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Ten years on: Francis G. Castles and the Australian 'wage-earners' welfare state'

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Abstract

Francis Castles' *The Working Class and Welfare* (1985) has achieved classic status within mainstream policy studies and the historiography of the Australian welfare state. Exhuming the functionalist theoretical and 'positivist' methodological assumptions embedded in his prior comparative policy research helps to establish why he saw the puzzles he did in the Australasian experience and why the 'wage-earner's welfare state' model emerged as an answer to those puzzles. Castles' work reminds us that our theoretical and methodological assumptions can lead to a problem-setting process that generates a sophisticated but misleading social heuristic. Castles' work, while it appears to affirm that 'politics matters' denies the contingency of history central to political processes. While he rightly insists we should look at 'occupational welfare', his work deflects attention away from the substantial experience with 'social policy by normal means' that labor governments have promoted.

Introduction

Francis G. Castles' account of the Australian 'welfare state' has entered into the common sense of contemporary Australian policy studies, social theory and the historiography of the Australian 'welfare state' (Cass and Whiteford 1989; Jones 1990: 9-14; Schwartz 1992; Shaver 1993; Bryson 1993: 89-95; Carney and Hanks 1993). Since 1985 most writers have accepted, largely without demur, Castles' claim that Australia's 'welfare state':

> ... has developed by a rather different path from the British and from that taken by the other nations of northern Europe ... [such that] [s]ocial democratic efforts which were elsewhere devoted primarily to the development of the social wage were directed in Australia more at securing acceptable conditions of work and wage levels, though effectively only for male workers (Castles 1994: 123).

He has outlined and defended this account on a number of occasions (Castles 1987a; 1987b; 1994). If Castles' success can be explained because

of an affinity between his work and the 'laborist' view of the Australian welfare state outlined by writers from Cairns (1957) to Macintyre (1985), then his importance rests on his claim to have revised some longstanding interpretations of the Australian 'welfare state'.

Ten years on, it is time to interrogate Castles' achievement. For all of the invigorating effect of Castles' work since 1985 and its encouragement of, among other things, a more gendered analysis of Australia's social policy (e.g., Baldock and Cass 1983; Bryson 1983), I suggest his account is problematic. Its problems begin with an understandable reluctance on Castles' part to relinquish his commitment to 'comparative and quantitative analysis of welfare effort' (Castles and Mitchell 1991: 5). On the other hand, the account Castles actually offers points to his refusal—or inability—to embrace the contingency of history. In particular, by stressing the need to look at 'social protection by other means' (Castles 1989c: 19), Castles' work has the effect of deflecting attention away from the history of the quite interesting social policy interventions actually pursued by Australian governments.

Castles' account of 'social protection by other means'

Castles began his work in the mid-1980s on the basis of a number of intersecting intellectual interests. As one of Europe's leading comparative political scientists Castles developed his Australian research out of earlier research validating the 'class mobilisation' thesis (Castles 1978; 1982), which suggested that 'the development of the welfare state is closely linked to the mobilisation of the working-class or the parties of the left' (Ginsburg 1994: 20). He was especially interested in establishing if the claim of '... the democratic socialist movement to be the ideological midwife of the modern welfare state can be vindicated' (Castles 1985: ix). As Ginsburg notes of Castles' 1982 research:

> [Castles] ... related social expenditures on education, income maintenance and health care in eighteen OECD states to a number of political variables. He found that partisan control of government was a key determinant of patterns of social expenditure in the 1960s and 1970s with strong parties of the Right acting as an impediment to expansion and social democratic and other parties, jointly or severally, serving as a stimulus (1994: 20).

Castles came to his Australian research bearing what Ginsburg has called a 'structural functionalist' bias allied to an 'insensitivity to the social and political histories of individual welfare states' (1994: 20). This Castles (1982: 88) himself has acknowledged, though this recognition is largely absent on the part of those who have so uncritically accepted his work.

With this comparative framework stowed in his luggage, Castles 'discovered' on his research trip to Australia in 1984 what he later called 'Dominion exceptionalism'. The 'antipodean welfare states' were apparently very different from the 'much more widely known welfare state configuration of the countries of North West Europe' as were the respective trajectories of the Australasian and European social-democratic or working-class movements (Castles 1985: x). The Australasian case was apparently sharply at odds with the 'assumptions, observations, hypotheses and theories

that have emerged from the comparative public policy literature of the past decade or so ...' (Castles 1989c: 17).

First, Australia and New Zealand, especially in the first decades of the twentieth century, had been promoted as 'social laboratories' for the rest of the world to marvel at and from which instruction might be taken (Castles 1985: x). Yet for much of the twentieth century the Australasian welfare states were 'laggards' by comparison with their European counterparts, as evidenced in much lower spending on welfare. Thirdly, the Australasian labour parties had been out of office for much of the century even as the labour movements of both countries had been and continued to be significant players in the political processes of their societies. These facts in contradictory intersection encouraged Castles to define the problem posed by Australasian exceptionalism:

> Australia is a country in which the labour movement, whether *measured* in terms of union density or electoral support for a unified party of the left, has been traditionally strong, and *theories resting on the primacy of class politics suggest this should be translated into a strong impetus to welfare state expansion* (Castles 1989c: 17, emphasis added).

Given the failure of these 'theories' to be reflected empirically—where 'theories' are equivalent to the positivist pursuit of explanatory-predictive generalisations—Castles argues that the true distinctiveness of the Australasian 'welfare state' resides in the fact of:

> ... an alternative strategy of working class-inspired social policy reform leading to a balance of policy trade-offs largely unconsidered in the predominantly European and American literature on the welfare state (Castles 1985: 75).

In comparison:

> ... [among] western European democratic socialist movements [that] balance has generally been weighted in favour of using the political and industrial strength of the working class to procure state action to alter the reward system of capitalism by the provision of income transfers, public consumption items and fiscal benefits, rather than through efforts to directly influence the primary distribution of income generated by the capitalist market mechanism (Castles 1985: 76).

If the Western European path has been to enhance what has come to be called the 'social wage' (that is, the total package of income support and welfare service provision, or what can be called 'fiscal welfare') rather than wages as such, '... the distinctiveness of the Australasian working-class strategy is that for much of this century these priorities have been reversed' (Castles 1985: 77). What Castles calls the 'wage-earners' welfare state' emerges in Australia because of the willingness and capacity of the Australian working-class and the labour movement to fight for wage security and/or income equality rather than for social welfare reforms. This is 'social protection by other means' (Castles 1989c: 19).

Castles claims that three kinds of policies have constituted the 'wage-earners welfare state'. These are:

> ... the attempted control of wages through the quasi-judicial activity of the state (the arbitration system), the substantial use of protective tariffs to bolster wage levels ... and a strong concern with the regulation of manpower through controlled

migration with the aim of maintaining the bargaining power of labour (the non-racist side of the White Australia policy and subsequent migration policy) (Castles 1994: 124).

As Castles puts it:

> It was just such a strategy of full-employment, minimum guaranteed wage levels and some compression of skill differentials which the early Australasian labour movements pursued and which found their expression in the (from a European viewpoint) rather peculiar social policy instruments of immigration controls and state arbitration in which cost of living considerations were to outweigh profitability criteria (Castles 1985: 82).

In a recent summary of his model of the 'wage-earners welfare state', Castles argues that Australia:

> ... unlike most other advanced nations, [has produced] different policy instruments and levers on which it has relied to produce socially protective mechanisms ... In general the institutional arrangements which have been used for the achievement of social policy objectives have been found not so much in the functionally differentiated realm of social service provision, but rather in the domain of mainstream economic policy making and particularly in the realm of wages policy (Castles 1994: 123).

Towards a critique

In large measure these apparently seductive claims have their origins in certain distinctly functionalist and unhistorical assumptions on Castles' part. These in turn are underwritten by a hybrid comparative method in which he claims he has linked:

> ... quantitative, cross-national, aggregate data research [revealing certain structural relations] ... [with an interest] in human agency ... manifested in individual choices, strategies and manoeuvres which may modify those [structural] relationships in specific historical contexts (Castles 1989c: 18).

The point of this critique is not to take issue *per se* with Castles' contribution to the comparative literature on welfare states and public policy on a cross-national basis. Rather Castles' claim that he is interested in historical interpretation as well as in quantitative research cannot be taken seriously. Castles has been unable to distance himself sufficiently from a preoccupation with the reifying abstractions so persistently a mark of the 'naturalistic paradigm' in comparative social policy—as in so many other research projects (Phillips 1992: 36-49). For all of his stated interest in inserting 'historical method' into his comparative research, Castles' preoccupation with empirical and quantitative method (and his implicit reliance on functionalist theory) has led him to pose the wrong question and propose the wrong answer in regard to the Australian case.

Castles and comparative policy analysis

Comparative policy research has been extensively dominated, though hardly exclusively, by the chimera of Durkheim's account of a proper 'social science' (Higgins 1981; Wilensky et al. 1985).

Most comparative public policy analysis has relied on the collection and interpretation of 'relevant' demographic, institutional, economic, cultural and political data which, when 'properly interpreted', are methodologically defined as constraining variables. Comparative public policy work has been done largely by researchers who hold to what Phillips (1992: 36-49) has called the 'naturalistic model of social science'. Their preoccupations include statistical measurement, the construction of typologies, the crunching of correlation co-efficients, the search, still surprisingly elusive, for significant variables, and finally, the pursuit of empirically grounded and formally coherent explanations. Castles has himself noted how:

> ... empirical research on comparative social policy has rested almost entirely on comparisons of welfare spending by governments. Public social expenditure as a percentage of national product is a measure of welfare effort ... the most easily available (or only available) quantitative indicator of state intervention in the field of income redistribution (Castles and Mitchell 1991: 4).

From the older liberal-functionalism represented by Wilensky (1975) to the more sophisticated neo-Marxist analyses associated with Korpi and Esping-Andersen (Korpi 1978, 1983; Esping-Andersen and Korpi 1984; Esping-Andersen 1990), there is no doubting the seductive pull of the persistent belief shared among many comparative policy analysts that measurement will somehow lead to theoretical generalisations possessing the predictive and explanatory capacity that a real 'science' ought to possess (Bolderson 1988).

Like Castles' own body of work, much of this literature assumes a particular account of what 'theory' in the social sciences ought to look like and what explanations, shaped into narratives about history as a progressive unfolding of determining variables, should look like. In this sense a 'traditional' antimony constructed between a 'nomothetic' sociology and an 'idiographic' history slightly mis-states this relationship. Major sociologists from Comte through to Giddens have assumed an historicism constituting history as a chronological development through linear time represented in narratives of progressive unfolding.

The 'positivist' disposition has been the object of robust criticism within the field of comparative social policy studies by sceptical empiricists (Carrier and Kendall 1973; 1977), although some of its devotees remain unconvinced; Bolderson (1988: 272), for example, persists in arguing for an equivalence between 'comparative method and the controlled experiment in the natural sciences'. There is also the deconstruction of those narratives reliant on 'forces' and 'structures' as part of what is called the 'social theory' produced by post-structuralists. Surely one of the few redeeming features of the deconstructionist impulse is its caution about getting carried away with the unreflective use of categories like 'race', 'patriarchy' or 'class'. As Thomas puts it:

> ... the point of putting race in quotation marks is not that race does not exist. To be sure, putting race under erasure implies that it is not a natural category. But just because it is not a natural category does not mean that it does not exist. Race after all is a real construct in our world (Thomas 1991: 55).

Ultimately any reasonable objection to much of the comparative public policy literature rests on its lack of regard for this insight, signified in its insistence on using structural categories, like 'class', as if they had the same ontological weight and the same capacity for agency as real social actors.

Castles distinguished himself through the 1980s by calling for the greater use of historical and 'particularistic' insights, especially via his insistence on 'significant historical case studies'. To the extent that comparative policy analysis has any value, that value can only be enhanced by a full-blooded embrace of history (Beilharz et al. 1992). In Castles' case, it is not clear that a persistent inclination to 'use certain general ideas about social structure to inform the analysis of a few cases, and to test hypotheses of a very limited range' actually marks either an understanding or use of a genuinely historical approach that subverts the nomothetic objective (Flora and Heidenheimer 1981: 17). At best Castles occupies an ambiguous status in terms of his view of how to theorise historical and social action. On the one hand he continues to assume that:

> ... the search for explanatory variables ... is a crucial component of all comparative analysis that aspires to scientific status (Castles 1993: xiv).

Yet Castles also wants to claim that:

> ... historical events and their assimilation into an individual nation's accumulative policy experience can decisively shape policy outcomes for many decades thereafter (Castles 1993: xiv).

This interest in the 'historical' has somehow to be reconciled with Castles' ongoing search for the:

> ... key to a better understanding of the general pattern of interrelationships which may exist between class politics, democratic socialist partisan control and working class strategy in the determination of social policy outcomes (Castles 1985: x).

Castles believes he can reconcile what he means by the 'historical' with his persistent search for general, often quantitative, 'explanations', as part of his work as a 'comparativist'. This is nothing more or less than the quite traditional broad-church 'positivist' program of looking for 'the configuration of economic, political or social variables which would make any *nation* behave in such ways under like circumstances', or for the key explanatory variables (Castles 1993: x). (Castles makes curious use of essentialist abstractions like 'nation'; 'nations', whatever other value the category has as a constitutive abstraction, do not 'behave' like, or 'do', any of the things persons or real groups do).

Indeed, Castles straddles the historical and positivist frames in ways that ultimately do not add up. Castles claims, for example, that his project is not too dissimilar from most post-war comparative policy studies, which:

> ... permitted the co-existence of generalised comparative explanations of the determinants of policy outcomes with particularist and historical accounts of the origins of policy in individual nations (Castles 1993: xv).

In his recent 'family of nations' research he argues that a combination of historical interpretation and his search for key variables are compatible, allowing him to conclude that:

> ... the more important policy similarities between groups of nations and their differences from other groups may be attributable as much to history as to the immediate impact of the economic, political and social variables that figure almost exclusively in the contemporary policy literature (Castles 1993: 3).

The currently fashionable retreat into arguments that 'good' social science research 'triangulates' 'quantitative' *and* 'qualitative' research methods cannot resolve the intellectual and ethical obfuscation this conflation entails. Ultimately the 'naturalist' project in the social sciences and the 'hermeneutic' (Gadamer 1993) and the 'social action' (Touraine 1988) projects are incommensurable. Apart from their obvious epistemic differences, they rely on quite incompatible ontologies (or views about reality) and on incompatible philosophical anthropologies (or views of human beings) (Taylor 1990). Ultimately at issue is how much value there is in clinging to shadowy reifications or vague yet 'essentialist' collective actors ('the union movement', 'the ALP' and so forth). Even more so, do we really need more manipulation of large data sets to generate alleged explanations derived from correlation analysis or factor analysis?

Castles on the Australian 'welfare state'

All of this is relevant to my concern about the way Castles has come to constitute the problem to which the idea of the 'wage-earners welfare state' becomes an answer. Manipulating the interplay of large reifications and relying on an implicit functionalist logic, Castles offers us a mesmerising yet ultimately unhelpful answer to a problem that may not exist.

In a simple sense Castles 'wage-earners' welfare state' model is a result of trying to reconcile his already settled conviction that there is a significant 'causal connection' between social democratic and working-class mobilisation and extensive welfare state provision with the problem which the Australian case presents for this thesis.

In part Castles' work is seductive because it relies on a functionalist prejudice that lurks beneath the skin of so many social scientists.

There are several minor problems worth commenting on quickly. First, there is no good case advanced by Castles for claiming that the ALP is a 'social democratic' party along the same lines as the European 'social democratic' movements. Indeed, there are far better grounds for insisting on the 'labourist' character of the ALP (Watts 1996). Secondly, Castles represents the ALP in essentialist terms as though there was a single or uniform 'Laborist' program of social policy reforms. The Australian labour movement and its political organisations have hardly been famous for their unanimity on important issues in the twentieth century. Again Castles does not explore the actual diversity of views within the ALP and the union movement about the various objectives of both industrial and social policy.

The more serious problems, however, begin with the way the 'wage-earners' welfare state' helps Castles preserve the formal unity and 'explanatory value' of his earlier work, in connecting social democracy and welfare states in the face of the recalcitrant 'facts' of Australia's experience; its strong

union movement stands at odds with a relatively weak or spotty record of Labor governments and with a 'laggard' welfare state.

It is true to say that unlike most European states Australia did not construct a reasonably comprehensive welfare state until the mid-1940s; and it did not consolidate this until the 1970s (Jones 1990). It is also true, as Castles suggests, that the Australian 'welfare state' after 1945, 'as measured in terms of social security transfers as a percentage of GDP, was to become virtually the lowest welfare spender in the advanced world' (1994: 126). In this regard, as a simple descriptive observation, there is no harm in describing the Australian welfare state as a 'welfare laggard'. Yet I fail to see why this justifies Castles' observation that, given this laggard status, we should then look for 'functionally equivalent' forms of 'social protection by other means'.

If, as Castles shows, there is weak evidence for a 'positive correlation' between a mobilised working-class and a strong system of social protection (achieved through social policy means), then we should expect to find a functionally equivalent form of social protection somewhere else. Lo and behold, it pops up in the industrial, immigration, industry, tariff and employment policies which the 'Australian state' embarks on after 1901, and does so largely at the behest of the labour movement. As Castles puts it:

> ... in Australia, wages policy in large part *substituted for social policy with the functional identity* between the two being denoted by the peculiar (in terms of capitalistic criteria) importation into Antipodean wage setting mechanisms of such concepts as the 'fair wage', the living wage, and a basic or minimum wage set according to the Harvester criterion (Castles 1994: 124, emphasis added).

Indeed, if we accept this functionalist logic we are left only to admire the precocity of Australia's achievement:

> It might be arguable that early working class political strength in Australia and New Zealand had led to the establishment of something remarkably akin *in purpose at least* to the welfare state at a date far earlier than in the rest of the world (Castles 1985: 85, emphasis added).

(It might be noted that Castles' reference to 'purpose' draws on a rich legacy of functionalist' discourse). In effect, Castles' account covers up the embarrassment of finding that, unlike all those other places where the labour movement was also strong, Australia failed to invent a welfare state as it should have done. To resolve this problem Castles produces his 'wage-earners welfare state model', which solves the problem, but only at the cost of introducing some serious historical distortions.

First, Castles' argument has the effect of implying that the ALP and the union movement shied away from pursuing social policy reforms, preferring to pursue 'social protection by other means'. The second major distortion, which is even more generally present in Castles' larger research project, is to deflect attention away from the processes of policy-making involved in the various elements that make up our 'welfare state', and to occlude the role of various non-labour social actors and movements in the history of the Australian 'welfare state'.

In effect, Castles asks us to accept that because Australian social policy and its expenditure levels do not 'measure up' to those characteristics of 'real' welfare states then we need to look for the logically required (because functionally necessitated) social policy effects produced by labour movements or social democratic parties *elsewhere*. And this means we can then pass right over whatever social protection policies were introduced, especially when non-Labor governments are behind them, or when non-labour social movements are pushing for them.

This is a terrible distortion. It amounts to denial of the actual and quite durable interest of 'the labour movement' and its parliamentary wing in the politics of social policy reform in the twentieth century. Castles does not so much explain what the role of the labour movement was in securing the pattern of social policy that emerged in Australia as argue that the differences and absences in Australia's social policy reflect the priorities given to secure the welfare of wage-earners. His account seems to imply that so successful was this 'surrogate' welfare state that there would not need to be any interest in welfare 'by normal means'. Equally it implies that the labour movement would not or did not need to exhibit interest in welfare or social policy issues.

Castles' historical investigation of the ALP and the union movement is sketchy. His most extended treatment (Castles 1985) is more a suggestive long essay than a deeply grounded piece of historical research which catches the rich and complex textures of laborism, and its intellectual, policy and political vicissitudes. (And given the nature of his treatment of social policy, Castles plainly feels little need to grapple to the same extent as the oft-maligned Kewley (1975) did with the mass of detail that makes up a history of Australia's social policy).

Castles fudges the issue of the role of the labour movement in securing whatever social policy/legislation was implemented. Worse, he wrongly assumes that non-labour collective actors played little if any role in pursuing social policy change agendas. This may be more than tendentious. There is plenty of research to suggest that non-labour organisations, such as middle-class professionals, economists, administrators, eugenicists, women's organisations, mutual aid organisations and the like, were at least as interested in promoting various styles of social policy as were the Labor party and trade union movement through the twentieth century (See Kennedy 1982; Green and Cromwell 1984; Jones 1990; Gillespie 1991). Castles' treatment leads to a good deal of obfuscation about the matter of collective agency in the debates over and promotion of social policy by both labour and non-labour actors.

Implicit in Castles' view of 'real social policy' and 'real welfare states' are criteria that exclude all of the diverse forms that social protection took and takes; these are elements of the entire system of social policy that Bryson has usefully identified, when she distinguishes between the men's welfare state and women's welfare state (Bryson 1993: 159-222). Castles' account sustains the view that we should be interested only in welfare provision promoted by the labour movement; philanthropic and professional activity,

often involving highly mobilised women's organisations, can be asked to take a back seat because it is not 'really' important.

In effect, the negative effect of Castles' functionalist *legerdemain* is to play down any interest in looking in any systematic way at the actual social protection system Australian social policy makers produced in the twentieth century, and at the respective roles played by a number of different political and social collective actors. These included: the ALP and the union movement; the non-Labor political parties; significant and often highly organised groups of players like such 'conservative' women's groups as the Women's Christian Temperance Union, the Australian Women's National League, and so on (Kennedy 1982); and the networks of mutual aid groups (Green and Cromwell 1984).

Whilst acknowledging the interpretative value of looking to wages policy, immigration policy or employment policies as forms of 'social policy by other means', we should not be so mesmerised by Castles' functionalist logic as to stop looking at the forms of social protection that Australians did struggle for throughout the twentieth century.

This is not the place to develop a full blown alternative account to Castles'. However, since his involves a considerable rewriting of our history of welfare policies and services, amounting to repression, a summary response is warranted.

Such an account would precisely stress the contingent character of the political and policy processes that 'became' the 'Australian welfare state' (Beilharz et al. 1992). It would stress the contingency of historical processes, as represented by the fact that in 1937-38 an Australian non-Labor government introduced precisely the kind of social insurance-based 'universal' welfare and health care system that Castles equates with the European tradition of welfare states.

This social insurance model exercised a hegemonic sway over the minds of Australian reformers and policy makers between 1923 and 1939, inasmuch as progressive politicians and administrators alike accepted the normative status and fiscal wisdom of that international practice as suitable for Australia (Gillespie 1991: 31-112). They sought to undo 'the mistake of 1909' (when a non-contributory old-age pension scheme was introduced by the national government). Successive federal governments sought advice from Royal Commissions (1924) and overseas experts (1935-36). The Lyons UAP government legislated successfully (in 1937-38) for just such a wide-ranging National Insurance scheme. Equally, attention to the contingent character of policy making would also stress the role played by a coalition of social movement actors in 1938, centred on the labour movement and on professional interests mostly involving rebel general practitioners, in bringing to a complete halt plans to set up the administrative structures necessary for a National Insurance program. Finally contingency again reared its unlovely head when growing concern with the likelihood of a war in Europe led the new Menzies government to administer the *coup de grace* to National Insurance in March 1939.

My own detailed account of subsequent policy making, from 1940 to 1945, reveals the continuing attachment by senior policy advisers to some

form of social insurance (Watts 1987). It also reveals how after 1940 the complex interplay of electoral considerations and the problems of developing a 'war economy' within the problem constitution, understandings and techniques prescribed by the new discursive formation of Keynesian style economists led advisers and politicians to embrace a complex mix of welfare and taxation measures. The interplay of discursive problem-setting and policy-making suggests that welfare 'reforms' like the unemployment and sickness benefits scheme of 1943-44 met the interest of the new Keynesian administrative elite in promoting some modest 'social reforms'; these had the added advantage of legitimating a hard-to-swallow Commonwealth income taxation package introduced by a Curtin Labor government careful about its credentials with the labour movement. The 1942 centralisation of tax powers gave the war economists the opportunity to press successfully for an anti-inflationary income tax package that reached lower down the income scale than any previous income tax scheme, and which had a more regressive effect than the 1938 National Insurance scale of contributions had proposed.

Castles' history of our 'welfare state' would have us pay attention to almost everything except the patterns of social protection we did establish. Yet why should we not investigate the significant debates leading up to the introduction of colonial Old Age pension benefits in the late 1890s or of national Old Age benefits in 1909? Why should we not look to the significant impact on federal budget outlays of this social expenditure? Perhaps most importantly, why should we not consider the quite powerful effect the means-tested non-insurance based nature of Australia's old age pension system had on later development of similarly means-tested/non-contributory schemes in areas like unemployment, sickness and other income support schemes (Watts 1987)? Finally, this pattern of ever-expanding social protection, even if it does not measure up to other OECD countries' experience, still needs to be understood, as does the role of the labour movement in, and its attitude to, achievement of Old Age pensions in the 1890s and 1900s and labour's attitude to the principles of means-tested/non-contributory benefits.

Castles' model is a functional kind of pea-and-thimble game, distracting attention away from quite critical interpretative issues to do with the patterns of social provision that Australia did actually develop. Castles' account takes us away from the intentions and the understandings of historical actors involved in the political and policy processes that produced these quite real outcomes. Castles' work does not advance the cause of rigorous historical inquiry. The history of social policy is best written as a history of the interplay of self-interpreting historical actors and their discursively constituted attempts to act (Beilharz et al. 1992; Watts 1994). Historical interpretation begins by recovering and interrogating the discursively constituted problem-setting and -solving frameworks of all the actors, *and* representing the interplay of actors in their specific interest-laden figurations of action and intention. (Actors here are understood as dialogically and collectively constrained *and* empowered persons). Even comparative social policy research requires an historical consciousness that works with the fundamental recognition that social policy is one form of

social action produced by self-interpreting historical actors whose action is thoroughly historical. (For a useful account of what can be called a 'symbolic realist' position, see Brown 1989: 1-54; see also Taylor 1990: 25-36 and 49-54). Castles' account obfuscates more than it reveals.

From the beginning of the twentieth century Australian liberals and laborists like H. B. Higgins and Alfred Deakin saw virtue in pursuing wages policies, protectionist tariff policies and exclusionary immigration policies. Yet in some sense Castles' functionalist logic lets him avoid the difficult task of explaining why and how these institutional innovations were argued for by significant numbers of labour and non-labour activists or why these programs embedded themselves into state sectors of action (Markey 1982: 107-37; Macintyre 1985). For a comparativist, Castles unaccountably displays a lack of curiosity about the often dramatic role of tariff and immigration policies in the political cultures of places like the United States, Canada or South Africa.

Indeed, given his functionalist predilections, Castles *must* in a sense distort the historical context of white supremacist 'regions of recent settlement'. This context directly informed immigration policies and the wide-ranging intellectual and policy debates that erupted throughout the British empire after 1880, about the thorny issue of protection versus free-trade.

By insisting that these elements were functionally defined 'forms of social policy by other means', Castles has in some sense to 'read out' the thickly tented emotions and the aroused resentments of white racism, as well as the complex debates and discursively constituted programs of political action these produced. Castles at one stage, for example, has to exclude the racist elements of 'White Australia' and reduce it, as his functionalist scheme requires, to a purely economistic project as a wage-maintaining scheme (Castles 1994: 124). The focus on immigration controls, especially 'White Australia', and the stress given to economistic rationales (like maintaining high wage rates), are good examples of the insensitivity to the real historical complex of actors and the motives involved in making the 'White Australia' policy. Undoubtedly union support for White Australia reflected workers' and unionists' economic concerns, but these cannot be so lightly dealt with. They cannot be stripped away from the thick textures of racist sentiment, which was at least as important a set of quite conscious determinations to act in particular ways, shared by very large numbers of Australians across a wide range of professional, political and class lines (White 1981).

Finally, Castles is claiming that in Australia 'wage-earners' are, and *ceteris paribus* have long been, better off than state-welfare beneficiaries. If he wishes us to believe that this well-founded empirical point distinguishes Australia from the 'Rest of the World', Castles has surely to be joking: all welfare state systems, including those grounded in allegedly 'universalist' principles, have embedded within them some local version of Bentham's 'lesser eligibility' principle, which maintains a distinct difference between market wages and state welfare provision very much at the expense of those reliant on welfare provision. That is, all welfare states produce a system where, on average, wage-earners are better off than 'social security' or 'social insurance' beneficiaries.

This is not to deny the force of the distinctions first drawn by Titmuss between 'welfare benefits' provided by governments ('fiscal welfare') and welfare benefits provided through the occupational system ('occupational welfare'), a distinction that in a sense Castles extends. There are no good comparative grounds for suggesting that because welfare benefits are so much less valuable than occupational benefits Australia's 'welfare' system is somehow made unique in the 'worlds of welfare' (Titmuss 1959: 50-7).

Conclusion

We should not deny the very real value of Castles' work. It reinforces the need to identify the often tacitly gendered assumptions that have informed state interventions in so many areas of 'social policy' (Baldock and Cass 1983; Shaver 1988; Bryson 1992: 159-223; Ginsburg 1994: 6-7). This is not because Castles (1985) was especially sensitive to issues of gender, because he wasn't. Rather Castles' work sponsored this interest largely because of his argument that Australia had, in comparison with other societies, trodden a unique pathway towards welfare statism by establishing what he calls the 'basic model of Australian social protection' (Castles 1994: 123), the 'wage-earners' welfare state'. Castles' highlighting of occupational welfare, located in the institutional patterns of male wage work, pointed to the central role through much of the twentieth century of masculine preferences and assumptions in shaping labour-market policies. Equally valuable was Castles' development of Titmuss' point that welfare can be provided through non-welfare state means.

But, and this is a major caveat, this is no reason to then dispense with any interest in examining the history of state welfare provision, which is what Castles has suggested we do. By stressing the need to look at 'social protection by other means' (Castles 1989c: 19), Castles' work has the effect of deflecting attention away from the history of the quite interesting state social policy interventions actually pursued in Australia. In particular, we do need to ask why Australia did not adopt the contributory insurance model of social security established as a norm in most other countries.

Note

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