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Welfare Reform, Surveillance and New Paternalism

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Abstract

This paper discusses the situation of welfare claimants, often constructed as faulty citizens and flawed welfare subjects. Many are on the receiving end of complex, multi-layered forms of surveillance aimed at securing socially responsible and compliant behaviours. In Australia, as in other Western countries, neoliberal economic regimes with their harsh and often repressive treatment of welfare recipients operate in tandem with a burgeoning and costly arsenal of CCTV and other surveillance and governance assemblages. The Australian Government's Centrelink *BasicsCard* is but one example of welfare surveillance, whereby a percentage of a welfare claimant's allowances must be spent on 'approved' items. The BasicsCard which has perhaps slipped under the radar of public discussion and is expanding nationally, raises significant questions about whether it is possible to encourage people to take responsibility for themselves if they no longer have real control over the most important aspects of their lives. Resistance and critical feedback, particularly from Indigenous people, points to a loss of dignity around the imposition of income management, operational complexity and denial of individual agency in using the BasicsCard, alongside the contradiction of apparently becoming 'self-reliant' through being income managed by the welfare state.

This article highlights the lack of solid evidence for the implementation/imposition of the BasicsCard and points to the importance of developing critically based research to inform the enactment of evidence based policy, also acting as a touchstone for governmental accountability. In highlighting issues around the BasicsCard this paper makes a contribution to the largely under discussed area of income management and the growth of welfare surveillance in Australia.

Keywords: Income Management, Surveillance, Welfare, BasicsCard, Centrelink

Introduction

In Australia, reframing welfare governance systems and employment promotion appeals to a rejuvenated neoliberal and paternalistic understanding of welfare governance (Lantz and Marston 2012). At the core of this rationality is a focus on bureaucratic, instead of human factors and measurable rational-technocratic procedures and interventions to ensure compliance and to move welfare recipients into job-search training and employment. Welfare

surveillance technologies and investigation strategies are at the heart of this policy suite, expanding the ways the state creates ‘deviants’ out of those who fail to be ‘good market citizens’ (Monahan 2008, Maki 2011).

This paper considers some of the implications of the expansion of welfare surveillance in Australia. We begin by briefly outlining the backdrop to welfare-to-work policies including a discussion of recent welfare reforms in the context of ‘activation’ and surveillance. We then focus on The BasicsCard, implemented without clear evidence of benefit or even its ability to achieve stated welfare reform outcomes. In this context, the BasicsCard can thus be considered as yet another paternalistic monitoring and surveillance program, deployed to secure socially and morally responsible behaviours from some of the most disadvantaged individuals and communities in Australia.

Background: Governing welfare in Australia

Over the past decade, there have been substantial reforms to the social welfare system in Australia. Similar to other Anglophone countries, an income support system with limited obligations on the unemployed has been replaced by a system deeply entwined with the market centred philosophy of neoliberalism and the paternalism of social conservatism (Schram et al. 2010).

This system of governance is unequivocally focused on moving income support recipients from ‘welfare *to work*’ through government sanctioned job-search training and eventual employment. In line with the OECD’s recommendations, measures are now in place to target and regulate new recipients, restrict eligibility to benefits and enforce ‘work availability’ requirements for receiving benefits, with sanctions for non-compliance (Lantz and Marston 2012). At the heart of this policy frame, the neoliberal workfare project takes an active stance, emphasising the need to instil specific work ready competencies and the adoption of productivist ideologies in order to assimilate individuals into market relations (Bessant et al. 2006). These strategies focus primarily on bureaucratic, rather than human factors with an emphasis on measurable technocratic procedures, compliance and managerial risk management, investigation strategies and surveillance practices.

The Australian Government made it clear in the 2011-12 Federal Budget that it seeks to end the ‘corrosive’ effects of welfare through ‘requiring responsibility’ noting the importance of the ‘dignity and purpose of work’ (Gillard 2011:5). Invariably, the policy paradigm requires individual responsibility, and enacts punitive responses to control those people who are perceived as failing to contribute economically. In an inversion of the much feared ‘nanny state’ a ‘new paternalism’ has emerged through income management in targeted areas of substantial economic and social disadvantage, underpinned by a costly bureaucratic surveillance, monitoring and sanctioning infrastructure (Buckmaster, 2011).

A central strategy emerging has been to ‘support or induce the adoption of more responsible behaviours in particular communities by, for example, placing conditions on eligibility for welfare payments or on how welfare payments may be spent’ (Buckmaster 2011:1). These measures are an indication of the Government’s growing commitment to the role of personal behavioural change in overcoming disadvantage. It is notable that several of the measures involve interventions in identified disadvantaged communities. This reflects growing interest on the part of the Government in ‘location based initiatives’ or programs targeting cluster groups in particular geographical locations (Buckmaster 2011:3).

New Paternalism – surveillance processes and practices shaping compliance

A number of western democratic countries are ‘surveillance societies’ (Lyon 2001). The nature of the surveillance is complex and far-reaching and needs to be understood in the broadest context of everyday human acts, including shopping with loyalty cards, paying for goods with a swipe card (or BasicsCard), using a mobile phone, paying utility bills, interfacing with any level of government, logging on to computers or using the internet, etc.

Surveillance as information gathering and storage is not a feature only of modernity or post modernity. A ‘simple and ancient’ form of data compilation may be discerned in England in the 1500s, in taxation, census and early poor law administration. This inaugural moment in the creation of the information state, while delineating limited rights to private property and parish poor relief, also built an infrastructure for social control, for example, over religious orders and workers organising for better pay and conditions (Lyon 2002).

The use of surveillance by welfare authorities is not therefore a new phenomenon and have included Job Capacity Assessments for people with disabilities to establish their capacity to work and Activity Agreements which outline recipient’s contractual obligations and possible sanctions if they fail to comply (Lantz and Marston 2012). The availability, sophistication and reach of surveillance tools have been widened and accelerated with the use of cameras, data capturing techniques, loyalty cards, and the BasicsCard a PIN-operated Eftpos card, amounting to ‘dataveillance’ (Maki 2011).

These growing surveillance techniques reflect a range of contradictions within neoliberal workfare policy. Henman and Marston (2008:194) note that ‘...the liberal principles of freedom of choice and individual liberties are suspended for populations receiving certain forms of welfare’. Mandatory workfare programs suggest that welfare recipients are not ‘responsible’ enough to become self-sufficient independent workers on their own instead they require constant supervision and surveillance from authorities.

While researchers argue that surveillance is not inherently designed to perpetuate inequality, they also note that in contemporary society, where everyone is subject to some forms of surveillance ‘not everyone is monitored in the same way or for the same purposes’ (Gilliom 2001; Henman 2004; Haggerty & Ericson, 2006). Welfare surveillance scholars argue that surveillance is more than just watching, it is ‘a calculated practice for managing and manipulating human behaviour’ (Henman 2004:176). Maki (2011:51) notes of welfare surveillance in the UK, ‘...surveillance is not benign and, in the service of the neoliberal state, acts as a direct assault on the poor’.

Different forms of surveillance affect different populations in that the affluent may choose to be involved in market research, while the poor, in accessing services, encounter ‘invasive scrutiny of their purchases and discipline of their behaviour’ (Monahan 2008:220).

The central core of neoliberalism can be found in the ‘privatisation of public programs and services, the re-scripting of citizens as consumers and the corresponding increase in social control mechanisms, especially for those who do not neatly fit into the category of consumer-citizen’ such as people on welfare payments (Monahan 2008:219). The exercise of surveillant authority (particularly through the Stronger Futures legislation) demonstrates the new paternalism of ‘government as by a benign parent’ or ‘the notion that those in positions of power have, just as in the relationship between parents and children, the right and the obligation to overrule the preferences of those deemed incapable of knowing their true interests’ (Thomas and Buckmaster 2010:2).

Institutionalising Welfare Surveillance - The BasicsCard

The BasicsCard is an example of a relatively new, geographically targeted and individualized surveillance program explicitly aimed at addressing behavioural change. First introduced under the then Howard Government in 2007 to many aboriginal communities in the Northern Territory Emergency Response (NTER) it operates by quarantining a proportion of a person's welfare payments to a specialised account. Responsible behaviour is 'induced' with a Basics Shopping Card holding a large percentage of a welfare claimant's allowances to be spent on 'approved' items (Buckmaster 2011:2). This money can only be used to purchase 'essentials' such as food, clothing, and expenditure on housing, but as small businesses in Alice Springs discovered it can also be used to buy fireworks in one store but not schoolbags in another (Aikman 2012). The proportion 'managed' is generally 50%, but may be up to 70%. Generally, 100% of any lump sum payments (such as the Baby Bonus) are quarantined. A minimum spend of \$5 in any transaction is required (ACCOS 2010).

With only specific shops licensed by Centrlink to accept the BasicsCard, many small retailers are not included in the scheme, which forces welfare recipients to shop at the larger retail chains such as Coles and Woolworths and their subsidiaries. Buckmaster (2011) notes that these are the very same organisations that have significant control over small businesses, local suppliers and producers.

Research has been limited as to the operations and impacts of the BasicsCard despite its continued expansion. One of the only reports specifically examining the experiences of more than 180 women on income management (or 'welfare quarantining') in the Northern Territory (NT) reveals a number of significant problems with the system. The majority of participants wanted to exit the BasicsCard system for a range of reasons including a lack of understanding as to the purpose of the program and why they are on it, a perception that both Centrelink and their community do not respect them and consider them to be incapable and incompetent in managing their money and family's lives, that they, and their children, were losing important money management skills while Centrelink took over the payment of their bills, that their children were being taught to rely on government welfare and also the perception that the BasicsCard was specifically intended for Aboriginal or African migrant families alone (Equality Rights Alliance, 2011).

Research participants also argued that the BasicsCard shaped their spending in negative ways, noting that the big supermarkets, rather than smaller shops, accepted the Basics Card. This was an issue for participants looking for Halal butchers or Asian grocers, buying clothes for school-aged children and accessing prescription medications. Some of the smaller shops had cheaper options, but the BasicsCard did not allow them to shop there. Participants also noted that they had no avenue to leave the scheme (Equality Rights Alliance, 2011).

Despite the lack of research and to date no evaluation of the BasicsCard the decision to extend income management into metropolitan areas has gone somewhat unnoticed. The first five 'Place Based Income Management' locations include from July 1 2012: Bankstown, (NSW), Logan, (Qld), Rockhampton, (Qld), Playford, (SA) and Shepparton (Vic). In addition, Kwinana in Western Australia, one of the other trial sites, has had Child Protection and Voluntary Income Management in place since April 2009 (Buckmaster and Ey 2012:3). The government has targeted these areas because of their 'entrenched disadvantage'. The BasicsCard scheme, which is supported by both the Federal Government and Opposition, comes at a significant cost. Estimates provided by the Government indicate the new trials will cost \$117 million over 5 years. The Australian Council of Social Service (ACOSS) has noted, for example, that the NT scheme (total expenditure of \$402 million over 5 years) and covering about 20,000 individuals, amounts to a cost of \$4,100 per person. Put in perspective,

this is one third of the Newstart Allowance paid to unemployed people over a year (\$11,600 per annum), or 8 times the amount provided to employment service providers to address barriers to work for long-term unemployed people (\$500 per annum). ACOSS argues that this money would be better spent on increasing services and expanding employment opportunities (ACOSS, 2010).

While the Government is committed to expanding the policy of income management across Australia there is little evidence that income management meets their intended welfare-to-work outcomes, including 'better management of finances in the long term', moving people into employment, or reducing unemployment or long term reliance on welfare payments. Research on nutrition in Northern Territory communities by the Menzies School of Health Research found that in the 10 stores surveyed: 'Income management independent of the government stimulus payment appears to have had no beneficial effect on tobacco and cigarette sales, soft drink or fruit and vegetable sales' (Brimblecombe et al, 2010:549).

In response to the continuation of the income management scheme despite their research, the authors wrote:

We are the co-authors of a study published today in the Medical Journal of Australia, which shows that the federal government's income management policy is not making an impact on tobacco and health food sales in remote community shops in the NT. Smoking and poor diet are responsible for much of the health gap between indigenous and other Australians. We are concerned that indigenous affairs minister Jenny Macklin has responded to our study by highlighting the results of the government's evaluation. She has just told journalists that the government intends to press ahead with plans to roll out income management more broadly, and has appeared to dismiss our findings (Brimblecombe & Thomas, 2010).

Researcher Jon Altman also made comment:

The Australian government is clearly embarrassed by these research findings for three reasons. First, \$82.8 million have just been committed in the 2010/11 Budget to create a new scheme for income management, an investment in a process to regulate the behaviour of welfare recipients in the NT. All up \$410.5 million will be committed in six years to what might prove an entirely unproductive expenditure. Second, legislation is about to be tabled in the federal parliament predicated on an assumption that income management is good for Indigenous (and other) subjects in the NT, something this research seriously questions. Third, the Rudd government has remained firmly wedded to this intervention measure since its election in November 2007; saying sorry for others 'historical' errors is clearly politically easier than saying sorry for your own 'path dependant' acquiescence and possible mistakes. (Altman in Priest & Cox, 2010)

The Government's enthusiasm amounting to myopia for income management also runs counter to the recommendations of the independent Northern Territory Emergency Response review committee established by the Government, in particular, its recommendation that the compulsory income management scheme should cease and be replaced by a combination of voluntary and targeted trigger-based systems (for example, in cases of child neglect). The Committee's recommendations included:

- The current blanket application of compulsory income management in the Northern Territory cease;

- Income management to be available on a voluntary basis to community members who choose to have some of their income quarantined for specific purposes, as determined by them;
- Compulsory income management should only apply on the basis of child protection, school enrolment and attendance and other relevant behavioural triggers. These provisions should apply across the Northern Territory;
- All welfare recipients to have access to external merits review.’ (Yu et al, 2010)

There are also a number of other reports and reviews which raise clear concerns about compulsory income management and question the positive benefits claimed by the Government (Priest & Cox, 2010; Buckmaster & Ey, 2012). Data captured about welfare purchasing ‘choices’ made by BasicsCard holders may be substantial, but information about how and where this data is retained and how it may be accessed, requires further investigation.

Conclusion

This paper suggests that the ideological framework driving welfare-to-work has become punitive and deficit oriented, focusing on the shortcomings or ‘flaws’ of individuals and families. Systems of surveillance continue to be expanded and performance measurement and assessment strategies, investigation and surveillance practices reinforce a deficit-oriented framework focused on perceived individual or family failings (Maki 2011). It is clear that the intense shift to a more technological surveillance oriented system deserves closer attention.

The BasicsCard is an example of a system implemented with little adequate research related to its effectiveness or otherwise of income management despite the government consistently emphasising the importance of evidence-based policy making (Buckmaster & Ey, 2012). Administrative costs are also high and a question persists as to whether it is possible to encourage people to take responsibility for themselves if they do not have real control over important aspects of their lives, with possible negative mental health outcomes.

Moreover, targeting personal behaviour by withholding income payments is inconsistent with the rights-based approach to income support that has been a feature of welfare policy in Australia since World War II (Kennedy 1982).

Researchers and community organisations note that the current shift towards paternalistic income management system cannot fix complex social problems through vindictive social measures (Priest & Cox, 2010). A quote from Elliot’s Submission to the Northern Territory Emergency Response Review is apt here:

There are no mysteries why some things work in the bush and others do not. A sad fact of life is that not all communities are going to be ‘saved’, but what is clear is that community control is fundamental to any changes that will take place for better outcomes for the people, not one size fits all’ (cited in Priest & Cox, 2010:87).

The Northern Territory Emergency Response has been deeply controversial since its inception and its recent extension by the Gillard Government for another ten years only exacerbates a growing sense of injustice, particularly about the limited and ambiguous evidence base supporting income management. Australia is the only country in the world to impose such a scheme on its poorest citizens, in this way (Buckmaster & Ey, 2012).

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