal of Criminology* 39:488–512.
- Makkai, T., and J. Braithwaite. 1994. Reintegrative shaming and compliance with regulatory standards. *Criminology* 32:361–83.
- Makkai, T., and I. McAllister. 1997. *Marijuana in Australia: Patterns and Attitudes*. Canberra: AGPS.
- Makkai, T., I. McAllister and R. Moore. 1994. 'Illicit drug use in Australia: Trends, policies and options' in *The Australian Criminal Justice System: The Mid 1990s*. Edited D. Chappell and P. Wilson. Sydney: Butterworths.
- Mason, G., and S. Tomsen (eds). 1997. *Homophobic Violence*. Sydney: Hawkins Press.
- Morgan, M. 1996. Battered woman syndrome: Women's experiences, expert evidence and legal discourse. BA honours thesis, Flinders University, Adelaide.
- Mukherjee, S.K., C. Carcach and K. Higgins. 1997. *A Statistical Profile of Crime in Australia*. Canberra: Australian Institute of Criminology.
- Mukherjee, S.K., and D. Dagger. 1993. *Size of the Crime Problem in Australia: Updates*. Canberra: Australian Institute of Criminology.
- Naffine, N. 1987. *Female Crime: The Construction of Women in Criminology*. Sydney: Allen and Unwin.
- . 1992. Windows on the legal mind: The evocation of rape in legal writings. *Melbourne University Law Review* 18:741–67.

- . 1997. *Feminism and Criminology*. Sydney: Allen and Unwin.
- National Crime Prevention. 1999. *Hanging Out: Negotiating Young People's Use of Public Space*. Canberra: Attorney-General's Department.
- Neave, M. 1985. *Inquiry into Prostitution: Final Report*. Vols 1 and 2. Melbourne: Government Printer.
- . 1988. The failure of prostitution law reform. *Australian and New Zealand Journal of Criminology* 21:202–13.
- Nicol, B. 1989. *McBride: Behind the Myth*. Sydney: Australian Broadcasting Corporation.
- O'Malley, P. 1992. Risk, power and crime prevention. *Economy and Society* 12:252–75.
- . 1994. 'Neo-liberal crime control political agendas and the future of crime prevention in Australia' in *The Australian Criminal Justice System: The Mid 1990s*. Edited by D. Chappell and P. Wilson. Sydney: Butterworths.
- O'Malley, P., and A. Sutton (eds). 1997. *Crime Prevention in Australia: Issues in Policy and Research*. Sydney: Federation Press.
- Perkins, R., G. Prestage, R. Sharp and F. Lovejoy (eds). 1994. *Sex and Sex Workers in Australia*. Sydney: UNSW Press.
- Perrone, S., and R. White. 2000. *Young People and Gangs*. Trends and Issues 167. Canberra: Australian Institute of Criminology.
- Poynting, S., G. Noble and P. Tabar. 2001. Middle Eastern appearances: 'Ethnic gang', moral panic and media framing. *Australian and New Zealand Journal of Criminology* 34:67–90.
- Pyett, P., and D. Warr. 1999. Women at risk in sex work: Strategies for survival. *Journal of Sociology* 35:183–97.
- Roach Anleu, S.L. 1995. 'Lifting the lid: Perspectives on social control, youth crime and juvenile justice' in *Ways of Resistance: Social Control and Young People in Australia*. Edited by C. Simpson and R. Hil. Sydney: Hale and Iremonger.
- . 1998. 'The role of civil sanctions in social control: A socio-legal examination' in *Civil Remedies*. Edited by L. Green Mazerolle and J. Roehl. New York: Criminal Justice Press
- . 1999. *Deviance, Conformity and Control*. 3rd ed. Sydney: Longman.
- . 2000. *Law and Social Change*. London: Sage.
- Sarre, R., A. Sutton and T. Pulsford. 1989. *Cannabis: The Expiation Notice Approach*. Adelaide: Office of Crime Statistics, Attorney-General's Department.
- Simpson, C., and R. Hil (eds). 1995. *Ways of Resistance: Social Control and Young People in Australia*. Sydney: Hale and Iremonger.
- Sullivan, B. 1991. The business of sex: Australian government and the sex industry. *Australian and New Zealand Journal of Sociology* 27:3–18.
- Sutton, A. 1989. 'Bottom of the harbour tax evasion schemes' in *Stains on a White Collar: Fourteen Studies in Corporate Crime or Corporate Harm*. Edited by P. Grabosky and A. Sutton. Sydney: Hutchinson.
- . 1994. 'Community crime prevention: A national perspective' in *The Australian Criminal Justice System: The Mid 1990s*. Edited by D. Chappell and P. Wilson. Sydney: Butterworths.
- Sutton, A., and R. Wild. 1985. Small business: White-collar villains or victims. *International Journal of the Sociology of Law* 13:247–59.
- Tomasic, R., and B. Pentony. 1989a. Insider trading. *Legal Service Bulletin* 14:3–5.
- . 1989b. The prosecution of insider trading: Obstacles to enforcement. *Australian and New Zealand Journal of Criminology* 22:65–81.
- . 1989c. Crime and opportunity in the securities markets: The case of inside trading in Australia. *Company and Securities Law Journal* 7:186–98.
- Tomsen, S., and G. Mason. 2001. Engendering homophobia: Violence, sexuality and gender conformity. *Journal of Sociology* 37:257–73.

- Walker, J. 1999. A longshot in the dark. *Weekend Australian* 2–3 January: 1, 4.
- Weatherley, R. 1993. Doing the right thing: How social security claimants view compliance. *Australian New Zealand Journal of Sociology* 29:21–39.
- White, R. 1993. Young people and the policing of community space. *Australian and New Zealand Journal of Criminology* 26:207–18.
- White, R., and A. Sutton. 1995. Crime prevention, urban space and social exclusion. *Australian and New Zealand Journal of Sociology* 31:82–99.
- Wilson, Paul R. (ed.). 1971. *The Sexual Dilemma: Abortion, Homosexuality, Prostitution and the Criminal Threshold*. Brisbane: University of Queensland Press.
- (ed.). 1977. *Delinquency in Australia: A Critical Appraisal*. Brisbane: University of Queensland Press.
- Wilson, Paul R., and J. Braithwaite (eds). 1978. *Two Faces of Deviance: Crimes of the Powerless and the Powerful*. Brisbane: University of Queensland Press.
- Wilson, Peter. 1997. Tobacco's deadly truth. *Weekend Australian* 22–23 March:23.
- Wundersitz, J. 1992. The net-widening effect of aid panels and screening panels in the South Australian juvenile justice system. *Australian and New Zealand Journal of Criminology* 25:115–34.
- . 1997. 'Pre-court diversion: The Australian experience' in *Juvenile Crime, Justice and Corrections*. Edited by A. Borowski and I. O'Connor. Melbourne: Addison Wesley Longman.

Health and Illness

Jake M. Najman

The study of health and illness encompasses the study of almost every aspect of human existence. The health consequences of the interaction of the individual with his or her society is the context within which health sociologists do their work. Gender, age, socioeconomic status, family, race and place (physical location) are some of the major socio-structural determinants of health. How and why these socio-structural determinants impact on health is the first of the issues we address. Second, we examine inequalities in health and health outcomes within Australian society. Because social groups occupy different locations in time and place, their health will differ. Documenting the magnitude of these differences and the reasons for them is our second task. Finally, we consider the prospects for developing social policies and programs to improve population health. There are three issues to which we must attend if we are to understand and contribute to improving population health.

If health is a consequence of particular socio-structural determinants, then understanding how we might modify the social, political and economic contexts within which people live provides one focus for improving population health. Health care services also differ by time and place. To a greater or lesser extent, health services can impact on population health. Understanding how Australia's health services operate, their strengths and weaknesses, constitutes a second approach to improving population health. Here the primary concern is with the mix of available services and whether current patterns of service provision in Australia constitute an appropriate mixture of services. A third consideration is with emerging threats to the health of the population. These threats are as diverse as the rapidly escalating costs of providing some health care services, changing patterns of health care needs, and the emergence of new diseases and their likely impact on the health of the populations. Can we plan for a population that is experiencing rapid social change, and where our understanding of the future is limited and evolving?

Indicators of population health

What constitutes health is itself a matter of definition and sometimes of dispute. At one extreme, death and disability constitute indicators of poor health about which we can

generally agree, although it may even be disputed that death is an indicator of poor health. One might, for example, accept the death of an elderly person as 'normal', even though such a death may be ascribed to a particular pathological cause. Curiously, it is difficult to die of natural causes and so causes are identified.

At the other extreme, large numbers of persons in Australian society are subject to feelings of dis-ease. Such feelings include levels of unhappiness, worry, perhaps distress and disappointment with their personal, family and social circumstances. The more severe of these emotional problems are diagnosable psychiatric conditions, which can be classified according to standard criteria. The National Survey of Mental Health and Wellbeing of Adults (1998) adopted these criteria in the form of a structured interview. It found that 18 per cent of Australian adults had had a mental disorder in the twelve months leading up to the survey.

Population health surveys are consistent in showing that, taking a time period such as two or four weeks, the majority of the population experience some symptoms of possible disease (Mechanic 1972; Najman, Brown et al. 1979). Only a small minority of these symptoms are presented for medical diagnosis and possible treatment. The health of the population is then best understood by analogy to an iceberg – with the visible part of the iceberg representing treated morbidity (disease) and the submerged part representing existing but untreated morbidity. It would, of course, be impossible to provide treatment services for all the persons who have symptoms of possible disease – though changing priorities and patterns of service provision will enable a greater proportion of these previously untreated symptoms to be addressed. The point here is that there is an inexhaustible level of symptoms of possible disease in the population – and difficult decisions about providing treatment services are an integral and routine component of health care decision-making. The very tip of the iceberg is reflected in mortality data, yet it is this tip that attracts attention and appears in published mortality statistics.

Published statistics describing morbidity (disease) tend to be limited and tend to be less comprehensive in their coverage of the Australian population. While our discussion of population health relies largely on published mortality data, it must be emphasised that this data provides a limited view of overall population health.

Table 29.1 presents comparisons of the life expectancy of populations from selected countries. Most of the countries are selected because they provide a useful comparison to Australia. By international standards the life expectancy of the Australian male and female population is very high. For males and females, the life expectancy of the Australian population is among the highest of any country in the world. Australia's largest migrant intake was originally from the United Kingdom, yet the life expectancy of the Australian population is about two years longer than that of the UK population. The US provides another interesting comparison. For those who would see the social structure, lifestyle, health and welfare systems of the US as a useful role model for Australia, it is salutary to note that the life expectancy of the Australian population is about two and a half years longer than that of the US population. Why does this difference exist and what does such a difference have to tell us about the relationship between social structure and health? Table 29.1 indicates that the life expectancy of the Russian

Table 29.1 Life expectancy in selected countries, 2000

Country	Males	Females
Japan	77.5	84.5
Switzerland	76.7	82.5
Sweden	77.3	82.0
Iceland	77.1	81.8
Greece	75.4	80.8
Australia	76.6	82.1
New Zealand	75.9	80.9
Italy	76.0	82.4
United Kingdom	74.8	79.9
United States of America	73.9	79.5
Russia	59.4	72.0
South Africa	49.6	52.1

Source: AIHW 2002:12.

population is low by international standards. The life expectancy of Russians has been declining in recent years. How might this decline be related to the economic changes that began in that country more than ten years ago? Why is the life-expectancy gap between Australian and Russian females considerably less than the gap in the respective countries' levels of life expectancy for males? We will again discuss this issue after we review the causes of health and illness.

Social determinants of population health

What, then, are the major factors that impact on the health of the population? While we see evidence of poor health at particular points in the life course (taking life course as the period from conception to death), it is important to acknowledge that poor health is best conceptualised as the outcome of many events over what is generally an extended period of time. While some events may precipitate a crisis or specific health outcome (for example, unemployment may precipitate suicide, or marital breakdown may lead to depression), the more usual sequence is one involving long-term 'exposure' to unhealthful environments, which in concert with other experiences/exposures eventually precipitate a disease condition. For example, long-term tobacco smoking may lead to heart disease, particularly for individuals who do not exercise and who consume a diet high in saturated fats. Yet one can extend this causal sequence further, as Barker (1991) does in arguing that poor maternal nutrition during pregnancy can impair subsequent glucose metabolism in children when they reach adulthood. Poor maternal nutrition in pregnancy is believed to initiate a sequence leading to a higher incidence of cardiovascular disease when that child reaches his/her later adult life. According to this interpretation of a substantial body of data, a number of adult-onset diseases have their origin in the foetal and childhood period.

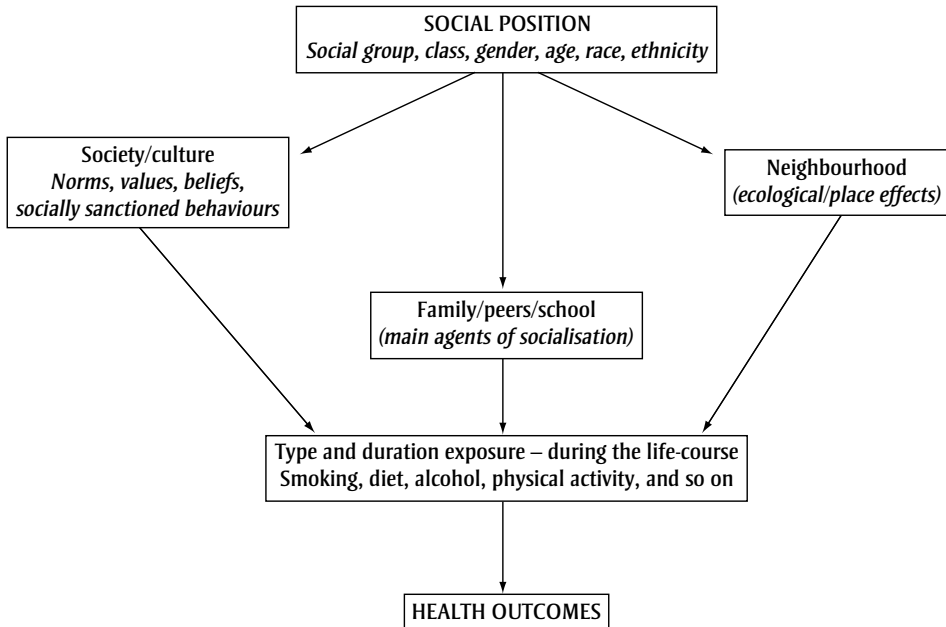


Figure 29.1 Social structure and health: A causal model

Barker (1991) interprets evidence of children born of low birth-weight having much higher rates of adult-onset cardiovascular disease as suggesting that the foetus may be programmed to be susceptible to heart disease (see Dwyer, Morley and Blizzard (2001) for a useful discussion of some of these issues). Others have suggested that maternal smoking during pregnancy may lead to mental health/behaviour problems (Williams et al. 1998) or lower bone-mass density, possibly making those adults whose mothers smoked during pregnancy subsequently more susceptible to osteoporosis (Jones, Riley and Dwyer 1999). Quinn et al. (2001) find that there is a linear association between breastfeeding and child intelligence. Jones, Riley and Dwyer (2000) found evidence suggesting that children who are breastfed for longer than three months may be less prone to osteoporosis when they are adults. This relationship remains despite adjustment for a wide range of plausible confounders. The point here is that health in adulthood may reflect exposures, some of which occurred in the foetal period, others in early childhood, and still other exposures that occurred at time periods closer to the actual onset of the disease.

Figure 29.1 should be interpreted as relevant to a wide variety of exposures, which may occur at any point in time (and for any duration) over the life course.

Health inequalities in Australian society

Australia has a population with characteristics that have particular relevance to understanding its patterns of health and illness. For example, next to Israel, Australia has the

largest proportion of its population born in other countries (around one in four of the Australian population was born overseas).

These migrants can be expected to have their own dietary, tobacco-use, alcohol-consumption and physical-activity patterns. Further, these so-called exposures are likely to vary with the length of time a migrant has been resident in Australia – migrants being inclined to adopt, over time, the health-related behaviours of the host population. Similarly, class or socioeconomic inequalities, age and racial differences involve patterns of learning for a child/adult which suggest that individuals located in particular social contexts are differentially exposed to particular lifestyles and consequently to particular health outcomes. The diversity of the Australian population suggests that social groups would be expected to have very different exposures and experiences over their life course. It follows that we could expect considerable variation and inequalities in health in Australian society. Similarly, Australia has an Indigenous population whose health will reflect their life experiences and circumstances. The same applies to men and women, young and old, and even to different religious groups.

Health inequalities in Australia are substantial and persistent. Some of these inequalities vary over time – however, these changes may as often involve increases as decreases in the magnitude of health inequalities. Why these inequalities exist remains a matter of debate – but the focus of attention has turned to understanding how different sociocultural groups have different formative experiences at various points in their life course. Health inequalities are generally observed early in the life course (for example, early childhood), and can be found at most times over the life course (for example, adulthood, old age). Whether the persistence of health inequalities reflects a cause–effect association or different causes at different times will be determined by the disease condition of interest. These unequal life chances will be considered for men and women, rich and poor, and Aboriginal and other Australians.

Health and gender

In Australia early in the twentieth century the life expectancy of women was around three years longer than the life expectancy of men (Table 29.2). By the early 1980s this difference in life chances had increased and women were living, on average, more than seven years longer than men. Currently women in Australia live, on average, about 5.4 years longer than men (AIHW 2002). No doubt part of the female advantage has a biological basis. However, changes in life-expectancy inequalities, which occur within or across one or two generations, suggest a social/environmental cause. Human biology simply does not vary greatly from one generation to the next. Why then have there been substantial changes in the relative life chances of men and women in Australian society?

A good indication of why male–female mortality ratios in Australia have changed over time comes from what can be interpreted as the ‘natural experiment’ that occurred in the countries of the former USSR when there was rapid political and economic change. Between 1987 and 1994, male life expectancy in the Russian Federation declined by about seven years to 57.6 years. While female life expectancy also declined over this time

Table 29.2 Life expectancy (years) at birth, 1901 to 1998–2000

Years	Males	Females	Female advantage (years)
1901–1910	55.2	58.8	3.6
1920–1922	59.2	63.3	4.1
1946–1948	66.1	70.6	4.5
1960–1962	67.9	74.2	6.3
1980–1982	71.2	78.3	7.1
1998–2000	76.6	82.0	5.4

Source: AIHW 2002:361.

period, the decline was of a considerably lesser magnitude. By 1994, in the Russian Federation, females had a life expectancy thirteen years longer than that of males. There are many possible explanations of these changes including changes, in health care, diet, housing, employment and the like – all contingent on the democratisation of the political process and the move towards a capitalist economic system. However, the most likely reason for the above changes was a campaign, in the last years of communism, to reduce alcohol consumption, and a rapid increase in alcohol consumption around the time the political and economic changes occurred. These changes had a greater impact on male mortality rates, largely because males were the heaviest drinkers (WHO 1998:122).

To understand changing male–female inequalities in health in Australia we need to understand changes in the way men’s and women’s lives have changed. Tobacco smoking is a major cause of heart disease and lung cancer. For lung cancer (and to a lesser extent heart disease), there is a latency period of perhaps twenty years; that is, smokers may not experience the adverse health consequences of tobacco use until many years after they take up the habit. In the Australian context, the rapid increase in health inequalities when we compare males and females is most likely attributable to the free distribution of tobacco to (male) members of the Australian armed services during World War II. It was as a consequence of this practice that there was also a substantial increase in heart disease for Australian males in particular. In 1921, Australian males had death rates from circulatory disease (primarily heart disease and stroke) that were 13 per cent higher than the female rates. By 1967, male rates were 55 per cent higher than female rates. For much the same reason, we note that males and females had identical rates of cancer death in 1921. By 1988, male death rates from cancer were 70 per cent above those of females in Australia (d’Espaignet et al. 1991). Of course, since the 1980s there have been many changes in the status of women in society. These changes include a substantial increase of women in the workforce, and the increasing adoption by women of what were previously perceived as ‘male’ behaviours, including tobacco consumption. It is consequently not surprising that rates of lung cancer for women have rapidly increased, shrinking the male–female gap in cancer rates. Similarly, by 2000 the gap between males and females for circulatory disease (heart disease and stroke) had declined substantially (see AIHW 2002:44).

Changing inequalities in mortality rates between males and females largely reflect changes in the way men and women live, their behaviours, their employment patterns,

and their social and economic circumstances. It is important to acknowledge that male–female differences in lifestyle and consequent health are evident from birth and can be observed throughout the life course.

Young Australian boys die at higher rates than girls, and also have higher rates of disability and disease. Boys are three times as likely to drown, and substantially more frequently die of injuries, sudden infant death syndrome (SIDS), motor-vehicle accidents and leukaemia. Boys have higher rates of speech problems, development delay and asthma. While some of the above inequalities are possibly due to biological differences, many others reflect accepted male behaviours that are discouraged in girls (Mathers 1995). We have already noted that for adult males, there are higher death rates for most causes of death. For example, male suicide rates in Australia are two and a half times the female rates (Mathers 1994). For the older age group (65 years and over), male mortality rates remain higher than female rates. As a consequence, when we look at the oldest age groups (over 80 years), substantially more females survive for every male that survives. It is consequently not surprising that older females have higher rates of disability than older males – arguably females are simply living long enough to have higher rates of disability associated with older age.

Are there health inequalities that suggest males have better health than females (for a discussion and analysis, see Lahelma et al. 2001)? Certainly females have higher rates of some diseases. One major difference concerns diseases of the reproductive system. Only females have a wide range of conditions associated with reproduction and the menopause. By contrast, males have high rates of hyperplasia and/or cancer of the prostate. It has been a consistent finding that females have substantially higher rates of some mental-health problems, primarily anxiety and depression. While this is true, males have higher rates of other mental-health problems; for example, alcohol abuse, illicit drug dependence. National surveys of population mental health confirm that males and females have similar rates of mental illness, but females have higher rates of emotional problems (anxiety and depression) while males have higher rates of drug dependency (ABS 1998). According to one interpretation of this difference, females ‘take their problems in’ – they become upset, worried and depressed – while men ‘act their problems out’ – they are more likely to take drugs, and become violent and disruptive.

Health and socioeconomic status

Socioeconomic inequalities in the health of the Australian population constitute some of the most well-documented and consistently observed of health inequalities. These inequalities are found for all known countries, for almost all age groups, and for most of the major causes of death (Najman and Davey Smith 2001). Table 29.3 provides details of how these inequalities have changed in Australia over the past two decades or so. Taking the 15 to 49 age group, we note that Australian manual workers had death rates (for all causes) that were 1.9 times those of non-manual workers in 1981. By 1999 there had been a slight increase in inequality – largely as a consequence of the non-manual death rate declining more than did the death rate for manual workers. A similar

Table 29.3 All-cause age-specific mortality rates and ratios, Australian males, 1981 and 1999 (deaths per 100,000 population per year)

Age group	1981	1999	% change since 1981
<i>15–49</i>			
Manual	231.5	211.4	–9.7
Non-manual	129.0	103.5	–19.8
Ratio: M/N-M	1.9	2.0	
<i>50–59</i>			
Manual	1126.9	870.5	–22.8
Non-manual	822.0	435.3	–47.1
Ratio: M/N-M	1.4	2.0	
<i>60–64</i>			
Manual	2958.5	3404.8	15.1
Non-manual	2270	1613.8	–29.0
Ratio: M/N-M	1.3	2.1	

Source: Najman and Williams unpub.

pattern is evident for the 50 to 59 age group. Here there has been a substantial increase in inequality between manual and non-manual workers, largely attributable to an almost halving of the death rate for non-manual workers over the period from 1981 to 1999.

The increase in inequalities in the oldest age group is the largest of all. For this 60 to 64 age group, the death rate of manual workers increased by 15.1 per cent, while the death rate for non-manual workers declined by 29 per cent. Interestingly, we now have ample Australian data which show that workers in the lower socioeconomic groups not only have higher death rates, but experience most diseases at substantially higher rates (for example, pneumonia, diabetes, heart disease, stroke, asthma, lung cancer, suicide, traffic accidents) (see Mathers 1994). Children born into low-income families have higher rates of chronic disease, reduced activity due to illness, and such specific conditions as chronic asthma. Children from low-income families are less likely to have been immunised (Mathers 1995).

How is lower socioeconomic status related to worse health, and why has this relationship increased in recent years? (See Najman and Williams (unpub.) for a discussion of the increasing magnitude of health inequalities.) Taking a life-course perspective, it is possible to track the accumulation of experiences that contribute to the higher disease and death rates experienced by the most economically disadvantaged. One begins by considering the period before the pregnancy. A person's height is a reflection of his or her nutritional and general history of environmental health (McCarron et al. 2002). Taller persons are so because they reflect generations of better nutrition, housing and healthy living. Persons who are taller score higher on intelligence tests, probably because their physical size and intellectual abilities are a reflection of better nutrition and living conditions (Tuvemo, Jonsson and Persson 1999). Children inherit the height of their parents, as well as many of their abilities. Thus parents who are from a

middle to upper socioeconomic group provide their children with an advantageous biological base from which to develop. Inequalities in health have their origins before a child is born.

During the pregnancy, there are important differences in parental (primarily maternal) lifestyle. Maternal smoking in pregnancy leads to a number of adverse health outcomes for a child. Mothers from lower socioeconomic groups are not only more likely to smoke, but they are more likely to be heavy smokers when they smoke, and less likely to quit smoking when they find out they are pregnant (Najman, Lanyon et al. 1998).

Smoking in pregnancy leads not only to premature births, and the birth of lower-weight babies, but also to some long-term mental-health and behavioural outcomes for the child. Mothers who smoke in the first trimester of their pregnancy are twice as likely to have children who have aggressive behaviour at 5 years of age (Williams et al. 1998). Aggressive child behaviour at 5 years of age is a good predictor of aggressive and delinquent behaviour at 14 years of age. These associations remain even after socioeconomic inequalities in smoking behaviour are taken into account. Other studies indicate that maternal smoking in pregnancy may lead to attention deficit hyperactivity disorder (ADHD) (Milberger, Biederman, Faraone, Chen and Jones 1996; Milberger, Biederman, Faraone and Jones 1998) and reduced intelligence for children of mothers who smoked (Frydman 1996).

Interpreting the above associations from the perspective of Figure 29.1, it appears that socioeconomic inequalities (that is, social class) are associated with higher rates of tobacco consumption that is socially approved and supported by more family and peers who smoke. In addition, lower socioeconomic groups live in neighbourhoods where tobacco consumption is more common and therefore more acceptable within the community. All of these social forces – that is, society, family and neighbourhood – reinforce smoking behaviour in lower socioeconomic status (SES) groups over the life course. Socioeconomically disadvantaged mothers are consequently more likely to smoke and to give birth to children who have higher levels of aggressive and ADHD behaviour, and to have children whose intelligence is adversely affected by the mother's smoking. Children born into a lower SES family are then significantly disadvantaged. Their behaviour as well as their abilities limit their performance at school, further reducing their chances of gaining more skilled and higher-paid jobs.

When children are reared in a lower SES family they are more likely to adopt a range of lifestyle choices – for example, a diet high in saturated fats, and more frequent tobacco use – that additionally predispose them to a number of chronic diseases. From this perspective, socioeconomic disadvantages in health are a reflection of an accumulation of lifestyle differences manifested by the mother during the pregnancy, and adopted by the child, youth and adult over the whole of the life course.

Why have socioeconomic inequalities in health been increasing in recent years? (See Table 29.3.)

Here the answer appears to be that higher SES groups have been adopting more healthy lifestyle choices in recent years, while lower SES groups have not made these changes (see Najman and Williams unpub.).

There is, of course, some debate about whether the above interpretation is correct, or whether other interpretations are equally (or more) plausible. Thus a materialist

view would suggest that say income inequalities lead to health inequalities directly, and attribute increasing socioeconomic inequalities in health to increasing inequalities in income. At one level, this explanation is consistent with the lifestyle/life-course explanation advanced above. Arguably, income inequalities lead to lifestyle choices over the life course. If income inequalities lead to lifestyle choices, this suggests that lifestyle differences are part of the causal pathway associating income and health. However, the evidence pointing to increasing inequalities in income in Australia in recent years is less than convincing, and unlikely to account for increasing SES inequalities in health outcomes.

Key issues for Australia: Planning for the future

Many of the health needs confronting Australian society are a reflection of the social characteristics of the population and the impact of lifestyle on health. The contribution of health care to improving population health has significant limits; for example, it is only relatively recently that 'evidence-based' health care has become commonplace. This move to evidence-based clinical decision-making reflects the fact that, for many diagnostic and treatment decisions, there has been limited research available to confirm the appropriateness (or not) of what a doctor chooses to do. It remains the case that much health care makes little or no difference to the patient receiving it (for example, the majority of patients receiving antibiotics for viral infections, medication and counselling for patients with mental illness). On the other hand, the majority of people with symptoms of possible health problems receive no medical care or attention. A Brisbane study found that only 18 per cent of symptoms experienced by adults and 28 per cent of symptoms experienced by children, over a four-week period, were taken to a doctor for medical treatment (Najman, Brown et al. 1979:59).

Health is a matter of significance to the population. There is a constituency supporting improved health care services. Accepting this, how does a nation make sensible decisions about the mixture of prevention, community care and treatment services it is to provide? What is an appropriate mixture of services and does Australia have it? We consider this question from the perspective of five key issues confronting health care planners and service providers in Australia.

Indigenous health

By the standards of the US and New Zealand, Australia has a relatively small indigenous population. Yet the health of Australia's indigenous population is worse than the health of the indigenous peoples in a number of other countries. Kunitz (1990) has compared the life expectancy of Australian Aborigines with the life expectancy of Native Americans (US), Canada's Indian population, and New Zealand's Maoris (Table 29.4). The life expectancy of Australia's Aborigines was some ten years less than the other indigenous populations. Unfortunately, ten years after Kunitz (1990) published his findings, there is still little evidence of improvement in the health of the Aboriginal Australia. Indigenous male and female Australians have a life expectancy about twenty years below that of the rest of the Australian population (ABS 2000:2). More than half

Table 29.4 Life expectancy at birth for four Indigenous populations (1980s)

	Male	Female
Native Americans (US) and Alaskans	67.1	75.1
Canada – Indians	64.0	72.8
New Zealand – Maoris	65.2	68.3
Australian Aborigines	54.0	61.6

Source: Kunitz 1990.

of all Indigenous male deaths occur before the age of 50, while only 13 per cent of all male Australian deaths occur before that age. A similar pattern is observed for females. Few Indigenous Australians live to reach an old age (ABS 2000:25). Aboriginal Australians have higher death rates for almost all major causes of death. They experience high rates of infectious and communicable diseases, this being a reflection of their poor environmental conditions; that is, housing, sanitation facilities. However, Australia's Aborigines also experience very high rates of heart disease and cancer, the so-called diseases of the developed world. This latter pattern is a consequence of high levels of tobacco use, a diet rich in saturated fats and possibly salt, and almost certainly a lack of physical activity. In addition to these causes, there are very high rates of death and injury attributable to high levels of mental-health problems. These mental-health problems include suicide, homicide, alcohol and illicit substance abuse and consequently very high rates of violence, and child abuse in some communities.

It is important to acknowledge that there is considerable difference in the health of different Indigenous groups in Australia. Generally the health of the urban Indigenous population is not as poor as the health of those Aborigines living in rural and remote areas (Najman, Andersen et al. 1996). It is in some of these rural and remote areas that we observe the worst consequences of Australia's relationship with and behaviour towards its Indigenous peoples.

During the early period of European settlement, the Aboriginal population was the subject of considerable violence, in part intended to dispossess them of their land so that this could be used for agriculture and grazing by European settlers. In some instances the violence was so great as to constitute the genocide of a whole group. For example, almost the entire Indigenous population of Tasmania was hunted down and executed. Early in the twentieth century, many of Australia's surviving Aborigines were forcibly moved to reserves, where they were subject to harsh and generally oppressive living conditions. On occasion families were separated, so that children could be 'saved' by being reared in white/European homes or care facilities. There was a widely adopted policy which suggested that the existing Aboriginal population would die out. It was a priority to have the children adopt the European culture. There was a belief that it was only a matter of waiting until the problem went away; that is, until there would be no pureblood Aborigines left alive. The services and facilities provided on Aboriginal reserves were woefully inadequate. Housing comprised crowded shacks. Sometimes a single source (tap) for accessing clean fresh water might have to be shared by

more than 100 persons. Food supplies were often imported into the communities and their nutritional value was often extremely poor.

However, even more important than these inadequate facilities and services was the failure to provide employment and appropriate educational services. In these communities, unemployment and welfare dependence are the norm. While schools are available, one can understand them being rejected by the population. With no employment available, what is the value of an education? Another concern that is perceived to affect the emotional health of the population has been their forcible removal from their traditional lands. Many Indigenous Australians have argued that they have an 'attachment' to their lands, and that their wellbeing depends upon a capacity to reaffiliate with their traditional lands.

Whatever the accuracy of this claim (and it is a claim that is plausible in part), we must be concerned with how the health of this sector of the Australian population might be improved. Recalling Figure 29.1, is the solution to address the structural basis of these inequalities (that is, better incomes, employment opportunities, housing), or to address attitudes and behaviours that are rooted in the family and broader community, or improved health services either to target early evidence of disease, or to provide better treatment services for disease conditions that have already progressed? While all of these options could be pursued, the more difficult issue is which option(s) is the highest priority? What is the best mix of policies? Arguably, little will change until the lack of employment options is rectified. Until people have something to do that they find meaningful and of value, the destructive environment in which they live will be the dominant factor in determining their health.

An ageing population and the health system

The population of Australia is ageing. This reflects a decline in the birthrate (now below replacement levels) and an increase in those surviving into old age (defined here as 65 years and over). In 1989, some 22.2 per cent of the population were in the 0 to 14 age group. This 0 to 14 group was estimated to comprise 20.3 per cent of the population in 2001 and is projected to comprise 15.6 per cent of the population in 2051 (ABS 2000:2). By contrast, taking the population 65 years of age and over, it comprised 11 per cent of the population in 1989, was estimated as 12.4 per cent in 2001, and is projected to comprise 24.2 per cent of the population in 2051. It is estimated that one in twelve Australians will be aged 80 and over by the middle of the twenty-first century.

Recognition of the ageing of the population directs attention to the impact this has on disease, and the demand it creates for particular forms and quantities of health and related services. Older persons are healthier than they have ever been (WHO 1998:100). Many are able to, and prefer to, live in their own homes rather than in an institutional setting. With adequate and appropriate community support services to meet their basic needs, many could continue to live in their own homes. However, who is to take responsibility for coordinating the delivery of services they need, and how effectively is this being done? Not only are older people living longer, but a significant proportion of this extra time is disease free and with a high level of functional independence. This is not to deny that ageing is associated with a pattern of chronic and

multisystemic diseases that are complex and place extra demands on the health and welfare systems.

For the older population, circulatory diseases, cancers and mental illness are the major causes of disability and death. Heart attacks and strokes (circulatory disease) may leave the individual affected with long-term disabilities. These may be treatable but they are generally not curable. Large proportions of the elderly population experience forms of memory loss and disability. Increasingly, the elderly population can be expected to have multiple chronic diseases requiring quite complex patterns of treatment and care.

In an important respect the Australian health care system, and recent changes in the way the system operates, means it is not likely to serve the emerging health needs of an ageing population. There are two main components to the health system. First, there is the public system of hospitals, largely funded from general revenue. Health care services in public hospitals are provided at no charge to the patient. However, from the point of view of persons with chronic illness, care is crisis-oriented, and lacks coordination and community outreach. It is a service that is directed to providing care for acute conditions, and because the system is in heavy demand, it is not well-organised or likely to be effective for chronic but less immediately life-threatening conditions.

The second tier of service provision is provided by private medical practitioners operating on a fee-for-service basis. These are private practitioners increasingly working in larger group practices where there is limited opportunity to provide continuity of care and to coordinate the range of services the elderly are likely to need. This fee-for-service system involves medical practitioners increasingly choosing to affiliate in group practices for the explicit reason that providing comprehensive services to clients is no longer a realistic option. By sharing the work they reduce the demands on an individual practitioner – but at the same time the effect is to distribute the work over a number of care-providers, none of whom has the responsibility (or capacity) to provide coordinated care. Simply summed up, while health needs are becoming more broadly based and requiring many varied types of expertise, the medical-care system is becoming more fragmented and oriented to dealing with acute health problems.

Unfortunately, we know relatively little about how the health needs of the aged in Australia are being met. There is little systematic research on which to draw, and this is, of itself, an indication of the priority successive governments have placed on the delivery of health care services to the aged.

The mix of treatment and prevention services

If health is (in part) a consequence of the way people live and the environmental conditions that sustain them, then it follows that health services should allocate resources to community-oriented prevention services. One of the legitimate aims of health care is to influence the way people live and to modify the environments that are destructive of their health. One of the persistent and continuing criticisms of the Australian (and other) health care systems is that these systems are not concerned with maximising health; rather, they are oriented to treating disease.

McKinlay (2001) cites an analogy first used by Irving Zola in an unpublished lecture where Zola questioned the dominant fears of what is more correctly described as

a disease-treatment system, not a health system. This analogy has an observer located beside a river. The observer notices a drowning person in the river being dragged downstream by the current. The observer extends a hand to the drowning person, drags the person out of the river and administers resuscitation. As the patient is recovering the observer notices another drowning person. The observer dives in to rescue this second person, but before the work is complete notices a third person now drowning in the river. McKinlay (read Zola) urges us to ask the question – where (and in what circumstances) are these people falling into the river and might we (that is, not only the health system but society as a whole) be better off preventing these people from falling into the river in the first place. Many diseases – including heart disease, cancer and many of the substance-abuse problems – are reflections of poverty, of lifestyle differences, of political and economic decisions made by government and industry. By making more healthful decisions and erecting a fence to prevent people falling in the river (that is, by developing improved prevention services), we may avoid the need to continually rescue/treat those already sick.

When governments decide to provide tax incentives to reduce (or not reduce) the cost of low-fat foods they are making a health decision. When governments ban (or do not ban) the advertising of tobacco products, or the sale of tobacco to persons under 18 years of age, or the consumption of tobacco inside public premises, these are health policies in action. They are examples of refocusing upstream.

Figure 29.1 is important in alerting us to the factors that connect social groups to their health outcomes. Prevention may operate at the level of addressing social inequalities directly (that is, social position); or aiming to modify relevant beliefs and values underpinning unhealthy behaviours; or working with families and/or neighbourhoods to reduce the propensity to adopt and continue unhealthy lifestyle options; or using the economic and/or political system to limit unhealthy behaviours (for example, by taxing tobacco).

Irrespective of the strategy used to prevent disease, there is widespread agreement that the Australian health system does not adequately promote health. There is relatively little encouragement or support for doctors (or other health workers) to engage in health promotion and disease prevention.

Cost of health care services

The changing pattern of disease – with the increase in chronic conditions, the ageing of the population, and the continuing development of new technologies and treatments – has the effect of increasing the demand for health services. In the 1970s there were less than three medical services per person per year, though this estimate is based upon incomplete data (AIHW 1990:124). Between 1984–85 and 1993–94, the average number of Medicare services per person per year increased from 7.2 to 10.2 (ABS 1996:66). This increase has steadily continued until 2000–01, when there were eleven Medicare services per capita per year for the Australian population. These services are divided in the following way: five unreferral services to general practitioners, emergency and related services; slightly over three pathology services per person per year; and one specialist service per person per year (AIHW 2002:304).

It is consequently not surprising that all governments, confronting the increased demand for services, develop policies for rationing the available services. Such rationing is often covert and involves limiting publicly funded services for particular categories of person or service. For example, the Australian government has determined that Viagra is not to be placed on the Pharmaceutical Benefits Scheme (a scheme that involves a financial subsidy for those prescribed items on the list). The effect of this decision is that men who experience sexual dysfunction will be required to pay the full fee if they are prescribed Viagra by their doctor. The wealthier groups will be able to afford treatment if they have a sexual dysfunction, but the poor may not.

A second type of rationing involves the allocation of patients awaiting elective surgery to a priority level; the highest level comprises patients whose condition requires surgery within thirty days, while at the bottom level are surgery cases for which there may be longer delays. Patients who are privately insured, or who are able to afford to pay for the services they receive, are likely to receive earlier care for their condition (see AIHW (1998:208) for details of waiting times).

A third type of rationing involves a copayment by patients for a service they receive. This copayment may be for a medical service (decreasing numbers of doctors are bulk-billing the health system directly, largely because of government policies) or for medications that have been prescribed. Again the effect here is to shift the cost of care to consumers who are least able to pay. As we have noted, those least able to pay fees are also the group with the highest levels of disease, disability and death.

Of course, this process of rationing or restricting access to health services is in the context of increasing health care costs. In the 1970s, health costs comprised about 5.5 per cent of gross domestic product (GDP). Despite vigorous efforts to restrict annual increases in health care costs to annual increases to the GDP, health care is becoming a larger component of the nation's total expenditure. By 1989–90, health-service expenditure had increased to 7.5 per cent of GDP, and by 1999–2000 it was 8.5 per cent of GDP. In constant dollars (adjusted for price increases), the cost of health care per person per year in Australia has increased from \$2,087 in 1989–90 to \$2,758 in 1999–2000 (AIHW 2000:249–50).

All health care systems are confronted by an increasing demand for health services, and potentially large increases in health care costs. Health planners have to make difficult decisions about how and what services to provide and support. Often these decisions have to be made without adequate information about the consequences of this decision.

Emerging health problems

What of the future? What are the issues likely to confront health care analysts and planners over the next four decades? Certainly health inequalities will remain an issue of concern. Developing a more effective program for addressing the health needs of an ageing population will continue to be a high priority. An increased emphasis on disease prevention is likely, given the low cost of such activities and their likely benefits. Finding ways of restraining health care costs, while providing some of the benefits of improved health care services, will remain a challenge. However, there are a number of new issues on the horizon which will demand attention.

First, there is the emergence of the new infectious diseases. This new generation of infections includes those which have become resistant to conventional antibiotics (such as Vancomycin-resistant enterococci, VRE) – as well as a new generation of infections. This new generation includes human immunodeficiency virus (HIV), Ebola and legionnaires disease (see Garrett (1994) for an extended discussion). Of course, some of the old infectious diseases have had a resurgence (for example, malaria, tuberculosis), in part because existing methods of eradication and control have produced forms of these infections that are resistant to control.

Second, there is the apparent growth in mental and emotional problems. While it is not possible to find time-series data that would document changes in the mental health of the whole population, it does appear that some mental health problems – for example, illicit drug use – are clearly increasing. If we accept the validity of national data indicating that about 18 per cent of the population experienced a serious mental illness in the past twelve months (ABS 1998), then finding ways of addressing the health needs of the mentally ill will be a major challenge.

Third, there is the blurring of life and death. With improved knowledge and technology it is increasingly possible to defer death. How are we to decide when to let life go? And at what point does an individual have a moral right to end his or her life because the conditions under which it is being lived are no longer adequate or acceptable? While these are questions to which there are no unambiguous answers, they are questions that health care workers are increasingly likely to confront.

Finally, there are the issues that derive from developments in the human genome project. As molecular biologists and chemists become more skilled at modifying human genetic potential, there will be increasing interest in ‘making’ humans. There may well be a capacity to modify human potential from birth to reduce rates of mental illness, increase an individual’s skills and abilities, and remove the propensity for particular diseases. While these may, at present, represent technical and scientific challenges, they have implications for human existence that are profound. How we, as a society, develop methods of engaging an informed community in a debate about these issues may be the most difficult of the challenges we confront.

Conclusion

The sociology of health and illness represents one of the major areas of sociological interest. Many sociologists find employment as health care planners and researchers. For those involved in this area of activity the opportunities are varied and compelling. For its practitioners this field of study represents the most exciting of the areas of substantive interest in sociology.

Sociologists interested in health may cover a wide range of topic areas (for example, socioeconomic and gender inequalities); they have interests that extend over the whole life course, and there is no limit to the range of health problems they address. Health is intrinsically a part of the society in which we live, and many of the things that make us human also determine our health and wellbeing. The way we live

frequently determines when and how we die. The way we live is, in turn, partly determined by the society in which we live and the groups to which we belong. Understanding this sequence represents our major task in the years to come.

References

- Abbott, R.D., L.R. White, G.W. Ross, H. Petrovich, K.H. Masaki, D.A. Snowdon and J.D. Curb. 1998. Height as a marker of childhood development and late-life cognitive function: The Honolulu-Asia aging study. *Pediatrics* 102(3 Pt 1):602-9.
- ABS. 1996. *Australian Social Trends 1996*. Cat. No. 4102.0. Canberra: Australian Bureau of Statistics.
- . 1998. *Mental Health and Wellbeing – Profile of Adults – 1997*. Cat. No. 4326.0. Canberra: Australian Bureau of Statistics.
- . 2000. *Australian Social Trends 2000*. Cat. No. 4102.0. Canberra: Australian Bureau of Statistics.
- AIHW. 1990. *Australia's Health 1990*. Canberra: Australian Institute of Health and Welfare.
- . 1998. *Australia's Health 1998*. Canberra: Australian Institute of Health and Welfare.
- . 2000. *Australia's Health 2000*. Canberra: Australian Institute of Health and Welfare.
- . 2002. *Australia's Health 2002*. Canberra: Australian Institute of Health and Welfare.
- Barker, D.J. 1991. The foetal and infant origins of inequalities in health in Britain. *Journal of Public Health Medicine* 13(2):64-8.
- Dwyer, T., R. Morley and L. Blizzard. 2001. 'Health inequalities: Is the foundation for these laid before the time of birth?' in *The Social Origins of Health and Well-Being*. Edited by R. Eckersley, J. Dixon and B. Douglas, pp. 225-30. Melbourne: Cambridge University Press.
- Frydman, M. 1996. The smoking addiction of pregnant women and the consequences on their offspring's intellectual development. *Journal of Environmental Pathology, Toxicology and Oncology* 151(2-4):169-72.
- Garrett, L. 1994. *The Coming Plague*. New York: Penguin.
- Jones, G., M. Riley and T. Dwyer. 1999. Maternal smoking during pregnancy, growth, and bone mass in prepubertal children. *Journal of Bone and Mineral Research* 14(1):146-51.
- . 2000. Breastfeeding in early life and bone mass in prepubertal children: A longitudinal study. *Osteoporosis International* 11(2):146-52.
- Kunitz, S.J. 1990. Public policy and mortality among Indigenous populations of Northern America and Australasia. *Population and Development Review* 16(4):647-72.
- Lahelma, E., S. Arber, P. Martikainen, O. Rahkonen and K. Silventoinen. 2001. The myth of gender differences in health: Social structural determinants across adult ages in Britain and Finland. *Current Sociology* 49(3):31-54.
- McCarron, P., M. Okasha, J. McEwan and G. Davey Smith. 2002. Height in young adulthood and risk of death from cardiorespiratory disease: A prospective study of male former students of Glasgow University, Scotland. *American Journal of Epidemiology* 155(8):683-7.
- McKinlay, J.B. 2001. 'A case for refocusing upstream: The political economy of illness' in *The Sociology of Health and Illness: Critical Perspectives*. 6th ed. Edited by P. Conrad, pp. 516-29. Salt Lake City: Worth.
- Mathers, C. 1994. *Health Differentials among Adult Australians Aged 25-64 Years*. Australian Institute of Health and Welfare, Health Monitoring Series 1. Canberra: AGPS.
- . 1995. *Health Differentials Among Australian Children*. Australian Institute of Health and Welfare, Health Monitoring Series 3. Canberra: AGPS.

- Mechanic, D. 1972. Social factors affecting the presentation of bodily complaints. *New England Journal of Medicine* 286(20):1132–9.
- Milberger, S., J. Biederman, S.V. Faraone and J. Jones. 1996. Further evidence of an association between maternal smoking during pregnancy and attention deficit hyperactivity disorder: Findings from a high-risk sample of siblings. *Journal of Clinical Child Psychology* 27(3):352–8
- Milberger, S., J. Biederman, S.V. Faraone, L. Chen, and J. Jones. 1996. Is maternal smoking during pregnancy a risk factor for attention deficit hyperactivity disorder in children? *American Journal of Psychiatry* 153(9):1138–42
- Najman, J.M., M.J. Andersen, G.M. Williams, W. Bor and M. O'Callaghan. 1996. 'Child health development in an urban sample of Aboriginal, Islander and other children' in *Aboriginal Health: Social and Cultural Transitions*. Edited by G. Robinson, pp. 61–9. Darwin: NTU Press.
- Najman, J.M., N. Brown, C. Bain, M. Gibbings, G. Lupton, J.G.P. Ryan, M. Sheehan, J.S. Western and S. Payne. 1979. Patterns of morbidity, health care utilisation and socioeconomic status in Brisbane. *Australian and New Zealand Journal of Sociology* 15(3):55–63
- Najman, J.M., and G. Davey Smith. 2000. The embodiment of class-related health inequalities: Australian policies. *Australian and New Zealand Journal of Public Health* 24(1):3–4.
- Najman, J.M., A. Lanyon, M. Andersen, G. Williams, W. Bor and M. O'Callaghan. 1998. Socio-economic status and maternal smoking before, during and after a pregnancy. *Australian and New Zealand Journal of Public Health* 22(1):60–6.
- Najman, J.M and G.M. Williams. Unpublished. Occupational class inequalities in mortality in Australia 1981–1999: Changing patterns and likely causes. Paper submitted for publication.
- Quinn, P.J., M. O'Callaghan, G.M. Williams, J.M. Najman, M.J. Andersen and W. Bor. 2001. The effect of breastfeeding on child development at 5 years: A cohort study. *Journal of Paediatrics and Child Health* 37(5):465–9.
- Tuvemo, T., B. Jonsson and I. Persson. 1999. Intellectual and physical performance and morbidity in relation to height in a cohort of 18 year-old Swedish conscripts. *Hormone Research* 52(4):86–91.
- Williams, G.M., M. O'Callaghan, J.M. Najman, W. Bor, M.J. Andersen, D. Richards and Chinlyn U. 1998. Maternal cigarette smoking and child psychiatric morbidity: A longitudinal study. *Pediatrics* 102(1):e11.
- WHO. 1998. *The World Health Report 1998*. Geneva: World Health Organisation.

Population

Peter McDonald

Studies of pre-1950 Australian population

The Indigenous population before British colonisation

There has been considerable debate about the size and distribution of the Indigenous population of Australia prior to the arrival of British settlers. A summary of the various estimates made from 1930 (Radcliffe-Brown) to 1980 is provided in Len Smith's important book *The Aboriginal Population of Australia* (Smith 1980). The methodology used by Radcliffe-Brown was to divide the country into tribal areas and then to employ archaeological material, settlers' accounts and other information to estimate the likely population of each tribe. A similar approach has been applied in almost all subsequent estimates. Smith estimated that the Indigenous population was probably somewhere in the region of 300,000 to 500,000 at the time of British settlement, but he concluded that 'there is probably little to be gained by devoting further attention to this question' (Smith 1980:76).

However, this has not stopped the discussion, and debate rages to this very day; the range of possibilities has extended much beyond that described by Smith. For example, Butlin (1983) argued that the original population had been considerably larger, a claim disputed by Gray (1985). In terms of establishment of heritage, there indeed does not seem to be much point to this debate. It is clear that Indigenous settlement is tens of thousands of years old and, because of this, the number of Indigenous people who have ever lived in Australia, as Len Smith has demonstrated, is certainly massively higher than the number of non-Indigenous people who have ever lived here. It is also indisputable that Indigenous peoples held sovereignty over the land and exercised systems of law and justice prior to British settlement. This surely establishes heritage and prior ownership. There may be a point in estimating the impact of British settlement on the Indigenous population, but the result of such research is almost certain to be circular; that is, the result will be a product of the assumptions made in obtaining it.

The Indigenous population, 1788 to 2001

Very little research has been conducted on the size and distribution of the Indigenous population from first British settlement until the 1980s. The outstanding exception is

Smith's study (1980), referred to above, and a later study by Gray and Smith (1983). In the 1930s, the standard view, even among scientists, was that the Indigenous population would 'disappear' as an entity, being absorbed into the broader population. This was in keeping with the Australian constitution, which, until amended in 1967, required that 'full-blood' Aborigines not be included in the count of the population of Australia. Thus, part of the reason for little research on the Indigenous population in the period was the silence in official statistics. Of course, there has been a great deal of research in recent times on the taking of Aboriginal children from their families in this period.

The scientific study of Indigenous demography in Australia was advanced from the 1980s through the work of Alan Gray. By applying the incomplete data techniques applied to estimate birthrates and death rates in developing countries, Gray (1984, 1990) was able to obtain relatively reliable estimates of fertility and mortality for the Indigenous population. Others now follow in that tradition. While the fertility rate of Indigenous people had fallen to relatively low levels by the 1990s (around 2.2 children per woman), their mortality remains very high (see below).

The Australian census uses a self-identification question to measure the Indigenous population of Australia. The combination of the self-identification question with better techniques to ensure the inclusion of Indigenous people in the census, the tendency for people with any Aboriginal and Torres Strait Islander origin to identify as Indigenous, and an increased confidence in identifying as a person of Indigenous origin has progressively led to much higher numbers of people of Indigenous origin being counted at each successive census. For example, between the 1996 and 2001 censuses, the count of the Indigenous population increased by 16 per cent (12 per cent due to natural increase and 4 per cent due to better counting). In comparison, between 1991 and 1996, the count of the Indigenous population increased by 33 per cent (14 per cent due to natural increase and 19 per cent due to better counting). The conclusion from this is that the Australian Bureau of Statistics (ABS) implemented improved enumeration procedures between 1991 and 1996, which had a large impact on the number of Indigenous people counted. These better procedures were held in place between 1996 and 2001. Nevertheless, the ABS has estimated that the Indigenous population counted at the 2001 Census was 12 per cent lower than the estimated resident population. The equivalent percentage for the total population was 3.8 per cent. This means that problems of enumeration are still greater for the Indigenous population than for the general population (ABS 2002a).

British settlement, 1788 to 1949

Population growth and distribution have been core features of social and economic debate in Australia, a country of relatively recent settlement for most of its inhabitants, since 1788. In Australia's early colonial history, the debate centred upon whether the country was to be an efficiently run penal settlement or a new nation of families steeped in the culture of its colonial parent. Both views had at base a rural feudal system in which large property holdings were worked in one case by convicts and in the other case by free agricultural labourers. With the rise of liberalism in the home country in the 1830s, the convict system gradually began to decline and was largely

replaced in New South Wales by mass migration mainly from England of free labourers, assisted and recruited by the colonial government. About 80,000 convicts were transported to New South Wales from 1788 to 1840, a number almost matched by the 61,000 free immigrants who arrived in the short period from 1836 to 1842. By 1850, the number of free immigrants who had arrived in New South Wales exceeded the number of transported convicts by about 50 per cent. Tasmania (Van Diemen's Land), the other place of early settlement, was very different, with the number of free immigrants arriving prior to 1850 being only about 30 per cent of the number of transported convicts (Borrie 1994: chapters 1 and 2).

W.D. Borrie's book *The European Peopling of Australasia: A Demographic History 1788–1988* (1994) provides the most authoritative and comprehensive analysis of population flows in Australia from 1788 to 1850 and, indeed, for the 200 years after the first British settlement. The book was a lifetime work for Borrie, beginning when he was appointed to the Australian National University (ANU) in 1947, and coming to fruition in 1994, long after his retirement. As the first person appointed to an academic chair in demography anywhere in the world, and as the founder of the ANU's Demography Department in its Research School of Social Sciences, Borrie was, it can be little debated, the 'father' of the scientific study of population in Australia. However, he was preceded by a tradition set by people whom he greatly admired, who had been government statisticians such as William Henry Archer, Timothy Coghlan, George Knibbs and Charles Wickens. These were the people who led the way in the scientific study of Australia's population. In regard to the analysis of fertility, Coghlan (1903), at the end of the nineteenth century, led the world in the sophistication of the data and techniques that he brought to the study of the fertility decline in New South Wales. The other essential source book on the peopling of Australia is the encyclopedia *The Australian People*, edited by James Jupp (2001).

There have been numerous studies of the movements of people to Australia in the period prior to 1850. Robson (1965) documented for the first time the largely urban origins and young ages of the convicts transported to Australia, and their involvement in relatively petty crime. Oxley (1996), using similar quantitative techniques, examined the circumstances of convict women. They were mainly young, first-time offenders, and petty theft was the usual crime. Haines (1997) has examined the processes by which the large free emigration to Australia from 1831 to 1860 was organised, and McDonald and Richards (1998) have described who the free settlers were. A feature of these early years of British settlement was an imbalance of the sexes caused by the fact that the number of male convicts exceeded the number of female convicts by about six to one. There was a much greater balance of the sexes in the free-immigrant movement prior to 1850 because those recruited were often families with children, and because single women were actively recruited to provide a more even balance of the sexes in the Australian colonies.

Large numbers of single women were assisted to emigrate to Australia to meet the competing needs of domestic service to the better-off settlers and marriage to the male excess. Most married rapidly. A very large proportion of these single women, almost three-quarters, came from Ireland. This research, mainly conducted by historians, has

had many and various purposes, including the seeking of Australian identity or 'character' from the origins of the persons who came to Australia, documenting Australia's economic history, explaining emigration from the British Isles, or simply telling the story of the British settlement of Australia.

Compared to the period before 1850, there has been much less research on immigration to Australia in the century from 1850. Besides Borrie's book, the major sources are Crowley's 1951 study of the period from 1860 to 1914, and Roe's 1995 study of the period from 1915 to 1940. There has been no comprehensive study of immigration to Australia in the gold-rush decade, the 1850s, despite its major significance to Australia's population history. More than 1 million people arrived in this one decade, and the population of Australia almost tripled between 1850 and 1860. While much of this growth occurred in the gold colony of Victoria, all of the Australian colonies grew strongly in population terms in this decade. Again in contrast, research on immigration in the period from the end of World War II to the present day has been voluminous. Implicitly, it seems, the nature of immigration in the century from 1850 onwards has been treated as unimportant in the development of the Australian character and identity, and in other aspects of Australian development. This is a very doubtful proposition.

Fertility, mortality and marriage to 1950

Australian demographers in the 1970s produced long-run, historical studies of changes in fertility (Ruzicka and Caldwell 1977), mortality (Young 1977) and marriage (McDonald 1974) in Australia, and in its various colonies and, later, states. These are very important studies that track the timing and the social and economic context of changes in behaviour, and changes in health and medical technology. Their importance derives from the fact that they provide the context to a contemporary understanding of demographic trends (Ruzicka and Caldwell 1977:363). Most important is Australia's participation in the demographic transition, the central paradigm of demography. The demographic transition refers to the process whereby developing societies shift from low population growth due to high fertility combined with high mortality, through a period of high natural growth as the death rate falls while the birthrate remains high, to a new situation of low population growth with low fertility and low mortality rates. Pre-eminently, in the nineteenth century, this is a European story, but Australia is a very important case study because the transition occurred simultaneously with the transition in most European countries, but in a social, economic and geographic context very different to that of Europe. Many standard explanations that were applied in the explanation of the European fertility transition were not very relevant to the sharp fall in fertility in the Australian colonies from 1880 onwards. The fall could not be attributed to a fall in infant mortality; that hardly changed in Australia between 1860 and 1900. It could not be explained by industrialisation or an increase in wage rates for women. It could not be explained by the slow transition of the idea of fertility control across the next hill and into the next valley.

The unsatisfactory nature of existing explanations of fertility transition led Caldwell to focus upon the emergence of compulsory education for children and a shift towards investment in the quality of children as distinct from their quantity. Of course, this

investment was only worthwhile in a social setting where social mobility had become a reality for the many, not just the few, and where education was seen to be the principal pathway to social mobility. This had certainly become the case in late-nineteenth-century Australia, especially in the big cities but increasingly in rural areas as well. Class also played an important part, with fertility decline occurring earlier for the growing middle class in the cities, but extending over time to the working class. Delay of marriage was important in the fertility decline for the middle class (Larson 1994). Having made this observation about Australia, Caldwell was able to extend the application of the theory to other countries in the nineteenth century (Caldwell 1980). This represented a formulation appropriate to nineteenth-century European populations of his more general theory of fertility falling with the reversal of wealth flows between children and their parents (Caldwell 1976). Of course, these changes in the organisation of society and in social outlook were contingent upon the rapid flow of ideas across continents in which the English language was the medium (Caldwell and Ruzicka 1977). It is not by chance that fertility fell more or less simultaneously in the United Kingdom, the United States and Australia.

A necessary concomitant to a desire for lower fertility is the means of achieving it. Again, Australian scholarship has been important in establishing the role of the fertility transition in a change in the status of women within the household (Quiggin 1988; Larson 1994; McDonald 2000). Using data from the 1911 Australian Population Census, Ruzicka and Caldwell (1977) were able to demonstrate that fertility fell from the top downwards; that is, very large families were the first to disappear, gradually working down to smaller family sizes. An important argument, therefore, was that women, who faced a very real risk of death with each successive pregnancy, were able to convince their husbands that it was time to stop further child-bearing. The method most commonly employed was withdrawal (Caldwell and Ware 1973; Quiggin 1988). Overall, this Australian work on the fertility transition, along with Caldwell's contemporary work on the effects of maternal education on child mortality (Caldwell and McDonald 1982), put Australian scholarship at the centre of world demographic science.

Young (1976) has provided a long-run analysis of changes in mortality in Australia during the period of European settlement. In particular, she documents the considerable fall in the incidence of infectious diseases as causes of death in the century from 1850 onwards. Using original death records for nineteenth-century Tasmania, Kippen (2002) has produced highly innovative work on the reclassification of causes of death in a nineteenth-century population. For example, she was able to show, by linkage to original birth records, that maternal mortality was very considerably under-reported in the original published statistics. These studies have added greatly to our understanding of mortality trends in Australia's demographic history, and have contributed to international debates on the timing and reasons for historical mortality decline. The unit record database of nineteenth-century Tasmanian births, deaths and marriages offers great scope for further detailed studies of nineteenth-century demography in Australia.

Work on settlement patterns in colonial Australia has been conducted largely by economic historians and is focused heavily upon explanations of the high rates of urbanisation in the Australian colonies, particularly the high proportions of the popu-

Table 30.1 Percentage of state or colony population in the capital city, 1861 to 1971

Year	Sydney (% of NSW)	Melbourne (% of Vic.)
1861	27.4	23.2
1871	27.4	26.2
1881	30.0	31.1
1891	35.5	41.5
1901	36.6	39.8
1911	42.1	45.1
1921	49.0	51.1
1933	51.1	54.5
1947	55.1	59.7
1954	54.4	62.5
1961	55.7	65.3
1971	61.0	71.4
1976	60.4	71.4
1981	62.6	71.1
1986	62.8	71.3
1991	62.3	71.4
1996	62.6	72.0
2001	62.7	73.0

Sources: 1861–1976, Burnley 1980: tables 3.1 and 5.2; 1981–2001, author's calculations from ABS publications.

lation that lived in the colonial capitals (Cannon 1966; Glynn 1970; McCarty 1970; Bate 1970; Kelly 1978; McCarty and Schedvin 1978; Davison 1978). More recently, a spate of local histories written by historians has provided insights into the population histories of particular towns. Broader, synthesising works are more unusual, the principal exception being Ian Burnley's 1980 study *The Australian Urban System*. As a long-run historical study, Burnley's book describes the evolutionary history of urban areas in Australia to 1980 within strong theoretical frameworks. In most of these studies, population in rural areas tends to be treated as the obverse of that in urban areas; the grand study of the Australian rural system with a demographic focus remains to be written. The central theme of these studies is the inexorable movement towards greater concentration of the population in the capital cities (Table 30.1), although this trend has slowed dramatically in the past thirty years, a theme that is taken up later in the article.

Australia's population: The period from 1950

Populate or perish: Population policy in postwar reconstruction

There is a very strong view that Australia achieved its sense of independent nationhood during World War II, most importantly through John Curtin's decision to bring Australian troops back from the western theatre of war to defend Australia in the eastern theatre. This sense of independent nationhood produced the nation-builders of postwar

reconstruction, who were instrumental in changing the course of population growth in Australia. The story of the development of population policy in Australia in this period is told by Borrie (1994: chapter 10) and Borrie himself was a central player in the decisions that were made at the time. One of the early decisions of the nation-builders had been to create an academic position in demography at the new ANU, and Borrie was appointed to this position in June 1947. Later, in 1952, the Department of Demography was created by the ANU Council, with Borrie as its head. The importance of this development is underlined by the fact that almost all of the research reported in this article is research undertaken by staff members or graduates of ANU Demography. Not reported here are the substantial contributions that this academic department has made to an understanding of Third World demography and to the development of demographic competence in Third World countries.

The problem faced by the nation-builders was that, in the early 1930s, Australia's fertility rate had fallen below the level that ensures replacement of the population in the longer term, and economic depression and war had greatly reduced the level of immigration to Australia in the 1930s and 1940s. The result was low population growth by historical standards. With a population of just 7 million people, Australia had a very strong sense of vulnerability during the war. The rationale of postwar policy became 'populate or perish', a phrase coined by William Morris Hughes at an earlier point in time. The age at first marriage had fallen sharply during the war from the very high levels resulting from the economic recession in the 1930s, and, in 1946 and 1947, the number of births also rose sharply. In 1947, there were 182,000 births compared to 109,000 in 1934.

Most contemporary observers interpreted the marriage trend as a 'war-time phenomenon', driven by the sense of marrying now or never (McDonald 1974), and the birth trend as compensation for births necessarily delayed during the war. Population projections made at the time generally assumed that there would be a quick return to the low birthrates of the 1930s (Borrie 1949:4). For example, a population projection that had been prepared at the time for the Australian National Health and Medical Research Council indicated that, with zero net migration, Australia's population would rise from 7.7 million in 1950 to a peak of 8.2 million in 1980, after which the population would fall to 8 million by the year 2000 (Kippen and McDonald 2000). It was this view of Australia's future population that drove postwar population-policy development.

As early as August 1945, Arthur Calwell, the recently appointed and first Minister for Immigration in the Australian parliament, produced a policy paper on immigration, and the highly successful postwar migration scheme was set in train. Calwell also raised the issue of a target for population growth. He preferred to set this target at 2 per cent growth per annum, but doubted that this could be reached in a low fertility setting. Later, when it was evident that the baby boom was not a mirage, the 2 per cent figure was adopted. Demographic research in the form of population projections underpinned much of this policy formulation.

International migration: The settlers

With justification, given its impact on Australian society, writing on Australia's population in the period from 1950 is dominated by research of international migration. For

many years, the epicentre of this work was the Department of Demography at the ANU and the work was led by Charles Price. Others prominent in this work in ANU Demography in the 1950s and 1960s were Borrie, Reg Appleyard, George Zubrzycki, Frank Kunz and Frank Jones. While throughout his career Price maintained a strong interest in the demography of immigration, his major contribution was to shift the emphasis of immigration studies from the demographic and to the cultural. Studies were made of different immigrant communities, their origins and their settlement in Australia. An early classic of this genre was Price's 1963 study, *Southern Europeans in Australia*. Many more such studies are included and referenced in *The Australian People* (Jupp 2001). In total, the work summarised in *The Australian People* represents a truly remarkable documentation of the history of a society changing in its composition. Probably no country in the world has devoted so much time and energy to researching the variants of its people. There is no question that this research work has been a significant part of the very successful experiment that postwar immigration to Australia represents.

The study of immigration was taken up later within the newly emerging discipline of sociology. The primary focus of sociological research was upon the cultural integration of the diverse new arrivals into a largely monocultural British Australia. There was considerable cross-national interest and collaboration in this work in countries such as Canada, New Zealand and the US, all of which faced a similar situation in the postwar years. The paradigm for this research shifted from assimilation, through integration, to multiculturalism, the changing terminology reflecting sensitivity about the 'proper' theoretical framework to be employed.

On the one hand, there was a genuine interest on the part of researchers to examine the nature of settlement, its successes and its failures. On the other hand, work in this area was portrayed as ideologically driven and proscriptive; that is, the purpose was not to investigate settlement outcomes but to determine them through ideological imposition. Lewins (2001) provides an overview of this history, and Smolicz (2001) a contemporary evaluation. Early debate about theoretical frameworks to examine settlement outcomes tended to remain with the academic arena, partly because there was bipartisan political support for immigration and its diversity. Indeed, political support was so strong that Australia was able to rid itself in the 1970s of its White Australia Policy. In recent times, however, political solidarity on the issue of the nature of settlement has dissipated and research has become the province of political scientists.

In the past twenty years, perhaps as a reaction to the sensitivity of cultural research on immigrant settlement, focus has shifted to economic outcomes. At the individual level, this has involved research of employment and education outcomes for immigrants and their children. The two waves of the Longitudinal Survey of Immigrants to Australia (LSIA), conducted by the Department of Immigration, have been an important source of data for these studies in recent years. In general, studies based on LSIA data show that migrants adapt fairly rapidly to the Australian social and economic environment, and this has been increasingly the case as the skill level of immigrants has increased (VandenHeuvel and Wooden 1999). However, outcomes are not nearly as good for those who arrive under the Humanitarian Program, especially those whose facility with the English language is poor. A recent major study of outcomes for the second generation,

based on census data (Khoo et al. 2002), shows high rates of social mobility across generations for most immigrant groups. This was particularly striking for the second generations of Italian and Greek origin, the first generation of whom had low levels of education and worked mainly in low-level occupations.

There has also been a number of studies of aspects of the family-formation behaviour of immigrants, such as intermarriage, forming and dissolution of relationships, fertility and household structure (Price 1982; Carmichael 1988; Young 1987; McDonald 1991; Jones 1994a, 1994b; Hartley 1995; Penny and Khoo 1996; Bracher and Santow 1995; Abbasi-Shavazi and McDonald 2000; Khoo et al. 2002). The behaviour of most groups corresponds fairly closely to that of the total Australian population and intermarriage rates tend to be high. The outstanding exceptions are the relatively high rates of in-marriage and the maintenance of ethnic-specific family behaviour among groups of Mediterranean origin (Greece, Italy, Turkey, Lebanon). These groups, even into the second generation, display low rates of divorce, low levels of cohabitation outside marriage, high rates of co-residence with parents before marriage, low ex-nuptial fertility and, in the case of those of Italian and Greek origin, low fertility. In total, however, first-generation immigrants have exactly the same level of fertility as all Australians. Young (1986) has shown that immigrants generally have somewhat lower mortality rates than the general population and that southern Europeans stand out in this regard.

The geographic settlement patterns of immigrants are another important area of settlement research. Prominent in this field is the work of Ian Burnley and Peter Murphy. (Burnley 1996; Murphy, Burnley and Fagan 1997). The general story of postwar immigration is that immigrants, particularly those of non-English-speaking background have settled very heavily in Sydney and Melbourne. Ethnic concentrations are a feature of early settlement behaviour, but these tend to break up as income levels rise. However, with greater community acceptance of ethnic differences, there may be a tendency for some areas in Sydney and Melbourne to maintain their ethno-specific character.

An almost separate but very important aspect of the settlement history of Australia are the movements between Australia and New Zealand (Carmichael 1993). The levels and direction of the flows between the two countries tend to be related to their relative economic circumstances. Since 1982, there has been free movement between the two countries under the Trans-Tasman Economic Agreement. In recent years, the flow has been very heavily in the direction of Australia and very heavily concentrated in the young-adult ages. The impacts of this migration upon both countries, but especially upon New Zealand, have once again become an important current area for research.

International migration: The economic impact

In the early formulation of the postwar migration program, favourable economic outcomes for Australia from immigration were largely taken for granted. However, with the emergence of the environmental movement in the 1970s and calls for a movement towards zero population growth, the taken-for-granted economic benefits of immigration were questioned. This debate sat within the broader international debate about the benefits of economic growth in the face of environmental degradation. The emergence of the debate coincided with the creation of models of the Australian economy, and

these models have been used on numerous occasions in the past twenty years to assess the impacts of immigration on various macroeconomic outcomes. In this work, there were very few economists who argued that immigration produced negative results for the Australian economy, but, in recent times, the consensus has been that, at the margin, the impact of immigration on most economic outcomes is positive but small, simply because immigrants in one year represent a small fraction of the total population. These studies have been summarised by Withers (2001).

The real argument about the economic effects of immigration is about the longer-term impact. Put in historical terms, is Australia better off today in economic terms because it has a population of almost 20 million compared to the 8 million that the population would have been if it had experienced zero immigration and low fertility since 1947? Current economic models are not well-attuned to answering this question let alone its equivalent posed in future terms. The shift in entry policy in the 1990s towards immigrants with high skills has probably strengthened the arguments about the economic benefits to Australia of immigration, especially in the context of the increased loss of skilled young Australians to overseas countries (Hugo, Rudd and Harris 2001).

Fertility since 1950: Baby boom and baby bust

Equally important but attracting less research attention than postwar migration have been the dramatic changes in Australian fertility rates in the past fifty years. The baby boom in Australia, defined as a period of historically high fertility rates, extended from 1946 to 1971. During this period, the total fertility rate never fell below 2.8 births per woman, higher than fertility had been since 1927. At its peak in 1961, the fertility rate reached 3.6 births per woman, a level higher than any previous level in the twentieth century. The baby boom came against all expectations of the experts. Fertility had fallen consistently from high levels in the 1870s to very low levels by the 1930s. By the theory of demographic transition, a future, sustained rise in fertility was not a possibility, but it happened.

Explanations for these trends are many and various. Centrally, the baby boom was due to a shift to much earlier ages at marriage and higher proportions ever marrying that extended throughout the baby-boom period. By 1971, 30 per cent of Australian women had married by their twentieth birthday, extraordinarily early marriage by the standards of Australia in the period from 1880 to 1940. Furthermore, the proportion of women who ever married rose to as high as 95 per cent for the generations born in the early 1930s. Early marriage led to earlier child-bearing and, consequently, births were brought forward in time to bunch together in the baby-boom years. For example, Jain and McDonald (1997) have shown that the mean age at first birth fell from 26.4 years for women born in the period 1908 to 1912, to 23.3 years for women born in the years 1933 to 1937. They also show that the mean age at last birth also fell by three years between these two birth cohorts, meaning that not just first births but all births were brought forward in time.

However, the impact of increased nuptiality on fertility was not simply cross-sectional. Ruzicka and Caldwell (1977) demonstrate that the high lifetime fertility of women born in the early 1930s compared to those born around 1906 was entirely the

result of increased nuptiality and not of increased fertility within marriage. Thus, by their calculations, what the experts of the late 1940s had failed to predict was the marriage boom. Expert predictions about fertility within marriage had been roughly correct.

Using a different methodology, however, Jain and McDonald attribute about half of the increased lifetime fertility for women born between 1908 and 1937 to the higher percentage who had a birth at all (80 per cent for the 1908 to 1912 cohort, compared to 92 per cent for the 1933 to 1937 cohort). The other half they attribute to shorter intervals between births (an average of 4.3 years between births for the 1908 to 1912 cohort, compared to 3.4 years for the 1933 to 1937 cohort). As indicated by the three-year change in both the mean age at first and last births between these cohorts, the numbers of years over which they were giving birth was the same (about 6.7 years on average). Thus, Jain and McDonald attribute at least half of the increase in cohort fertility during the baby boom to birth spacing. The findings of the two studies would be reconciled if birth spacing was shorter at younger ages than at older ages in both cohorts of women – the later cohorts simply had more women subject to the risk of pregnancy at younger ages because of their earlier marriage. That is, early marriage may have led to less efficient contraception for more women in the 1933 to 1937 cohort than in the 1908 to 1912 cohort. In addition, the economic circumstances that the 1933 to 1937 cohort faced were far better than those faced by the 1908 to 1912 generation, whose marriages and child-bearing were concentrated in depression years. In this sense, what the 1940s demographers may have failed to predict was the long period of economic prosperity following the war.

Perhaps more comfortable about predicting falls in fertility compared to rises, the experts were more accurate in predicting the fall in fertility in the 1970s. Between 1971 and 1979, the total fertility rate in Australia fell by one child per woman, from 2.9 to 1.9 births per woman. In the 1980s, the rate fluctuated in a very small range around 1.9 before falling again from about 1992 onwards. Extensive adoption of the contraceptive pill in the late 1960s and the liberalisation of access to abortion meant that, by the early 1970s, Australian women had much better control over their own fertility than had been the case in the past. This, coupled with the feminist movement that encouraged women to participate more broadly in the society through education and workforce participation, inevitably led to the substantial change in the fertility behaviour of Australians in the 1970s. The oil crisis in 1974, introducing a higher degree of economic uncertainty for young people, was the third component of the picture. In the 1970s, age at first marriage increased sharply, and couples began cohabiting outside of marriage in large numbers, usually exercising control over fertility. The mean age at first birth began a long-term rise from the early 1970s that has not yet ended.

Expert opinion in Australia was informed by the 1971 Melbourne Fertility Survey, conducted by Caldwell, Ware, Young and Lavis at the ANU. This survey provided information on contraceptive use in Australia, and on attitudes and opinions about child-bearing. Lavis (1975), using the results of this study, showed how readily Australian women had adopted the contraceptive pill. The study was complemented by an in-depth survey (Caldwell et al. 1976) that provided a qualitative appreciation of the changes already under way. Based on this research, by 1977, Ruzicka and Caldwell (1977:367) were able to conclude that most women would be engaged in paid

employment for most of their lives, and that the ensuing incompatibility of work and family would lead to more childless women and more one-child families. In the year before fertility fell below the replacement level (never yet to rise above it again), Ruzicka and Caldwell (1977:368) predicted that fertility would very likely fall below replacement level, leading in the longer term to natural population decrease and possibly to pronatalist government policies. It is difficult not to conclude that the quality of the research database that was available to demographers in the 1970s enhanced their predictive capacity.

The continued fall in fertility from the 1990s has given rise to major social debate about the causes of this decline and potential remedies through policy. The central theoretical position is that economic liberalism has produced a greater sense of economic uncertainty among young people that leads to heavy investment in human capital (education and work experience). The effect is that relationships, especially marriage, and births are delayed to later and later ages. The accumulation of high levels of human capital prior to the first birth raises the potential lost earnings arising from withdrawal from the labour force to have children. To reduce this potential loss, women then attempt to combine work with family, but they often face major constraints in doing so because of the unequal gender system. As a consequence, some women have fewer births than they might otherwise have had (McDonald 2002). This social system has led to very low birthrates in many European and East Asian countries, where the difficulties of combining work and family are largely insurmountable.

The contemporary issue in Australia is whether policy initiatives can be put in place that will prevent Australian fertility falling to the very low levels now apparent in countries such as Italy and Japan. As in the 1970s, predictive capacity will be enhanced by the quality of the available research databases. New studies, still in progress, of childlessness (Merlo), life motivations of young people (Lasen), and child-bearing decision-making (Carmichael, Whittaker and McDonald) will enhance understanding. Also underway is a major study (by McDonald and Kippen) to reconstruct the detailed history of parity progression rates of Australian women over the past thirty years. New survey databases, the Negotiating the Life Course Survey (ANU) and the Household, Income and Labour Dynamics Australia (HILDA) Survey will provide useful sources of information not only on fertility trends, but also on other socio-demographic behaviour such as children leaving home, and relationship formation and dissolution.

Mortality trends since 1950

The long-term fall in mortality in Australia came to an apparent end in the 1960s (McDonald 1972; Young 1976). This was a phenomenon common to most industrialised countries and, consequently, there was an international view that perhaps the limits to human survival were being reached. However, confounding the demographic experts, mortality rates again began to fall sharply from the 1970s, as a result of falls in deaths from heart disease, from motor-vehicle accidents and from certain other causes. Between 1970–72 and 1998–2000, expectations of life at birth for Australians rose by almost nine

years for men and by seven and a half years for women, levels of increase as high as had ever been experienced in Australian history. The improvements have been attributed to better medical procedures, more thorough monitoring of health, improved lifestyles (reduced smoking, more exercise, better diet) and regulations related to road safety (seat-belts, random breath testing, heavy fines and penalties). Knowledge in this area of population studies is led by the work of the Australian Institute of Health and Welfare (see, for example, AIHW 2002).

In the same period, mortality rates for the Indigenous population remained shockingly high. It is not yet possible to be precise about the level of Indigenous mortality, but we can be certain that expectations of life at birth for Indigenous people are more than twenty years shorter on average than for Australians in general, meaning that their mortality experience is roughly equivalent to that of all Australians eighty years ago. The death rate from diseases of the circulatory system for the Indigenous population is 2.7 times the rate for the total population, 3.6 times for diseases of the respiratory system, 2.8 times for diseases of the digestive system and 2.3 times for deaths from external causes (ABS 2001). Aside from the situation of the Indigenous population, mortality in Australia remains strongly associated with socioeconomic disadvantage. People living in the poorest 20 per cent of localities in Australia have 23 per cent higher mortality than those living in the richest 20 per cent of localities (ABS 2001).

There is debate about future levels of mortality in Australia. The debate is highly significant because of the impact of mortality upon the rate of ageing of the population and on the viability of aged-support programs. The ABS has favoured an assumption about future mortality that would see the high rate of improvement in mortality rates in the past twenty-five years slow down substantially. Others have argued that continued strong improvements in mortality rates are possible and likely (Booth, Maindonald and Smith 2002).

Population distribution and internal migration from 1950 onwards

In gross terms, there are two phases in the postwar distribution of population in Australia. In the first period, from 1947 to 1971, the population became increasingly concentrated in the cities (see Table 30.1, page 559). Between 1947 and 1971, the proportion of Australia's population living in rural areas fell from 31 per cent to 14 per cent, while the proportion living in the capital cities increased from 51 per cent to 60 per cent (Hugo 1986). Other urban areas increased from 18 per cent of the population to 26 per cent. As Table 30.1 indicates, however, the proportion living in the capitals has tended to level off since 1971. In simple terms, this 'turnaround' is due to internal migration from the cities after 1971. Between 1947 and 1971, the growth of the cities was driven by natural increase and international migration, while the balance of migration from other parts of Australia to the cities was close to zero (Hugo 1996). From 1971, however, the net migration flow between the cities and other parts of Australia became more heavily negative, tending to offset the net inflow from international migration.

The trend after 1971 has been referred to as 'counterurbanisation', and has been observed in other industrialised countries. However, Hugo's (1996) careful analysis of the components of counterurbanisation in Australia shows that much of this phenome-

non relates to growth of settlements just outside the boundaries of the major cities. He found, for example, that almost 30 per cent of workers in the Outer Adelaide Statistical Division in 1991 commuted to work in the Adelaide Statistical Division. He also shows the linear extensions of settlement outside the boundaries of the Sydney Statistical Division along all of the major highways out of the city (Hugo 1996). Between 1996 and 2001, the population of the Australian Capital Territory grew at 0.9 per cent per annum, but the neighbouring Queanbeyan local-government area, with commuting distances to work in Canberra often shorter than many Australian Capital Territory residents, grew at 3 per cent. The other major component of counterurbanisation has been rapid population growth in the coastal areas from Adelaide through to Hervey Bay, in south Queensland. Much of this settlement has been driven by retirement migration from the big cities to the beach areas. This has been accompanied by additional in-migration to these areas of young people and young families, principally working in service jobs deriving from the increased populations of these areas. In eastern Australia, the population west of the Great Dividing Range has experienced further population decline (Hugo 1996).

The situation has changed again during the 1990s, with the concentration of the burgeoning producer service jobs in the major cities. Between 1996 and 2001, the population of the four major population centres in Australia – Sydney, Melbourne, South-East Queensland (Brisbane, Gold Coast–Tweed and Sunshine Coast) and Perth – increased by 830,000 people, while the rest of Australia increased by 344,000. The level of out-migration from Sydney has fallen sharply, and Melbourne now has positive in-migration from the rest of Australia. Even during the counterurbanisation period from 1971 to 1991, the big cities still experienced net in-migration from the rest of Australia of young people in their twenties. This trend became even more pronounced in the 1990s. The concentration of young people in their twenties in the major cities has also led in the 1990s to rapid growth of settlement in the inner city, with a boom in medium-density and high-density living. Prior to the 1990s, the inner parts of the city had tended to depopulate, producing the so-called ‘doughnut’ settlement pattern. Redevelopment of disused industrial and commercial sites in the inner city into housing units has transformed the inner city and filled the hole in the doughnut (ABS 2002b). Population distribution is a major policy issue in Australia, particularly given the very rapid ageing of populations west of the Great Dividing Range.

Detailed work on internal migration in Australia has been conducted by Rowland (1979) for the period prior to 1976, and by Bell (1992, 1995) and Bell and Hugo (2000) for the periods since 1976. Beyond the movements already discussed, these studies show a high level of intra-urban mobility in Australia and very high levels of mobility overall. A recent compendium of writings on population mobility in Australia is provided by Newton and Bell (1996). Martin Bell has also been working closely with analysts in other countries to enhance the theory of population mobility.

Population futures for Australia and population policy

Since the early postwar formulation of an annual 2 per cent growth population policy, the issue of a population policy for Australia has never sunk very far from the surface of public debate. The 2 per cent target remained as a rough guide to policy until the end of the 1960s, and between 1947 and 1971 the Australian population grew at 2.2 per

cent per annum. At the end of the 1960s and into the 1970s, objections to high population growth emerged based on environmental and resources considerations. The argument was that wealthy countries should be aiming for zero population growth (ZPG) to better conserve the earth's resources and to reduce environmental degradation ensuing from population growth. However, the pro-growth argument remained still made by business interests, by economists and by nation-builders. This debate has continued until today. Both sides of the debate call for a population policy with target populations or target growth rates. At the end of the 1990s, with Australia's population about 19 million, environmentalists were calling for a population of 6 million to 12 million by 2050, while nation-builders were calling for a population of 50 million by the same year, the level that would result from a 2 per cent rate of growth between 2000 and 2050. The demographic reality, however, is that both of these targets are beyond all reasonable possibility (McDonald and Kippen 1999a). In recent years, the targets specified by both sides of the argument have become more reasonable.

Since the emergence of this bipolar debate about population size, governments have tended to distance themselves from specific population-policy targets. Up to the early 1990s, the approach of governments was to institute an inquiry into population issues from which no specific policy about population size emerged. More recently, governments of both political parties have argued that Australia does not need a population policy. The present government has stated that it is satisfied with the current trajectory of population for Australia. This trajectory has fertility around 1.6 to 1.7 births per woman, net migration at around 90,000 to 100,000 per annum, and population rising to around 25 million to 26 million by 2050, and then levelling off.

While recent Australian governments may not have espoused policies about the size or growth rate of the Australian population, they have become very specific about policy in relation to immigration. Emphasis has shifted strongly towards immigrants being highly skilled. In addition, visa requirements have been relaxed to allow much higher levels of temporary residence in Australia. This policy approach has received bipartisan support and there seems to be little opposition to it, but there is considerable policy debate about undocumented migration.

At the time of writing, the principal population-policy debate in Australia was whether policy measures needed to be put in place to prevent Australia's fertility rate falling to the very low levels evident in many European and East Asian countries. While European evidence is strong that what is required are supports that enable women to maintain their attachment to the labour force, the social conservative agenda pervading Australian politics has been heading in the direction of paying mothers to stay at home (McDonald 2000, 2002).

Since the 1980s, considerable attention has been focused upon the ageing of the Australian population. It is accepted that substantial ageing is inevitable and that preparations need to be made for the increased demand for aged-support programs. This issue is usually coupled with policy issues arising from the considerable slowdown in the growth of labour supply in Australia in the future. Increased labour-force participation rates for males above the age of 45 years and for all women have been proposed as a useful short-term approach to this situation (McDonald and Kippen 1999b, 2000).

Finally, there are issues about the distribution of Australia's population. Issues here include the perceived overpopulation of Sydney, heavy settlement of environmentally fragile coastal areas, and the decline of population in Tasmania and in country areas west of the Great Dividing Range (McDonald and Kippen 2002; Jackson 2002).

References

- Abbasi-Shavazi, M., and P. McDonald. 2000. Fertility and multiculturalism: Immigrant fertility in Australia, 1977–1991. *International Migration Review* 34:215–41.
- ABS. 2001. *Deaths Australia 2000*. Cat. No. 3302.0. Canberra: Australian Bureau of Statistics.
- . 2002a. *Population Distribution: Aboriginal and Torres Strait Islander Australians 2001*. Cat. No. 4705.0. Canberra: Australian Bureau of Statistics.
- . 2002b. *Selected Social and Housing Characteristics Australia 2001*. Cat. No. 2015.0. Canberra: Australian Bureau of Statistics.
- AIHW. 2002. *Australia's Health 2002*. Canberra: Australian Institute of Health and Welfare.
- Bate, W. 1970. The urban sprinkle: Country towns and Australian regional history. *Australian Economic History Review* 10(2)
- Bell, M. 1992. *Internal Migration in Australia, 1981–1986*. Bureau of Immigration Research. Canberra: AGPS.
- . 1995. *Internal Migration in Australia, 1986–91: Overview Report*. Bureau of Immigration, Multicultural and Population Research. Canberra: AGPS.
- Bell, M., and G. Hugo. 2000. *Internal Migration in Australia 1991–96: Overview and the Overseas-Born*. Canberra: Department of Immigration and Multicultural Affairs.
- Booth, H., J. Maindonald and L. Smith. 2002. Applying Lee–Carter under conditions of variable mortality decline. *Population Studies* 56(3):325–36.
- Borrie, W.D. 1949. *Immigration: Australia's Problems and Prospects*. Sydney: Angus and Robertson.
- . 1994. *The European Peopling of Australia: A Demographic History 1788–1988*. Canberra: Demography Program, Research School of Social Sciences, Australian National University.
- Bracher, M., and G. Santow. 1995. *Traditional Families and Fertility Decline: Lessons from Australia's Southern Europeans*. Stockholm Research Papers in Demography 90. Stockholm: Demographic Unit, Stockholm University.
- Burnley, I. 1980. *The Australian Urban System: Growth, Change and Differentiation*. Melbourne: Longman Cheshire.
- . 1996. 'Relocations of overseas born populations in Sydney' in *Population Shift: Mobility and Change in Australia*. Edited by P. Newton and M. Bell. Canberra: AGPS.
- Butlin, N.G. 1983. *Our Original Aggression: Aboriginal Populations of Southeastern Australia, 1788–1850*. Sydney: George Allen and Unwin.
- Caldwell, J. 1976. Toward a restatement of demographic transition theory. *Population and Development Review* 2(3–4):321–66.
- . 1980. Mass education as a determinant of the timing of fertility decline. *Population and Development Review* 6:225–55.
- Caldwell, J., D. Campbell, P. Caldwell, L. Ruzicka, W. Cosford, R. Packer, J. Grocott and M. Neill. 1976. *Towards an Understanding of Contemporary Demographic Change: A Report on Semi-structured Interviews*. Canberra: Department of Demography, Research School of Social Sciences, Australian National University.
- Caldwell, J., and P. McDonald. 1982. Influence of maternal education on infant and child mortality: Levels and causes. *Health Policy and Education* 2:251–67.

- Caldwell, J., and H. Ware 1973. The evolution of family planning in Australia. *Population Studies* 27:7–31.
- Cannon, M. 1966. *The Land Boomers*. Melbourne: Melbourne University Press.
- Carmichael, G. 1988. *With This Ring: First Marriage Patterns, Trends and Prospects in Australia*. Canberra: Department of Demography, Australian National University, and Australian Institute of Family Studies.
- . 1993. *Trans-Tasman Migration: Trends, Causes and Consequences*. Canberra: AGPS.
- Coghlan, T. 1903. *The Decline of the Birth Rate in New South Wales and Other Phenomena of Child-Birth: An Essay in Statistics*. Sydney: NSW Government Printer.
- Crowley, F. 1951. British immigration to Australia 1860–1914. DPhil thesis, Oxford University.
- Davison, G. 1978. *The Rise and Fall of Marvellous Melbourne*. Melbourne: Melbourne University Press.
- Glynn, S. 1970. *Urbanisation in Australian History, 1788–1900*. Melbourne: Nelson.
- Gray, A. 1984. 'Changes in Aboriginal family formation and fertility' in *Proceedings of the Australian Family Research Conference 1983*. Vol. 1. Melbourne: Institute of Family Studies.
- . 1985. Some myths in the demography of Aboriginal Australians. *Journal of the Australian Population Association* 2:136–49.
- (ed.). 1990. *A Matter of Life and Death: Contemporary Aboriginal Mortality*. Canberra: Aboriginal Studies Press.
- Gray, A., and L. Smith. 1983. The size of the Aboriginal population. *Australian Aboriginal Studies* 1:2–9.
- Haines, R. 1997. *Emigration and the Labouring Poor: Australian Recruitment in Britain and Ireland, 1831–60*. Basingstoke: Macmillan.
- Hartley, R. (ed.). 1995. *Families and Cultural Diversity in Australia*. Sydney: Allen and Unwin.
- Hugo, G. 1986. *Australia's Changing Population: Trends and Implications*. Melbourne: Oxford University Press.
- . 1996. 'Counterurbanisation' in *Population Shift: Mobility and Change in Australia*. Edited by P. Newton and M. Bell. Canberra: AGPS.
- Hugo, G., D. Rudd and K. Harris. 2001. *Emigration from Australia: Economic Implications*. Melbourne: Committee for Economic Development of Australia.
- Jackson, N. 2002. When the population clock stops ticking: An indicative study of population ageing in Tasmania. *Australasian Journal of Regional Studies* 8(1).
- Jain, S., and P. McDonald. 1997. Fertility of Australian birth cohorts: Components and differentials. *Journal of the Australian Population Association* 14:31–46.
- Jones, F. 1994a. Multiculturalism and ethnic intermarriage: Melting pot or nation of tribes? Paper presented to the Conference of the Australian Population Association, Canberra, September.
- . 1994b. Are marriages that cross ethnic boundaries more likely to end in divorce? *Journal of the Australian Population Association* 11:115–31.
- Jupp, J. (ed.). 2001. *The Australian People: An Encyclopedia of the Nation, Its People and Their Origin*. 2nd ed. Cambridge: Cambridge University Press.
- Kelly, M. (ed.). 1978. *Nineteenth Century Sydney*. Sydney: Sydney University Press.
- Khoo, S.-E., P. McDonald, D. Giorgias and R. Birrell 2002. *Outcomes for Second Generation Australians*. Canberra: Department of Immigration and Multicultural and Indigenous Affairs.
- Kippen, R. 2002. *Death in Tasmania: Using civil death registers to measure nineteenth-century cause-specific mortality*. PhD thesis, Demography and Sociology program, Research School of Social Sciences, Australian National University.
- Kippen, R., and P. McDonald. 2000. Australia's population in 2000: The way we are and the ways we might have been. *People and Place* 8:10–17.
- Larson, A. 1994. *Growing Up in Melbourne: Family Life in the Late Nineteenth Century*. Canberra: Demography Program, Research School of Social Sciences, Australian National University.

- Lavis, D. 1975. *Oral Contraception in Melbourne: An Investigation of the Growth in Use of Oral Contraceptives and Their Effect Upon Fertility in Australia, 1961–1971*. Canberra: Department of Demography, Research School of Social Sciences, Australian National University.
- Lewins, F. 2001. 'Assimilation and integration' in *The Australian People: An Encyclopedia of the Nation, Its People and Their Origin*. 2nd ed. Edited by J. Jupp. Cambridge: Cambridge University Press.
- McCarty, J. 1970. Australian capital cities in the nineteenth century. *Australian Economic History Review* 10(2).
- McCarty, J., and C.B. Schedvin (eds). 1978. *Australian Capital Cities: Historical Essays*. Sydney: Sydney University Press.
- McDonald, J., and E. Richards. 1998. Workers for Australia: A profile of British and Irish migrants assisted to New South Wales in 1841. *Journal of the Australian Population Association* 15(1):1–34.
- McDonald, P. 1972. Recent trends in mortality in Australia. *Journal of Biosocial Science* 4:25–36.
- . 1974. *Marriage in Australia: Age at First Marriage and Proportions Marrying, 1860–1971*. Canberra: Department of Demography, Research School of Social Sciences, Australian National University.
- . 1991. 'Migrant family structure' in *Images of Australian Families*. Edited by K. Funder. Melbourne: Longman Cheshire.
- . 2000. Gender equity in theories of fertility transition. *Population and Development Review* 26(3):427–39.
- . 2002. Low fertility: Unifying the theory and the demography. Paper presented at Session 73, 'Future of Fertility in Low Fertility Countries', 2002 Meeting of the Population Association of America, Atlanta, 9–11 May.
- McDonald, P., and R. Kippen. 1999a. *Population Futures for Australia: The Policy Alternatives*. Parliamentary Library Seminar Series, Research Paper 5. Canberra: Australian Parliamentary Library.
- . 1999b. 'Ageing: The social and demographic dimensions' in *Policy Implications of the Ageing of Australia's Population*. Canberra: Productivity Commission and Melbourne Institute of Applied Economic and Social Research.
- . 2000. Labour supply prospects in 16 developed countries, 2000–2050. *Population and Development Review* 27:1–32.
- . 2002. Scenarios for the future population of Sydney. *Australian Geographer* 33(3):263–80.
- Murphy, P., I. Burnley and R. Fagan. 1997. *Immigration and Australian Cities*. Sydney: Federation Press.
- Newton, P., and M. Bell (eds). *Population Shift: Mobility and Change in Australia*. Canberra: AGPS.
- Oxley, D. 1996. *Convict Maids: The Forced Migration of Women to Australia*. Cambridge: Cambridge University Press.
- Penny, J., and S.-E. Khoo 1996. *Intermarriage: A Study of Migration and Integration*. Canberra: AGPS.
- Price, C. 1963. *Southern Europeans in Australia*. Melbourne: Oxford University Press.
- . 1982. *The Fertility and Marriage Patterns of Australia's Ethnic Groups*. 2 vols. Canberra: Department of Demography, Research School of Social Sciences, Australian National University.
- Quiggin, P. 1988. *No Rising Generation: Women and Fertility in Late Nineteenth Century Australia*. Canberra: Department of Demography, Research School of Social Sciences, Australian National University.
- Radcliffe-Brown, A. 1930. Former numbers and distribution of the Australian Aborigines. *Australian Yearbook* 23:687–96.
- Robson, L. 1965. *The Convict Settlers of Australia*. Melbourne: Melbourne University Press.
- Roe, M. 1995. *Australia, Britain and Migration 1915–1940*. Cambridge: Cambridge University Press.
- Rowland, D. 1979. *Internal Migration in Australia*. Cat. No. 3409.0. Canberra: Australian Bureau of Statistics.

- Ruzicka, L., and J. Caldwell. 1977. *The End of Demographic Transition in Australia*. Canberra: Department of Demography, Research School of Social Sciences, Australian National University.
- Smith, L. 1980. *The Aboriginal Population of Australia*. Canberra: Australian National University Press.
- Smolicz, J. 2001. 'Cultural diversity' in *The Australian People: An Encyclopedia of the Nation, Its People and Their Origin*. 2nd ed. Edited by J. Jupp. Cambridge: Cambridge University Press.
- VandenHeuvel, A., and M. Wooden, 1999. *New Settlers Have Their Say – How Immigrants Fare over the Early Years of Settlement*. Canberra: Department of Immigration and Multicultural Affairs.
- Withers, G. 2001. 'Economics of immigration' in *The Australian People: An Encyclopedia of the Nation, Its People and Their Origin*. 2nd ed. Edited by J. Jupp. Cambridge: Cambridge University Press.
- Young, C. 1976. *Mortality Patterns and Trends in Australia*. National Population Inquiry Research Report. Canberra: AGPS.
- . 1986. *Selection and Survival: Immigrant Mortality in Australia*. Department of Immigration and Ethnic Affairs. Canberra: AGPS.
- . 1987. *Young People Leaving Home in Australia*. Canberra: Department of Demography, Australian National University.

Race, Ethnicity and Immigration

Christine Inglis

Australian ethnic and racial diversity, originating from colonisation and extensive reliance on international migration for economic and national development, has historically been a major component of national life and politics. Despite qualitative and quantitative changes in Australia's ethnic diversity, this remains as true at the beginning of the twenty-first century as it was more than 200 years earlier, when the first British colony was established on the site of contemporary Sydney. By 2001, nearly one-quarter of the population of 19 million were born overseas and, when those with one or more parents born overseas are added, nearly half of the contemporary Australian population (46 per cent) have lived for less than three generations in Australia.

Although similar to the situation at federation in 1901, there has been a major change in the composition of the foreign born, reflecting the declining prominence of those from the United Kingdom from 18 per cent to 5.5 per cent of the population over the century. As part of this diversification associated with the post-World War II mass-migration program, those born in Asia have increased from 1.2 per cent of the population to 4.6 per cent, with a further 1.1 per cent born in North Africa and the Middle East. Over the century, the Indigenous population has grown from 94,600 (2.5 per cent of the total population) to 410,000 (2.2 per cent) by 2001. This growth has been especially rapid in the 1990s, with numbers increasing by one-third between 1991 and 1996, and a further 16 per cent between 1996 and 2001. At the same time, Sydney has become the major Indigenous population centre in Australia. An important factor in this growth is that an increasing number of individuals are now publicly identifying as Aborigines or Torres Strait Islanders.

Australia's ethnic and racial diversity has been a major focus of social-science research. Australian political and social developments as much as international theoretical debates and trends in the social sciences have influenced this prominence. The importance of ethnic diversity and immigration means that often the research is undertaken in a context where there is the potential for it to become involved in public debates and policy discussions. Such debates are not the immediate concern of this chapter. Instead it concentrates on research undertaken within traditional academic settings, rather than the growing body of research undertaken by community workers and individuals seeking to identify the specific needs of their local community, or to

document their own and their families' experiences. After World War II, the introduction of disciplines such as demography and sociology, with their own postgraduate research programs, reduced the domination of anthropological research perspectives and laid the basis for the development of more multidisciplinary approaches. The focus here is on research involving the social life and institutions of ethnic groups rather than their specific economic, educational, legal or medical status and circumstances.

Interethnic relations in contemporary Australia have their historical origins in two parallel patterns of ethnic contact. The first is typical of a white settler colony where the settlers displace and outnumber the Indigenous population. The second, involving the increasing number of settlers from non-British backgrounds, resembles the patterns of interethnic encounters associated with the extensive voluntary nineteenth-century and early-twentieth-century emigration from Europe to the Americas. Reflecting this historical, institutional divide between the circumstances and administrative status of the indigenous and immigrant populations, as well as the disciplinary backgrounds of the major researchers (Inglis 1994), there is little direct articulation between research on the indigenous and immigration populations. Even today, despite the influence of international theoretical paradigms, the effects of this historical context continue to affect the themes, approaches and orientations of research in the two areas. Whereas there was extensive nineteenth-century research interest in the Aboriginal population, a similar interest in the experiences of immigrant groups did not commence until after World War II, when the new mass-migration program introduced numbers of non-Anglo-Celtic¹ immigrants. The development of these two research strands is examined in the remainder of this chapter.

Research on Aboriginal and indigenous groups

During the nineteenth and early twentieth centuries, research on Aboriginal society attracted the interest of leading international figures in the social sciences. For an age concerned with the evolution of modern society, and fascinated by the work of Charles Darwin, the Australian Aboriginal population appeared as exemplars of the origins of that society. Alongside researchers concerned with their physiological characteristics were others (Frazer 1887; Tylor 1903; Durkheim 1915; Freud 1946), for whom Aboriginal society provided an opportunity to explore the origins of contemporary social institutions (Hiatt 1996:vi–vii). These theorists used the fieldwork of the new discipline of British anthropology. The appointment of Radcliffe-Brown as the foundation professor of anthropology at the University of Sydney in 1926 ensured that future generations of Australian anthropologists were trained in this same tradition. This fieldwork, premised on the functionalist model of closed systems, focused on topics such as kinship, religion, language, land rights and male–female relationships. As traditional 'pre-industrial' peoples, the Indigenous population was seen as the sole preserve of anthropologists to study (Austin 1984:100). Relations between Aborigines and non-Europeans were not studied and, due largely to the dominant essentialist view of culture, the circumstances of 'non-traditional', urban or part-Aboriginal groups were also ignored (Cowlshaw 1988a).

The diversification of Indigenous research

The 1960s were a watershed in relations between Aboriginal and non-Aboriginal groups. In 1963, land rights were put on the national agenda when the local Aboriginal community objected to the granting of a mining lease on the Gove Peninsula. Then, in 1966, the strike by pastoral workers at Wave Hill station also added demands for pay and employment to those of land rights. In 1967 the constitutional referendum was passed, effectively giving the Commonwealth power to legislate for Aborigines and extending to them full citizenship rights. Then followed a shift from policies of assimilation towards those congruent with calls for self-determination and self-management.

The 1960s were also a watershed in research. In a court case following the objections to the granting of the mining lease on the Gove Peninsula, two senior anthropologists, professors Berndt and Stanner, participated as expert witnesses (Hiatt 1996:28). This was a new role for anthropologists and their research, even if anthropologists had long played a role in government policy formulation (Wise 1985). Research involving Indigenous groups ceased to be the preserve solely of anthropologists. In particular, the Social Sciences Research Council of Australia sponsored a series of studies that focused on contacts between Aborigines and non-Aborigines. Many of these studies, under the direction of Charles Rowley, a political scientist, were undertaken by non-anthropologists drawing on historical, statistical and primary research to construct a telling account of structures underpinning the widespread exploitation and social disadvantage of the Aboriginal population (Rowley 1970, 1971a, 1971b). They also illustrated the diverse experiences of Aborigines, including those, often of part-Aboriginal descent, living in urban areas (Gale 1972).

Another significant development was the 1964 establishment of the Australian Institute of Aboriginal Studies (AIAS), renamed in 1989 the Australian Institute of Aboriginal and Torres Strait Islander Studies (AIATSIS). The brief of the AIAS was 'to promote Aboriginal studies, publish research, encourage cooperation among interested institutions and assist in training research workers in relevant fields' (Horton 1994:39). More recently, increasing attention has also been given to the practical concerns of Aboriginal communities and giving them access to the institute's collections and research. As a publisher and through its journal, *Australian Aboriginal Studies*, its research sources and infrastructure, as well as its funding for research projects, the institute has become the major institutional support for academic research involving Indigenous communities in Australia. Up until 1991 it had already supported more than 2,000 research projects, and this funding support still continues.

Since the 1960s, research involving Indigenous society and groups has widened its focus, addressing and examining contemporary Indigenous society and the impact of colonisation. Demographic and national studies began to identify the extensive disadvantage of the Indigenous population in all areas of social life, including health, education, employment, involvement in the criminal justice system and imprisonment (Reid 1982; Watts 1982; Gale, Bailey-Harris and Wundersitz 1990; Gray 1990; Allen et al. 1991). Relations between Indigenous and European populations and institutions became increasingly the focus of attention, not least in producing Indigenous disadvantage (Stevens 1972; Cowlshaw 1988b; Morris and Cowlshaw 1990; Cowlshaw and Morris 1997). Such analyses countered the anthropological approaches that utilised a

cultural deficit framework to account for unemployment, alcoholism and a 'spoiled identity' (Cowlshaw 1988a:72). While documenting the interrelationships, researchers have tended to eschew more abstract theorisation, especially deterministic models ignoring the agency of minority groups. Exceptions are the work of Hartwig's discussion of 'internal colonialism' (Hartwig 1978; Jennett 1987:122–4) and Beckett's model of 'welfare colonialism'.

The identification of a marked sense of Aboriginal agency and power has led Morris, within a Foucauldian framework, to argue that resistance was an important element in the response of the Dhan-gadi Aborigines to European settlement and domination (Morris 1989). Indeed, resistance is a dominant theme to emerge in Indigenous research. The work of historians such as Henry Reynolds has been particularly important in calling into question earlier views that Indigenous groups passively accepted European colonisation. While there is an ongoing debate about the extent of resistance and massacres (for example, Windschuttle 2000a, 2000b, 2000c), the archival research of historians, Aboriginal and non-Aboriginal, shows that Indigenous groups waged a continuing and to some extent effective resistance to European settlement (Reynolds 1981; Keen 1988; Reynolds 1989). Supplementing this archival research are the autobiographical accounts being produced by individual Indigenes (Beckett 2000) and community-based oral histories exploring relations between the Indigenous and non-Indigenous population in particular regions (Crawford 2001; van den Berg 2002). Together these are providing increasingly nuanced understandings of the relations between the Indigenous and non-Indigenous populations. Feminist scholars too are also beginning to address the position of Aboriginal women in precolonial and postcolonial Australia, thereby introducing a vital new perspective into the previous, male-centred view of Indigenous society (Ryan 1981; Bell 1983; White, Barwick and Meehan 1985).

Resistance also plays an important role in research on identity and, in particular, 'Aboriginality'. As researchers ceased to be restricted by the culturally essentialist models of what constituted 'Aboriginal' society and became aware of the extensive diversity inherent in the contemporary Indigenous experiences, the problematic nature of 'Aboriginality' became an important area of research both for its personal and political significance (Howard 1982; Jordan 1984; Keen 1988; Beckett 1988a, 1988b; Cowlshaw 1988b). Keffe's work, based on neo-Marxian theories, focuses on the concept of resistance and the juxtaposition of 'Aboriginality as resistance' and 'Aboriginality as persistence'. Like the revisionist historical accounts, it questions the depiction of Aborigines as passive 'victims' (Keffe 1988). The potential for this reconceptualisation to overcome the often low self-esteem affecting many Indigenous people and to provide a basis for political action is evident. Indeed, it may have been a factor in the growth of the Indigenous population between the 1991 and 2001 censuses.

Problematising the Indigenous research enterprise

By the 1980s, anthropology was experiencing a sustained international attack as a discipline associated with, and indeed complicit in, the actions of colonial regimes disadvantaging indigenous populations. Australia was no exception and the increasingly

confident Indigenous population strongly added its voices to those of academic researchers. As the prominent Aboriginal historian Marcia Langton has noted:

Being Aboriginal has also meant being written about. Aborigines have been the subject of more studies in more academic disciplines than almost any other indigenous population in the world ... The images thus presented have often been pejorative. What is written is usually for non-Aboriginal audiences. Aboriginal people have had little control over the research; the study results are rarely communicated to them; and they have had little right of reply where they have been misrepresented. While this has left a legacy of general resentment among many Aboriginal communities towards those carrying out research, the greatest hostility is for non-Aboriginal people who make pronouncements on who may or may not be considered Aboriginal. [Horton 1994:3]

The concerns noted by Langton found a wider, more popular focus in the 1988 celebrations to mark the bicentenary of European colonisation, which from the Indigenous viewpoint was an event to be mourned rather than celebrated. Yet, the Australian Bicentennial served an important function in highlighting to the general public and the research establishment the need to revise their whole approach to research involving the Indigenous population. This includes decisions about access, the topics of research, the analysis and interpretation of research material, the dissemination of the research, and also its ownership. These are key ethical and epistemological issues that concern not only anthropologists but all researchers. They call into question many of the taken-for-granted assumptions of researchers, not least about their role and relationship with those involved in their research. This has engendered considerable and ongoing debate within the research establishment (Schebeck 1986; Sullivan 1986).

As the debate highlights, research cannot be separated from its social context or from its social and political ramifications. This was evident in an acrimonious (and very public) debate between a prominent anthropologist and, in the first instance, a group of mainly tertiary-educated Aboriginal women (Huggins 1991). Their concern centred on anthropological accounts of 'intra-racial' rape, and in particular the potential dangers of publishing such material, despite the availability of similar information in other reports and sources, some of them produced by Aboriginal women (Bell 1991). What emerged in the course of the debate was that a key issue was the theoretical priority given to patriarchy, rather than to the state, for racially based oppression. The anthropologist's assumption that intra-racial rape was her (and every woman's) business simply underscored for the Aboriginal women the equal involvement of white women (with men) in colonial exploitation. The fact that co-authorship was attributed (by Bell) to an Aboriginal woman simply invoked the feeling that she was being 'used' by Bell to give 'authority' to her account.

Increasing Indigenous involvement in research

One of the key influences on research involving Indigenous peoples over the past decade has been ensuring that research addresses their concerns and needs, rather than simply those of the researcher or some remote academic community. As researchers now appreciate, research is not feasible without establishing an appropriate working

relationship and partnership. The potential for practical outcomes is an important element in developing such a relationship. The continuation of research highlights that it is possible to create such mutually acceptable relationships. AIATSIS has played an important role in achieving these outcomes. As noted above, it has institutionalised research protocols and practices to ensure that research addresses the concerns of Aboriginal communities and is accessible to them. An expression of this approach is the statement by the editor of the institute's *Encyclopaedia of Aboriginal Australia* that, 'Among my key guiding principles in constructing this work have been an emphasis on people and a lack of objectification' (Horton 1994:xxi). The growing numbers of trained Indigenous researchers has also contributed to ensuring that Indigenous perspectives and concerns inform research.

The Royal Commission into Aboriginal Deaths in Custody, which made its report in 1991, and the inquiry into the Indigenous children removed from their families (Wilson and Dodson 1997) both commissioned detailed research to establish the extent and circumstances underlying these events that have affected Indigenous communities across Australia. The extensive disadvantage faced by Indigenous peoples has ensured that research identifying and seeking solutions to their disadvantage is high on the list of research priorities. Collaboration between communities, researchers and funding bodies has been important in ensuring a focus on research relevant to remote and urban-based populations alike. Economic and educational disadvantage, youth issues, domestic violence and health are among the areas that have received particular attention (Altman and Taylor 1996; Hunter 2001). The substantially lower life expectancy of the Indigenous population gives particular impetus to health research and the development of solutions that are sensitive to the circumstances of Indigenous people. Social researchers have an obvious and important role to play in these areas of applied research, where their background and experiences can supplement the technical knowledge and skills of medical and other professionals. An important component in framing the research is supplementing western models of health and treatment with approaches that identify and are sensitive to Indigenous knowledge and circumstances (Rowse 1996; Holmes et al. 2002). In doing so they also constitute a basis for developing programs and training health professionals to more effectively meet the needs of Indigenous clients.

The greater emphasis placed on ensuring research has practical outcomes for the Indigenous participants has not meant that more traditional areas of study such as kinship or traditional cultural practices are now ignored by researchers, because these areas have developed a new importance for Indigenous groups. Nowhere is this more evident than in the numerous legal cases that have been initiated following the decision in the *Mabo* case in 1992, which rejected the concept of *terra nullius*, thereby opening the way for Indigenous groups to begin litigation aimed at recognition of their land claims. Expert witnesses drawing on the research of anthropologists and historians concerning land ownership and usage have a critical role to play in establishing the case of the litigants. Often, following in the tradition of professors Berndt and Stammer in the 1960s, anthropologists act as expert witnesses, using their own research undertaken in the litigant communities. In some cases, their expertise results from long

periods of research in the communities. In others, they are contracted by the communities to undertake the necessary research.

Other instances where research-based cultural knowledge is valued is in adjudicating competing claims associated with the use and development of land of potential significance to local Indigenous populations. Similarly, the interest of many Indigenous communities to develop economically sustainable cultural tourism projects and to promote knowledge of their cultural heritage, provides opportunities for social researchers to work collaboratively to identify and document the group's cultural traditions (Jacobs and Gale 1994). While cultural practices remain of considerable importance as a research focus, the relationship between practice and 'tradition' is recognised as problematic given that cultural 'authenticity' and a dynamic view of culture are inevitably in tension with each other. An exploration of these issues was undertaken in many of the papers presented at the 2001 conference organised by AIATSIS entitled 'The Power of Knowledge, the Resonance of Tradition – Indigenous Studies'. Cooperation with Indigenous communities and individuals is also the prerequisite for the increasingly detailed oral-history accounts of colonial and postcolonial contacts that are so important for understanding what is emerging as an increasingly complex pattern of interrelationships.

Indigenous research in the new millennium

Research involving Australia's Indigenous population has undergone major changes, especially over the past four decades. From a time where its rationale and audience was primarily the international academic community concerned with its relevance to debates about the origins of contemporary society, the focus has now switched towards a local audience. This audience, among whom the Indigenous population is especially significant, is concerned with the relevance of the research to its daily lives. The empowerment of the Indigenous population, including the emergence of Indigenous researchers and institutions to control the worst excesses of exploitative research practices, has led to major changes in all aspects of the relationship between researchers and researched. For many researchers, the change has been personally difficult. New research topics, especially those concerning the relationships between the Indigenous and non-Indigenous population and addressing the diversity existing within the Indigenous population, as well as their social disadvantage, have been privileged. At the same time, research has ceased to be solely the prerogative of anthropologists. Where traditional culture and social structures have retained their research importance, this is because of practical, rather than abstract, theoretical objectives.

One effect of this change is that research findings are often published as reports prepared for those who commissioned the research, whether it is communities, non-governmental agencies, government departments, or legal bodies.² This non-academic audience is interested in the practical implications of the findings for an understanding of their own situation, or developing programs and grounded policies. Not only may reports have a very limited circulation, but they, and their research's descriptive focus, also limit their potential interest to an international academic audience and make it difficult for the researcher to draw out their more theoretical interest. Yet the increasingly common publication of Indigenous autobiographies and biographies alongside historical

studies and books concerned with major social issues such as Mabo (Goot and Rowse 1994), deaths in custody and the stolen generations provides an important opportunity for researchers to introduce their research to the general Australian population as well as Indigenous peoples.

Research on non-Indigenous immigration and settlement

Immigration has always been an important component in Australian nation-building. Nevertheless, it was not until after World War II, when mass migration recommenced, creating an increasingly ethnically diverse population, that the social circumstances of the immigrants and their relations with other ethnic groups became a major research area in the social sciences. This interest, coinciding with the growth of Australian research capacity in the social sciences, has been influenced by the changing patterns of immigration and the impact of changes in government policies. Changing theoretical paradigms have also had their impact, as have international sociopolitical developments, especially those associated with globalisation.

Research until the 1980s

Over the first three decades of post-World War II mass immigration, Australian researchers had undertaken an impressive body of research that compared more than favourably internationally in terms of its scope and theoretical sophistication (Price 1966, 1971, 1979; Price and Martin 1976). During this time there were changes in the conceptual frameworks and research foci resulting from a cumulation of research findings. An original emphasis on charting the circumstances of diverse immigrant groups and the extent to which these involved their assimilation into Australia society served to highlight the flaws in assimilation as a theoretical model. What the research highlighted was the far more complex nature of immigrant settlement and the need to give far greater priority to immigrants as active participants in the settlement process. Among the assimilation model's problematic features were the presupposition of a homogeneous Australian society and the inevitability of assimilation, a view congruent with policy expectation that this was an achievable goal for, and among, immigrants. The increasing numbers of non-British immigrants were an important catalyst for this reconsideration of the appropriateness of assimilation models, because their experiences differed so often from those remarked among British settlers.

From the late 1960s, researchers began to explore the role of Australian institutions, government policies and state intervention in structuring immigrant experiences (Collins 1976, 1988; Martin 1978; Jakubowicz 1984). In contrast to assimilation models, with their focus on consensus and a neoliberal emphasis on the role of the individual, there was a growing adoption of neo-Marxian perspectives, which focused on the role of class interests and the state (Collins 1976, 1988; Jakubowicz 1984). Meanwhile, mirroring international developments, other researchers were exploring the role of women as a significant dimension in the immigrant experience, and arguing

that institutional structures reflected gender, as well as class, relations (Bottomley and de Lepervanche 1984). While one effect of these new approaches was to largely ignore the experience of the individual immigrant and to focus instead on Australian society, other researchers were highlighting the need to appreciate the need for a more complex analysis that gave greater scope to revealing the immigrants not as passive victims but as actors involved in the construction of their future. These competing perspectives are represented in two collections of conference papers from the early 1980s (Bottomley and de Lepervanche 1984; Burnley, Encel and McCall 1985).

Associated with the diversification in the conceptual frameworks were new research themes. The growing numbers of second-generation children of postwar immigrants became the focus of research, in part because their experiences and circumstances were relevant to debates about patterns of incorporation. Research shifted from what might be termed 'migrant' studies to exploration of issues involving longer-term ethnic relations. Coinciding with this shift, the term 'non-English-speaking background' (NESB) was introduced by policy-makers, and adopted by researchers, to refer to immigrants and their Australian-born children whose potential language difficulties and different cultural expectations and resources might affect their incorporation. The research also touched on theoretical questions concerning the extent to which individuals were actively constructing their experiences. Were they effectively torn between the two worlds of the home and Australian society as epitomised by the school, or was their experience and response a more complex one where they were able to successfully navigate their way between these worlds (Bottomley 1979)?

Research also began to shift from general studies of particular immigrant communities to examining the experiences of individuals from diverse immigrant backgrounds in specific social settings, such as the workplace, educational institutions and the health sector. This shift coincided with the adoption of government settlement policies which, instead of being based on assimilation with its implicit 'denial' of the need for specific services catering to the needs of individual ethnic groups, accepted that the diverse backgrounds of immigrants were an important and integral part of Australian social life. One potentially important source of information for policy development was research findings concerning specific social problems or policy areas.

By the 1970s, 'multiculturalism' had been adopted as the term to describe the new settlement policies that recognised the need for Australian institutions to develop ways of incorporating diverse ethnic traditions and cultures into their daily practices. Although a continually evolving policy (Castles 1992), a major milestone was the Galbally Report (Galbally 1978), which first provided funding directly to ethnic community organisations for service delivery. For researchers, the policy of multiculturalism had an impact extending beyond the practical interest and need for information about the experiences and expectations of immigrants, their children and communities. The changed policy agenda also altered the context within which questions about individual identity and the role of ethnic communities and their organisations were viewed. How this more plural acceptance would play out in terms of long-term modes of incorporation became a new research problem, albeit one little explored in an explicit or overt manner.

Research since the 1980s

The 1980s constitute a watershed in Australian immigration and settlement. The definitive replacement of the White Australia Policy in 1973 by a non-discriminatory immigration policy, and the impact after the mid-1970s of globalisation were associated with major changes in the patterns of immigration. In particular, extensive non-European, Asian immigration commenced for the first time in a century. This led to a major public debate about the desirability of extensive immigration, especially when it involved many immigrants from Asia. The debate signalled the end of a bipartisan political approach favouring immigration. The Australian government also abandoned its program of assisted migration for all except refugees. Instead it sought to attract highly skilled workers as part of the restructuring of the Australian economy that was commenced in the middle of the 1980s to reposition Australia to cope better in the new globalised economy.

While the 1988 Bicentennial celebrations did not engender the same criticism from immigrant and ethnic minority groups as occurred with the Indigenous population, the impact of immigration on Australia, its identity and society became a focus of popular interest. An important Bicentennial research project was *The Australian People: An Encyclopedia of the Nation, Its People and Their Origins* (Jupp 1988). While it eschewed involvement in theoretical and conceptual debates about the study of immigration and ethnic relations, it nevertheless provided an important picture of the situation of specific ethnic groups and the contemporary state of scholarship. (The second edition (Jupp 2001), published to coincide with the centenary of Federation, provides a further important update on scholarship.)

Following the Bicentennial, the government also launched its *National Agenda for a Multicultural Australia*, a major statement underscoring the importance of multiculturalism not only for immigrants but for all Australians (Office of Multicultural Affairs 1989). The government also adopted the recommendation of a government inquiry on immigration and set up a research bureau to provide it with access to professional and independent research, to assist in the formulation of its immigration policies and to encourage informed public debate on immigration matters (Committee to Advise on Australia's Immigration Policies 1988:103–4). Two earlier government agencies, the Australian Institute of Multicultural Affairs, which existed from 1979 to 1986, and the Office of Multicultural Affairs had also funded research. However, the new Bureau of Immigration Research had a much more extensive budget and brief.³ Until it and the Office of Multicultural Affairs were closed by the incoming Coalition government of John Howard in 1996, the bureau in particular made an unprecedented funding contribution to Australian immigration research, and attracted many new researchers to examine questions relating to the impact of immigration on Australia, and to the immigrant experience (Fincher 2001; Inglis 2001).

In addition to funding research on policy topics identified by federal and state governments, it allocated funds for research topics identified by researchers. It also initiated the Longitudinal Survey of Immigration to Australia (LSIA), which by 2001 had provided an important source of longitudinal data on migration and settlement. The bureau funded research in economic and social aspects of immigration and multicult-

turalism. Non-economists often felt that social research was less strongly supported by the bureau, given the government's focus on the economic benefits of immigration. However, one of the criticisms of the bureau's research agenda, and a basis for its closure, was that it was too biased in favour of the advantages of extensive immigration and multiculturalism (Inglis 2001:93–4). Although these criticisms also included the bureau's economic research agenda and studies, they most strongly targeted the social research. Questions about limited methodological rigour and the involvement of community groups in undertaking research were also linked to the limitations that the social research was seen as having in producing clear policy directions for bureaucrats.

A legacy of the bureau's short life was a major increase in research examining a broad range of topics about the nature of Australian immigration and ethnic relations. In the seven years until just after its closure, it published more than 240 research reports, apart from various statistical publications, bulletins and other material. (Details of the bureau's economic research are discussed in 'Immigration', chapter 5, this volume, by Glenn Withers.) Work sponsored by the bureau provided invaluable information on the migration and settlement patterns of diverse immigrant groups, many of them new to Australia. While many researchers regretted the publications' limited exploration of theoretical issues, the body of work nevertheless provided an important range of data to include in more theoretical publications. One of the bureau's most important projects was a survey of the state of research on immigration (Wooden et al. 1990, 1994). While the bureau's primary interest in economic research was clear, the survey nevertheless highlighted the extent to which research on migration and multiculturalism involved a multidisciplinary group of researchers including demographers, sociologists, anthropologists, geographers and political scientists, as well as economists.

Since the mid-1990s, the loss of the bureau's relatively substantial research funding has increased researchers' use of a range of secondary data sources including official statistics such as census and LSIA data. Also popular, especially among postgraduate students, have been methodologies involving qualitative approaches such as case studies and fieldwork. Community studies continue, especially among the more recently arrived groups from Asia and the Middle East (Thomas 1999; Saeed and Akbarzadeh 2001). Changing socioeconomic patterns of immigration are also being explored in research that is examining the increasing prominence of middle-class immigrants, whose presence is calling into question many of the earlier depictions of immigrants as inherently disadvantaged (Inglis 1999). Also continuing are more problem-oriented studies examining the impact of ethnicity in a range of institutional settings, including health, welfare and the labour market.

Despite its importance, the bureau never monopolised research on migration and ethnic relations. It did not fund research students and there were many areas of research on topics such as identity and citizenship that fell outside its policy-oriented brief. Since the demise of the bureau in 1996, these research themes have assumed greater prominence. Giving them particular impetus has been a growing international recognition that globalisation and political unrest are producing quantitative and qualitative changes in international migration (Castles and Miller 1993; Stahl et al. 1993). A result of these movements is growing recognition that immigrants' lives can no longer

be assumed to result in permanent settlement in their new country of residence. New and cheap technologies facilitating communication and contacts with the country of origin and compatriots living in other countries have further encouraged researchers to explore conceptual models that allow exploration of these international linkages. This has involved researchers internationally, and in Australia, revisiting the concept of 'diasporas', and exploring issues of identity, citizenship, cultural ties and economic linkages within the framework of 'transnationalism' (Humphrey 1998, 2000; Portes, Guarnizo and Landolt 1999; Skrbis 1999; Vertovec 1999).

The nature of ethnic identity has attracted a growing number of researchers, often themselves from ethnic minority backgrounds. In many cases, their work has been influenced by developments in cultural studies and they have explored expressions of ethnicity in popular culture and the media (Ang et al. 2000; Ang 2001).⁴ The relationship between ethnic and national identity, and, indeed, the nature of national identity, have continued to be important topics of public debate following the Bicentennial and the political prominence of right-wing populist politicians such as Pauline Hanson, with their critiques of multiculturalism and newer immigrant groups. These developments have spurred researchers to examine the nature of Australian citizenship and national identity, and the relationship to racism and discrimination (Davidson 1997; Jones 1997, 1999; Hage 1998). Another controversial area of government policy concerns the treatment of undocumented asylum seekers and, in particular, their detention. Here, as is the case with Indigenous land rights, legal researchers are actively exploring the legal dimensions of the policy and its implementation (Crock 1998; Crock and Saul 2002).

Research continuities and change

While Australian researchers have pursued new research directions resulting from the many important changes in Australian immigration and settlement policies, as well as from emerging conceptual and theoretical frameworks, certain research themes have always retained their importance. These include studies of recent ethnic communities, and research addressing specific social problems confronting immigrants and ethnic minorities. Although these themes retain their importance, their exploration is often informed by newer theoretical perspectives, whose identification benefits from the diverse disciplinary background of researchers. Disciplinary boundaries are not sharply drawn, which may account for the cross-fertilisation of concepts such as 'space' or 'culture' often evident in current research. While this is beneficial as a means of reinvigorating research, when combined with the highly erratic funding of research, it can lead to a situation where there are major gaps in understanding the impact of immigration on Australia and on its diverse ethnic groups.

Future challenges for Australian research on immigration, ethnic and race relations

As this account of the different research trajectories associated with Australian research on Indigenous and non-Indigenous groups illustrates, each area has had to confront somewhat different challenges related to the sociopolitical research context. Whereas

research on Indigenous issues has been extensively funded over nearly forty years by a special agency, such assured funding has rarely been available to those working on immigration and other non-Indigenous issues. The Bureau of Immigration Research, the most recent and successful of the specialist government funding agencies, was closed, as was its predecessor, the Australian Institute of Multicultural Affairs, after only a relatively short existence. These closures highlight the difficulties confronting those commissioning, and undertaking, policy-oriented research in a sensitive and publicly important policy area such as immigration. While researchers working with Indigenous groups have not faced the same challenges related to the policy relevance of their research, they have had to address perhaps even more important challenges concerning the relationship between the researcher and the researched.

Despite these challenges, for half a century, and longer in the case of research involving the Indigenous population, Australian researchers have assembled a highly impressive body of research data, which has placed them at the forefront of international theoretical developments. However, in contrast to the nineteenth century, when data from the Aboriginal population provided the basis for major theoretical treatises, the primary scholarly interest in the contemporary data is located in Australia. This is not because the themes explored in the research are not relevant elsewhere. Indeed, many of the issues concerning land rights or immigration settlement are high on the political and research agendas in other countries. A partial explanation is that national institutional and historical contexts are of particular significance for ethnic and race relations. Recognition of this limits the direct transferability of research findings from one society or country to another. There are also limitations associated with research whose strength lies in its detailed description of specific events and circumstances, and where the more general conceptual and theoretical significance of these events and circumstances is not emphasised. However, another important factor limiting the audience for much Australian research involves academic publishing and the limited opportunities for Australian research, especially monograph-length publications, to attract the attention of international publishing outlets. The reputation of Australian research on immigration and Indigenous ensures that access to international publishing is not, perhaps, as difficult as in some other research areas.

One emergent trend that may create greater opportunities for Australian research to reach an international audience is the growing international interest in comparative research among policy-makers and theorists. Also valuable may be conceptual approaches that recognise and explore the transnational linkages between ethnic and immigrant groups. Perhaps an even more important outcome of these trends is that they can contribute to ensuring that Australian research remains at the forefront of new theoretical and conceptual approaches in ethnic relations and immigration.

Notes

- 1 The increasing use of the term 'Anglo-Celtic' to replace 'British' recognises the ethnic diversity among those from the United Kingdom and Ireland and the extent to which the Irish, Scots, Welsh and other non-English groups have been incorporated into the dominant mainstream English-speaking society.

- 2 A database search of Australian publications relating to the Indigenous and/or Aboriginal population over the past decade highlighted the prominence of research reports and conference presentations on applied topics involving the social and welfare circumstance of the Indigenous population. There was also a trend for many general books on social themes such as poverty, domestic violence, health and citizenship to include a chapter addressing the situation of Indigenous, often alongside others concerned with other minority groups such as migrants of non-English-speaking background and women. Notable for their relative absence were research-based books examining Indigenous experiences in a particular area.
- 3 Before it was closed in 1996, the bureau had its research focus twice expanded, as indicated in name changes to the Bureau of Immigration and Multicultural Research and then the Bureau of Immigration, Multicultural and Population Research.
- 4 The impetus for this research, often undertaken as part of a personal project of discovery, parallels the increasing interest in family history evident among many longer-established ethnic groups, including Chinese Australians.

References

- Allen, L.M., J.C. Altman and E. Owen, with W.S. Arthur. 1991. *Aborigines in the Economy: A Select Annotated Bibliography of Policy-Relevant Research, 1985–90*. Canberra: Centre for Aboriginal Economic Policy Research, Australian National University.
- Altman, J.C., and J. Taylor (eds). 1996. *The 1994 National Aboriginal and Torres Strait Islander Survey: Findings and Future Prospects*. Research Monograph 11. Canberra: Centre for Aboriginal Economic Policy Research, Australian National University.
- Ang, I. 2001. *On Not Speaking Chinese: Living between Asia and the West*. London: Routledge.
- Ang, I., L. Law, M. Thomas and S. Chalmers (eds). 2000. *Alter/Asians: Asian–Australian Identities in Art, Media and Popular Culture*. Sydney: Pluto Press.
- Austin, D. 1984. *Australian Sociologies*. Sydney: Allen and Unwin.
- Beckett, J. 1988a. Aboriginality, citizenship and the nation state. *Social Analysis* 24:3–18.
- . (ed.). 1988b. *Past and Present: The Construction of Aboriginality*. Canberra: Aboriginal Studies Press.
- . (ed.). 2000. *Wherever I Go: Myles Lalor's 'Oral History'*. Melbourne: Melbourne University Press.
- Bell, D. 1983. *Daughters of the Dreaming*. Melbourne: McPhee Gribble/George Allen and Unwin.
- . 1991. Intra-racial rape revisited: On forging a feminist future beyond factions and frightening politics. *Women's Studies International Forum* 14:385–412.
- Bottomley, G. 1979. *After the Odyssey: A Study of Greek Australians*. Brisbane: University of Queensland Press.
- Bottomley, G., and M. de Lepervanche (eds). 1984. *Ethnicity, Class and Gender in Australia*. Sydney: George Allen and Unwin.
- Burnley, I., S. Encel and G. McCall (eds). 1985. *Immigration and Ethnicity in the 1980s*. Melbourne: Longman Cheshire.
- Castles, S. 1992. 'Australian multiculturalism: Social policy and identity in a changing society' in *Nations of Immigrants: Australia, the United States and International Migration*. Edited by G. Freeman and J. Jupp. Melbourne: Oxford University Press.
- Castles, S., and M. Miller. 1993. *The Age of Migration: International Population Movements in the Modern World*. London: Macmillan.
- Collins, J. 1976. 'Fragmentation of the working class' in *Essays in the Political Economy of Australian Capitalism*. Edited by E.L. Wheelwright and K. Buckley. Sydney: ANZ Books.
- . 1988. *Migrant Hands in a Distant Land: Australia's Post-war Immigration*. Sydney: Pluto Press.

- Committee to Advise on Australia's Immigration Policies. 1988. *Immigration: A Commitment to Australia*. Chairman Stephen FitzGerald. Canberra: AGPS.
- Cowlshaw, G. 1988a. 'Australian Aboriginal studies: The anthropologists' accounts' in *The Cultural Construction of Race*. Edited by M. de Lepervanche and G. Bottomley. Sydney: Sydney Association for Studies in Society and Culture.
- . 1988b. *Black, White or Brindle: Race in Rural Australia*. Melbourne: Cambridge University Press.
- Cowlshaw, G., and B. Morris (eds). 1997. *Race Matters*. Canberra: Aboriginal Studies Press.
- Crawford, I. 2001. *We Won the Victory: Aborigines and Outsiders on the North-West Coast of the Kimberley*. Perth: Fremantle Arts Centre Press.
- Crock, M. 1998. *Immigration and Refugee Law in Australia*. Sydney: Federation Press.
- Crock, M., and B. Saul (eds). 2002. *Future Seekers: Refugees and the Law in Australia*. Sydney: Federation Press.
- Davidson, A. 1997. *From Subject to Citizen*. Cambridge: Cambridge University Press.
- Durkheim, E. 1915. *The Elementary Forms of the Religious Life*. London: Allen and Unwin.
- Fincher, R. 2001. Immigration research in the politics of an anxious nation. *Environment and Planning D: Society and Space* 19:25–42
- Frazer, J. 1887. *Totemism*. Edinburgh: Adam and Black.
- Freud, S. 1946 (1913). *Totem and Taboo*. New York: Random House.
- Galbally, F. 1978. *Migrant Services and Programs: Report of the Review of Post-Arrival Programs and Services for Migrants*. The Galbally Report. Canberra: AGPS.
- Gale, F. 1972. *Urban Aborigines*. Canberra: Australian National University Press.
- Gale, F., R. Bailey-Harris and J. Wundersitz. 1990. *Aboriginal Youth and the Criminal Justice System: The Injustice of Justice?* Cambridge: Cambridge University Press.
- Goot, M., and T. Rowse (eds). 1994. *Make a Better Offer: The Politics of Mabo*. Sydney: Pluto Press.
- Gray, A. (ed.). 1990. *A Matter of Life and Death: Contemporary Aboriginal Mortality*. Canberra: Aboriginal Studies Press.
- Hage, G. 1998. *White Nation: Fantasies of White Supremacy in Multicultural Australia*. Sydney: Pluto Press.
- Hartwig, M. 1978. 'Capitalism and Aborigines: The theory of internal colonialism and its rivals' in *Essays in the Political Economy of Australian Capitalism*. Edited by E.L. Wheelwright and K. Buckley. Sydney: ANZ Books.
- Hiatt, L. 1996. *Arguments about Aborigines: Australia and the Evolution of Social Anthropology*. Cambridge: Cambridge University Press.
- Holmes, W., P. Stewart, A. Garrow, I. Anderson and L. Thorpe. 2002. Researching Aboriginal health: Experience from a study of urban young people's health and well-being. *Social Science and Medicine* 54:1267–79.
- Horton, D. (ed.). 1994. *The Encyclopaedia of Aboriginal Australia*. Canberra: Aboriginal Studies Press.
- Howard, M.C. 1982. Australian Aboriginal politics and the perpetuation of inequality. *Oceania*, liii:82–101.
- Huggins, J.E.A. 1991. Letters to the editor. *Women's Studies International Forum* 14:506–7.
- Humphrey, M. 1998. *Islam, Multiculturalism and Transnationalism: From the Lebanese Diaspora*. London: Centre for Lebanese Studies in association with I.B. Tauris Publishers.
- . 2000. Globalization and Arab diasporic identities: The Australian Arab case. *Bulletin of the Royal Institute for Inter-Faith Studies* 2:141–58.
- Hunter, B. 2001. 'Tackling poverty among Indigenous Australians' in *Creating Unequal Futures? Rethinking Poverty, Inequality and Disadvantage*. Edited by R. Fincher and P. Saunders. Sydney: Allen and Unwin.

- Inglis, C. 1994. 'Linkages between methodology, research and theory in race and ethnic relations: The case of Australia' in *Race, Ethnicity and Nation: International Perspectives on Social Conflict*. Edited by P. Ratcliffe. London: UCL Press
- . 1999. 'Middle class migration: New considerations in research and policy' in *The Future of Multiculturalism*. Edited by G. Hage and R. Couch. Sydney: Research Institute for Humanities and the Social Sciences.
- . 2001. 'Independence, incorporation and policy research: An Australian case' in *The Politics of Social Science Research: 'Race', Ethnicity and Social Change*. Edited by P. Ratcliffe. Basingstoke: Palgrave
- Jacobs, J., and F. Gale 1994. *Tourism and the Protection of Aboriginal Cultural Sites*. Canberra: AGPS.
- Jakubowicz, A. 1984. 'Ethnicity, multiculturalism and neo-conservatism' in *Ethnicity, Class and Gender in Australia*. Edited by G. Bottomley and M. de Lepervanche. Sydney: George Allen and Unwin.
- Jennett, C. 1987. 'Race and inequality in the West: Incorporation or independence? The struggle for Aboriginal equality' in *Three Worlds of Inequality: Race, class and gender*. Edited by C. Jennett and R. Stewart. Melbourne: Macmillan.
- Jones, F.L. 1997. Ethnic diversity and national identity. *Australian and New Zealand Journal of Sociology* 33:285–305.
- . 1999. 'The sources and limits of popular support for a multicultural Australia' in *The Future of Australian Multiculturalism*. Edited by G. Hage and R. Couch. Sydney: Research Institute for Humanities and Social Sciences.
- Jordan, D. 1984. The social construction of identity: The Aboriginal problem. *Australian Journal of Education* 28:274–90.
- Jupp, J. (ed.). 1988. *The Australian People: An Encyclopedia of the Nation, Its People and Their Origins*. Sydney: Angus and Robertson.
- . (ed.). 2001. *The Australian People: An Encyclopedia of the Nation, Its People and Their Origins*. 2nd ed. Melbourne: Cambridge University Press.
- Keeffe, K. 1988. Aboriginality: Resistance and persistence. *Australian Aboriginal Studies* 1:67–81.
- Keen, I. (ed.). 1988. *Being Black: Aboriginal Cultures in 'Settled' Australia*. Canberra: Aboriginal Studies Press.
- Martin, J. 1978. *The Migrant Presence*. Sydney: Allen and Unwin.
- Morris, B. 1989. *Domesticating Resistance: The Dhan-Gadi Aborigines and the Australian State*. Oxford: Berg
- Morris, B., and G. Cowlshaw (eds). 1990. *Journal for Social Justice Studies (Special issue Contemporary Race Relations in Australia)* 3.
- Office of Multicultural Affairs. 1989. *National Agenda for a Multicultural Australia*. Canberra: AGPS.
- Portes, A., L.E. Guarnizo and P. Landolt. 1999. The study of transnationalism: Pitfalls and promise of an emergent research field. *Ethnic and Racial Studies* 22(2):217–37.
- Price, C.A. (ed.). 1966. *Australian Immigration: A Bibliography and Digest*. Canberra: Department of Demography, Australian National University.
- (ed.). 1971. *Australian Immigration: A Bibliography and Digest No. 2 (1970)*. Canberra: Department of Demography, Australian National University.
- (ed.). 1979. *Australian Immigration: A Bibliography and Digest No. 4 1979*. Canberra: Department of Demography, Australian National University.
- Price, C.A. and J.I. Martin (eds). 1976. *Australian Immigration: A Bibliography and Digest No. 3 1975*. Part 1, 'The demography of post-war immigration'. Canberra: Department of Demography, Australian National University.
- Reid, J. (ed.). 1982. *Body, Land and Spirit: Health and Healing in Aboriginal Society*. Brisbane: University of Queensland Press.

- Reynolds, H. 1981. *The Other Side of the Frontier: Aboriginal Resistance to the European Invasion of Australia*. Melbourne: Penguin.
- . 1989. *Dispossession: Black Australians and White Invaders*. Sydney: Allen and Unwin.
- Rowley, C.D. 1970. *The Destruction of Aboriginal Society*. Canberra: Australian National University Press.
- . 1971a. *Outcasts in White Australia*. Canberra: Australian National University Press.
- . 1971b. *The Remote Aborigines*. Canberra: Australian National University Press.
- Rowse, T. 1996. *Traditions for Health: Studies in Aboriginal Reconstruction*. Canberra and Darwin: North Australian Research Unit, Australian National University.
- Ryan, L. 1981. *The Aboriginal Tasmanians*. Brisbane: University of Queensland Press.
- Saeed, A., and S. Akbarzadeh (eds). 2001. *Muslim Communities in Australia*. Sydney: UNSW Press.
- Schebeck, B. 1986. After successful fieldwork: What to do with all the 'material'. *Australian Aboriginal Studies* 1:2–8.
- Skrbis, Z. 1999. *Long-Distance Nationalism: Diasporas, Homelands and Identities*. Aldershot: Ashgate Publishing.
- Stahl, C., R. Ball, C. Inglis and P. Gutman. 1993. *Global Population Movements and their Implications for Australia*. Canberra: Bureau of Immigration and Population Research.
- Stevens, F.S. (ed.). 1972. *Racism: The Australian Experience*. Sydney: ANZ Books.
- Sullivan, P. 1986. The generation of cultural trauma: What are anthropologists for? *Australian Aboriginal Studies* 1:13–23.
- Thomas, M. 1999. *Dreams in the Shadows: Vietnamese-Australian Lives in Transition*. Sydney: Allen and Unwin.
- Tylor, E. 1903. *Primitive Culture*. London: Murray.
- van den Berg, R. 2002. *Nyoongar People of Australia*. Leiden: Brill.
- Vertovec, S. 1999. Conceiving and researching transnationalism. *Ethnic and Racial Studies* 22:447–62.
- Watts, B.H. 1982. *Aboriginal Futures: A Review of Research and Developments and Related Policies in the Education of Aborigines: A Summary*. Education Research and Development Committee. Canberra: AGPS.
- White, I., D. Barwick and B. Meehan. 1985. *Fighters and Singers: The Lives of Some Australian Aboriginal Women*. Sydney: George Allen and Unwin.
- Wilson, R., and M. Dodson. 1997. *Bringing Them Home: Report of the National Inquiry into the Separation of Aboriginal and Torres Strait Islander Children from their Families*. Sydney: Human Rights and Equal Opportunity Commission.
- Windschuttle, K. 2000a. The myths of frontier massacre in Australia Part I: The invention of massacre stories. *Quadrant* 44(10):8–21.
- . 2000b. The myths of frontier massacre in Australia Part II: The fabrication of the Aboriginal death toll. *Quadrant* 44(11):17–24.
- . 2000c. The myths of frontier massacre in Australia Part III: Massacre stories and the policy of separation. *Quadrant* 44(12):6–20.
- Wise, T. 1985. *The Self-Made Anthropologist: A Life of A.P. Elkin*. Sydney: George Allen and Unwin.
- Wooden, M., R. Holton, G. Hugo and J. Sloan (eds). 1990. *Australian Immigration: A Survey of the Issues*. Bureau of Immigration Research. Canberra: AGPS.
- Wooden, M., R. Holton, G. Hugo and J. Sloan (eds). 1994. *Australian Immigration: A Survey of the Issues*. 2nd ed. Bureau of Immigration and Population Research. Canberra: AGPS.

Urban and Regional Sociology

Scott Baum and Patrick Mullins

Scholarship within urban and regional sociology involves the observation and explanation of the spatial structuring of the contemporary world and the patterns of human behaviour and culture within cities, towns and regions. It focuses on the urbanisation process: the concentration of human life in cities and towns, and the clustering of these urban areas into a series of regions. Most scholarship has examined the largest urban areas, because this is where a country's population, wealth, productive capacity, political power, and other elements of social life, such as health care and educational services, are disproportionately concentrated. Australian urban and regional research, then, has disproportionately focused on Melbourne and Sydney, although the profound global changes that have occurred over the past three decades have provoked interest in new patterns of development. These include the rise of urban regions, such as South-East Queensland/Northern New South Wales; the emergence of new cities, like the Gold Coast; the transformation of industrial centres, like Newcastle; the emergence of global cities, like Sydney; and the rapid rise of the periphery, notably Queensland, the Northern Territory and Western Australia.

Prefatory remarks

Five issues need first be addressed before discussing the nature of Australian urban and regional sociology. First, sociological work in the field generally cannot easily be separated from other social-science research, in general and for Australia specifically (Davidson and Fincher 1998; see also Troy 1996a). From its beginnings in Australia in the 1960s, sociological research in this field has largely been indistinguishable from that undertaken by geographers (for example, Badcock 1984; Stimson 1982), political economists (for example, Berry 1984; Stilwell 1980) and urban and regional planners (for example, McLoughlin 1992; Troy 1996b). Thus, the criteria that we have used to identify sociological work in this field are authors' training in sociology and/or their employment as sociologists.

Second, and paralleling what has happened in other countries, Australian urban and regional sociology has overwhelmingly been an urban sociology, with the bulk of pub-

lished research being on major urban areas. While there has been a significant body of rural sociology, as a specific area of research interest, regional sociology has been of minor importance, having only recently gained prominence, primarily because of the profound spatial restructuring that has occurred over recent years following the rise of postindustrialisation. This more balanced emphasis has also been initiated by the International Sociological Association's Research Committee 21 (Sociology of Regional and Urban Development), a research committee established in 1970 and responsible for initiating the *International Journal of Urban and Regional Research* (IJURR), the key journal in the sociology of urban and regional development. The committee's emphasis upon both the 'urban' and the 'regional' emanated from European interests and concerns over less-developed areas, such as southern Italy and the north of England, relative to more developed parts of these countries.

Third, and following on from the previous point, urban and regional sociology – like sociology generally – has been transformed over the past two decades in direct response to the profound changes occurring in cities and regions around the world as a result of postindustrialisation. The economies of major urban centres, for example, are no longer defined by manufacturing capacity, but by service industries, notably business services, consumer services, such as those providing tourists and residents opportunities to consume fun, and high-skill community services, specifically those in research, education and health. These fundamental changes, then, are reflected in contemporary research.

Fourth, urban sociology in Australia and elsewhere has focused strongly on urban residents' wellbeing, particularly on issues of social inequality and 'social disorganisation'. Social polarisation is the contemporary manifestation of urban social inequality, while concerns expressed about the perceived loss of social capital (following the rise of postindustrialisation and the concomitant decline in industrial society) are the focus of much 'social disorganisation' research. This social-capital debate parallels an earlier one on the perceived loss of community following the rise of the industrial era and the concomitant decline of rural-based communal societies, both of which occurred over the late nineteenth and early twentieth centuries (Stein 1960).

Fifth, urban and regional sociology in general, and urban sociology in particular, is a minor field within sociology today, in Australia and elsewhere. It certainly had major impacts on sociology in the past, specifically in the 1920s and 1930s, when urban sociology emerged, and in the 1960s and 1970s, when it underwent a renaissance, but over the past two decades, urban sociology has had little effect on the discipline generally. In Australia, this is reflected in the neglect of the field in recent Australian introductory sociology textbooks (Bessant and Watts 2002; Jureidini and Poole 2000; Sargent 1994; van Krieken et al. 2000), although readers in Australian sociology have certainly provided coverage (Najman and Western 1988, 1993, 2000; Kellehear 1996), a practice dating back to the earliest Australian sociology readers (Davies and Encel 1970; Davies, Encel and Berry 1977).

There may, however, be the beginnings of a revival in urban and regional sociology if the *British Journal of Sociology's* 2000 review of the discipline is any indication. In this special issue, urban sociology was the only substantive field of the discipline given specific

discussion (Sassen 2000). Thus, it seems that the profound socio-spatial restructuring of the world since the 1970s may now be attracting an increasing research interest. Still, the theoretical and conceptual form being taken by this new urban and regional sociology remains unclear, although a sociology of time and space is one possible outcome (Urry 2000).

Australian urban and regional sociology experienced its heyday from the mid-1970s to the early 1980s. During this period, the *Australian and New Zealand Journal of Sociology* (ANZJS) (now *Journal of Sociology* (JOS)) published two special issues on cities (9(2), 1973; 13(1), 1977), while the mid-1980s saw the publication of a special issue on regional development (20(3), 1984). The 1973 urban issue was notable for the contribution from Brian Howe, then teaching sociology at Swinburne College of Technology, who eventually became the deputy prime minister of Australia and the minister responsible for the far-reaching urban and regional policies of the late 1980s and early 1990s.

The 1977 issue of ANZJS was emblematic of Australia's contribution to the renaissance of urban sociology – a renaissance that had its beginnings in Continental Europe in the late 1960s and early 1970s, but which was initially disseminated to English-speaking readers by Pickvance (1976). Indeed, 1977 became the key year for this renaissance. Castells's (1977) seminal work was published in English and the *IJURR*, the major journal in the field, was launched. The following year (1978) saw the publication of Australia's first urban-sociology textbook (Kilmartin and Thorns 1978) with the second (revised) edition appearing six years later (Kilmartin, Thorns and Burke 1985). The last major intellectual push in Australian urban and regional sociology occurred in 1994, when the *IJURR* published a special issue, with two of the six contributors being sociologists. Since the mid-1990s the contribution of Australian urban and regional sociology either to key Australian literature (notably through *JOS*) or the international literature (especially through *IJURR*) has been limited. During this period, one article relevant to Australian urban sociology appeared in the *IJURR*, while six appeared in the *JOS*. Some material has been forthcoming in other journals (for example, *Urban Policy and Research*, *Urban Affairs Review* and *Urban Studies*) but, as with the more specialised journals, these contributions have been limited in number.

Key issues

In identifying and evaluating the sociology of Australian urban and regional development, we can distinguish between three main types of work, each largely independent of the others. The first and most extensive is urban sociology, which has focused on the major urban centres, and which draws largely upon the traditions of urban sociology. The second is research on country towns, but rather than drawing upon the traditions of urban sociology, it has tended to follow other research traditions, notably that which focuses on community power. The third body of work is regional sociology. Traditionally drawing upon the sociology of development, it has more recently been influenced by new developments in rural sociology. These three are discussed in turn.

Australian urban sociology

Australian urban sociology has followed major international trends, each essentially representing an attempt to make sense of the urban development of that particular period of time. The first of these was initiated by the Chicago School of Sociology, the founders of urban sociology (in the 1920s and 1930s), and it comprised a group of sociologists who were responding to the rapid urbanisation of the United States over the late nineteenth and early twentieth centuries. Using Chicago as a laboratory, they focused on specific communities, like the Jewish ghetto (Wirth 1928), and on the overall distribution of communities within cities (Theodorson 1961). The latter approach was based upon information on shared social characteristics of people living in the same geographic area (for example, in contiguous suburbs) and became known as human ecology (Hawley 1950). The earliest Australian work in urban sociology, then, followed the human ecology tradition, with F. Lancaster Jones (1967, 1969a, 1969b) and Duncan Timms (1971) being the major Australian contributors to this work.

Over the relatively short period between the decline of traditional urban sociology (human ecology) and the rise of what became known as 'the new urban sociology' – essentially the period from 1971 to 1977 – Australian urban sociology was characterised by a strong applied focus. This was influenced by the federal Labor government (1972 to 1975) and by Labor Party urban policy prior to the 1972 election. Research tended to focus on the negative social impacts of urban development, the positive role community played in providing social support, and, finally, the social aspects of urban planning. The most significant contribution here is Bryson and Thompson's (1972) study of a Melbourne public-housing suburb, although a range of other studies have some parallels with aspects of this work (Jones, W. 1980; Klodahl, Dhofier et al. 1977; Klodahl, Burgess et al. 1977), with the 1973 special urban issue of *ANZJS* being part of this initiative. It covered urban policy (Howe 1973; Jakubowicz 1973; Kilmartin 1973) and community issues (Cox and Howard 1973; Mullins 1973) (see also Kilmartin 1975; Martin 1970; Mullins 1977a; Thompson 1972; Western, Mullins and Gibbins 1972).

The 'new urban sociology' represented the second major development in Australian urban sociology, an approach drawing once again upon international developments. Initiated by Castells (1977) and other European scholars (see Pickvance 1976), it involved an attack upon traditional urban sociology and then offered a Marxian and Weberian-based conceptualisation and theorisation, but one strongly empirical in focus (see Milicevic 2001). Here, emphasis was given to the roles played by various social actors, notably social classes, major political players, and urban movements, the last of these being residents' attempts at improving and protecting their quality of life. In Australia, Kilmartin and Thorns (1978), Kilmartin, Thorns and Burke (1985) and the 1977 special issue of *ANZJS*, on the city, most clearly represented this new approach (specifically Kilmartin and Thorns 1977; Bell 1977; Kemeny 1977; Mullins 1977b; see also Mullins 1979a, 1979b). An attempt was also made to theorise Australian urbanisation using this conceptualisation and theorisation (Mullins 1981a, 1981b, 1983, 1988; Kemeny 1983), and an empirical test of one aspect of this theory – on households' income-pooling activities – was recently made (Mullins and Kynaston 2000).

Although not drawing on the new urban sociology, Holton and Martin's (1987) class analysis of Adelaide has some parallels with this perspective.

Along with urban sociology in the rest of the more-developed world, Australian urban sociology declined sharply in the 1980s and 1990s (see Thorns 1982), a decline partly tied to a wider stagnation of the discipline. These trends were more broadly tied to the decline of the welfare state (specifically in Europe), the end of the industrial age more generally, and the concomitant rise of postindustrialisation. This involved a new pattern of urban (and regional) development, one in which the conceptualisations and theorisations offered by the new urban sociology were unhelpful in analysing and explaining empirical observations made.

The contemporary (postindustrial) age, with its postmodern culture (notably its emphasis on 'hyperconsumption'), has brought a postmodern approach to urban research and to social-science scholarship more generally (see Davison and Fincher 1998). A diversity of theories, conceptualisations and methodologies are now in use, with six discernible empirical approaches being apparent within Australian urban sociology: deindustrialisation; consumerism/consumption; social polarisation; community; housing; and sustainable urban development. Each of these areas emerged either in response to the decline of the industrial age or as a consequence of the rise of postindustrialisation.

Sociological research on deindustrialisation has focused on the negative social impacts of industrial restructuring. Factory closure and wider economic impacts brought marked increases in unemployment and other negative social outcomes, such as increases in low-income households. Urban sociological work on deindustrialisation has focused on several key urban centres. The first is Whyalla and the negative social consequences resulting from the closure of the city's ship-building industry and, later, its steel industry (Aungles 1979; Aungles and Szelenyi 1979). The second is Wollongong and the social impact wrought by industrial restructuring (Donaldson 1991; Metcalfe and Bern 1994). The third urban area is Newcastle and the restructuring initiatives taken by the city's burghers to capture consumption dollars from tourists and residents (Rowe and Stevenson 1994). In capital cities, the impacts of deindustrialisation have been studied by Baum and Hassan (1993), who considered the social-spatial impacts of economic change on the Adelaide metropolitan area, while Burbidge and Winter (1996) have undertaken an analysis of urban poverty in Sydney and Melbourne.

Research on cities' efforts to capture the consumption dollar – particularly the tourist dollar – identify an increasingly important field within contemporary urban sociology. Cities and towns are now providing residents and tourists with more and more opportunities to buy and consume goods for fun (Mullins 1995a). This process particularly manifests itself as consumption spaces – places, like Sydney's Darling Harbour, that people visit in order to buy and consume within these locations the goods and services on sale (Mullins et al. 1999; Rowe and Stevenson 1994) – but it is also represented by special events, such as Olympic Games and expos (Stevenson 1997). Tourism urbanisation is the most dramatic urban representation of this drive to consume, a process involving cities and towns being developed and/or redeveloped explicitly for tourists (Mullins 1984, 1990, 1991, 1992b, 1994, 1995b). This hyper-

consumption is also evident in new communities, most particularly in inner-city gentrified areas – former working-class residential districts that have been transformed for middle-class residents and for providing these residents widespread opportunities for consumption (see Jager 1986; Mullins 1982; Stimson, Mullins et al. 2000).

Social polarisation, a striking outcome of the contemporary age, refers to the growing gap between high-income and low-income households, and it is an urban-based social inequality emerging from the decline of the industrial age and the rise of post-industrialisation. The decline of the former brought the loss of secure, well-paid, unskilled and semiskilled (male) manual jobs, and this, in turn, led to high rates of unemployment and increasing numbers of low-income households. Postindustrialisation, by contrast, brought a large and increasing number of highly skilled and well-paid service workers, such as accountants and health care workers. Social polarisation is a distinguishing feature of global cities, since the dual processes leading to this outcome are disproportionately concentrated in them, with Sydney being Australia's key global city and thus the major site of this malady (Baum 1997).

Contemporary community research focuses on social-welfare issues, as it had in the past, with Bryson and Winter's (1999) follow-up study of an Australian Newtown recording marked changes in residents' social wellbeing over the period from the time of the 1960s study. Richards's (1990) work on an outer Melbourne middle-class suburb focused on the middle-class lifestyle, including residents' desire for home ownership and their wish for a particular type of community. Yet the scholarly impact of these (and similar) community studies has been limited because of a failure to adequately conceptualise and theorise 'community' (Mullins 1987a). Nevertheless, the increasing interest being shown in 'social capital' offers an opportunity to resolve this shortcoming (Black and Hughes 2001).

A team of geographers and sociologists has recently produced a detailed account of Australian urban communities (Baum, Stimson, O'Connor, Mullins and Davis 1999; Baum, Stimson, Mullins and O'Connor 2000; Baum, Mullins et al. 2002; Stimson, Baum et al. 2001a, 2001b). Focusing on a range of urban areas – from urban regions to country towns – the studies identified communities according to their residents' characteristics, and each community was located along an affluence–disadvantage continuum. Methodologically, this work drew upon human ecology although, technically, it used discriminant analysis and cluster analysis. The same methodology was employed in a recent study of South-East Queensland communities, but used factorial ecology (Mullins et al. 1999; Western and Larnach 1998), while a number of other studies have drawn upon human ecology frameworks to investigate criminal activity in urban areas (Hassan, Baum and Stevens 1993; Baum 1999; Di Bartolo and Carpenter 2001). In this way, then, the methodology of traditional urban sociology has been re-employed to identify contemporary communities within today's urban areas. An old methodology, then, clearly has contemporary relevance.

Changing housing systems have been part of postindustrial urban development, a process associated with changes in household structure and household income (Wulff 1990a, 1990b, 1992, 2001; Yates and Wulff 2000), and this is work that Australia shares with other countries. There has also been an extensive debate on housing location in

Australian metropolitan areas, specifically the disadvantages in siting low-income housing on the outskirts (Wulff and Maher 1998). Other research has focused on housing renovation, a process integral to gentrification (Baum and Hassan 1999); housing inheritance, an issue of contemporary relevance because a large amount of housing wealth will be transferred to the next generations within the next few decades (see Mullins 2000a; see also Mullins 1976); and the social conditions leading to high rates of home ownership in Australia in the fifteen years after World War II (Greig 1995). Furthermore, coming on the back of the Commonwealth-government-initiated National Housing Strategy, sociological studies have emerged focusing specifically on the housing and location preferences of households (Stevens, Baum and Hassan 1992; Wulff 1993) and on the process of residential mobility (Hassan, Zang and McDonnell-Baum 1996). Most recently, the re-establishment of the Australian Housing and Urban Research Institute has resulted in the potential for some interesting sociological studies of housing issues, although to date the research that has been conducted has been rather too policy-oriented and has received only limited exposure, being limited to dissemination via the Internet.

Finally, work has commenced on sustainable urban development. Again, this has been undertaken by teams of geographers and sociologists (Kemp et al. 1997; Stimson, Western et al. 1999; Newton et al. 2001), who have, to date, either established frameworks for understanding sustainable urban development, or provided a process of benchmarking so as to track issues important to sustainability.

The sociology of small towns

There have been a number of small-town studies, many of which have been ethnographically based, but they tend to have been tied to traditions other than those of urban sociology. At least two draw upon community power/social stratification (Gray 1991; Wild 1974), while another three focus on gender, property and work (Dempsey 1990; Poiner 1990; Williams 1981).

Regional sociology

Finally, research on regional sociology, although limited, has primarily been of two main types. The first essentially follows the sociology of development, and involves comparative analyses of the more-developed and less-developed regions of a country. In the case of Australia, this has been between New South Wales, Victoria and the Australian Capital Territory as the more-developed region, and Queensland, Tasmania, the Northern Territory and Western Australia as the less-developed region. South Australia has traditionally been located between these two extremes, although until recently it has been closer to the former, but now is closer to the latter. Sociological research in this area (Alexander, Nicholas and Walter 1984; Higgins and Zagorski 1989; Mullins 1979c, 1980, 1986, 1987b) has strong conceptual and theoretical links with Canadian regional sociology, and to the work of Australian regional political scientists/political economists (for example, see Stilwell 1980; Head 1986; Harman and Head 1982).

The second and more recent approach emanates from rural sociology, and focuses on the socioeconomic consequences of the recent profound changes to Australian pastoralism and agriculture, a process occurring elsewhere in the world as part of global-

isation and the rise of postindustrialisation (see especially Lawrence and Gray 2001). This work has focused specifically on the social impacts of rural decline and the restructuring of the agricultural and pastoral industries.

Conclusion

The contribution of urban and regional sociology to an understanding of Australian society has been significant. Driven by international trends, it has focused on patterns of change within cities, towns and regions, and specifically on the culture and behaviour of those living and working in these locations. It has emphasised the way social life is expressed spatially and how, over the past 100 or so years, this has increasingly been concentrated in cities and, most particularly, in the biggest centres.

As in other countries, the intellectual power and influence of urban and regional sociology in Australia has fluctuated markedly over the past quarter of a century. The late 1970s and early 1980s were arguably the period of greatest influence and dynamism, emphasising the way social forces such as urban movements and the state effected change. This perspective contrasts sharply with sociology's typically static approach to social life.

The beginnings of a new renaissance in Australian urban and regional sociology are apparent, having been stimulated by the profound social and spatial changes that have occurred over recent decades. These changes are global in effect, and are identified socially by postindustrialisation and culturally by postmodernism. Therefore, future work in the sociology of Australian urban and regional development is likely to focus on the way these dual processes are expressed spatially. This work is already evident in Australia and elsewhere, and is of eight main types, with a number having been canvassed above.

First, there is recognition of a new spatialisation, this being most clearly typified by urban regions: large, socially integrated geographic areas comprising one or more metropolitan areas, other cities, towns, a large rural–urban fringe, some farming districts, and natural environments. In Australia, South-East Queensland/Northern New South Wales is the fastest-growing of these regions.

Second, the social consequences wrought by the (new) urban economics have provoked extensive research on the (new) labour force, one with different occupational and class structures, and one in which the creativity of individuals and cities is emphasised. Creativity is the key determinant in the production of new goods and services, and thus in the creation of economically dynamic centres whose residents have a high quality of life. Here, advanced education plays the key role. In occupational terms, there has been the very rapid rise of professionals and managers and the marked decline of unskilled manual workers, while in class terms there is the rapid growth of the middle class and the relative decline of the working class. These changes, in turn, are reflected in the spatial location of work, including the profound transformation to the central business districts, and in the rise of 'edge cities' and new industrial spaces.

Third, globalisation has brought the global city. These large centres not only play a key determining role in shaping the global economy, but they are also places of global

cultural, political and social importance. The network of global cities that has emerged is dominated by a small number of major global cities.

Fourth, the emergence of global cities has been accompanied by the rise of a new social inequality: social polarisation. This is characterised by a growing gap between a large and increasingly wealthy group of people in highly skilled, secure employment, and a significant group of low-income, low-skilled people who are either perennially unemployed or in insecure employment.

Fifth, there is the growing importance of community – for two reasons. First, governments are demanding individual self-sufficiency and the establishment of strong communities for providing social support in times of need. Second, community – as the geographic area immediately around the home – is becoming increasingly important in terms of the way people define quality of life. There is a growing emphasis on the importance of a safe and attractive physical (built and natural) environment, and a community that provides extensive local opportunities for consumption. Furthermore, the emergence of new occupational and class structures has created new communities, the most striking arguably being the inner-city ('gentrified') community, an area that is now middle class but was previously working class.

Sixth, and related to the previous point, cities are becoming increasingly important as places for the consumption of fun. This is particularly apparent in the rapid growth of urban areas exclusively devoted to tourism.

Seventh, all of these developments have together effected a new urban politics, this being most apparent in debates over social capital and the 'Third Way'. However, it is also evident in government's attempts at implementing policies to achieve sustainable urban development.

Finally, the physical transformation of cities over the past quarter of a century, including the growth of new types of urban areas, has meant that the built environment today is imbued with strikingly different visual meanings from the built environments of the past. This outcome, in turn, has encouraged a number of urban sociologists to examine the symbolic meanings carried by the new built forms, relative to those of the past. Of course, this not a new perspective in urban sociology, for it was a component (albeit small) of early urban sociology, but it is an approach that has been neglected for decades.

Which of these eight stances will come to play a dominant role in Australian urban and regional sociology, or even whether other new developments will emerge, is yet to be seen. Either way, a new Australian urban and regional sociology is being formulated, one which – inevitably, in these global times – is tied to an international renaissance of the field.

References

- Alexander, M., R. Nicholas and J. Walter. 1984. The Queensland capitalist class: Spectator or actor in regional differentiation. *Australian and New Zealand Journal of Sociology* 20:332–49.
- Aungles, S. 1979. The social consequences of industrial development and decline. *Journal of Australian Political Economy* 4:38–53.

- Aungles, S., and I. Szelenyi. 1979. Structural conflicts between the state, local government and monopoly capital: The case of Whyalla in South Australia. *Australian and New Zealand Journal of Sociology* 15:24–35.
- Badcock, B. 1984. *Unfairly Structured Cities*. Oxford: Basil Blackwell.
- Baum, S. 1997. Sydney, Australia: A global city? Testing the social polarisation thesis. *Urban Studies* 34:1881–902.
- . 1999. An aggregate level analysis of the socioeconomic correlates of drink driving offenders. *Accident Analysis and Prevention* 31:213–20.
- Baum, S., and R. Hassan. 1993. Economic restructuring and spatial equity: The case of Adelaide. *Australian and New Zealand Journal of Sociology* 29:151–72.
- . 1999. Home owners, home renovation and residential mobility. *Journal of Sociology* 35:23–41
- Baum, S., P. Mullins, R. Stimson and K. O'Connor. 2002. Communities of the postindustrial city. *Urban Affairs Review* 37:322–57.
- Baum, S., R. Stimson, P. Mullins and K. O'Connor. 2000. Welfare dependency in communities within Australia's metropolitan regions. *People and Place* 8:28–37.
- Baum, S., R. Stimson, K. O'Connor, P. Mullins and R. Davis. 1999. *Community Opportunity and Vulnerability in Australia's Cities and Towns*. Brisbane: University of Queensland Press.
- Bell, C. 1977. On housing classes. *Australian and New Zealand Journal of Sociology* 13(1):36–40.
- Berry, M. 1984. The political economy of Australian urbanisation. *Progress in Planning* 22:1–83.
- Bessant, J., and R. Watts. 2002. *Sociology Australia*. 2nd ed. Sydney: Allen and Unwin.
- Black, A., and P. Hughes. 2001. *The Identification and Analysis of Indicators of Community Strength and Outcomes*. Occasional Paper 3. Canberra: Department of Family and Community Services.
- Brym, R. (ed.). 1986. *Regionalism in Canada*. Toronto: Irwin.
- Bryson, L., and F. Thompson. 1972. *An Australian Newtown*. Harmondsworth: Penguin.
- Bryson, L., and I. Winter. 1999. *Social Change, Suburban Lives: An Australian Newtown 1960s to 1990s*. Melbourne: Melbourne University Press.
- Burbidge, A., and I. Winter. 1996. Investigating urban poverty: The impact of state intervention and household change. *Urban Policy and Research* 14:97–108
- Castells, M. 1977. *The Urban Question*. London: Edward Arnold.
- Cox, E., and P. Howard. 1973. Conflict and change in the Sydney Rocks. *Australian and New Zealand Journal of Sociology* 9:56–8.
- Davies, A.F., and S. Encel (eds). 1970. *Australian Society: A Sociological Introduction*. 2nd ed. Melbourne: Cheshire.
- Davies, A.F., S. Encel and M.J. Berry (eds). 1977. *Australian Society: A Sociological Introduction*. 3rd ed. Melbourne: Longman Cheshire.
- Davison, G., and R. Fincher. 1998. Urban studies in Australia: A road map and ways ahead. *Urban Policy and Research* 16:183–98.
- Dempsey, K. 1990. *Smalltown: A Study of Social Inequality, Cohesion and Belonging*. Melbourne: Oxford University Press.
- Di Bartolo, L., and B. Carpenter. 2001. Domestic violence in the urban fringe. *Urban Policy and Research* 19:347–66
- Donaldson, M. 1991. *Times of Our Lives: Labour and Love in the Working Class*. Sydney: Allen and Unwin.
- Gray, I. 1991. *Politics in Place: Social Power Relations in an Australian Country Town*. Cambridge: Cambridge University Press.
- Greig, A. 1995. *The Stuff Dreams Are Made Of: Housing Provision in Australia 1945–1960*. Melbourne: Melbourne University Press.
- Harman, E., and B. Head (eds). 1982. *State, Capital, and Resources in the North and West of Australia*. Nedlands, WA: University of Western Australia Press.

- Hassan, R., S. Baum and C. Stevens. 1993. Dangerous places: Spatial distribution of crime in Adelaide. *Criminology* 5:17–20.
- Hassan, R., X. Zang and S. McDonnell-Baum. 1996. Why families move: A study of residential mobility in Australia. *Australian and New Zealand Journal of Sociology* 32:72–85.
- Hawley, A. 1950. *Human Ecology*. New York: Ronald Press.
- Head, B. (ed.). 1986. *The Politics of Development of the Australian States*. Sydney: Allen and Unwin.
- Higgins, B., and K. Zagorski (eds). 1989. *Australian Regional Development*. Canberra: AGPS.
- Holton, R., and W. Martin. 1987. The class structure of metropolitan Adelaide. *Australian and New Zealand Journal of Sociology* 23:5–22.
- Howe, B. 1973. Some priorities for Australian urban studies. *Australian and New Zealand Journal of Sociology* 9:39–40.
- Jager, M. 1986. 'Class definition and the esthetics of gentrification: Victoriana in Melbourne' in *Gentrification of the City*. Edited by N. Smith and P. Williams. Boston: Unwin Hyman.
- Jakubowicz, A. 1973. Towards a sociology of the city: Or the city game. *Australian and New Zealand Journal of Sociology* 9:58–65.
- Jones, F.L. 1967. A social ranking of Melbourne suburbs. *Australian and New Zealand Journal of Sociology* 1:102–20.
- . 1969a. A social profile of Canberra. *Australian and New Zealand Journal of Sociology* 3:93–110.
- . 1969b. *Dimensions of Urban Social Structure: The Social Areas of Melbourne, Australia*. Canberra: Australian National University Press.
- Jones, W. 1980. Newcomers' changing perspectives on Canberra. *Australian and New Zealand Journal of Sociology* 16:85–9.
- Jureidini, R., and M. Poole. 2000. *Sociology: Australian Connections*. Sydney: Allen and Unwin.
- Kellehear, A. (ed.). 1996. *Social Self, Global Culture: An Introduction to Sociological Ideas*. Melbourne: Oxford University Press.
- Kemeny, J. 1977. A political sociology of home ownership in Australia. *Australian and New Zealand Journal of Sociology* 13(1):47–57.
- . 1983. Economism and the new urban sociology: A critique of Mullins' 'Theoretical perspectives on Australian urbanisation'. *Australian and New Zealand Journal of Sociology* 19:517–27.
- Kemp, D., M. Manicaros, P. Mullins, R. Simpson, R. Stimson and J. Western. 1997. Research Monograph 2. *Urban Metabolism*. Brisbane: Australian Housing and Urban Research Institute.
- Kilmartin, L. 1973. Urban policy in Australia: The case of decentralisation. *Australian and New Zealand Journal of Sociology* 9:36–8.
- . 1975. New towns in Australia. *Australian Journal of Social Issues* 10:271–82.
- Kilmartin, L., and D. Thorns. 1978. *Cities Unlimited: The Sociology of Urban Development in Australia and New Zealand*. Sydney: Allen and Unwin.
- Kilmartin, L., D. Thorns and T. Burke. 1985. *Social Theory and the Australian City*. Sydney: Allen and Unwin.
- Klovdahl, A., Z. Dhofier, G. Oddy, J. O'Hara, S. Stoutjesdijk and A. Whish. 1977. Social networks in an urban area: First Canberra study. *Australian and New Zealand Journal of Sociology* 13:169–72.
- Klovdahl, A., D. Burgess, A. Edwards, J. Kreitals, M. Stewart, S. White and M. Wood. 1977. Social networks in an urban area: Second Canberra study. *Australian and New Zealand Journal of Sociology* 13:172–5.
- Martin, J. 1970. 'Suburbia: Community and network' in *Australian Society: A Sociological Introduction*. Edited by A. Davies and S. Encel. Melbourne: Cheshire.
- McLoughlin, B. 1992. *Shaping Melbourne's Future?* Cambridge: Cambridge University Press.
- Metcalfe, A.W., and J. Bern. 1994. Stories of crisis: Restructuring Australian industry and rewriting the past. *International Journal of Urban and Regional Research* 18:658–72.

- Milicevic, A.S. 2001. Radical intellectuals: What happened to the new urban sociology? *International Journal of Urban and Regional Research* 25:759–83.
- Mullins, P. 1973. Neighbourhood perception and the effects of forced residential mobility. *Australian and New Zealand Journal of Sociology* 92:45–8.
- . 1976. Housing inheritance. *Australian and New Zealand Journal of Sociology* 12:251–54.
- . 1977a. 'Social implications of the Brisbane Northern Freeway' in *Planning in Turbulent Environments*. Edited by J.S. Western and P.R. Wilson. Brisbane: University of Queensland Press.
- . 1977b. The social base, stake, and urban effects of a Brisbane urban social movement inheritance. *Australian and New Zealand Journal of Sociology* 13:29–35.
- . 1979a. Women and the struggle against Brisbane's freeways. *Australian and New Zealand Journal of Sociology* 15:43–9.
- . 1979b. The struggle against Brisbane's freeways, 1966–74. *International Journal of Urban and Regional Research* 3:542–52.
- . 1979c. Australia's Sunbelt migration: Brisbane and the Moreton region. *Journal of Australian Political Economy* 5:17–32.
- . 1980. Australian urbanization and Queensland's underdevelopment. *International Journal of Urban and Regional Research* 4:212–38.
- . 1981a. Theoretical perspectives on Australian urbanisation: I. Material components in the reproduction of labour power. *Australian and New Zealand Journal of Sociology* 17:65–76.
- . 1981b. Theoretical perspectives on Australian urbanisation: II. Social components in the reproduction of labour power. *Australian and New Zealand Journal of Sociology* 17:35–43.
- . 1982. The 'middle class' and the inner city. *Journal of Australian Political Economy* 11:44–58.
- . 1983. Theory and Australian urbanisation. *Australian and New Zealand Journal of Sociology* 19:528–33.
- . 1984. 'Hedonism and real estate: Resort tourism and Gold Coast development' in *Conflict and Development*. Edited by P. Williams. Sydney: Allen and Unwin.
- . 1986. 'Queensland: Populist politics and development' in *The Politics of Development in Australia*. Edited by B. Head. Sydney: Allen and Unwin.
- . 1987a. Community and urban movements. *Sociological Review* 35:347–69.
- . 1987b. The politics of development: Right radicalism in Queensland and British Columbia. *Australian–Canadian Studies* 5:25–37.
- . 1988. 'Is Australian urbanisation different?' in *A Sociology of Australian Development*. Edited by J. Najman and J. Western. Melbourne: Macmillan.
- . 1990. Tourist cities as new cities: The development of Queensland's Gold Coast and Sunshine Coast. *Australian Planner* 28:37–41.
- . 1991. Tourism urbanisation. *International Journal of Urban and Regional Research* 15(3):326–42.
- . 1992a. Do industrial cities have the highest rates of urban unemployment? *Urban Policy and Research* 10:24–32.
- . 1992b. Cities for pleasure. *Built Environment* 18:187–98.
- . 1993. 'Decline of the old, rise of the new: Late twentieth century Australian urbanisation' in *A Sociology of Australian Society: Introductory Readings*. 2nd ed. Edited by J. Najman and J. Western. Melbourne: Macmillan.
- . 1994. Class relations and tourism urbanisation: The regeneration of the petite bourgeoisie and the emergence of a new urban form. *International Journal of Urban and Regional Research* 18:591–608.
- . 1995a. Progress associations and urban development: The Gold Coast, 1945–79. *Urban Policy and Research* 13:6–19.

- . 1995b. 'Households, consumerism, and metropolitan development' in *Australian Cities: Issues, Strategies and Policies for Urban Australia in the 1990s*. Edited by P.N. Troy. Cambridge: Cambridge University Press.
- . 2000a. The line of descent in the intergenerational transmission of domestic property. *Housing Studies* 15:683–98.
- . 2000b. 'Cities of postindustrialism, cities of postmodernity' in *A Sociology of Australian Society*. 3rd ed. Edited by J. Najman and J. Western. Melbourne: Macmillan.
- Mullins, P., and C. Kynaston. 2000. 'The household production of subsistence goods: The urban peasant thesis reassessed' in *European Housing in Australia*. Edited by P. Troy. Cambridge: Cambridge University Press.
- Mullins, P., K. Natalier, P. Smith and B. Smeaton. 1999. Cities and consumption spaces. *Urban Affairs Review* 35:44–71.
- Mullins, P., and M. West. 1998. Windsor twenty-five years on: The continuing presence of a 1970s freeway plan in inner Brisbane. *Urban Policy and Research* 16:1999–210.
- Najman, J.M., and J.S. Western (eds). 1988. *A Sociology of Australian Society: Introductory Readings*. Melbourne: Macmillan.
- (eds). 1993. *A Sociology of Australian Society: Introductory Readings*. 2nd ed. Melbourne: Macmillan Education.
- (eds). 2000. *A Sociology of Australian Society*. 3rd ed. Melbourne: Macmillan.
- Newton, P.W., S. Baum, K. Bhatia, S. Brown, A. Cameron, B. Foran, T. Grant, S. Mak, P. Memmott, G. Mitchell, K. Neate, A. Pears, A. Phillips, N. Smith, R. Stimson, S. Tucker and D. Yencken. 2001. *Human Settlements. Australia State of the Environment Report 2001 (theme report)*. Canberra: CSIRO Publishing on behalf of the Department of the Environment and Heritage.
- Pickvance, C. 1976. *Urban Sociology: Critical Essays*. London: Tavistock.
- Poiner, G. 1990. *The Good Old Rule: Gender and Power Relations in a Rural Community*. Sydney: Sydney University Press.
- Richards, L. 1990. *Nobody's Home: Dreams and Realities in a New Suburb*. Melbourne: Oxford University Press.
- Rowe, D., and D. Stevenson. 1994. 'Provincial paradise': Urban tourism and city imaging outside the metropolis. *Australian and New Zealand Journal of Sociology* 30:178–93.
- Sargent, M. 1994. *The New Sociology for Australians*. Melbourne: Longman Cheshire.
- Sassen, S. 2000. New frontiers facing urban sociology at the millennium. *British Journal of Sociology* 51:143–60.
- Searle, G., and M. Bounds. 1999. State powers, state land, and competition for global entertainment. *International Journal of Urban and Regional Research* 23:165–72.
- Stein, M. 1960. *The Eclipse of Community*. New York: Harper.
- Stevens, C., S. Baum and R. Hassan. 1992. The housing and location preferences of Adelaide residents. *Urban Policy and Research* 10:6–22.
- Stevenson, D. 1997. Olympic arts: Sydney 2000 and the cultural Olympiad. *International Review for the Sociology of Sport* 32:227–38.
- . 1999. Community views: Women and the politics of neighbourhood in an Australian suburb. *Journal of Sociology* 35:213–27.
- Stilwell, F. 1980. *Economic Crisis, Cities and Regions: An Analysis of Current Urban and Regional Problems in Australia*. Oxford: Pergamon.
- Stimson, R. 1982. *The Australian City: A Welfare Geography*. Melbourne: Longman Cheshire.
- Stimson, R., S. Baum, P. Mullins and K. O'Connor. 2001a. Australia's regional cities and towns: Modelling community opportunity and vulnerability. *Australasian Journal of Regional Studies* 7:23–62.

- . 2001b. Measuring community expansion and vulnerability: A regional modelling approach. *Papers in Regional Science* 80:45–66.
- Stimson, R., P. Mullins, S. Baum, R. Davis, S. Gleeson and K. Shaw. 2000. *Inner City Renaissance: The Changing Face, Functions, and Structure of Brisbane's Inner City*. CD-ROM. Brisbane: University of Queensland.
- Stimson, R., J. Western, P. Mullins and R. Simpson. 1999. 'Urban metabolism as a framework for investigating quality of life and sustainable development in the Brisbane–Southeast Queensland metro region' in *Urban Quality of Life*. Edited by L. Yuan, B. Yuen and C. Low. Singapore: National University of Singapore.
- Theodorson, G. 1961. *Studies in Human Ecology*. Evanston, IL: Harper and Row.
- Thorns, D. 1982. Crisis in society: Urban and regional implications. *Australian and New Zealand Journal of Sociology* 18:61–70.
- Thompson, F. 1972. Suburban living and the concept of community. *Australian and New Zealand Journal of Sociology* 7:23–37.
- Timms, D. 1971. *The Urban Mosaic: Towards a Theory of Residential Differentiation*. Cambridge: Cambridge University Press.
- Troy, P. 1996a. *The Urban Research Program: A Personal View of its History*. Canberra: Urban Research Program, Australian National University.
- Troy, P. 1996b. *The Perils of Urban Consolidation*. Sydney: Federation Press.
- Urry, J. 2000. 'Sociology of time and space' in *The Blackwell Companion to Social Theory*. Edited by B. Turner. Oxford: Blackwell.
- van Krieken, R., P. Smith, D. Habibis, K. McDonald, M. Haralambos and M. Holborn. 2000. *Sociology: Themes and Perspectives*. 2nd ed. Sydney: Pearson Education Australia.
- Western, J., and A. Larnach. 1998. The social and spatial structure of South East Queensland. *Australasian Journal of Regional Studies* 4:215–38.
- Western, J., P. Mullins and M. Gibbings. 1972. 'The new suburbia: Planning for people' in *Australian Social Issues of the 70s*. Edited by P.R. Wilson. Sydney: Butterworths.
- Wild, R.A. 1974. *Bradstow: A Study of Status, Class and Power in the Small Australian Town*. Sydney: Angus and Robertson.
- Williams, C. 1981. *Open Cut: The Working Class in an Australian Mining Town*. Sydney: Allen and Unwin.
- Wirth, L. 1928. *The Ghetto*. Chicago: University of Chicago Press.
- Wulff, M. 1990a. Low income home ownership: The privatisation of squalor or the Great Australian Dream? *Housing Studies* 5:229–41.
- . 1990b. Restructuring home loans for low income families: Results from the capital indexed loan scheme. *Urban Policy and Research* 8:3–11.
- . 1992. Home ownership for low income families: Key findings from the five year Victorian capital indexed loan evaluation study. *Urban Policy and Research* 10:6–16.
- . 1993. An overview of Australian housing and locational preference studies. *Urban Policy and Research* 11:230–7.
- . 2001. Growth and change in one person households: Implications for the housing market. *Urban Policy and Research* 19:467–89.
- Wulff, M., and C. Maher. 1998. Long-term renters in the Australian housing market. *Housing Studies* 13(1):83–98.
- Yates, J., and M. Wulff. 2000. Whither low cost private rental housing? *Urban Policy and Research* 18(1):45–64.

Rural Sociology

*Stewart Lockie, Lynda Herbert-Cheshire and
Geoffrey Lawrence*

Where is rural Australia and what is rural sociology?

There are many ways in which it is possible to define the rural, but in many respects it is defined most powerfully by what it is not – the urban. The rural is something of a leftover category for whatever we find outside the metropolis. When we think of rural Australia we think of small towns, agriculture, isolation, forestry, mining, Indigenous communities, rodeos, utes and ‘B&S’ (bachelors’ and spinsters’) balls; a mishmash of demographic, spatial, economic and cultural concepts and symbols with little in common at times other than an abiding sense of their non-metropolitanness.

The same is at least partly true of rural sociology. As a broad discipline, sociology grew out of a preoccupation with the massive social transformations of the industrial and French revolutions. The rise of the industrial working, capitalist and bureaucratic classes became the principal objects of sociological analysis, while the rural was either ignored or dismissed. Although Marx’s argument that rural activities such as agriculture would gradually be subjected to the same processes of industrialisation and capitalist development as elsewhere stimulated spirited debate with writers such as Kautsky over the long-term fate of peasant farming (the ‘agrarian question’), such debate failed to establish for rural sociology a unified set of research foci and questions. Instead, rural sociology came to embrace sociological endeavours as diverse as studies of community power, agrarian restructuring, natural-resource management, rural cultures, gender and race relations, global food systems, human-services provision and local governance. Despite the danger that embracing such a broad range of foci may have led to ‘rural sociology’ becoming a meaningless catch-all category for all sociological research that was not explicitly urban, the concept of rurality has provided a useful basis for integration across these seemingly disparate topic areas. Indeed, as argued by Bourke and Lockie (2001), it is impossible to come to a comprehensive understanding of the contemporary experience of rural Australians without understanding changes in rural communities, environments and industries, as well as the relationships between these sectors.

The rest of this chapter traces the development of rural sociology in Australia, and the emergence of four dominant themes within the literature: farm and rural restructuring; food production and consumption; natural-resource management; and rural

communities. Through each of these themes can be found an increasing emphasis over time on the relationships between rural people and activities and the broader networks of social relationships in which they are enmeshed.

The emergence of rural sociology in Australia

Although each can be seen to have had a major influence on contemporary Australian rural sociology, the early emergence of rural sociology in the United States, Europe and Australia followed quite different paths. In the US, rural sociology developed hand in hand with a Land Grant College system dedicated to increasing the productivity of agriculture, while in Europe the growth of rural sociology can be traced to post-1945 concerns for the rebuilding of rural society in the aftermath of war. The subject matter of rural sociology was defined, therefore, principally in terms of examining, first, social-psychological barriers to the adoption of technological innovations in agriculture in order to accelerate agricultural modernisation; and second, the characteristics and attitudes of rural people in order to guide rural planning and service provision (Buttel, Larson and Gillespie 1990; Ruttan 1996).

These approaches have met subsequently with considerable criticism for their assumptions about the inherent desirability of technological innovation and the unified and idyllic nature of rural communities. Largely ignored were questions of power, within rural communities, and between those communities and other actors. Australian rural sociology, by contrast, developed under quite different circumstances and with different questions in mind, emerging as a distinct enterprise in the 1970s as anthropologists turned their attention from Indigenous and Australasian cultures to the issues of class, race and gender inequalities in non-metropolitan areas of Australia.

The earliest Australian rural sociological work was arguably that of the McIntyres. Entitled *Country Towns of Victoria*, the 1944 study involved an analysis of 180 towns in Victoria with populations between 250 and 10,000 people, as well as thirty smaller centres with 'village' populations. Power – while not an explicit focus of attention – was implicit in their finding that elitism was a significant factor in local politics. Local people, they reported, were despondent about the political process, believing that little change would occur for as long as a group with power and influence could mobilise itself to ensure that conservative ideals were upheld and reproduced (see Gray 1991).

Another seminal Australian work was the study of 'Mallee Town' by social psychologists Oeser and Emery. Their book, *Social Structure and Personality in a Rural Community*, was produced in 1954, appearing some two decades before the first of a string of important anthropological/sociological community studies (see 'Rural Communities', page 614, for discussion). In Mallee Town, farmers were the highest status group in the social structure. They exerted influence in community-related pursuits, perpetuating a political and social conservatism that extended well-beyond their numbers. However, they were also caught between the repayment demands of credit-providing institutions and the increasingly competitive world marketplace for agricultural products. In writing of the influence of the cost-price squeeze and the increasing 'tension' between the

larger farmers and those (smaller) farmers who sold their labour off-farm to stay in business, Oeser and Emery were anticipating the 'agricultural sociology' that was to emerge with the work of John Nalson.

Fresh from studies of class relations in Britain, John Nalson was appointed foundation professor of sociology at the University of New England (UNE) in the late 1960s. In the two decades that followed, Nalson's influence on rural sociology was important in highlighting the centrality of agriculture to the contours of rural social relations (see Nalson 1982). He undertook surveys of the dairy industry in northern New South Wales at a time of major restructuring (see Bell and Nalson 1974), and later encouraged colleagues to embark upon similar local and national studies (see, for example, Reeve and Black 1993; Bell and Pandey 1997). Nalson also played a part in the work of the UNE-based Kellogg Rural Adjustment Unit during the 1970s. That unit – although preoccupied with agricultural education and structural adjustment issues – produced various occasional papers that provided sociological insights into contemporary rural change.

By contrast, insights into agricultural restructuring were largely ignored by political scientist Don Aitkin, whose research during the 1970s and 1980s concerned the Country Party. Aitkin wrote of the Country Party's ability to draw farm families, farm workers and country-town dwellers together to oppose what were construed as the excesses of metropolitan political control. He posited that 'countrymindedness' – the view of the superiority of a rural lifestyle – was at work in promoting ideals that at one and the same time promoted conservatism and bound the interests of what might be opposing groups (farm owners and rural labour) against those of 'the city' (see Aitkin 1985). While the notion of countrymindedness was a contribution to an understanding of rural society, it was not developed as a theory about rural ideology or operationalised in a manner that might have assisted in an appreciation of social action or resistance.

Among the band of cultural-anthropology staff and postgraduate students at Sydney University's Department of Anthropology during the 1960s and 1970s was Harry Oxley, who published *Mateship in Local Organisation* in 1974. As shown later in this chapter, many others followed in this mould, yet the first evidence that rural sociology was moving away from its cultural-anthropology/community-studies roots and into a 'critical' phase was the publication of Philip McMichael's *Settlers and the Agrarian Question: Foundations of Capitalism in Colonial Australia* (1984). McMichael was studying economic history at the University of New England during the late 1970s and early 1980s, and was obtaining inspiration from the works of Marx, Kautsky and Chayanov, interpreting their writings through the lens of the world-systems theory of Immanuel Wallerstein. While a somewhat dense and difficult book to read, McMichael's contribution was a turning point for rural sociology in Australia. Not only did it assert the importance of a historical assessment of changing class relations in Australia, but it also introduced readers to an emerging framework for assessing agrarian change – the so-called 'new political economy of agriculture'.

The 'new political economy of agriculture' approach – developed in Australia at Charles Sturt University (CSU) and later Central Queensland University (CQU) – was strongly influenced by the work in North America of Frederick Buttel (Wisconsin), Phil McMichael (Cornell), Harriet Friedmann (Toronto) and Bill Friedland (Califor-

nia). The Weberian-inspired works of Howard Newby, who was at the University of Essex during the 1970s and 1980s, and the more eclectic writings of Terry Marsden (Hull/Cardiff) and Philip Lowe (Newcastle upon Tyne), were other threads woven into the fabric of Australian rural social investigation. The 'new political economy of agriculture', which remains a strong force in Australia, focused upon the dynamics of capitalism and its impact upon farm families, rural communities and the environment. In its feminist-inspired mode, it has also examined the changing role of women in agriculture and in rural social organisation.

Books representative of the new political economy of agriculture are Lawrence's *Capitalism and the Countryside* (1987), Alston's *Family Farming* (1991), Gray, Lawrence and Dunn's *Coping with Change* (1993), Lawrence, Vanclay and Furze's *Agriculture, Environment and Society* (1992), Alston's *Women on the Land* (1995), Vanclay and Lawrence's *The Environmental Imperative* (1995) and Burch, Goss and Lawrence's *Restructuring Global and Regional Agricultures* (1999). The establishment of the Australasian-based Agri-Food Research Network – initiated in 1993 and involving academics with backgrounds in sociology, human geography, women's studies, political science and environmental science – has been instrumental in bringing a cross-disciplinary dimension to the study of rural and regional problems in Australia and New Zealand.

Four of the most recent books to be published on Australian rural society – Pritchard and McManus (2000), Gray and Lawrence (2001), Lockie and Bourke (2001) and Lockie and Pritchard (2001) – owe much to the intellectual dynamism of the Agri-Food Research Network, and to the efforts of the CSU-based Centre for Rural Social Research, and the Centre for Social Science Research (formerly the Rural Social and Economic Research Centre) and Institute for Sustainable Regional Development at CQU (see Web addresses in the "References" section at the end of this chapter). In concert, they have fostered the work of a new cadre of (mostly young) scholars, with many of the latter moving well-beyond the boundaries of the political-economy approach.

The postmodern/poststructuralist 'turn' has had an important influence upon the topics chosen for investigation, as well as the form of investigation, in Australian rural sociology. The media's role in promoting farming stereotypes, the political discourses of the bush, the ways the state can act 'at a distance' in rural and regional governance, the elevation of issues of consumption (instead of a sole focus on production) and the acceptance that the rural is a 'product' of negotiated outcomes based upon power differentials, have been prominent topics for investigation. The ways in which social values are linked to space – including the competing voices of different groups (environmentalists, Indigenous Australians, rural women, rural youth, for example) – are beginning to define the contours of debate about what is rural. In particular, the approaches of Share (1995), Lockie (1996a), Higgins (2001) and Herbert-Cheshire (2000, 2001), derived from a poststructuralist mode of analysis, reject a determining role for capitalist relations of production and highlight opportunities for reflexivity and resistance.

Concerns about how social actors construct and enforce their own 'meanings' of rural space have elevated importance in such accounts, which, largely influenced by Foucault and Foucauldian-inspired analyses, also tend to view power as negotiated rather than as determining. Indeed, an important premise of the postmodern/

poststructural approach is that there are important symbolic dimensions to social interaction that cannot be 'reduced' to an understanding of any one-way domination of men over women, agribusiness over farming, the state over the 'local', or the rural media over the country-town community. This has provided some new and creative spaces for rural social analysis.

Farm and rural restructuring

The 1970s through to the 1980s was a period in which changes occurring in the world arena came to alter the structure of Australian agriculture. The winding back of subsidisation and protection and the removal of other Keynesian-style interventions, which Australia, like most advanced nations, had enacted to stabilise economic arrangements in the farm sector, led to a series of rural 'crises' in the 1980s (see Lawrence 1987). Three key events that precipitated the crises were: the dissolution of the Bretton Woods Agreement in 1971 (which took away the financial platform that had assisted the US to export its technology and products abroad – on its terms); the rise in oil prices in 1973 and 1979 (which increased the costs of farm inputs dramatically); and the combination of both in producing inflation (which helped to destabilise trading regimes) (see Lawrence 1987; Marsden, Lowe and Whatmore 1990).

New forms of technology, and new industries and global arrangements for producing goods, challenged older, more entrenched forms during the 1980s and 1990s, leading some researchers to suggest that there had been a discernible and fundamental change within the capitalist economic order. In Australia, the activities of the state and transnational agribusiness houses were viewed as having driven family-farm agriculture towards a more corporate-linked and finance-industry-dependent structure: one in which the smaller family farm, located within the competitive capitalist sector, had become 'subsumed'. Subsumption was one of the key concepts employed by rural sociologists during the 1980s and 1990s to articulate the ways in which family farmers lost control over aspects of the on-farm production process, despite their continued domination of farm ownership. Subsumption was seen to have occurred when farmers were drawn progressively into various circuits of industrial and financial capital. As they purchased machinery, fertilisers, seeds and pesticides, and borrowed to expand their operations, they entered business arrangements that fostered reliance upon transnational (and national) capital (Campbell, H. 1994). Farmers were no longer – if they ever had been – 'independent' producers. Contract relations with agribusiness firms were viewed as yet another means by which the corporate sector was exerting pressure and securing profits while leaving producers with the risks of farming and the burden of debt repayment (see Share, Campbell and Lawrence 1991; Burch, Goss and Lawrence 1999).

Such processes of restructuring have done much to create and reinforce social divisions between various types of primary producers. In many industries, a small number of quite large producers, often linked to agribusiness firms in the processing sector, is increasingly responsible for the bulk of rural production. Conversely, a large number of small producers has become virtually irrelevant to the economic system. These pro-

ducers survive by working off the farm, supplementing meagre farm-based earnings with paid off-farm employment, especially that of women. Still others, in this second category, have become 'pluriactive' – adding value to existing raw materials or developing new sidelines such as farm tourism (Jennings and Stehlik 2000) or farm-gate sales of products. However, changes to farming are not viewed as being unidirectional, as Marx is considered to have predicted (that is, leading to the annihilation of the petty bourgeoisie as a viable class fraction within capitalism). Instead, they are acknowledged as being rather more complex and, indeed, promoting, through subsumption relations, the continuation of family-farm agriculture (see Lawrence 1987; Burch, Rickson and Lawrence 1996). Moreover, agricultural policy has been central to this process, with funding typically provided as an incentive for producers to leave the industry or amalgamate farm business enterprises in the hope of achieving greater returns. Higgins (2001) traces the 'shift' in policy from that of the widespread use of support funding throughout the industry to more selective forms of intervention, specifically the encouragement of formal business skills and the move to self-reliance among producers. In Foucauldian terms, the move to 'self-reliance' is viewed as a specific strategy of action at a distance: one that demands farmers engage in practices that accord with national priorities for efficiency and productivity (Lockie 1999; Higgins 2001; Higgins and Lockie 2001).

Agricultural change has also been recognised as having important social impacts upon farm families. Gray, Lawrence and Dunn (1993) found depression, anger, reduced self-esteem, and a belief that they had lost control of their futures among a national sample of farmers during the financial crisis of the 1980s and 1990s. Farm-family relations were also placed under pressure as men and women became involved in increasing amounts of off-farm work. The term 'detraditionalisation' was subsequently employed by Gray (1996) to capture the idea that farming traditions – including many of the values such as independence, reward for physical work, and the social benefits of rural living – were being eroded as farming was being restructured. Similar findings were reported from a study of drought in Australia, which found that coping strategies for drought among farm families tended to lead to a deterioration in family cohesion, a loss of community networks, and the feeling that they had been abandoned by urban Australians (see Stehlik, Gray and Lawrence 1998). The last study also linked the problems in agriculture with those in many country towns. For example, drought, in the context of policies that rationalised services, was found to lead to the depletion of social networks and to community fragmentation (Stehlik, Gray and Lawrence 1998:94). As can be seen, however, from the comprehensive review of the literature by Black et al. (2000), and from the work of McKenzie (1999), drought is not the only cause for concern in rural Australia. Indeed, there is a growing list of difficulties facing rural areas, such as poor health, poverty, unemployment, service decline, and social and economic marginalisation.

Finally, restructuring has also had impacts upon the environment. Although farmers evince a strong stewardship ethos, the financial outcomes of agricultural restructuring have meant that many producers have sometimes declined to invest in conservation-farming technologies and other more environmentally sound practices, resulting in

continued environmental degradation (see Bryant 1992; Stehlik, Gray and Lawrence 1998). Reeve and Black (1993) found that those in their Australia-wide sample who were involved in 'farming for profit' (rather than farming to maintain environmental quality) had lower levels of formal education, had not joined Landcare groups, had little off-farm employment and had smaller farms in which they had low equity. Here a picture emerges of the so-called 'family farm' producers who rely heavily on the farm for income and cannot, or choose not to, spend funds on environmental repair.

Other evidence (see Lawrence, Vanclay and Furze 1992; Rickson and Burch 1996) suggests that corporate farming (including contract farming) is no more kind to the environment than is 'family farming'; both are destructive. Today, so-called externalities such as environmental degradation are being politicised in an era of the 'greening' of agriculture. This politicisation is coming from consumers who are demanding chemical-free products; environmental groups and communities denouncing practices that lead to tree loss, species loss, salinisation, and so on; and those people who are finding new uses for rural space, such as those involved in tourism, leisure, recreation and retirement (see Campbell, H. 1994; Vanclay and Lawrence 1995; Gray and Lawrence 2001; Lockie and Bourke 2001).

Food production and consumption

One of the key features of rural sociological analyses of farm and rural restructuring has been an increasing emphasis over time on the relationships between farmers and off-farm actors such as agribusiness corporations and state agencies. While the new political economy of agriculture was criticised for overdetermining the influence of capital and the state on farming practice (Lockie 1996b), the broadening of focus that it encouraged was instrumental in establishing rural sociology as a genuinely sociological enterprise rather than one that may better have been characterised as a rural social-psychology. The new political economy of agriculture was also instrumental in the introduction of concepts such as the 'food system' into rural sociology, and as a vehicle for greater consideration of questions related to the processing, distribution, retailing, marketing and consumption of agricultural products.

Among the most influential concepts in studies of food production and consumption 'beyond the farm gate' (Lockie and Kitto 2000) has been that of commodity systems analysis (CSA) (Friedland 1984). Drawing on a number of studies of Californian agriculture through the 1970s and 1980s, Friedland argued that agriculture had shifted from a sector based on self-provisioning and mixed farming to single commodity-based farming and market consumption. Farms had become specialised suppliers of inputs to industrialised commodity systems through which those inputs are transformed and acquire value. The five key processes and, therefore, foci of analysis, were identified as: production practices, grower organisation and organisations, labour as a factor of production, science production and application, and marketing and distribution networks. Another key concept in moving rural sociology 'beyond the farm gate' was the food-regimes theory of Friedmann and McMichael (1989).

Incorporating elements of Wallerstein's world-systems theory and French regulation theory, the concept of the 'food regime' was used to link the international relationships of food production, politics and consumption to broad patterns of capitalist accumulation and regulation (McMichael 1999). Two regimes were identified. The first, or extensive, food regime was associated with the expansion of production – by means of colonisation of the 'new world' and gains in labour productivity through mechanisation – to feed the burgeoning metropolitan working classes. The second, so-called intensive, food regime was associated with post-World War II reconstruction, agro-industrialisation, and regulation of international trade and monetary policy. Since the collapse of this regime due to the monetary and oil crises of the 1970s, food markets and politics have been characterised by an extraordinary instability that has helped to set the platform for the institutionalisation of market rule through free-trade agreements and international codes of market behaviour that are likely to perpetuate conditions of instability (McMichael and Lawrence 2001).

The influence of the CSA and food-regimes approaches can most readily be seen in the development and growth of the Australasian Agri-Food Research Network referred to above. Each of the network's edited publications contain spirited debate over the theoretical assumptions underlying these approaches, and multiple case studies of their empirical dynamics in Australasia and the wider Asia-Pacific region (see, for example, Burch, Rickson and Lawrence 1996; Burch et al. 1998). Among these, the unfolding story of the russet burbank potato provides a useful example of the multifaceted interactions between the production, trade, retailing and consumption of food. The russet burbank stands at the vanguard of global cultural homogenisation. It is the preferred potato variety for fast-food companies due to its size, moisture content, ease and speed of cooking, and ability to maintain crispness (Burch and Rickson 2001). Consequently, wherever in the world farmers grow potatoes for processing into frozen French fries, they must produce those potatoes to a strict industry standard, irrespective of local growing conditions. Given the russet burbank's high cultivation, fertiliser, water and management requirements, this can create considerable problems for farmers, including environmental degradation.

In Tasmania, Australia's premier potato-growing region, about 330 farmers grow under contract for McCain Foods and JR Simplot, both subsidiaries of foreign-based multinationals. Under the contract growing system, processing companies exert considerable control over on-farm management, and routinely exclude growers who do not meet their strict performance standards consistently. The global standardisation of the French fry affords processors the ability to shift operations wherever producers can provide russet burbanks at lower cost, allowing them to play farmers around the world off against each other when negotiating prices (Burch and Rickson 2001). However, in one of the fast-food companies' fastest-growing markets, South-East Asia, the unsuitability of local growing conditions for russet burbanks ensures that French fries must be imported, incurring, in some cases, considerable import duties and raising input prices (Burch and Goss 1999). Thus, the long-term fate of Tasmanian potato producers and rural communities may be as closely linked to the long-term growth and preferences of the Asian middle classes as to their ongoing negotiations with McCain Foods and Simplot.

One of the most enduring criticisms of the political economy of agriculture – including its CSA and food-regimes variants – has been the relative neglect of consumer agency and the symbolic value of commodities (Lockie and Collie 1999). In the story of the russet burbank, for example, the influence of consumers over food systems is assumed to be negligible, the real story lying in the struggles between farmers, processors and retailers. Jane Dixon's (2002) study of the cultural economy of chicken meat in Australia not only establishes the relationship between consumers and other actors in the food system as a central object of investigation, but stands as a remarkably detailed example of the commodity-chain tradition (for alternative reconceptualisations of food production–consumption relations, see Lockie and Kitto (2000) and Goodman (1999)). Arguing that power in the food system is as much dependent upon cultural processes as it is upon political-economic processes, Dixon concludes that in the case of the chicken-meat commodity system, supermarkets have assumed dominance over producers and processors through their ability to influence household food-consumption practices. This ability stems from their detailed knowledge of consumers (derived from technologies such as point-of-sale record-keeping) and from the diverse range of meanings and values they have successfully been able to associate with chicken-meat consumption (through technologies such as advertising and labelling).

To the consumer, the chicken has retained its traditional status as a 'special' food, symbolic of caring and family, while also attaining status as healthy and convenient. The vast array of chicken-meat products thus available – from whole carcasses to ready-meals and takeaways – represents multiple avenues for accumulation. In the face of obvious contradictions between values such as caring (demonstrated through cooking) and convenience (provided by ready-to-eat meals), healthiness and the consumption of high-fat chicken-meat products, naturalness and the industrialisation of chicken-meat production (together with its considerable animal-welfare implications), and so on, consumers seem willing to cede authority to retailers to mediate these contradictions for them and avoid the ambivalences surrounding chicken-meat consumption that we might otherwise expect to arise. Nutritionists, market researchers and other specialists in cultural representation also play a minor role.

Natural resources and sustainability

Australian agriculture has been described by social psychologists Neil Barr and John Cary (1992) as a 200-year search for sustainability. Although political and media interest in the environmental impacts of agriculture demonstrated distinct peaks in the 1930s and from the late 1980s to the present, severe land degradation has been an omnipresent feature of Australian agriculture, as have attempts to do something about it (Lockie 2001a). The seemingly unquestionable benefits of adopting new farming techniques designed to address environmental problems saw this become the principal area in which the US tradition of 'adoption of innovations' research was deployed in Australia. Yet this tradition has not been applied uncritically, with many of the earliest studies problematising the over-psychologisation of farmer behaviour, and taking issue

with the propensity of government and others to blame land degradation on the attitudes or ignorance of farmers (Vanclay 1992). The study by Rickson et al. (1987) of the adoption of soil-conservation practices on Queensland's Darling Downs, for example, acknowledged the propensity of farmers to consistently underestimate the extent of erosion on their farms, its impact on yields and, subsequently, the need to implement soil-conservation measures.

However, Rickson et al. (1987) also argued that the agricultural technologies farmers had to choose from were largely unsuitable for Australian conditions; that the energy and capital-intensive methods farmers were forced to rely on by ever-diminishing terms of trade (the cost-price squeeze) were inherently unsustainable; and that media representations of dramatic examples of land degradation detracted from farmers' ability to identify more subtle forms of damage. Further, as Vanclay and Lawrence (1995) argue, there are many rational reasons why farmers, even when they acknowledge that a land-degradation problem exists, may disagree with scientists and government agencies over the best way to address it, given their own circumstances and assessment of the effectiveness, cost and riskiness of proposed practices. Still, the attractiveness to government agencies of identifying individual farmer attributes associated with willingness to adopt new practices has seen constant pressure on sociologists and other social scientists to continue with 'adoption' research, often in the guise more recently of searching for indicators of 'capacity for change' towards sustainability. The National Land and Water Resources Audit, for example, has undertaken a national mapping exercise of variables such as farm profitability – as indicators of 'capacity' – despite pilot project findings from Lockie, Dale, Taylor and Lawrence (2002) suggesting little correlation between these attributes and the adoption of industry-defined best-practices.

Dramatic changes in government policy towards agricultural land degradation in the late 1980s raised a host of new sociological issues. The first of these changes was a shift of focus from the provision of advisory services to individual farmers to the encouragement and support of self-help community environmental groups through the National Landcare Program. The second was the establishment of institutional arrangements to target resources and encourage coordination at a catchment, or watershed, level. The political economy of agriculture that had provided such powerful explanations for farm and rural restructuring raised important questions regarding the ability of farmers to assume major responsibility to deal with land degradation, even within the context of the new support structures (Lockie 2000), but had limited tools for understanding the many other issues that were raised. Despite a popular critique dismissing Landcare and catchment management as simply means through which governments have absolved themselves of responsibility to deal with land degradation (see Lockie 2000), rural sociologists have identified a range of important processes at work with profound implications for rural environments. These include: indirect forms of governance – action at a distance – through which state agencies and others influence environmental management practices by influencing the production and interpretation of knowledge (Lockie 1999; Martin 1997); the redefinition of private property rights to incorporate environmental externalities (Reeve 1997, 2001); the use of Landcare as a site for the contestation of patriarchal gender relations (Beilin 1997; Liepens 1995;

Lockie 1997a); the symbolic construction of agricultural landscapes and notions of good farming practice (Lockie 1997b, 1997c; Phillips 1998); and negotiation between state agencies and agricultural communities over legitimate forms of governance (Campbell, A. 1997; Lockie 2000).

The combination of rural-sociological interest in natural-resource management and food-commodity systems has, not surprisingly, inspired considerable interest in the ways in which environmental values are incorporated throughout entire commodity chains (Lockie and Pritchard 2001). Indeed, with symbolic, or cultural, resources so central to the operation of power and the realisation of value in contemporary food networks (Dixon 2002), the ability to associate meanings of environmental responsibility with particular products has significant potential to mobilise people as consumers of those products (Lockie 2002). Rapid growth in markets for organic (chemical-free) foods, for example, provides evidence that environmental attributes are highly valued by Australian consumers, and are often linked with concerns over food safety, nutrition and naturalness (Lockie, Lyons, Lawrence and Mummery 2002). Burch, Lyons and Lawrence (2001) chart the implications of different forms of 'greening', demonstrating that while obvious scope exists to exploit consumer concerns through spurious or misleading environmental claims ('greenwashing'), examples can also be found of retailers taking a highly proactive approach to the promotion of organic and other environmentally responsible farming practices. European retailers, in particular, have offered significant resistance to the agenda of multinational agribusiness corporations that promote input-intensive farming, genetic engineering and food irradiation. Retailers are removing genetically modified products from their shelves, replacing them with alternatives – including organic foods.

While the emergence of retailers as a group powerful enough to challenge global agribusiness is interpreted positively by Burch, Lyons and Lawrence (2001), it is also recognised for the strains that it has placed on an organic sector long marginalised from conventional food systems. A schism is emerging about the 'real' meaning of organics, including who defines its parameters and who eventually benefits (see Lyons 1999, 2001; Lyons and Lawrence 2001). One of the most interesting issues in rural sociology is to understand the nature of the challenge to older, 'high technology' approaches to agriculture by the organic movement – particularly in the context of the desire to promote sustainable agriculture and sustainable rural communities (Gray and Lawrence 2001; Lockie 2001b).

Rural communities

Attempts to examine rural social life in Australia have their roots in the tradition of community studies that has generally been favoured by anthropologists. While slow to develop in this country – despite the fact that community studies were already well-established in the US and UK (Bowman 1981) – a substantial body of Australian work has been published over the years, which has increased our understanding of rural social life and contemporary Australia more generally. Since the first wave of commu-

nity studies, which occurred in the period after World War II (see, for example, McIntyre and McIntyre 1944; Walker 1945; Oeser and Emery 1954), two further phases are identifiable (Bryson and Wearing 1985), each reflecting the broader interests of Australian and international sociology at the time, and each becoming more sophisticated in the light of theoretical advancements. Despite these changes, some consistency in method and focus is still discernible: most have continued to adopt the ethnographic approach, exploring community in terms of locality (usually a country town or shire); many have been concerned to reveal the complexity of local social relations; and issues of stratification, power and politics have been dominant topics of investigation.

The first wave of community studies has long been criticised for adopting what Gray (1991) terms a 'community-as-object' approach: attempting to describe all aspects of local social life in detail without engaging in any theoretical analysis. In response, the second wave of research was more theoretically informed and heavily influenced by the preoccupation of mainstream sociology at the time with issues of power and stratification. Thus, debates ensued within community studies over whether political power was elitist or pluralist, and whether it was class/production or status/consumption that provided the most coherent explanation for social stratification and inequality in Australian rural communities and wider society. Key texts in community studies at the time included Wild's study of *Bradstow* (1974), which adopted a Weberian framework of class, status and power to explore the domination of local politics by upper-status groups, and Oxley's account of *Mateship in Local Organisation* (1974). In direct contrast to Wild, Oxley found little evidence of the existence of an elite in local politics, concluding instead that a pluralist perspective of power appeared to have more explanatory value.

In addition to the development of more sophisticated analyses of power in the 1970s – most notably, Lukes's claim (1974) that there were essentially three dimensions of power – it was the feminist critique of 'malestream' sociology that prompted the emergence of a third wave of community studies. Just as sociology itself was accused of adopting a masculinist perspective of the world, so feminists expressed similar concerns that Australian community studies were ignoring gender by focusing exclusively upon the public sphere of work or local politics, in which men tended to dominate, thereby relegating women to the 'invisible' sphere of the household (Williams 1981; Bryson and Wearing 1985; Share, Lawrence and Gray 1993). While there was some attempt by male researchers to include gender in subsequent accounts of their work (see, for example, the preface by Nancy Rew in the second edition of Oxley's *Mateship* (1978) and Dempsey's *A Man's Town* (1992)), it was the feminist writings of Williams in *Open Cut* (1981) and Poiner in *The Good Old Rule* (1990) that highlighted the general subordination of women in rural communities, as well as the important contribution that women made to rural social life (see also James 1981; Dempsey 1992).

Cowlishaw's *Black, White or Brindle* (1988) similarly highlighted racial divisions in country areas, although its impact upon rural sociology appears to have been less profound. The significance of Williams's and Poiner's accounts, however, does not merely derive from the primacy they afford to issues of gender but, equally, from Williams's insights into mining (as opposed to agricultural) communities, and Poiner's engagement with more sophisticated theories of power. Inspired by Lukes's third dimension

of power, Poiner considered the subtle ways in which rural ideologies such as country-mindedness could be used by dominant groups to perpetuate existing power inequalities. Insights into how these ideologies masked strategies of social exclusion in a rural community, and how they were adopted in local-government decision-making, have also been provided, respectively, by Dempsey (1990) and Gray (1991).

Australian community studies have made an important contribution to central sociological debates of class, power, gender and social stratification (Wild 1981; Bryson and Wearing 1985; Gray 1991). What they have not been so good at, however, is linking local social relations to broader structures and changes in the global and national arenas (Share, Lawrence and Gray 1993). Indeed, the image presented of rural communities as stable, self-contained units (Kapferer 1990) lies at odds with the situation of change and uncertainty that has typified rural Australia for a number of decades (see Lawrence, Lyons and Momtaz 1996). Partly caused by processes of agricultural restructuring described earlier in this chapter, and partly by the adoption of neoliberal policies by Australian federal and state governments, the effect has been what Lawrence and Williams (1989:38) describe as the 'dynamics of decline': a self-perpetuating cycle of population decline, local-business closure and service withdrawal in country towns and regions.

Where community studies have typically been concerned with the internal relations, or 'anatomy' (Bowman 1981:x), of rural communities, subsequent researchers were forced to recognise that the future of Australia's country towns was no longer determined primarily by local social relations. To a certain degree, this induced a shift to macro-scale analyses of the 'ecology' of rural communities; that is, their interactions with outside political and economic forces (Bowman 1981:x) and their relative powerlessness against those forces. Locality-based studies continued to hold their importance, however, for they were imperative to an understanding of the nature and extent of decline in rural Australia and the detrimental impact it was having upon the health and welfare of local populations. Rural sociologists in the 1980s and 1990s, along with rural welfare practitioners, consequently sought to highlight many of the difficulties facing rural Australians in terms of high levels of unemployment (Castle and Hagan 1984); the rationalisation of services such as banks, hospitals and other social services (Balmer 1978); the problems of unemployment and lack of opportunities for young people (Bourke 1998); the greater incidence of health problems in rural areas (Kellehear 1989); and the chronic poverty experienced by certain sectors of the population (Lawrence and Williams 1989; Cheers 1998).

Previously ignored groups such as Indigenous populations (Castle and Hagan 1984; Franklin 1989), people from non-English-speaking backgrounds (Andreonis, Wilton and Weinand 1990), women (James 1989; Alston 1990; Gibson, Baxter and Kingston 1990; Franklin, Short and Teather 1994) and the elderly (Dunn 1989; Lawrence and Stehlik 1996) were also identified as experiencing particular disadvantage that could be neither understood nor rectified by urban-based concepts and policies. Indeed, both mainstream sociology (James 1989; Alston 1990) and government policy (Kellehear 1989; Lawrence and Share 1993) were found wanting by rural sociologists on the basis of their excessive preoccupation with urban issues. Not only did this prompt rural researchers to emphasise how many of the difficulties facing rural

Australians were compounded by the remoteness, isolation and lack of facilities in rural areas, but it also encouraged a more serious engagement with government policy in an attempt to develop solutions that took these additional challenges into account (Teather and Franklin 1994). Social scientists also pointed to a growing spatial polarisation between urban and regional Australia, revealing the ways in which neoliberal policies, the application of new technologies, and global processes were creating a spatially uneven pattern of economic growth – a pattern that has disadvantaged the more economically marginal areas and populations (see Lawrence 1987; Lawrence and Share 1993; Cheers 1998; Stilwell 1992, 1993, 2000; O'Connor, Stimson and Daly 2001).

This engagement with policy has continued in rural sociological investigations in two ways. In the first, rural sociologists have joined interdisciplinary teams to undertake research that is closely tied to attempts to foster development in declining rural areas (see, for example, Sher and Sher 1994; Jeffreys and Munn 1996; Black and Hughes 2001). At the same time, other researchers have adopted a critical stance in relation to government policy, considering current strategies to be less of a solution to rural decline than part of the problem of neoliberal-style thinking among Australian governments (Phillips and Campbell 1993; Herbert-Cheshire 2000, 2001; Gray and Lawrence 2001). Either way, two further points need to be made here.

The first is that with the prominence of issues of socioeconomic decline in rural sociological research, the challenges facing (mainly coastal and peri-urban) areas experiencing growth from tourism, demographic change, migration and service centralisation have largely been overlooked. There is, admittedly, little published work in this area (Lawrence and Share 1993), although the issue of growth communities is beginning to be addressed in a number of sociology higher research degree and honours theses (Herbert-Cheshire 1997; Sherlock 2001). The second point to make is that links between sociology and rural policy have not been fostered to the detriment of theoretical developments in the discipline, or at the expense of an increasing theoretical maturity in rural sociological research. With the emergence of poststructuralist modes of thought in the social sciences, conventional ways of thinking about the rural have been not only challenged, but also identified as part of a hegemonic discourse of rurality that marginalises alternative voices (Share 1995).

To a certain extent, these two developments are linked. With the growth of hobby farming and tourism in rural areas, as well as the rise of environmental movements and Aboriginal land-rights claims, it has become increasingly difficult to define rural Australia solely in terms of agriculture or mining interests (Share 1995; Lockie 2001c; 2001d). Moreover, the emergence of poststructuralist theory has provided rural researchers with the conceptual tools to make sense of these shifts. Rather than viewing rural areas as natural, pre-given spaces that can be understood from a single viewpoint, sociologists now emphasise the discursive construction of rurality by different social groups and the struggles these groups engage in to impose their own meanings upon those of others (Share 1995; Stehlik 2001). Questions of power remain a priority as attention is directed towards an analysis of whose definitions prevail, whose interests are served by such definitions and, in turn, which social groups find their interpretations marginalised or excluded from consideration (Share 1995).

More recently, this poststructuralist framework has been applied to rural policy in order to reveal how such 'problems' as rural decline are discursively constructed by Australian governments in such a way that certain solutions come to be advanced at the expense of others (Herbert-Cheshire 2001). While still reflecting the interest that rural sociologists have historically shown in the exercise of power in rural areas, this latest research is a far cry from the community studies of the 1970s and 1980s, which appear to have been all but abandoned (Lawrence 1997). Indeed, contemporary sociological research into Australian rural communities clearly exhibits high levels of theoretical and methodological sophistication. Just as significantly, it is able to engage in important policy debates without losing its critical edge, and has managed to retain a commitment to micro-level analyses while successfully combining them with macro considerations of global and national change.

Conclusion

Since its inception as a separate stream of sociological inquiry, rural sociology has combined a number of themes – the farm, the community, regional development, food and the environment. While it has done this from a variety of theoretical perspectives, a unity to the discipline remains because of an overarching concern to adopt a socially relevant, applied and critical approach to rural issues. Despite its initial tendency towards a community-as-object perspective of rural life, Australian rural sociology has managed to escape the functionalism and positivism that has limited its creativity in nations such as the US (see Buttel, Larson and Gillespie 1990). It eschews 'facts' over theories and readily embraces theoretical advancements in an attempt to develop newer, more sophisticated ways of understanding the complexity of contemporary rural life. Thus, where the 1970s were dominated by anthropological writings of local social relations, the 1980s were characterised by the new political economy of agriculture, more concerned with how family farms, rural communities and the environment were subjected to the exigencies of global capitalism than with the internal dynamics of local power structures.

More recently, the poststructuralist turn in social theory has led researchers to question the determining role of capitalist relations of production in rural areas, and to raise additional issues such as resistance, consumption, the symbolic value of food and land, and new forms of governance that have, hitherto, been unexplored. Accompanying this has been a breakdown of theoretical and methodological boundaries in academic research, and the incorporation of insights into rural sociology from feminism, environmentalism, cultural studies, anthropology, social work and geography. Rather than weakening the discipline, this interdisciplinarity is one of its key strengths and, if recent publications are any indication, is a trend that looks set to continue (see Pritchard and McManus 2000; Dibden, Fletcher and Cocklin 2001; Lockie and Bourke 2001; Rogers and Collins 2001). At the same time, rural sociology also continues to foster the production of highly relevant policy-oriented reports for government, business and community (see Liepins 1996).

As a consequence of the growth in Australian rural sociology over the past twenty years, Australian rural sociologists have had, and are having, a strong influence on the development of the discipline worldwide. They have held senior positions on, and are on research committees of, the International Sociological Association, the International Rural Sociological Association, the International Association for Impact Assessment, and the Community Development Society. They have been involved in the production of the *International Journal of Sociology of Agriculture and Food* and the *Journal of Environmental Policy and Planning*. They have their own national journal, *Rural Society*, and many are involved in the Australasian Agri-Food Research Network. They have organised national and international meetings of rural sociologists, and are known to be very successful in obtaining nationally competitive research grants in Australia, and in helping to develop the framework for sustainable regional development. Importantly, rural sociology also has an important role in the training of professionals who will take their place as practitioners throughout the countryside. These include teachers, nurses, welfare and social workers, community developers, extension agents, policy planners, and catchment and Landcare facilitators – many of whom will have been trained in the ‘new’ universities of Charles Sturt, Central Queensland and Edith Cowan.

Despite its present vitality, rural sociology faces a number of challenges. One is that of ensuring that what is happening on ‘the family farm’ is not conflated with changes in wider rural society. Fortunately, the recent agri-food restructuring literature, including that from the sociology of food, has provided a reminder that a sociology of agriculture is only one component of any understanding of contemporary rural change. Another challenge is that of studying social exclusion/inclusion. Studies of the causes and consequences of rural social disadvantage are long overdue: there is a major and growing ‘gap’ in our understanding of the social determinants, and extent, of social disadvantage and exclusion in rural regions. This is particularly so of Indigenous Australians, whose health, housing and education is, by all accounts, a national disgrace. Neither are issues of governance well-understood in relation to regional Australia. While changes in the mode and scale of policy-making and service delivery are evident Australia-wide, the impacts of centralisation, devolution, and new modes of governing in rural Australia require detailed analysis. So, too, does the apparent ‘institutional incapacity’ that can be observed in Australia’s rural agency/policy arena. Finally, rural sociology must find new and better ways of answering one of the nation’s most pressing questions – how to counter environmental degradation in the regions. We would argue that, given sufficient resources, rural sociology is well-equipped with the conceptual tools to undertake the relevant studies and to provide answers to the questions of crucial importance to the future of rural Australia.

References

- Aitkin, D. 1985. Country-mindedness: The spread of an idea. *Australian Cultural History* 4:34–41.
- Alston, M. (ed.). 1990. *Rural Women*. Key Papers 1. Wagga Wagga, NSW: Centre for Rural Welfare Research, Charles Sturt University.

- (ed.). 1991. *Family Farming: Australia and New Zealand*. Wagga Wagga, NSW: Centre for Rural Social Research, Charles Sturt University.
- . 1995. *Women on the Land: The Hidden Heart of Rural Australia*. Sydney: UNSW Press.
- Andreonis, H., J. Wilton and H. Weinand. 1990. 'Non-English speaking women in rural Australia: New England for non-English speakers' in *Rural Women*. Key Papers 1. Edited by M. Alston. Wagga Wagga, NSW: Centre for Rural Welfare Research, Charles Sturt University.
- Balmer, C. 1978. 'The rural family' in *The Family in Australia: Social, Demographic and Psychological Aspects*. 2nd ed. Edited by J. Krupinski and A. Stoller. Sydney: Pergamon Press.
- Barr, N., and J. Cary. 1992. *Greening a Brown Land: The Australian Search For Sustainable Land Use*. Melbourne: Macmillan.
- Beilin, R. 1997. 'The construction of women in Landcare: Does it make a difference?' in *Critical Landcare*. Edited by S. Lockie and F. Vanclay. Wagga Wagga, NSW: Centre for Rural Social Research, Charles Sturt University.
- Bell, J., and J. Nalson. 1974. *Occupational and Residential Mobility of Ex-Dairy Farmers on the North Coast of New South Wales: A Study of Alternative Occupations*. Armidale, NSW: Department of Sociology, University of New England.
- Bell, J. and U. Pandey. 1997. 'The persistence of family farm ownership in advanced capitalist economies' in *A Legacy Under Threat? Family Farming in Australia*. Edited by J. Lees. Armidale, NSW: University of New England Press.
- Black, A., J. Duff, S. Siggers and P. Baines. 2000. *Rural Communities and Rural Social Issues*. Canberra: Rural Industries Research and Development Corporation.
- Black, A., and P. Hughes. 2001. *The Identification and Analysis of Indicators of Community Strength and Outcomes*. Occasional Paper Number 3. Canberra: Commonwealth Department of Family and Community Services.
- Bourke, L. 1998. 'Outlook of rural secondary students' in *Quality of Life in Rural Australia*. Edited by S. Sarantakos. Wagga Wagga, NSW: Centre for Rural Social Research, Charles Sturt University.
- Bourke, L. and S. Lockie. 2001. 'Rural Australia: An introduction' in *Rurality Bites: The Social and Environmental Transformation of Rural Australia*. Edited by S. Lockie and L. Bourke. Sydney: Pluto Press.
- Bowman, M. 1981. 'Introduction' in *Beyond the City: Case Studies in Community Structure and Development*. Edited by M. Bowman. Melbourne: Longman.
- Bryant, L. 1992. 'Social aspects of the farm financial crisis' in *Agriculture, Environment and Society*. Edited by G. Lawrence, F. Vanclay and B. Furze. Melbourne: Macmillan.
- Bryson, L., and B. Wearing. 1985. Australian community studies: A feminist critique. *Australian and New Zealand Journal of Sociology* 21 (3):349–66.
- Burch, D., and J. Goss. 1999. 'An end to Fordist food? Economic crisis and the fast food sector in Southeast Asia' in *Restructuring Global and Regional Agricultures*. Edited by D. Burch, J. Goss and G. Lawrence. Aldershot: Ashgate.
- Burch, D., J. Goss and G. Lawrence (eds). 1999. *Restructuring Global and Regional Agricultures*. Aldershot: Ashgate.
- Burch, D., G. Lawrence, R. Rickson and J. Goss (eds). 1998. *Australasian Food and Farming in a Globalised Economy: Recent Developments and Future Prospects*. Melbourne: Department of Geography and Environmental Science, Monash University.
- Burch, D., K. Lyons and G. Lawrence. 2001. 'What do we mean by "green"? Consumers, agriculture and the food industry' in *Consuming Foods, Sustaining Environments*. Edited by S. Lockie and B. Pritchard. Brisbane: Australian Academic Press.
- Burch, D., and R. Rickson. 2001. 'Industrialised agriculture: Agribusiness, input-dependency and vertical integration' in *Rurality Bites: The Social and Environmental Transformation of Rural Australia*. Edited by S. Lockie and L. Bourke. Sydney: Pluto Press.

- Burch, D., R. Rickson and G. Lawrence (eds). 1996. *Globalization and Agri-Food Restructuring: Perspectives from the Australasia Region*. Aldershot: Avebury.
- Buttel, F., O. Larson and G. Gillespie. 1990. *The Sociology of Agriculture*. Westport, CT: Greenwood.
- Campbell, A. 1997. 'Facilitating Landcare: Conceptual and practical dilemmas' in *Critical Landcare*. Edited by S. Lockie and F. Vanclay. Wagga Wagga, NSW: Centre for Rural Social Research, Charles Sturt University.
- Campbell, H. 1994. Regulation and crisis in New Zealand agriculture: The case of Ashburton County, 1984–1992. PhD thesis, Charles Sturt University, Wagga Wagga, NSW.
- Castle, R., and J. Hagan. 1984. 'Aboriginal unemployment in rural NSW, 1883–1982' in *Unemployment in the Eighties*. Edited by R. Castle and J. Mangan. Melbourne: Longman Cheshire.
- Cheers, B. 1998. *Welfare Bushed: Social Care in Rural Australia*. Aldershot: Ashgate.
- Cowlishaw, G. 1988. *Black, White or Brindle: Race in Rural Australia*. Cambridge: Cambridge University Press.
- Dempsey, K. 1990. *Smalltown: A Study of Social Cohesion and Belonging*. Melbourne: Oxford University Press.
- . 1992. *A Man's Town: Inequality Between Women and Men in Rural Australia*. Melbourne: Oxford University Press.
- Dibden, J., M. Fletcher and C. Cocklin (eds). 2001. *All Change! Gippsland Perspectives on Regional Australia in Transition*. Monash Regional Australia Project Occasional Papers. Melbourne: Monash Regional Australia Project, Monash University.
- Dixon, J. 2002. *The Changing Chicken: Chooks, Cooks and Culinary Culture*. Sydney: UNSW Press.
- Dunn, P. 1989. 'Rural older persons: Some issues and implications' in *Rural Health and Welfare in Australia*. Edited by T. Cullen, P. Dunn and G. Lawrence. Wagga Wagga, NSW: Centre for Rural Welfare Research, Charles Sturt University.
- Franklin, M. 1989. 'Aboriginal women in rural Australia' in *Women in Rural Australia*. Edited by K. James. Brisbane: University of Queensland Press.
- Franklin, M., L. Short and E. Teather (eds). 1994. *Country Women at the Crossroads: Perspectives on the Lives of Rural Australian Women in the 1990s*. Armidale, NSW: University of New England Press.
- Friedland, W. 1984. Commodity systems analysis: An approach to the sociology of agriculture. *Research in Rural Sociology and Development* 1:221–36.
- Friedmann, H., and P. McMichael. 1989. Agriculture and the state system: The rise and decline of national agricultures, 1870 to the present. *Sociologia Ruralis* 29(2):93–117.
- Gibson, D., J. Baxter and C. Kingston. 1990. 'Beyond the dichotomy: The paid and unpaid work of rural women' in *Rural Women*. Key Papers 1. Edited by M. Alston. Wagga Wagga, NSW: Centre for Rural Welfare Research, Charles Sturt University.
- Goodman, D. 1999. Agro-food studies in the 'age of ecology': Nature, corporeality, bio-politics. *Sociologia Ruralis* 39(1):17–38.
- Gray, I. 1991. *Politics in Place: Social Power Relations in an Australian Country Town*. Cambridge: Cambridge University Press.
- . 1996. 'The detraditionalization of farming' in *Globalization and Agrifood Restructuring: Perspectives from the Australasian Region*. Edited by D. Burch, R. Rickson and G. Lawrence. London: Avebury.
- Gray, I., and G. Lawrence. 2001. *A Future for Regional Australia: Escaping Global Misfortune*. Cambridge: Cambridge University Press.
- Gray, I., G. Lawrence and T. Dunn. 1993. *Coping with Change: Australian Farmers in the 1990s*. Wagga Wagga, NSW: Centre for Rural Social Research, Charles Sturt University.
- Herbert-Cheshire, L. 1997. Living by the sea: A sociological examination of power, place and identity in a coastal 'community'. BA (Hons) thesis, Central Queensland University, Rockhampton.

- . 2000. Contemporary strategies for rural community development in Australia: A governmentality perspective. *Journal of Rural Studies* 16(2):203–15.
- . 2001. Governing development: Self-help as discursive practice in contemporary rural Australia. PhD thesis, Central Queensland University, Rockhampton, Qld.
- Higgins, V. 2001. 'Self-reliance, governance and environmental management: The Rural Adjustment Scheme' in *Consuming Foods, Sustaining Environments*. Edited by S. Lockie and B. Pritchard. Brisbane: Australian Academic Press.
- Higgins, V., and S. Lockie. 2001. 'Getting big and getting out: Government policy, self-reliance and farm adjustment' in *Rurality Bites: The Social and Environmental Transformation of Rural Australia*. Edited by S. Lockie and L. Bourke. Sydney: Pluto Press.
- James, K. 1981. 'Public or private: Participation by women in a country town' in *Beyond the City: Case Studies in Community Structure and Development*. Edited by M. Bowman. Melbourne: Longman.
- (ed.). 1989. *Women in Rural Australia*. Brisbane: University of Queensland Press.
- Jeffreys, H., and P. Munn. 1996. Tumby Bay: An integrated community development approach for managing change. *Rural Society* 6(1):3–13.
- Jennings, G., and D. Stehlik. 2000. Agricultural women in Central Queensland and changing modes of production. *Rural Society* 10(1):63–78.
- Kapferer, J. 1990. Rural myths and urban ideologies. *Australian and New Zealand Journal of Sociology* 26(1):87–106.
- Kellehear, A. 1989. 'A critique of national health policies for country people' in *Rural Health and Welfare in Australia*. Edited by T. Cullen, P. Dunn and G. Lawrence. Wagga Wagga, NSW: Centre for Rural Welfare Research, Charles Sturt University.
- Lawrence, G. 1987. *Capitalism and the Countryside: The Rural Crisis in Australia*. Sydney: Pluto Press.
- . 1997. Rural sociology: Does it have a future in Australian universities? *Rural Society* 7(1):29–36.
- Lawrence, G., K. Lyons and S. Momtaz (eds). 1996. *Social Change in Rural Australia*. Rockhampton, Qld: Rural Social and Economic Research Centre, Central Queensland University.
- Lawrence, G., and P. Share. 1993. Rural Australia: Current problems and policy directions. *Regional Journal of Social Issues* 23:3–9.
- Lawrence, G., and D. Stehlik. 1996. A direction towards sustainability? Australian rural communities and care for the aged. *Journal of the Community Development Society* 27(1):45–55.
- Lawrence, G., F. Vanclay and B. Furze (eds). 1992. *Agriculture, Environment and Society: Contemporary Issues for Australia*. Melbourne: Macmillan.
- Lawrence, G., and C. Williams. 1989. 'The dynamics of decline: Implications for social welfare delivery in rural Australia' in *Rural Health and Welfare in Australia*. Edited by T. Cullen, P. Dunn and G. Lawrence. Wagga Wagga, NSW: Centre for Rural Welfare Research, Charles Sturt University.
- Liepins, R. 1995. Women in agriculture: Advocates for a gendered sustainable agriculture. *Australian Geographer* 26:118–26.
- . 1996. 'Imperative, challenging and diverse: The contributions that rural based social research can make to the development of sociology and social policy in contemporary Australia' in *Social Change in Rural Australia*. Edited by G. Lawrence, K. Lyons and S. Momtaz. Rockhampton, Qld: Rural Social and Economic Research Centre, Central Queensland University.
- Lockie, S. 1996a. Sociocultural dynamics and the development of the Landcare movement in Australia. PhD thesis, Charles Sturt University, Wagga Wagga, NSW.
- . 1996b. 'Farming practice, capital and Landcare: Subsumption and control' in *Social Change in Rural Australia*. Edited by G. Lawrence, K. Lyons and S. Momtaz. Rockhampton, Qld: Rural Social and Economic Research Centre.

- . 1997a. 'Rural gender relations and Landcare' in *Critical Landcare*. Edited by S. Lockie and F. Vanclay. Wagga Wagga, NSW: Centre for Rural Social Research, Charles Sturt University.
- . 1997b. Chemical risk and the self-calculating farmer: Diffuse chemical use in Australian broadacre farming systems. *Current Sociology* 45(3):81–97.
- . 1997c. 'Beyond a "good thing": Political interests and the meaning of Landcare' in *Critical Landcare*. Edited by G. Lawrence, K. Lyons and S. Momtaz. Wagga Wagga, NSW: Centre for Rural Social Research, Charles Sturt University.
- . 1999. The state, rural environments and globalisation: 'Action at a distance' via the Australian Landcare Program. *Environment and Planning A* 31(4):597–611.
- . 2000. Environmental governance and legitimisation: State–community interactions and agricultural land degradation in Australia. *Capitalism, Nature, Socialism* 11(2):41–58.
- . 2001a. 'Agriculture and environment' in *Rurality Bites: The Social and Environmental Transformation of Rural Australia*. Edited by S. Lockie and L. Bourke. Sydney: Pluto Press.
- . 2001b. 'Positive future for rural Australia' in *Rurality Bites: The Social and Environmental Transformation of Rural Australia*. Edited by S. Lockie and L. Bourke. Sydney: Pluto Press.
- . 2001c. 'Rural sociological perspectives and problems: A potted history' in *Rurality Bites: The Social and Environmental Transformation of Rural Australia*. Edited by S. Lockie and L. Bourke. Sydney: Pluto Press.
- . 2001d. 'Crisis and conflict: Shifting discourses of rural and regional Australia' in *Land of Discontent: The Dynamics of Change in Rural and Regional Australia*. Edited by B. Pritchard and P. McManus. Sydney: UNSW Press.
- . 2002. 'The invisible mouth': Mobilizing 'the consumer' in food production–consumption networks. *Sociologia Ruralis* 42(4):278–94.
- Lockie, S., and L. Bourke (eds). 2001. *Rurality Bites: The Social and Environmental Transformation of Rural Australia*. Sydney: Pluto Press.
- Lockie, S., and L. Collie. 1999. "'Feed the man meat": Gendered food and theories of consumption' in *Restructuring Global and Regional Agricultures*. Edited by D. Burch, J. Goss and G. Lawrence. Aldershot: Ashgate.
- Lockie, S., A. Dale, B. Taylor and G. Lawrence. 2002. 'Capacity for change': Testing a model for the inclusion of social indicators in Australia's National Land and Water Resources Audit. *Journal of Environmental Planning and Management* 45(6):813–26.
- Lockie, S., and S. Kitto. 2000. Beyond the farm gate: Production–consumption networks and agri-food research. *Sociologia Ruralis* 40(1):3–19.
- Lockie, S., K. Lyons, G. Lawrence and K. Mummary. 2002. Eating 'green': Motivation behind organic food production in Australia. *Sociologia Ruralis* 42(1):23–40.
- Lockie, S., and B. Pritchard (eds). 2001. *Consuming Foods, Sustaining Environments*. Brisbane: Australian Academic Press.
- Lukes, S. 1974. *Power: A Radical View*. London: Macmillan.
- Lyons, K. 1999. Corporate environmentalism and organic agriculture in Australia: A case study of Uncle Toby's. *Rural Sociology* 64(2):251–65.
- . 2001. 'From sandals to suits: Green consumers and the institutionalisation of organic agriculture' in *Consuming Foods, Sustaining Environments*. Edited by S. Lockie and B. Pritchard. Brisbane: Australian Academic Press.
- Lyons, K., and G. Lawrence. 2001. 'Institutionalisation and resistance: Organic agriculture in Australia and New Zealand' in *Food, Nature and Society: Rural Life in Late Modernity*. Edited by H. Tovey and M. Blanc. Aldershot: Ashgate.
- McIntyre, A., and J. McIntyre. 1944. *Country Towns of Victoria: A Social Survey*. Melbourne: Melbourne University Press.

- McKenzie, F.H. 1999. *Impact of Declining Rural Infrastructure: A Report to the Rural Industries Research and Development Corporation*. Canberra: Rural Industries Research and Development Corporation.
- McMichael, P. 1984. *Settlers and the Agrarian Question: Foundations of Capitalism in Colonial Australia*. New York: Cambridge University Press.
- . 1999. 'Virtual capitalism and agri-food restructuring' in *Restructuring Global and Regional Agricultures*. Edited by D. Burch, J. Goss and G. Lawrence. Aldershot: Ashgate.
- McMichael, P., and G. Lawrence. 2001. 'Globalising agriculture: Structures of constraint for Australian farming' in *Rurality Bites: The Social and Environmental Transformation of Rural Australia*. Edited by S. Lockie and L. Bourke. Sydney: Pluto Press.
- Marsden, T., P. Lowe and S. Whatmore (eds). 1990. *Rural Restructuring: Global Processes and their Responses*. London: David Fulton.
- Martin, P. 1997. 'The constitution of power in Landcare: A post-structuralist perspective with modernist undertones' in *Critical Landcare*. Edited by S. Lockie and F. Vanclay. Wagga Wagga, NSW: Centre for Rural Social Research, Charles Sturt University.
- Nelson, J. 1982. 'Social structure of Australian agriculture' in *Agriculture in the Australian Economy*. 2nd ed. Edited by D. Williams. Sydney: Sydney University Press.
- O'Connor, K., R. Stimson and M. Daly. 2001. *Australia's Changing Economic Geography: A Society Dividing*. Melbourne: Oxford University Press.
- Oeser, O., and F. Emery. 1954. *Social Structure and Personality in a Rural Community*. London: Routledge and Kegan Paul.
- Oxley, H. 1974. *Mateship in Local Organization: A Study of Egalitarianism, Stratification, Leadership and Amenities Projects in a Semi-Industrial Community of Inland New South Wales*. Brisbane: University of Queensland Press.
- . 1978. *Mateship in Local Organisation: A Study of Egalitarianism, Stratification, Leadership and Amenities Projects in a Semi-Industrial Community of Inland New South Wales*. 2nd ed. Brisbane: University of Queensland Press.
- Phillips, E. 1998. *The social and cultural construction of farming practice: Good farming in two New South Wales communities*. PhD thesis, Charles Sturt University, Wagga Wagga, NSW.
- Phillips, E., and H. Campbell. 1993. The contemporary meaning of rural development in New Zealand. *Rural Society* 3(2):9–11.
- Poiner, G. 1990. *The Good Old Rule: Gender and Other Power Relationships in a Rural Community*. Sydney: Sydney University Press.
- Pritchard, B., and P. McManus (eds). 2000. *Land of Discontent: The Dynamics of Change in Rural and Regional Australia*. Sydney: UNSW Press.
- Reeve, I. 1997. 'Land resource management: Management or negotiation?' in *Critical Landcare*. Edited by S. Lockie and F. Vanclay. Wagga Wagga, NSW: Centre for Rural Social Research, Charles Sturt University.
- . 2001. 'Property rights and natural resource management: Tiptoeing round the slumbering dragon' in *Rurality Bites: The Social and Environmental Transformation of Rural Australia*. Edited by S. Lockie and L. Bourke. Sydney: Pluto Press.
- Reeve, I., and A. Black. 1993. *Australian Farmers' Attitudes to Rural Environmental Issues*. Armidale, NSW: Rural Development Centre, University of New England.
- Rickson, R., and D. Burch. 1996. 'Contract farming in organizational agriculture: The effects upon farmers and the environment' in *Globalization and Agri-Food Restructuring: Perspectives from the Australasia Region*. Edited by D. Burch, R. Rickson and G. Lawrence. Aldershot: Avebury.
- Rickson, R., P. Saffigna, F. Vanclay and G. McTainsh. 1987. 'Social bases of farmers' responses to land degradation' in *Land Degradation: Problems and Policies*. Edited by A. Chisholm and R. Dumsday. Cambridge: Cambridge University Press.

- Rogers, M., and Y. Collins (eds). 2001. *The Future of Australia's Country Towns*. Bendigo, Vic.: Centre for Sustainable Regional Communities, La Trobe University.
- Ruttan, V. 1996. What happened to technology adoption—diffusion research? *Rural Sociology* 36:51–73.
- Share, P. 1995. 'Beyond "countrymindedness": Representations in the post-rural era' in *Communication and Culture in Rural Areas*. Edited by P. Share. Wagga Wagga, NSW: Centre for Rural Social Research, Charles Sturt University.
- Share, P., H. Campbell and G. Lawrence. 1991. 'The vertical and horizontal restructuring of rural regions: Australia and New Zealand' in *Family Farming: Australia and New Zealand*. Edited by M. Alston. Wagga Wagga, NSW: Centre for Rural Social Research, Charles Sturt University.
- Share, P., G. Lawrence and I. Gray. 1993. 'Rural Australia' in *A Sociology of Australian Society: Introductory Readings*. 2nd ed. Edited by J. Najman and J. Western. Melbourne: Macmillan.
- Sher, J., and K. Sher. 1994. Beyond conventional wisdom: Rural development as if Australia's rural people really mattered. *Journal of Research in Rural Education* 10(1):2–43.
- Sherlock, K. 2001. *Community in paradise? Living in a tourist town*. PhD thesis, James Cook University, Townsville, Qld.
- Stehlik, D. 2001. "'Out there": Spaces, places and border crossings' in *Rurality Bites: The Social and Environmental Transformation of Rural Australia*. Edited by S. Lockie and L. Burke. Sydney: Pluto Press.
- Stehlik, D., I. Gray and G. Lawrence. 1998. *Australian Farm Families' Experience of Drought in the 1990s: A Sociological Investigation*. Canberra: Rural Industries Research and Development Corporation.
- Stilwell, F. 1992. *Understanding Cities and Regions: Spatial Political Economy*. Sydney: Pluto Press.
- . 1993. *Reshaping Australia: Urban Problems and Policies*. Sydney: Pluto Press.
- . 2000. *Changing Track: A New Political Economic Direction for Australia*. Sydney: Pluto Press.
- Teather, E., and M. Franklin. 1994. 'Signposts for rural women in the 1990s' in *Country Women at the Crossroads: Perspectives on the Lives of Rural Australian Women in the 1990s*. Edited by M. Franklin, L. Short and E. Teather. Armidale, NSW: University of New England Press.
- Vanclay, F. 1992. 'The social context of farmers' adoption of environmentally sound farming practices' in *Agriculture, Environment and Society: Contemporary Issues for Australia*. Edited by G. Lawrence, F. Vanclay and B. Furze. Melbourne: Macmillan.
- Vanclay, F., and G. Lawrence. 1995. *The Environmental Imperative: Eco-Social Concerns for Australian Agriculture*. Rockhampton, Qld: Central Queensland University Press.
- Walker, A. 1945. *Coaltown: A Social Survey of Cessnock, NSW*. Melbourne: Melbourne University Press.
- Wild, R. 1974. *Bradstow: A Study of Status, Class and Power in a Small Australian Town*. Sydney: Angus and Robertson.
- . 1981. *Australian Community Studies and Beyond*. Sydney: George Allen and Unwin.
- Williams, C. 1981. *Open Cut: The Working Class in an Australian Mining Town*. Sydney: Allen and Unwin.

Websites

Centre for Rural Social Research, Charles Sturt University:

<http://www.csu.edu.au/research/crsr/>

Centre for Social Science Research, Central Queensland University:

<http://www.ahs.cqu.edu.au/cssr/>

Institute for Sustainable Regional Development, Central Queensland University:

<http://www.isrd.cqu.edu.au/isrd/home.htm>

Religion and Spirituality

Gary D. Bouma

The sociology of Australian religion commenced in earnest with Hans Mol in the 1960s, and emerged with new strength and diversity in the 1980s with national studies of Australia's religious life (Mason and Fitzpatrick 1982). Aside from Aboriginal spiritualities, most forms of Australian spirituality are the result of immigration. While secularisation was supposed to render religion and the sociology of it irrelevant, at the dawn of the twenty-first century religion clearly has again become at least interesting if not quite the big business it was for most of the twentieth. Certainly the players have changed as the arrangements between religious organisations and Australian society established in the nineteenth century are replaced or augmented by those established in the twentieth. Waves of postwar migrants changed again the face of Australian religion, bringing unimaginable diversity and vitality to Australia's religious life.

Meanwhile, the emergence of new spiritualities alongside ages-old ones has made more diverse Australia's spiritual life and reminds sociologists that not all of this country's encounter with the spiritual happens in formal religious structures. While through the 1970s and 1980s secularisation theories seemed to hold the key to the future (Millikan 1981; Wilson 1983), a few argued for the persistence of religion and spirituality (Bouma 1983, 1992; Hughes 1993, 1997). Now it is generally agreed the picture is much less clear. Neither persistence nor secularisation, but a new form of relationship between society and religion and spirituality is emerging (Hervieu-Léger 2000; Bouma 1999a; Fenn 2001) including a re-enchantment of the world (Tacey 2000).

Defining religion and spirituality

Religion and spirituality both relate to dimensions of human life that intersect with but point beyond the ordinary and the material. This 'more than' quality is often expressed as being the source of all that is, most powerful, ultimately important, extending in time from before to after the now, ultimate life force, centre of the universe. Hence the use of such prefixes as *meta-*, *trans-*, *super-*, and *extra-* in the description of spiritual and religious phenomena. This transcendent character of the religious is balanced by a pro-

found sense of its presence within all that is. That the terms spiritual and religion are not synonymous is demonstrated by the way things spiritual have become very popular at the very time that religion is waning.

The spiritual refers to an experiential journey of encounter and relationship with otherness – powers, forces and beings beyond the scope of everyday life – whether located beyond, beside or within. To be spiritual is to be open to this ‘more than’ in life, to expect to encounter it and to nurture a relationship with it. Being spiritual can be done alone. It often is. At the most basic, to be spiritual is to allow self to be open to experiences and realities outside the ordinary frame of life, or to admit that there are more dimensions to life than ordinarily tangible time and space. At the core of spirituality is the encounter with the other, some other, be it God, nature, a tree, the sea, some person, or through an inward journey encountering the core of our own being.

Religion refers to socially organised ways of being spiritual. Religions such as Judaism, Christianity, Islam, Buddhism, Taoism, Hinduism and others provide deep and rich traditions of the practices of being spiritual. Each religion has many strands to its traditions and a wide variety of ways of developing the spiritual practice and life. They have also borrowed extensively from each other over the centuries. Religions have social structures and hierarchies of officials to promote the practice of their forms of spirituality, to ensure the purity and propriety of practice, and to relate their people to other organisations and the state. Through such organisations, religions relate to their environments – including other organisations and cultures – and keep alive and make available many forms of spirituality. At the same time, some people feel these structures have interfered with the very things religions are supposed to do, by placing barriers between the person and the immediacy of the spiritual.

While spirituality may be pursued and experienced individually, religion is essentially social, the activity of a group. Religion is organised, having structures of authority, established patterns of ways of approaching the beyond. Spiritualities are flexible, at least as they begin. Like any other human activity, anything spiritual done more than once and by a group quickly becomes socially organised and hence religious.

The sacred is found within the spiritual and the religious, as well as other dimensions of human life. The sacred is treated with respect, protected from profanation, and accorded dignity, and at times awe and wonder. From a sociological perspective the sacred is a social category applied to objects, places, times, ideas, and actions by groups of people. There is nothing inherently sacred about those things deemed to be sacred. Circumcision done in a hospital for reasons of hygiene is not a sacred religious action, but when Jewish or Muslim infant boys are circumcised in a religious ceremony the meanings associated with the action make it sacred. Similarly, a scarf remains ordinary until someone or some group sets it aside as special because of its links with a footy team. In the religious realm the sacred is special, set aside from the ordinary for purposes of linking with the more than, the beyond, the core of being within, the spiritual. The way Australians relate to war memorials provides an interesting case of the production and reproduction of the sacred (Inglis 1998). The opposite of sacred is the ordinary. If mistreated the sacred is profaned.

Australian religion?

Australian religion and spirituality have several identifying distinguishing features. Manning Clark refers to Australian religion as, 'A whisper in the mind and a shy hope in the heart' (Thornhill 1992:172–3). 'A shy hope in the heart' aptly expresses the nature of Australian religion and spirituality. There is a profound shyness, yet a deeply rooted hope, held tenderly in the heart. The Australian does not trumpet faith like some US televangelist. That would be an obscene dealing with what is so precious. Yes, precious. What is held in the heart is sacred; the sacred is handled with great care. Not all things that evoke awe and wonder are loud and noisy, brassy and for sale. The Hebrew prophet Jeremiah, wanting to see God in the cataclysmic, the thunderous and overwhelming, was treated to a 'still small voice' – a shy hope in the heart.

Australian religion and spirituality is characterised by: a serious light touch in dealing with religion; a serious shyness of high-temperature and high-volume religion; a serious wariness of imported, mass-culture products, including spiritual and religious ones; a serious distancing from authoritarian leaders, persons promoting sacred causes, and sacrifice for principle; a serious commitment to living, to enjoying what is here and now, not to hedonism, but to life, a life not worth sacrificing for the future; a serious openness to the experience of others, but a suspicion of cant, waffle, and empty form – not so much an allergy to ritual as to empty form; a serious mateship grounded in shared experience, shared confrontation of the forces that destroy, that demean, that kill, whether they be natural, human, social or demonic; a serious tolerance, a seeking for fair play, fair go, and a fairly even keel; a serious humour, the ability to laugh at self, one's situation, one's culture, one's dearest joy, hope and treasure; a seriously held quiet reverence, a deliberate silence, an inarticulate awe; a serious wariness and intolerance of the 'gatekeepers', the 'straiteners', and 'God's police' – that is, those who become the guardians of purity, who give and withhold access to the status of the pure, whether sexual purity or political correctness; and a preference to 'live and let live' over enforcing one viewpoint on another.

A demography of Australian religion

Bouma (1983, 1992, 1993, 1994, 1995, 1997d), Hughes (1993, 1997) and Bouma and Hughes (2000) have carefully mapped the demography of Australian religion by mining the census data relating religion to aspects of Australian life. Table 34.1 traces the changes in Australia's religious profile since 1947, focusing on major religious groupings.

While nearly three-quarters of Australians identify with a religious group, Australia has become demographically religiously plural. The range of religious groups has increased in terms of the numbers of religions present and in terms of the numbers of subgroups of the various religions, including varieties of Christians, Hindus and Buddhists. Australia has become a multi-faith society. Religious diversity is greater in urban areas, and residential concentrations of religious groups beyond 20 per cent of the population of a postcode area are quite rare (Bouma and Hughes 2000). Further analy-

Table 34.1 The size and proportion of selected Australian religious groups in the 1947, 1971, 1996 and 2001 censuses

Religious identification	1947 ('000s)	%	1971 ('000s)	%	1996 ('000s)	%	2001 ('000s)	%
Christians								
Anglican	2957	39.0	3953	31.0	3903	22.0	3881	20.7
Baptist	114	1.5	176	1.4	295	1.7	309	1.7
Catholic	1570	20.7	3443	27.0	4799	27.0	5002	26.7
Lutheran	67	0.9	197	1.5	250	1.4	250	1.3
MPCRU ^a	1678	22.1	2199	17.2	2011	11.3	1887	10.1
Orthodox	17	0.2	339	2.7	497	2.8	529	2.8
Pentecostal	—	—	—	—	175	1.0	195	1.0
CGNI ^b	270	3.8	683	5.4	653	4.4	711	3.7
Total	6,673	88.0	10,990	86.2	12,583	70.6	12,764	68.0
Buddhists	—	—	—	—	200	1.1	358	1.9
Hindus	—	—	—	—	67	0.4	95	0.5
Jews	32	0.4	62	0.5	80	0.5	84	0.4
Muslims	—	—	22	0.2	201	1.1	282	1.5
Other^b	4	0.1	14	0.1	69	0.4	92	0.5
Total	37	0.5	99	0.8	617	3.5	911	4.8
Inadequate description	19	0.2	29	0.2	54	0.3	352	1.9
No religion	26	0.3	856	6.7	2949	16.5	2905	15.5
Not stated	825	10.9	781	6.1	1551	8.7	1836	9.8
Total population	7,579		12,756		17,753		18,769	

Notes: ^a MPCRU combines the data for the Methodist, Presbyterian, Congregational, Reformed and Uniting churches. The Uniting Church was formed in 1977 in a merger of Congregational and Methodist churches, and about half of the Presbyterians.

^b CGNI: Christian Groups Not Included. Only those Christian groups larger than 1 per cent and 'Other' religious groups 0.4 per cent and larger in 2001 have been included.

Source: Australian Bureau of Statistics census data.

ses of the 2001 census reveal an increase in the range and diversity of responses to the religious question, indicating a decline in denominational loyalty, but not a trend towards more declaring 'no religion'. Rather, Australians have increasingly declared something relevant to their religious or spiritual life, even if not readily coded to a denomination.

While Australia is demographically Christian and not secular in the sense of irreligious, it is also very much a post-Christendom society where no single religious group can be seen to represent the whole of Australia. In the past, the Church of England often played this role in an echo of empire and Christendom, but that too has largely passed, as can be seen by the increase of multi-faith gatherings to celebrate major events or mourn major losses. Thus, although the state is religiously indifferent, Australian society is neither secular nor simply religious. A rich diversity of spiritualities has found its expression in the 2001 Census.

General sociologies of Australian religion

Mason and Fitzpatrick's (1982) absolutely thorough and helpfully organised bibliography of studies of religion in Australia remains an invaluable resource for work published through to 1980. Black (1990) provides a valuable review of 1980s sociology of Australian religion. Mol (1971, 1985) and Bouma (1992) have produced systematic sociologies of Australian religion. There have also been several general social histories (Carey 1996; Breward 1993; Hogan 1987, 1993) and more theological treatments (Mol 1969; Wilson 1983; Millikan 1981; Hughes et al. 1996; Ballis and Bouma 1999). In addition, two substantial edited volumes of general sociology of Australian religion have been produced (Black and Glasner 1982; Black 1991). For the most part, these have been focused on religion rather than spirituality, on churches rather than other forms of organised religion, and there is a need for a new general sociology of religion in Australia.

There have been a few comparative studies involving Australia (De Vaus and McAllister 1987; Daniels 1988; Hill and Zwaga 1989; Moore and Weiss 1992; Bouma 1995, 2001a; Lester 1987; Niles 1999). However, much more needs to be done, particularly comparing Australia, Canada, Ireland and New Zealand with the UK and the US. Globalisation is becoming a theme in comparative studies of religion in Australia (Cusack and Oldmeadow 2001; Bendle 1999; Bouma 1999a, 1999b).

Major themes in the study of religion in Australia include religion and identity (Mol 1976, 1985; Bouma 1989, 1997b; Ata 1988, 1989), and religion and migration in a multicultural society (Ata 1988, 1989; Hughes 1997; Bentley and Hughes 1997; Bouma 1994, 1995, 1997a, 1997b, 2001b; Batrouney 1997; Smolicz 1994).

Studies of Australian religious communities

The richness of Australia's diverse religious communities has been carefully and quite thoroughly studied. Following research demonstrating the importance of mosques in Muslim settlement in Australia (Bouma 1994), the Bureau of Immigration, Multicultural and Population Research funded Hughes with a team of researchers using demographic and survey data, along with self-reports from religious groups, to produce a series of studies of religious communities: Lutherans, Pentecostals and Baptists (Hughes 1996a, 1996b, 1996c), Buddhists (Adam and Hughes 1996), Muslims (Allen and Omar 1996), Uniting (Bentley and Hughes 1996), Hindus (Bilimoria 1996), Anglicans (Blombery 1996), Presbyterians (Burke and Hughes 1996), Jews (Rubinstein 1996), Catholics (Dixon 1996), and Eastern Orthodox (Godley and Hughes 1996). These studies have been revised, updated, increased in coverage and re-presented in a CD-ROM (Hughes 2000).

Other religious communities studied include Muslims (Bouma 1994; Bouma, Daw and Munawar 2001; Humphrey 1987, 2001; Mubarak 1997; Hassan 1991; Saeed and Akbarzadeh 2001), Buddhists (Bouma 1997c, 1997d; Bouma, Smith and Vasi 2000; Spuler 2000), Uniting (Dempsey 1983, 1989), Brahma Kumari (Howell 1998; How-

ell and Nelson 2000), Anglican (Manville 1997), Lutherans (Briese 2000), Catholics (Lewins 1976; Macdonald et al. 1999), Jews (Gale 1999), Indigenous (Pattel-Gray 1999; Grimshaw 1999), 'nones' (Hill and Zwaga 1989), Mahikari (Bouma, Smith and Vasi 2000) and Spiritualists (Gillin 1987).

Studies of Australian religious organisations

Most studies of Australian religious organisations focus on Christian groups, following fairly typical North American styles of analysis. The dominant form of ecclesiastical organisation in Australia is episcopal (regional coordination of local centres by bishops), followed by presbyterial (regional coordination of local centres by elected assemblies representing clergy and laity) and then congregational (self-governing local centres only loosely affiliated with regional associations). Given that the fastest-growing groups – Pentecostal Christian, Muslim, Buddhist, Hindu and New Age spiritualities – are primarily congregational in organisational style, the congregational is likely to overtake the presbyterial.

Clergy

Sociologists working from an occupations and professions perspective have conducted a range of studies of Australian clergy (Blaikie 1979; Dempsey 1983; Bouma 1992, 1991; Hughes 1989; Ballis 1999; Lehman 1994).

Religious organisations

The study of Australia's church-based religious life has become dominated by the work of the National Church Life Survey team. Tying their work to Australia's five-yearly census, this team provides the most extensive picture of the religious attitudes, beliefs and practices of Australian church attenders (for example, Kaldor, Bellamy et al. 1994; Kaldor, Dixon et al. 1999). Other studies include Bodycomb (1986), Hughes (1997) and Bentley and Hughes (1997).

NRMs and New Age spiritualities

Studies of new religious movements (NRMs) and New Age spiritualities in Australia include Japanese New religions (Bouma, Smith and Vasi 2000; Bouma 1998a), minority religious groups and the law (Richardson 1995), Brahma Kumaris (Howell 1998; Howell and Nelson 2000), NRMs and religious diversity (Ireland 1999), feral spirituality (St John 1997) and alternative spiritualities (Possamäi 1999).

Studies of religious belief and practice

There is a wealth of research into the social factors shaping Australian religious life and the impact of that life on other aspects of life. Bouma and Dixon (1996) and Bentley and Hughes (1997) provide systematic assessments of the role of religious identity, belief and practice in Australian life. Through their analyses of the National Social Science Survey, Evans and Kelley provide continuing insight into the role of religion (for example, Evans and Kelley 2000). Other studies include religion and politics (Reynolds 1988; Bean 1999), religion and the environment (Black 1997; Daniels 1988), religion and social change (Bouma 1998; Cusack and Oldmeadow 2001), religion and behaviour (Moore and Weiss 1992; Lovat 1997), religion and health (Day 1986; Najman et al. 1988; Meddin 1998; Singleton 2001), religion and work (Niles 1999), religion and gender (De Vaus and McAllister 1987; Lehman 1994; Mubarak 1997; Manville 1997; Grimshaw 1998; Howell 1998; Macdonald et al. 1999; O'Brien 2000), religion and language use (Tamis 1990; Bouma and Clyne 1995), religion and education (Graetz 1990; Jones 1990; Anderson 1988; Smolicz 1994), and religion and social policy (Bouma 1999a, 1999b, 1999c; Stratton 1996; Sheen 1996; Black and Hughes 1999).

While many studies inquire into the impact of religious practice, several examine factors shaping changes in belief – changes in images of God (Blombery 1989; Bouma 1996) and secularisation (McCallum 1987; McAllister 1988; Bouma and Mason 1995).

Summary

Australia's religious and spiritual life has been studied from diverse standpoints. This research describes a vital and changing aspect of Australian society – one that shows no sign of disappearing. Religious identification has been consistently found to be a useful predictor of consumer, political, ethical and other behaviours. As religious life becomes more diverse, mapping these connections will become more challenging but no less important. The way Australia continues to manage religious diversity needs to be studied so that what we have learned may be made available to others and continue to influence Australian social policy just when there are serious challenges to the freedom of religious and spiritual expression.

References

- Adam, E., and P. Hughes. 1996. *The Buddhists in Australia*. Canberra: AGPS.
- Allen, K., and W. Omar. 1996. *The Muslims in Australia*. Canberra: AGPS.
- Anderson, D. 1988. Denomination and type of school attended: The transmission of an error. *Journal of Australian Studies* 22:30–9.
- Ata, A. (I.)W. (ed.). 1988. *Religion and Ethnic Identity: An Australian Study*. Vol. 1. Melbourne: Spectrum.
- (ed.). 1989. *Religion and Ethnic Identity: An Australian Study*, Vol. 2. Melbourne: Spectrum.
- Ballis, P. 1999. *Leaving the Adventist Ministry: A Study of the Process of Exiting*. Westport, CT: Praeger Publishers.

- Ballis, P., and G.D. Bouma (eds). 1999. *Religion in an Age of Change*. Melbourne: Christian Research Association.
- Batrouney, T. 1997. 'Some patterns in the settlement of religious communities in Australia' in *Many Religions, All Australian: Religious Settlement, Identity and Cultural Diversity*. Edited by G.D. Bouma, pp. 11–28. Melbourne: Christian Research Association.
- Bean, C. 1999. The forgotten cleavage? Religion and politics in Australia. *Canadian Journal of Political Science* 32:551–68.
- Bellamy, J., A. Black and P. Hughes. 1999. Responses among Australians to the death of Princess Diana: The spiritual dimension. *Implicit Religion* 2:89–100.
- Bendle, M.F. 1999. 'Globalisation, neo-humanism, and religious diversity' in *Managing Religious Diversity: From Threat to Promise*. Edited by G.D. Bouma, pp. 58–69. Sydney: Australian Association for the Study of Religions.
- Bentley, P., and P. Hughes. 1996. *The Uniting Church in Australia*. Canberra: AGPS.
- . 1997. *Australian Life and the Christian Faith: Facts and Figures*. Melbourne: Christian Research Association.
- Bilimoria, P. 1989. *Hinduism in Australia: Mandala for the Gods*. Melbourne: Spectrum.
- . 1996. *The Hindus and Sikhs in Australia*. Canberra: AGPS.
- Black, A.W. 1990. The sociology of religion in Australia. *Sociological Analysis* 51 (Supplement):S27–41.
- (ed.). 1991. *Religion in Australia: Sociological Perspectives*. Sydney: Allen and Unwin.
- . 1997. Religion and environmentally protective behaviour in Australia. *Social Compass* 44:401–12.
- Black, A.W., and P. Glasner (eds). 1983. *Practice and Belief: Studies in the Sociology of Religion*. Sydney: Allen and Unwin.
- Black, A.W., and P. Hughes. 1999. 'Managing diversity of implicit religions in Australian society' in *Managing Religious Diversity: From Threat to Promise*. Edited by G.D. Bouma, pp. 125–40. Sydney: Australian Association for the Study of Religions.
- Blaikie, N. 1979. *The Plight of the Australian Clergy: To Convert, Care or Challenge?* Brisbane: University of Queensland Press.
- Blombery, T. 1996. *The Anglicans in Australia*. Canberra: AGPS.
- . 1989. *God through Human Eyes: Report from the Combined Churches Survey for Faith and Mission*. Melbourne: Christian Research Association.
- Bodycomb, J. 1986. *A Matter of Death and Life: The Future of Australia's Churches*. Melbourne: Joint Board of Christian Education.
- Bouma, G.D. 1983. 'Australian religiosity: Some trends since 1966' in *Practice and Belief: Studies in the Sociology of Religion*. Edited by A.W. Black and P. Glasner, pp. 15–24. Sydney: Allen and Unwin.
- . 1989. 'Religion and Dutch identity in Australia' in *Religion and Ethnic Identity: An Australian Study*. Vol. 2. Edited by A. Ata, pp. 34–45. Melbourne: Spectrum.
- . 1991. Who cares for the carers: Organisational constraints on providing pastoral care to clergy. *St Marks Review* 143:2–10.
- . 1992. *Religion: Meaning, Transcendence and Community in Australia*. Melbourne: Longman Cheshire.
- . 1993. Religious identification in Australia: 1981–1991. *People and Place* 1(2):13–17.
- . 1994. *Mosques and Muslim Settlement in Australia*. Canberra: AGPS.
- . 1995. The emergence of religious plurality in Australia: A multicultural society. *Sociology of Religion* 56:285–302.
- . 1996. God, Spock and the new physics: A sociology of knowledge approach to recent changes in theology. *Australian Religious Studies Review* 9:60–70.
- . 1997a. The settlement of Islam in Australia. *Social Compass* 44:71–82.

- (ed.). 1997b. *Many Religions, All Australian: Religious Settlement, Identity and Cultural Diversity*. Melbourne: Christian Research Association.
- . 1997c. Increasing diversity in religious identification in Australia: Comparing 1947, 1991 and 1996 census reports. *People and Place* 5:12–18.
- . 1998a. 'New religions in Australia: Cultural diffusion in action' in *Religion in a Changing World: Comparative Studies in Sociology*. Edited by M. Cousineau. London: Praeger.
- . 1998b. Distinguishing institutions and organisations in social change. *Journal of Sociology* 34:232–44.
- . 1999a. 'From hegemony to pluralism: Managing religious diversity in modernity and post-modernity' in *Managing Religious Diversity: From Threat to Promise*. Edited by G.D. Bouma, pp. 7–27. Sydney: Australian Association for the Study of Religions.
- (ed.). 1999b. *Managing Religious Diversity: From Threat to Promise*. Sydney: Australian Association for the Study of Religions.
- . 1999c. Social justice issues in the management of religious diversity in Australia. *Social Justice Research* 12:283–95.
- . 2001a. 'Globalisation and localisation: Pentecostals and Anglicans in Australia and the United States' in *The End of Religions? Religion in the Age of Globalisation*. Edited by C. Cusack and P. Oldmeadow. Sydney: University of Sydney Press.
- . 2001b. The religious contribution of Dutch migrants to multicultural Australia. *Australian Religious Studies Review* 14:59–68.
- Bouma, G.D., and M. Clyne. 1995. Articulating religious meaning in conversation: Variations in linguistic style by subdenominational group. *Review of Religious Research* 37:132–46.
- Bouma, G.D., J. Daw and R. Munawar. 2001. 'Muslims managing religious diversity' in *Muslim Communities in Australia*. Edited by A. Saeed and S. Akbarzadeh, pp. 53–72. Sydney: UNSW Press.
- Bouma, G.D., and P. Hughes. 2000. Religious residential concentrations in Australia. *People and Place* 8:18–27.
- Bouma, G.D., and M. Mason. 1995. 'Baby-boomers downunder: The case of Australia' in *The Post-War Generation and Establishment Religion: Cross-Cultural Perspectives*. Edited by W.C. Roof, C. Jackson and D. Roozen, pp. 27–58. Boulder, CO: Westview.
- Bouma, G.D., W. Smith and S. Vasi. 2000. 'Japanese religion in Australia: Mahikari and Zen in a multicultural society' in *Japanese New Religions in the World*. Edited by P. Clarke, pp. 74–112. London: Curzon Press.
- Breward, I. 1993. *A History of the Australian Churches*. Sydney: Allen and Unwin.
- Briese, R. 2000. Inculturation and denominationalism: Lutheranism with an Australian face. *Lutheran Theological Journal* 34:73–82.
- Burke, D., and P. Hughes. 1996. *The Presbyterians in Australia*. Canberra: AGPS.
- Carey, H. 1996. *Believing in Australia: A Cultural History of Religions*. Sydney: Allen and Unwin.
- Cusack, C.M., and P. Oldmeadow (eds). 2001. *The End of Religions? Religion in an Age of Globalisation*. Sydney: University of Sydney Press.
- Daniels, P. 1988. Australia's enviro-economic dilemma and the world view of Buddhism. *Journal of Social Issues* 23:143–57.
- Day, L. 1986. The age of women at completion of childbearing: Australian differentials by religion and country of birth. *Population Studies* 40:237–45.
- Dempsey, K. 1983. *Conflict and Decline: Ministers and Laymen in an Australian Country Town*. Sydney: Methuen.
- . 1989. Is religion still relevant in the private sphere? The state of organised religion in an Australian rural community. *Sociological Analysis* 50:247–63.

- De Vaus, D., and I. McAllister. 1987. Gender differences in religion: A test of the structural location theory. *American Sociological Review* 52:472–81.
- Dixon, R.E. 1996. *The Catholics in Australia*. Canberra: AGPS.
- Evans, M., and J. Kelley. 2000. Church-going steady in 1999. *Australian Social Monitor* 3:63.
- Fenn, R. 2001. *Beyond Idols: The Shape of a Secular Society*. Oxford: Oxford University Press.
- Gale, N. 1999. Residence, social mobility and practice theory: The case of Sephardic Jews in Sydney. *Journal of Sociology* 35:149–68.
- Gillin, P. 1987. The pleasures of Spiritualism. *Australian and New Zealand Journal of Sociology* 23:217–32.
- Godley, S., and P. Hughes. 1996. *The Eastern Orthodox in Australia*. Canberra: AGPS.
- Graetz, B. 1990. Private schools and educational attainment: Cohort and generational effects. *Australian Journal of Education* 34:174–91.
- Grimshaw, P. 1998. Gender, citizenship, and race in the Women's Christian Temperance Union of Australia: 1890 to 1930s. *Australian Feminist Studies* 13:199–214.
- . 1999. Colonising motherhood: Evangelical social reformers and Koorie women in Australia, 1880s to the early 1900s. *Women's History Review* 8:329–46.
- Hassan, R. 1991. The Muslim minority–majority relations in Australian society: A sociological analysis. *Journal Institute of Muslim Minority Affairs* 12:285–306.
- Hervieu-Léger, D. 2000. *Religion as Chain of Memory*. London: Polity.
- Hill, M., and W. Zwaga. 1989. The 'non-es' story: A comparative analysis of religious non-alignment. *New Zealand Sociology* 4:164–89.
- Hogan, M. 1987. *The Sectarian Strand: Religion in Australian History*. Melbourne: Penguin.
- . 1993. *Australian Catholics: The Social Justice Tradition*. Sydney: Harper Collins.
- Howell, J.D. 1998. Gender role experimentation in new religious movements: Clarification of the Brahma Kumari case. *Journal for the Scientific Study of Religion* 37:453–61.
- Howell, J.D., and P. Nelson. 2000. Demographic change and secularization in an Asian new religious movement: The Brahma Kumaris in the western world. *Research in the Scientific Study of Religion* 11:225–39.
- Hughes, P. 1989. *The Australian Clergy: Report from The Combined Churches Survey for Faith and Mission*. Melbourne: Christian Research Association.
- . 1993. *Religion: A View from the Census*. Melbourne: Christian Research Association.
- . 1996a. *The Lutherans in Australia*. Canberra: AGPS.
- . 1996b. *The Pentecostals in Australia*. Canberra: AGPS.
- . 1996c. *The Baptists in Australia*. Canberra: AGPS.
- . 1997. *Religion in Australia: Facts and Figures*. Melbourne: Christian Research Association.
- (ed). 2000. *Australia's Religious Communities: A Multimedia Exploration*. Melbourne: Christian Research Association.
- Hughes, P., C. Thompson, R. Pryor and G.D. Bouma. 1996. *Believe It or Not: Australian Spirituality and the Churches in the 90s*. Melbourne: Christian Research Association.
- Humphrey, M. 1987. Community, mosque and ethnic politics. *Australian and New Zealand Journal of Sociology* 23:233–45.
- . 1991. 'Islam, immigration and the state: Religion in Australia' in *Religion in Australia: Sociological Perspectives*. Edited by A. Black, pp. 176–93. Sydney: Allen and Unwin.
- . 2001. 'An Australian Islam? Religion in the multicultural city' in *Muslim Communities in Australia*. Edited by A. Saeed and S. Akbarzadeh, pp. 33–52. Sydney: UNSW Press.
- Humphreys, R., and R. Ward. 1995. *Religious Bodies in Australia: A Comprehensive Guide*. 3rd ed. Melbourne: New Melbourne Press.
- Inglis, K. 1998. *Sacred Places: War Memorials in The Australian Landscape*. Melbourne: Miegunyah.

- Ireland, R. 1999. 'Religious diversity in a new Australian democracy' in *Managing Religious Diversity: From Threat to Promise*. Edited by G.D. Bouma, pp. 94–110. Sydney: Australian Association for the Study of Religions.
- Jones, J. 1990. Outcomes of girls' schooling: Unravelling some social differences. *Australian Journal of Education* 34:153–67.
- Kaldor, P., J. Bellamy, K. Castle, M. Correy and R. Powell. 1994. *Winds of Change: The Experience of Church in a Changing Australia*. Sydney: Anzea Publishers.
- Kaldor, P., R. Dixon, R. Powell and NCLS Team. 1999. *Taking Stock: A Profile of Australian Church Attenders*. Adelaide: Open Book.
- Lehman, E.C. Jr. 1994. *Women in Ministry: Receptivity and Resistance*. Melbourne: Joint Board of Christian Education.
- Lester, D. 1987. Cross-national correlations among religion, suicide and homicide. *Sociology and Social Research* 71:103–4.
- Lewins, F. 1976. Ethnic diversity within Australian Catholicism. *Australian and New Zealand Journal of Sociology* 12:126–35.
- Lovat, Terrence. 1997. Patterns of religious separation and adherence in contemporary Australia. *Religion and the Social Order* 7:97–116.
- McAllister, I. 1988. Religious change and secularization: The transmission of religious values in Australia. *Sociological Analysis* 49:249–63.
- McCallum, J. 1987. Secularisation in Australia between 1966 and 1985. *Australian and New Zealand Journal of Sociology* 23:407–22.
- Macdonald, M., P. Carpenter, S. Cornish, M. Costigan, R. Dixon, M. Malone, K. Manning and S. Wagner. 1999. *Woman and Man: The Participation of Women in the Catholic Church in Australia*. Sydney: Harper Collins.
- Manville, J. 1997. The gendered organisation of an Australian Anglican parish. *Sociology of Religion* 58:25–38.
- Mason, M., and G. Fitzpatrick. 1982. *Religion in Australian Life: A Bibliography of Social Research*. Adelaide: Australian Association for the Study of Religions.
- Meddin, J. 1998. Dimensions of spiritual meaning and well being in the lives of ten older Australians. *International Journal of Aging and Human Development* 47:163–75.
- Millikan, D. 1981. *The Sunburnt Soul: Christianity in Search of an Australian Identity*. Sydney: Lancer.
- Mol, H. 1969. *Christianity in Chains*. Melbourne: Nelson.
- . 1971. *Religion in Australia*. Melbourne: Nelson.
- . 1976. *Identity and the Sacred*. Oxford: Blackwell.
- . 1985. *The Faith of Australians*. Sydney: Allen and Unwin.
- Moore, M., and S. Weis. 1992. Israeli Christian, Druze, and Moslem attitudes toward magazine alcohol advertisements. *International Journal of Addictions* 6:735–41.
- Mubarak, F. 1997. 'Muslim women and religious identification: Women and the veil' in *Many Religions, All Australian: Religious Settlement, Identity and Cultural Diversity*. Edited by G.D. Bouma, pp. 123–46. Melbourne: Christian Research Association.
- Najman, J., G. Williams, J. Kepping, J. Morrison and M. Anderson. 1988. Religious values, practices and pregnancy outcomes: A comparison of the impact of sect and mainstream Christian affiliation. *Social Science and Medicine* 26:401–7.
- Niles, F. 1999. Toward a cross-cultural understanding of work-related beliefs. *Human Relations* 52:855–67.
- O'Brien, A. 2000. Militant mothers: Faith, power and identity in the Mother's Union in Sydney, 1896–1950. *Women's History Review* 9:35–53.

- Pattel-Gray, A. 1999. The hard truth: White secrets, black realities. *Australian Feminist Studies* 14:259–66.
- Possamäi, A. 1999. 'Diversity in alternative spiritualities: Keeping New Age at bay' in *Managing Religious Diversity: From Threat to Promise*. Edited by G.D. Bouma, pp. 111–24. Sydney: Australian Association for the Study of Religions.
- Richardson, J.T. 1995. Minority religions ('cults') and the law: Comparisons of the United States, Europe and Australia. *Law Journal* 18:183–207.
- Reynolds, P. 1988. Religion and politics in Australia – some general observations. *Social Alternatives* 7:27–30.
- Rubinstein, W.D. 1995. *Judaism in Australia*. Bureau of Immigration, Multicultural and Population Research. Canberra: AGPS.
- Saeed, A., and S. Akbarzadeh (eds). 2001. *Muslim Communities in Australia*. Sydney: UNSW Press.
- St John, G. 1997. Going feral: Authentica on the edge of Australian culture. *Australian Journal of Anthropology* 8:167–89.
- Sheen, J. 1997. 'Living within the tensions of plurality: Human rights law and policy' in *Many Religions, All Australian: Religious Settlement, Identity and Cultural Diversity*. Edited by G.D. Bouma, pp. 163–80. Melbourne: Christian Research Association.
- Smolicz, J.J. 1994. Multiculturalism, religion and education. *Education and Society* 12:22–47.
- Singleton, A. 2001. 'Your faith has made you well': The role of storytelling in the experience of miraculous healing. *Review of Religious Research* 43:121–38.
- Spuler, M. 2000. Characteristics of Buddhism in Australia. *Journal of Contemporary Religion* 15:29–44.
- Stratton, J. 1996. The colour of Jews: Jews, race and the White Australia Policy. *Journal of Australian Studies* 50–51:51–63.
- Tacey, D. 2000. *Re-Enchantment: The New Australian Spirituality*. Sydney: Harper Collins.
- Tamis, A. 1990. Language change, language retention and ethnic identity: The case of Greek in Australia. *Journal of Multilingual and Multicultural Development* 11:481–500.
- Thornhill, J. 1992. *Making Australia: Exploring our National Conversation*. Sydney: Millennium.
- Wilson, B. 1983. *Can God Survive in Australia?* Sydney: Albatross Books.

Cultural Studies, Australian Studies and Cultural Sociology

Philip Smith and Brad West

Over recent years social science has developed leaky boundaries. Nowhere is this permeability more developed than in the study of culture. Ideas that traditionally belonged in arts faculties have seeped into the analysis of social life in decisive ways. This chapter follows one thematic current in this broader stream. It navigates the distinctive intellectual traditions of Australian studies, cultural studies and cultural sociology as these have interpreted Australia. By this we refer to their efforts at the cultural mapping and diagnosis of the Australian way of life, Australian nationalism and national identity, and Australian beliefs, values, priorities, national narratives and cultural codes. We review their historical and theoretical evolution, points of commonality and divergence, and efforts that reflect upon and critique such activities.

The origins of life are to be found in the double helix of DNA, two strands of information held, both together and apart, by interlocking ties. It is useful to think of our three traditions in an analogous way. They are intellectual codes that circle around each other in a dance of similarity and difference. Expressed in the temporal dimension, the result is a pattern of Hegelian familiarity in which progress is marked by a dialectical movement of critique and affirmation from Australian studies, to cultural studies and, most recently, cultural sociology, as these have successively encountered each other and 'the Australian'.

The origins of cultural studies in Britain

We commence the task of this chapter in a distant time and place – 1950s Britain. The birth of British cultural studies is popularly dated to the writings of Richard Hoggart and Raymond Williams and their involvement in adult education. In *The Uses of Literacy* (1957), Hoggart provided an account of working-class life and culture that bordered on the ethnographic. A sometimes nostalgic account of pigeon-fancying, darts and brass bands, this had the merit of placing popular and working-class culture on the map as a legitimate topic of intellectual inquiry. Williams (1958, 1977) offered some theoretical gravitas to this intellectual activity. In a series of books written during the 1960s and 1970s, he engaged in a neo-Marxist literary and historical critique that established a

core vocabulary for subsequent cultural-studies activities. This lexicon was taken from New Left thinking and from the texts of French structuralism and poststructuralism.

Soon a nucleus of scholars and an intellectual base emerged at the University of Birmingham at the Centre for Contemporary Cultural Studies, with Hoggart as its director. Stuart Hall was to replace Hoggart and facilitate the institutionalisation of a more critical edge. There emerged during the 1970s and early 1980s a series of groundbreaking studies on topics as diverse as youth subculture, policing and the media. Influenced by Williams and led charismatically by Hall, these drew upon Althusser (1966, 1971) and increasingly Gramsci (1971) to argue that culture worked in an ideological way to reinforce systems of class and power (Hall 1985). Hence policing was tied to law-and-order politics in a conservative package that manufactured consent for tough state intervention. This in turn displaced responsibility for societal unrest from the systematic failures of capitalism onto minority youth (Hall et al. 1978). Youth subcultures were taken to be rituals of resistance through which marginal groups expressed values other than those of middle-class conformity (Hall and Jefferson 1976). The media worked to reproduce dominant versions of social reality, creating a false sense of national unity, and framing strikers and protesters as a threat to the collectivity of decent citizens (Hall 1973). Subsequent analyses located such activities within the broader cultural framework of Thatcherism, which Hall (1983) decoded as a seductive potpourri of authoritarianism, nostalgia and free-market ideology.

A curiosity of British cultural studies is that, notwithstanding its name, the 'British' remained a latent theme within its scattered intellectual landscape. True enough it dealt with the popular British experience, but it decoded the national only in an implicit way. Hoggart's (1957) early work had investigated the cloth-capped spirit of northern working-class life, Hebdige (1979) the ornate codes of British youth subcultures, Hall and his collaborators (1978) the dynamics of state authority on the streets of London. Such studies were about distinctively British themes and realities, but did not aggressively interrogate 'the British'. Even in the mature analyses of Thatcherism, nationalism received thin interpretation relative to ideologies of class and power. National identity – altogether more subtle than Thatcherite post-imperial jingoism – remained just a trace behind this surface of details and troubles.

A rather different ordering of priorities was to emerge as this mode of analysis crossed the equator and steamed for the Antipodes. Central to such movement was the emigration not only of texts and theories, but also of British scholars to Australia. These figures continued to make theoretically informed readings of culture, and to identify processes of hegemony and resistance as mandated by the Birmingham model. However, the effort fretted against a pre-existing context of postcolonial Oedipal anxieties. For the previous hundred years Australia had been obsessed with its national identity, seeking to distinguish itself from the British motherland. The result had been a decisive orientation of artistic and intellectual activity around a particular problematic: defining the national. We can understand the ensuing collision of British cultural studies with these distinctively Australian concerns with reference to Edward Said's (1983) notion of 'travelling theory.' As people travel so do theories and ideas, becoming dislocated from their origins, hybridised and increasingly unruly. Thus cultural studies, after disembarking in Australia,

took on indigenous inflections. Pivotal to this new-found direction was the entrenched paradigm of Australian studies, with which the exotic new perspective was to interact, and against whom it had to struggle for intellectual autonomy and authority.

Heroic visions of Australian culture in Australian studies

The origins of Australian studies are in some ways not dissimilar to those of cultural studies in Britain. It emerged in Australian universities as a reaction to elitist conceptions of culture and from the desire to explore and give weight to popular experience. Like cultural studies, Australian studies was also a multidisciplinary field. History and literary criticism, with their divergent methodologies and priorities, formed an alliance in this task and have remained the vanguard disciplines (Walter 1989). Yet whereas the quasi-Marxist vision of cultural studies leads it towards a critique of the national agendas, the foundational aim of Australian studies was to promote the study of Australia. Hence working-class life and popular culture were read primarily for what they could say about the national rather than what they could say about class, state and resistance to capitalism. This sometimes boosterish action was undertaken within a domestic academic climate where all too frequently the nation's 'cultural cringe' (discussed below) and the dominance of overseas-educated staff led to a preference for Eurocentric rather than Australian-focused research. In a sense, then, we can understand Australian studies as a kind of nationalist intellectual movement. Peaking in the late 1950s, this saw writers, artists and commentators actively searching for a truly 'exceptional' Australian identity. While early Australian studies was devoid of connections with European social theory, scholarship by writers such as Donald Horne (1964), Russel Ward (1958), Arthur Phillips (1958) and Craig McGregor (1966) did manage to provide compelling and detailed accounts of Australian mythologies. As commentators, academics, critics and also producers of such mythology, these scholars set themes that have been frequently utilised, often challenged or debunked, but (until recently) rarely tested by subsequent efforts at the interpretation of Australian culture.

Although the rise of orthodox Australian studies took place in the mid-twentieth century, the historical spotlight of this so-called 'radical nationalist' perspective fell on the late nineteenth century (Palmer 1966). A pivotal claim was that in the 1890s, in particular, we could find the origins of Australian national identity. Australian studies scholars argued that during this era an essential and unique national character and culture was fixed by asserting difference from the mother country. Emphasis was given to the role of the media such as the popular magazine the *Bulletin*. This had played a part in institutionalising iconic representations of 'the Australian' and imprinting national values. For example, the 'coming man' was a muscular rural youth building a future through hard work. He existed in a binary contrast with the 'new chum' – the effete, recently arrived settler from England who lacked a larrikin spirit. Bushrangers, pioneers, swagmen and stockmen also featured in this sunburnt, 'truly Australian' landscape of droughts, floods and bushfires. A particular value pattern also accrued to such

a halcyon if elemental Australia. It was the land where companionate mateship, personal autonomy and suspicion of hierarchy were the dominant cultural codes of popular solidarity.

Aside from the trials of the bush, other events have been advanced as pivotal to forging this Australian identity. These included the convict past, debates about federation and national independence, and frontier-style gold-rush life. Rising above all these in significance, however, has been the celebration of the mythology of Gallipoli. The landings of Australian troops in Turkey during World War I were understood as a national coming of age – a collective drama in which themes of blood sacrifice and heroic manly solidarity took centre stage (Bean 1934). Within the popular imagination, contrasts were subsequently drawn between the egalitarian spirit and fighting abilities of the Australia and New Zealand Army Corps (ANZAC) troops and the pompous and incompetent British officers who sent them to their deaths. Importantly, moral and analytic claims were fused in such work, with Australian traits not only identified but also endorsed by writers. Scholarship in the dominant Australian-studies tradition set out to validate Australian experiences and Australian artistic and literary traditions, as well as to document them. As we will see, this conflation was to have fateful consequences once cultural studies arrived on the scene. We turn first, however, to an earlier opposition to the ‘radical nationalist’ perspective. This is now being seen as equally important for academic work on Australian culture.

The critique of Australian culture

Although most attention has been given to the heroic conception of the nation as celebrated in Australian studies, through the mid-twentieth century there existed subordinate genres of critique from both left and right. These sat on the margins of the Australian-studies field. True they were deeply concerned with the Australian, but at the same time they called for the narrative deflation of Australian mythologies. From an elitist perspective, heroic visions of the nation were contested, with Australia seen as the land of the lowbrow and as riddled with insecurities. Where Australia had prospered by its wealth of natural resources, it was thought that its egalitarianism and anti-intellectual nature would not sustain it through economic change away from primary production. Thus Donald Horne’s *The Lucky Country* (1964) outlined the distinctive qualities of the Australian experience only to damn them with faint praise. For Horne, in effect, Australia was a country characterised by mediocrity that had somehow muddled through without intellectual excellence or a sense of direction. Horne’s scorn was not solely directed at the lower classes. A principal concern was that Australia lacked an educated class familiar and comfortable with the humanist canon (Horne 1964:172).

Robin Boyd’s (1960) attack on the Australian home can be seen in much the same light. Writing from the position that we would now see as pompous, Boyd harpooned the aesthetic and architectural mediocrity of Australian suburban dwellings, as well as the petty-minded materialism of their owners. In Boyd’s view, Australian suburbia was nothing less than a cultural disaster zone. Boyd was not opposed in principle to an Australian

vernacular, but argued that existing buildings had borrowed uncritically and unimaginatively from foreign trends. Where Australiana existed it took the gauche and debased form of 'featurism' – 'sandblasted koala bears and yacht-race scenes on the entrance hall windows ... plasticised silky-oak featured front doors ... black plastic silhouette cockatoos features on the feature doors' – in Australian suburbs (Boyd 1960:28). For Boyd this was simply evidence of parochial design values and lack of aesthetic refinement. Robert Hughes's influential *The Art of Australia* (1966) mimics and further illustrates this pattern. Far from championing the art of his native country, the young Hughes systematically attacks its derivative and mediocre qualities. The main current of art criticism within Australian studies had celebrated its contribution in establishing pivotal themes of Australian national identity – especially those relating to landscape. For Hughes (1966:22) the same paintings could be read as evidence of a 'grotesque cultural nationalism ... part of a general insularity'. In his vision the chief merit of Australian art was simply that it provided a 'laboratory for the study of the impact of foreign schemata on a provincial culture' (Hughes 1966:24). Some compliment.

During this mid-twentieth-century period, cultural commentators spent considerable time discussing national value patterns that could be taken as pathological rather than heroic, and as an impediment to the fulfilment of Australia's cultural and economic potential. Chief among these was 'the cultural cringe' (Phillips 1958). Arising from deep colonial insecurities, this asserted that Australian culture was inferior to European culture in sophistication and that it was necessary to go overseas to truly shape up and 'make it'. Another alleged flaw in the national psyche was the desire to cut high-flyers down to size. This is sometimes spoken of as the 'tall poppy syndrome' and can be thought of as the flip side of the dominant ethos of egalitarian individualism. The argument was made that achievement was stifled in Australia by a failure to value excellence. Hence W.K. Hancock (1930:183) wrote that Australian democracy

is properly anxious that everyone should run a fair race. It is improperly resentful if anyone runs a fast race. Indeed, it dislikes altogether the idea of a race, for in a race victory is to the strong. Its solicitude is for the weak, and its instinct is to make merit take a place in the queue.

These themes could be combined in surprisingly complex ways. For example, the historian R.M. Crawford (1955:724) saw the Australian legend of the 1890s leading to a pragmatic and populist culture that was fundamentally democratic but had contributed to a 'neglect of intellectual and artistic distinction', as well as of 'the great spiritual problems of more complex societies'. Crawford understands egalitarian individualism as the root of a tall-poppy problem, but ironically leverages his critique from a cultural-cringe platform. It is a stance that persists into more recent times. Consider Ronald Conway's influential *Land of the Long Weekend* (1978). Drawing on psychoanalytic and psychological theories, Conway argues that by contrast with that of Europe, Australian culture is superficial, with a consumerist orientation and cult of mateship blocking the path to a more mature national culture and authentic interpersonal relations. The tone is reminiscent of Boyd with his dismissive, almost contemptuous orientation towards everyday life. The tide has perhaps turned on this kind of literature. It now finds itself the target of meta-theoretical and empirical challenges. Writings on 'disting-

tive' Australian values and their problems today are likely to expend most of their effort deconstructing earlier works in the genre, suggesting they are without empirical foundation and that they have ideological implications (Thompson 1994).

A further line of opposition to the heroic vision of Australian culture came from an established leftist tradition. Curiously, this shared with elitist criticism a vision of Australia as a land of mediocrity and failed opportunity. It also ploughed under the idea that there was anything distinctive or autochthonous about Australian national identity and culture. The myth that a national character had sprung Spartoi-like from the red soil of the bush and the hearty mateship of the pioneers was disputed. To the contrary, leftist scholars highlighted the pivotal role of Australia's inferiority complex vis-à-vis its motherland (Britain), the derivative quality of its value patterns, and the fact that this pathetic reality was altogether typical of colonial nations. Manning Clark's (1980) essay 'The quest for an Australian identity' best illustrates this perspective, emphasising the 'imaginary' and structural factors behind the Australian type. According to Clark, Australia's search for identity is part of a wider quest for self-definition among white settlers, and was characterised by ambivalence and incompleteness. Clark's own monumental *A History of Australia* (1962–1987) stitches this psychocultural dynamic with a very soft Marxist thread. Words like 'bourgeoisie' and 'colonial' pepper a narrative in which efforts to establish a distinctively Australian Australia are read in part as local specifications of chaotic struggles between classes and class fractions. To be sure, there are heroic and fateful moments aplenty in those thousands of pages, especially where Clark displays sympathy for an underdog who is somehow more authentically Australian than his or her bourgeois would-be masters. Yet for Clark these portentous episodes are inevitably lost opportunities that terminate in disappointment. Hence, in his view, federation produced only a bourgeois constitution that was derivative. Cobbled together from British and US sources, this was the product of a dependent culture rather than an authentic and creative expression of a genuine popular and Australian experience.

In a similar vein, Humphrey McQueen (1970, 1973) argued that Australia lacked an independent identity and should be considered no more than a 'suckling society'. Whereas the heroic vision offers a *Bildungsroman* in which the Australian character is forged on the anvil of bush life, McQueen argues that Australia continued to be 'derivative' and 'dependent'. It was 'derived from another society and place in such a way as to seriously impede the evolution of an appropriate relationship with our political surroundings', and dependent 'in the sense of seeking innovations from outside our environment rather than through creative adaptations to it' (McQueen 1973:5). As important for this genre of critique as noting Australia's continuing ties to the motherland was emphasising that Australian experiences and value patterns were not unique. On the contrary, 'its historical development follows patterns and enacts situations that can be paralleled by other ex-colonial nations, particularly former settler societies like the United States, Canada, New Zealand and South Africa' (Docker 1978:23).

It is a curiosity of intellectual history to observe that such discourses, while attacking the premises of mainstream Australian studies, can also be read as sharing in a broader nationalist agenda. The critics of Australia were not so much anti-Australian or antinational as simply disappointed. A common subtext to Horne, Clark, Boyd, Hughes

and others of their ilk is that Australia had failed to live up to its potential. Reading their works, one is reminded of the expression 'could try harder' in a school report. Despite opportunities, it had been unable to convert popular egalitarianism into a true democracy, neglected to develop a truly Australian culture, and stifled the artistic and intellectual excellence that it deserved. Whereas Australian studies thought we had arrived, the critics saw Australia's potential unfulfilled. In so doing they cast an ironic shadow on a complacent discourse of national celebration. This was to serve as a springboard for subsequent critical work in the cultural-studies tradition that we review below.

Cultural studies arrives in Australia

Until the arrival of cultural studies, as we have seen, the study of Australian culture was marked by two master narratives; the first was of celebration and the second of critique. Detailed, insightful, frequently entertaining as they were, neither scenario was tied closely to a systematic social theory or a wider academic vision. And with both we find aesthetic and judgemental criteria coming into play in a wider field whose roots lay in national experiences and established intellectual disciplines. This was to change with the arrival of British cultural studies in Australia. The impact of the event is much debated. It was either a shot in the arm for Australian studies or a shot in the head. The former scenario sees a faltering Australian studies reinvigorated as a new wave of scholars and theories took an interest in Australiana. The latter sees Australian studies as a sitting duck waiting to be gunned down by a more powerful and less fossilised intellectual paradigm. The truth, perhaps, lies somewhere in between.

Cultural-studies theorists immediately recognised the influential qualities of popular Australian themes and the fact that they should be treated as academically worthy objects of study. And because moral evaluation was etched into the cultural-studies template, there was an underlying synergy with earlier reflections on the Australian experience. In other words, denunciations and praise remained the ultimate point of critical activity, even if refracted into New Left vocabularies where things Australian became the dubious currency through which hegemony and resistance transacted their messy business.

The hybrid results of this sometimes invasive, sometimes arousing intellectual frottage are best-exemplified in a single text. *Myths of Oz* (1987) was written by three major exponents of cultural studies in Australia: John Fiske, Bob Hodge and Graeme Turner. Drawing on the structuralist semiotics of Saussure and Barthes (1957, 1975) and on Gramsci's (1971) ideas about power, they undertook a series of virtuoso readings of Australiana and interpolated these through a wider theory of class society. Artefacts and practices of everyday life could be interpreted as instances of hegemony or resistance. The pub, for example, was a solidaristic sphere given over to popular pleasure and excess, but one that could be faulted for its complicity in maintaining a sexist gender order. The suburban show house could be decoded as a sign system that promoted bourgeois virtue and status-seeking activity. Uluru presented a mythologised and sanitised understanding of Australia's outback and 'sacred' Aboriginal culture within this.

Shopping malls were taken to construct identities and gazes amenable to the consumerist impulses that supported capitalism.

Graeme Turner's *National Fictions* (1986) was an equally pivotal text where the theories of Barthes (1957), Lévi-Strauss (1966) and Gramsci (1971) were brought to bear on established questions of Australia's national narrative. Considering national themes in literature and films such as *For the Term of His Natural Life*, *Breaker Morant* and *The Chant of Jimmie Blacksmith*, the book highlighted the distinctiveness of Australian culture, but, unlike many previous accounts of Australian narrative, did so within a critical theoretical framework. Hence Turner sought to 'establish those kinds of meanings which are preferred, the forms in which they are articulated, and their ideological function within Australian culture' (Turner 1986:7). Such work was to stimulate a renewal of the leftist critique in Australian studies, especially among historians, that relentlessly attacked the earlier heroic vision of radical nationalism. Rather than engaging in a quest to uncover an 'essential Australia', scholarship turned to issues of representation. Historically specific images of the Australian, including those 'discovered' by scholars of previous decades, were understood to be cultural constructs and discourses underpinned by interests and ideologies (White 1981). Hence Gallipoli and bush mythology were re-read as deeply sexist. Feminist historians such as Marilyn Lake (1986) saw the bush and Anzac legends less as important historical moments for a new nation, and more as a celebration of Australian masculinity. Other aspects of the Australian legend also came under attack. In an influential early essay, Graeme Davison (1978) questioned the basis of Australia's rural mythology. Where Russel Ward (1958) located the origins of national identity in the objective social conditions of convict settlement and pastoral frontier, Davison and others have argued that bush visions were largely an invention of city-based journalists who held a romanticised view of rural life. The bush ideal in turn was used to propagate and legitimate racial and gender prejudice. Other efforts focused on capturing the migrant experience and restoring dignity to Indigenous Australians through the critique of dominant national representations and historical accounts as the self-serving mythologies of an Anglo-Celtic majority (Collins 1988; Reynolds 1982).

For a short period, cultural studies had attached itself to Australian studies, but by the late 1980s the flirtation was over. Debates on the role of theory and nationalism saw a more clearly differentiated intellectual field, with the two approaches becoming increasingly antagonistic (Turner 1996). From the perspective of cultural studies, Australian studies was antitheoretical and resistant to innovation, an 'inward and backward looking discipline' (Morris 1990:470) that had failed to 'interrogate its nationalist intellectual heritage and the assumptions that this heritage has naturalised within popular and academic considerations of "Australia"' (Turner 1991:28). At the same time, Australian studies saw its imported nemesis as marked by obtuse language and unnecessary theoretical elaboration.

Whatever the merits of such debates, cultural studies went from strength to strength. It became sufficiently antipodean in character that its scholars could confidently speak of 'Australian cultural studies' without the prefix 'British', and later of 'cultural studies' as a distinctive field. This is illustrated by the renaming of the *Australian Journal of Cultural Studies* to simply *Cultural Studies*. A pool of Australia-based expertise emerged that included

Tony Bennett, Stuart Cunningham, John Fiske, John Frow, John Hartley, Bob Hodge, Colin Mercer, Toby Miller, Meagan Morris, Graeme Turner and John Tulloch. Powerful institutional bases were established at the Western Australian Institute of Technology, Murdoch University, Griffith University and the University of Queensland. Journals such as *Arena*, *Interventions*, the *Australian Journal of Screen Theory and Cultural Studies* provided important outlets for the development of Australian-based cultural studies.

There was also an intellectual style to this work. Where British cultural studies became millstoned by its real and mythologised Birmingham origins, the Australian version moved nimbly to become aligned with moves to 'decentre' and internationalise cultural studies. In this scheme, credibility and identity for the field was gained by publishing internationally and using Australian data in combination with foreign content and, more recently, placing Australia within postcolonial theorising. At an early stage, Australian scholars in the cultural-studies field were moving away the themes of class and state pivotal to British inquiry, pioneering a new set of core interests: lifestyle, consumption, media and, of course, national identity. Yet following the break with Australian studies, interest slowly moved away from the last of these towards exploration of mediated identity (for example, Fiske 1989) and debates about cultural policy (Bennett 1998).

For its part, Australian studies remains on the scene, bruised and battered but still able to put up a fight, and with pivotal institutional supports including centres at Monash University, the University of Melbourne, the University of Queensland and, more recently, Curtin University of Technology. There are also international ties to the Menzies Centre at King's College, University of London, and the Centre for Australian and New Zealand Studies at Georgetown University, in Washington, DC. Much research activity is reported in the *Journal of Australian Studies*, as well as *Meanjin*, a periodical with a long history that presently operates as a bridge with cultural-studies work on Australian themes.

The challenge of cultural sociology

For many years in Australia, cultural sociology has been a Cinderella to cultural studies and Australian studies when it comes to exploring the national. With positivism dominating sociology in Australia, scattered sociologists with an interest in Australian identity and popular culture had linked themselves with cultural studies or Australian studies for collegial support. Nevertheless, a small but distinctive cultural-sociological agenda towards national themes has emerged from the 1990s onwards, which parallels a growing international interest in the empirical study of national identity as a component of a middle-range, routinised social science. There are broad similarities, for example, between the style of work currently being conducted in Australia and that on English/British/Scottish identity by sociologists such as David McCrone. The institutional bases for work in Australia can be found at the Australian National University, the University of Queensland and the University of Tasmania, with a publication platform in the *Journal of Sociology* (formerly the *Australian and New Zealand Journal of Sociology*).

What are the features of the cultural-sociology approach to interpreting Australia? We can begin to answer this question by looking to the surrounding fields within social science. As we have seen, cultural studies is almost exclusively attracted to critical theories in decoding the national. Cultural sociology is somewhat more inclusive, and notably has made use of more conservative thinkers, such as those in the Durkheimian tradition (Sherwood, Smith and Alexander 1993; Spillman 1997; West and Smith 1996), in interpreting national themes using concepts such as ritual, the sacred, and moral boundaries. It has also drawn heavily on the mainstream literature in social theory and historical sociology on nationalism from writers such as Ernest Gellner, Anthony Giddens, Benedict Anderson and Anthony Smith. Ideas about 'imagined community' and 'civic and ethnic nationalism' have been significant imports from this corpus. It is also useful to point to synergies and tensions with two established empirical agendas in Australian social science. These have afforded a context within, and to some extent against which, cultural sociology has developed its distinctive approach to interpreting Australia. The first of these looks at Australian values, political culture and citizenship. Led by figures such as Ian McAllister (1997, 1998), Clive Bean (1993) and Elim Papadakis (1999), this has often touched upon the theme of Australian national identity. It has done so in a way that is empirically rigorous, but which thematically meshes incompletely with the approach of cultural sociology. Inquiry is framed largely in the terms of the agendas of orthodox political science, with the spotlight on political and economic themes rather than the cultural universe of national codes and narratives. For example, an investigation into what people think about 'Australia' might seek out attitudes towards and knowledge of institutions (for example, parliament, the monarchy), policies (for example, welfare, defence) and values (for example, democratic participation, Aboriginal land rights). The emphasis is on measuring popular responses towards officially sponsored definitions of Australia and the Australian political system – in effect what we might find in a civics lesson. Within this tradition, national identity is seen as something that is achieved via state interventions and as involving moments of political contestation, not as a more spontaneous expression of popular myth and symbolism.

Cultural sociology has also existed in productive tension with an Australian literature on ethnicity and multiculturalism. This complex field draws upon migration data, ethnographic community studies, government policy documents, and political philosophy, as well as textual research from cultural studies and Australian studies (for example, Jupp 2001; Kalantzis 2000). The thrust of the literature has been to debate the implications of multiculturalism (and various models of multiculturalism) in theory and on the ground, for issues such as social inclusion, inequality, mass communications, cultural recognition and, indeed, national identity. Here again there is complementarity and divergence with the agenda of cultural sociology towards interpreting the Australian. In this case national identity is framed in a limited sense as the dependent spillover from immigration patterns, immigration laws and state-sponsored cultural policies. Moreover, the literature is often one of advocacy rather than positivist neutrality, with a number of pivotal writers lobbying on behalf of a multicultural Australia in the practice of their academic trade. Multiculturalism is generally framed

within a romantic narrative as a philosophy that should capture the spirit and achievements of a nation of immigrants. Having said this, the mood underpinning this genre of work is often that of a person who has found a shilling but lost a sixpence. Multiculturalism is held to be a good thing relative to the racist and assimilationist policies that preceded it, but alas, implementation has been poor, with social change not moving far enough. Perhaps the most significant text in this tradition has been *Mistaken Identity* (Castles et al. 1988). Here Stephen Castles and his colleagues argue that traditional (Anglo-Celtic, excluding, racist) Australian identity was indeed being replaced by a more inclusive and progressive sense of national belonging thanks to multicultural policy and shifting migration patterns. This cultural transformation has the potential to be epochal, but was partially derailed by official definitions of multiculturalism that failed to flag economic and social inequality as core issues.

Aside from the theoretical and empirical influence of other literatures, we can point to research skills as a pivotal feature of cultural sociology as it investigates the Australian. The methods of cultural studies have traditionally been those of interpretation, with the major inputs from literary theory. This means that cultural studies overwhelmingly studies texts rather than 'real social life', or works hard to theorise as necessary the conflation of the boundary. And when 'real social life' is explored (as in, say, the discussion of the shopping mall in *Myths of Oz*), it is generally treated as if it were a text. Cultural sociology, by contrast, makes use of the raft of systematic methods available in the social sciences, including surveys and ethnographic techniques. Hence, mundane but important questions of validity, reliability and generalisability enter the frame. Finally, and relatedly, cultural sociology has been more concerned with attitudes, beliefs and actions as the proper objects of study, and not representations. From the point of view of cultural sociology, cultural studies can be critiqued for reading off popular meanings from the interpretation of texts (taken as 'representations'), without systematically testing whether these resonate with ordinary members (Phillips 1998). Insofar as interpretations are the virtuoso work of privileged academics, this can be problematic. The average suburban home probably means something quite different to the mortgage payer than to the authors of *Myths of Oz* (see Turner 1991). Cultural sociology, by contrast with cultural studies, is more prosaic and more cautious, and has looked carefully at the social distribution of meaning systems.

Notwithstanding such matters of style and approach, there are key synergies between cultural studies and cultural sociology. Rather than further mapping differences, the remainder of this chapter asserts that the two fields are combining, along with residual inputs from Australian studies, to create a fruitful new area for the study of Australian national identity and everyday cultural life.

As we have already explained, a good deal of sociological work on Australian national culture has used social-research methods to uncover the belief systems of ordinary members. Survey researchers, for example, have established that individuals are proud to be Australian. Around 70 per cent of them are 'very proud' of this identity (McAllister 1997), a ranking that outstrips many others potentially available to them, including 'class' (Emmison and Western 1990). Building on this empirical mandate, sociologists have tried to add content to a statistic. What exactly do people mean when they say they are proud to be Australian? One approach has been to use attitudinal mea-

tures to construct typologies identifying different cultural orientations to the nation. Typically these contrast those who identify on the basis of civic and ethnic criteria, or those who have only a weak sense of belonging (Jones 1997; Pakulski and Tranter 2000). A consistent finding of this research is that around 25 per cent of Australians retain a past-oriented, conservative, strongly boundary-maintaining orientation to the nation – a result suggesting that the more extravagant claims of Castles et al. (1988) in *Mistaken Identity* about epochal cultural change have to be treated with caution. The majority of Australians, however, do indeed seem to be relatively open to outsiders and embrace civic (for example, ‘belief in institutions’) rather than ethnic (for example, ‘born in Australia’) criteria for inclusion (Jones 1997; Phillips 1998), even if they are lukewarm towards multiculturalism *per se* (Phillips 1996).

A problem for such work is that despite its intentions it remains hermeneutically thin. Secondary data analysis has compelled researchers to use items from orthodox survey batteries in sources such as the International Social Science Project, the Australian Electoral Survey, the Australian National Social Science Survey and the World Values Survey. This gives a political-science sheen to research, and moves us away from strongly cultural understandings of national identity as having text-like qualities of thick meaning and symbolism. This has not stopped researchers from re-reading such sources and understanding their items as tapping into the concerns of the Australian-studies and cultural-studies traditions – that is, as indicators of codes and narratives. For example, Timothy Phillips (1996) explored themes of inclusion and exclusion in the imagined community of the Australian nation using a Durkheimian framework and the secondary analysis of survey data. Nevertheless, his findings about the everyday classification of national ‘friends’ and ‘enemies’ resonates with prior discussions in the Australian-studies and Australian cultural-studies literature (Fiske, Hodge and Turner 1987; Turner 1994). Moreover, he is able to show that an orthodox national identity that codes, for example, Britain as a ‘friend’ and is opposed to an Australian republic is most strongly held by older, rural and less-educated survey respondents. Similar results have been obtained by Jones (1997) and Pakulski and Tranter (2000) using divergent samples and cultural frameworks. Hence, cultural sociology has started the arduous job of documenting how national cultural templates are grounded in constituencies – a task distinctive from that of decoding representations that has characterised cultural studies.

Other quantitative work has explored Australian national identity within more global contexts. Hence, Jones and Smith (2001) question the thesis of Australian exceptionalism and demonstrate that Australian citizens share a common pattern of commitment to civic and ethnic identity criteria with survey respondents in seventeen other countries. Phillips (2002) draws on Benedict Anderson’s ideas about imagined communities to investigate how global, local and national identities are interconnected in Australia. He suggests that we should move away from essentialist notions of national identity to understand Australians as situated within multiple and overlapping imagined communities. His analysis of survey-research data showed that tolerance of outsiders was better predicted by such intersections than by a unique commitment to Australia.

In subsequent focus-group research, Philip Smith and Timothy Phillips (2000) more explicitly tested models derived from paradigms of Australian studies and cultural studies, combining these with a Durkheimian interest in the sacred and profane.

Respondents from diverse backgrounds were asked to nominate 'Australian' (sacred) and 'UnAustralian' (profane) people, places, values, organisations and activities. A systematic analysis of the transcripts enabled inventories to be constructed. By and large, these confirmed claims about national icons and culture that had been long-established in the cultural-studies and Australian-studies fields. For example, the actor Paul Hogan was identified as 'Australian', as were the bush, the beach, helping other people, and so forth. When it came to the 'UnAustralian', the same authors discovered that incivility, selfishness and intolerance were at the heart of people, places, activities and values so labelled (Smith and Phillips 2001). This finding implicitly endorses the centrality of 'mateship' in the prior literature as a truly Australian quality. As we have suggested, such sociological work not only illustrates an emerging pattern of testing the interpretive models of cultural studies and Australian studies, but also places a greater emphasis on issues of data collection, reporting and inference. In addition, it should be noted that normative considerations drop out of the frame. Phillips and Smith report and theorise popular beliefs on the Australian and un-Australian, but do not speculate whether these are good or bad, whether they enhance liberty and freedom or reproduce mythologies with ideological effects. Depending on perspective, this reluctance to engage might be seen as a strength or weakness of the cultural-sociology approach.

The rapprochement of cultural studies with cultural sociology continues in methodologically rigorous investigation of cultural consumption in everyday life in Australia. Perhaps the flagship work in this genre is *Accounting for Tastes*, a collaborative endeavour involving the sociologist Michael Emmison and cultural-studies figures Tony Bennett and John Frow (Bennett, Emmison and Frow 1999). This project set out to replicate the famous sociologist Pierre Bourdieu's (1984) landmark *Distinction*. Using the methods of survey research, the study provided information on the cultural tastes and cultural consumption activities of more than 2,000 Australians. Bourdieu had been mostly interested in class correlations of cultural consumption. Bennett, Emmison and Frow found that other variables, such as gender and age, had stronger effects as predictors of, say, a person's favourite movie or musician. Importantly, they located evidence that distinctively 'Australian' cultural tastes might be dying out in an era of cultural globalisation (Emmison 1997). Although older people preferred domestic cultural products (films, musicians, and so on) younger people were more cosmopolitan in their choices. As the authors highlight, such findings can inform policy debates over the role of governments in providing appropriate cultural resources to the public. For example, measuring audience composition and tastes is important for examining the programming mix for public broadcasting.

In concluding, we note that a good proportion of interesting cultural research on Australia is now being conducted by scholars who are not in the Australian university system. Some leading figures such as Tony Bennett, John Frow and Colin Mercer, who facilitated the maturation of cultural studies in Australia, are at the time of writing employed by British institutions. We might speak, perhaps, of a boomerang effect, in which British cultural studies has been returned to its homeland with a new spin. Hence, Tony Bennett, who moved from the interdisciplinary environment of Griffith University to head the sociology department at Open University, is attempting to repli-

cate the *Accounting for Tastes* project for Britain. Other cultural research on Australia is coming from Australian expatriates, some of whom completed their doctorates in the US or Britain and have never had an academic posting in Australia. The work of sociologist Lyn Spillman on centennials and bicentennials in Australia and the US is one example. Drawing on Edward Shils's (1975) centre/periphery opposition, Spillman (1997) examines the role of elites in organising such events of collective memory and their relation to the various groups within the nation. While the centennial and bicentennial celebrations in each nation had the common objective of promoting unity among its members, there were considerable differences in the commemorative themes. For example, in Australia international recognition was much more important than in the US, although founding-moment history was considered much more important to Americans. In imagining the nation, Americans treated political values as core, while in contrast, Australians gave considerable attention to the land. In both countries there was a growing awareness of the problematic nature of national commemoration and moves to more celebratory modes of remembrance that used relatively diffuse and inclusive political rhetoric.

While only in its infancy, cultural sociology seems set to provide a strong alternative perspective for the analysis of Australia culture. One major advantage is that it is untainted by the 'discipline wars' of Australian studies and cultural studies (Turner 1996). Despite evident strengths, Australian studies is dogged by its suspicion of theory, its past-orientation, and its desire to map and perhaps promote a unique Australian nationalism. While cultural studies is theoretically strong and often imaginative, it remains dogged by a methodological and political stance that has prevented it from attaining due policy relevance in Australia. By contrast, Australian cultural sociology is open to an engagement with theory as well as the nation, but not to the extent of wearing its political heart on its sleeve. Cultural sociology also has the strong suit of a disciplinary grounding. While it has been fashionable, since at least the 1950s, to endorse the benefits of interdisciplinary research and teaching, the reality is that much of the best work continues to occur within established disciplines and by scholars who were educated within them. If cultural sociology continues to draw inspiration from contending paradigms and wed this to its own trumps in cultural theory, disciplinaryity and methods, it will have a strong hand to play over the next few decades in the ceaseless activity of interpreting Australia.

References

- Althusser, L. 1966. *For Marx*. London: Allen Lane.
- . 1971. *Lenin and Philosophy and Other Essays*. London: New Left Books.
- Barthes, Roland. 1957. *Mythologies*. London: Cape.
- . 1975. *The Pleasure of the Text*. London: Cape.
- Bean, C.E.W. 1934. *The Story of Anzac: From 4 May, 1915, to the Evacuation of the Gallipoli Peninsula*. Sydney: Angus and Robertson.
- Bean, Clive. 1993. Conservative cynicism – political culture in Australia. *International Journal of Public Opinion Research* 5(1):58–77.
- Bennett, T. 1998. *Culture: A Reformer's Science*. Sydney: Allen and Unwin.

- Bennett, T., M. Emmison and J. Frow. 1999. *Accounting for Tastes: Australian Everyday Cultures*. Melbourne: Cambridge University Press.
- Bourdieu, P. 1984. *Distinction*. London: Routledge and Kegan Paul.
- Boyd, R. 1960. *The Australian Ugliness*. Melbourne: Cheshire.
- Castles, S., M. Kalantzis, W. Cope and M. Morrissey. 1988. *Mistaken Identity: Multiculturalism and the Demise of Nationalism in Australia*. Sydney: Pluto Press.
- Clark, M. 1962–1987. *A History of Australia*. 6 vols. Melbourne: Melbourne University Press.
- . 1980. 'The quest for Australian identity' in *Occasional Writings and Speeches*. Melbourne: Fontana/Collins.
- Collins, J. 1988. *Migrant Hands in a Distant Land*. Sydney: Pluto Press.
- Conway, R. 1978. *Land of the Long Weekend*. Melbourne: Sun Books.
- Crawford, R.M. 1955. The Australian national character, myth and reality. *Journal of World History* 2:704–27.
- Davison, G. 1978. Sydney and the bush. *Historical Studies* 18:191–209.
- Docker, J. 1978. Australian studies forum. *Meanjin* 37(3):23–8.
- Emmison, M. 1997. Transformations of taste: Americanisation, generational change and Australian cultural consumption. *Australian and New Zealand Journal of Sociology* 33(3):322–43.
- Emmison, M., and M. Western. 1990. Social class and social identity. *Sociology* 24(2):241–53.
- Fiske, J. 1989. *Reading the Popular*. Boston: Unwin Hyman.
- Fiske, J., B. Hodge and G. Turner. 1987. *Myths of Oz: Reading Australian Popular Culture*. Sydney: Allen and Unwin.
- Gramsci, A. 1971. *Selections from the Prison Notebooks*. London: New Left Books.
- Hall, S. 1973. 'The determinations of news photographs' in *The Manufacture of News*. Edited by S. Cohen and J. Young. London: Constable.
- . 1983. 'The great moving right show' in *The Politics of Thatcherism*. Edited by S. Hall and M. Jacques. London: Lawrence and Wishart.
- . 1985. Signification, representation, ideology: Althusser and the post-structuralist debates. *Critical Studies in Mass Communication* 2:91–114.
- Hall, S., C. Critcher, T. Jefferson, J. Clarke and B. Roberts. 1978. *Policing the Crisis*. London: Macmillan.
- Hall, S., and T. Jefferson. 1976. *Resistance through Rituals*. London: Harper Collins Academic.
- Hancock, W.K. 1930. *Australia*. London: Ernest Benn.
- Hebdige, D. 1979. *Subculture*. London: Methuen.
- Hoggart, R. 1957. *The Uses of Literacy*. London: Chatto and Windus.
- Horne, D. 1964. *The Lucky Country*. Harmondsworth: Penguin.
- Hughes, R. 1966. *The Art of Australia*. Harmondsworth: Penguin.
- Jones, F. 1997. Ethnic diversity and national identity. *Australian and New Zealand Journal of Sociology* 33(3):285–305.
- Jones, F., and P. Smith. 2001. Diversity and commonality in national identities: An exploratory analysis of cross-national patterns. *Journal of Sociology* 37(1):45–63.
- Jupp, J. 2001. 'Building a nation' in *The Australian People: An Encyclopedia of the Nation, Its People and Their Origin*. 2nd ed. Edited by J. Jupp. Melbourne: Cambridge University Press.
- Kalantzis, M. 2000. 'Multicultural citizenship' in *Rethinking Australian Citizenship*. Edited by W. Hudson and J. Kane. Melbourne: Cambridge University Press.
- Lake, M. 1986. The politics of respectability. *Historical Studies* 22:116–31.
- Lévi-Strauss, C. 1966. *The Savage Mind*. London: Weidenfeld and Nicolson.
- McAllister, I. 1997. 'Political culture and national identity' in *New Developments in Australian Politics*. Edited by B. Galligan, I. McAllister and J. Ravenhill. Melbourne: Macmillan.

- . 1998. Civic education and political knowledge in Australia. *Australian Journal of Political Science* 33(1):7–23.
- McGregor, C. 1966. *Profile of Australia*. Harmondsworth: Penguin.
- McQueen, H. 1970. *A New Britannia*. Melbourne: Penguin.
- . 1973. 'The suckling society' in *Australian Politics: A Third Reader*. Edited by H. Mayer and H. Nelson. Melbourne: Cheshire.
- Morris, M. 1990. A small serve of spaghetti. *Meanjin* 49(3):470–80.
- Pakulski, J., and B. Tranter. 2000. Civic, ethnic and denizen identity in Australia. *Journal of Sociology* 36(2):205–22.
- Palmer, V. 1966. *The Legend of the Nineties*. Melbourne: Melbourne University Press.
- Papadakis, E. 1999. Constituents of confidence and mistrust in Australian institutions. *Australian Journal of Political Science* 34(1):75–93.
- Phillips, A. 1958. *The Australian Tradition*. Melbourne: Cheshire.
- Phillips, T. 1996. Symbolic boundaries and national identity in Australia. *British Journal of Sociology* 47(1):113–34.
- . 1998. Popular views about Australian identity. *Journal of Sociology* 34(3):281–302.
- . 2002. Imagined communities and self-identity: An exploratory quantitative analysis. *Sociology* 36(3):593–613.
- Phillips, T., and P. Smith. 2000. What is Australian? Knowledge and attitudes among a gallery of contemporary Australians. *Australian Journal of Political Science* 35(2):203–24.
- Reynolds, H. 1982. *The Other Side of the Frontier*. Melbourne: Penguin.
- Said, E. 1983. 'Travelling theory' in *The World, the Text, and the Critic*. Cambridge MA: Harvard University Press.
- Sherwood, S., P. Smith and J. Alexander. 1993. The British are coming ... again! The hidden agenda of cultural studies. *Contemporary Sociology* 22(2):370–5.
- Shils, E. 1975. *Center and Periphery: Essays in Macrosociology*. Chicago: University of Chicago Press.
- Smith, P., and T. Phillips. 2001. Popular understandings of 'UnAustralian': An investigation of the un-national. *Journal of Sociology* 37(4):323–39.
- Spillman, L. 1997. *Nation and Commemoration: Creating National Identities in the United States and Australia*. New York: Cambridge University Press.
- Thompson, E. 1994. *Fair Enough: Egalitarianism in Australia*. Sydney: UNSW Press.
- Turner, G. 1986. *National Fictions: Literature, Film, and the Construction of Australian Narrative*. Sydney: Allen and Unwin.
- . 1994. *Making it National: Nationalism and Australian Popular Culture*. Sydney: Allen and Unwin.
- . 1991. Return to Oz. *Meanjin* 50(1):19–31.
- . 1996. Discipline wars: Australian studies, cultural studies and the analysis of national culture. *Journal of Australian Studies* 50/51:6–17.
- Walter, J. 1989. *Australian Studies: A Survey*. Melbourne: Oxford University Press.
- Ward, R. 1958. *The Australian Legend*. Melbourne: Oxford University Press.
- West, B., and P. Smith. 1996. Drought, discourse and Durkheim. *Australian and New Zealand Journal of Sociology* 32(1):93–102.
- White, R. 1981. *Inventing Australia*. Sydney: Allen and Unwin.
- Williams, R. 1958. *Culture and Society*. London: Chatto and Windus
- . 1977. *Marxism and Literature*. Oxford: Oxford University Press.

Sociological Theory

Peter Beilharz

In 1970, Perry Anderson signalled the future project of *New Left Review*. The essay became famous: it was entitled 'Components of the national culture'. British radical intellectual culture was deficient, compared to that of the Continent, according to this argument because there was no English Weber or Durkheim, let alone Marx (Anderson, P. 1970). The imperative was clear: to import high-powered Continental theory, and, in consequence, to deny the existence of local alternatives, from Cobbett through to Carlyle, Ruskin, Morris, Tawney, the Webbs, Woolves and Coles (Beilharz and Nyland 1998).

Twenty years earlier, an Australian named Bernard Smith voyaged from Sydney to London to work on Australian art at the Courtauld Institute. His encounter with Anthony Blunt, the director there, was decisive. Blunt asked what Smith meant to work on. Smith indicated that his project was to establish the nature of Australian art in the context of imperial expedition. Blunt responded that there was no such thing as Australian art, and sent Smith on to the Warburg Institute, where he generated the basis of the very finest work in Australian scholarly writing: *European Vision and the South Pacific* (Smith 1960; Beilharz 1997a).

Is there, could there then, be such a thing as sociological theory in Australia? There is, of course, this leaving aside for the moment the question of its peculiarly antipodean character: Australian sociology or sociology in Australia? Sociology in Australia has been theorised for as long as it has been conducted, formally or informally; and of course its character has been connected to and influenced by the European origins and US institutionalisation of the classics, not least Marx, Weber and Durkheim. In this, the practice of sociology in Australia is no different to anywhere else, given that the canon is French and German, and that the US example always remains central, as the only place where sociology dug in a century ago as an academic discipline, in Chicago.

But even the Americans have their momentary encounters with uncertainty, if not crisis, when there is cause to ponder the idea that most US sociological theory is conspicuously European rather than North American in style and content. These days you can add in Charlotte Perkins Gilman, W.E.B. Du Bois, Dorothy Smith and Richard Sennett, but the closest the Americans have to a local tradition is pragmatism (Seidman 1996). So that the entire project of sociology can be properly viewed again as European, US and global, imperial and colonial, but with the twist that the empires (or colonies) speak back, and if you look now at publishers' catalogues, say, in Britain,

what is surprising is the disproportionate numbers of antipodeans appearing there – just like Hollywood. Cultural traffic works both ways, between peripheries and centres, and not only unilaterally (Connell 1997).

This kind of sensibility is precisely the insight of a body of work like Bernard Smith's. Working on a long, global and comparative frame, Smith's view is that there is a strong and necessary relationship between the culture of peripheries and the centres, and not just the other way around. Culture flows uphill, to the centres, and not only out, to the peripheries; and the centres, in any case, like New York and London, are often only crossroads in traffic and markets for people and ideas whose origins lie elsewhere. Romanticism, primitivism, exoticism are vital to the cultures of the centres, and they are often imagined as elsewhere in their own origins (Beilharz 1997a). What this also indicates, however, is that when it comes to social theory in Australia, you need to look elsewhere than in the academy or within sociology in order to avoid Perry Anderson's fallacy, or that of the drunk looking under the lamppost for her keys.

In a new world culture of immodest, convict origins, in a culture without a virile industrialising bourgeoisie to lead economy and encourage aesthetic modernism into the twentieth century, the results will be different for sociology, as elsewhere. In a national experience with neither the extreme wealth nor the desperate inequality of the United States across the same period, the political and institutional demand for sociology and for theory will be different. So we may indeed need to look elsewhere to find sociological theory – to the work, say, of a cultural historian like Smith, or a geographer, geologist, comparativist like George Seddon. For Seddon, like Smith, is the creature of these peculiar circumstances, where national cultures that we are accustomed to think of monoculturally as separate are all mixed up, and a relatively small population with a less specialised division of labour means that intellectuals are sometimes inclined or obliged to be multiskilled, to know, in Seddon's case, not only about literature and society, but about nature and culture at the same time (Seddon 1997).

Perhaps this means, then, that in their own ways the Antipodes are exceptional, that the view from down-under is different because disciplinary boundaries are less well-policed, academic professions less self-reproductive, and because we need from the Antipodes to know about other worlds as the precondition of knowing our own; we need to look out in order to look in, for our national culture was global in its inception and has only become more so since the eighteenth century. Perhaps, by other criteria, this serves to remind that the more fruitful parallels might be the sociologies and theories of other settler-capitalist experiences, from Canada to South America.

What do we mean, then, by theory? An older approach would identify theory with philosophy, or *theoria*. A more utilitarian approach – which is what we sociologists are told we represent – connects theory more directly to method or frame, and more abstractly perhaps to epistemology. The conventional US distinctions guide us between Grand Theory and Middle Range Theory, more latterly Grounded Theory or the Theory of Practice. Certainly theory can be embodied, or embedded in our work, but it ought also retain its classical connotations, where it is comparative and generalising. The larger issue remains that in an instrumental culture, theory is used as nothing more than a tool, as contrasted to a broader culture of critique or inquiry (Beilharz 1992).

Whatever the case, this still leaves us with a degree of unease about definition. Social theory, or sociological theory? In my experience, sociological theory is a US category that reflects the extraordinary strength and vitality but also the relative insularity of the sociological profession in that country. The US experience considerably narrows the old European association of sociology and philosophy. US sociology is driven by a sense of social problems, and methods with which to frame them. The rise of cultural sociology in the USA has moderated this fundamental orientation, but without opening a space for the classical concerns of the good society. Ethics here refers to a bureaucratic procedure concerning sentient subjects, not the question of how we ought live (Beilharz 1997b). If sociology in Australia is so much less well-developed or entrenched than this, then one positive result is a relative openness to matters such as these. For this reason, the proper concern of this chapter is closer to social theory than sociological theory, even though the focus remains on sociology departments or programs as the sites of cultural production.

An alternative approach would be to follow Bernard Smith's distinction between art in the general and in the special sense (Smith 1996). This distinction applies elsewhere, as to culture in the anthropological and aesthetic sense, or to sociology, in the all-inclusive or specific sense. The anomaly of sociology is to claim all that is social as its domain, this in a setting where the turf has already been divided by those who arrived earlier and who understood, as Durkheim did, that professional authority depends on a legitimate claim to a monopoly of knowledge. We sociologists have no such claim. Instead, as Wolf Lepenies (1986) neatly put it, sociology emerges as the attempts to bridge literature and science, and we therefore in our own terms invariably err towards one or the other; while viewed from the outside our project falls between stools.

History

Social theory, like sociology in Australia, has a history, though not always self-evidently as an academic discipline. Just as social theory today occurs elsewhere, as in the work of mavericks like Smith or Seddon, so has sociology long occurred elsewhere again, in political science, social administration, social work, education, anthropology, as in Britain, or further afield, in agricultural science or behavioural sciences. Its prelife, in Australia, is almost invariably connected with the British heritage, here with that of new liberalism or Fabianism (Rowse 1978; Macintyre 1991; Mathews 1993; Melleuish 1995; Beilharz, Considine and Watts 1992). Its orientation is practical, or pragmatic, but it connects back to the image of the good society via T.H. Green and the later John Stuart Mill. This tradition is traced from Francis Anderson's *Plea for Sociology* (1912) to A.P. Elkin's Sydney Institute for Sociology into the 1940s. It has hallmarks like C.H. Northcott's *Australian Social Development* (1918), H.V. Evatt's *Liberalism in Australia* (1915; see also Beilharz 1993), and comparatively, W. Pember Reeves's *State Experiments in Australia and New Zealand* (1902). It has Marxist moments, as in V.G. Childe's pioneering work in the political sociology of labour, *How Labour Governs* (1923; see also Beilharz 1995).

Political sociology in Australia has a life of its own, though the trend has been for its delivery to occur through the discipline of politics rather than sociology. Its greatest

practitioner was arguably something of a sociologist as well as a psychologist, and a Fabian to boot: A.F. Davies. His follower, in impact if not entirely in nature, was Michael Pusey, via Habermas. But probably the greatest works in Australian sociology have been written by historians, from W.K. Hancock's *Australia* (1930) through to the work of Stuart Macintyre (in the latter case, in addition, the connection is significant because historians take the history of sociology more seriously than sociologists do, which serves to remind indirectly of the related weakness of historical sociology in Australia).

In theoretical terms, we can also trace the presence of sociology through education, a lineage that runs from the advocacy of Francis Anderson to the work of Bill and Bob Connell, to Richard Teese and Simon Marginson, as in the long French lineage from Durkheim to Bourdieu. Yet the story of sociological theory more conventionally defined has to begin with the establishment of sociology departments in the redgum universities from the 1960s. Its pioneers were first Weberians such as Sol Encel, pluralist engagements with ethnicity such as those of Jean Martin, stratification and community studies works like Ron Wild's and Lois Bryson's, and then, as the 1960s peaked into the 1970s, labour history and class analysis led by Marxists like Bob Connell. The institutionalisation of sociology in Australia is inextricable from the moment of the 1960s, the new social movements, the Vietnam War and 1968, Marx, Freud and Marcuse, feminism, sex, drugs and rock-and-roll, imported US radical anti-Americanism. Into the 1980s, hyphens ruled, and they were, especially, class-race-gender, more particularly Marxism-feminism.

The epoch of the hyphens is significant, for it indicates two central dimensions of Australian sociological theory in its university phase. First, the focus is on domination, on critique or ghost-busting, acting out the old Enlightenment strategy of unmasking inequality, especially in terms of arguments about capitalism and patriarchy. Power came first; culture was only to follow later, and then, its own turn, become dominant as cultural studies, where issues of representation, or symbolic resources, stand in for concerns with material culture (Beilharz 2001). Second, the period enthusiasm for big-picture inclusiveness revived the older, US fetish for Grand Theory that would explain everything, in which case it was commonly deemed impermissible to talk about class without also talking about race or gender, as applicable. The greatest achievement of this kind of syncretistic sociology was the pre-Blair work of Tony Giddens. It was only more recently that more modest approaches revived, within the scope of which, for example, it was quite legitimate to advocate a feminism without hyphens, with gender as a sufficient sociological concern. The relative modesty of this more focused scope, after postmodernism, likely reflects the rediscovered sense that the totality cannot be totally comprehended, let alone turned over by revolutionary or academic means (Beilharz 1994).

The profession

So now, into the 1970s, there was something like a sociology profession, even if its members looked like hippies. There was an association, now connected with the other Antipode in New Zealand, now separate; and a journal, the *Australian and New Zealand Journal of Sociology* (ANZJS, born 1965), recently globalised (2001) into a formally geographically

unplaced version as *Journal of Sociology* (JOS) with Sage Publications. There were sociology majors and graduate programs, especially in the eastern states, and La Trobe, with more than forty full-time faculty, claimed to be the biggest sociology department in the southern hemisphere; probably there were few bigger in the north, as well. By the 1990s, sociology departments had shrunk, often by half, and some sociological interests reverted to historical pattern by shifting sideways, not least into health (Beilharz and Hogan 2002).

What did these sociologists do? Not too much theory, for the instrumental turn and the market logic of the new system after Dawkins has served to marginalise theory as beyond use and profit. Those graduates of the present generation who write theory dissertations and hope to teach in the area will have to turn to the USA for job opportunities. For others, theory will remain a methodological or instrumental concern. Thus, for example, a breakdown of articles in the ANZJS over the period from 1993 to 1999 reveals a concentration of articles in sex and gender (thirty-six articles), health (thirty) and work (twenty-seven). Postmodernism and theory come in with seven appearances each.

Plainly one issue here is that theory happens elsewhere – in philosophy, in cultural studies, or in dedicated centres such as the Ashworth Centre for Social Theory (Melbourne), the Postcolonial Studies Institute (Melbourne), and the Thesis Eleven Centre for Critical Theory (La Trobe), or kindred centres like the Centre for Cross-Cultural Analysis (Australian National University), or the Power Institute of Fine Art (Sydney). It happens in history programs, as historiography, as it does in the work of mavericks like Hugh Stretton, George Seddon and Bernard Smith. And it happens in journals outside the mainstream ANZJS/JOS, in journals like *Arena*, *Thesis Eleven*, *Australian Feminist Studies* and, until recently, *Political Theory Newsletter*. Dedicated journals like these in some ways serve to reinforce the problem they initially react against: an indifference to theory in the mainstream. There seems to be no evident solution to this paradox.

Yet the problem remains that through this process there is generated a distinction between avant-garde theory sites and the mainstream, which draws only hesitantly on the innovations that occur upstream. If this is indeed the case, then these problems resemble those in US sociology, where the 400-member Theory Section of the American Sociological Association (itself the same size as the entire membership of the Australian association) leads on in a more traditional sociological-theory manner, while perhaps more innovative work occurs in the Culture Section, but the vast majority of the 14,000-strong membership labours on with more conventional, standard-equipment tools. Research by Jane Lord and Stephen Sanderson into this field makes it plain that the effects of the theoretical cutting edge are corralled off from the mainstream. If the US theorists are excited by Habermas and Bourdieu, whose working insights should really be mainstream rather than radical, then the sociologists in the field are still committed to a weaker kind of critical Weberianism (Lord and Sanderson 1999). Obviously the US canon is distinct to whatever works as a canon in Australia, not least because the canon of sociological theory was established by the Americans, for whom Parsons and Merton or Coleman remain obligatory reference points.

Perhaps because of the period intersection of Anglo influences and the radicalism of the 1960s, Australian reference points for the establishment of the redgum departments were as often English as American, perhaps more so. Marcuse and the humanist

Marx were plainly influential in that period, but then, into the 1970s, Perry Anderson's strategy of cultural importation from the Continent had peaked, and its products worked their way through to the Antipodes. The tough structural Marxism of Althusser stamped out the influence of humanism, except for those circles where the western Marxism of Gramsci, Lukács and Korsch or the Frankfurt School remained. The influence of Althusser, delivered by *New Left Review*, redirected locally through journals like *Intervention*, was extraordinary, for it impacted upon political economy and cultural studies. This was the period in the mid-1970s when the new-found political-economy push was so big that it called itself the political-economy movement; like the coincident women and labour conferences, these events, conferences and journals almost eclipsed, or at least equalled, the presence of academic sociology at the time.

The increasing influence of British refugees from Thatcherism in the Australian academy reinforced this; indeed, our gains included no less than half of Hindess and Hirst, the leading English Marxist current for which Althusser led closely to Foucault. And so it came to pass, across the 1980s, that the hegemonic figure of Marx in radical sociology was replaced by that of Foucault. This was a fascinating conjuncture. The hegemony of French theory had become so heavy that it would make best sense for inmates to shift, serially, from Althusser to Foucault, a French Marxist to a post-Marxist, rather than to shift sideways, say, to Castoriadis, Heller, Bauman or Touraine, let alone back to Gramsci (even though Gramsci remains by many criteria the more subtle and suggestive thinker, and even though Gramsci had been discovered hitherto in English by Alastair Davidson, in Melbourne; Gramsci's fate was to be read back through Althusser, as ideology-critique or cultural studies.) Nor, given the immediate predominance of Marxism, was Weber easily available to those weary of Althusser; yet the attraction of Foucault's critique of power seemed often to be that it was practically Weberian, more broad-based than the critique of political economy in Marx. Nor again, given that Foucault came after Althusser in the Anglo-French interpretation, was it readily possible for Australian radical sociologists to turn, say, to the work of Goffman, whose broader curiosities in institutions were only partly evident in Foucault's critique of asylum, clinic and prison. Australians largely missed out on trends such as ethnomethodology, at least as theories.

For feminism, too, Foucault seemed obvious because the Marxist-feminist current was additive, hyphenated perhaps more than integrated. The centrality of embodiment to Foucault's work was attractive to this rising generation. Foucault pluralised the populism of Marx, adding on institutions to class and gender; as was often observed of the British correspondence of Thatcherism and structuralism, the radical ideology here was one of defeat, where all institutions were based on domination and oppression and all social relations on power. The we-can-change-the-world humanist optimism of the 1960s was almost completely subsumed by the structuralist miserablism of the 1980s, for which the best sociology is denunciation, the unremitting critique of unshiftable domination.

Probably the best fit of Foucauldianism with sociology was in legal studies, where, after all, institutional life is unremittingly bleak, and in the growing cause of Indigenous studies. The image of society as prison may well not explain institutions like the hospital or the university, but it does connect to prior historical experience, and not

least to the experience of tragedies such as black deaths in custody. In some white critics, such as Tim Rowse, the shift from Marx to Foucault, which came together with the shift from the critique of liberalism to that of its dark underside in Aboriginal life, was smooth and noiseless (Rowse 1998). The road from Marx went to Foucault; those coming late knew only the latter. The classics sank, almost, without trace.

Regions and differences

Throughout this period, the influence of the French-Anglo turn was overwhelming. German sociology and social theory has never had this kind of hold over work in Australian sociology, which has rather in institutional or academic terms been mediated via Britain (and then by the Continent via Britain), and more lately via US sociology (with its own construction of a European canon). Who, in all this, say, read Simmel? Only those connected to the German tradition of critical theory, at least until Simmel was reinvented as a postmodernist into the 1990s. (A chapter of the worldwide Georg Simmel Society was formed in Melbourne in the mid-1990s, but its purpose was modern: to come to grips with *The Philosophy of Money*.) More, the influence of French thinking was philosophical and psychoanalytical, not least via the University of Sydney and the work of world-leaders such as Elizabeth Grosz; but this led, more often, say, to enthusiasm for philosophy of the body than to the sociology of embodiment (sociology of the emotions was to surface ten years later, not least via the work of Jack Barbalet).

The impact of Bryan Turner's work, from *Grand Theory* to the body and citizenship, here and abroad, deserves recognition. Thinkers like Grosz led the way in psychoanalysis, as did John Lechte, on Kristeva, Russell Grigg, on Lacan, and Doug Kirsner, on US psychoanalysis. There were other enthusiasms, of course: for the first generation of cultural studies, Hoggart, Raymond Williams and the Birmingham School per Andrew Milner (Monash) in class and literature, or Paul Jones (New South Wales) in media, or Colin Mercer (Griffith) in cultural industry studies; for the world-systems theory of Wallerstein, in the work of Malcolm Alexander (Griffith) or Phil McMichael (Cornell); for Elias, in the work of Robert van Krieken (Sydney) or Stephen Mennell (Monash and Dublin); and for Foucault as historical sociologist, Mitchell Dean (Macquarie).

Into the 1980s, the temptation was to think of Sydney following the French, Melbourne the Germans. If this was so then, it is not now; in any case, as David Roberts mischievously observed, French theory was always German anyway, its ghosts being Nietzsche and Heidegger, while German theory, in comparison, has most recently been French, given the commitment of Habermas, its central figure, to fulfilling the project of Enlightenment (Roberts 1994).

City by city or region, theoretical enthusiasms vary. The French influence was abundant everywhere. The Budapest School offered a countervailing influence in the period of its Australian exile between 1978 and 1986. These leading students of Lukács escaped from persecution in Hungary to Melbourne (Agnes Heller, Ferenc Fehér), Sydney (George and Maria Markus) and Adelaide (Ivan Szelenyi). Of these, it was Maria Markus and Ivan Szelenyi who as sociologists more directly affected the mainstream; while

appointed to the Sociology Department at La Trobe, Heller worked the European combination of philosophy and sociology that followed the Marxism of Lukács, 'so much the worse for the facts'. Other emigrants, such as Johann Arnason, brought contact with the breadth of European traditions to La Trobe. French influence was strong in Brisbane (Griffith) and Perth (Murdoch), where ecology also figured as a significant influence.

The influence of the Erik Wright project has been keen in Canberra and now at the University of Queensland, where cultural sociology has also been present in the work of Phil Smith, Tony Bennett, Mike Emmison and others. Deakin has been home for a long time to supporters of Freudian psychoanalysis. The small, newly established program presence of sociology at the oldest universities, Sydney and Melbourne, has reflected enthusiasm for Elias and Touraine. Neo-Marxist mavericks like Boris Frankel still pursue critical theory, now from Swinburne. Hobart has been the home of critical Weberianism, not least in the hands of Malcolm Waters and Jan Pakulski. Sociology in the research school at the Australian National University has all but disappeared, though the Research School of Social Sciences has long counted among its strengths a world-renowned program for social and political theory. Rural and regional sociology, traditionally a marginal field, seems poised to make a mark in debates of globalisation and polarisation (Grey and Lawrence 2001).

The spread of sociological theory around the edge culture of Australia is considerable, and varied in enthusiasm and inflection. Yet it is difficult, all the same, to avoid the sense that much of the work in Australian academic sociology since its inception into the 1960s is organised around the populist trifecta of class-race-gender, and in this regard it was probably closer in sympathy to British than US sociology over this period, connecting in sympathy with US sociological theory where obvious, here into C. Wright Mills and Alvin Gouldner, as muckraking, ghost-busting sociology. Publishers kept waiting for the Next Big Thing, the Next Big Theorist (they still do); after Foucault, it could have been Lyotard, or Vattimo, or Zizek, though none of these would be easy to operationalise sociologically. The Biggest Big Animal in the background always remained Tony Giddens, for the sociological syncretism of his project consistently appealed to the totalising or systemic ambitions of the period; there was something here, almost, for everybody. As British sociology took its own Continental turn, not least through Giddens's sociology and the labours of his sociology-importing firm, the Polity Press, Perry Anderson's complaint about the absence of a muscular local sociology would lose more and more of its clout; Continental social theory, at least in this Anglo rendition, now ruled. Into the present period, this would see the bizarre phenomenon of a three-legged theoretical dog dominating British and Australian sociology alike – Beck/Giddens/Bauman, the syncretism serving completely to erase substantial differences between the popularisers (Giddens and Beck) and the legacy of East European critical theory (in the case of Bauman) (Beilharz 2000).

As Chilla Bulbeck notes in her chapter in this volume, sociology has also been feminised across these decades. Its largest interest groups are gender/medical/family (22.3 per cent) and social theory/cultural studies (20.3 per cent), though the apparent dissonance between this latter count and what appears in the journal is remarkable. What kind of theory is this, not least with reference to feminism? As Sue Sheridan famously

put it, Australian feminists are good at grafts, which is another way of indicating the capacity for cultural innovation captured by Bernard Smith with the idea of cultural traffic (Sheridan 1988). The tenor of Australian feminism as observed from outside is certainly French more than German. It seems to me that there are two main streams, one closer to philosophy, the other to policy (and thereby to sociology; political theory has its own exemplars, as in Genevieve Lloyd, Carole Pateman and Moira Gatens). The French stream, exemplified by Grosz's work, travels; it is not peculiarly antipodean.

The policy stream is more specific to Australia, representing the significance of femocracy and the traffic between the academy, policy and civil service. There are crossovers, of course, in the work of leading feminists such as Anna Yeatman and Sophie Watson, or differently, in sociology and anthropology, with scholars like Gill Bottomley. What is relatively less well-developed in Australia is the crossover between critical theory and feminism. There are those who stretch across feminism and Frankfurt, including Rita Felski, Kerreen Reiger, Pauline Johnson and Lesley Johnson; and others whose sympathies stretch further again, perhaps, to ecology, as in Freya Mathews and Robyn Eckersley. Given the extraordinary hegemony of French feminism and its psychoanalytic predisposition, there seems to be less work in Australia of the kind associated in the USA with Nancy Fraser, Linda Nicholson, Seyla Benhabib, Jean Cohen or Peggy Somers. Other locals, such as Meaghan Morris or Elspeth Probyn, work mainly in cultural studies. Other feminists again, like Anne Game, have stayed with sociology while seeking to save it from its dispassionate defenders (Game and Metcalfe 1996).

The central dynamic in this dominant history of sociological theory in Australia seems apparent: these arguments, however theorised, are organised in terms of a populist and dualistic logic, where the story of Australian society is told as us and them, or as the critique of domination, capitalism, patriarchy or white European power. This seems to me to follow the path of an older Australian left critique in historiography, whether labourist or Marxist, which divides society into two parts, the people and their enemies, oppressors and oppressed, and too easily positions sociologists, as critics, as representatives of the oppressed, concealing their own middle-class interests in the representation of other causes (see Pels 2000). While it true that the shift to a creative, rather than merely miserablist reading of Foucault could also generate more positive openings, the residual sense remains that white Australia's achievement is minimal if not negative, that the creativity of action lies elsewhere, too far gone, or too far away.

Other places

Likely the proponents of cultural theory defend that category on the grounds that it is bigger, more inclusive than sociological or social theory. The idea of social theory, in Australia, can in turn claim to be more comprehensive in scope because, by virtue of its traditional connection with the classics, it aspires to connect up culture and power, and not only to cover all that is social in the general sense. Perhaps, before closing, it is appropriate to glance at some places of social theory outside the academy, or on its edge.

The journal (and later also magazine) *Arena* has been referred to as the Frankfurt School in the Bush. Formed from the post-1956 fallout from the Communist Party, *Arena* became home to several generations of Marxist humanists. The diversity of radical and western Marxist themes covered in its pages came together with the 'Arena thesis', concerning the intellectually trained. (*Thesis Eleven*, formed in 1980, in comparison had no thesis save that of Marx's Eleventh Thesis on Feuerbach, which soon melted as the forces of global change shifted to the right with the rise of neoliberalism.) Intellectuals, for *Arena*, seemed to represent the solution rather than the problem (as Zygmunt Bauman would later advise). As Geoff Sharp, its leading advocate, put it in summary form: 'the intellectual culture carries within its basic structure the prototype of the socialist society' (Sharp, cited in Scalmer 2002:127). The intellectually trained were supposed to act, by default, in the role that Marx had given to the proletariat. Scalmer connects the *Arena* thesis and project especially to the events of 1968.

Thesis Eleven, by comparison, emerged from a later Marxist moment, after the collapse of Eurocommunism and the renewed and heightened sense of the crisis of Marxism. Critical theory could only survive in this setting if it opened out onto other ways of thinking, from structuralism to hermeneutics, and then in turn onto fields of historical sociology, multiple or alternative modernities. *Thesis Eleven* has come to be a major bearer of cultural traffic, as well as analysing its movements from periphery to centre and laterally, across the Antipodes. It was the major English-language site for the Budapest School and Bauman, and leading translator of the work of Castoriadis, after *Telos*. The newly formed Thesis Eleven Centre for Critical Theory will seek to extend these commitments across the Pacific and Atlantic.

Social theory or critique might also, finally, be associated with the activity of public intellectuals, though given the utilitarian style of Australian culture it is often the case here that public intellectuals are celebrities skilled at impression management rather than social theorists in any but a residual sense. Certainly sociology as social theory has been exercised in public as the critique of economic rationalism, for economic rationalism is premised on that same individualism that sociology originally set itself against a century ago (Pusey 1991; Seidman 1983). In this regard, it is important to note the relative absence in the history of Australian social theory of the kind of intelligent conservatism which, in other national cultures, draws on the tradition of Burke or Tocqueville, or that follows Durkheim's solidarism. The sole, influential exception today in sociology here is in the work of John Carroll (1998).

Social theory, and sociological theory in Australia, then, has been dominated by a left populist discourse, which itself reflects in turn the dominance of a local Anglo left and labour movement in the intellectual culture and politics of the nation. This hegemony has been insufficiently contested from its left, and only occasionally destabilised from the right (thought this trend may now itself be eroding under global pressure). Sociology before the 1960s is reforming, or labourist in inflection. As a 1960s phenomenon, sociology is redbrick, redgum, and so has its theory been. Social theory in this story reflects time and place; the influence of the new social movements, the radical turn of the 1960s is then academised and institutionalised, and into the 1990s transformed into culture industries in turn. Social theory remains European, and not;

British, and not; American, and more, though it could be more again, were it to rise more fully to the challenge of being antipodean.

References

- Anderson, F. 1912. *Sociology in Australia: A Plea for its Teaching*. Sydney: Angus and Robertson.
- Anderson, P. 1970. 'Components of the national culture' in *Student Power: Problems, Diagnosis, Action*. Edited by A. Cockburn and R. Blackburn. Harmondsworth: Penguin.
- Beilharz, P. (ed.). 1992. *Social Theory: A Guide to Central Thinkers*. Sydney: Allen and Unwin.
- . H.V. Evatt – Labor's new liberal? *Australian Journal of Politics and History* 39(2): 160–70.
- . 1994. *Postmodern Socialism: Romanticism, City and State*. Melbourne: Melbourne University Press.
- . 1995. 'Childe and social theory' in *Childe and Australia: Archaeology, Politics, and Ideas*. Edited by P. Gathercole, T.H. Irving and G. Melleuish. Brisbane: University of Queensland Press.
- . 1997a. *Imagining the Antipodes: Theory, Culture and the Visual in the Work of Bernard Smith*. Melbourne: Cambridge University Press.
- . 1997b. Sociology and ethics. *ASA Theory Section Perspectives* 19(1).
- . 2000. *Zygmunt Bauman – Dialectic of Modernity*. London: Sage.
- . 2001. The prosthetic fetish-worlds we are losing. *New Zealand Sociology* 16(1).
- Beilharz, P., M. Considine and R. Watts. 1992. *Arguing about the Welfare State: The Australian Experience*. Sydney: Allen and Unwin.
- Beilharz, P., and C. Nyland (eds). 1998. *The Webbs, Fabianism and Feminism*. London: Ashgate.
- Carroll, J. 1998. *Ego and Soul: The Modern West in Search of Meaning*. Sydney: Harper Collins.
- Childe, V.G. 1923. *How Labour Governs: A Study of Workers' Representation in Australia*. London: Labour Publishing.
- . 1964. *How Labour Governs: A Study of Workers' Representation in Australia*. 2nd ed. Melbourne: Melbourne University Press.
- Connell, R.W. 1997. Why is classical theory 'classical'? *American Journal of Sociology* 102(6): 1511–57.
- Evatt, H.V. 1918. *Liberalism in Australia*. Sydney: Law Book Company.
- Game, A., and A. Metcalfe 1996. *Passionate Sociology*. London: Sage.
- Grey, I., and G. Lawrence 2001. *A Future for Regional Australia*. Melbourne: Cambridge University Press.
- Hancock, W.K. 1930. *Australia*. London: Ernest Benn.
- Lepenes, W. 1986. *Between Science and Literature*. Cambridge: Cambridge University Press.
- Lord, J.T., and S.K. Sanderson. 1999. Current theoretical and political perspectives of western sociological theorists. *American Sociologist* 30: 42–66.
- Macintyre, S. 1991. *A Colonial Liberalism*. Melbourne: Oxford University Press.
- Matthews, R. 1993. *Australia's First Fabians*. Melbourne: Cambridge University Press.
- Melleuish, G. 1995. *Cultural Liberalism in Australia*. Melbourne: Cambridge University Press.
- Northcott, C.H. 1918. *Australian Social Development*. New York: Columbia University Press.
- Pels, D. 2000. *The Intellectual as Stranger*. London: Routledge.
- Pusey, M. 1991. *Economic Rationalism in Canberra*. Melbourne: Cambridge University Press.
- Reeves, W.P. 1902. *State Experiments in Australia and New Zealand*. London: Grant Richards. (Reprinted by Macmillan, Melbourne, 1969.)
- Roberts, D. 1994. *Reconstructing Theory*. Melbourne: Melbourne University Press.
- Rowse, T. 1978. *Australian Liberalism and National Character*. Malmsbury: Kibble.

- Rowse, T. 1998. *White Flour, White Power*. Melbourne: Cambridge University Press.
- Scalmer, S. 2002. *Dissent Events: Protest, the Media and Political Gimmick in Australia*. Sydney: UNSW Press.
- Seddon, G. 1997. *Landprints: Reflections on Place and Landscape*. Melbourne: Cambridge University Press.
- Seidman, S. 1983. *Liberalism and the Origins of European Social Theory*. Berkeley, CA: University of California Press.
- . 1996. *Contested Knowledge: Social Theory in the Postmodern Era*. Cambridge, MA: Blackwell.
- Sheridan, S. (ed.). 1988. *Grafts: Feminist Cultural Criticism*. London: Verso.
- Smith, B. 1960. *European Vision and the South Pacific*. Melbourne: Oxford University Press.
- . 1996. Two meanings of art. *Thesis Eleven* 44:47–56.

Social Policy and Social Welfare

Adam Jamrozik

In the social sciences theoretical conceptions sometimes anticipate life, and become a guide for men of action. In periods of violent change, however, the theorist cannot keep pace with life. Reality then changes more rapidly than does reflective thought, which is left breathless by the rate of change at a time a deep breath is most needed.

S. Ossowski (1983:3–4)

Social policy is a mechanism for the allocation of a society's material and human resources for the purpose of achieving certain outcomes that bring into fruition the society's dominant values and corresponding interests, objectives and goals. In its essence, therefore, social policy is concerned with the regulation of social relationships for the purpose of affirming any such values and interests through the implementation of appropriate means designed to achieve corresponding ends.

In the common understanding of the term, social policy conveys the notions of welfare and social security, achieved through distribution of income support and provision of welfare services. Traditionally inherent in these notions are certain abstract but taken-for-granted or self-evident terms, such as equity, equality, fairness, social justice, or even altruism. However, while such terms are usually voiced in statements on social policy by any government, the meaning given to the terms will vary from one government to another, from one political party to another, or from one country to another. Any such differences will be influenced or determined by the relevant actors' philosophical and ideological beliefs, economic conditions at a given time, or political expediency. This means that the same or similar policy rhetoric may contain significantly different values and different aims, and produce correspondingly different outcomes. Any such differences are not always easy to distinguish, because since the 1940s the discourse and debates on social policy have been conducted in the context of 'the welfare state' – a large umbrella term under which a diverse range of social policies have usually been accommodated.

As a field of study in the social sciences, social policy has not developed as a distinct intellectual discipline, with a body of theory of its own. Being concerned with the allocation and reallocation of resources, social policy is related to economic policy, and in

some views the two terms are so closely interrelated as to be inseparable, each term entailing the other. Decisions in economic policy always have certain social consequences and are expressions of certain social values, although any such values may not always be clearly stated. It is in the value dimension that the content of social policy can be identified in economic policy or, indeed, in any policy. However, studies in social policy have been conducted in a number of disciplines – political science, social history, economics, public administration, sociology, social work, community studies – not always with a clear theoretical perspective, and quite often in applied form focused on a specific area of policy.

In practice, social policy is related to social welfare, and is perceived and studied in social-welfare perspectives, applied to and focused on specific sections of the population and/or specific areas of social welfare, such as the aged, the family, young people, or the unemployed. Most policy concerns revolve around the issues of social security, more specifically income support for persons who, for whatever reasons, cannot obtain income, or adequate income, from the market. These concerns account for the dominance of economic perceptions on social policy, in research and in discourse in the social sciences, as well as in political debates and common perceptions in the community.

As a distinct field of study in Australian sociology, social policy is still an ‘undeveloped’ topic. It needs to be noted that sociology in Australia is still a relatively ‘new’ discipline, and so is the interest in social policy as an intellectual discipline, the interest in both having come into prominence in the late 1960s and early 1970s. Also, in social-science research and publications, the interest in social policy has been, and continues to be, focused on specific areas of social policies, such as education, health, income security, or child and family welfare, perceived as ‘self-contained’, discrete fields. The common underpinning of social and political theory and philosophy on which social policies in these areas of services are formulated and provided rarely receives much attention as a field of study in its own right.

In the overview that follows I have attempted to identify in the listed literature six broad approaches in the writings on social policy: focus on theoretical analysis of policy; analysis of policy documented by empirical data in a number of areas of social welfare; analysis of policy in one specific area; readers composed of chapters from a number of contributors and covering a number of policy areas; proceedings of conferences; and journal articles and research reports. Due to the diversity of literature, the classification criteria are not completely mutually exclusive, nor is the list comprehensive, and some important contributions might have been overlooked. Also, in collective works and conference proceedings especially, not all contributions are written in a clear sociological perspective. As noted earlier, social policy has not yet reached the status of a distinct intellectual discipline in the social sciences, and studies in social policy have not been very prominent in Australian sociology. Indeed, until now, much if not most Australian research-writing on social policy has come from the fields of political science, economics, public administration and social work. For all these reasons, the best approach to writing this chapter appeared to be to include the publications on social policy and social welfare that have been written in a broadly constructed sociological perspective, and to list the selected publications as far as practicable in a chronological order. This

approach seemed to be the best practical way of making the evolution in social-policy research and writing over the past forty years visible to the reader.

Early sociological contributions

Research and writing on social policy in Australia before 1970 was minimal. The main, and perhaps the only, contribution of substance was the work of T.H. Kewley from Public Administration at the University of Sydney. In *Social Security in Australia 1900–1972* (1973), Kewley documented in meticulous detail the development of social-security legislation from 1901 to 1972, with references extended to the developments in Australian colonies before federation. As sources of data, Kewley used parliamentary debates, ministerial statements, reports from government departments and public-accounts statistics, as well as an extensive list of references to earlier writings, reports of welfare organisations and some unpublished theses. In 1969, Kewley also published a source book of selected government documents and press articles, with some reproductions of photographs and his own annotations. His work became the best-known and most frequently quoted authoritative history of social policy in Australia.

One other important publication, similar to Kewley's writing, was Ronald Mendelsohn's *Conditions of the People: Social Welfare in Australia 1900–1975*, published in 1979. Mendelsohn had been a member of the group of Commonwealth public servants responsible for the policy and planning of the 'postwar reconstruction'. He was the Secretary of the Department of Environment, Housing and Community Development for many years, and in the last years of his service he wrote this history of social-welfare policy in Australia since federation. The book is extremely well-documented, with references to earlier writings on social policy and social welfare, and a wide range of government publications, with appropriate explanations and critical comments.

In 1965, A.F. Davies and Sol Encel published the first edited volume of *Australian Society: A Sociological Introduction*. One of the chapters in the book was 'Social policy', written by Leonard Tierney. An update of Tierney's contribution was also included in the second edition of *Australian Society*, published in 1970. In the third edition (Davies, Encel and Berry 1977), a chapter on social policy was written by A.M. Jones. All three contributions outlined the development of social policy over the period of decades, identifying significant shifts from mainly charitable institutions providing welfare services with financial assistance from state and federal governments, to more direct responsibility by governments.

The 'Whitlam era' and its sequels

The three years of federal Whitlam Labor government, 1972 to 1975, and its radical program of social reform created for the first time a wide interest in research and writing in social policy. The establishment of the Australian Social Welfare Commission and its programs of innovative policy implementation, such as the Australian Assistance

Plan, introduced new concepts into the social-policy lexicon, such as social planning, participation, coordination, regionalisation and community development. These concepts became topics for research and analysis, and produced conference papers, journal articles, research reports, collected edited works and sole-authored books. It was a period of significant change that raised the interest in social policy as a legitimate topic for study in the social sciences, including, although with some reluctance, in sociology.

A book of collected works, *Social Policy in Australia: Some Perspectives 1901–1975*, edited by Jill Roe, a social historian, was published in 1975. *Perspectives in Australian Social Policy* (1978), edited by Adam Graycar, was a collection of articles covering a wide area of social policy and written at various levels of analysis, ranging from theoretical perspectives on social policy to the analysis of specific issues of policy of the Whitlam government, including retrospective critiques of successes and failures of those policies. This publication was followed by Graycar's *Welfare Politics in Australia* (1979), which provided a model of a systematic analysis of social policy. Writing from a political-science perspective and using the period of the Whitlam government as a case study for his analysis, Graycar presented the welfare state in a capitalist society as a political organisation whose main function was the allocation of resources in a climate of conflicting claims on the state. This task was performed on the basis of certain rather incompatible values, such as reduction of inequality and elimination of poverty. In this perspective, Graycar presented social policy as a process involving a number of social actors and a sequence of activities, ranging from policy formulation to the eventual implementation. In 1979, Patricia Tulloch published *Poor Policies: Australian Income Security 1972–77*. The focus of Tulloch's book was on the residual nature of social policies in Australia, which achieved little in attenuating inequality in Australian society. Inequality was not only in the distribution of income, but also in a differential access to such important resources as education, taxation concessions and occupational-welfare schemes, which benefited mainly the increasingly affluent middle classes of professional persons.

As social researchers and writers developed their critical interest in the changes occurring in social policies of Australian government and in other countries, the 1980s produced a wealth of sociological writings on social policy. In 1980, the *Australian and New Zealand Journal of Sociology* published a symposium on the sociology of the welfare state, consisting of three articles by G. Elliott, B.W. Head and R. van Krieken. Each of the three authors contributed a critique of the Australian welfare state, focusing on the limitation of social policies in the capitalist economy, the ambiguities and lack of clarity in policies, and the role of administrators and professionals in welfare services. M.A. Jones's *Australian Welfare State: Growth, Crisis and Change*, presenting an overview of policies in a number of areas of social welfare, illustrated by statistical data, was published in 1983. In the same year, a newly formed Australasian Social Policy and Administration Association published a book of articles, edited by John Dixon and D.L. Jayasuriya, with topics on social values and social policy; formulation of social policy; and poverty, policy evaluation and comparative social policy. Francis Castles, in his *Working Class and Welfare* (1985), looked to the origins of the Australian welfare state in the early years of the federation to identify the unique approach to social security through industrial legislation that Australia and New Zealand had adopted by establishing the principle of the

'basic wage' as a minimum family income. In *The Foundations of the National Welfare State* (1987), Rob Watts examined the period from the late 1930s to the late 1940s as a time during which the role of the state in providing social-welfare services had been significantly extended into areas of health, income security, employment and housing. Watts focused his examination especially on government initiatives, parliamentary documents and debates, and the role played by a group of senior public servants who successfully applied Keynesian economic theory to the programs of social and economic development in the period of 'postwar reconstruction'.

In the 1980s, the issues of gender in social policy and social welfare began to appear in research and writing on social policy with increased frequency. A volume of collected contributions addressing issues of social policy and social welfare concerning women, *Women, Social Welfare and the State*, edited by Cora V. Baldock and Bettina Cass, was published in 1986. The book brought together chapters on women's position in relation to social policy as a whole, as well as in particular aspects of policy, such as social security, education, health, and the law. In the same year, Deborah Brennan and Carol O'Donnell published *Caring for Australia's Children*. In 1989, Adam Graycar and Adam Jamrozik published *How Australians Live: Social Policy in Theory and Practice*, a comprehensive text on the meaning of social policy and methods of policy analysis, and an overview of social policy in Australia since 1966 in the areas of government and non-government welfare services, with detailed overview of policies and services in employment, family and child welfare, services for young people and for the elderly population. (The book was revised and extended in the second edition published in 1993.) In 1989, Richard Kennedy edited *Australian Welfare: Historical Sociology*, a volume of theoretical articles and sociological analyses on social-welfare policies and services in Australia since federation. The analysed fields included the issues of social class and inequality, the situation of the Indigenous population, welfare services for immigrants, childcare and child welfare, and industrial legislation.

Another stimulus for the interest in social-policy research came from the Fraser Coalition government's decision to establish the Social Welfare Research Centre (SWRC; later renamed the Social Policy Research Centre, SPRC) as a research unit at the University of New South Wales. The centre was established in 1980, and was seen as a kind of replacement for the demise of the Social Welfare Commission, disbanded by the same government in 1976. The centre formulated a research agenda on a range of research projects in social policy in the areas of government policy, income support, the 'voluntary' sector, the labour market, women's issues, family welfare, childcare and child welfare, and policies for the aged. The published reports and discussion papers were available to the public, and also promoted through seminars and conferences in Sydney and in the capital cities of other states. It needs to be noted that the research at the centre was multidisciplinary, sociology, political science and later economics being the dominant disciplines of its research personnel.

It is beyond the scope of this chapter to list all the centre's publications to date, and only some publications on specific issues of social policy are included here. An annotated list of the first seven years of centre's research reports can be found in Encel (1987), and an up-to-date list of publications can be obtained from the centre. In 1983

the centre published a book of collected research papers by its members, *Retreat from the Welfare State: Australian Social Policy in the 1980s*, edited by Adam Graycar. The papers covered theoretical topics on the welfare state and specific areas of social policy, such as child welfare and childcare, family-support policies, unemployment, housing, occupational welfare and fiscal welfare.

The following are examples of reports of general social-policy interests, written from a sociological perspective and published by the centre: *Theory, Ideology and Social Policy* (1982), by Robert Pinker; *Ethnicity, Class and Social Policy in Australia* (1984), by Andrew Jakubowicz, Michael Morrissey and Joanne Palser; 'The case for review of aspects of the Australian social security system' (1986), by Bettina Cass; *Community Care of the Aged: A Working Model of a Needs-Based Assessment Unit* (1986), by Ruth Errey, Carol Baker and Sarah Fox; and *Social Welfare Policy for a Multicultural Society* (1988), by Adam Jamrozik and Cathy Boland. A series of interstate and national conference proceedings, from the mid-1980s to well into the 1990s, provided a large number of theoretical polemic papers and research reports, written from sociological, political-science and economic perspectives, provided a wealth of data on social policy in Australia, with references to policies in other countries.

The 1990s to the new century

From the mid-1970s and throughout the 1980s it became increasingly evident in the research and writings on social policy and social welfare that 'the welfare state' in Australia was not fulfilling its promise. On the contrary, while the term 'welfare state' was frequently heard, often in a taken-for-granted fashion, the economic and social policies of the federal government were acquiring the features of a free-market economy with an increasing clarity. In the 1990s, sociological writings on social policy became more critical, raising some fundamental issues about the values and theories that guided the policies of the government decision-makers and the methods of policy implementation. In the more critical analyses, social policy was no longer always examined as a part of the overall government policy, but as an indication and an integral part and expression of the underlying values of political philosophy and economic theory on which the government policy was formulated and pursued. The examples noted below of the writings on social policy and social welfare published during the 1990s are an indication of this trend.

Michael Pusey's *Economic Rationalism in Canberra: A Nation Building State Changes Its Mind* (1991), created an unprecedented reaction and debate in the media as well as among sociologists. The book was a groundbreaking analysis of the theories and ideologies underpinning the formulation of economic and social policies of the federal government, presenting an insight into Australian governance and posing questions about the direction the country was increasingly taking. The analysis was the result of Pusey's extensive research, which included in-depth interviews with 215 Senior Executive Service staff in thirteen key departments of the Commonwealth Public Service. Pusey concluded from the interviews that Canberra was 'swept by a locust strike of economic

rationalism', which influenced and increasingly determined government policies and had a profound effect on the nature of Australian society.

Adam Jamrozik, in *Class, Inequality and the State* (1991), presented a critique of the welfare state and examined the changing nature of social policies in Australia from the perspective of the main sociological theories. He concluded that the significant beneficiary of the changing economy and social policies was the new middle class of professional persons, especially those employed in the growing field of human services, leading to a policy of 'middle class welfare and charity for the poor'. This trend indicated a growing inequality in Australian society and posed important questions for policy-makers and supporters of the welfare state alike. Lois Bryson raised similar issues in *Welfare and the State: Who Benefits?* (1992). Bryson examined a wide range of policies, with particular attention given to the position of women and families. In a joint authorship, Peter Beilharz, Mark Considine and Rob Watts published *Arguing about the Welfare State: The Australian Experience* (1992). It was a critical analysis of the concept of the welfare state presented from the perspectives of economic liberalism and social liberalism, together with radical critique that examined the welfare state in Australia from its three aspects: welfare and the ideal of citizenship; welfare reflected in social institutions; and welfare in administration.

A book of collected works that included the analysis of theoretical foundations and issues in social policy, extended by illustrations of these issues in various field of social welfare, was *Welfare and Social Policy in Australia: The Distribution of Advantage* (1994), edited by Michael Wearing and Rosemary Berreen. Chapters in the book addressed the issues of citizenship, rights and duties, social justice, social class, gender issues, child welfare, the economy, and community services. The underlying key concerns were the issues of advantage and inequality. Stuart Rees's *Achieving Power: Practice and Policy in Social Welfare* (1991) was written from a social-work perspective, arguing the need for methods in social-welfare practice that would not create dependence among the recipients of social-welfare services, but rather would help them develop greater autonomy and personal power over their lives. Peter Travers and Sue Richardson's *Living Decently: Material Well-Being in Australia* (1993) was based on an empirical survey of mainly retired persons in Australian community, most of them receiving social-security pensions. The authors found that most of these people were quietly contented with their lives, viewing the level of their income as sufficient for meeting their daily needs of a comfortable although frugal life, but with the comfort of certainty about tomorrow.

The following are examples of the books published in the 1990s that examined issues of social policy in certain specific fields of social welfare from the perspective of the theory and value assumptions underpinning the concept of the welfare state. *Children and Society: The Family, the State and Social Parenthood* (1996), by Adam Jamrozik and Tania Sweeney, examined the place of, and attitudes towards, children in Australian society, as reflected in policies and services to children and families. The authors pointed particularly to the role of policy-makers and to the artificially created division between 'childcare' and 'child welfare', based on the class differences and corresponding inequality in Australian society. Deborah Brennan followed her previous publications on childcare services with *The Politics of Australian Child Care: Philanthropy to Feminism and Beyond* (1998). As the title of the book indicates, Brennan argued and demonstrated that the significance of the provision of childcare went far beyond

childcare as a support for families, and particularly for working mothers, but was a citizen's right in the contemporary community.

Allan Borowski, Sol Encel and Elizabeth Ozanne edited collective works in *Ageing and Social Policy in Australia* (1997), which examined social policy on an ageing population in relation to health, employment, retirement, education, housing and law, and also in relation to gender, ethnicity and Aboriginal persons. In *Working in Community Services: Management and Practice* (1998), Michael Wearing examined the issues of social policy in the field of community services, with special attention given to services providing emergency assistance. Placing community services in a historical perspective and in the context of contemporary social theory, Wearing examined the services empirically by a field survey and presented the results from the comparative perspectives of administrators, service providers, and the recipients of services. The analysis revealed significant differences in the three perspectives, identifying also the elements of social control in the provision and delivery of welfare services.

Chapters on social policy were included in the three editions of *A Sociology of Australian Society* (1988, 1993, 2000), edited by Jake M. Najman and John S. Western. In the first two editions, Lois Bryson presented an overview of social-policy issues in the 1980s and 1990s, respectively. In the third edition, Sheila Shaver focused on the restructuring processes of social security in Australia during the previous two decades, and compared these developments with changes in social-security policies in other industrialised countries.

Two books on social policy that have been published this century are *Social Policy, Public Policy: From Problem to Practice* (2001), by Meredith Edwards, and *Social Policy in the Post-Welfare State* (2001), by Adam Jamrozik. Edwards has drawn on her extensive experience in the high echelons of the Commonwealth Public Service and in her academic teaching and research. She is thus able to trace the paths and relationships between the conceptualisation of social issues, formulation of policies, and implementations of policies in practice. Jamrozik's book is a text on social policy, examining the changing meaning of 'welfare' as presented in various theoretical perspectives, and illustrating social policy in Australia in the areas of income distribution, employment, education, health, family and child welfare, law and order, culture and recreation. Jamrozik argues that it is no longer relevant to examine social policy under the concept of 'the welfare state' because such a state no longer exists, having been replaced by a transitional period characterised by a so far unclear and confusing 'post-welfare state', and indicating an uncertain future that will have to be contested in forthcoming years.

Conclusion

The list of sociological publications on social policy in Australia mentioned in this chapter is not particularly impressive. While the list is certainly not complete and some important publications might have been missed, the overall impression is, however, that Australian sociologists have not been very active in this area of social concern. Some reasons for this have already been mentioned earlier in this chapter, namely the relative 'youth' in Australia of both sociology and academic interest in social policy as a field for

theoretical exploration in its own right. The early sociological contributions to the study of social policy in Australia came from political science, public administration, social history and social work. Since the 1980s, increasing interest in social policy has come from the field of economics and has revolved mainly around social expenditure and fiscal welfare. To a certain extent this trend has continued to this day. For this reason, much of the research and writing on social policy has been concerned with the study of particular government policies and specific programs, but not with the theoretical explorations of social policy as a field in sociology comparable to, say, social class, religion, the family, or social deviance. In more recent years, significant sociological research and writing on social policy has come from sociologists working in the schools of social work and welfare studies, and some of these have been mentioned in this chapter. This has been a valuable trend and we can only hope that it will continue.

The other reason that sociological research and writing on social policy has not contributed volumes of theoretical explorations has been two periods of significant change in social policy at the federal level, which the sociologists took some time to 'digest' and explore the social significance of. The first of these was the period of the Whitlam Labor government, 1972 to 1975, which introduced philosophical concepts of social democracy that were rather 'foreign' to Australian social-policy lexicon. Concepts such as participation, social planning, regionalisation and community development were new, and in the Opposition as well as in the printed media they were criticised as 'fanciful ideas encouraging fiscal profligacy'. Sociologists were rather tardy in engaging to study the social and political significance of these ideas. By the time some theoretical writing on these issues appeared in print (some of these have been noted in this chapter), the concept had disappeared from government policy, and the writing that examined these issues became a writing of social history.

The other period that has faced a similar problem in social-policy research and writing is that which started in 1996, with the election of the conservative Coalition in Canberra. With some exceptions, most writers on social policy and social welfare who contribute articles (there have not been many books on these topics since 1996) keep providing critique of social policy based on the notion that these policies do not meet the criteria of 'the welfare state'. What seems to be difficult for these researchers and writers to accept is the reality of a radical philosophical and ideological change that has taken place in the policies of the conservative Coalition in Canberra. The flawed assumption in such critique is that the government is failing, or not doing well enough, to be doing what it should be doing in social-welfare policy. What such critique fails to see is the reality of radical philosophical and ideological change in the social policy of the current government, which enables the government to achieve the objectives it wants to achieve. In both these periods, Ossowski's observation quoted at the start of the chapter appears to be very apposite.

References

- Australia and New Zealand Journal of Sociology*. 1980. (Special issue Symposium on the Sociology of the Welfare State) 16(3).

- Baldock, C.V. and B. Cass (eds). 1988. *Women, Social Welfare and the State*. Sydney: Allen and Unwin.
- Beilharz, P., M. Considine and R. Watts. 1992. *Arguing about the Welfare State: The Australian Experience*. Sydney: Allen and Unwin.
- Borowski, A., S. Encel and E. Ozanne (eds). 1997. *Ageing and Social Policy in Australia*. Cambridge: Cambridge University Press.
- Brennan, D. 1998. *The Politics of Australian Child Care: Philanthropy to Feminism and Beyond*. Cambridge: Cambridge University Press.
- Brennan, D., and C. O'Donnell. 1986. *Caring for Australia's Children: Political and Industrial Issues in Child Care*. Sydney: Allen and Unwin.
- Bryson, L. 1992. *Welfare and the State: Who Benefits?* London: Macmillan.
- Cass, B. 1986. 'The case for review of aspects of the Australian social security system' in *Income Distribution, Taxation and Social Security: Issues of Current Concern*. Edited by A. Jamrozik. SWRC Reports and Proceedings 55. Sydney: Social Welfare Research Centre, University of New South Wales.
- Castles, F.G. 1985. *The Working Class and Welfare: Reflections on the Political Development of the Welfare State in Australia and New Zealand, 1890–1980*. Sydney: Allen and Unwin.
- Davies, A.F., and S. Encel (eds). 1965. *Australian Society: A Sociological Introduction*. Melbourne: Cheshire.
- (eds). 1970. *Australian Society: A Sociological Introduction*. 2nd ed. Melbourne: Cheshire.
- Davies, A.F., S. Encel and M.J. Berry (eds). 1977. *Australian Society: A Sociological Introduction*. 3rd ed. Melbourne: Longman Cheshire.
- Dixon, J., and D.L. Jayasuriya (eds). 1983. *Social Policy in the 1980s*. Canberra: Canberra College of Advanced Education.
- Edwards, M., with C. Howard and R. Miller. 2001. *Social Policy, Public Policy: From Problem to Practice*. Sydney: Allen and Unwin.
- Encel, D. 1987. *Guide to the Publications of the Social Welfare Research Centre*. SWRC Research Resource Series 1. Sydney: Social Welfare Research Centre.
- Errey, R., C. Baker and S. Fox. 1986. *Community Care of the Aged: A Working Model of a Needs-Based Assessment Unit*. SWRC Reports and Proceedings 59. Sydney: Social Welfare Research Centre, University of New South Wales.
- Graham, S. (ed.). 1995. *Dependency, the Life Course and Social Policy: Proceedings of One-Day Seminar Held on Friday 23 September 1994*. SPRC Reports and Proceedings 118. Sydney: University of New South Wales.
- Graycar, A. 1979. *Welfare Politics in Australia: A Study in Policy Analysis*. Melbourne: Macmillan.
- (ed.). 1978. *Perspectives in Australian Social Policy: A Book of Readings*. Melbourne: Macmillan.
- (ed.). 1983. *Retreat from the Welfare State: Australian Social Policy in the 1980s*. Sydney: Allen and Unwin.
- Graycar, A., and A. Jamrozik. 1988. *How Australians Live: Social Policy in Theory and Practice*. Melbourne: Macmillan.
- . 1993. *How Australians Live: Social Policy in Theory and Practice*. 2nd ed. Melbourne: Macmillan Education.
- Harris, P. 2001. From relief to mutual obligation: Welfare rationalities and unemployment in 20th-century Australia. *Journal of Sociology* 37(1):5–26.
- Healy, J. 1998. *Welfare Options: Delivering Social Services*. Sydney: Allen and Unwin.
- Jakubowicz, A., M. Morrissey and J. Palsler. 1984. *Ethnicity, Class and Social Policy in Australia*. SWRC Reports and Proceedings 46. Sydney: Social Welfare Research Centre, University of New South Wales.
- Jamrozik, A. 1991. *Class, Inequality and the State: Social Change, Social Policy and the New Middle Class*. Melbourne: Macmillan.

- . 2001. *Social Policy in the Post-Welfare State: Australia on the Threshold of the 21st Century*. Sydney: Pearson Education.
- Jamrozik, A., and C. Boland. 1988. *Social Welfare Policy or a Multicultural Society*. Canberra: Office of Multicultural Affairs.
- Jamrozik, A., and L. Nocella. 1998. *The Sociology of Social Problems: Conceptual Issues and Methods of Interventions*. Cambridge: Cambridge University Press.
- Jamrozik, A., and T. Sweeney. 1996. *Children and Society: The Family, the State and Social Parenthood*. Melbourne: Macmillan.
- Jones, M.A. 1977. 'Social policy' in *Australian Society: A Sociological Introduction*. 3rd ed. Edited by A.F. Davies, S. Encel and M.J. Berry. Melbourne: Longman Cheshire.
- . 1980. *The Australian Welfare State*. Sydney: George Allen and Unwin.
- . 1983. *The Australian Welfare State: Growth, Crisis and Change*. 2nd ed. Sydney: George Allen and Unwin.
- . 1990. *The Australian Welfare State: Origins, Control and Choices*. 3rd ed. Sydney: Allen and Unwin.
- Kennedy, R. (ed.). 1989. *Australian Welfare: Historical Sociology*. Melbourne: Macmillan.
- Kewley, T.H. 1969. *Australia's Welfare State*. London: Macmillan.
- . 1973. *Social Security in Australia 1900–72*. Sydney: Sydney University Press.
- Mendelsohn, R. 1979. *The Condition of the People: Social Welfare in Australia 1900–1975*. Sydney: George Allen and Unwin.
- Najman, J.M., and J.S. Western (eds). 1988. *A Sociology of Australian Society: Introductory Readings*. Melbourne: Macmillan.
- (eds). 1993. *A Sociology of Australian Society: Introductory Readings*. 2nd ed. Melbourne: Macmillan Education.
- (eds). 2000. *A Sociology of Australian Society*. 3rd ed. Melbourne: Macmillan.
- Ossowski, S. 1983. *Class Structure in the Social Consciousness*. London: Routledge and Kegan Paul.
- Pinker, R. 1982. *Theory, Ideology and Social Policy*. SWRC Reports and Proceedings 26. Sydney: Social Welfare Research Centre, University of New South Wales.
- Pusey, M. 1991. *Economic Rationalism in Canberra: A Nation Building State Changes Its Mind*. Cambridge: Cambridge University Press.
- Rees, S. 1991. *Achieving Power: Practice and Policy in Social Welfare*. Sydney: Allen and Unwin.
- Roe, J. (ed.). 1975. *Social Policy in Australia: Some Perspectives 1901–1975*. Sydney: Cassell Australia.
- Saunders, P. 1994. *Welfare and Inequality: National and International Perspectives on the Australian Welfare State*. Cambridge: Cambridge University Press.
- (ed.). 1995. *Social Policy and Northern Australia: National Policies and Local Issues*. SPRC Reports and Proceedings 120. Sydney: University of New South Wales.
- Saunders, P., and D. Encel (eds). 1991–92. *Social Policy in Australia: Options for the 1990s*. 3 vols. SPRC Reports and Proceedings 96–98. Sydney: University of New South Wales.
- Saunders, P., and S. Graham (eds). 1993. *Beyond Economic Rationalism: Alternative Futures for Social Policy*. SPRC Reports and Proceedings 105. Sydney: Social Policy Research Centre, University of New South Wales.
- Saunders, P., and A. Jamrozik (eds). 1987. *Social Welfare in the Late 1980s: Reform, Progress, or Retreat?* SWRC Reports and Proceedings 65. Sydney: Social Welfare Research Centre.
- (eds). 1989. *Social Policy and Inequality in Australia and New Zealand*. SWRC Reports and Proceedings 78. Sydney: Social Welfare Research Centre, University of New South Wales.
- Saunders, P., A. Jamrozik, S. Graham, R. Ross and P. Whiteford (eds). 1990. *Social Policy in Australia: What Future for the Welfare State?* 6 vols. SWRC Reports and Proceedings 79–84. Sydney: Social Welfare Research Centre, University of New South Wales.

- Saunders, P., and S. Shaver (eds). 1993. *Theory and Practice in Australian Social Policy: Rethinking the Fundamentals*. 3 vols. SPRC Reports and Proceedings 111–113. Sydney: Social Policy Research Centre. University of New South Wales.
- Shaver, S. 2000. 'Restructuring the Australian welfare state: Social security in the 1980s and 1990s' in *A Sociology of Australian Society*. 3rd ed. Edited by J.M. Najman and J.S. Western. Melbourne: Macmillan.
- Smyth, P., and B. Cass (eds). 1996. *Contesting the Australian Way: States, Markets and Civil Society*. Cambridge: Cambridge University Press.
- Taylor-Gooby, P. 1994. Ideology and social policy: New developments in theory and practice. *Australian and New Zealand Journal of Sociology* 30(1):71–82.
- Tierney, L. 1970. 'Social policy' in *Australian Society: A Sociological Introduction*. 2nd ed. Edited by A.F. Davies and S. Encel. Melbourne: Cheshire.
- Travers, P., and S. Richardson. 1993. *Living Decently: Material Well-Being in Australia*. Melbourne: Oxford University Press.
- Tulloch, P. 1979. *Poor Policies: Australian Income Security 1972–77*. London: Croom Helm.
- Watts, R. 1987. *The Foundations of the National Welfare State*. Sydney: Allen and Unwin.
- . 1997. Ten years on: Francis G. Castles and the Australian 'wage earners' welfare state'. *Australian and New Zealand Journal of Sociology* 33(1):1–16.
- Wearing, M. 1998. *Working in Community Services: Management and Practice*. Sydney: Allen and Unwin.
- Wearing, M., and R. Berreen (eds). 1994. *Welfare and Social Policy in Australia: The Distribution of Advantage*. Sydney: Harcourt Brace.

Author Index

- Abadee, A., 34
Abelson, P., 17
Ablett, J., 190, 192
Ackland, R., 76
Adam, E., 630
Adams, D., 413
Addison, T., 76, 82
Adena, M., 27
Adhikari, P., 526
Adkins, L., 509, 510
Agostino, K., 509
Agrawal, N., 142
Ahdar, R., 37
Ahmad, E., 141, 520
Aitkin, D., 266, 275, 277, 287, 299, 310, 606
Alaba, R., 413
Albon, R., 32, 36–9, 146, 189
Albury, R., 490
Alcorso, C., 81
Aldrich, R., 335
Alexander, L., 647
Alexander, M., 596
Alford, J., 416
Alford, K., 467
Alford, R., 276
Allen, K., 630
Allen, L.M., 575
Alles, L., 215
Allingham, M., 146
Almond, G.A., 10
Alston, M., 490, 607, 616
Alston, P., 240
Althaus, C., 412
Altman, D., 332, 335–6, 488
Altman, J., 578
Alvarado, J., 84
Amiti, M., 35
Andersen, M.J., 546
Anderson, D.S., 449, 632
Anderson, J., 196, 214
Anderson, J., 224
Anderson, K., 55, 168–71, 178, 180
Anderson, P., 654
Andrews, G., 349, 353
Anstie, R., 146
Aoki, R., 38
Appleyard, R., 85–7
Apps, P., 113, 120, 121, 142–6
Argy, F., 77, 200, 375, 377, 385, 390
Arndt, B., 387, 462
Arndt, H., 74, 76, 172, 180
Arrow, K., 23, 24, 60
Asano, H., 215
Ashley, R., 361
Asim, F., 47
Atkinson, A., 119, 131, 144, 145
Attwood, B., 334
Aulich, C., 416
Aungles, S., 594
Austin, D., 574
Bacchi, C., 482
Badcock, B., 590
Bailey, J., 415
Baker, L., 79
Baker, M., 76, 86, 87, 463, 475, 476
Bakvis, H., 417
Balassa, B., 173
Baldock, C., 411, 475, 482, 490, 506, 670
Baldry, J., 143, 146
Bales, R., 464
Ballard, J., 335–6, 414
Banks, G., 153, 159, 163
Barber, C., 173
Barker, D.J., 538, 539
Barker, M., 524
Barnard, A., 377, 419, 420
Barr, N., 612
Barratt, P., 388
Barrett, R., 504
Barthes, R., 645
Bascand, G., 140, 142
Bateman, H., 145
Battin, T., 269, 375, 383
Baum, S., 594, 596
Baumol, W., 36
Baxter, J., 437, 471, 472–3, 491, 508, 509
Bean, C., 251, 258, 266, 271, 275, 276, 279,
281, 331, 632, 647
Bean, C.E.W., 641

- Beare, S., 39, 50
 Beavis, A., 111
 Beck, U., 462, 511
 Beck-Gernsheim, E., 511
 Beer, G., 143
 Beer, S., 324
 Beesley, M., 17
 Beeson, M., 375, 377, 388
 Beggs, J., 85, 112
 Beilharz, P., 415, 421, 507, 655, 657, 658, 661, 672
 Beilin, R., 613
 Bell, C., 360
 Bell, D., 324, 576, 577
 Bell, J., 606
 Bell, M., 82, 567
 Bell, R., 39, 50
 Bell, S., 327, 328–9, 375, 377, 378, 380, 381, 385, 389, 411, 413, 420
 Bendle, M.F., 530
 Benge, M., 148, 188
 Bennett, J., 45–54
 Bennett, L., 508, 509
 Bennett, S., 334
 Bennett, T., 646, 650
 Bensusan-Butt, D., 74, 79
 Bentley, A., 324
 Bentley, P., 630, 632
 Beresford, D., 81
 Beresford, M., 383
 Berk, S.F., 472
 Bernard, J., 464
 Berreen, R., 672
 Berry, M.J., 590, 591, 668
 Bessant, J., 524, 591
 Betts, K., 336
 Bewley, R., 210
 Bhattacharya, M., 33
 Bhattacharyya, A., 18
 Bianchi, S.M., 472
 Biff, G., 76
 Birkett, D., 69
 Birrell, B., 448
 Bishop, S., 330
 Bittman, M., 471, 472, 473, 474, 490, 491, 506, 509
 Bjelke-Petersen, J., 239
 Black, A., 596, 606, 609, 610, 630, 632
 Blackshield, T., 240
 Blaikie, N., 631
 Blainey, G., 228
 Blamey, R., 48, 51, 52
 Bland, F.A., 406–7, 418
 Blandy, J., 17
 Blandy, R., 375
 Blau, P.M., 437
 Bleiler, R., 366
 Blount, S., 251
 Blundell-Wignall, A., 196, 214
 Bolton, G., 351
 Borcharding, T., 18, 19
 Boreham, P., 381, 385, 503, 505
 Borjas, G., 77
 Borland, J., 67, 94, 98, 100, 109–13, 130, 163, 197, 200, 445
 Borooah, V.K., 441, 442–3, 447
 Borowski, A., 78, 523, 673
 Borrie, W.D., 556, 560
 Boskin, M., 141
 Bosworth, D., 161
 Bottomley, G., 454, 483, 581
 Bouma, G., 626, 628, 630, 631, 632
 Bourke, L., 604, 610, 616, 618
 Bowes, J.M., 470
 Bowler, S., 251, 258, 276, 281, 294
 Bowman, M., 616
 Boyce, P., 259
 Boyd, R., 641, 642
 Bradbury, B., 130
 Brain, P., 79–81, 377, 378, 380, 385
 Braithwaite, J., 336–7, 378, 519, 520, 522, 523, 524
 Bramble, T., 378
 Brasch, J., 312
 Brennan, A., 200
 Brennan, D., 38, 333, 415, 672
 Brennan, H.G., 249, 252, 419
 Brereton, D., 525
 Brett, J., 269, 272
 Bridgman, P., 411
 Briese, R., 631
 Brigden, J., 176, 177
 Briggs, C., 380
 Bright, R.A., 521
 Brines, J., 471
 Brinsden, P.F., 255
 Brischetto, A., 196
 Brittan, S., 324, 325
 Broad, P., 378
 Brooks, C., 76, 86
 Brooks, R., 207
 Broom, D., 489, 490
 Broom, L., 437–8
 Brosnan, P., 85

- Broughton, S., 258, 312, 317
 Brown, A., 20, 23
 Brown, D., 529
 Brown, K., 63
 Brown, R., 210
 Brown, S., 172
 Browne, J., 509
 Browning, B., 330
 Browning, E., 142
 Brunt, M., 33
 Bryan, D., 377, 378, 387
 Bryant, K., 153, 154
 Bryant, L., 610
 Bryson, L., 381, 474, 475, 481, 483, 490, 509,
 596, 615, 616, 672
 Buchanan, J., 380
 Bulbeck, C., 333, 375, 377, 485
 Bull, H., 359, 360
 Bull, T., 51
 Bumpass, L., 464
 Burbidge, A., 594
 Burch, D., 607, 608, 609, 610, 611
 Burchill, S., 367
 Burgess, J., 111, 377, 380, 505
 Burgmann, V., 332, 334, 335, 336, 352
 Burke, A., 367
 Burke, D., 630
 Burnley, I., 82, 559, 562, 581
 Burrows, C., 63
 Burton, C., 411, 413, 491
 Bushe-Jones, S., 76
 Butler, D., 259, 296
 Butler, J., 64, 66
 Butlin, M., 176, 214
 Butlin, N.G., 375, 377, 383, 419, 420, 554
 Butlin, S.J., 384
 Buttel, F., 605, 618
 Buttfield, B., 490
 Button, J., 412

 Cabalu, H., 81, 82
 Caddy, J., 85
 Cagliarini, A., 211
 Caiden, G.E., 407, 408
 Caine, B., 333
 Caldicott, H., 332
 Caldwell, J., 557, 558, 563, 565
 Calleja, N., 35
 Callus, R., 380
 Cameron, A., 63, 64, 69
 Camilleri, J., 360, 364–5
 Campbell, C., 413
 Campbell, D., 362, 363
 Campbell, H., 608, 610
 Campbell, I., 111, 380, 499, 500, 504, 510
 Capling, A., 180, 327, 374, 376, 377, 378, 388,
 389, 420
 Card, D., 168
 Carey, B., 413
 Carmichael, G., 562
 Carney, S., 421
 Carpenter, B., 585
 Carpenter, P., 449, 452
 Carr, E.H., 360, 366
 Carrington, K., 524
 Carroll, J., 320, 375, 663
 Carroll, P., 418
 Carson, R., 345
 Carter, B., 491
 Carter, M., 37, 38
 Cass, B., 113, 381, 411, 475, 481, 482, 490,
 491, 501, 670, 671
 Castells, E., 592
 Castle, R., 616
 Castles, F., 287, 376, 377, 379, 381, 382, 383,
 414, 507
 Castles, S., 81, 82, 84, 228, 336, 581, 648
 Catley, B., 246, 375, 379, 380, 383, 388, 389
 Catley, R., 411
 Caves, R., 199
 Challen, R., 53
 Chandra, N., 196
 Chaples, E., 256
 Chapman, B., 74, 76, 84, 85, 105, 106, 112,
 155, 176
 Charlesworth, H., 243
 Charlesworth, S., 506, 509
 Charnock, D., 275, 276, 279, 280
 Cheeseman, G., 364
 Cheng, E., 159
 Chesterman, J., 229, 243
 Chiam, M., 240
 Chin, G., 259
 Chisholm, A., 82, 140
 Chiswick, B., 80, 85
 Christoff, P., 353
 Chung, D., 493
 Clark, D., 376
 Clark, I., 289
 Clark, M., 306, 643
 Clarke, H., 82, 87
 Clarke, J., 76
 Clarke, P., 40, 69
 Clarke, R.V., 518

- Clements, K., 171, 214
 Clough, D., 34
 Clunies Ross, A., 175
 Clyne, I.D., 442, 451–2
 Coaldrake, P., 255
 Cobb-Clark, D., 74, 76, 79, 86, 87
 Cobbold, T., 168
 Cochran, M., 365
 Cochrane, P., 376, 386
 Cohen, J.L., 346
 Colebatch, H., 252, 409, 412
 Coleman, W., 204, 208–13, 227, 328, 331
 Collins, D., 53, 143
 Collins, H., 224
 Collins, J., 155, 156
 Collins, J., 81, 499, 645
 Collins, J., 580
 Collins, R., 467
 Coltrane, S., 467
 Congalton, A.A., 437
 Conley, T., 390
 Conlon, A., 475
 Connell, R.W., 277, 411, 437, 484, 485, 486,
 487, 489, 499, 529, 655
 Connors, T., 329, 335
 Considine, M., 156, 258, 318, 330, 389, 411,
 412, 415, 416, 420, 656, 672
 Conway, R., 642
 Cook, J., 69
 Cook, S., 524
 Coombs, H.C., 384
 Cooper, A.F., 178, 365, 388
 Cooper, K., 419
 Cope, W., 81
 Copeland, D., 176
 Coper, M., 240
 Corbett, D., 417
 Corden, M., 74, 79, 170–80
 Cornish, S., 384
 Coronos, S., 40
 Costa, M., 378
 Costar, B., 271, 412
 Cotton, J., 367
 Coughlin, P., 23
 Cowlshaw, G., 334, 575, 576, 615
 Cox, D., 367
 Cox, E., 326, 482
 Cox, R.W., 361
 Craik, J., 415
 Crase, L., 54
 Crawford, I., 576
 Crawford, J., 175, 180, 387
 Crawford, R.M., 642
 Creedy, J., 33, 74, 84, 140–5, 453
 Cribb, M., 301
 Crisp, L.F., 271, 272, 407
 Cromier, M., 389
 Crook, S., 335, 351, 352
 Crosby, M., 162, 163
 Crough, G.J., 334, 377, 384, 385, 387
 Crowley, K., 353
 Crozier, M., 411, 420
 Cruickshank, A., 360
 Culyer, A., 60, 61
 Cumberworth, M., 207
 Cunneen, C., 521
 Curnow, G.R., 408, 413
 Curthoys, A., 380, 481, 487
 Curtin, J., 329, 472
 Cutts, L., 78

 Dabscheck, B., 104, 379, 381
 Dagger, D., 524
 Dahl, R., 323
 Dall, D., 366
 Dalton, R., 346
 Daly, A., 37, 100, 111, 112, 520
 Damania, R., 33
 Daniel, A., 437, 523
 Daniels, P., 632
 Darby, P., 366
 Darcy, R., 292, 293, 315
 Darke, M., 331
 Davidson, A., 226, 228, 584
 Davidson, G., 590
 Davies, A.F., 258, 407, 668
 Davies, B., 487
 Davies, D., 18
 Davies, S.R., 407, 418
 Davis, B., 352
 Davis, D.J., 502
 Davis, G., 330, 411, 412, 413, 414, 415, 416
 Davis, K., 22, 23, 207, 210, 436
 Davison, G., 559, 645
 Dawkins, P., 33, 76, 81–2, 95, 97, 100,
 108–11, 131, 143, 148, 503
 Day, L., 632
 Day, N., 69
 De Abreu Lourenco, R., 62
 Deacon, D., 491
 Dean, M., 324, 375
 Deardorff, A., 169, 172
 DeBats, D., 389
 Debelle, G., 211

- de Brouwer, G., 196, 215
 DeCieri, H., 112
 Dee, P., 173
 Deeble, J., 60, 63, 70
 Deery, S., 112
 Deighton-Smith, R., 33, 39
 de Lepervanche, M., 454, 483, 580
 Dempsey, K., 437, 471, 491, 596, 615, 616,
 630, 631
 Denmark, D., 251, 257, 281
 Dennis, R., 196
 Denoon, D., 376
 Denton, B., 525
 Derody, B., 206
 de Ruyter, A., 505
 Deutchman, I.E., 258
 de Valence, G., 82
 De Vaus, D., 312, 462, 464, 465, 630, 632
 Devetak, R., 366
 Diamond, P., 140
 Di Bartolo, L., 595
 Dibb, P., 364, 366
 Dibden, M., 82
 Dicey, A.V., 235
 Dieckman, C., 446
 Diewert, E., 40, 147
 Disney, J., 143
 Dixon, D., 527
 Dixon, G., 380, 414
 Dixon, J., 612, 615
 Dixon, P., 140, 148, 171, 176
 Dixon, R., 33, 111
 Dixson, M., 467
 Dobinson, I., 526
 Docker, J., 643
 Dodgson, M., 155, 157
 Dodson, M., 230, 578
 Dogan, M., 10
 Doiron, D., 113
 Dolamore, R., 168
 Domberger, S., 17, 18, 22–7
 Donaldson, C., 67
 Donaldson, M., 377
 Doube, L., 86
 Dovers, S., 353
 Dow, G., 385
 Dowd, K., 203, 204
 Downes, D., 327, 350
 Dowrick, S., 40, 109, 160, 162, 168
 Dowse, S., 489
 Dowsett, G., 41, 487, 488
 Doyle, G., 27
 Doyle, S., 145
 Doyle, T., 335, 352, 414
 Drahos, P., 336–7, 378, 521
 Drysdale, P., 171, 172, 178
 Dryzek, J., 332, 347
 Du Gay, P., 509
 Duckett, S., 63, 65, 66, 67
 Duncan, A., 113
 Duncan, O.D., 437
 Duncan, T., 377
 Dungey, M., 110, 194, 196, 198
 Dunlop, Y., 111
 Dunne, T., 365
 Dunphy, D., 350, 353
 Dupont, A., 367
 Durant, H., 10
 Durkheim, E., 436
 Duverger, M., 310
 Dwyer, T., 539
 Dyason, E., 176
 Dyster, B., 237

 Easteal, P., 525
 Eccleston, R., 378
 Eckersley, R., 253, 259, 414
 Economou, N., 274, 348, 350, 351, 353, 412
 Edey, M., 208, 209
 Edquist, C., 164
 Edwards, A., 481, 484, 487, 490, 507, 525
 Edwards, G., 82, 175, 180
 Edwards, J., 327, 375
 Edwards, M., 330, 489, 491, 673
 Edwards, R.W., 455
 Edwards, V., 206
 Egan, J., 27
 Egger, S., 529
 Eggleston, F.W., 375, 406, 420
 Ehrlich, P.R., 346
 Eigenraam, M., 54
 Eisenstein, H., 487
 Eissa, N., 148
 Elix, J., 49, 53
 Elliot, G., 210
 Elliott, L., 366
 Ellis, P., 280
 Emerson, C., 175
 Emery, F., 615
 Emmison, M., 437, 648, 650
 Emy, H., 227, 252, 258, 375, 377, 378, 411
 Encel, S., 276, 412, 581, 591, 668, 670
 England, P., 434, 482
 English, L., 254

- Engstrom, R., 315
 Engwicht, D., 416
 Enthoven, A., 63
 Epp, C.R., 244
 Esping-Andersen, G., 474
 Evans, G., 388
 Evans, H., 171, 176
 Evans, L., 35
 Evans, M., 85
 Evans, P., 388
 Eveline, J., 492
 Ewer, P., 378, 380, 509

 Faff, R., 207
 Fahrer, J., 108, 199, 215
 Falk, J., 364
 Farrell, D.M., 250, 257, 258, 276, 289, 292,
 294, 295
 Faulkner, J., 257, 271
 Fayle, P., 143
 Featherman, D., 437
 Feeny, S., 33
 Feibig, D., 215
 Felmingham, B., 203, 208, 209, 213–16
 Fels, A., 32
 Fenna, A., 411, 414
 Ferree, M.M., 434
 Fincher, R., 582, 590, 594
 Findlay, C., 142, 146
 Firth, A., 375
 Firth, S., 367
 Fischer, A., 294
 Fischer, T., 22
 Fisher, C., 204, 215
 Fiske, J., 646
 Fitzgerald, A., 255
 Fitzgerald, S., 231
 Fitzgerald, V., 84, 145, 209
 Fitzgibbon, B., 208, 209
 Fitzpatrick, B., 376, 379
 Fitzpatrick, G., 626, 630
 Fitzpatrick, J., 360
 Flatau, P., 80, 110
 Ford, G.W., 456
 Forrest, J., 249, 251
 Forrest, M., 288, 289
 Forster, J., 413, 419
 Forsyth, P., 18, 22, 27, 31, 32, 36, 82, 188
 Foster, L., 79, 209
 Foster, W., 75, 80, 82, 84, 87
 Fountain, I., 259, 318
 Fox, K., 40

 Francois, J., 172
 Frankel, B., 378, 385, 390
 Franklin, M.N., 312
 Franklin, M.-A., 490
 Franzway, S., 486–7, 489, 491
 Fraser, B., 195
 Fraser, I., 55
 Fraser, L., 27
 Fraser, M., 239
 Fraser, S., 258
 Frazer, J., 574
 Freebairn, J., 17, 32, 39, 108, 111, 140–4, 148,
 420
 Freeman, R., 168
 Frenkel, S., 503
 Frieden, J.A., 385
 Froud, J., 385
 Fry, G., 364, 366, 367
 Frydman, M., 549
 Fulloon, L., 50
 Funnell, W., 254, 419

 Gaita, R., 230
 Galbally, F., 581
 Gale, F., 523, 575, 579
 Gale, N., 631
 Galea, J., 110
 Gallagher, M., 294, 295
 Galligan, B., 225, 229, 235, 236, 237, 238,
 243, 251, 259, 327, 374, 376, 377, 378,
 411, 412, 413, 415, 417, 418, 419, 420
 Game, A., 468, 470, 486, 499, 508, 662
 Gans, J., 33, 36–9
 Gardner, M., 379
 Garkinkel, I., 141
 Garnaut, R., 84, 168–79, 377, 389
 Garran, R., 417
 Garrett, L., 551
 Gaston, N., 111
 Gatens, M., 434, 484, 485
 Gaunt, C., 257
 Gelber, F., 385
 Gelber, H., 360
 Gelder, K., 231
 George, J., 359, 362, 363, 364
 Gerard, K., 67, 69
 Germov, J., 530
 Gerritsen, R., 32, 380
 Giblin, L., 176
 Gibson, K., 81
 Gibson, R., 281
 Giddens, A., 462, 477

- Gifford, S., 454, 455
 Gilbert, P., 486, 487
 Gilbertson, T., 37
 Gilding, M., 468
 Gilpin, R., 385
 Girling, J., 360
 Gizycki, M., 207–9
 Glezer, H., 377, 420, 463, 464, 465
 Glezer, L., 180
 Godley, S., 630
 Goldfinch, S., 237
 Goldsworthy, B., 207
 Goldsworthy, D., 367, 388
 Goldthorpe, J., 436, 438
 Goode, W.J., 464
 Goodin, R., 419
 Goodman, D., 612
 Goodnow, J.J., 470
 Goot, M., 252, 271, 277, 281, 287, 296, 301, 305, 310, 580
 Goth, P., 377
 Gottschalk, P., 133
 Gow, D.J., 279
 Grabosky, P., 49, 53, 521, 523
 Graetz, B., 632
 Graham, B.D., 287
 Graham, R., 206
 Gramsci, A., 639, 643, 644
 Grant, B., 388
 Grant, S., 23–5
 Grattan, M., 326–7
 Gray, A., 554, 555, 575
 Gray, B., 208, 209
 Gray, G., 415
 Gray, I., 597, 607, 609, 615, 616
 Gray, J., 485
 Gray, M.C., 450
 Graycar, A., 382, 414, 669, 670, 671
 Green, R., 105, 377, 380
 Greenwell, H., 433
 Greenwood, G., 417
 Greer, G., 332
 Gregg, P., 97
 Gregory, B., 40, 107–13, 126, 128, 163
 Gregory, J.B., 294
 Gregory, R., 383, 445
 Greig, A., 502, 503
 Greiner, N., 256
 Greiner, R., 50
 Grenville, S., 199
 Grey, I., 661
 Griffith, G., 295
 Griffiths, A., 378
 Griffiths, M., 365
 Grimshaw, P., 307, 467, 631
 Grodner, A., 132
 Groenewegen, P., 140, 146, 393, 419
 Groenewold, N., 199
 Grogan, D., 416
 Groome, H., 450
 Gropp, L., 180
 Grosz, E., 484
 Grote, J.R., 380
 Groves, A., 333
 Gruen, D., 110, 196–9
 Gruen, F., 130, 175, 180, 199, 413, 419
 Guest, R., 84, 192
 Gunningham, N., 49, 53
 Gurry, M., 367
 Guthrie, G., 36
 Guthrie, J., 254
 Haas, M., 69
 Habermas, J., 226
 Hagan, J., 616
 Hage, G., 584
 Hagger, A., 199, 227
 Haig, B., 84
 Haines, R., 556
 Hall, C., 27
 Hall, J., 60–9
 Hall, S., 639
 Halligan, J., 413
 Halpin, D., 329
 Hambley, J., 172
 Hamilton, A., 450
 Hamilton, C., 46, 55, 83, 351, 353
 Hamlin, A., 249, 252
 Hampson, I., 380
 Hancock, I., 257, 271
 Hancock, K., 379
 Hancock, W.K., 224, 234, 375, 376, 420, 642, 657
 Hanke, S., 200
 Hanks, F., 33
 Hanslow, K., 173
 Hanson, P., 227
 Harberger, A., 147
 Harcourt, C., 529
 Harcourt, T., 157, 162
 Hardin, G., 346
 Harding, A., 110, 122, 127, 130, 142, 143, 433
 Harding, S., 499
 Hare, T., 289

- Harkness, A., 254
 Harley, B., 503, 505
 Harman, E., 328, 596
 Harper, A., 492
 Harper, I., 22, 23, 145, 146, 205–9
 Harper, J., 470
 Harper, R., 66
 Harris, A., 26, 66, 493
 Harris, K., 86
 Harris, M., 33, 55, 111, 113, 157, 162
 Harris, S., 175, 388
 Harrison, D., 76
 Harrison, M., 85
 Hartley, P., 17
 Hartwig, M., 575
 Hassan, R., 594, 596
 Hathaway, N., 22–5
 Hauquitz, A., 68
 Hauser, R.M., 437
 Haward, M., 289, 351
 Hawe, P., 68, 69
 Hawke, R., 21, 85, 112, 239
 Hawken, P., 349, 353
 Hawker, G., 409, 411, 413
 Hawthorne, G., 69
 Hawtrey, K., 147, 213
 Hay, P.R., 351
 Hayden, M., 449, 452
 Hayes, B., 277
 Haywood, P., 65, 68
 Hazelhurst, C., 413
 Head, B., 332, 374, 411, 420, 596
 Head, J., 144, 147
 Healy, T., 216
 Heath, A., 113, 211
 Heathcote, R.L., 351
 Hebdige, D., 639
 Hecló, H., 325
 Hede, A., 255, 508
 Heenan, M., 525
 Held, D., 82
 Henderson, A., 312
 Henderson, R., 206
 Henry, K., 122
 Hepburn, G., 147
 Herbert-Cheshire, L., 607, 617, 618
 Hertel, T., 172
 Hewitson, G., 214
 Hewson, J., 22
 Hiatt, L., 574, 575
 Higgins, H.B., 379
 Higgins, V., 607, 609
 Higgins, W., 377, 378, 380, 381
 Higgott, R., 178, 365, 366, 377, 386, 388
 Hill, C., 47
 Hill, L., 256
 Hill, S., 68
 Hillman, K., 111, 449
 Hillman, R., 349
 Hindess, B., 324, 375
 Hindson, P., 68
 Hirst, J., 224
 Hobbes, G., 131
 Hobbes, T., 223
 Hobson, J., 367
 Hocking, D., 17
 Hocking, R., 18
 Hodgkinson, A., 157
 Hoffman, M., 361
 Hogan, W., 207, 216
 Hogbin, G., 329
 Hoggart, R., 638, 639
 Hohl, A., 49
 Holland, P., 54
 Holmes, J., 418, 419
 Holmes, W., 578
 Holt, H., 267
 Holton, R., 594
 Home, R., 111
 Hommen, L., 164
 Honan, N., 175
 Hood, C., 417
 Hopf, T., 365
 Hopkins, A., 521
 Hopkins, S., 63
 Horne, D., 640, 641
 Horne, J., 214
 Horton, D., 576, 578
 Howard, B., 49, 53
 Howard, G., 157
 Howell, J.D., 630–1
 Hoynes, H., 148
 Huff, K., 172
 Hughes, B., 375, 379, 380
 Hughes, C.A., 299, 300
 Hughes, H., 85, 86, 122, 433, 443, 451
 Hughes, O., 416, 418
 Hughes, P., 596, 626, 628, 630
 Hughes, R., 642
 Hugo, G., 82, 86, 563, 567
 Humphrey, M., 583
 Hunt, A., 518
 Hunt, B., 214
 Hunter, B., 96, 100, 112, 113, 126, 128, 450

- Huybers, T., 54
Hyde, C., 33
- Industry Commission, 19, 26, 27, 31, 32, 38, 39, 49, 53, 63, 154, 161, 174
Indyk, M., 358, 361, 367, 368
Inge, L., 82
Inglehart, R., 279, 346
Inglis, C., 573, 582, 583
Inglis, K., 627
Iredale, R., 80, 82, 84, 441, 442, 450
Irving, T., 236, 437
Isdale, L., 503
Isley, D., 87
Ivanitz, M., 334
- Jackman, S., 271, 281
Jackson, B., 85
Jackson, M., 256
Jackson, N., 568
Jackson, T., 66
Jacobs, J.M., 231, 579
Jacobs, M., 347
Jaensch, D., 251, 254, 267, 269, 270, 294, 300, 301
Jager, M., 595
Jahn, D., 351
Jain, S., 563, 564
Jakubowicz, A., 580, 593, 671
James, C., 227, 420
James, R., 48
James, S., 518
Jamieson, N., 505, 509
Jamrozik, A., 670, 671, 672
Janicke, M., 346, 351
Jarvis, A., 365
Jay, W., 418
Jennett, C., 411, 576
Jennings, B., 37
Jennings, G., 609
Jinks, B., 185, 421
John, D., 472
Johns, B., 32
Johns, G., 257, 271
Johnson, D., 100, 143
Johnson, L., 66
Johnson, P., 450
Johnston, R., 157
Jomini, P., 172
Jones, A., 157
Jones, C., 227
Jones, E., 378
Jones, F.L., 437–8, 440, 584, 649
Jones, G., 140–3
Jones, G., 539
Jones, M.A., 382, 669
Jones, R., 142, 148, 177
Jones, W., 593
Joss, R., 157
Junankar, P., 74, 77, 87
Junor, A., 505, 509
Jupp, J., 231, 274, 332, 336–7, 441, 556, 560, 582, 647
Juttner, D., 213
- Kahan, M., 277
Kakwani, N., 141
Kalantzis, M., 81, 483, 647
Kaldor, M., 362
Kaldor, P., 631
Kaleschi, W., 324
Kaplan, G., 489
Kapuscinski, C., 77
Karmel, P., 74, 75
Kasper, W., 17, 85, 323, 329
Katz, R., 297
Kay, J., 17
Keal, P., 364
Kealey, J., 66
Keating, M., 31, 32, 238, 239, 380, 388, 412, 414, 416, 418, 419
Keating, P., 31
Keeffe, K., 576
Kegley, C.W., 363
Kellehear, A., 616
Kelleher, J., 82
Kelley, A., 85
Kelley, J., 315
Kellow, A., 337, 352, 414
Kelly, C., 174
Kelly, P., 172, 224, 375, 376, 414
Kemeny, J., 593
Kemp, D., 277, 279, 596
Kemp, S., 81, 82
Kennedy, G.A., 255
Kennedy, J., 82
Kennedy, R., 670
Kennedy, S., 66, 86, 98, 130, 200
Kennett, G., 254
Kenny, P., 69
Kent, A., 366
Kent, C., 204
Kent, P., 66
Kenyon, P., 109

- Keohane, R., 363
 Kerley, B., 48
 Kerr, Sir J., 236
 Kerr, L., 330
 Kerr, P., 362, 383
 Kesselman, J., 141, 147
 Kewley, T.H., 381, 407, 668
 Keynes, J., 79
 Khoo, S.-E., 562
 Kidd, M., 63
 Kilmartin, L., 592, 593
 King, A., 78
 King, M., 69
 King, S., 17–23, 31–9, 82, 147, 329
 Kingston, B., 468, 470
 Kingston, G., 145
 Kippen, R., 558, 560, 567, 568
 Kitay, J., 379
 Klingender, A., 80, 81
 Klovdahl, A., 593
 Kmenta, J., 74, 79
 Knight, K., 419
 Knopfmacher, F., 228
 Knox, D., 145
 Korczynski, M., 504
 Krause, L., 199
 Kreinin, M., 173
 Kriegler, R., 499
 Kriesler, P., 23
 Krueger, A., 169
 Kuhn, R., 378
 Kukathas, C., 224, 225, 227, 228, 230
 Kulalkova, V., 360
 Kumnick, M., 156
 Kunitz, S.J., 545
 Kymlicka, W., 228, 229–30

 Lafferty, G., 505
 Lafferty, W.M., 351, 353
 Laffont, J., 36
 Lahelma, E., 542
 Lairson, D., 68
 Lake, M., 306, 309, 334
 Lamb, S., 447, 450
 Lambert, J., 49, 53
 Lancsar, E., 65, 68
 Lander, D., 78
 Langer, A., 292
 Langlois, A., 366
 Langmore, J., 381, 385
 Larson, A., 558, 618
 Latham, M., 378, 383

 Lavallo, A., 328
 Lawrence, D., 40, 147
 Lawrence, G., 607, 608, 609, 610, 611, 613, 614, 615, 616, 617, 618, 661
 Leamer, E., 169
 Leaver, R., 388, 389
 Leech, B., 324
 Lehman, E.C., 632
 Leigh, A., 257
 Leithner, C., 311
 Leong, P., 206
 Lepenies, W., 656
 Lerner, A., 170
 Lever-Tracy, C., 499
 Lévi-Strauss, C., 645
 Lewins, F., 560, 631
 Lewis, H., 108
 Li, E., 27
 Liepens, R., 613
 Lijphart, A., 250, 252, 253, 288, 295, 297
 Lilburn, S., 331
 Lim, G., 111
 Lind, R., 23, 24
 Lindbolm, C., 374
 Lindert, P., 131
 Linklater, A., 362, 363, 365
 Little, I., 173
 Littlechild, S., 17
 Lloyd, C., 255
 Lloyd, G., 484
 Lloyd, P., 74, 76, 85, 143, 175, 177, 180, 329
 Lloyd, R., 433, 450
 Lockie, S., 604, 607, 610, 612, 613, 614, 617, 618
 Lofgren, H., 378
 Long, M., 449, 452
 Lopez, M., 231
 Lord, J.T., 658
 Loundes, J., 111
 Louviere, J., 69
 Loveday, P., 380, 420
 Lovell, D., 226, 227, 277, 278
 Lovenduski, J., 312, 318
 Low, D.A., 259
 Lowe, D., 367
 Lowe, M., 506
 Lowe, P., 211, 215
 Lu, H.H., 464
 Lukes, S., 325
 Lukomskyj, O., 78
 Lupton, D., 530–1
 Luttrell, T., 180

- Lyall, K., 527
 Lye, J., 200
 Lynch-Blosse, M., 491
 Lyons, E., 312
 Lyons, J., 312
 Lyons, K., 615
 Lyons, M., 326
- McAllister, I., 79, 250, 256, 257, 258, 271,
 274, 276, 277, 279, 280, 291, 292, 294,
 299, 300, 301, 310, 312, 317, 318, 335,
 338, 351, 352, 508, 526, 527, 528, 630,
 632, 647
 McAnally, F., 37
 Macarthy, P., 379
 McCallum, B., 416
 McCallum, L., 63
 McCarron, P., 543
 McConville, C., 467
 McCrone, E., 49, 53
 McDonald, B., 172
 MacDonald, C.R., 415
 Macdonald, D., 381
 Macdonald, F., 504
 McDonald, I., 84, 100, 109, 110, 143, 144,
 192, 200
 McDonald, J., 85
 Macdonald, M., 631, 632
 McDonald, P., 465, 466, 504, 556, 558, 560,
 562, 563, 564, 565, 567, 568
 McDougall, R., 172
 McEachern, D., 327, 350, 380, 411, 414,
 421
 McEwen, E., 467
 McEwen, J., 267
 McFarlane, B., 375, 379, 381, 383, 385, 386,
 411
 Macfarlane, I.J., 193, 200, 209, 211, 215
 McGarry, A., 527
 McGarvie, R., 237, 259
 McGill, S.C., 387
 McGregor, C., 640
 McIntyre, A., 614–15
 McIntyre, J., 614–15
 Macintyre, S., 224, 257, 271, 379, 656
 Mack, A., 362, 364, 366
 Mack, K., 525
 McKelvey, M., 164
 McKenzie, F.H., 609
 McKenzie, P., 447, 450
 Mackerras, M., 250, 271, 292, 293, 299, 300,
 301, 305, 315
- McKibbin, W., 53, 173
 Mackie, M., 312
 McKinlay, J.B., 548
 Mackinnon, A., 434
 McLean, I., 288, 289
 McLean, B., 129
 McLean, D., 162
 McMahan, A., 491
 McMahan, P., 109
 McManus, P., 69, 607, 618
 McMichael, P., 606, 610, 611
 McMillan, J., 24, 438, 440, 449
 McMullin, D., 271
 McQueen, H., 643
 McRobbie, D., 274
 Madden, G., 38, 111
 Madden, R., 455
 Maddock, R., 32–6, 39
 Maddox, G., 224, 226, 252, 259, 269, 415
 Magarey, K., 254
 Magarey, S., 289, 490, 507
 Maher, L., 527
 Makin, A., 187
 Makkai, T., 274, 300, 519, 526, 527, 528
 Maley, M., 291
 Maley, W., 226, 227, 412
 Malhotra, R., 81
 Mangan, J., 441, 442–3, 447
 Mankiw, N.G., 25
 Manley, K., 163
 Manne, R., 225, 227, 230, 320, 375
 Manning, I., 78–81
 Manville, J., 631
 Marceau, J., 157, 159, 163, 377, 378
 March, J.G., 346
 Marginson, S., 156, 331
 Marks, G., 449
 Marsden, T., 608
 Marsh, I., 251, 270, 326, 332, 336, 337, 411,
 415
 Marsh, M., 292, 378
 Marshall, A., 79
 Marshall, A.J., 351
 Marshall, N., 331
 Marshall, T.H., 229
 Martin, B., 483, 501, 504, 511
 Martin, J., 453, 483, 507, 580, 594
 Martin, N., 100
 Martin, P., 329, 613
 Martin, V., 214
 Martin, W., 173
 Mason, G., 528–9

- Mason, M., 626, 630
 Mathers, C., 433, 453, 542
 Matheson, G., 471, 506
 Mathews, J., 377, 378, 380
 Mathews, R., 418
 Mathieson, D., 251, 267
 Matthews, R., 78, 656
 Matthews, T., 325, 379, 380, 389, 420, 502
 May, J., 329
 Maynard, A., 65
 Mayo, W., 148
 Meadowcroft, J., 351, 353
 Meadowcroft, S., 28
 Meadows, D.L., 346
 Meagher, D., 471, 506
 Meagher, G., 142, 144
 Mechanic, D., 537
 Meekosha, H., 329
 Mehra, R., 24
 Meikle, K., 87
 Melanie, J., 38, 39
 Melleuish, G., 223, 224, 656
 Melville, R., 330
 Mendes, P., 329, 382
 Menon, J., 171
 Menzies, Sir R., 239, 269
 Mercer, C., 416
 Merchant, V., 509, 510
 Meredith, D., 237
 Meredith, I., 66
 Merrett, D., 204
 Metcalfe, A., 662
 Milberger, S., 549
 Milbourne, R., 207, 214
 Millar, A., 312
 Millar, T.B., 360
 Miller, J.D.B., 359, 407
 Miller, M., 21
 Miller, P.W., 80, 84, 85, 100, 109–12, 442, 445
 Miller, R., 33
 Millikan, D., 630
 Milne, F., 63, 64
 Minichello, V., 509
 Minogue, K., 230
 Mirrlees, J., 140, 141
 Miskin, S., 288
 Mitchell, A., 68, 69
 Mitchell, C., 82
 Mitchell, D., 109, 130, 382, 415
 Mitchell, R., 379
 Mitchell, W., 77, 105, 383, 385
 Modigliani, F., 21
 Mol, H., 351, 630
 Monga, M., 157
 Montesin, H., 27
 Moon, J., 254, 259, 267, 318, 407, 418
 Mooney, G., 67, 68
 Moore, C., 39
 Moore, M., 632
 Moore, R., 526, 528
 Moore, T., 259
 Moore, W.E., 436
 Moran, A., 51, 415
 Morehead, A., 504, 509
 Moreton-Robinson, A., 484
 Morgan, M., 525
 Morris, B., 576
 Morris, D., 215
 Morris, M., 646
 Morris, P.S., 455
 Morrison, M., 48, 51, 52
 Moyle, P., 20
 Muir, J., 37
 Muir, K., 487
 Mukherjee, S.K., 521, 524
 Mulgan, R., 238, 252, 253, 417
 Mulligan, D., 506
 Mullins, P., 593, 594, 595, 596
 Mulvey, C., 100, 112
 Munday, J., 352
 Murphy, J., 86
 Murphy, P., 82
 Murtough, G., 108, 111

 Naffine, N., 523, 524, 525
 Najman, J., 537, 542, 544, 545, 546, 591
 Nakao, K., 437
 Nalson, J., 606
 Nankivell, P., 377
 Nanson, D., 289
 Neave, M., 487
 Nelson, H., 253
 Nelson, J.A., 482
 Neo, L.M., 442
 Nethercote, J., 255, 257, 259, 271, 408, 412, 413, 416, 419
 Neutze, M., 85, 413
 Nevile, J., 74, 79, 130, 384
 Newhouse, J., 60
 Newman, G., 272
 Newton, P.W., 567, 596
 Neylan, M., 255, 312, 315
 Ng, I., 196, 215
 Ng, Y.K., 87

- Ngui, M., 63
 Nguyen, P., 214
 Nicholls, S., 76
 Niemeyer, S., 48
 Niland, J., 104
 Nivison-Smith, I., 80
 Noble, G., 367, 524
 Nord, E., 68
 Norman, N., 74, 77, 87
 Norris, K., 95, 108, 129
 Norris, P., 312, 315
 Norton, A., 227
 Nossall, K., 365, 388
 Nye, J., 361
 Nyland, C., 654
- Oakeshott, M., 223
 Oakley, A., 470
 O'Bryan, M., 34
 O'Connor, J.S., 507
 Oeser, O., 615
 O'Faircheallaigh, C., 416
 Offe, C., 324
 Officer, R., 22–5, 147
 O'Hagan, J., 366
 O'Keefe, P., 252
 Oldfield, A., 306
 Oldham, R.C., 299
 Olekalns, N., 192, 193
 Olson, M., 324, 329–30, 346
 O'Malley, P., 518
 O'Neill, D., 417
 O'Neill, R., 17
 O'Regan, J., 196
 Orloff, A.S., 507
 Osborne, R., 69
 Otto, G., 193
 Overacker, L., 287
 Oxley, D., 556
 Oxley, H., 615
- Pagan, A., 110, 194–7, 214
 Page, B., 253–4, 256
 Page, B.I., 346
 Painter, M., 238, 375, 379, 412, 413, 416
 Pakulski, J., 335, 351, 352, 649
 Palmer, G., 61, 379
 Palmer, J., 415, 421
 Palmer, L., 502
 Palmer, V., 640
 Pandey, U., 606
 Paolini, A., 365, 366
- Papadakis, E., 251, 266, 279, 324, 326, 331,
 335, 345, 346, 347, 348, 350, 352, 414,
 647
 Pappas, N., 122, 156, 158, 159
 Parham, D., 162, 168, 500
 Parker, C., 378
 Parker, E., 18
 Parker, R.S., 378, 408
 Parkin, A., 249, 411, 413, 415, 418
 Parmenter, B., 81, 144, 171, 176
 Parsell, B., 142
 Parsons, T., 436, 464
 Patapan, H., 240
 Pateman, C., 307, 481, 482
 Paterson, J., 416
 Patience, A., 418
 Pearson, K., 108, 172
 Pease, A., 108, 199
 Peetz, D., 112, 328, 378, 380
 Pels, D., 662
 Pemberton, J., 366
 Pentony, B., 521
 Perkins, J., 78
 Perkins, R., 529
 Perloff, J., 33
 Peter, M., 81
 Peterson, D., 54
 Peterson, N., 415
 Petridis, R., 110
 Pettit, P., 225
 Pettman, J., 365, 366–7, 483, 485
 Pettman, R., 360
 Pezzey, J., 47
 Phamduc, T., 173
 Phillips, A., 640
 Phillips, E., 614
 Phillips, H., 312, 315, 317, 318
 Phillips, T., 648, 649, 650
 Pickford, M., 36
 Pickvance, C., 592
 Piggott, J., 17, 18, 63, 64, 142–6
 Pincus, J.J., 329, 377, 419, 420
 Pinker, R., 67
 Pitchford, J., 87, 110, 187, 198, 385
 Pitchford, R., 19, 20
 Pixley, J., 491
 Plehwe, R., 259
 Plevitz, L., 446
 Plowman, D., 379
 Plumb, M., 141
 Pocock, B., 487, 491–2, 505, 506, 507, 509
 Polette, J., 143

- Pommerehne, W., 18, 19
 Poole, R., 228
 Poot, J., 85
 Pope, D., 74–7, 80, 81, 85, 87, 204
 Pope, J., 143
 Porter, M., 142, 200, 205, 420
 Portes, A., 583
 Powell, A., 85, 171
 Power, J., 413
 Powles, J., 454, 455
 Poynting, S., 524
 Prasser, S., 255
 Prescott, E., 24
 Preston, A., 76, 82, 100
 Preston, N., 255–6
 Price, C.A., 562, 580
 Price, D., 39
 Pringle, R., 468, 470, 481, 486, 489, 499, 508
 Pritchard, B., 607, 615, 618
 Probert, B., 499, 505, 506, 509
 Proctor, W., 47
 Productivity Commission, 32–7, 54, 64, 84, 95,
 99, 107, 119, 154, 172–6, 179
 Pryke, M., 510
 Puls, J., 476
 Pulsford, T., 527
 Pusey, M., 32, 227, 375, 411, 420, 504, 671
 Putnam, R., 326
 Pyett, P., 509, 530
- Quiggin, J., 17, 22–7, 31, 35–40, 53, 69, 141,
 227, 377, 381, 383, 384, 385, 390, 417,
 419, 558
 Quigley, N., 210
 Quinlan, M., 379, 499
 Quinn, P.J., 539
- Rae, D., 296
 Rae, H., 366
 Raffiee, K., 18
 Rainbow, S., 352
 Rainwater, L., 131
 Ralston, D., 508
 Randall, V., 318
 Rapson, V., 448
 Rattigan, G., 174, 180
 Ravenhill, J., 327, 367, 377, 388, 389
 Rawls, J., 223, 226
 Reece, B., 147
 Reed, R., 502
 Rees, R., 113, 142, 143
 Rees, S., 672
- Reid, G.S., 249, 251, 288, 289
 Reid, J., 575
 Reid, M., 305, 310
 Reiger, K., 468, 469
 Reilly, B., 289, 291, 296
 Reiman, C., 445
 Reiss, A.J., 437
 Renfrow, P., 311
 Reus-Smit, C., 362, 365, 366
 Reynolds, H., 230, 334, 576, 645
 Reynolds, M., 121
 Reynolds, P., 281, 632
 Rhall, T., 86
 Rhodes, M., 327
 Rhodes, R.A.W., 325, 417
 Rice, J.M., 509
 Richards, L., 470, 596
 Richardson, J.J., 325
 Richardson, J.L., 365, 367
 Richardson, J.R., 60, 61, 66–9
 Richardson, S., 87, 110, 118, 120, 130, 442,
 506, 672
 Rickson, R., 613
 Riemens, W., 157
 Rimmer, S., 27, 78, 140, 148, 171, 176
 Ripper, M., 490
 Rix, S., 38
 Roach Anleu, S.L., 508, 518, 519, 524, 528
 Roberts, D., 660
 Roberts, P., 168, 500
 Roberts, W., 224, 237
 Robertson, D., 34
 Robertson, F., 86, 87, 442
 Robertson, I., 66
 Robson, L., 556
 Rod, T., 82
 Roddewig, R., 352
 Roe, J., 381
 Rogers, M., 33, 155–8, 160–2
 Rolfe, J., 49
 Romalis, J., 196
 Rose, P., 34, 35, 39
 Round, D., 33, 162, 173, 178
 Rowe, D., 594
 Rowland, D., 567
 Rowley, C., 575
 Rowse, T., 334, 580, 656, 660
 Rubinstein, C., 237, 630
 Rudd, D., 86
 Russell, G., 470
 Russell, M., 252
 Ruttan, V., 605

- Ruzicka, L., 557, 558, 563, 565
 Ryan, C., 214
 Ryan, E., 475
 Ryan, L., 490, 576
 Ryan, N., 416
 Rydon, J., 250, 258, 259, 266, 288, 296, 417
- Saggars, S., 506, 508
 Said, E., 639
 Salkeld, G., 68, 69
 Sampson, K., 66, 178
 Samuelson, P., 145
 Sandercock, L., 413
 Sanders, W., 415
 Sandmo, A., 144, 146
 Sansom, B., 203
 Sanson-Fisher, R., 453
 Sappey, R., 499
 Sarre, R., 527
 Sassen, S., 592
 Saunders, K., 306
 Saunders, P., 82, 122, 126–32, 141, 380, 381, 383, 413, 433
 Savage, E., 64, 68, 140–4
 Savage, S., 38
 Sawyer, G., 237
 Sawyer, M., 287, 305, 306, 308, 309, 312, 313, 314, 317, 330, 332, 333, 377, 411, 417, 472, 481, 488–9
 Sawyer, M., 118, 131
 Sayers, A.M., 251
 Scalmer, S., 663
 Schebeck, B., 576
 Schedvin, B., 204
 Scheit, T., 207
 Scherer, P., 379
 Schevin, B., 383
 Schlosser, E., 474
 Schmidt, R., 85
 Schmitter, P., C., 380
 Schneider, F., 18, 19
 Schofield, D., 63
 Schuele, M., 54
 Schuler, K., 200
 Schumacher, E.F., 346
 Schuyers, R., 79
 Schwab, R.G., 450
 Schwartz, H., 382
 Scitovsky, T., 173
 Scott, M., 173
 Scott, R., 418
 Scotton, R., 60, 61, 64, 70, 415
- Scutella, R., 97, 143
 Searle, B., 307
 Searle, G., 82
 Seddon, G., 655
 See, P., 66
 Self, P., 320
 Sen, A., 119
 Sen, H., 500
 Seymour, J., 69
 Shan, J., 76
 Shann, E., 377
 Shapcott, R., 365, 366
 Shapiro, R.Y., 346
 Share, P., 608, 616, 617
 Sharman, C., 235, 250, 251, 252, 257, 259, 407, 417, 418
 Sharpe, I., 207
 Sharpe, S., 470
 Shaver, S., 507
 Sheehan, P., 109, 154–9, 206
 Shelton, B.A., 472
 Sherwood, S., 647
 Sheshinski, E., 141
 Shiell, A., 68, 69
 Shiels, E., 651
 Short, L.M., 490
 Short, S., 61, 415
 Shresta, S., 199
 Sibly, H., 200
 Sicklen, D., 163
 Sidak, J., 36
 Sieper, E., 175, 177, 329
 Simms, M., 271, 305, 306, 309, 312, 315, 317, 331
 Simpson, C., 524
 Simpson, M., 111
 Sinclair, P., 156, 158, 159
 Sinden, J., 46
 Singer, P., 332
 Singleton, G., 326–7, 420, 421
 Siouclis, A., 157, 162
 Sjaastad, L., 171
 Skinner, J., 504
 Skinner, Q., 225
 Skogstad, G., 331
 Sloan, J., 86–7, 452
 Small, J., 36, 38
 Smeeding, T., 130–3
 Smith, B., 170, 175, 180, 223, 654
 Smith, G., 367
 Smith, H., 508
 Smith, J.P., 148, 419

- Smith, L., 554, 555
 Smith, P., 647, 649
 Smith, R., 249–50, 254, 256, 257, 275
 Smith, R.F.I., 411, 413
 Smith, R.L., 33, 48, 79
 Smith, S., 53
 Smoker, I., 69
 Smolensky, E., 121
 Smolicz, J.J., 460, 632
 Smyth, P., 382, 383
 Snape, R., 171, 178, 180
 Solomon, D., 254, 258
 South, S.J., 471
 Spaargaren, G., 351
 Spalding, B., 38
 Spann, D., 407, 408, 413
 Sparrow, R., 230
 Spence, C.H., 289
 Spillman, L., 651
 Spink, P.M., 315
 Spitze, G., 472
 Staats, D., 37
 Stacey, J., 480, 481
 Stahl, C., 582
 Starr, G., 48
 Stehlik, D., 607, 609, 610, 617
 Stein, M., 591
 Steinbrickner, B., 258
 Stemp, P., 214
 Stern, N., 141
 Stern, R., 172
 Steven, R., 376
 Stevens, A., 380
 Stevens, G., 196, 200, 214, 437
 Stevenson, G., 51
 Stewart, J., 377, 378, 411, 416
 Stewart, R.G., 254, 328, 378, 380
 Stiglitz, J., 144, 147
 Still, L., 508
 Stilwell, F., 375, 380, 390, 590, 596, 617
 Stimson, R., 590, 595, 596
 Stoeckl, N., 37, 51
 Stoelwinder, J., 66
 Stokes, D., 274
 Stone, B., 250, 251, 253, 255
 Stone, D., 310, 412
 Strahan, K., 81
 Strappazzon, L., 54
 Street, A., 69
 Stretton, A., 106
 Stretton, H., 382, 390, 413
 Stricker, P., 109
 Stromback, T., 76, 81, 84
 Stubbs, P., 161
 Studlar, D., 257, 258, 317, 318, 335, 338, 351, 352
 Subbaraman, R., 196, 215
 Sugden, R., 346
 Sullivan, B., 309, 484
 Sullivan, D., 364
 Sullivan, O., 472
 Sullivan, P., 576
 Summers, A., 306, 308, 468, 474
 Summers, J., 249, 411
 Sun, F., 76
 Sutton, A., 518, 519, 521, 523, 527
 Sutton, J., 171, 176
 Swan, P., 25, 39, 144, 147
 Swenson, T., 281
 Swivel, M., 82
 Szelenyi, I., 594

 Taagepera, R., 297
 Tacey, D., 626
 Tait, D., 81
 Tangney, D., 312
 Taylor, A., 86
 Taylor, J., 82, 96
 Taylor, R., 381
 Taylor, S., 486
 Teather, E.K., 490, 616
 Thampapillai, D., 46
 Theodorson, G., 593
 Theophanous, A., 244
 Thiele, B., 480
 Thomas, B., 79
 Thomas, M., 582
 Thompson, C., 110, 197
 Thompson, D., 17, 26
 Thompson, E., 234, 643
 Thompson, E.P., 362
 Thompson, P., 351
 Thorne, B., 480, 481
 Thornhill, J., 628
 Thorns, D., 592, 593
 Thorp, S., 196, 214
 Threadgold, T., 480, 482, 487, 492
 Tiernan, A., 412
 Tierney, L., 668
 Tikhomirova, G., 156, 158, 159
 Timcke, D., 111
 Timms, D., 593
 Tipping, C., 38
 Tirole, J., 36

- Tisdell, C., 49, 55
 Tiver, P., 271
 Tocqueville, A. de, 234
 Tomasic, R., 521
 Tomsen, S., 528–9
 Toner, P., 378
 Tongue, S., 331
 Toonen, N., 241
 Tooze, R., 385
 Touraine, A., 324, 335, 346
 Tow, W., 364, 366
 Tran, V.H., 147
 Tranter, B., 280, 335, 649
 Travers, P., 120, 672
 Treas, J., 437
 Treuren, G., 379
 Trifiletti, G., 237
 Trivedi, P., 63, 64
 Troy, P., 413, 590
 Truman, D., 324
 Tsokhas, K., 383, 386–7
 Tsumori, K., 122, 433
 Tucker, D., 312, 315
 Tulloch, P., 669
 Turnbull, M., 225
 Turner, G., 645, 651
 Turrell, G., 433, 434, 443, 450, 452, 453
 Turton, H., 83
 Tuvemo, T., 543
 Twomey, A., 242
- Uhr, J., 226, 251, 252, 254, 260, 288, 416
 Unwin, A.R., 294
 Urry, J., 592
- Vaithianathan, R., 63
 Valen, H., 312
 Valentine, T., 206, 207
 van Acker, E., 334, 411, 420
 Van Bueren, M., 52
 Vanclay, F., 607, 610, 613
 van den Berg, R., 576
 VandenHeuvel, A., 442, 445, 561
 van de Ven, J., 142
 van Gool, K., 65–8
 Vasta, E., 483
 Venn, D., 113
 Verba, S., 10
 Verekiós, G., 81
 Vernon, J., 173
 Vickers, J., 23
 Villaincourt, F., 87
- Vincent, D., 171, 176
 Viney, R., 62–9
 Volker, P., 214
 Voss, G., 193, 196
 Vowles, J., 280
- Wacjman, J., 481, 492, 502, 508, 511
 Wailes, N., 379
 Waite, M., 111
 Walker, A., 615
 Walker, B., 23, 26
 Walker, G., 209
 Walker, J., 32
 Wallace, R., 60, 61
 Walsh, C., 413, 416, 419
 Walter, J., 332, 412, 640
 Walter, M., 476
 Waltz, K., 361
 Wanna, J., 238, 328, 412, 413, 416, 418, 419
 Warby, B., 270
 Ward, I., 254, 255, 270
 Ward, R., 640, 645
 Warden, J., 289
 Warhurst, J., 180, 271, 282, 325, 331, 332,
 335, 377, 411, 413
 Waring, B., 481
 Waring, M., 491
 Warr, D., 509, 530
 Warr, P., 39, 175
 Warren, J.R., 437
 Warren, N., 141, 144, 147, 418
 Watson, A., 175, 180
 Watson, I., 281, 380
 Watson, N., 510
 Watson, S., 489
 Wattenberg, M., 251
 Watts, R., 381, 411, 415, 421, 591, 656, 672
 Waugh, J., 259
 Weakliem, D.L., 280
 Wear, R., 255
 Wearing, B., 470, 508
 Wearing, M., 382, 383, 615, 616, 672, 673
 Weatherly, R., 521
 Webber, M., 504, 505, 509
 Weber, M., 436
 Webster, E., 82, 113
 Webster, R., 66
 Weiss, L., 367, 377
 Welch, S., 315
 Weller, P., 254, 258, 377, 385, 409, 411, 412,
 414, 415, 416, 417, 418
 Wells, G., 186, 188, 200

- Welsh, A., 172
West, K., 271
Western, B., 328
Western, J., 434, 435, 451, 456, 481, 483, 487,
507, 591, 596, 597, 648
Western, M., 280, 434, 436, 437, 501
Westfield, M., 23
Weston, L., 38, 39
Weston, R., 465, 466
Wettenhall, R., 408, 413
Whalley, J., 142, 143, 172
Whip, R., 317
White, I., 576
White, R., 518, 519, 521
Whiteford, P., 78, 121, 122, 130, 141
Whitehouse, G., 309, 505, 507, 509, 645
Whitlock, D., 351
Whiteman, J., 38
Whiting, K., 509
Whitlam, E.G., 236, 239
Whitlock, B., 108
Whittingham, P., 109
Whitwell, G., 383, 385, 411, 414
Wickens, C., 176
Wickerson, J., 147
Wickham, G., 518
Wiggers, J.H., 453
Wilcoxon, P., 173
Wild, R.A., 437, 596, 615
Wilenski, P., 413
Wilkes, J., 419
Wilkins, R., 100
Wilkinson, R., 502
Wilks, L., 51
Willett, G., 335, 467
Williams, A., 79, 346
Williams, B., 208
Williams, C., 471, 499, 596, 615
Williams, G.M., 539, 544
Williams, L., 76, 81, 86, 530
Williams, P., 33, 36
Williams, R., 68, 100
Williamson, J., 131
Willis, E., 499, 502, 511
Wills, I., 48, 53
Wilson, B., 630
Wilson, J., 63
Wilson, P.R., 521, 523, 528
Wilson, R., 230, 578
Wiltshire, K., 419
Winter, I., 326, 594, 596
Winters, L.A., 173
Wirth, L., 593
Wise, T., 575
Wiseman, J., 227, 378, 389
Withers, G., 74–87, 155, 176, 206, 563
Wohlforth, W., 365
Wolcott, G., 462, 464, 465
Wood, G., 80
Woodbridge, G., 38
Wooden, M., 76, 95, 97, 100, 105, 108–13,
442, 444, 500, 501, 505, 561, 583
Woods, K., 39
Woods, L.T., 388
Woodward, D., 375, 411
Worswick, C., 76, 82, 85, 127
Wreford, P., 108
Wright, D., 64
Wright, E.O., 436, 508
Wright, J., 36, 37, 38
Wright, J.F.H., 288
Wright, M., 360
Wulff, M., 595, 596
Wundersitz, J., 523
Yarrow, G., 23
Yates, J., 146
Yeandle, S., 470
Yeatman, A., 330, 411, 413, 416, 480, 481,
483, 489
Yeoh, A., 69
Yeuk-Mui, M.T., 503
Yong, K., 66
York, B., 274
Young, C., 557, 558, 562, 565
Young, E., 454
Young, L., 252, 346
Young, M., 49, 53, 55
Zappala, G., 259, 274, 336
Zeitsch, J.F., 172
Zetlin, D., 312, 317, 318, 481, 509
Zhang, Q., 215, 216
Zifcak, S., 253, 259, 419
Zines, L., 352
Ziss, S., 33

Subject Index

- Aboriginal and Torres Strait Islander Commission (ATSIC), 243
- Aborigines, 229–31, 483–4
- attitudes towards, 281–2
 - definitions, 435
 - demography of, 554–5, 574–80
 - education and, 448–9, 450–1
 - employment, 95, 100
 - exchange relationships, 203
 - health of, 63, 455–6
 - inequality and, 435, 442–3, 445–6
 - labour-market discrimination, 111–12
 - land rights, 243–4, 616–17
 - patterns of crime among, 519–20
 - policy influence, 333–4
 - rights of, 242–4
 - ‘stolen generation’, 245
 - work and, 507–10
- Academy of the Social Sciences in Australia, 483
- Accord (Prices and Incomes), 380, 418
- accounting
- accrual, 21, 189
 - public, 25
- Afghanistan, 361
- ageing population, 83, 145, 189, 192
- agriculture
- farm policies, 175, 331, 608–10
 - trade
 - impact of industrial protectionism, 170
 - reduction in subsidies, 175
- AIDS, *see* HIV/AIDS
- ALP, *see* Australian Labor Party
- ANZUS alliance, 360
- Asia–Pacific Economic Cooperation (APEC), 169, 172, 178, 387, 388
- ATSIC, 243
- auditor-general, 254–5
- Australasian Political Science Association, 483
- Australasian Study of Parliament Group, 254
- Australia Day Council, 462
- Australian ballot, 287
- Australian Bureau of Statistics (ABS), 438, 452, 471
- Australian Capital Television case, 244
- Australian Capital Territory, 254, 271, 294, 298, 527–8
- Australian Competition and Consumer Commission (ACCC), 238
- Australian Conservation Foundation (ACF), 326, 335
- Australian constitution, 234–46
- 1975 crisis and, 246
 - reform of, 259–60
- Australian Council of Social Service (ACOSS), 329–30
- Australian Council of Trade Unions (ACTU), 27, 105, 380
- Australian Democrats, 251, 266, 279
- Australian Election Study, 256, 257, 280, 281, 309–10, 326
- Australian Electoral Commission (AEC), 271
- Australian Environment Council, 347
- Australian Federation of AIDS Organisations (AFAO), 336
- Australian Food and Grocery Association, 353
- Australian Grants Commission, 238
- Australian Greenhouse Office, 349
- Australian Greens, 266, 279, 312
- see also* Green Independents
- Australian Heritage Commission, 347
- Australian Industry Association, 354
- Australian Institute of Aboriginal and Torres Strait Islander Studies, 575
- Australian Institute of Health and Welfare, 528
- Australian Journal of Political Science, 305
- Australian Labor Party (ALP), 227, 252, 266–9
- Aborigines and, 229, 448–9, 450–1
 - ‘critical mass’, 318–19
 - electoral support, 272–9
 - electoral system and, 315, 317–18
 - ethnicity and, 451–2
 - federalism and, 246
 - feminism and, 306–8
 - franchise and, 287
 - gender and, 448–9
 - history of, 267–9
 - in parliament, 312–13
 - party identification, 275–7
 - public policy and, 307–8, 332

- universities and, 449–50
- women and, 310–11, 317
- Australian National Parks and Wildlife Service (ANPWS), 347, 351
- Australian National University (ANU), 359, 362, 364, 418, 437–8, 661
- Australian Sociological Association, 483
- Australian Workplace and Industrial Relations Survey (AWIRS), 160
- banks
 - riskiness, 207
 - state-owned, 208
 - see also* financial sector
- Belgium, 246
- biodiversity, 45, 49, 51, 56, 349
- Britain, *see* United Kingdom
- Business Growth and Performance Survey, 160, 161
- Cairns Group, 387
- Canada, 235, 246, 521
- Canberra, 258
- cannabis, 526–7
- capital markets, 20, 24, 25, 27, 146, 157, 173, 187, 203, 206, 213
- Centre for Independent Studies (CIS), 329–30
- Centre for Research into the Prevention of Drug Abuse, 526
- Charles Sturt University, 487
- Chinese, 526–7
- citizen initiated referendums, 259
- citizenship, 226, 237
 - Aborigines and, 243
- class, 483, 486–9
 - education and, 447–8
 - history of, 436–8
 - income and, 443–4
 - social stratification and, 436–7
 - structure, 438–40, 443
 - vote, the, 272–4, 276–7
- Coalition parties, 227, 239
- Cold War, 227, 359–65, 367–8
- Commonwealth, *see* federalism
- Commonwealth Bank of Australia, 17, 22, 23, 204
- Commonwealth Scientific and Industrial Research Organisation (CSIRO), 155
- competition
 - national competition policy (NCP), 17, 20, 31, 35, 80
 - policy, 31–40, 176
- compulsory voting, 266–7, 271
 - see also* electoral systems, electoral turnout
- confederalism, 234
- Constitutional Convention (1997), 271
- contracting out, 26, 27
- corporatism, 326–7, 379–80, 420–1
- Costigan Royal Commission, 522–3
- Council of Australian Governments (COAG), 237–8, 245, 348
- Country Party, 267, 269, 296, 606
 - see also* National Party
- Country Women's Association, 306
- crime
 - alcohol and, 519
 - drugs and, 526–8
 - patterns of, 520–1
 - prevention of, 518–19
 - shaming, 519–20
 - theories of, 518–20
 - white-collar, 522–3
 - younger people and, 523–5
- cultural studies
 - Australian, 640–6
 - origins of, 638–40
 - see also* religion, sociology
- Cunningham by-election, 267
- current account deficit, 75, 77, 186, 188
 - debate, 186
 - foreign debt and, 187
- Curtin University, 487
- deliberative democracy, 226
- Democratic Labor Party, 266, 280
- demography
 - change, 145
 - of families, 464–6
 - fertility, 557–8, 562, 563–5, 568
 - indigenous, 554–5
 - see also* ageing population, population
- Denmark, 288, 313
- deviance, *see* crime
- disproportionality, *see* electoral systems
- divorce, 466–7
- doctors, 62, 67
- domestic division of labour, *see* families
- drugs
 - crime and, 526–8
 - decriminalisation of, 528–30
- economic growth, impact of immigration on, 78
 - see also* productivity

- Economic Planning and Advisory Council (EPAC), 26
- economic rationalism, 227, 375, 663
- Edith Cowan University, 487
- education, 447–52
 - attainment level, 96
 - earnings and, 99
 - class and, 447–8, 449–50
 - higher, 156, 175, 176
 - public, 156
 - tax treatment, 141
- election campaigns, 331
- Electoral and Administrative Review Commission, 255
- electoral systems, 287–301
 - ballot design, 292–3
 - compulsory voting, 266–7, 270, 299–301
 - disproportionality, 295–8
 - district magnitude, 297–8
 - Hare–Clark system, 266, 295
 - majority preferential vote (MPV), 288–9
 - malapportionment, 300–1
 - origins of, 287–8
 - preferential voting, 266, 270, 287–98
 - rotation of candidate names, 294
 - Senate, 250–3, 288, 293–5, 298, 300
 - single-member plurality, 287–8
 - split-ticket voting, 251
 - suffrage, 287–8
 - ticket voting, 287–8, 295
 - transfers, 294
 - voting behaviour and, 266–82
 - women and, 315–16
 - see also proportional representation
- electoral turnout, 271
 - see also compulsory voting
- elites, 226, 228
- employment
 - by occupation and skill level, 96
 - casual, 111
 - hours of work, 98
 - Indigenous Australians, 95
 - job quality, 98–9
 - job tenure, 99, 110
 - occupational segregation, 97
 - part-time, 95
 - wage elasticity, 108
 - women, 94, 95, 108
 - with dependant children, 97
 - see also labour market
- Engineers case, 239–40
- environment, 345–55
 - bio-economic models, 50
 - cost-benefit analysis, 46
 - economics and, 45–56
 - impact of trade, 55
 - national parks, 51
 - origins of movement, 345–6
 - sustainability, 55, 612–14
 - urban congestion and immigration, 82
 - see also biodiversity
- ethics, 255–7
- Ethnic Communities Council, 333, 336
- ethnicity, 483
 - crime and, 526–7
 - definition, 435
 - education and, 451–2
 - health and, 453–5
 - inequality and, 441–3
 - movements, 336–7
 - representation and, 259
 - work and, 507–10
 - see also immigrants
- European Union, 246
- euthanasia, 258
- exchange rate float, 193, 205
- families, 487–8, 499, 503, 505–7, 509
 - assistance for, 139
 - divorce in, 466–7
 - domestic division of labour in, 470–4
 - fertility, 465–6
 - high marginal tax rate, 143
 - history of, 468–70
 - regions and, 594–7
 - social policy and, 670–3
 - structure of, 464–6
- federalism, 234–46, 323, 417–18
 - fiscal federalism, 238–40
 - ‘new federalism’, 239, 417–18
- Federated Ships Painters and Dockers Union, 523
- federation, 224
- feminism, 306–9, 481–6
 - families and, 464, 467–8, 470, 476
 - inequality and, 438–9
 - influence of, 325, 489–91
 - international relations and, 358
 - movement, 324–5, 333–4, 488–9
 - social sciences and, 480–2
 - voting and, 317–18
 - see also gender, women
- fertility, 464–6
- Fightback! program, 22, 139, 141, 142, 144

- financial sector
 Australian Prudential Regulation Authority (APRA), 207, 209
 Campbell Report, 146, 205, 206, 208
 credit unions, 209, 210
 deregulation, 205
 deregulation of housing interest rates, 206
 non-bank financial institutions (NBFIs), 208, 209
 payments system, 207, 209, 210, 216
 prudential supervision, 207, 208
 regulatory institutions, 206
 structure, 211
 Wallis Report, 205
- Finland, 313
- fiscal balance
 frightening the bourgeoisie, 189
 generational accounts, 190
 sale of public assets and, 190
 targets, 189
- Fitzgerald Report, 255
- food
 production and consumption, 610–12
 tax treatment, 141
- foreign debt, 'consenting adults' view, 187
see also current account deficit
- foreign exchange market
 gradual deregulation, 211
 scale, 209
- foreign policy, 234–5, 358–60, 363–7
see also international relations
- forests, 56
- France, 313
- free-market reform, 227, 237, 269–70
- free trade, 224
- Friends of the Earth, 335
- gay movement, 324, 326, 331, 332, 335–6, 529–30
- gay studies, 482
- gender
 definitions, 435
 domestic division of labour and, 470–4
 education and, 448–9
 feminist scholarship, 306–8, 483
 gender gap, 315–16
 income and, 444–5, 503, 507–10
 inequality and, 437–8
 politics and, 309ff
 sexuality and, 484–8
 social sciences and, 480–2
 voting and, 305, 306, 310–12
- work and, 507–10, 530–1
see also women
- General Agreement on Tariffs and Trade (GATT), 387–8
- Germany, 246
- global warming, impact of immigration, 83
- globalisation, 226–8, 237, 336–8, 364–5, 385–90, 503
 impact on
 environment, 55
 financial system, 206
 income distribution, 118
see also international political economy, international relations
- goods and services tax (GST), 238, 239–40, 245, 252
- government
 business enterprise, 19, 20
 effect of immigration, 77
 expenditure, 189
 intergenerational accounts, 192
- governments
 Carr, 295
 Chifley, 239, 288
 Curtin, 239
 Denham, 299
 Dunstan, 301
 Fraser, 239, 300, 308, 670–1
 Hawke, 227, 237, 245, 269, 270, 300, 308, 326–7, 353, 379–80, 387–8
 Howard, 238, 240, 242, 353, 365–6
 Hughes, 288
 Keating, 242, 245, 257, 269, 270, 327, 353, 379–80, 387–8
 Menzies, 239, 288
 Whitlam, 241, 300, 308, 347, 668–9
- Greece, 466
- Green Independents, 348
see also Australian Greens
- Greenpeace, 335
- Gregory method, 294–5
see also electoral systems
- health, 412–13, 452–6
 Aborigines and, 455–6
 breast-cancer screening, 69
 comparative efficiency of public and private, 65
 consumer and provider behaviour, 67
 drugs and, 526–7, 528
 ethnicity and, 453–5
 inequalities in, 453–5

- health (cont.)
 pharmaceuticals, 61, 62, 158
 universal access, 62
- health insurance, 61–5, 67, 68, 70, 83
 community rating, 62
 copayments, 64, 67
 Medicare, 60, 62, 67
 price elasticity of demand, 64
- heroin, 527–8
- High Court, 235–7, 239, 240, 463
 bill of rights and, 245
 native title and, 244–5
- Higher Education Contribution Scheme (HECS), 450
- HIV/AIDS, 335–6, 337, 488
- home ownership, *see* housing
- homosexuality, 241, 528
- hospitals, 61–6
- House of Representatives, 236, 246, 249–52, 254
 elections to, 267–8, 315–16
 information on, 255
 women in, 317
- Household, Income and Labour Dynamics Australia (HILDA), 511
- household production, 67, 120, 121, 143
 health, 67
 tax treatment, 141
- households, *see* families
- housing, 470
 imputed rent, 146
 interest-rate deregulation, 206
 owner-occupied, 146, 196
- human rights, 241
- ideology, 'end of', 324
- immigrants, 441–2
 crime and, 523–4
 diversity, 560–4, 593–5
 electoral system and, 292
 feminism and, 483
 labour-market discrimination, 111–12
 multiculturalism and, 580–2
 policies on, 559–62, 580–4
 unemployment rates, 76
 wages, 100
see also ethnicity
- immigration, 580–5
 attitudes towards, 280–1
 balance of payments, 77
 business, 81
 contribution to population, 74
 contribution to public purse, 78
 economics and, 562–5
 environmental impact, 82
 global warming, 83
 government spending, 77
 illegal, 78
 impact on economic growth, 78
 impact on training opportunities, 76
 impact on wages, 76, 82
 linkage to real income, 80
 population ageing and, 83
 regional issues, 82
 impact on Sydney, 84
 skill transferability and recognition, 79, 85
 sources of, 583–5
 Teoh case, 242
 unemployment effects, 75
- income, 446–7, 501–2
 Aboriginality and, 445–6
 class and, 444–5
 families and, 467, 474–6
 gender and, 445–6
 non-market, 121
- income distribution, 82, 118–33, 142, 144, 148, 178
 consequence of globalisation, 118
 definitions of, 120
 distribution of expenditure or, 125
 equivalence scales, 120, 123–5, 128
 low wages, 130
 tax, 141
see also inequality
- Independent Commission against Corruption (ICAC), 256
- India, 289
- Indigenous Australians, *see* Aborigines
- industrial relations, 501–2, 506–7
- industry, 376–7, 378
- inequality
 Aboriginality, 442–3
 associated with social conflict, 119
 between neighbourhoods, 126, 128
 class, 434–5
 cross-country comparisons, 131
 demand for skilled workers, 130
 earnings, 101, 110, 129, 133
 education and, 447–8
 ethnicity, 441–2
 gender, 434–6, 440–1
 health and, 453–6
 income and, 443–4
 market-generated, 126

- social, 433ff
 - see also income distribution
- information and communication technologies, 500, 502
- infrastructure, 19, 20–7, 32–6, 39, 65, 78, 81, 155, 156, 189, 193
 - private, 17, 18, 25
- Innovation Survey, 160, 161
- Institute of Public Affairs, 330
- interest groups, 323–31, 415–16
 - corporatism and, 326–8
 - definitions of, 324–5
 - relations with state, 329–31
 - see also social movements
- intergenerational accounts, 192
- International Labour Organisation (ILO), 472
- international law, 241
- international political economy
 - Asia and, 387–91
 - definitions of, 385–6
 - trade and, 387–90
- international relations
 - Cold War and, 359–65
 - criticisms of, 361–3
 - defence policy and, 364–6
 - invasion of Afghanistan, 361
 - realist school, 359–63, 365–6
- Ireland, 287, 289, 297
- Italy, 466

- Japan, 466
- judiciary, 244–5

- Kakadu National Park, 351
- Keynesian economics, 324, 384–5
- Koowarta case, 240, 243
- Kruger case, 244

- Labor Party, *see* Australian Labor Party
- labour force
 - contribution of immigrants, 74
 - participation, 95, 96, 108, 109, 113, 130, 192
- labour market, 379–81, 499–511, 670
 - changes in, 505–8
 - decline of the male-breadwinner model, 113
 - deregulation of, 237, 505–7
 - discrimination, 111
 - framework, 101
 - gender and, 508–10
 - GST and, 238–9
 - households and, 466, 476
 - immigration and, 562–3
 - neighbourhood effects, 113
 - programs, 104, 106, 112, 113
 - Job Network, 106, 107
 - Working Nation, 106
 - regions and, 595–7
- land claims, 230
- La Trobe University, 362
- Lebanese, 524
- legislatures, 249–60
 - accountability of, 253–5
 - bicameralism, 250–2
 - ethics, 255–7
- lesbian studies, 482
- Liberal and Country League, 300
- Liberal Party, 243, 266–7
 - compulsory voting and, 271–2, 291–2
 - electoral system and, 291–2, 296, 315
 - history of, 269–71
 - parliamentarians, 257–9
 - party identification, 275–7
 - women and, 317–18
 - see also Coalition parties
- liberalism, 225–7, 323
- London School of Economics and Political Science, 359–60

- Mabo case, 230, 242
- Malta, 287, 289
- manufacturing, *see* industry
- marijuana, *see* cannabis
- market failure, 24, 25, 45, 52, 70
- marriage, 463–7
- Marxism, 308, 360, 376, 411, 436, 436–8, 482–3, 498, 499, 656–7, 659–60, 661, 663
- Medicare, 60, 62, 67
- Metherell affair, 256
- migrants, *see* immigrants
- monetary policy
 - costs of recession, 194
 - foreign debt and, 188
 - instability of money demand, 196, 214
 - instability of money multiplier, 214
 - interest-rate instrument, 211
 - targeting inflation, 195
 - targeting the money supply, 194
 - transmission to real economy, 215
- monopoly
 - natural, 32, 33, 34, 35, 37, 40
 - pricing, 20
 - statutory, 18

702 Subject index

- mortality, 453
 see also health, population
- movements, *see* social movements
- multiculturalism, 228–9
 see also immigrants, immigration
- multinational enterprises, 23, 154, 156, 157, 158
- Murray–Darling River, 349
- National Competition Council, 238
- National Drug and Alcohol Research Centre, 526
- National Drug Strategy, 526
- National Farmers' Federation, 326, 329–30, 331
- National Grid Management Council, 238
- National Heritage Trust, 349, 351, 353
- national identity, 231
- National Illicit Drugs Campaign, 526
- national innovation system, 155, 156
- National Party, 242, 266, 267, 269, 272, 274, 281
 electoral system and, 296
 women in, 317
 see also Coalition parties, Country Party
- National Rail Corporation, 238
- National Strategy for Economically Sustainable Development, 348
- Nationwide News case, 244
- Netherlands, 300
- New South Wales, 240, 256, 257, 291, 295, 299, 521
- New Zealand, 227, 246, 250, 275, 287, 305, 313, 521
- Northern Territory, 243, 244, 521
- Northern Territory Land Rights Act, 243
- Norway, 313
- nuclear weapons, 347
- nurses, 62
- Office of the Environment, 347
- Office of the Status of Women, 308
- One Nation Party, *see* Pauline Hanson's One Nation Party
- opinion polls, *see* public opinion polls
- ownership
 private, 20, 22, 25, 26, 35
 public, 18, 20, 22, 23, 26
- parliamentarians
 attitudes of, 257–9
 ethics of, 255–7
- personal vote for, 258
 women, 258–9
- party identification, 275–7, 305
- Pauline Hanson's One Nation Party, 227, 280–1, 292
- pay-TV fiasco, 23
- Pharmaceutical Benefits Scheme (PBS), 63, 68, 69
- pluralism, 325–6
- police, 255
- political culture, 333
- political economy, 374–91
 business and, 375
 commodity sector, 377–8
 Depression and, 383–5
 international, 385–90
 Marxist, 376–7
 welfare state, 381–3, 378–81
- political parties
 women in, 306–7, 317–18
- political theory, 223–31
- pollution, 45, 56
 legislation, 347–8, 351–2
 policy on, 346–7, 353–4
 state and, 350–2
- population
 ageing, 83, 145, 189, 192
 composition, 558
 fertility and, 557–8
 impact of immigration, 83
 indigenous, 554–5
 mortality, 565–8
 policies on, 559–60, 565–7
 white settlement, 556–7
 see also immigrants, immigration
- Portugal, 466
- postmaterial values, 279–80
- postmodernism, 493
- poverty, 130, 141, 143, 148
 poverty traps, 107, 130, 141, 143
- Prices and Incomes Accord, 380, 418
- prisons, 19
 privatisation of, 20
- privatisation, 17–27, 162, 193, 208
 equity premium puzzle, 24, 25
 equivalence proposition, 20, 21, 22, 23
- productivity, acceleration during 1990s, 99, 153, 162, 168
- Productivity Commission, 348, 349
- proportional representation, 236, 250, 258
- Proportional Representation Society, 289
- prostitution, 529–30

- protectionism, *see* political economy
 protectionists, 224
 public administration, *see* public policy
 public enterprise, 18, 19, 20, 22–5, 32, 155
 public expenditure, 21, 78, 155
 public finance, 418–19
 public opinion polls, 309
 public policy
 economic policy and, 412–13
 federalism and, 417–18
 in Australia, 412–15
 origins of, 406–7
 public administration and, 408–12
 public sector and, 416–17
 see also social policy
 public-sector management, 416–17
 public service, 412–13
- Qantas, 17
 Queensland, 242–3, 255, 267, 281, 287, 289, 291
- race, voting and, 280–1
 see also Aborigines, ethnicity
 Racial Discrimination Act, 240, 243
 radio, 255
 rape, 525–6
 referendums, 225, 236
 reform, microeconomic, 17, 31, 32, 119, 162, 171, 176
 refugees, 78, 86, 87
 immigration, 82
 urban congestion, 84
 policies, 128
 unemployment rates, 76
 regional sociology, 590–8
 see also urban sociology
 regulation, 323, 336–7, 474–6
 religion, 626–32
 definitions of, 626–7
 denominations, 629
 in Australia, 628–9
 religious organisations, 631
 representation, 257–9
 representative government, 253
 republicanism, 224–6, 231
 constitution and, 259–60
 referendum (1998), 236
 research and development
 firm size, 157
 government purchasing policy, 158
 multinationals, 156
 private and social rates of return, 161
 tax concession, 158, 159
 Reserve Bank of Australia (RBA), 163, 186, 196, 204–15
 Resource Assessment Commission, 350–1
 responsible government, 235–6, 246
 restorative justice, 519–20
 retirement, income and savings, 144, 145
 rights
 bill of, 245
 implied, 243–5
 of migrants, 230
 secret ballot, *see* Australian ballot
 Senate, 236
 bicameralism and, 251–2
 implied rights and, 244
 Legal and Constitutional References Committee, 242
 proportional representation, 250, 266
 representation of women in, 312–13, 315, 317
 sexuality, 484–8
 social capital, 325
 social class, *see* class
 social democracy, 324
 socialism, 375–6
 social movements, 323–5, 331–6
 definitions of, 324–5
 environment, 334–6
 ethnic, 336–7
 feminist, 333–4
 gay, 335–6
 indigenous, 334
 peace, 361–2
 see also interest groups
 social policy
 defined, 666–8
 economic rationalism and, 671–3
 sociology and, 668, 671–2
 Social Policy Research Centre, 670
 social security, 78, 107, 120, 132, 143, 145
 Mutual Obligation Initiative, 108
 social stratification, 436–8
 see also class
 social welfare, 381–3
 Social Welfare Commission, 670
 Sociological Association of Australia and New Zealand, 483
 sociological theory, 654–64
 sociology
 as profession, 658–90

- sociology (*cont.*)
 regional, 590–8
 rural, 604–19
 rural communities, 614–16
 traditions of, 660–4
 urban, 590–8
see also cultural studies, religion
- South Australia, 243, 287, 299, 521, 529
- Soviet Union, collapse of, 362–3
- Spain, 246, 466
- spirituality, *see* religion
- split-ticket voting, 251
- 'Sports Rorts' affair, 257
- stagflation, 375
- states, 235–6
 development of legislatures, 249–50
 finance, 238
 governments of, 245–6
 intergovernmental relations, 237–8
 upper houses, 253
- 'stolen generation', *see* Aborigines
- superannuation, 82, 143, 145, 189, 209, 212
 savings and, 145
- sustainability, 612–14
- Sweden, 313
- Switzerland, 235, 246, 466
- Tampa incident, 282
- tariffs, *see* trade
- Tasmania, 241–2, 287, 294, 295, 298, 299, 348, 528
 House of Assembly, 258
- Tasmanian Dam case, 241
- tax
 avoidance, 522–3
 capital-gains tax, 139, 143, 144, 146, 148
 compliance costs, 143
 consumption tax, 139, 140, 144, 148
 corporate, 139, 140, 144, 147, 205
 Earned Income Tax Credit (EITC), 148
 evasion and avoidance, 140, 146, 147
 cash economy, 147
 fringe-benefits tax (FBT), 139, 143, 146
 goods and services tax (GST), 126, 133, 139, 140, 141, 144, 196
 marginal tax rate (MTR), 107, 139
 mix of income and consumption, 144
 personal income tax (PIT), 138, 139, 140–4, 145, 147
 policy, information and incentive constraints, 138
 wholesale sales tax (WST), 138, 140, 141, 144
- tax-transfer system, 121, 124, 133, 139
- television, 255
- Telstra, 21, 22, 23, 36, 37, 40, 193
- Teoh case, 241
- terrorism, 282
- tobacco, 528
- trade
 comparative advantage, 170
 environmental impact, 55
 major tariff reductions, 174
 multilateral trading system (MTS), 169, 178
 tariff history, 168
 tariff reforms, 170, 174
- trade protection
 costs of, 176, 177
 diminished export sector, 171
 disenchantment with, 173
 enlarged manufacturing sector, 170
- trade unions, 101, 102, 104, 112, 379–80, 492, 502
 decline of, 328–9, 420–1
 effect on wages, 112
 industrial disputes, 101, 102
 interest groups and, 327–8
 membership, 101, 102
 support for ALP, 267–9
- transfer system
 targeting, 129, 130, 132, 145
- turnout, *see* compulsory voting, electoral turnout
- UN Convention on the Elimination of Racial Discrimination, 241
- UN Convention on the Rights of the Child, 241
- UN Environmental Program, 351
- UN World Heritage Convention, 241, 351
- unemployment, 329
 adverse consequences for health and wellbeing, 110
 aggregate demand management, 199
 effects of immigration, 76
 equilibrium range, 110
 hidden, 97
 income distribution, 130
 long-term, 98
 non-accelerating inflation rate of unemployment (NAIRU), 110, 196, 198, 199

- steady-inflation rate of growth (SIRG), 110, 198, 199
 - vacancies, 199
- United Australia Party, 266, 312
- United Kingdom (UK), 227, 234–5, 246, 252, 275, 313
 - Australian electoral system and, 288–9
 - interest groups in, 323–4
- United States of America (USA), 227, 246, 257, 275, 313, 323–4, 359
 - constitution, 234
- University of Chicago, 437
- University of New South Wales, 670
- University of Queensland, 362
- University of Sydney, 224
- urban sociology, 590–8
 - see also* regional sociology
- utilitarianism, 224

- Victoria, 240, 242, 287, 299, 521
 - committees, 254–5
 - legislature, 253, 254
- voting behaviour, 272–82
 - ethnicity and, 272
 - party identification and, 274–5
 - women and, 310–12

- wages
 - award system and minimum wages, 104, 105
 - educational attainment, 99
 - enterprise agreements, 105
 - gender gap, 100
 - growing inequality, 101, 110
 - immigrants, 100
 - Indigenous Australians, 100
 - individual agreements, 105
 - regulation, 104
 - trade unions, 112
- 'WA Inc.' Royal Commission, 255
- welfare, *see* social welfare
- Western Australia, 240, 243, 255, 257, 291, 295, 299
- Western Australia Commission on Government, 255
- White Australia Policy, 224, 231
- Wik case, 242
- Wilderness Society, 352
- women
 - crime and, 524–5
 - domestic division of labour and, 470–4
 - earnings-gap, 100
 - employment of, 94, 95, 97, 468–9, 482–3, 501–2
 - equal opportunity, 413, 475
 - franchise, 305–6
 - household production, 67, 120–1, 143
 - labour-market discrimination, 111
 - occupational segregation, 97
 - part-time employment, 108
 - political conservatism of, 310–11
 - representation of, 258–9, 312–13
 - role of childcare, 113
 - tax treatment, 141
 - with dependant children, 97
 - voting, 287, 305, 306, 310–12
 - work disincentives, 143
- Women's Electoral Lobby, 308, 315, 332, 333
- work
 - changing structure of, 500–1, 503–7
 - women and, 501–2
 - see also* class, labour market