

**SCRIBBLING A WAY**  
**MY JOURNEY THROUGH THE**  
**FOOTHILLS OF SCHOLARSHIP**



**PETER SAUNDERS**



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Scribbling A Way: My Journey Through the Foothills of Scholarship  
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## ABOUT THIS BOOK

This book charts the author's journey from his modest childhood on a council estate in post-war Britain through school and university. It highlights the events that steered him towards an unplanned but rewarding and successful academic career.

After teaching at university in England and Scotland he emigrated to Australia in 1975, where he has lived and worked ever since. A short period working at the OECD in Paris in the 1980s provide the contacts and experience that saw him appointed Director of the Social Welfare (later Policy) Research Centre at the University of New South Wales, a position he occupied for more than two decades before taking up a Research Chair in the centre.

This thoughtful but amusing book describes the challenges he faced running a government-funded centre in an era when research influenced policy. He describes the exciting opportunities and mundane frustrations he encountered and the many intellectual giants he met and admired along the way. The clarity of his writing and wry observations on the humour in many of his varied experiences provide a unique insight into a world that is rarely exposed.

Peter Saunders is one of Australia's leading social policy researchers, who has published widely on a range of social issues and policy responses. An economist by training, he moved into social policy after spending three years working on the growth and impact of government spending at the OECD and has since focused on researching poverty, inequality and the welfare state – in Australia and internationally.

He is a world-renowned scholar in these fields and has been instrumental in raising the academic profile of social policy in Australia. He has also contributed to research and policy development through his work with leading international organisations including the World Bank, the Asian Development Bank, the International Social Security Association and the International Monetary Fund.

He was elected a Fellow of the Academy of the Social Sciences in Australia in 1995 and has been President of the Foundation for International Studies on Social Security since 2009. Following his retirement in 2019, he continues to conduct research in a life now better balanced by other rewarding activities.



## ENDORSEMENTS

‘The Saunders memoir provides a unique picture of an academic career. The reader cannot fail to admire his energy and achievements, which include not just the contribution to social policy in Australia, but his own seminal international contributions in the fields of poverty and inequality and his comparative work. He manages to tell his story from childhood to retirement with humour, modesty, generosity to colleagues and friends’ (Emeritus Professor Jonathan Bradshaw, CBE FBA, University of York)

‘Engaging, lively, funny and informative. Peter takes us on a journey through his life and scholarship in a story that is remarkably candid in places and Peter’s wry sense of humour and honesty makes for an absorbing and interesting read. Peter keeps us entertained with his insights into the complexities of intertwining career and family, and occasional amusing anecdotes about the eccentricities of colleagues along the way’ (Professor Janeen Baxter, Director of the ARC Centre of Excellence for Children and Families over the Life Course, University of Queensland)

‘A compelling story about the joys of academic life from one of today’s internationally best known Australian social policy researchers. Deeply rooted in the British social policy tradition, Peter Saunders built a large and renowned research institute, published widely, influenced policy making in Australia and beyond and managed to bring together many researchers worldwide. He tells how his journey went, through trial and error, in good times and bad times, with great perseverance. A beautiful and inspiring story’ (Professor Bea Cantillon, Director of the Herman Deleeck Centre for Social Policy, University of Antwerp)



## PREFACE AND ACKNOWLEDGEMENTS

After working in universities in the UK and Australia since 1971, I took the most momentous employment-related decision of my life and retired at the end of September 2019. That's almost half a century of a scholarly life, and it's frightening to reflect on the total amount that has been transferred from the wallets and purses of taxpayers to pay my salary over that time, not to mention the cost of paying the universities that trained me beforehand. When I began my journey, there was wide agreement that it was the government's responsibility to fund such activity, so it is reasonable to ask what those taxpayers have received in return for supporting me. I have pondered that question often and this book was written in part as a response.

The idea of documenting what I have 'given back' has long been in my mind but it wasn't until I spoke at an event to mark my retirement that the idea of doing so gelled, and those speech notes became the first rudimentary draft of this book. The standard fare served up by academic retirees on such occasions – reflecting on one's best articles, thanking one's colleagues, bemoaning the passing of 'the good old days' and pontificating about today's problems – while important, was not really what I wanted to say. Instead I decided to share with the audience some of the events I had witnessed that had shaped my thoughts, work and writings in social policy. My pathway to scholarship has been unusual and I thought it would be valuable to set out the factors that influenced its trajectory.

Now in retirement, the thought of expanding on what I had said in that speech began to coalesce in my mind. Two unrelated events turned this nascent idea into a practical project. The first occurred in January 2020 when my partner Janet Chan was invited to a dinner hosted at Varuna, The Writers' House in Katoomba where she had spent a week as writer in residence. I accompanied her and sat fascinated as the current crop of resident writers talked about their work and the struggles to get published. I was then invited to talk briefly about my work, and I floated the idea of writing a memoir. I mentioned the 'two Peter Saunders' saga (discussed in detail later for those not in the know), thinking that these events would interest a group acutely aware of the professional significance of having one's name compromised. They seemed fascinated with this aspect of my story and I took their interest as evidence that my experiences might be worth telling.

What could still have been a slow process of reflective inaction turned into unprecedented spontaneity following the onset of the coronavirus pandemic in Australia in March 2020. Rather than contemplating what might

happen if I or a loved one contracted the virus, the enforced isolation that followed provided me with the impetus I needed to start writing. Suddenly, those dreaded days of retirement that stretched into the distance were filled with a concrete task that pretty much replicated what I had been doing for the previous 50 years. A 'Clayton's retirement' beckoned, and I was more than happy to drink from that well.

I had worked from home for many years and my home office was equipped with all I needed. My recent conversion to an admirer of the music of Handel provided excellent background to my creative activity. I received constant encouragement from Janet, who suggested at the outset that I read Patti Millers' excellent book *Writing Your Life. A Journey of Discovery* that pointed me on the way. She showed an unwavering interest in the project and provided the feedback and enthusiasm I needed to keep on track and avoid (too many) distractions. Towards the end, she listened patiently while I read out the draft of each chapter, a process that I found enormously useful in helping me identify where further work was needed. It also showed me that Janet reacted as I hoped all readers would: laughing at my attempts at humour and nodding approvingly at my more sanguine observations. Her encouragement was reinforced by my good friend Phillip du Rhone, a prolific writer and self-publisher and source of countless instances of wise advice over the decades of our friendship. His positive response to drafts of the first two chapters motivated me to get on and finish the job.

Some of what follows is as clear in my mind today as it was when it happened, while other parts have been dredged from the depths of what was never the sharpest memory, at a time when its limited capacity was in decline. I have done my best to tell things as they were, but the recollections and perceptions are all mine and may differ from those of others. My apologies if I have offended anyone: that was certainly not my intention. I have drawn on others to identify and correct errors and fill gaps whenever possible. My sisters – Janet Budd and Pat Sayer – helped with the early years, Janet displaying a formidable memory, a treasure-chest of memorabilia and an amazing eye for detail. Memories of my later years are mine alone, although my record-keeping improved (somewhat) after I joined the Social Welfare Research Centre (later the SPRC) in 1987, where I had access to a wide range of sources to confirm my memories or prompt new ones.

I drew extensively on material presented in the centre's quarterly *Newsletter* and *Annual Reports*, both of which contain a comprehensive account of centre activity. I received considerable help from Assistant University Archivist Robin Perry, whose input I often sought after an initial request to



my centre colleague Annie Whitelaw. I greatly appreciate the support from Annie and Robin, always efficiently provided and never a word of complaint. Whenever I was unsure of when (at times even if!) an event happened, I would consult John Lawrence's detailed account of the centre's first 25 years (*Social Policy Research: 25 Years of a National Research Centre*) published by the centre in 2006. My hope is that this memoir, although very different in style from John's more conventional account, will be seen as a valuable companion to it.

Many others have contributed to the final product, often unintentionally and unaware of the value of their comments or reflections. Since embarking on this journey, I listened to what others have said, particularly those with experience in writing and/or publishing. This has affected what I wrote and how I went about getting it published. My sincere thanks go to Robin Derricourt for his advice, to Carla Treloar who read an initial draft of the entire manuscript and provided many valuable comments and to Edyta Szubert at SPRC for her input into the final stages of production. Several unnamed others responded to questions that helped me get the facts straight (yes, some of us still see that as an important task) and my thanks go to them. A special thanks also to Bronwyn Windsor, who did a great job of editing the complete manuscript, in the process saving me from several embarrassments. Bruce Welch did a fantastic job formatting the completed manuscript (including the photographs in the Appendix) and designing the cover. I enjoyed working with him and learnt a lot from the experience. To end on a scholarly note, while these words of thanks are genuine, those mentioned bear no responsibility for what follows.

I owe a great debt of gratitude to the Social Policy Research Centre for many reasons. Not only has it been my intellectual home for more than 30 years but has through its broad range of activities displayed a level of professionalism in its striving for research excellence combined with an unwavering commitment to the wellbeing of its staff and to overall social justice. I count myself lucky to have been associated with it – a constant and trusted companion on the latter half of my own travels. I was delighted when Carla Treloar agreed to make this account available through the SPRC website and hope that many of the centre's supporters will delve into its pages and discover more not only about me, but also about that wonderful institution.

Finally, a few words on the title. Several readers have questioned my use of the word 'foothills' to describe how high I reached in my scholarly ascent. I decided not to take their advice to use a seemingly less demeaning term because I wanted to highlight the enormous achievements of the real giants that have influenced my career and helped make the world a better place for

everyone. Their academic contributions have dwarfed mine and I am more than content to occupy the foothills that have allowed me to glimpse the peaks above.

I have long admired the life and works of John Maynard Keynes, a brilliant economist, policy advisor, supporter of the arts, Bloomsbury Group member and all-round inspirational thinker. One of his many famous remarks referred to the impact of academics: ‘Madmen in authority, who hear voices in the air, are distilling their frenzy from some academic scribbler of a few years back’. This statement has always served as a beacon to me, highlighting the value of academic writings and the potential impact of ideas, while gently questioning the sanity of those with the power to affect social change. I have scribbled away for many years, hopeful that some of those words will be read and used to help improve our world.

Peter Saunders

February 2022

## CHAPTER 1

### EARLY DAYS ON A LONG JOURNEY

#### *The estate (and the state)*

I was born on Saturday 3 July 1948 in Beeston, an inner-city working-class suburb of Nottingham in England's Midlands. Two days later and some 80 miles further north, Minister for Health Aneurin Bevan officially launched the National Health Service at Manchester's Trafford General Hospital. The latter birth has recently been described by BBC correspondent Nick Triggle as one in which the NHS 'came kicking and screaming into life'. I cannot definitively confirm that my birth was similarly disruptive although I suspect that this was probably the case. Nor can I claim that my birth was as important for the future of British society as that of the NHS, although I'd like to think that I too have brought relief and joy to some, eased the suffering of others and like the NHS, have lasted rather well.

My mum told me years later that my birth was due on 1 July, but she had hoped for a delay of a few days so that any charges would be picked up by the new system. I did my best to stay cocooned until the Monday but was delivered on the Saturday, a home birth with no complications and thus with few direct costs to the health care system that the NHS would have met. My life thus commenced under the umbrella of the state but imposed no burden on the public purse – something that would change radically as my life evolved.

We moved south when I was very young, to one of the many council estates that were being built to house those who had survived the horrors of the war. Our new home in Waltham Cross ('the Cross') was a solid but dull structure that formed part of a council estate constructed around 1950. Waltham Cross was a nondescript town, its main claim to fame being the splendid Eleanor Cross Statue located at the T-junction of its two main streets, one of twelve erected by King Edward I between 1291 and 1295 to commemorate the overnight resting stops on the final journey of the body of his wife Queen Eleanor (who died in 1290, in Harby in Nottingham) to her burial place in Westminster Abbey.

The town nestled in the south eastern corner of Hertfordshire, bordered closely to the southwest by what was then Middlesex and to the east by Essex. The former was the doorstep to the looming metropolis of London and the latter punctuated by farmland and gentle rivers, part of the home counties green belt. I could leave home after breakfast and if walking briskly, take in three separate counties and be back well in time for lunch.

Our house was number 47, the last on the left of Sterling Avenue, a cul-de-sac that was the only part of the estate ready for occupation when we arrived, the surrounding land a mix of building site and general desolation. It was soundly constructed, easily lasting the next 50 years with few repairs needed until the lease was eventually surrendered on the death of my mother in 2004. The house was relatively large by the standards of the time, consisting of a kitchen, dining room and a passageway to a lounge/living room to the left of the front door on the ground floor. Upstairs were three bedrooms (one very small, just enough for a single bed or bunks), a bathroom and a small airing cupboard that contained the boiler that provided hot water, heated by one of the downstairs fireplaces. There was a low shed outside the back door that had three compartments, one to store coal, a second for general storage and a small (very cold!) outside toilet. My sister Janet, who has the records kept assiduously by my father, tells me that the weekly rent when we moved in was 30 shillings and twopence or about £1.50! That's what I call affordable housing!

The council estate and our house in it was designed, built, owned, maintained and managed by the local borough of Broxbourne. It represented my first contact with the tentacles of the welfare state, and one that I was to become grateful for and benefitted greatly from. Although I did not realise it at the time, my future development was already being irrevocably shaped by the welfare state's reach. This appreciation was reinforced a few years later when I had to visit one of the new NHS hospitals for treatment on a broken shoulder blade, caused by tripping over while walking alongside a pram pushed by mum and catching my shoulder in the turning wheels. Ouch! I can remember thinking how impressed I was at being treated (health-wise and personally) just the same as all other patients, according to my health needs and not based on my background or my parents' ability to pay, or by my accent or how much of a fuss I made. The patients were all highly appreciative of the care they received, waiting patiently (sorry, couldn't resist it!) for their turn to be treated.

The experience contrasted with the social divisions that I had already seen around me in most other aspects of life – underpinned by income and employment differences, reinforced by the peculiarities of accent and appearance. The idea that we could all be treated the same (and charged nothing for it) was a revelation to me, and I have seen that for those countries wise enough to introduce their own versions of the NHS, the role of universal health care in providing the glue that helps bind diverse populations together into a cohesive society has been enduring and fundamental.

After public housing and the NHS, the third arm of the welfare state from which I have gained the most is the education system. Its impacts were more profound in affecting my life trajectory, although in retrospect the benefits of that council house and the knowledge that an accident (or illness, as experienced later by my younger sister Patsy) would attract top-quality care that would not drive us into poverty were equally important. But it is my engagement with the public education system that is the focus of this account of my journey and it is there that my memories are hopefully of wider interest.

### *Family life*

My main and enduring memory of my childhood is that it was a happy time. The family didn't have much but we had enough and what we missed out on didn't seem to disrupt this general sense of well-being and contentment. Life was simple for us children although looking back, I'm sure it was far more of a struggle for our parents. I was one of four siblings, brother John born in 1945, then me, then sister Janet in 1950, followed some years later by Patsy. Four baby boomers whose futures, like many others in their generation, were founded on the hard work and sacrifice of their parents.

We lived day-to-day, eating and relaxing in the dining room while mum cooked and busied herself with other domestic tasks in the small kitchen next door. How she managed to produce the food that she did with the money and cooking facilities at her disposal I'll never know. Some of the best meals I've had were produced in those sparse, humble surroundings. Her fish and chips dinner was out of this world, as was her roast beef – eaten at lunchtime on Sunday after the men had returned from their traditional Sunday morning visit to the local pub. The beef was small and very thinly sliced and when I checked years later on the cutlery she used (still stored neatly in a tiny drawer), I was bemused by how she was able to use such a blunt carving knife to slice the roast beef so thinly. Of course, the meat was cooked almost to death with no sign of blood and the vegetables were similarly boiled into submission – this was England in the 1950s, remember – but the wonderful gravy and superb roast potatoes made for an excellent meal, the culinary highlight of the week which was always eagerly anticipated and consumed hurriedly. Our plates were spotless when we'd finished, and we all learnt from an early age to eat what we were given because there'd be no seconds.

The living room was not much bigger than the kitchen, I'm guessing at around 16 square metres, consisting of a small fireplace that heated the water, two bare armchairs on each side, six basic wooden dining chairs and a dining table. Hot water was no problem in winter when the fire was lit but

in summer was only available once a week when dad lit the fire (whatever the temperature outside). We all had our weekly bath on that day, while our 'pommie' towels (just two for all of us) were dry the rest of the time. A window (rarely opened, even in the height of summer when the fire was alight) looked out onto the back garden and there was a small shelf in one corner that had been installed by dad (one of his very few DIY successes) on which stood a small radio. We couldn't afford a television and had to visit friends if we wanted to watch anything. I deeply resented having to do this and felt humiliated by it, blaming my parents, unable to recognise that it reflected our dire financial circumstances, or that my visits must have been as demeaning for them as they were for me. We did get a TV later, although I can recall the angst that descended on us every year when the licence fee was due as this was an unwelcome additional burden on our family finances that were already stretched to the limit.

My dad left for work as we were getting up for school at around 8.00am and arrived back each evening at around 6.00pm, so he features less in my memory of everyday domestic events that were guided by the rules imposed by mum. I often felt badly treated by what I saw as an unfortunate sequencing of the four siblings that left me with an older brother and two younger sisters. This led to me being bullied by my brother and scolded by my mum when I tried to pass the same treatment onto my sisters (normally Janet, as Patsy was much younger, and we all treated her as the 'baby of the family'). I was told to 'stand up for myself' when treated badly by John but never heard the same advice given to my sister when I behaved similarly towards her. I often dreamed of having an older sister and younger brothers so that I could be a winner on both counts!

While mum set the house rules, dad rarely got involved in disciplining us children. When he did, it was a soft form of discipline that relied more on persuasion than punishment. I remember only one occasion when he lost his temper with me and that was entirely justified. It happened when I was well into my teens and had been getting up to no good with a girlfriend, staying very late at her house whenever I visited (which was as often as possible), retiring to her bedroom after her parents had gone to bed. On this occasion, her parents were away on holiday and I must have (stupidly) told dad about this, so when I arrived back home at around 2am after a hectic 8-mile cycle ride through deserted streets, he was still awake and waiting at the top of the stairs for an explanation. I could see him shaking with repressed rage from where I lurked on the bottom step and decided – wisely as it turned out – not to approach him but to remain numb and suffer his verbal onslaught but

avoid the physical attack that I feared might be imminent. He finally stopped shouting and returned to his bed and I crept timidly up to mine. The next day he apologised for losing his temper: what a guy!

My dad was always willing to support me with ‘backroom’ tasks that made whatever I was doing that much more enjoyable. He polished my shoes when I attended an important event and would rub my aching limbs with a soothing liniment after a vigorous football game. Later, when I got a job at a local newsagents delivering morning papers, dad would set his alarm for 5.30am on the three mornings when I had to get up and wake me up before returning to his bed for a bit more sleep. He never mentioned this as a burden or complained about it, even though it must have been very onerous for him and although I took it for granted at the time, looking back it helped me to keep that job and the modest financial autonomy that it provided.

When I spoke at his funeral, I described him as a gentle man and a gentleman. I think it’s an apt portrayal that captures both how he was seen by us children within the home and by others outside of it. He always dressed smartly and the respect with which he was held in the neighbourhood was apparent from how others greeted him. Passers-by would always refer to him as “Mr. Saunders” (only his few friends called him “John”) and he would return any greeting with similar formality. His walk was strident and purposive; a straight back and long strides propelling him efficiently to his destination. As a youngster I would have to trot alongside him to keep up and later, when out with mum he would leave her several paces behind as she too struggled to keep up. This feature is one that I have inherited (as my partner Janet will testify!) although I would later seek to humorously undermine it when visiting them from Australia, tapping mum on the shoulder as we struggled in his wake, signalling that we should stop and see how far ahead dad would get before he realised that, unlike that famous song of the times, he was in fact actually walking alone.

One of dad’s strongest attributes was his organisational ability. This generated a sense of respect among others that could have resulted in him becoming a formidable leader had he sought such a role. However, his goals were more modest, seeing good organisation as an end in itself and being content with a role facilitating the work of others from behind the scenes rather than seeking to shape things from the front. I thought that his reluctance to play a more visible role in all sorts of shared activities was a failing that deprived others of the benefit of his ability and wisdom while wasting his strongest capacity. On an everyday level, the family benefitted greatly from his organisational efforts and foresight, which included preparing detailed lists of

items needed for our annual holiday weeks in advance, each item being ticked off as it was packed into the relevant suitcase.

These skills served him well in his employment and he worked continuously from the time he left school until he retired. He had only two jobs, both mainly clerical in nature for manufacturing firms, the first making him redundant in his early fifties after more than 30 years' service (mainly doing incredibly boring double-entry book-keeping by hand). Luckily, one of his customers heard of his forthcoming demise and arranged an alternative job for him so he never experienced a day without work and never had to apply for unemployment benefit.

I have inherited his organisational ability, albeit without his reticence and modesty, which have been replaced (eventually – it took a while) by my more ambitious motivations. I'm not sure what led to this modesty in him, but I came to see it as a lost opportunity before I reflected with a sense of admiration that he was able to set clear boundaries around what he could, and wanted, to achieve. Overall, I learnt a lot from observing him about how to organise events and support and to mobilise people to participate in them. These skills have served me well in various capacities throughout my personal and professional life, the latter in particular.

We enjoyed many pleasurable times together, throughout my boyhood years and later during my visits home after emigrating to Australia. He encouraged my sporting development, playing football with me on our large (by council house standards) lawn each winter, while in summer we would chalk three stumps on the wall under the kitchen window and he would bowl ball after ball to me to improve my (never much good) cricketing prowess. He was a very good crossword solver, showing me one way to solve anagrams, by writing the letters in a circle that made the patterns clearer, that I still use today – and very effective it is too. But it was at cribbage that he really excelled. Despite the many games that we played together I don't think I ever beat him.

I regret not spending more time talking to my dad about his experiences during the war. Conscription would have deprived many families of young men and women at the peak of their lives, sending many overseas for the first time to see and experience unspeakable horrors that would have left many permanent scars. We never spoke about the war at home, although on the sideboard in the front 'best' room that we rarely occupied were two small highly polished wooden sphinx that he had brought back from his time in North Africa. They sat there throughout my early years, two unspoken mementos of a time never mentioned. I can remember often looking at them,



wondering where dad got them and what was hidden behind those wooden stares.

I later managed to talk with him about his war-time experiences and he told me about having to train new army recruits how to throw hand grenades. The problem was to identify who might “freeze” after pulling out the pin and blow their colleagues, rather than the imagined enemy, to smithereens. Dad’s role was to be alert to potential “freezers”, grab the offending object when necessary and hurl it into the practice range before it exploded. It was a tough job at best and a short-lived one at worst! Another problem arose when a thrown grenade did not explode on impact. These mishaps were identified by keeping count of the number of explosions and comparing it with the number of grenades projected. When a discrepancy was identified, dad and others had to venture out onto the practice field to find the offending hardware, remove and dispose of it. Imagine doing that every day as a routine part of your job! I can’t help but feel a deep sense of anger when I compare these modest personal acts of self-sacrifice and extreme bravery with the political excesses that now dominate today’s glorified and regimental acts of remembrance.

If dad was the family breadwinner, mum was the glue that held us together, taking on all the domestic tasks. I never saw my dad help with the washing up until much later when we children had all left home. He was incapable of cooking even the most basic meal – boiling an egg was beyond him and making a cup of tea posed a major challenge. In contrast, mum performed the full range of domestic tasks with expert efficiency. In addition to her cooking skills already referred to, she hand-washed our clothes and linen in the kitchen sink, spun them to dampness in a large spinner that sat under the kitchen bench and then hung out them out on the garden line, where the awful British weather ensured that they often took days to dry – all without any of the aids that are taken for granted today: no washing machine or dryer, no vacuum cleaner and for many years no refrigerator.

My parents’ relationship changed dramatically after we children left home. It began after Janet left and they had just Patsy to care for, but when she too left, they were forced to adjust to each other’s idiosyncrasies without us children as distractions. The smaller household meant that their resources could now stretch much further, providing the social life that had previously been denied them, mainly through membership of the local Conservative Club. They had joined some years earlier (not as political members but because it was close by, had a nice bar and low prices) and spent many good times there with some new friends. Not surprisingly, dad became a member of the club committee and was soon organising member activities and events. Mum

would sit quietly by, enjoying her modest drink and lapping up a well-earned sense of relaxation and contentment. I would join them there whenever I visited home, although I did not drink much beer and rarely visited pubs in Australia. But I got much pleasure from seeing them both in their twilight years able to enjoy themselves and be accepted as members of a social group that was independent of family – *their* friends, not ours, or relatives.

### *Primary school days*

Soon after we moved into the estate, construction began on Hurst Drive Primary School, designed for the many post-war baby boomers like me who were rapidly approaching schooling age. Later, a large secondary modern school would be constructed a few hundred yards away to accommodate the estate's projected older demographics as my generation grew up. The trip from home to school involved walking along several back lanes of the estate with only one road to be crossed, right outside the school. But there was almost no traffic during school hours, so like all the other pupils, I walked to and from school from day one, including walking home each day for lunch.

Some mothers waited at the school gate to collect their children after school finished (I suspect that mine did too, though I can't remember) but the rule for most pupils was simple: 'Walk straight there and straight back, don't dawdle and NEVER speak to strangers'. I have few memories of the details of my primary school years, aside from one rather embarrassing memory that took place on my very first day. I was understandably nervous and keen to get back to the security of my home as soon as possible, so when the bell was rung to signify morning break, I headed not to the playground like all the other pupils, but straight out of the school gates and from there retraced my steps back home. I can still remember the look of total surprise on my mother's face when I walked in just after 11am, some hours earlier than expected. It was my first engagement with the education system, one that did not portend well for the future although thankfully I came to relate better to the system with the passage of time.

As my primary school years slipped past, the secondary school being constructed next door took shape and eventually opened its doors. Rumours spread about how awful it was there and this motivated many of us to start thinking about how to avoid its imagined horrors by searching for alternative educational options. The two gateways to a better school were (and still are) parental income and exam performance. The first could be used to buy entry into a public (in the UK this means fee-paying) school but this was not an option for me because of the fragility of our family finances. My only realistic

escape route thus involved passing the 11-plus exam to secure a place among other 'academically gifted students' at a local grammar school. This I managed without too much consternation and I secured a place at Cheshunt Grammar School, where I was to join brother John, who had been studying there for several years. And so the short-trousered Saunders, a shy but attentively curious lad of what appeared to be above-average intelligence, but lacking in self-confidence, still a boy, innocently unaware of the joys and frustrations of puberty and pimples that lay ahead of him, took his first tentative step towards the ivory tower.

### *The grammar*

I travelled each day to my new school by bus, the ride from Waltham Cross taking about 20 minutes with a 10-minute walk at each end. The school was much larger than Hurst Drive Primary, its main building a rather grand two-storey structure that was set back 20 yards or so from the street, fronted by a garden and a shallow sweeping drive up to the imposing wooden doors of its main entrance. It was built in 1935 and other buildings were added over the years as student enrolment expanded and it was at the height of its existence in the 1960s when I was there.

In addition to the main building, there was an old annex set in a lovely garden to one side, a new school hall with classrooms attached behind and to the left, a small hut in front that was used by the school prefects, a low building to the right that contained more classrooms, and a large old building at the back that contained the school gymnasium, boys' and girls' changing rooms and showers (at either end, deliberately kept well apart!). Beyond the gym and low classroom building were the sports pitches, two each for rugby (for the boys) and hockey (for the girls) in winter, two cricket pitches in summer and all-weather netball and tennis courts. Sadly, a combination of shifting demographics and inadequate government funding led to the school's closure in 1990 and the entire site was demolished soon afterwards to make way for a new housing estate development. I discovered while researching this book that a Facebook page has been established by ex-students, where memories (mainly of the peculiarities of the teachers or the excessive punishments imposed on miscreants) can be shared.

When I arrived in 1959, there were about 750 students in total, around 100 in each of the first five years (third year, lower and upper fourths, and lower and upper fifths) and 80 or so in each of the two final (sixth form) years. Classes varied in size between 25 and 35 students. The shift in size and culture from the local infants' school into the 'big time' at 'the grammar' was

difficult to navigate, although I managed to settle in with a minimum of fuss, keeping a low profile and (in my early days) out of trouble. My transition was not helped by the presence of brother John who was by now in the upper fifths, five years ahead of me as a third-former, or one of ‘the turds’ as we were generally referred to. He had become a bit of a rebel, displaying a sense of disrespect for the teachers and generally loutish behaviour when with his friends that I would later replicate. His friends would seek me out and give me a hard time, probably as pay-back for the treatment they received from him. I don’t recall John and me ever actually speaking at school or even acknowledging each other’s presence even though I’m pretty sure we travelled there and back each day on the same bus.

The headmaster Mr. Moxom was feared by all students (and many members of staff), particularly those (boys – the girls rarely behaved badly and were certainly never physically punished) whose misdemeanors resulted in the dreaded visit to his study in white gym shorts for a caning. He was a gaunt, dour-looking man who rarely left his office, but whose movement when he did was heralded by total silence and a pervasive sense of fear (‘What had I done?’) as he traversed the school grounds. Woe-betide the unfortunate soul who did not see (or sense) his approach and kept up a screech of pleasure while all around stood silent and still, fearful of the approaching authority. He led school assembly each morning with a solemn air that set the tone for the day, giving pronouncements about unacceptable behaviour or other warnings that sent waves of fear through the rows of students that sat (or stood, if matters were serious) before him.

One notable difference between my primary school and grammar school days was that while the primary school student population was highly homogenous, that in the grammar school was much more diverse. Almost all students at Hurst Drive Primary were local ‘estate kids’ and thus came from very similar social backgrounds, even including the small number who lived in the private houses that bordered the estate. In contrast, the Cheshunt Grammar student population was dominated by students from middle and upper-middle class backgrounds, many of whom came from further-away and more affluent towns. Most of these students had better-off parents who were able to pay for all of the ‘extras’ like school trips and sports gear that were beyond the means of estate kids like me.

For the first time, I became aware of these differences in the economic circumstances of those I interacted with, and to observe and experience how they affected the opportunities available, and hence one’s ability to convert what one was into something better. It was not so much that those at the upper

end of the social hierarchy looked down on those below them, but rather that those of us at the lower end were conscious of the gradient between us that influenced what we could (or more often could not) do. No level playing field here, then as now. This gulf in prosperity could create another in aspiration and outcome although we didn't think in those terms at the time. Those of us at the bottom never begrudged those who had the means to do everything on offer, wishing only that those options could be extended to us too.

There were many school trips, ranging from day trips on the train up to Cambridge or beyond to the Norfolk broads, to week-long ventures across the channel to 'the continent' to stay in France, Germany, Austria or Switzerland. I was never able to go on any of these longer trips because my parents couldn't afford it, and I listened with envy to their exciting tales of the adventures told by those who did go, after their return. I was able to go on the day trips – almost all children went, even if the school had to provide them with the required packed lunch – but I can't say I really enjoyed any of them. Most involved long train or coach trips separated by a few hours of highly regulated and regimented visits to a country house or historical site that had little interest for most of us. Those that I enjoyed most were the ones where mum found the extra needed to provide me with my favourite sandwiches for lunch (corned beef and tomato) rather than the dreary egg or spam, perhaps with lettuce, that mum normally served up.

### *Fire mayhem and a wayward snowball*

Those were the days when order and obedience were achieved and maintained – in school and often also in the home – by the threat of physical punishment. Minor offences at school received an 'order mark' and once the total reached five, the offender was required to attend 'detention' on Saturday morning to do whatever menial task the teacher in charge required. I reached the dreaded five order marks several times in my later (fifth and sixth form) years and recall on one occasion having to clean and polish the Sports Master Mr. Boone's mud-encased rugby boots that had obviously not been near any cleaning materials for many years.

Really serious offences resulted in a summons to the headmaster's office for an encounter with the dreaded cane. Those unfortunate enough to experience this form of punishment were required to wait outside his office in the main corridor for 10-15 minutes and be exposed to the suppressed chuckles of passing students who all knew what fate awaited the poor victim, standing there shaking (with fear and cold – the corridors were very cold). This public humiliation added to the brutal experience that followed. Afterwards, a small

crowd of boys would gather in the changing rooms to inspect the buttocks of the canee, and I recall being told that those who received the maximum punishment (6 strokes) would have deep red welts across their bums, in one case drawing blood in several places.

I was caned twice. The first followed an innocent and unintended panic on my part that resulted in the ‘death’ of an entire French class and its teacher. Let me explain. Headmaster Moxom had announced in morning assembly that we were going to experience a school fire drill to check the school’s evacuation arrangements and assembly points. The fire would be represented by senior students waving red flags and we were all told that if we saw this, we were to report immediately back to our classroom to alert others to the fire and start the fire alarm and evacuation process. Anyone who approached to within 5 yards of a flag-waver would be deemed to have been burnt to death and in serious trouble!

About two weeks later, I was studying French with Miss (‘Mademoiselle’) Barraclough – a young teacher to whom I had been giving a very hard time in my role as lower-fifth rebel and general troublemaker. Towards the end of the lesson, Mlle. Barraclough called for a volunteer to (as I recall) collect a message from another classroom situated further along the corridor. My hand shot up to take advantage of what I saw as an opportunity to skip class for a few minutes and check out what was going on elsewhere. I was duly nominated as message bearer and sent on my way. As I turned along the corridor, I saw what can only be described as an unexpectedly peculiar sight. One of the senior prefects was standing about 50 yards away in the middle of the corridor, right outside the headmaster’s office, vigorously waving a red flag.

As I slowly approached him, the prefect waved his flag ever more vigorously and began staring at me as if I was totally mad. I was intrigued and walked right up to him to see if he was in trouble and in need of assistance. When I reached him he shouted:

‘There’s a fire, you stupid boy!’

I looked around, but could see no sign of smoke or other incendiary activity, so my natural response was to ask,

‘Where?’

He stared at me with growing disbelief and mounting annoyance at my stupidity.

‘Here you fool!’ he expounded, growing alarmingly red in the face as his vigorous flag waving became more intense. He clearly hadn’t expected the routine task he had been assigned to prove so challenging.

His frustration grew as my inability to grasp the seriousness of the situation extended. Once more I stared at the artificial combustory event unfolding before me, but again the true significance of what I was seeing eluded me. Where was that damn fire? Then the awful reality of the situation slowly dawned on me as I recalled the Headmaster's morning assembly warning about the impending fire practice drill.

'Go and warn your class,' said the prefect, 'and tell them to evacuate the building immediately and head for the nearest assembly point'.

Realising now that I was already technically dead and likely to face major punishment, I scurried back with a sense of impending dread towards my classroom. But news of the fire had by now spread throughout the building, as other students sent on false 'errands' (as it turned out I had been) encountered strategically placed, flag-waving prefects. As I headed back to my classroom, I was faced by a throng of students (and teachers) walking briskly towards me ('No running!') to escape the blaze – this moving sea of teenage humanity forming a growing obstruction that became harder for me to overcome.

I panicked. Wouldn't anyone in these circumstances? Burnt to death in a school fire, running against a surging tide of evacuees, my mind full of images of the punishment and humiliation that lay ahead. Those dreaded minutes waiting outside the Headmaster's office in white shorts, my impending ordeal clear to all passers-by. I chose what I saw as the only way out and did the unthinkable, the unforgivable. I abandoned my classmates and joined the throng heading in the opposite direction towards the assembly point, hoping somehow that my indiscretions would go unnoticed or be forgiven by those in authority.

It was not to be. The next morning at assembly, Mr. Moxom looked up gravely and removed his spectacles – a sign we all knew meant that something very serious was about to be conveyed, most probably followed by a caning. He announced that with one notable exception, yesterday's fire drill had been conducted successfully, but due to the disgraceful actions of one student, the entire year-five French class had been victims of the fire, along with the recently appointed Miss Barraclough.

'That student knows who he is,' he said in a deep solemn voice, 'and he will report to my study directly after this assembly.'

When I turned up at his secretary's office, I was told to change into my shorts for what I now knew was to be my first caning. Passing students guffawed at the sad sight of me in my school uniform and white gym shorts waiting outside the Headmaster's study, shivering and humiliated. Everyone

knew the cause and it did not take much intelligence to figure out what the consequence was going to be. When I was finally summoned to enter, I was given a lecture on the seriousness of my misdemeanor and told to bend over one of the large stuffed leather armchairs – quite comfortable I remember thinking and far better than those we had at home – even when assessed from my awkward position.

I heard the door of a large cupboard creak open and the swish of several canes – differently pitched according to their thickness and the veracity of the swipe – as the Headmaster chose the combination of weapon and delivery stroke appropriate to my offence. He walked over to me and my buttocks tensed, but I was still stunned by the ferocity of the first blow and the sharp sting that followed. Before I could distill the intense pain, he struck another blow and that was it – two out of a maximum of six. Not bad for a 14-year-old multiple murderer who was already himself dead, killed in a school fire.

The other occasion when I experienced the humiliation and pain of a caning was equally bizarre in its circumstance. It happened towards the end of the long winter of 1963 when the snow that had begun to fall just before Christmas lay deep on the ground throughout January and February. Unprecedented for the south of England and a totally new experience for my generation.

After one unusually severe storm, Mr. Moxom's spectacles were again removed in morning assembly and he announced solemnly that to prevent any damage to school buildings, students were banned from throwing snowballs within 25 yards of any building until further notice. At morning break that very day – not much more than an hour after that dire pronouncement – I was overtaken by an uncontrollable desire to have one last throw and hurled an absolute beauty of a snowball at some poor unsuspecting student standing right in front of one of the boys' changing room windows in the school gymnasium. Sad to report, my intended victim spotted the icy globular sphere on its way towards his head and ducked, leading to my absolute horror as said sphere continued on its path above the ducking student and through the gym window, leaving shatters of glass on the icy playground.

There was no getting away from the fact that I had acted in direct contravention of the Headmaster's 'no snowballs' policy and had done so in full view of several hundred witnesses. Once again, I knew I faced the long walk to his office and the indignity of the interminable wait outside in my gym shorts for the inevitable caning that followed. I decided not to own up immediately, in the hope that I would find an excuse for my behaviour, or that my parents would provide a way out when I recounted the events that evening.



Both hopes were forlorn, although I did get some temporary relief when I was struck down with a serious dose of the flu and sent to bed, where I stayed for the next two weeks recovering. Yes, the flu was real, not an invented ailment designed to further delay the inevitable punishment that awaited me. Can you imagine the misery that I went through over that awful fortnight? Would the caning be delayed until my return or would the headmaster see my medical affliction as punishment enough and relent? I told my parents what had happened, and my mum in particular was sympathetic to my cause and thought that in the circumstances, I warranted and might get, a reprieve.

She was wrong. On my first day back at school I was told by my form master to report to the Headmaster's office at morning break where the delay in my punishment would be rectified. There was no way that Mr. Moxom could let his authority be undermined by failing to carry out punishment after a clear warning to errant snowball projectionists and so the promised consequence had to be implemented – and seen to be!

The performance of the deed itself followed a similar routine to my previous encounter with the contents of the cane cupboard. This time, however, the weapon itself was somewhat slimmer and its delivery more focused and intense (to judge by the higher pitched swish that accompanied the practice swing) and there were double the number of blows – the four this time not drawing blood but bringing tears to my eyes. Not at all to be recommended and a major deterrent to any future such activity. And all because I couldn't resist being the last student to throw a snowball before the curfew started. And as for that bloody student who ducked...

### *Getting by, by going without*

Although I knew practically nothing about them, it was clear from the flow-on effects that the Saunders' family finances during my schooling years were modest at best, even by the standards of 1950s Britain. My dad's job as an invoice clerk involved recording manually in large invoice books details of all the goods and monies flowing into and out of the firm. His use of carbon-paper was the closest that book-keeping in British manufacturing firms came to automation in those pre-computer days. The job had neither the dignity associated with many union-backed manual occupations, nor the social status and financial rewards of other white-collar positions. It was lower-middle class, with the emphasis very much on the lower.

Great battles were fought later to protect blue-collar jobs in the UK mining and manufacturing sectors, but the kinds of jobs that many dads like mine occupied were just as monotonous and lacking in autonomy and hence

demeaning, often with similarly lower pay but with no overtime or bonuses. Those like my dad who filled these positions were paid a salary, not a wage, and were strictly considered to be middle class rather than working class, but that was small compensation for the many indignities they suffered. Most of these positions were wiped out virtually overnight as computers made all manual double-entry book-keeping jobs obsolete, yet this was hardly noted by those who later fought on the picket lines to protect mining and manufacturing jobs.

I never knew exactly how much dad earned, as this was a topic that sons didn't discuss with their fathers. There were, however, a couple of instances that highlighted just how little he received. The first came when my sister Janet (the brightest star of the family in terms of school performance) started work as a Telecommunications Traffic Superintendent in the Post Office in 1968. I recall dad telling me at the time that he was proud of her success but felt embittered by the fact that her starting salary (of about £1,000 a year) wasn't much less than his salary after almost 30 years in his job. What a shattering experience that must have been for him, probably bringing home to him how much his lack of ambition had resulted in a waste of his talents, a loss in earnings and a lower standard of living for him and his family.

The second was shortly after one of our (very modest) annual family holidays to the seaside town of Jaywick, when dad told me in secret that 'times ahead were likely to be tough' as the holiday had cost him £47! Just to put that figure in perspective, the economy-wide average earnings in the UK at around that time was just under £30 a week, so that week's holiday cost my dad just over one and a half times his weekly (before-tax) pay packet. At the end of 2019, average weekly earnings in the UK had risen to around £540, so had he spent a similar portion of his salary on a family holiday in that year, dad would have had to cough up about £850. I'm not sure that that would have bought much for a family of six for a week, particularly when you factor in transportation and accommodation costs.

The calculation reminds us how far living standards (and community expectations) have risen in recent decades, but also highlights the financial struggles facing many people of mum and dad's generation in those years. Finally, it shows how sister Janet's starting salary in the public sector catapulted her above many private sector manual and clerical employees with far greater labour market experience. Those were the days when the public sector paid well, attracted the best and delivered top-quality services.

These factors explain why we as a family were barely managing and had no money left over at the end of each week. We were one of the last families

(among my friends at least) to get a television, had no phone until much later (and never used it when we did because dad was fearful of the bills), had a very modest annual holiday and as noted earlier, and I (and my siblings) missed out on school trips that involved an overnight stay away. Were it not for the security of our council house and its relatively low rent and paid-for repairs, we would probably not have been able to get by.

We were never poor, of course, because there was always food on the table and our basic needs were met. Our modest annual holiday in Jaywick – which I discovered later was identified by researchers as ‘the most deprived town in Britain’ – was a source of great anticipation and much pleasure. I played sport regularly in and out of school and never lacked the necessary equipment, including shorts, shirt, socks and football boots. But how my parents managed to budget on a very low income with four children is beyond me now. As we grew up and found part-time jobs (along with my mum, who had a series of jobs working in local shops) the financial pressures eased, but they were always there as a reminder of our modest resources – although what we did have was secure and the possibility of becoming unemployed, homeless, or dare I say it, poor, never entered our thoughts.

The years between when Patsy was born and when I left home to go to university in 1966 were probably the hardest for my parents. Looking back, I don't know how they managed, though I can see now that they probably made ends meet as most parents do in their situation by putting their children's needs before their own. I don't recall them ever going out without us children ‘in tow’ and can't think of any small luxuries that either of them allowed themselves. Their lives were focused on the family and any improvement in financial status would result from the achievements of the children, not from any advancement in that of the parents.

### *First signs of ability*

Throughout my time at Cheshunt Grammar, I somehow managed to get into the top academic class of my year. The average academic ability of my 30 or so classmates was high, led by the amazingly talented Stephen Evans who was the first really bright student that I had encountered. Observing his ability to solve problems showed me that academic ability, application and achievement could deliver much pleasure and open up many opportunities. He came top of just about every subject that he took in every year that he took it, scoring A's across the board regularly on every subject. I stood in awe and admiration for his ability to do so well in so many subjects at the same time. His only failing was in woodwork, at which he was totally hopeless, although I ran him a close

second, being equally inept at all aspects of that ‘practical’ subject! Aside from this, he managed to excel at all that he studied, even in subjects like English and History that were traditionally thought of as ‘girl’ subjects. Learning was a heavily gendered activity in those days, with boys concentrating on ‘hard’ subjects like Maths, Physics and Chemistry and girls on the ‘softer’ arts like English, French and History. There was also a range of ‘in-between’ subjects like Geography and Social Studies (whatever that was) for both boys and girls who did not excel at either science or arts.

There were annual exams in each subject, on which the class rankings and school reports to parents were based. In most years, I came between 20<sup>th</sup> and 25<sup>th</sup> out of around 30, which I took to be a fairly creditable performance given the high overall quality of my classmates. The exception was in one year (when I was in the upper fourths, I think) when to every one’s amazement (including mine) I came about 5<sup>th</sup> overall. Don’t ask me how I managed it since I’ve no idea, although I enjoyed the celebrity status that academic success provided. Sadly, it was only temporary as I slid back down to about 23<sup>rd</sup> the next year and was rooted there until we took the GCE O-Level exams at the end of year 5 (in the upper fifth year).

I did well at O-Level, passing in 9 subjects according to my two University of London General Certificate of Education Examination (GCE) Certificates. The first (dated Summer 1963) records my success in English language and pure mathematics, and the second the following year listing a further seven subjects: biology, chemistry, English literature, French, geography, additional mathematics and physics. That was a pretty creditable performance but left me wallowing towards the bottom of my class, having been outperformed by around 25 other students who achieved more passes and/or better grades than me. Stephen Evans passed in 13 subjects, in each of them achieving – you guessed it – grade A. Despite my relatively low ranking, my O-Level exam marks allowed me to carry on studying in sixth form, beyond the boundary achieved by brother John who left school after the O-Levels to begin an apprenticeship in production engineering with a local manufacturing firm.

Sixth form students could specialise in a smaller range of subjects in preparation for the GCE ‘A-level’ examinations which were taken at the end of the upper sixth year. I had begun to develop an interest in mathematics and even started to excel in some aspects of it. I was not in Stephen Evans’ league but a good deal closer to it than I had been previously. My quantitative struggles of earlier years fell away as I came under the spell of Mathematics teacher ‘Monty’ Montgomery, who was a dapper middle-aged man, kind and humorous but a no-nonsense teacher who conveyed his own love of his

subject in a way that I found engaging and stimulating. He did not suffer fools gladly and took delight in exposing the errors of those uninitiated in the skills he was teaching by reading out their howlers in front of the class.

I can recall vividly when he used the long-form multinomial formulations of each term to 'prove' that  $e^{\omega i} + 1 = 0$ , noting at the end of a lengthy (and chalk-dusted) exposition on the blackboard that the proof should convince even the strongest sceptics amongst us that God does indeed exist. I was amazed at the proof itself and could not see how those three individual components (one of which did not exist and the other two impossible to specify exactly) could be related together in such an apparently simple but at the same time deeply complex, way. I almost became convinced by Monty's inference about the existence of a higher being, although not enough to change my actual religious habits or beliefs.

As my proficiency in maths grew, I began to experience the satisfaction that comes with understanding difficult concepts and ideas and doing well in class tests. Towards the end of the lower-sixth year, Monty announced that he was entering two students in a National Mathematics Competition sponsored by the Guinness Brewery company: Stephen Evans was one candidate (of course!) and the other, surprisingly, was yours truly. Monty told us little about the test except that we would take it in the school on a certain date and that if either of us won, our teacher would receive a crate of Guinness.

When the time came to take the test, we were both given a thick exam book of 200 questions, each of which were multiple-choice with 5 response options. Each correct answer would receive one mark while incorrect answers would count as minus 5, the goal being to complete as many questions as possible in the two hours. I cannot remember the details of the questions, except that they were all extremely difficult, and I spent the two hours trying to solve the first 30 or so of them. They were unlike anything I had encountered before and I had little confidence in most of my answers and given that incorrect answers incurred a heavy penalty, I doubt that my final score was a positive number. Even if it was, it would probably have been in single figures at best. But I enjoyed the whole experience, brushing shoulders (figuratively speaking) with some of the country's brightest mathematics students, and was grateful to Monty for giving me the opportunity. That far outweighed the fact that the test exposed brutally my technical limitations and problem-solving frailties.

Weeks later when the results were announced, Monty read out in class from a summary sheet that listed the leading national scores. Not surprisingly, my name did not appear and while Stephen Evans did make it onto the list

(just), his score of about 80 was towards the bottom. What was totally amazing were the scores achieved by those at the top. The highest score was around 190 and there were many scores in excess of 180 out of the thousands of students who took the test. The winning student came from Eton College and was aged 13! (Stephen and I were both aged 17 at the time). The winner was followed by a list of other similarly aged students, most of whom were based at leading public (i.e. private, fee-paying) Schools like Eton, Harrow and Manchester Grammar school.

It was a sobering experience for me though not one that I regret. I am grateful for the trust that Monty showed in me and I regarded being grouped with Stephen Evans as a remarkable achievement, a source of pride in my mathematical abilities. I learnt an important lesson that was to be repeated many times over the coming years. This was that however high I reached in the distribution of academic achievement, there would be many above me with abilities that far exceeded my own. The foothills I conquered were low, but they gave me a platform from which I could view the peaks that towered in the distance. And, as I was also to discover, the higher the foothills I managed to ascend, the higher the peaks that were revealed and the greater the gap between me and the geniuses that occupied them. A sobering experience, but one that gave me a valuable perspective on my achievements that has served me well throughout my career.

### *University beckons*

My improved academic performance and advancing years led to intense and increasingly frantic discussions with my sixth-form colleagues on what to do after schooling was completed. Choices were constrained by performance in the A-level exams, of which I sat four: pure mathematics, applied mathematics, further mathematics and physics. The further mathematics subject was reserved for those who were particularly good at maths and was marked as being notably harder to succeed in. Those were the days when the prospect of not finding a job after completing sixth year in a grammar school was virtually unheard of. The problem before us was not whether or not one could find a suitable job after performing poorly in the exams, but how to choose between the vast number of openings that were available at that time.

Most of my friends, like me, were totally unequipped to decide what career path to pursue, so a natural choice was to go to university and defer that decision for another three years. One still had to decide which university to choose and what course to study. For most of my friends the choice was engineering, which offered two appealing features: it was seen as a 'balanced'

subject that did not require excellence in any specific A-level subject (thus avoiding the need to do well in the mathematics that many of them dreaded); and it was one that provided practical training that was in high demand at the time.

Engineering didn't appeal to me, as I imagined lecture halls packed full of students (mainly males) who had no real idea of what they wanted to do or why they were there. Against this, I didn't feel I had either the skills or interest to pursue a course of study in mathematics or physics – my two A-level subjects – at university level. After perusing numerous university handbooks, I discovered a new course in Engineering Mathematics at the University of Southampton that seemed to offer the best of both worlds: set apart from the scrum of the Civil or Electrical Engineering courses that most of my compatriots chose, but one that gave emphasis to my mathematical abilities yet still with an implied practical bent.

One great advantage of the UK university system – then, as now – is that it provides applicants with a legitimate excuse to leave home at a time when most students are experiencing urges that are best satisfied without parental oversight. In deciding which universities to apply to, two factors were paramount: academic reputation and geographic location. Of these, the latter was by far the dominant factor because most of us knew almost nothing about the former, and our main goal was to choose somewhere that was far enough away from home to avoid parental intrusion, but near enough to seek parental assistance or salvation when needed. Many universities met these requirements for someone living in the south of England and so after some deliberation, I followed many of my schoolmates and nominated Southampton as my first choice, with Sussex (a hot-bed of student long-haired radicalism and flared-trouser coolness) a close second, with Bangor in North Wales a distant third, a lower-ranked back-up in case things went pear-shaped at exam time.

Going to university in those days was a totally different experience to what it is today. There were no tuition fees and most students were eligible to receive a government grant (not a loan) that supported basic living costs. In most subjects there was limited or no continuous assessment but an end of year exam that virtually determined the overall mark for that course. Class sizes were also far smaller than today, with few lectures of more than one hundred students and most tutorials containing ten students at most. This combination of features provided ideal conditions for wayward youth to indulge in 'extra-curricula' activities without fearing that this would affect their academic performance – at least until exam time arrived at year's end. When it finally arrived, the incentive to pass one's exams was high because

failure could result in the withdrawal of the grant that underpinned what was a frugal but indulgent and hedonistic lifestyle.

I still had to persuade my parents to support my decision and it was there that I ran into a formidable obstacle in the shape of my mum. She opposed the whole idea on the grounds that it would impose an (unspecified) extra financial burden on my parents and was thus unaffordable. Years of stringent budgeting had taught her that there was no capacity to stretch the family's resources any further.

'Why can't you follow your brother and do an apprenticeship that will bring in an income right away?' was her argument – and it was a compelling one.

My dad did not express a strong opinion either way, although I sensed that he supported me but was also fearful of the financial consequences.

I pointed out that the student grant would allow me to meet my own expenses during term time and that when (or if) I came home during the vacations I would get a local job and pay rent to cover my living costs at home. Mum was not convinced. So, I checked out the details of the grant system and discovered that it was income-tested against parental income, which meant that given my dad's income, I would qualify for the maximum grant that required no parental top-up. I also gathered information showing that there would be no course fees and hence no other costs that my parents would be required to meet. Mum eventually gave way and the decision was made!

My GCE A-level results (reported in Summer 1966) were reasonably good: a top-mark A in Pure Mathematics, B in Physics, C in Applied Mathematics and E in the more advanced Further Mathematics. Stephen Evans recorded 5 A grades (bless him!), so the gap between us remained large. But my grades were strong enough evidence of my academic prowess to satisfy the gatekeepers at Southampton and I began packing my bags for the trip to the south coast and the start of a new adventure.



## CHAPTER 2

# VARSIITY DAZE

### *Settling in*

The journey down to Southampton was somewhat reminiscent of that earlier trip to Waltham Cross, opening another new chapter in my life. I sat in the back seat of a small car crammed with three of my grammar school classmates and our luggage, joking to distract us from the nervousness we all felt about the adventures that lay ahead. In total, there were about nine of us ‘Grammar boys’ heading to the same south coast campus that was to be our home for at least the next three years. It was the end of that wonderful, wonderful summer of 1966 when England, against the odds and after two hours of beautiful play, beat the ‘old enemy’ Germany in extra time of the football World Cup Final. A time for national celebration that even the most staid and repressed citizens rejoiced in. But university beckoned and we new students (‘freshers’) needed to report for duty!

There were two accommodation options for most freshers: a room in a student Hall of Residence or a rented room in a private house (‘digs’). The latter offered greater freedom but required the appeasement of the landlady (rarely a landlord) and adherence to their house rules. Rooms in the Halls (which were gender-segregated for undergraduates at the time) were reserved for those from further afield, so digs it was for me and my old school chums. Mine were at No. 30 Lytham Road in Harefield, a quiet suburb of modest low-rise housing located across the River Itchen, about 30 minutes by bus from the main university campus in Highfield. My landlady was a short, stout and friendly lady in her mid-fifties who had recently been widowed. I’m afraid I’ve forgotten her name despite many hours struggling to remember it.

Like many in her situation she had decided to rent out part of her house to university students (widely seen as good tenants in those innocent days) to generate some extra income and for some company. This was her first such venture and she was generous in her treatment of her two tenants – probably too generous as I later discovered when comparing what she provided with what some of my friends were receiving. Each morning we had a ‘full English breakfast’ of cereal followed by eggs, bacon, sausages and fried tomatoes, accompanied by toast and mugs of hot tea.

I shared the two front rooms of the house with Jim, a fresher from west London who was studying mechanical engineering. He was dark-haired with a full black beard and he bore all the hallmarks of a serious student: studious

and straight. His membership of that tribe was affirmed by his wardrobe, which consisted of a smart brown corduroy jacket, pressed slacks, either a roll-necked sweater or a checked open-necked shirt and sensible brogue shoes. His personal life seemed much like his wardrobe, routine and orderly but rather dull and conformist.

He was a reasonable housemate and although we got on rather well on the surface, deep down I resented his overpowering sense of order and found his habits increasingly annoying. He received lots of mail, while I received none and when I found out that most of what he received were circulars sent in response to his enquiries, I became convinced that this was part of a strategy designed to make me feel inferior to him because I was a less popular correspondent. I secretly referred to him as 'Shit Jim' and gradually grew to loathe him, not because of any failing on his part, more a response on mine at having to share my daily routine and facilities with a stranger who made me feel inadequate and embarrassed every morning when the mail arrived.

One aspect of Jim's development during that fresher year was to have a profound effect on my future. He became unhappy with his engineering course and started searching for alternatives, mindful of the fact that if he changed his course by the end of the first term, he could catch up on work in his new subject without having to repeat the whole year. I followed his efforts to kick-start a new academic venture with only passing interest, although I was surprised to discover how easy the process seemed to be. He eventually transferred out of engineering into the social sciences and to a new degree in economics and accounting, which he found more engaging.

Meanwhile, I was struggling to settle into my course in Engineering Mathematics. The course was much as I had anticipated, placing less emphasis on learning the standard engineering techniques, opting instead for a more applied approach that focused on 'real world' applications of mathematical principles. The course was new – I was one of its first year of student in-take – and so we encountered many teething problems. Offsetting this, there were only about 10 students, so we had small classes most of the time and got to know each other and our lecturers very well.

The course was the brainchild of, and was run by, Professor Huw Davies, an affable Welshman in his fifties who stood no nonsense but was a committed academic and good teacher who treated his students with respect and encouragement. The other main lecturer was Dr Peter Taylor, a thin lanky man of about 30 with a pock-marked face, swarthy complexion and short, unkempt hair that was a permanent mess, looking as if he had just stepped out of the shower and forgotten to dry or brush it. He always wore a dark suit,

although his combination of great height and a tiny girth meant that his 'off the peg' suit was either hopelessly short in the jacket sleeves and trousers or excessively accommodating across the shoulders, chest and waist. He chose the former, so his shirt cuffs and socks were on permanent display, filling the yawning gap between the outer reaches of his suit and his physical extremities. He too was a very nice man who clearly knew his stuff and would reel off complex mathematical proofs without a moment's hesitation but had a way to go before becoming an accomplished teacher.

In addition to the small classes we took as a group on most days, we also had to attend several lectures that were compulsory for all engineering students. These confirmed my fears about what a mainstream engineering course must have been like. They were attended by masses of similarly dressed, badly behaving hoons who were all there to make things difficult for the lecturer while engaging in puerile boyhood pranks. I saw nothing wrong with the implied lack of respect for authority, but I didn't like the dull conformity that was apparent amongst the throng of students that occupied those vast engineering lecture halls. My concerns strengthened my sense that, despite the undoubted attractions of the course I was taking, even this slightly diluted form of engineering wasn't for me and I needed to find an escape route.

Universities offer students so much more than what is laid out in their course handbooks, set down on the reading lists, taught in their lecture halls, reviewed and debated in their tutorial rooms and regurgitated in their examinations. A university education provides one with the opportunity to mix with interesting people and be exposed to new ideas, attitudes and behaviours free from the financial constraints and other barriers that limit one's choices throughout the rest of one's life. The diversity and breathtaking talent of one's fellow travellers, the range of ideas expressed, peculiarities exhibited, weirdness tolerated, absurdity glorified, and interests pursued provides a mind-blowing backdrop to inspire even the most insulated participant. Young people's lives are altered in ways that have lifelong consequences, generally for the good. Some argue that this dazzling array of exciting options is presented to many when they are too young to fully appreciate and take advantage of what is on offer. I'm not so sure. Without the boundless enthusiasm and open-mindedness that are hallmarks of youth, those opportunities might get lost among the more conservative leanings that emerge in later years.

The rather conservative ideas and practices that had shaped my years on the estate in 'The Cross' and at Cheshunt Grammar School were replaced by the weird and wonderful ideas and experiences I was now exposed to. Like many others, I was tempted by these new experiences and eager to break free

of the conformist legacy instilled by years of parental and school authority. I resisted venturing down the more radical pathways that others trod but was keen to understand what they involved and eager to sample some of the safer options on offer. The goal of gaining ‘a complete education’ gradually replaced any interest I had in my studies, which started to wane, dragging down my attentiveness and along with it, my commitment and performance.

As my engagement with the learning process dissipated, I spent increasing proportions of my time either playing snooker in the student union building or football for one of the very strong university teams. I eventually established myself as a goal-scoring centre forward in the second eleven who made an occasional appearance in the first team. My unwillingness to attend the regular training sessions disqualified me from being a regular first-teamer although I also lacked the skill required to perform at that level consistently. I did, however, score goals with alarming regularity and became the first student to score 100 goals – even though it took me longer than the three years that most students were there for. I played for a total of five years including a final year whilst studying for my Masters degree. By then, my academic achievements had become known (see below) even amongst my footballing colleagues, some of whom referred to me as ‘the footballing genius Peter Saunders’. It had a nice ring to it, even though the noun exaggerates my intellectual status and the adjective my sporting ability.

### *Working for my living*

True to my promise to mum, I worked in local factories and later in a supermarket warehouse during the university vacations when staying at home, including during the summer of 1966 before I enrolled at Southampton. I became a regular summer worker at the local Tesco warehouse that distributed foodstuffs and other groceries to their supermarkets across the south of England including many on the south coast. My initial job was in ‘base camp’ at the warehouse, although I later became a more prestigious ‘vanguard’, a job that involved accompanying the delivery driver to supermarkets to help with navigation and the unloading of deliveries. Despite the early morning starts, it was a great job, that could be described as sitting doing nothing for most of the day, being driven around some of the prettiest parts of southern England, with lots of overtime pay.

My job in the warehouse involved assembling the individual supermarket orders on pallets ready for loading onto the lorries for delivery. The pallets were wheeled on a low, flat trolley up and down the endless rows of cartons of produce that were stored in the vast warehouse, some of them towering up

to the rafters. A completed weekly order for a single store might be as small as ten loaded palletes or over one hundred for the larger stores. Each order would be assembled in neat rows behind the loading docks where they would be loaded onto the lorries.

Assembling the orders gave me an initial insight into the great diversity and peculiarities of the things that people spend their money on. One of the largest orders was for pet food, and I wondered why so many people spent so much of their hard-earned money on their pets. It was not unusual to load up to two dozen cases of 48 cans – that's over 1,100 tins – just to satisfy one week's demand in one supermarket.

While I was working in the warehouse, we were told by a union official that 'the bosses' were about to replace on a trial basis, the existing flat-rate payment system by a piece-rate system where the pay received would depend on the number of items loaded up each day. A unit represented a single carton of each grocery item and the units could vary greatly in size and weight, but the effort involved in stacking them onto the palletes and taking them to the delivery bays also depended on the size of the order: it was far easier to stack 48 cartons of pet food for a large supermarket than to stack 12 different orders of 4 cartons for a smaller outlet. For an individual worker, these variations averaged out over time and did not affect the viability of the unit-based system.

The union was totally opposed to the piece-rate system, seeing it as a diminution in their working conditions and/or pay, and the workforce was urged to do all they could to resist its implementation. The tactics they suggested included working slower than normal during the pre-implementation phase in order to affect the design of the new system in a way that made it easier to earn more with less effort. Despite some resistance, the new system was introduced, and the workforce accepted the shift, albeit begrudgingly.

I thought that the new system was a good idea. I had already observed how some workers regularly put in the minimum effort each day (there was a threshold number of items that everyone had to achieve) while others worked much harder and I thought it was unfair that they each received the same pay. The burgeoning economist within me could see the positive impact of the piece-rate system on productivity and profitability, and that these effects could eventually (in the long run....) lead to lower product prices, higher demand and eventually to increased employment and higher wages. I recognised that the logic behind this reasoning was somewhat speculative and the claimed effects uncertain and would take time to emerge. My perspective as a temporary worker also differed from that of the permanent workforce: they were concerned about the long-term impact on their pay and working

conditions, while I was motivated by short-term factors, primarily the size of my weekly pay packet over my three-month summer vacation.

When the new system was introduced, I decided to work out how it operated by recording how my daily completion rate of units varied with my daily pay (which was provided to everyone the following day). It soon became clear that the new system was based on a two-step formula that related the pay received to the number of completed units at a low rate up to a threshold and then at a considerably higher rate beyond that. The threshold was presumably set close to the average daily completion rate under the old system, thus encouraging more workers to exceed the average and drive total output upwards. What one had to do to maximise one's pay was figure out where the threshold was, and then work at an accelerated rate once it had been attained.

It took me several days to work out approximately where threshold was, but once I had figured this out, I began to work hard to get to the threshold about an hour before the end of the day, then work my butt off for that last hour. I observed several others who had obviously performed similar calculations all working intensively as the day's end approached. Meanwhile, the laggards carried on as normal, taking no account of how the new system would affect them, hoping that the union's opposition would prevent the new trial system being implemented.

The union's opposition was understandable, and I later found out that management was by no means free of blame, failing to consult with the workforce about the new scheme and unwilling to be flexible in responding to legitimate worker concerns. The gulf between management and workers was typical of much of British industry at the time and resulted in an inferior scheme and a far harder transition than might have been the case if there had been more goodwill shown by both sides.

My efforts to understand and then 'play the system' resulted in me becoming one of the highest-paid warehousemen on the payroll. After a couple of weeks of this, I was taken aside by a union official and told – in no uncertain terms – that if I didn't ease off, I would be 'in serious trouble'. His demeanour left me in no doubt that this was an outcome best avoided. I could sense that I was fast becoming unpopular with my workmates whose efforts to argue to management that the new formula was too onerous were being undermined by my formula-driven incentivised performance. I saw the sense in taking heed of that warning and, in the spirit of worker cohesion toned down my final-hour work spurts and settled for a more modest (but probably longer-lasting and certainly safer) pay-check.

I spent one vacation working on the factory floor of a local manufacturing firm that produced elevator parts. The job was excruciatingly boring. It involved sitting at a small machine punching holes of various sizes into tiny metal brackets that would form part of some larger component. The holes would be punched by pulling a lever that sent a powerful hole punch down to pierce the metal part that was fitted into a template set up at the base of the machine. Once done, the part was thrown into a huge box, the next piece fitted into the template, the handle pulled forward and the hole punched. This sequence was then repeated – often for around 5,000 times until the ‘job’ was complete and one wandered off to pick up the next order. It was mind-numbingly boring work, made tolerable only by the humorous antics of one’s workmates and the knowledge that (unlike them) the task for me was of limited duration. I remember visiting the toilets that were always full of people escaping the awful monotony to have a quiet contemplative smoke, filling the room with dense fumes that made it difficult to see further than a few metres.

Over the years, these forays into the world of low-paid vacation work served to generate an income that would sustain me (and compensate my mum) during the vacation periods. They also opened my eyes to how British industry operated at shop-floor level and to the kind of world I would be escaping by going to university. The work was often hard and frequently boring, and it was tolerable to me only because it was temporary and provided a much-needed income. It also introduced me to some of the habits, values, opinions and sense of humour of those ‘ordinary working men’ (very few were women). Although I never got personally close to any of them, I was grateful for their willingness to accept me as a temporary colleague.

My experiences also taught me that having a job was no guarantee of financial security, and that one had to seek whatever small pleasures were available to relieve the tedium of the working day. I also observed great differences in dress, attitudes and behaviour between those on the warehouse or factory floor and those in management who would occasionally visit or pass through but rarely stayed to observe and understand how the business they were managing actually functioned. No wonder the British economy was floundering.

### ***The social science years: sloth and hedonism***

Like my digs-mate Jim, I had decided that a future as an engineer was not for me, although unlike him, I postponed taking any action until late in the academic year, making it necessary for me to start again and take an extra year to complete my studies. Nowadays, this would be the kiss of death to most

fee-paying students eager to get out into the world of salaried employment, but for me then it offered the enticing prospect of another year of stress-free student life supported by an untied government grant. I still had to decide what course to change to, get accepted and apply for an extension of my student grant, but these were not insurmountable obstacles.

Drawing on Jim's experience I approached a staff member in the Social Sciences Faculty to assess my chances of being accepted. When he saw my A-level marks and my marks to date in my Engineering Mathematics course (where despite everything, I was doing quite well) he told me that I would have no problem being admitted and I applied for entry to the undergraduate degree in Economics and Statistics. I'm not really sure why I chose that particular combination, probably because both subjects seemed vaguely familiar, unlike those social studies subjects at school taken by students not good enough to do the mainstream science or arts subjects. Receiving an extension to my grant was a formality once I had been accepted into the new course and I overcame one final obstacle – my mum – by pointing out that I had been true to my word in getting a job and 'paying my way' whenever I stayed at home during the vacations.

So it was that in the Autumn of 1967 I joined a crowd of fresher social scientists in a large, cold lecture hall for my first lecture in economics. My initial reaction to joining the social science fraternity was positive. The students seemed much more interesting than the unruly, boys-only engineering mob (hardly difficult) but so too did the lecturers, who were much younger than their engineering counterparts, more casually dressed. Suits were rare and ties even rarer, with some lecturers even wearing jeans! This was my kind of crowd and I welcomed the chance to adjust to this more informal (and hopefully more stimulating) learning environment.

I was particularly impressed by economics lecturer David Pearce, a new recruit to the department who was relatively young (early thirties, I'd guess) and an expert in the emerging subject of environmental economics (where he went on to become world famous). I felt that I understood his lectures reasonably well although I had trouble following the first-year textbook he had written and my end of year exam results confirmed my failure to engage effectively with the subject. All social science students had to take five subjects in their first year. For me two of these – Economics and Statistics – were compulsory and I also took Sociology which was compulsory for all students, and two options, Accountancy and (I think) Demography.

At about this time, I began to spend many weekends in Brighton, about 60 miles east of Southampton, home of the University of Sussex. There, I



stayed at the house of two grammar school friends from the year above me, John Dodd and Brian Smith, who shared a three-storey terraced house close to Brighton station with other students. Sussex University was a liberal arts university and a hothouse of student radicalism, the university of choice of the sons and daughters of several eminent public figures and always in the headlines as a haven of sin and self-indulgence. It offered me many of the things that I seemed to be missing out on at Southampton, including a close-knit group of fellow student travellers that I could talk to about more than just football or snooker (important though both were, to me at least). I even considered transferring to Sussex but abandoned the idea because it involved too much effort. Why put myself through it when I could spend my weekends there free of responsibility or commitment?

The pleasure derived from my satisfying weekends in Brighton reinforced the emptiness of my weekdays in Southampton. My absence from Southampton (I normally travelled to Brighton on Friday and often stayed until Monday, sometimes Tuesday) went unnoticed because there were few essays or other course assignments in the first year of the social science degree. There was an exam at the end of the year in each of my five subjects which I had to pass or risk losing my grant that was unlikely to be further extended.

I took those first-year exams confident that my academic ability would see me through. And it did, although only just. To my surprise, I barely scraped over the line in economics where I felt confident in my abilities, and performed similarly poorly in most other subjects, ending up with an overall mark of about 55 per cent – a mark which I later discovered (when a lecturer myself) signified being marginally better than a total dill. Despite this setback, my pass was the gateway into second year and, with no more exams scheduled until the finals at the end of the third year, to two more years of a life that was becoming increasingly detached from the realities of commitment and responsibility that faced most people of my age.

I had moved out of digs and into a Hall of Residence in my second year but found its ordered lifestyle oppressive and so moved into a shared student house in rented accommodation for the following two years: the kind of household (in both instances) that good, upstanding members of the community dread having as next-door neighbours. (I speak from later experience here!). In both cases I drew on the organisational skills learnt from my dad to identify student friends who I thought would make a good set of housemates, found a house to rent and negotiated the lease arrangements. The first house was located at No. 25 Whitworth Road in the down-market suburb of Bitterne, about three miles from the university close to the River Itchen,

while the following year we moved to a larger house in the (slightly) classier suburb of Shirley. The Shirley house was also about three miles from the main campus and could be reached by a pleasant walk across the common that was located to the north of the city centre. My co-residents in the first house were Les Pipe (a colleague from Cheshunt Grammar school), John White, John Cooke, Mick Bray and Rick Wilkinson. In the latter house I was joined by Les Pipe, Dave Bailey, Jim McCarthy and Paul (I think) Lindsey.

My first year as a tenant was pure bliss: no study, endless games of snooker, lounging around looking cool and enjoying the antics of my housemates. The big difference for me in my third year was that at the end of that year I would be required to sit my final exams in order to graduate. This looming threat did not concern me in the first term of that final year, but it slowly began to permeate my thoughts and affect my lifestyle and actions. I was about to pay a price for those earlier terms spent missing lectures and tutorials, and not completing any course assignments (in fact, not even knowing they existed). I began to realise that unless I made some effort to catch up, I would have no chance of passing my exams, even to the level required to achieve the derisory third-grade pass degree that seemed the best outcome I could realistically aim for.

### *Getting serious*

But change was in the air for me and her name was Hazel Herbert. She was studying French and in the third year of a four-year degree that required all students to spend one year living in France to get better acquainted with its language, lifestyle and customs. She had just returned when I met her, me now in the final year of my social science degree and she in the third of her four undergraduate years. We were rarely apart and began considering living together the following year. However, this required me to stay on in Southampton after I had completed my degree, and this in turn raised the question in my mind of what I would do the following year once my student grant had expired.

One option was to enrol in a postgraduate course, giving me a legitimate reason to stay around and an income (another grant) that would make it viable. Neither option had figured in my plans to this point, since postgraduate study did not seem a realistic option for someone like me who had not attended a single undergraduate lecture since first year, had never engaged in a tutorial discussion, was a stranger to his lecturers and tutors and knew next to nothing about social science.

Or was it? Once the idea of postgraduate study had entered my mind, I couldn't shake it out and I made tentative enquiries about what I needed

to do to gain entry to a postgraduate course. My undergraduate degree in Economics and Statistics led naturally to the one-year Masters degree in Economic Theory and Econometrics that was a hallmark of Southampton's considerable strength in these areas. It seemed ideal for my purpose, which was to find a legitimate reason to stay at Southampton and remain under Hazel's spell for another year. The academic merits of the plan did not figure in my initial calculations and were certainly not a motivating force. They were a minor detail that could be addressed later – a necessary part of the plan, but very much of secondary importance.

The main obstacle to my plan was erected by those darned academics who required evidence of ability, performance and commitment before allowing anyone to benefit from their more sophisticated knowledge. I wasn't a strong candidate on any criteria and thought that surely my absence from lectures and tutorials and the resulting blank sheet of performance would count me out. What I needed to achieve at a minimum was an upper-second class degree and paradoxically, it was here that the lax continual assessment processes in my undergraduate social science courses acted in my favour. That may be an exaggeration, but it was true that if I performed incredibly well in my final examinations, I might be able to scale the vertical walls of accreditation to conquer that elusive upper-second degree summit. Or so I thought.

My final exams consisted of eight papers: three compulsory papers in each of my two main subjects, an optional paper on Operations Research and a paper on Methodology (whatever that was) that was compulsory for all final year social science students. If I could do well enough in these eight papers an upper-second degree was not impossible, although it would involve long hours of study to rectify my past failings. These thoughts would have been coalescing in the second term of my final year, around February 1970, so I had about five months to bring my audacious plan to fruition before the finals began in June.

### ***Finals beckon***

My absence from all lectures and tutorials thus far in my social science studies meant that I had no lecture notes on which to draw, not even any ring-bind folders in which to put them. Such purchases had been sacrificed on the altar of pleasure that had dominated my academically barren undergraduate years to date. Now the educational price of those earlier excesses was coming back to haunt me. But I was not discouraged and once again, the organisational abilities I had learnt from my dad played an important role in my rejuvenation.

I devised a simple plan that revolved around achieving three key immediate goals: identifying the whereabouts of a full set of lecture notes in

the subjects I was enrolled in; making contact with the person (or persons) who had taken those notes; and persuading them to lend them to me so I could copy them out. I needed someone who I knew had attended all lectures and taken comprehensive and accurate notes, and the obvious person was one of my footballing teammates, Colin Anderson, a quiet, modest, bespectacled, hard-working and bright student studying economics and accounting. I approached him with my plan, and he agreed to loan me his economics lecture notes, which I set about transcribing into the pristine pages of my newly purchased ring-binder files that were to become my constant companion over the coming months.

One feature of the Economics and Statistics course I was enrolled in that was to play a key role in putting my plan into practice was its size. There were only about 15 students taking that combination of subjects, and I soon got to know most of them once I began attending the lectures. One student that I knew from many earlier encounters in the student union coffee bar was Ian Harlow, a gaunt, lank-haired, serious but solemn, chain-smoking guy who gave me lots of advice about how to execute my plan. With his advice, the complete set of economics lecture notes loaned to me by Colin Anderson and a set of statistics notes borrowed from one of the female students, I was on my way!

I spent several weeks in my tiny bedroom in a quiet residential street in the suburb of Shirley copying those lecture notes word by word into my blank notebooks. I also began attending the lectures themselves in the latter half of term two, tentatively at first because I didn't want to raise expectations among my teachers (or myself) that I was fully committed to making a late run for graduation. I can recall the look of surprise on the face of one of my statistics lecturers – a highly capable young woman who had recently been appointed – when she first saw a long-haired stranger sprawled across his desk at the back of her class. She approached me afterwards and asked who I was and what I was doing there. Her expression when I told her was an unforgettable combination of total disbelief and grudging admiration.

'Best of luck,' she said, no doubt thinking secretly that I had no hope of catching up on a year and a half of missed instruction in the limited time available.

However, a strange and unexpected thing started to happen as I immersed myself in the lecture notes and began attending the lectures. I began to not only vaguely understand what the notes were describing (particularly those in Statistics) but, even more incredibly, actually began to enjoy my reading and learning experience. What's more, I soon discovered from discussing what

we were being taught in the lectures I attended that I seemed to be as much on top of the material (again, particularly in Statistics) as most of the other students, who had been in attendance for close to 18 months longer than me! I struggled more with the economics lectures, finding it difficult to grasp key concepts and not able to adapt to 'an economic way of thinking' when it came to conceptualising issues or solving problems. Despite this, I was confident that I could muddle through with a mixture of common sense and the analytical skills I was picking up from my statistics courses. A somewhat misplaced confidence as it turned out, but useful nonetheless in helping me to keep motivated and on track with my catch-up strategy.

It was during this period that I had a conversation with Ian Harlow that would have a life-changing impact. He confided in me that although the Economics and Statistics course had only been in existence for about twelve years, no student had yet been awarded First Class Honours. He had set himself the goal of breaking this drought early in his second year and had been studiously attending lectures, completing all assignments, interacting frequently with staff, hoping to be the 'first First' and receive the accolades and kudos that would go with this unprecedented achievement. It seemed a rather strange goal to set for oneself in my view, although I admired him for taking it on and hoped his quest would be successful. It couldn't happen to a nicer guy.

The main practical element of my plan relied on learning those piles of lecture notes by rote, an approach described in *The Concise Oxford English Dictionary* as 'mere habituation, knowledge got by repetition, unintelligent memory'. Faint praise indeed. The approach was widely seen as a last resort of the academic scoundrel, someone whose goal was to appear clever without actually being so, by prioritising knowledge over intelligence and mindless regurgitation over reflective thought processes. The practice itself has long been abandoned in the new tertiary education world where continuous assessment makes reliance on one set of final exams no longer decisive and largely irrelevant.

But I'd like to say a few words in defence of this much-maligned friend of the repentant academic sinner like me. First, to be clear, the aim of rote learning is to raise one's exam performance as close as possible to the limit of one's ability. If that inherent ability is low – too low to get a degree, even when working at maximum capacity – then the success achieved by rote learning will always be limited. The requisite level of ability must be present and cannot be manufactured, whatever the method used to do so.

Another critical determinant of a successful application of a rote learning strategy is timing. The profile of one's accumulated knowledge can be plotted

to look like a mountain (think of Mount Fuji) with gradually steepening sides leading up to a plateaued summit then falling away sharply. The aim is to maximise one's exam performance at exactly the time of arrival on the summit at the start of the exam period and remain while the flat summit is crossed before falling away when the exams are over, and the downslope is negotiated. But achieving this is complicated and requires careful planning. Peak too soon or too late and one's full potential will not be realised over the requisite period, peak too late and the effort will be wasted. The timing has to be perfect for the approach to be successful and if one is beginning from a point well below one's summit (as I was) the planning period itself will stretch for many weeks making it even harder to reach that peak of performance at exactly the right moment.

Remember too, that a huge amount of information is being stored in what until then (at least in my case) was a relatively uncluttered brain, poorly prepared for the unexpected onslaught of information. This means that what is being learnt (or should that be assimilated?) can only be kept for a short period before the brain empties it out and gets back to more important things. Rote learning, in other words, does not deserve its poor reputation and those able to apply it successfully fully deserve the fruits of their efforts. 'He would claim that,' I hear you say and although I concur with this assessment to some degree, I still think that the approach shows evidence of both organisation and ability – a valuable combination of attributes that was to be the key to many of my later achievements.

As the exam period approached, I sped up my rote learning of the lecture notes copied from my classmates and attended more and more of the lectures. As I read those notes, I began to see patterns and this helped me to grasp the meaning of what those words and symbols conveyed, as repetition gradually gave way to comprehension. This process of enlightenment was reinforced by what I was learning from attending the latest lectures. Together, these two factors were providing me with an intellectual foundation for comprehension that was unexpected but welcome, exhilarating even.

As my understanding of concepts, analytical techniques and ways of thinking increased, I began to see getting an Upper Second Degree as within my grasp although by no means a certainty. I withdrew from all non-necessary communication with others, spending my days poring over the notes and relevant textbooks. I must have made an exception to see Hazel occasionally, as she must have been aware of what I was up to, and why. We had found a house-share with a group of law students that seemed to fit the bill for what we were after as our abode for next year. The cheese was in place, now I just had to navigate the mousetrap to secure it.

I have no doubt that through my rote learning efforts, I managed to reach the peak of my knowledge at almost exactly the right moment. My eight final exams were spaced over seven days, with two exams on one of the days and the final exam (the dreaded Methodology) on the last day. The Methodology course had consisted of weekly lectures for two years and the exam covered everything learnt in that time – or should that be everything taught in that time? In either case, it was a major challenge for someone like me who had no idea what the lectures contained nor what the subject itself was about. A disastrous performance in that exam could undo all the good work I was doing elsewhere by dragging my overall mark – presumably averaged across all eight subjects in some way – below the crucial upper-second degree threshold.

I decided to postpone studying for the Methodology course until the evening before that final, Final exam and focus my efforts on my other subjects. You might think that trying to gain a grasp of subject matter that had taken two years to teach in one evening was absurd. If so, I agree, but time was running short now and had to be allocated carefully. The reasoning behind pursuing this seemingly ridiculous strategy was simple: if I managed to perform on average at upper-second level across seven of my eight Finals papers, surely the examiners would not deny me a degree at that level just because I had fallen short in the one compulsory subject which (I thought) had little to do with my two major subjects. Wouldn't the economists and statisticians stand up to the methodologists and insist that their student be awarded the Upper Second degree that he so clearly deserved?

I found the logic of this reasoning compelling, although the one risk – and it was a fairly large one – was that if my performance in Methodology was as dire as my lack of attention to it warranted, the condemnation of the methodologists might prevail, on the grounds that no-one could be let free onto an unsuspecting world with a social science degree and yet know absolutely nothing about one of its key subjects. In the end, it came down to a choice between spending my limited time on the two subjects I was best at and the one subject that I was furthest behind in (still warming up at the starter's gate, in fact).

I didn't conceive of this choice in those terms at the time, but I was going through the process of deciding how to allocate a limited resource (time available) to alternative activities, bearing in mind that the marginal pay-offs to each differed and taking account of my overall objective. A simple case of maximisation subject to constraints, the bread and butter of economics – and the thinking that underlies many aspects of social policy. The choice I made was best for me, but so too was the important lesson I learnt about



how to formulate the problem in order to make such a decision. It taught me that studying for exams involved more than just working hard or being clever, but also requires disciplined self-organisation around a clear goal and a bit of common sense about how the examiners would respond to different combinations of exam book answers.

In the end I think I got the balance just about right and I certainly felt quietly confident as I headed into my first exam. The paper was in the afternoon and I can recall as if it was yesterday what I was thinking as I walked across Southampton Common to the campus on that memorable afternoon – the first time I had ventured outside for well over a week. I was going through in my mind the notes learnt by rote for that subject over the past months and was able to recite them virtually word for word. I knew that I had scaled my own Mount Fuji and now looked down from its snow-capped summit at the sun-bathed fields below, confident in my ability to delay my descent until my font of knowledge was systematically transferred to the exam answer books that beckoned.

My Statistics and Operations Research exam papers contained several questions that required proofs taken directly from what had been taught in lectures, and I was able to replicate the proofs or solve the problems knowing that I had scored a near perfect mark for those questions. I entered those exam rooms feeling like a perfectly tuned knowledge machine and came out thinking that I could not have done better had I had more time or been more assiduous in my earlier student days. My rote learning had been reinforced by the confidence I had gained attending those late lectures and discovering that I was equally able to comprehend what we were being taught as any of my more assiduous classmates. I was less confident about my performance in the three Economics papers although even here I felt that I had accounted well for myself and stood a chance of attaining that upper-second threshold.

The Methodology exam was the last paper and I was by then pretty much exhausted. My brain was hurting and was pleading for a rest from the strenuous, unrelenting and unfamiliar routines it had been put through over the past several months. My plan had been to read the one textbook that covered the entire Methodology course on the evening before the exam and hope that I picked up enough to have a stab at a couple of the questions and squeeze a pass mark. But my exhaustion upset even this simple plan and I was too tired to do much work on that final evening, entering the exam room the next day even less well prepared than my cursory plan had allowed for. I've no idea what the exam paper contained nor what I wrote in response although I managed to stay for the whole three hours so must have felt inspired enough to write something. There was a lot at stake!



### *Reflecting on what happened*

I filled the remaining weeks before the results were released preparing for the summer, which I would spend in Southampton as I had stopped going home during the vacations. On the morning of the day the results were released, it was normal for all students to report to their personal tutor, a member of staff assigned to look after each student's welfare and offer support and advice when required. My personal tutor was Dr. Chidambaram, a relatively new Lecturer in Statistics and I dutifully turned up at his office and sat down facing him across a desk piled high with exam answer books. I think it was the first time we had met as tutor and student in his office, although he had lectured me.

He seemed somewhat distracted and took a while to start a discussion about my exam performance and plans. I told him that I had applied for the Masters course and would do it if I got an upper second and was accepted. He looked across at me with his jet-black eyes and after a short pause said:

‘And what will you do if you do better than that?’

I was taken aback by his question and initially unable to provide a coherent reply.

‘I guess I’ll do that anyway,’ I replied meekly, still shaken by his question and what lay behind it.

After a few more awkward interchanges I thanked him for his interest and left his office, heading straight back to my solitary bedroom where all that planning and hard work had taken place. I’d grown quite attached to it – the bedroom, I mean, not the work – and it seemed an ideal place to seek solace and reflect on what had just happened.

I soon realised that there could be only one reason why Dr. Chidambaram could have asked me that question. Not only had I attained the upper-second grade that I had craved and planned for so long, I had surpassed it. But there is only one grade above upper second and that, as I well knew, had never been achieved before in my degree course. Could I have achieved the elusive First Class Honours in Economics and Statistics – the first of its kind? Surely not! These thoughts flashed through my mind as I struggled to come to terms with what was completely unexpected and, to be frank, totally undeserved. I felt an extreme sense of shyness at the fame and notoriety that I foresaw might be heading my way, particularly from all those students aware of my countless wasted hours, the lecturers who noted my absence from classes, the tutors who never knew me and the essay markers who searched in vain for my missing assignments. It was totally overwhelming, and I had great trouble dealing with the emotions it stirred up within me.

My thoughts then turned to Ian Harlow, who had devoted two years of his life to achieving a goal that had almost certainly been cruelly snatched from his grasp at the last moment (since it was highly unlikely that two Firsts would be awarded after that long drought). Even worse, he had been dealt this cruel blow by a late interloper, someone he had encouraged and advised. How terrible he would feel when the results were announced, with much of his disappointment and anger directed (understandably) at me.

The results were placed up on a campus noticeboard at a set time later that day, around 4pm I think. A gaggle of students would be there and as names were located on the sheets and marks identified, there would be shrieks of delight and moans of disappointment. News would spread backwards from those at the front to others behind in a wavelike fashion, finally dribbling up onto the shores of those standing at the very back. I didn't go. I was terrified to face the reaction to my results particularly from the Ian Harlows of this world who would feel betrayed by a system that had allowed someone like me to steal the glory – their glory – after years of lazing around doing nothing. One consequence of my non-attendance was that I never found out how many of my friends did in their finals, including people like Ian Harlow (who I later discovered got an upper second) and my good friend Colin Anderson who had so generously lent me his lecture notes.

Most students headed straight off home that evening, so I never saw most of them again and never found out their marks. I avoided asking those that stayed how well they had done, fearful that they would think that I had only asked them about their mark in order to be able to boast about mine in response. It's a strange way of thinking, I know, but it was real at the time and I've long regretted the gap it left in my knowledge about how well many friends had performed.

As acceptance of my result slowly permeated my being, I began to think about what it meant for my plans and for my life generally. Clearly, I would be accepted into the Masters program, so another year at Southampton studying and sharing a room with Hazel was guaranteed. But promises of other attractive options were in the offing, including a letter I received from a Professor of Economics at the University of Edinburgh asking me to contact him about the possibility of taking up a Lectureship in his Department! Apparently, he had read of my exam success in *The Times* (where all finals marks were recorded) and knew that getting a First in Economics at Southampton was a notable achievement.

I was initially staggered by his approach but came to realise that graduating with First Class Honours was a widely acknowledged sign of

ability and merit that set one aside from others, above the throng as it were (academically only, of course). This was my first encounter with what I now think of as an example of 'the universal currency of scholarship' which covers examples of excellence that are universally recognised within the academic community as pinnacles reserved for only the very best performers, whatever their level and discipline.

This experience made me think even more seriously about what had happened and it slowly dawned on me that getting that unexpected First was something of a gift, an important sign that had to be acted upon. If nothing else, I felt that I owed it to poor Ian Harlow and the many others like him whose attempts to achieve their study goal had been so cruelly thwarted while mine had been so generously rewarded. I would have been content to get the upper second that he ended up with and been more than willing to exchange my mark for his, thereby increasing his well-being substantially while hardly reducing mine. It all seemed so random and unfair, forcing me to carry a burden of success that I didn't deserve and never sought.

These reflections made me determined to build on my unanticipated success as a way of compensating those like Ian Harlow whose plans I had inadvertently thwarted. I shouldered that ominous responsibility and was determined to assuage the guilt that came with it. One obvious way to achieve such appeasement would be for me to behave as if I had been striving to get a First all along and thus to carry on along that trajectory. This meant not only succeeding in the Masters course that lay ahead, but moving beyond that into the higher echelons of academia. The more I thought about it, the clearer I became that perhaps I had been destined to enter the academic world all along, but had been unable to discern this pathway through the fog of dope smoke, football fields, snooker tables and endless fish and chip suppers that had been the hallmarks of my earlier student years. The more I thought about it, the more attractive this imagined life of contemplative scholarship sounded, sheltered within the university cloisters and protected from most of the harsh realities of existence.

Having passed my final exams, I now had to contemplate the graduation ceremony. This raised again many of the fears that had emerged when I discovered my mark, including having to confront my peers at a very public acknowledgement of my success. That year was the first in which attendance at a graduation ceremony at Southampton was made voluntary. Before then, all students had to attend a graduation ceremony so that the Degree could be physically conferred in public by the University Chancellor. The ceremonies were massive affairs, held in the City Hall and attended by hundreds of

graduating students and their family members, a crowd of between one and two thousand. I had earlier decided to take advantage of the new provisions and not attend the ceremony – thinking at the time that I was probably not going to graduate anyway. I didn't change this decision when the results were announced – I'm not even sure whether I could have – so I didn't tell my parents about the ceremony and thought no more of it.

I later realised that this was an act of great selfishness that denied my parents an opportunity that would have meant a huge amount to them. I was the first (and only) of the four Saunders siblings to go to university and to witness a public acknowledgement of my success would have given great pleasure to my parents, to whom I owed so much. My guilt was compounded later when I discovered that the degrees were awarded in sequence across three Faculties, with students within each Faculty called to the stage in the order of the grade awarded. The Social Science Degrees were awarded first, and I was one of only three students graduating with First Class Honours in that Faculty in that year. The other two members of this eminent trio also decided not to attend the ceremony, so had I gone, I would have been the very first student to receive their degree and the only First Class Honours in my Faculty. I can imagine the pride my parents would have felt to be in that vast audience to witness this public acknowledgment of their son's achievement. To deny them that pleasure was not my intention, but it was a consequence of my decision and I have never forgiven myself for an act that was not only selfish, but callous and cruel.

### *The envelope*

I didn't know it at the time, but I was by now only just over halfway through my time at Southampton. During the three years ahead of me I was able to piece together more details of my undergraduate exam success. I discovered that part of the assessment process involved the departmental examinations committee meeting some months before the final exams to assess the quality of each student's performance in class assignments and tutorial discussions and recording that mark (Third Class, Lower Second, Upper Second or First Class) in an envelope that was sealed, only to be opened if the student's final exam mark was on the borderline between adjacent degree classes. In these borderline cases, the mark in the envelope would be used to decide which of the two grades was awarded. In cases where the student had not attended tutorials or completed any assignments, the envelope would contain a blank sheet of paper and that student would automatically receive the lower of the two marks if they were a borderline case.

The existence of the 'envelope system' must have been conveyed to students at some stage but my permanent absence meant that I was not aware of it. It represented a crude and informal form of continuous assessment, one that had the potential to thwart my plans because it was clear (later confirmed by an anonymous member of departmental staff) that my envelope was indeed blank – and a very blank, blank at that! The integrity of the system depended on those staff members who had determined the mark that was placed in each student's envelope erasing it from their minds when the examinations committee met to decide the marks. This was because the idea was that the contents of the envelope would provide independent evidence of each student's ability (based on overall past performance) that would guide decisions made about the borderline cases.

When I found out about this interesting system some time later, it led me to wonder just how well I had done in those final exams (though not what was in my envelope since I had a pretty good idea what that was). I was able to find this out later with the help of another (again, anonymous) member of staff who tracked down my exam papers. (Luckily, they, like the envelopes, were stored for several years in case they were needed to help resolve any disputes). I was told that my mark in my three Statistics papers and the optional paper in Operations Research were all around 90% or above – well above in two cases – and above the First Class threshold of 80% in all four cases. My performance in my three Economics papers was lower, falling either towards the bottom of the Upper Second range or close to the borderline between Upper and Lower Second. I had the good sense not to ask how well I did in the Methodology paper, although I have often wondered what degree class one could achieve by spending part of one evening studying an entire two-year long undergraduate university course.

I am speculating here, but let's imagine that my average mark across my three statistics and the operations research papers was 90% while that across my three economics papers was 72%. The simple average mark across these seven papers would then be just over 82%, on the upper end of the borderline between Upper Second and First. If I scraped a pass my mark (50%) in the dreaded Methodology paper, this would drag my average down to 78% now at the lower end of the same borderline. A lower mark in Methodology would place me squarely in the Upper Second category. These calculations suggest that my mark in Methodology would be crucial in determining whether I was a borderline First or a clear-cut Upper Second.

Would my predictions about the weight given to that one poor mark prove to be accurate or would I suffer the cruel (but unknown) ignominy of

missing out on a First because of my woeful performance in Methodology? We'll never know, although I was told (by another anonymous source) that the statisticians on the examinations committee argued that my marks in their papers were not only unprecedentedly high, but so far above those of all other students that I should be awarded a First in recognition of my stellar performance. The economists were not happy with this idea because it involved awarding a First to a student that had performed at Upper Second level at best in their subjects and even worse, by a student that most of them had never seen or heard of. Some of the economists argued that my envelope should be opened and – well, we all know where that would have taken me. They eventually accepted the statistician's arguments and relented, the envelope with my name on it was discarded unopened and the First was awarded. Lucky fella!

So it was that 1970 became a turning point in my life – just. Perhaps things would have worked out the same had I been awarded an Upper Second, we'll never know. I would most probably not have been driven by the same motivation to make amends for what I saw as my unwarranted exam success. But the intellectual abilities that lay dormant within me might still have been stirred during my Masters year, generating similar outcomes.

I leave it to others to judge whether my last-minute scrambling-to-catch-up efforts warranted the reward that they ultimately attracted or whether I had cheated the system and should be ever grateful for pulling it off. I have sympathy with those who would see my 'playing the system' as not deserving the academic accolade that it produced. Others will view my exam planning and its culmination as evidence of excellent strategic thinking and see my mark as a validation of the whole exam process. After all, the goal of all examinations is to decide who best can answer the questions set, not to reward the actions and effort taken to get there. Being intelligent sure helps but that is a necessary but not sufficient condition for success. How effectively one's abilities are organised and mobilised can compensate for a lack in their quality.

One final thing – the drop of cognac on the cherry on the icing on top of my already beautifully decorated graduation cake. I managed some time later to track down the Finals mark of Stephen Evans, my schoolboy rival and mathematical nemesis who had gone to Bristol University. He got an Upper-Second! Take that, naysayers; anything is possible....

## CHAPTER 3

# GETTING SERIOUS

### *Master of the universe*

I stayed in Southampton over the summer of 1970, recovering from the shock of my finals results and earning an income to support myself and save a bit to supplement my grant income. When term began, I quickly discovered that the Masters course in Economic Theory and Econometrics was as daunting as its name suggests. It was one of a new brand of one or two-year postgraduate courses that provided intensive technical training designed to make students capable of entering an academic career without doing a (three-year long, at a minimum) Doctor of Philosophy degree (or PhD). The top-ranking Masters course in Economics in the country was taught at the London School of Economics (LSE) and several of its graduates were now at Southampton teaching its course, which also ranked very highly.

Most Masters courses in Economics were one-year, consisting of three terms of lectures followed by exams and a short (10,000 word) dissertation written over the summer months for those who passed the exams. Those who failed to reach the required standard were either failed outright (a rare event) or awarded a Postgraduate Diploma. The grade of Diploma with Distinction was awarded to the very few who performed very well in the exams but failed to complete the dissertation. It was a more gentle introduction to the often lonely but highly competitive world of postgraduate training than taking on a PhD, which involved writing a more substantial thesis (generally of between 100,000 and 150,000 words) but (unlike in the U.S.) with no preliminary teaching course that had to be passed as an entry requirement. Over time, a Masters degree became an entry requirement into a PhD program in Britain, and getting a PhD became an essential requirement for all new academics. However, most British academics did not have a PhD at the time (again, unlike in the States), and many of them had no postgraduate qualifications.

There were about 15 students enrolled in the Masters course when I took it, some of them like me having just completed an undergraduate degree in Economics and/or Statistics, and others whose degree was in Engineering, Mathematics or another quantitative subject who had decided to switch subject area. Many in this latter group were technically better trained than the economists but had to be taught the fundamentals of economics before they could apply their skills. Whatever their background, the students were all very bright and the course was intensely competitive. Most of our classes

were taught in the same small room, located in an old converted house just off the main university campus. I mixed with a small group that included an Italian, Luigi Genazzini, a strikingly handsome, relaxed fun-loving fellow, always poking fun at the customs and formalities of English society. I enjoyed his company greatly and we spent many hours together dissecting our student colleagues and assessing which among them would top a class that we were both content to be part of.

I soon came to realise that postgraduate study was far removed from the relaxed, undisciplined undergraduate world I had recently been part of. The content of the work was far more challenging, and the pace of learning was greatly accelerated. Those who had not studied economics before needed to be brought up to speed, so most of the first term was devoted to a 'crash course' in the undergraduate degree I had just completed. That's three years' work crammed into twenty hours of lectures over less than ten weeks! Woe betide any laggards: slacking off was not an option, because there just wasn't enough time to catch up. Any student's absence from lectures was immediately noted, so it was 'head down and get on with it', no slacking, no bullshit, no excuses.

This disciplined rigidity suited my new approach to studying, which was a reaction to the guilt associated with my undergraduate exam success. I was determined not to repeat past errors, knowing that there would be no chance now to recover lost ground. This new spirit of participation and commitment was also consistent with my growing interest in the subject matter that I found challenging, but comprehensible (just) and fascinating. Most of the other students were similarly engrossed and motivated, making for an intellectually stimulating learning environment. I sat at the back listening earnestly to the lectures while keeping a quiet watch over proceedings, furiously taking notes, mindful of my earlier failings in this area.

The course was built around its two main subjects – economic theory and econometrics – and I have enduring memories of the teachers we had in both subjects. Economic theory was taught in the first term by Professor Ivor Pearce, an eminent British economic theorist who had joined the Southampton Department in the early 1960s from the Australian National University in Canberra. His appearance gave no hint of his scholarly distinction, being more reminiscent of a suburban accountant than a metropolitan university professor. He had in fact started his career as an accountant before entering academia relatively late in life. He was a short grey-haired man, always well-dressed and soft-spoken but exceedingly polite. Somehow, his quiet voice and low-key demeanour projected an air of knowledgeable authority that



made others take notice when he spoke. He loved talking, particularly about economics, and he would bounce lightly on the balls of his feet to convey his obvious pleasure at what he was discussing. When discussing economic issues with others, he would fix them with an intense stare as he sought to understand their views. The aura that surrounded him was not unlike that of my ex-headmaster Mr. Moxom, although Ivor's eminence was entirely self-generated, not backed by position or institutional authority.

He was greatly admired by his colleagues, not only for the quality of his work but also for his leadership and interest in the work of others. It combined an acute sense of institutional purpose with an awareness of individual needs and circumstances. He invited discussion and debate and his office door was always open, with staff regularly queueing up in the corridor outside for a chance to get his feedback on their ideas or solutions to their problems. A remarkable and inspiring man whose modest persona belied his scholarly status and personal integrity.

Most of the rest of the economic theory course was taught by Peter (Bill) Simmons, a new appointee and recent graduate of the LSE Masters course. Bill would have been about 25 at the time, not much older than me and younger than some of my course mates. Like Ivor (who he admired) he was very modest and intensely shy, speaking so quietly that it was often difficult to catch what he was saying. He would amaze us with his intellectual versatility, displayed as he produced a series of increasingly abstract and complex mathematical proofs on the blackboard, ending each lecture covered in chalk dust. During lectures, he would jiggle his chalk between his fingers while chain-smoking (smoking was allowed in lectures in those days), occasionally confusing the two objects with amusing consequences.

I can recall when he taught us Kenneth Arrow's famous impossibility theorem (based on Arrow's PhD thesis) that later led to Arrow being awarded the Nobel Prize in Economics. After explaining how Arrow conceptualised the problem, Bill apologised for not being able to come up with an original proof of its central proposition, having to rely instead on a variation of Arrow's own approach. Can you believe that? A lecturer apologising to his students for not being able to improve on something that had been the basis of a Nobel Prize!

That incident sums up Bill's academic brilliance and he was without doubt the brightest person I'd come across up until then – a higher-level academic version of Stephen Evans. When I later discussed my economic ideas with him, I was impressed by his ability to comprehend them immediately and start suggesting fascinating extensions or alternative approaches. To observe him reformulate my half-baked ideas into sophisticated conceptualisations

involving complex mental gymnastics was intellectually exhilarating but mentally exhausting. I always left his office with a feeling of despair at my own limitations but with a kitbag of new ideas that would keep me occupied for months. And all from someone who always treated me as his intellectual equal despite the huge gulf in our abilities.

The econometrics component of the course was taught mainly by Dr. Pravin Trivedi, another LSE graduate who had arrived that year after completing his PhD, and Professor Gordon Fisher who had taught one of those third-year statistics courses I had attended the previous year. Pravin was a no-nonsense academic, totally on top of his subject matter, a competent teacher although he kept his distance from the students. Teaching a small highly motivated top-quality class who were all keen to display their own abilities while in one's first teaching position must have been a daunting experience. But Pravin showed few signs of stress and we all respected his deep knowledge of the subject.

The other main econometrics teacher, Gordon Fisher, was a different kettle of fish (pun unintended, sorry!). He was a tall, handsome man with a deep booming voice that commanded attention and conveyed authority. He was a snazzy dresser, always wearing a pair of heavy-rimmed, round-lensed spectacles with brightly coloured frames of the type normally worn by media executives, art gallery owners and (if they had existed then) hedge fund managers. His dress style was similarly striking: a lightly coloured tailored suit, bright shirt with matching socks and always a large spotted bow tie. An ever-changing rainbow of colours that was indicative of a large wardrobe, good taste and deep pockets.

His undergraduate lectures were famous for his uncanny ability when writing something on the blackboard to turn and hurl his chalk at some poor student who would be either talking or otherwise not paying attention. The projected missile would hurtle across the room, striking the poor victim squarely on some part of his (never a female!) torso (but never above the shoulders). At this point, Professor Fisher would approach the poor recipient of this chalk-hurling attack and ask for an explanation of, or question about, what he had been saying. When no answer was forthcoming, a verbal spray of further humiliation would follow, a fearsome oral battering delivered while the rest of the class sat with bowed heads and averted eyes, fearful that they might be his next target.

He didn't project any chalk during his Masters' lectures, instead conveying a deep sense of excitement for econometrics and what it had to offer. We students were bombarded by ideas, not with flying pieces of chalk.

He was another member of that impressive teaching group that I later got to know better and I was attracted by his personal style, academic rigour and relaxed but disciplined approach to life in general. My admiration for him was reinforced because I have always wanted to wear a bow tie with his style and grace but never acquired the self-confidence needed to pull it off; not even the technical ability to put it on! He certainly did, and his ability to choose a colour combination of suit, socks, shirt and bow tie never failed to turn heads, unsettle stomachs and make fashion magazine editors green with envy.

The other main lecturer I remember was Ray O'Brien, a statistician who had taught parts of the undergraduate course and was aware of my late but distinguished arrival on the scene. He was another modest but pleasant man, with a long beard and a relaxed, self-deprecating style that conveyed a sense of distance from his subject matter that was far from the truth; he was committed to the ideals of scholarship and was a genius when it came to the intricacies of statistical analysis. He confessed to me that, like several others who taught elements of the course, he was in awe of the reputation that had been constructed around my extraordinary undergraduate performance. My reputation clearly extended beyond my student peers to those who taught me or had searched in vain to recall who I was when my name appeared at the head of the undergraduate exam rankings.

'I watch you sitting at the back of the class,' he once told me, 'with that look of disdain on your face while taking the occasional note, waiting for you to correct some elementary error that I had made in my blackboard exposition' – or words to that effect.

I had not realised until then that interaction between lecturer and students was a two-way process and that those who delivered the product were subject to the same insecure frailties as those at the consuming end. A valuable insight that was to serve me well as I navigated the transition between these two roles. I worked hard throughout the year and felt reasonably confident that I was on top of much of what had been taught. I was not alone, as several other students seemed equally across the material, at least as far as I could discern from my discussions with them. I prepared intensively for the exams, hoping to feature in the top half of that very talented group.

The exams were held over one intense week and I ending them feeling confident that I had acquitted myself as well as possible. It was a very different experience from my rote-driven undergraduate antics and difficult to compare with it, but I knew the material well and felt that I had managed to convert my intellectual comprehension onto the exam answer sheets. The exam preparation had left me exhausted and I was planning to head home after the

final exam on the Friday morning to prepare for a camping trip to the Isle of Wight with Hazel that would commence on the Saturday.

As I left the exam room after the final paper, I was surprised to see Ivor Pearce waiting outside. He approached me and asked:

‘Do you have any plans for the rest of the day?’

‘Yes, I’m heading home to pack for a holiday, I’ll be catching the early morning ferry to Cowes,’ I replied.

‘Can we talk?’ he asked, following up after a short gap with, ‘Preferably this afternoon’.

I was reluctant to delay my holiday preparations but knew that when Professor Pearce invited a mere student to his office, you went. We agreed that I would have a short break for lunch then report to his office at 2pm.

When I arrived, he asked what my future work plans were. After telling him that I had nothing specific in mind, he looked at me with those deep-set eyes, a smile on his face and said that he’d like to offer me a position in the Department. As I took a moment to digest this astounding proposition, he told me that they were about to advertise three two-year Teaching Fellow positions (similar to Assistant Lecturer) that were restricted to new graduates and would involve light teaching loads, allowing maximum time for reading and research. He then told me that I had performed extremely well in all of my Masters exams and had probably topped the class. Reflecting that, he was prepared to offer me one of the new positions without the need to be interviewed and compete with other applicants.

I was taken aback and asked if I could have some time to think about it. He said he needed an answer right away but if pushed, would be willing to offer me a tenured Lectureship if that was what was needed to get my agreement. He then qualified that statement, saying that he’d have to confer with others before proceeding down that path, but was confident that their support would be forthcoming. So here I was, hours after competing my exams with an offer to join as their colleague those eminent lecturers who had been teaching me all year! I found it difficult to digest this news and tried to regain my sense of perspective by focusing on getting home and packing for my forthcoming camping trip (my dad’s holiday packing lists at the forefront of my mind).

You might think that anyone in my position would have no hesitation accepting Ivor’s second offer before he came to his senses and withdrew it. Apparently not. I felt under increasing pressure to come to a decision but was reluctant to agree to something that required him to consult others and would

thus most likely be unresolved while I was on holiday. I wanted to avoid such uncertainty and – wait for it – decided to accept the original offer and be done with it. This was probably the first time that someone has turned down an offer of an academic appointment in favour of one that had inferior status, less security and lower pay. Not a good sign of the quality of my internal economic reasoning.

Ivor was pleased with my decision – who wouldn't be, in his position – and promised to get a written offer to me by the time I returned from my holiday. For my part, although I was uncomfortable about being put under pressure at the time, I later felt grateful to Ivor for forcing me to choose the offer that was in my best longer-run interest. My future (for the next two years at least) was secure and I could now join those whose knowledge and teaching had inspired me throughout that year. Not a bad outcome, all things considered, although many will be puzzled by my decision not to insist on the promised lectureship.

As it turned out, I did indeed top the class in my Masters exams, achieving the only overall Distinction grade (equivalent to, if not better than a First Class Honours at undergraduate level). When I returned from my holiday, the letter offering me a Teaching Fellow position in one of the country's leading economics departments was waiting for me. I was surprised by my exam success, but not most of my fellow students nor many of my lecturers, who were apparently expecting it as they revealed while offering their congratulations. The fact that I had now rejected initial offers of appointment to the position of Lecturer from two of the country's leading universities (at Edinburgh and Southampton) before starting in my first position was unsettling, though perhaps a portent of things to come. I put such uncomfortable thoughts to one side and focused on making the most of the tremendous opportunity that lay before me.

### *Incubation of an egg-head*

The international prestige of the Southampton University Economics Department contrasted sharply with the modesty of its physical location. It was located on the upper floor of a demonstrably ordinary, bordering on squalid, two-storey demountable building, one of those many temporary university structures that end up becoming a permanent feature. Access to the upper floor was via an outside staircase which led into a long corridor with offices strung along both sides. My office was on the left at the far end, between that shared by two Australian visitors (couple Alf and Rhonda Smith) and the large secretarial room at the end. It faced the middle of three Professorial

offices, occupied by Ivor Pearce, the one to its left occupied by David Rowan, a leading monetary economist, and that to the right by the brilliant but wildly eccentric John Wise.

John Wise's many eccentricities warrant a few comments. He had been appointed the previous year from the University of Hawaii, hand-picked by Ivor, who was keen to work with him on general equilibrium theory, a highly technical subject that sought to establish mathematically the conditions under which prices in competitive markets would respond to supply and demand forces to reach a welfare-maximising equilibrium. John had a boyish face with bright pink skin, this semblance of youth betrayed by his expanded waistline and grey-haired baldness. His dress sense was best described as unusual. I first came across him the previous year when he taught his first course in economics soon after I began my new lecture attendance regime. He arrived late, carrying a bunch of oranges and wearing several brightly coloured Hawaiian short-sleeved shirts one on top of the other, expanding his already considerable upper body so that he resembled the Michelin tyre man or a sumo wrestler. His dark trousers were far too long, spilling over the black cloth-sided hockey boots he always wore, telling me later he had bought them in bulk at a heavily discounted price: 'a real bargain!'. His flies were always incorrectly buttoned leaving a gaping hole just under his bulging waistband.

He began his lecture, talking rapidly while taking the occasional break to suck on an orange, squirting the juice all over his clothes, where it was absorbed by the clouds of white chalk dust that covered him. The lecture was totally incomprehensible, John spending most of the time mumbling to himself as he turned away from his audience towards the blackboard that he proceeded to cover with complex mathematical symbols and equations. As he warmed to the task, he stripped off his shirts one at a time, allowing his body to maintain a constant temperature. His disrobing made sense given his unusual choice of clothes, but it unnerved us students, who were concerned about where it might end. When he had completed what he planned to say, he closed his notes and strode out of the room and that was it: no attempt to summarise what he had said or adhere to the allocated time. Word quickly got out about the amazing new Professor of Economics, prompting outsiders to turn up to witness the spectacle firsthand. They were not disappointed. But the growing chorus of complaints from students alerted those in authority, and Ivor reacted promptly to protect his protégé and restore order, withdrawing John from all teaching.

Because his office was close to mine and we both worked late, John Wise and I would get together after the others had left for the day. That was

when he was in the Department, which was not that often because he spent many extended periods elsewhere, mainly in London we thought (no-one knew for sure). When he was there, he would visit my office, where he would always follow the same unsettling routine. This involved him picking up and examining every item on my desk before similarly inspecting the books on my bookshelves. He didn't speak a word, and when he had finished this strange ritual, he would wander off down the corridor searching for his next victim while leaving me to replace the items he had perused. Others found these practices annoying, but I found his eccentricities fascinating and John made my office a regular calling spot. Later, perhaps as compensation for my tolerance, he gave me a book (*Introduction to Marxist Economic Theory* by leading Marxian economist Ernest Mandel) signing its inside page: 'To Peter Saunders, a scholar and a gentleman. From John Wise'. It was a treasured gift and a fitting memorial to a strange but likeable man.

Three other departmental appointees began with me in 1971, the two other Teaching Fellows (Alan Ingham and Dave Byers) and a junior lecturer in welfare and transport economics, Chris Nash. For that first year, Chris, Dave and I lived together in the house of my ex-tutor Dr. Chidambaram, who was on sabbatical leave. Chris and Alan were avid public transport users and spent many hours studying bus and train timetables planning their frequent trips. I later benefitted from this activity when we went out for long country walks together which benefited from their detailed scheduling that left us rarely having to wait more than a few minutes when connecting from one mode of transportation to another, however remote the location.

I had made some progress on my short Masters dissertation over the summer, but did not manage to complete it before the new term started. The topic I chose was the Phillips Curve, an empirical relationship originally discovered by the Australian economist Bill Phillips, which showed a long-term, stable downward sloping relationship between the rate of wage inflation and the level of unemployment. The implication was that governments faced a trade-off (or choice) between low inflation and low unemployment but could not achieve both simultaneously. I wanted to explore the empirical basis for the relationship at a disaggregate level using the techniques I had learnt in my econometrics courses. The aim was to establish if the curve existed and was stable in individual labour markets or was a statistical anomaly that was a consequence of the aggregation process.

I made some progress on it over the summer of 1971, but it was nowhere near completed when the new term (and my teaching responsibilities) began. When I finally submitted a progress report and future plan to the Postgraduate



Course Committee, I was told that what I was embarking on was too ambitious to be a Masters thesis and it was suggested that I convert it into a PhD thesis. This apparently didn't require me to vary my enrolment status, so I agreed to the change. One consequence of the decision was that I failed to complete the Masters course, being awarded the highly unusual Postgraduate Diploma 'with Distinction' on account of my exemplary exam performance.

Once term began, any thought of working on the thesis disappeared as I became fully occupied with my new teaching duties. Standing in front of a tutorial class for the first time is a daunting experience, even when one knows much more about the subject than anyone in the audience (first and second year undergraduates). In some ways, tutorials are worse than lectures where audience participation is not expected, and one can rely on prepared material to get through. In contrast, tutorials are supposed to encourage discussion and thus involve having to justify and defend one's statements. Students are a scary bunch when you're a new lecturer, lacking in both academic confidence and instructional technique.

Having put my thesis aside, I never found the time to get back to it and had an uneasy feeling that this would come back to haunt me. Meanwhile my interest in the Phillips Curve broadened into an interest in the determinants of inflation more generally. This issue was attracting increasing attention from economists worldwide as stagflation – the combination of high inflation and high unemployment – emerged for the first time. This appeared to contradict the Phillips Curve notion of a trade-off and led to a search for new theories, an imperative reinforced by the sharp rise in world oil prices in 1972-73 and the increasing influence of Milton Friedman's monetarist theory of inflation. Monetarism provided an alternative to the Keynesian approach that emphasised the role of fiscal policy in maintaining macroeconomic stability and offsetting the fluctuations associated with the ups and downs of the business cycle.

I started to work closely with a Southampton colleague Bob Nobay, a monetary economist with close connections to the leading British inflation experts (based at the University of Manchester), many of whom had strong monetarist sympathies. Bob introduced me to the Money Studies Group that met each month at the LSE to discuss papers on various aspects of inflation and monetary economics. One of its leading protagonists was the world's leading monetary economist, the American but Anglophile Harry Johnson, then Professor of Economics at both the LSE and the University of Chicago (the home of Milton Friedman and his monetarist followers). He was a workhorse who produced an enormous number of papers, mainly on economic trade, and travelled widely.



I recall a discussion over drinks on a Friday evening after an LSE seminar asking him if he was planning to attend a seminar at Oxford the following week.

‘Yes,’ he replied, ‘although I’m giving a lecture in Portugal next Monday and have to travel to meetings in Berlin and Paris after that but should be back by Friday.’

He did arrive back for the Oxford meeting, held in a sumptuous college common room where the audience were all seated in well-worn but very comfortably cushioned armchairs. The speaker was an eminent American economist, who was introduced by Harry Johnson before launching into his topic in a very animated way. As he ploughed on, Johnson’s eyelids drooped until his eyes closed, his head fell forward as he eventually nodded off. Everyone saw this gradual transformation as jet-lag overtook the travelled scholar and there were smiles all round, except from the speaker who continued to blast away, standing next to the now slumbering Professor Johnson. Eventually, he started to snore, quietly at first but gradually louder as what began as an amusing interlude threatened to turn into a major diplomatic incident. No-one amongst the fifty or so economists in the room had the courage (or status) to wake the now ear-deafening snorer, his nasal offerings increasing in frequency the longer and deeper he slept. At last someone crept forward and nudged him back to wakefulness and he turned to the speaker to acknowledge his presentation as if he had followed and enjoyed every word. Quite a performance, the likes of which had probably never been seen in that common room before.

It was around this time that I managed to write my first published academic article (on inflation) with Bob Nobay, which appeared in 1972 in an edited book published by Manchester University Press. It was in the process of completing this paper that I discovered that Bob and I had different views on the major determinants of inflation. I favoured a mixed approach that included factors such as the degree of trade unionisation and labour and product market rigidities as well as the level of unemployment. In contrast, Bob believed in a single determinant, the rate of increase in the money supply, reaffirming Milton Friedman’s famous claim that ‘inflation is always and everywhere a monetary phenomenon’.

I had begun to see that the monetarist focus on the growth in the money supply was often banded together by its proponents with broader views on the roles of markets and government that reflected political judgements rather than economic evidence. My perception was that Milton Friedman and his followers were keen to emphasise the importance of positive (‘value-free’)

economics in some circles, but happy to let objective and normative elements become heavily entangled in others. Under Friedman's academic leadership, the monetarists concluded that there was no basis for the interventionist fiscal policies associated with Keynesian economics, preferring a monetary explanation that emphasised the need to set and stick to general rules in order to facilitate the role of market forces and reinforce the need for small government and minimal state intervention. Sound familiar? This is the forerunner of what was later referred to as 'economic rationalism' or 'neoliberal economics'. Without being consciously aware of it, I was rejecting these ideas and on track to become a fully-fledged Keynesian economist!

In the second year of my Teaching Fellow appointment, I voluntarily attended David Rowan's Master's course in monetary economics. It was a popular choice among students because of David's attractive teaching style and his command of the subject matter. I got to know several of the students, including Dave Taylor, a Southampton graduate two years behind me, and Valentino Benedetti, an Italian on leave from the University of Sassari in Sardinia, where he held a lecturing position. He had taken a year's leave to come to Southampton to improve and expand his knowledge of economics.

David Rowan was Head of the Economics Department by now and he was very good at it. He was always fair and held in high regard by just about everyone on staff so the meetings he ran were always focused, consensual and effective. On one occasion, however, I believe he overstepped the mark. It happened during the meeting to finalise the exam marks at the end of my first year on staff, when David tried to exploit the 'envelope system' that had served me so well. Let me explain.

The examiners' meetings were day-long affairs held to determine the marks of all graduating students studying for an Economics Degree. This included not only the elite group of ten or so Honours students who were studying only Economics subjects, but also the larger group who were combining it with other subjects. The process was informed by an external examiner who attended the entire meeting and was sent out to read any papers where there was disagreement between the markers and adjudicate to arrive at the final mark.

That particular year, one of the Honours students had performed below expectation in the exams and ended up with a mark that fell in the middle of the Lower Second range, well below the borderline that could prompt an opening of the envelope for that student. Despite this, David Rowan argued that the student in question was clearly an Upper Second student and went on to reveal that he knew that the student's envelope contained an Upper Second as the predicted mark. He then argued that justice would be served if we were

able to declare the mark a borderline, triggering us to open the envelope and award the higher class degree.

You can imagine that not everyone was persuaded by David's eloquent defence of this questionable proposal. I was shocked by it, as were several others and we argued against making an exception in this case since the mark was clearly not on the borderline and there were thus no grounds for opening the envelope. He then revealed that the student had been offered a position in the Research Department of a very prestigious financial institution that was conditional on the student being awarded an Upper Second class degree.

This raised the stakes of our decision considerably, but only if one accepted the tortuous logic that underpinned the case being made. The opponents argued that this latest piece of information was irrelevant, even more so than David revealing what was in the envelope, since its contents were supposed to be unknown by everyone, including those who had agreed them in the first place. The argument raged on both sides for some time with no prospect of agreement until a compromise was hammered out. It involved first getting the external examiner to read all the papers of the student in question to see if there was a case for increasing the mark slightly so it would become borderline and allow the envelope to be opened. But the same process would then have to be followed for all the other students whose mark fell just below the borderline region to see if their mark could also be raised to make it borderline and allow their envelope to be opened.

This approach had rather dire consequences for the poor external examiner, who had to read a large number of exam papers to see if they fitted the new criteria. This took several hours while the rest of us waited patiently for the outcome. My memory is that about 20 students were affected, with several of them ending up being moved into a higher degree category when their envelopes were opened. I'm not sure that what we did was entirely defensible, but it illustrated the care that was taken to ensure that all students received the appropriate mark and that the system treated everyone equally. It showed me how important the envelope system could be and made me again thankful that its operation had been so beneficent in my case.

As the end of my two-year appointment grew closer, it became clear that there would be only one tenured appointment (as Lecturer) available and that implied a choice between the three internal Teaching Fellows: me, Alan Ingham and Dave Byers, and possibly also some external candidates. I sensed that I probably ranked behind Alan amongst the internal trio, as he had impressed all with his formidable skills in mathematical economics, one of Southampton's strengths. I was right. The position was offered to Alan

and I rued my decision not to accept Ivor's offer of a permanent position two years earlier. But that would have involved taking on a heavier teaching load and other responsibilities that I had avoided while being given the freedom to pursue ideas that I found interesting while on the Fellowship.

I began to look for alternative options, but the British economy was in recession following the oil price shock and government spending was tightly controlled, leaving universities without the resources to fund new appointments. I gave some preliminary thought to applying for a lecturing position in Australia and obtained a copy of the Handbook from the recently opened Macquarie University in Sydney, which was actively recruiting staff. I discussed the idea with my friend Kim Wells (from my Brighton days) and showed him the Handbook. It contained a photograph of a lecture hall full of neatly-dressed, serious looking students staring attentively at a lecturer with short, well-oiled hair, dressed in a short-sleeved shirt and tie, knee-length shorts, long white socks and highly polished shoes. It looked like something out of the 1950s, not the 1970s, and Kim's reaction was immediate. He asked me if I'd rather be employed in a place where university students and academics dressed like that or be unemployed in England. His question hit a raw nerve and I promptly disposed of the Handbook and erased from my mind the poor judgement that had led to its original acquisition.

After getting no response to several lectureship applications, I was eventually invited to attend an interview for a Lectureship in Economics at the University of Stirling in Scotland. I made the long trip north and was immediately impressed with the beautiful Stirling campus, a series of low modern buildings nestled among copses of trees and in shallow hills surrounding the lake at its centrepiece, all overlooked by the imposing but stunning Ochil Hills. That beautiful campus inspired me unexpectedly and I performed well in the interview.

That evening, I had dinner at the home of ex-Southampton Masters student Dave Taylor, who had been appointed to a one-year position at Stirling the previous year and had also applied for the new position. During dinner, Dave took a phone call and was absent for some time before returning to the table with a big grin on his face, telling me that I was wanted on the phone. I was puzzled to hear the unmistakable (American) voice of the Head of the interview panel (and of the Economics Department), Professor C. V. ('Chuck') Brown who told me that the panel had decided to make two offers, one to Dave and the other to me.

I headed back to Southampton the next day with my immediate academic future secured and a sense that I was about to enter an exciting new phase

of my career. But first there were many threads to tidy up at Southampton, one of which involved my new friend Valentino Benedetti, who had told me that he felt he had achieved his academic goal in attending the Southampton Masters course and did not feel the need to attend the end of year exams that were about to start. I thought this was a rather rash step and tried to persuade him to change his mind, but without success.

On the morning of the first exam, I received a phone call from a very anxious David Rowan who told me that Valentino was absent from the exam and explained that if he did not attend, he would be assigned a Fail mark, not the 'Absent' mark that Valentino was hoping for. And if that happened, Valentino would be in serious trouble with his home university, who had incurred considerable expense when agreeing to send him to England. With my help, we eventually tracked Valentino down and persuaded him to front up for the remaining exams, which he did, obtaining the Pass mark that qualified him for the Diploma. It was a close call, but a good outcome that I was pleased to have played a small part in securing. It was my last good deed before I packed my belongings – still modest enough to fit in a couple of suitcases – and headed north across the border to start a new chapter in my life.

### ***Campus strife, departmental dismay***

The University of Stirling was one of Britain's newest, having been established in 1967. In an incident widely reported in the media, Her Majesty Queen Elizabeth II had been accosted and 'jostled' by a group of drunken students when she visited the campus to unveil a plaque in October 1972. The incident drew the ire of the public, *The Guardian* newspaper noting in a report the next day that this had probably been 'the most hostile and rowdy reception she has ever experienced in Britain'. Reassuringly, the University Secretary later reported that Her Majesty 'was not unduly distressed', leaving the university 'laughing and having enjoyed herself immensely' (*The Guardian*, 13 October 1972).

The flow-on effects of this incident were to dominate the university's internal affairs for many years, certainly for the short time I was there. It opened a gulf between university management and the student body and aroused hostility among local residents towards all university students: "Hands off our Queen!". Thankfully, most Stirling students lived in one of the Halls of Residence dotted around the edges of the campus and rarely left the campus, keeping well away from the locals. However, the convenience this provided was accompanied by what I saw as an inward-looking mindset that created a tinder box of frustration that was waiting to explode. Her Majesty's visit lit the fuse.

The Stirling Economics Department was split roughly equally between recent graduate appointees, many of whom were English, and an older group, appointed when the university opened, most of whom were Scottish. I had no trouble getting on with both groups although I never mastered the dialect of the Scots, particularly those from Glasgow, and was constantly embarrassed by either having to ask colleagues to repeat what they had said several times or assume that I had understood without actually having a clue. As my hearing has deteriorated in recent years, I have come to realise that the latter approach is fraught with danger!

There were three Professors of Economics, the American Chuck Brown who studied the impact of taxation on labour supply, Brian Loasby, a quiet Englishman with expertise in industrial economics, and Andrew Bain, a rising star in monetary economics. Professor Bain had arrived at Stirling with a formidable academic reputation, but was hard to get along with. This hampered his dealings with staff and students and led to him becoming somewhat academically and physically isolated. This was to the detriment of the Department that it failed to benefit fully from the high hopes that had accompanied his appointment. It brought home to me the importance of relating to one's colleagues and for senior staff to show leadership and be approachable.

A condition of my appointment at Stirling was that I teach the taxation component of the public economics course to the third year Honours Class. I was happy to take this on, and although I knew next to nothing about the economics of taxation, it seemed a small price to pay to receive an offer of lifetime employment. It also, as it turned out, was a requirement that had life-changing consequences.

The younger group of 'young Turks' in the Economics Department contained some very bright people, including the previously mentioned Dave Taylor, Richard Hemming from Brunel University in London, Clive Stones who had been recruited from Manchester, Paul Hare and his wife Sue, and Pete McGregor and the brilliant Ulph twins David and Alistair, the latter three from Glasgow (there were very few female academic economists in those days). Although they were twins, the Ulph brothers were quite different in appearance, David slim and dark-haired while Alistair was plump and greying. Both went on to distinguished academic careers, David being awarded a CBE in 2016 and Alistair holding several eminent managerial appointments, including Deputy Vice-Chancellor at Southampton between 1995 and 2001.

The person I became closest to at Stirling was not one of the young Turks, but a Scot called Eric Levin who had originally been appointed as

statistical assistant to Chuck Brown but recently promoted to Lecturer. He was a tall, scruffy fellow, always wandering around the corridors hunched over, muttering to himself and sharing a wry reflection or joke with whoever would listen. His appearance and manner reminded me of the English comedian Tommy Cooper, and he had that ability to switch the scowl that seemed a permanent feature of his face into a captivating and engaging smile. He was very bright but worked in his own way, followed his own instincts and rhythm, which I also liked about him.

The sense of disarray that emanated from Eric was reminiscent of that of John Wise and my attraction to individuals displaying these features – slightly crazy but never threatening and always combined with a healthy dose of humour – was to extend far into the future. Eric's core interest was on the effects of income taxation on labour supply (how long and hard people work) but our discussions on this topic broadened to encompass my emerging interest (an offshoot of my teaching commitments) in the design and impact of social security schemes. We often asked David Ulph for his feedback on our ideas and would be astounded by his ability (like that of Bill Simmonds at Southampton, with whom he had much in common) to translate our half-baked thoughts into a precise mathematical formulation or imaginative diagram that left us better aware of what we were groping towards.

My first two publications in peer-reviewed academic journals – the first published in 1975 while I was still at Stirling and the second in 1976 after I had emigrated to Australia – were both co-authored with Eric. The first examined an aspect of the student grant system that had been instrumental in supporting me through university: the parental income test. Under this test, the grant received by students was determined by a sliding scale that depended on the income of their parents. This meant that those from high-income families received a reduced grant on the assumption that it could (and would) be topped up by their parents. Our first paper examined how changes in this component of the system had affected students from different family income backgrounds.

I was keen to explore how this feature played out in practice and approached the student union to assist us to conduct a survey to find out how much income students received in practice, taking account of the government grant and any parental contribution, and then examined how well this amount supported them during their studies. The results were reported in the second paper, which showed that many eligible students did not receive the parental top-up, while others that received the full grant also received extra support from their parents. It was thus often students from the highest income families that had the lowest incomes themselves while studying. We characterised this



perverse effect with the phrase: 'You have to be rich in order to become poor', which was to be an interesting portent of some of my later work.

I was now in the middle of my second year at Stirling and the fourth year of my academic career. I can see, looking back, that my research was heading in directions that differed greatly from those I had anticipated when I began my career at Southampton. I was setting a course towards where I would ultimately end up intellectually, although I didn't fully appreciate it at the time. Many of the defining features of my later career were already apparent in my emerging interests and the topics addressed in my early papers. They included a rejection of the free market, small government ideas that dominated 'mainstream' economics in favour of a more interventionist Keynesian approach that emphasised social justice as both a policy objective and a design feature – something the monetarists would never contemplate. But without it, the justification for policies like the NHS, extensive public housing provision and free tertiary education that had played such a key role in my own development was lacking, leaving the underlying policies vulnerable politically, as the emergence of Thatcherism was to demonstrate.

I also began reading widely about public economics and learning a lot about the design and impact of tax and social security systems and their interactions. This was partly as preparation for my lectures in public economics, but it was to have far wider benefits as I came across the work of many new empirical and policy-focused economists. Chief amongst these was Tony Atkinson, the rising star of British economics who in 1971 at the age of 27 had been appointed to his first permanent academic position as Professor of Economics at the University of Essex. His short monograph that examined the impact of a Green Paper Proposal to introduce a tax credit scheme in Britain was an absorbing combination of theoretical and conceptual reasoning, and a detailed understanding of the existing system that aligned with my values and goals. It introduced me to new concepts and illustrated the importance of knowing how the current system is designed and operates, how data could be used to highlight issues and the need to have clear objectives and a value framework when examining policy problems. I didn't know it at the time, but I was joining a vast group of younger economists interested in issues of inequality and poverty that would spend the next five decades being inspired by the work of this brilliant scholar and great man.

My focus at the time was on the circumstances of specific groups and how they were affected by existing policies and would be affected by reforms. This involved using an economic framework to analyse existing data and, where necessary, conducting surveys to generate new data when needed. In the process,



I was shifting away from a reliance on what I now saw as the narrow economic approach I had been taught, towards a broader social science perspective. The scholarly Saunders was still in an embryonic stage, but the egg was beginning to crack and the chick within was ruffling its feathers, eager to emerge into the world.

But my emerging talents and new enthusiasm were being overshadowed by the concerns I had over the department's lack of leadership. This failure to effectively motivate and promote the talent and dynamism of the department's younger members was creating an atmosphere of despair as hope and ambition were replaced by frustration and lost opportunity. The strong sense of loyalty and commitment to the department began to fade, and attention shifted to seeking an escape route. A combination of their youth (which made it cheap to hire them) and the strong academic reputations that many had established gave the Stirling young Turks the flexibility to shift in what was becoming a very tight academic labour market.

As often happens in these circumstances, the resulting out-flow of departmental teaching staff was led by its youngest and brightest. That signaled a dismal future for those that remained, since the reduction in staffing numbers implied an increase in the teaching loads of those left behind because of the freeze on hiring. This domino effect increased the motivation of others to seek to leave, further exacerbating the problem. This was an entirely rational individual response but had disastrous consequences for the department as a whole, since its ability to react was severely constrained by the government's unwillingness to release its grip on the public purse. What are now called austerity policies were in their infancy, but even at this early stage, their insidious social effects were apparent.

I was one of those prompted to begin searching for an escape route. The imperative to move was reinforced by a frightening calculation about my future academic prospects. I had been appointed to the second lowest of the 26 steps in the university lecturer salary scale that applied to all British universities. Most lecturers could expect to move up one step each year but no more, which meant that it would take me another 24 years to reach the top. I would be almost 50 by then and could apply for promotion to senior lecturer which, if successful would move me up the salary scale, but I would still be close to retirement age when I reached its summit. The only way to avoid this interminably slow progression of status and salary was to either be brilliant and get promoted internally (a rarity, since there were no automatic regular promotion opportunities) or to move somewhere else to a higher-level position. I didn't fit the former category, so I had two choices: either move or stay and edge my way slowly up the rungs of a very tall ladder.

These depressing calculations were brought to a head after one particularly bad staff meeting, and I resolved to go to the university library the next day and search through the job vacancy column of the *Times Educational Supplement*. There was only one position that remotely suited me, a Lectureship in Economics at the University of Sydney in Australia. I recalled Kim's earlier dismissal of 'the Australian option' but decided to submit an application, and rushed home to update my curriculum vitae, prepare the application and mail it off. This was all done in a great rush and was driven by short-run frustration, and I promptly forgot about my application. Instead, I focused on improving my immediate situation, unaware of the momentous events that I had innocently set in train.

### *Happy times*

The small age difference between many staff and students at Stirling led inevitably to a lot of 'social interacting' between the two groups. Many of my friends were students and it was not unusual to attend a party or dinner with equal numbers of staff and students. It was at a dinner hosted by students early in 1974 that I met my future wife, Nina. The Scots had a great approach to indoor socialising in the cold winter months, stripping off the much-needed several layers of outer garments on arrival and piling them on a bed in a spare room before getting on with the serious business of drinking whiskey.

On this particular evening, Nina consumed far too much of the golden elixir far too quickly and collapsed under a pile of assorted outerwear on one of the beds. Her absence was not noticed for a while, but when it was, I became concerned and led the search. I eventually found her, assured myself that all was well and we started to chat, a conversation that ended with me walking her home.

As we left the party, the first snow of the winter had begun to fall and a light dusting already covered the ground. It became heavier as we walked and by the time we reached her flat, the snow was falling steadily and settling. I woke the next morning to discover that the normally drab main street of Bridge of Allan where she lived had been transformed into a tranquil wonderland, unsullied at this early hour by any signs of humanity aside from the foot tracks left by a few early risers. I marveled at the quietness and solitude of the scene laid out before me like a painting commissioned just for me, adding to my already deep pleasurable feelings. I was in love!

Nina and I soon developed a strong relationship and began to look for somewhere we could live together. Her flat was far too small and house rules did not allow 'overnight visitors' in my temporary accommodation. I had been told about a small farmworker cottage that might be available and contacted

the farmer to see if it was. He invited us down to meet him and his family (wife and three young children) and decided that we would make reliable tenants, agreeing to let us move in after he had completed some minor repairs.

So it was that in early 1974 Nina and I established our home in Greenocks Cottage East, located in the middle of the Carse of Lecropt located on the outskirts of Bridge of Allan, towards Dunblane. There were only a few other cottages dotted along the narrow road that meandered around the outskirts of the Carse. Overlooking everything was a massive country house, owned by a very wealthy landowning Stirling family that was nestled in the trees on a distant hillside. The house hired a small army of gamekeepers to protect the many pheasant that roamed across the land, making sure that they were ready for the local pheasant shoot, which was one of the largest in Europe attended by large numbers of wealthy gun-toting, pheasant murderers.

Greenocks cottage was split into two identical residences (East and West Cottages) each of which was small but solidly constructed with thick concrete walls that protected its interior rooms from the worst of the winter weather. It was functional but an absolute delight to live in. The front door opened directly off the road, beyond which was a farmhouse that overlooked Allan Water, a tributary of the river Forth. The tiny entranceway led into the main living room and beyond that was a basic kitchen to the left, and the only bedroom to the right. Behind the living room to the left was a small sitting/dining room and the bathroom and toilet. The kitchen and bedroom looked out onto one of the farmer's fields that stretched into the distant hills. Off to the right one could catch a glimpse of the Ochil Hills and below them the campus, including the building that housed the Economics Department. There are not many places where one can be surrounded by such rural tranquility but still have a view of one's place of work. I still have many fond memories of our all-too-brief time living in that marvelous setting, with the cottage's lack of facilities more than compensated for by the serenity of its location, the abundant wildlife surrounding it and the many spectacular walks that began from its doors.

Nina and I enjoyed our life together in Greenocks Cottage and as our relationship developed our thoughts turned to making a longer-term commitment. She was now taking a one-year Diploma of Education that would allow her to get a teaching position if her Arts Degree did not produce any attractive job offers (which it didn't). Having met (and reassured) each other's parents that we were both upstanding citizens, we decided almost on a whim to get married and did so at the registry office in Dunblane towards the end of 1974. It was a small affair attended by three couples in addition to us, our next-door neighbours the Morleys and two other couples, long-time

friends from Edinburgh. We didn't warn our parents in advance but rang them with the good news right after the ceremony. My parents were used to getting news about me *ex post* although it was a shock to Nina's family, although they recovered and we spent many happy weekends with them and Nina's dear grandmother who later became our first UK visitor to Sydney.

The pleasures of our domestic life were increasingly overshadowed by my growing unhappiness in the Department at Stirling and my frustrated plans to leave as soon as possible. Nina was supportive and had encouraged me to apply for the job at Sydney University when I told her about it. But my rushed last-minute application never received a response – not even an acknowledgment – so we were dumbfounded when I received a telegram months later that stated boldly:

'Dear Peter Saunders STOP Your application for a Lectureship at Sydney University has been successful STOP Letter follows with further details STOP We look forward to welcoming you to Sydney soon STOP. We also look forward to hearing when you can start STOP' (I added in the last sentence to increase the humour).

I found the telegram in my in-box in the departmental mailroom one morning in what was to become one of the hottest British summers in living memory. I took it back to my office to open and felt my chest thumping with anticipation as I read its contents and imagined their far-reaching implications. I headed straight for the car park and back to the cottage where Nina was recovering from completing (successfully) her Diploma of Education exams.

I gave her the news and for some reason we decided to head down to the nearby river to look for driftwood for the fire (which we often lit even in summer when the weather could be rather brisk). On the way, we chatted about my news as we scoured the banks for driftwood, both suppressing a rising excitement at this new opportunity. By chance we found the perfect piece of wood for the fire, about five metres long, shaped like a slim telegraph pole – it might even have been one. We grabbed each end of the pole and began the difficult job of carrying it back to the cottage, carefully maneuvering it around various obstacles as we continued our intense discussion about the Sydney offer and what it might mean for our future. We must have made a weird but fascinating sight, two adults totally engrossed in deep conversation from either end of what looked like a telegraph pole they were transporting across an isolated Scottish field.

By the time we arrived at the cottage our minds were made up. We needed to wait to see the details, but unless they contained something totally unexpected, we were heading Down Under!

## CHAPTER 4

### UP AND AWAY IN SYDNEY AND PALO ALTO

#### *Social and departmental tensions*

The offer letter from Sydney University arrived at the beginning of summer and as Nina had completed her teacher-training course, there seemed little point in delaying our departure, so we started to plan our trip. Our haste was reinforced by my new salary offer of around A\$9,500 which was (when converted at the prevailing exchange rate) more than three times my Stirling salary and roughly equivalent to that of a Professor in Britain. We owned relatively little – our modest possessions fitting comfortably into five wooden tea chests and were sent ahead by ship – and we were soon ready to say our goodbyes and head to the southern hemisphere.

The flight from London to Sydney in those days had to stop twice to re-fuel so we decided to break our journey in Athens and spend a couple of weeks holidaying on the island of Crete. We would then fly on to Singapore to stay with an American couple we had met through our cottage neighbours in Bridge of Allan the Morleys, who were sailing their yacht around the world and planned to be in Singapore when we passed through.

This was to be my first substantive trip out of England, and I was woefully unprepared for the intense heat that we experienced in Crete, where we stayed in the lovely harbour town of Agios Nikolaos on the southern coast, halfway between Europe and Africa. I was told not to bother booking but to just stand outside the bus terminal on arrival looking lost and wait for a local to come up and offer a room to rent.

This happened as predicted, but the room we rented (though very cheap) was small and had no protection from the heat other than a single mesh-free window that let in a small army of very persistent mosquitos who took delight in my virgin flesh. There was no overnight breeze to offer any respite from the interminable daytime heat, made bearable only by frequent trips into the cool ocean. I spent each day in the sun absorbing the heat and every night trying desperately to escape it. This involved me leaving our room and wandering aimlessly around outside seeking (unsuccessfully) a cooling breeze, before returning to our room to face another onslaught from those damned mosquitos.

After a relaxing two weeks (despite the mosquitos), we farewelled the dry heat of Crete and headed to Singapore's equatorial humidity. I was proud of the excellent suntan I had acquired during many hours roasting in the sun, my previously pale English torso now looking resplendent in a deep brown tan.

The few days we spent in Singapore were enjoyable and free of incident, aside from an unexpected delay at the airport on arrival. It was a Sunday afternoon and for some reason I was not allowed to go through immigration to join Nina who had been waved through. I had no idea why I was not treated similarly until at one stage the immigration official leant towards me, saying in a quiet but serious voice:

‘Don’t you think your hair is rather long?’

I initially thought he was just making a personal observation, which I thought was rather inappropriate in the circumstances, before it slowly dawned on me that it was my shoulder-length hair that was preventing my entry.

I later found out that it was normal practice to prevent those with long hair from entering the country before they had been required to visit a specially installed airport barber who would shear off the offending locks, leaving the poor miscreant with (greatly) reduced hair length but increased compliance with the Singapore government’s hairstyle restrictions. Because it was a Sunday afternoon when we arrived, there was no barber on duty, hence the delay. I was eventually told to head straight to a local hairdresser the next morning and have my hair cut to the length illustrated as acceptable in the many posters that I later discovered were prominently displayed everywhere. Our American hosts assured me that it was not necessary for me to reduce the length of my hair given the length of our stay, so I headed onwards to Sydney with my locks still flowing gracefully well below the officially endorsed (and generally enforced) hairline.

When we arrived at the airport to catch our flight to Sydney, we were told that it was delayed but that there was an alternative about to depart if we were ready for immediate boarding. It seemed a sensible solution, so we accepted and landed in Sydney slightly ahead of our scheduled arrival. We were expecting to be greeted on arrival by one of the Economics Professors, Warren Hogan, who had kindly offered to meet us and take us to his house for lunch. But there was no sign of him in the arrival hall, so I called him to find out why. Like many Australians expecting to meet someone from a long-haul flight, he had checked with the airline the evening before and was informed of the delay to our flight. So he deferred his trip to the airport so as to coincide with our new arrival time. He chuckled ruefully when I told him about our change of flight but agreed to head to the airport immediately. It was another kind gesture, although it left us to spend our first hour or so in Sydney exhausted with jetlag, waiting at a crowded, stuffy airport while keeping visible so that Warren would recognise us (or me at least, I’d sent him a description) when he eventually arrived.

On the drive to his home in Killara, Warren told me that he had been surprised by our decision to arrive so soon after receiving the offer. He had not expected me to arrive until the following February when the new academic year started and so had not scheduled any teaching for me until then. He said he'd see if he could arrange for me to take some tutorials during the coming term but other than that, I was free to get on with my own research over the next six months. Sounded good! Adding to my pleasure, I also discovered that my salary had been further increased by around half as part of a new national salary deal for academics. This was partly a reflection of Australia's high inflation rate at the time but was also indicative of the pro-university policies of the new Labor Government headed by Gough Whitlam.

The election of the Labor Government signalled the end of a quarter century of conservative rule, mostly under Prime Minister Robert Menzies that had left the country economically strong (but highly dependent on its natural resources) but a global backwater socially and culturally as well as geographically. That might explain (but does not condone!) the awful dress sense displayed in that fateful Macquarie University Handbook that had delayed my decision to migrate by several years.

The Whitlam Government had much catching up to do in the social policy sphere, and it set about the reform task right after its election, introducing a universal health care system (Medibank) that had many of the features of the NHS. The new scheme had been opposed by the doctors (can you believe it!) and the opposition parties, both keen to protect existing tax-financed privileges. There was further confusion about the status of the scheme in New South Wales where local factors further complicated the situation.

The Whitlam Government was moving rapidly on several other fronts to address the social policy inadequacies that were a consequence of over two decades of neglect. Plans were in train to introduce universal (but merit-based) free tertiary education, and major inquiries were established to examine reforms of its taxation, income support (social security), workers' compensation and age pension systems. But the government was in political trouble following a series of Ministerial gaffes, causing the Opposition to delay the passage of the budget bills in the parliament, and prompting the Governor-General to dismiss the Whitlam Government in November 1975 – less than three months after my arrival!

The oscillating fortunes of the Whitlam Government was not the only Australian story to attract coverage in the British media at that time. Several stories focused on the dispute between a group of left-wing political economists and the more conservative 'mainstream' members of the Economics



Department at Sydney University. The Political Economy (PE) Group argued that they and their students were being discriminated against and demanded a separate course, and the university agreed to establish parallel courses in the first two years of the economics undergraduate degree. The PE Group was led by two British economists, Ted Wheelwright and Frank Stilwell, while the mainstream contingent was headed by the department's two New Zealand Professors, Colin Simkin and my airport welcomer, Warren Hogan. Confusingly, the 'mainstream' group also contained several academics who regarded themselves as classical political economists, followers of the works Adam Smith, David Ricardo and Thomas Malthus, but had little in common with the PE group who were more focused on the political dimensions of economics and economic policy making. There was also a third non-aligned group, but no-one took much notice of them.

Media coverage of these developments in the months leading up to my departure from the UK had instilled a degree of apprehension about whether I was making the right decision. The ripples they initiated persisted for many years and were to shape my development in unanticipated ways. I was entering a society struggling to adjust to the strife left by recent economic and political events, and a department that was split by intellectual and ideological divisions. Perhaps Australia was not going to be quite so dull after all.

### *Changing direction*

I settled into my office on the fourth floor of the Merewether Building that overlooked City Road, a busy thoroughfare that bisected the Sydney University campus. In the next office was Gavan Butler, one of the PE group leaders and several others in that camp were housed further down the corridor, while the non-aligned Judy Yates was a few offices down to my right. Most of the academic staff were located on the third floor, including Professors Hogan and Simkin.

When I reported for duty, Warren Hogan informed me that he had arranged for me to take two second-year tutorial classes for the third term, due to start the following week. The first was on the Monday, and I decided to arrive slightly late, nervous about my first encounter with Australian students. I arrived to find the seminar door closed and I opened it to face a group of about 20 students already hard at work. I was impressed! But as I turned towards the lecturer's desk, I saw that it was occupied by a dark-skinned man who was in the midst of describing the work program for the term.

'Sorry to disturb you,' I muttered, deeply embarrassed by his unexpected presence, 'but I believe that this is my tutorial class, Economics II, right?'



He looked at me with bemusement and said those fateful words,

‘I’m afraid this is my class and I’ve been teaching it for the last two terms. You must be mistaken’.

I was deeply shocked and uncertain what to do, deciding that I had no choice but to leave the room and hurry back to my office, conscious of the student guffaws that accompanied my awkward departure. There, I sat transfixed, thinking desperately about what to do next. I couldn’t imagine a worse start to my Antipodean teaching career. Perhaps there had been an awful administrative error and that telegram had been sent to Stirling and to the wrong applicant in error, with the result that my appointment was about to be rescinded. That would result in me being sent back to Scotland – the first ‘Pom’ to be forcibly transported in that direction since European settlement. These ridiculous thoughts raced through my mind as I sat at my (temporary?) desk, stunned and unsure what to do.

My depressing train of thought was interrupted by a knock on my door and the tutor whose class I had innocently disrupted entered. He introduced himself as Debesh Bhattacharya, senior lecturer in the Economics Department, a development economist and member of the PE group. He had checked with Professor Hogan’s secretary and been told that I had indeed been assigned to take over from him for that term, but no-one had bothered to notify him of the change. He was apologetic and sympathetic to my situation.

I later realised that this incident was typical of how the department functioned – or didn’t – under the sharp divisions within it. The two Professors rarely left their offices, summoning people to them when they needed to discuss anything and only venturing into the corridors to visit the toilets or staff tea-room (yes, we had one then, and a tea-lady who made the tea and arranged the biscuits). Warren Hogan came to my office only once in my entire time at Sydney, just before I left, while Colin Simkin never graced my humble workstation. I learnt two important lessons from observing these leadership failings, one related to the importance of communicating with staff, the other about the need for visibility.

I survived my initial tutorial setback and settled down to begin my full teaching duties the following academic year. This involved giving one term of lectures to the compulsory second-year macroeconomics class and teaching half of the second-year optional course in public finance. Enrolment for the macro course exceeded 400 and each lecture had to be repeated to give students the flexibility needed to avoid timetable clashes. Teaching the larger of these two classes (immediately before lunch) was a nightmare. The noise was often intolerable, most of it emanating from the back rows occupied by

the (male) college residents who treated the lecturers with disdain bordering on contempt. They included a certain Tony Abbott, later to become Prime Minister, a position where he displayed (in my view at least) little of what he was taught in his economics classes.

Intellectually, although my interest in the Phillips curve had waned, my interest in inflation continued and I worked closely with another New Zealander, Viv Hall on aspects of price inflation in manufacturing industries – Australia still had some in those days – and I was awarded a grant from the Reserve Bank of Australia (RBA) to continue this work. The grant allowed me to employ a research assistant for a year or so, after which I was fortunate to gain access to the statistical and technical support provided by one of the departmental research assistants.

That research assistant was very competent and discovered a programming error in the work of her predecessor that required a complete re-run of the entire analysis – thankfully before I had prepared results for publication. This was another important early lesson for me, one relevant to research, and best learnt early: always keep a close eye on what your research colleagues are doing, not as a form of surveillance but so as to verify the results they produce.

This does not reflect any underlying lack of trust, but is simply good practice, particularly when analysing large complex data sets. It is all too easy to produce results that appear plausible but are invalid, for any number of reasons that can be extremely difficult to identify. The best way to avoid this is to work slowly, provide instructions with clarity, establish a good working relationship with your colleagues while always keeping a close eye on what they are producing, and always checking each step along the way. Above all, establish a working environment where those you work with feel free to ask questions if they are unsure about the instructions they have been given and never to make their own assumptions about what you are asking without first seeking clarification. Simple rules, but critical to producing research findings that have the legitimacy and authority that are the hallmarks of good scholarship.

### *A rewarding shopping trip*

Two events occurred within a few months of my arriving at Sydney that were to change the course of my academic development. The first occurred when the tea chests that Nina and I had farewelled in Scotland went missing on the high seas somewhere between Glasgow and Botany Bay. They were not officially declared lost (although this was what we feared), and their whereabouts was eventually established, along with a projected arrival date in October. They

contained the few academic books that I owned, and the delay threatened my plans to make the most of the free time I had at my disposal to do some serious reading on tax and social security issues, so I started searching for alternative avenues for my intellectual curiosity and energy.

One Saturday morning, while exploring Sydney's main shopping district I came across the Australian Government Publishing Service (AGPS) bookshop in Pitt Street. The window contained a prominent display of a new report on *Poverty in Australia* that had just been released by the Commission of Inquiry into Poverty established in the dying days of the Conservative Government but greatly expanded by Whitlam. I went inside and perused its two volumes with great interest and purchased both, and although I didn't realise it at the time, this was to be another life-changing moment.

The main report provided an excellent summary of the Australian social security system and contained the first authoritative and reliable estimates of the extent of poverty in Australia. Details of how poverty was measured, including summary tables of the data used, were provided in the second volume that I also found fascinating. The main recommendation proposed by the Inquiry was to replace the social security system by a new form of negative income tax in the form of a Guaranteed Minimum Income (GMI) scheme that resembled a variant of what would now be called a basic income scheme.

The report also proposed an extensive list of reforms to the current system, designed to address its main shortcomings. However, one thing that struck me as problematic from that first reading was the report's failure to adequately address the problems involved in integrating the income tax and social security systems into a single unified system, which was what the GMI reform involved. Another was the observation that if the series of piecemeal reforms to the current system were implemented effectively, this would mitigate – possibly negate – the need to introduce the more radical GMI scheme. I saw these as major weaknesses of what was proposed and sat about writing them up in a paper that was to be my first on social policy. It was accepted without revision and published the following year in *The Australian Journal of Social Issues* – less than a year after I had arrived in the country.

That paper attracted the attention of the Chair of the Poverty Commission and Director of the Institute for Applied Economic and Social Research at the University of Melbourne, Professor Ronald Henderson. Although the paper was critical of aspects of his proposals, Ronald saw it as playing an important role in promoting a debate about his report's findings and recommendations. He had hoped that the report itself would achieve this, but the timing of its release could not have been worse, as rising oil prices shifted the policy focus

of the government away from poverty relief and social security reform on to broader questions of economic (and political) survival. The Department of Social Security, initially a strong supporter of the Poverty Commission's work, now seemed less convinced of the need for reform and the whole debate required an injection of new ideas.

Then my paper came along, providing (in Ronald's view) an opportunity to regain some momentum before addressing poverty disappeared off the policy agenda altogether. He seized the opportunity and invited me to present a paper to a session of the 1977 Australia and New Zealand Association for the Advancement of Science (ANZAAS) Congress that was being held in Melbourne. He was keen to provide a platform for my ideas, but also to introduce me to Ian Manning, one of Ronald's Institute colleagues and a major contributor to the Inquiry's poverty analysis.

Ian and I immediately got on well together and had similar ideas, so we agreed to meet later in Sydney to try to write a framework paper setting out alternative approaches to the design and reform of the Australian tax and social security systems. Our goal was to articulate and contrast two broad approaches to reform in the Australian context: the means-tested approach that was embedded in the current system and the proposed GMI scheme; and an earnings-related contributory approach that was widespread in Europe and underpinned the recommendations of the Inquiries into the Superannuation and Workers' Compensation systems that were running in parallel with the Poverty Inquiry.

Ian was another slightly eccentric figure – more in Eric Levin's than John Wise's league – but I liked that about him (and still do) and working with him was enjoyable and rewarding. He spent a weekend in Sydney while we wrote the paper, although I saw little of him because, like my Southampton colleagues Chris Nash and Alan Ingham, he was a public transport enthusiast and spent much of the time testing new bus routes in Western Sydney, checking on their routes and reliability. He was not only an avid user of public transport, but a leading researcher on the topic, focusing on the journey to work. We managed to talk about the shape of the paper before he headed westwards, and I wrote an initial draft while he was conducting his fieldwork. He took a copy with him back to Melbourne (no email in those days), sent me some comments later and we managed to complete the paper soon after. The paper was published in 1978, and I still rate it as one of the best I have been involved in and an important contribution to developing a framework for reforming the Australia tax-transfer system.

Meeting Ronald and Ian brought me into contact with the 'Melbourne poverty set' that had historically been at the forefront of Australian poverty

research. Much of the Melbourne Institute's work was undertaken in collaboration with researchers at the Brotherhood of St Laurence (BSL) and the Victorian Council of Social Service (VCOSS). Ronald was on one of the BSL's advisory committees and took me along to one of their meetings to introduce me to their senior staff. The work of BSL and VCOSS highlighted to me the importance of working with experts in non-government organisations (NGOs) on practical examples of current policy failings and being aware of the innovative projects they used to road-test new ideas on small groups of their clients. There was nothing like this in Sydney at the time and meeting and being exposed to the academic contributions of people like John Harper, Peter Sheehan and Jean McCaughey further boosted my growing interest in the subject matter.

I had many in-depth discussions with Ronald about technical aspects of his proposals and broader issues about the shaping of debates about social policy reform and the politics of advocacy and implementation. I learnt a lot from these discussions, not all of it I agreed with, but I was always keen to understand his perspective and reflect on why it differed from mine. I recall a discussion we had while walking across the Australian National University (ANU) campus to attend a seminar, where I argued that the real issue we were grappling with was inequality, not poverty, and that we needed to shift the focus away from poverty and social security issues onto inequality and redistribution more generally.

'That's fine in theory,' replied Ronald (or words to that effect) 'but in practice it is far harder to mobilise public support behind redistribution as a policy objective than to convince people to support a campaign to eliminate poverty.'

Wise and prophetic words that have remained with me. They illustrate a broader aspect of Ronald's work that has not received the attention it deserves. This was his uncanny ability to know how to shape public opinion by drip-feeding his research findings through the media in ways that have maximum impact on debate and exert maximum pressure on policy makers. Few people have this skill, even now – I certainly don't – but he had it, and in spades. His own advocacy for the vulnerable and disadvantaged was helped by his commanding presence and deep voice, both of which belied his rather frail appearance. He was an unlikely hero of the downtrodden and Australia has not seen his like since.

### *An unexpected letter*

At about the same time that I was discovering the poverty report in the government bookshop, I received a letter from David Rowan in his capacity as Head of the Economics Department at Southampton University. In it, he raised the uncomfortable subject of what progress I had made on the PhD

thesis I had agreed to write to replace my Masters thesis. The short answer was ‘very little,’ but I needed time to put some intellectual window dressing around that stark but sadly true reality.

I dusted off the outline I had submitted a few years previously and made a few minor changes to reflect the (rather modest) progress I had made since then. There wasn’t much to report and my interest in the Phillips curve was, like the curve itself, sloping inexorably downwards. I mailed my update back and received a second letter that raised doubts (rightly) about whether my limited progress warranted a further extension of the time needed to bring the thesis up to PhD standard. David Rowan (or those who advised him) clearly shared this doubt, since it was suggested that I write up the work done so far and submit it for a MPhil degree, which was something like a consolation prize for those who lacked the capacity or energy to go the full distance to a PhD.

It was a reasonable and practical proposal but on reflection I realised that I did not even have the commitment or enthusiasm needed to write up what I had already done, so I decided to abandon the thesis altogether. My intellectual development was heading down new pathways and the thought of having to spend hours writing about Mr Phillips’ famous curve no longer appealed to me. It was easier to convey my decision to Professor Rowan from the other side of the world, even though he was a constant visitor to the University of New South Wales (UNSW) Economics Department, having been the first Dean of the Faculty of Commerce between 1957 and 1960. So, I held my breath and wrote to him to formally terminate my enrolment in the Southampton postgraduate program.

I then had to decide whether to start working on a new PhD topic or abandon the quest to become ‘Dr. Saunders’ altogether. Having a PhD was becoming an increasingly essential requirement to progress academically in the UK and Australia although it was still not as absolutely essential as it was in the US. Aware of this trend, I decided that I needed to demonstrate that I was capable of producing a PhD thesis (to myself as much as to the world at large) and that now was the time to do it.

The work on price inflation in Australia that I had been doing with Viv Hall led me to consider this issue in the British context where the availability of industry-level data provided a basis for conducting some empirical tests of alternative models of price setting behaviour. This seemed like a topic worthy of a PhD, one that would draw on my past expertise and was better aligned with my current interests. I wrote a brief outline of what I had planned and showed it to Professor Colin Simkin (an expert on inflation) and asked if he

would be willing to be my thesis supervisor 'in name only'. I explained that this would involve him just reading the drafts of each section of the thesis to assess the overall quality of the research and respond to any technical questions that might arise along the way. I felt confident that I could complete a thesis to the required level without any other supervision (silly me, I wouldn't let one of my students get away with such misguided bravado now!) but to my relief, Simkin agreed to take it on.

Looking back, it is something of a puzzle why I decided to write a PhD on price determination when my emerging interest was in social security reform and the role of a GMI scheme would have been an obvious topic. I do not recall the reasoning behind my choice but suspect that I wanted a topic that fitted better with my position in an Economics Department. I was not yet ready to shift out of economics into social policy entirely, and had invested a considerable amount of time in understanding alternative models of pricing behaviour. I was probably also influenced by the idea that social economics was not 'real' economics and possibly strayed too close to the interests of several of my PE colleagues! My growing interest in poverty and related policy issues thus proceeded alongside my work on pricing behaviour, albeit with the thesis taking second place whenever these two interests converged. I did manage to keep the thesis analysis ticking over, making regular late-afternoon trips to the university mainframe computer building (computers needed their own building in those days) to feed the large boxes of computer cards that contained my data into the card-reader in preparation for the overnight runs that were all that were available to postgraduate students.

I lived in constant fear that the card-reader would chew up my data cards, leaving me with several months' work to re-enter all the observations again. Thankfully, this never happened to me, but I did see another poor student collapse in despair when his cards were consumed and spat out by the card-reader. The worst that happened to me was when I mis-typed one of my coding instructions and had to wait until the following morning to discover my error and then another 24 hours to receive the corrected results. Conducting empirical research was tough in those days and involved overcoming many frustrating practical obstacles and a plentiful supply of time and patience.

My waning interest in this new topic meant that I devoted inadequate time to the thesis, to the point where I realised that if I didn't give it some focused attention, it would never get finished. I decided to devote the entire summer of 1979-80 to writing it up ready for submission and managed to organise my ideas and complete the analysis and write-up of the findings over a three-month period of intense activity. Much to his credit, Colin Simkin



read the complete draft and provided feedback as promised and after some final revisions, the thesis was submitted for examination in the opening term of 1980.

The nominated examiners were Professors John Nevile from UNSW (and a visitor to Southampton in my first year on staff there), John Pitchford from the ANU (a leading inflation expert) and Paolo Sylos-Labini (an eminent Post-Keynesian from the University of Rome who was due to visit the Sydney University Economics Department later that year). Positive examiner reports were submitted by Nevile and Sylos-Labini but Pitchford's report was overdue and he eventually indicated that he was unable to do it. It was passed on (without my knowledge) to one of his colleagues, none other than Pravin Trivedi who had taught me econometrics at Southampton, recently moved to the ANU.

The thesis had utilised (with his support and approval) an econometric program written by the eminent ANU economist/econometrician and later Reserve Bank Board member, Professor Adrian Pagan. However, Trivedi had uncovered a potential technical flaw with the program and raised concerns in his examiner's report about the validity and robustness of some of my results. He suggested a series of tests that I needed to conduct to establish whether there was a problem, and I had no choice but to comply. My subsequent examination did not provide any evidence that the problem he had identified existed (I won't go into the details here), but his examiner's report referred to the 'problem', and recommended (I think – students didn't get to see their examiner's reports in those days) that some revision to the thesis was needed. The two other examiners recommended that the doctorate be awarded, so it was left to the Faculty Higher Degree Committee to decide what to do.

Warren Hogan was a member of that committee and he later told me that the case for awarding the degree was argued strongly by the Professor of Government, Richard (Dick) Spann. He argued that it would be unfair to penalise a student who had used a publicly available resource produced by the country's leading expert in the field because a possible flaw had later been discovered (but not made public) by someone else. The committee was swayed by this argument – which also sounded very appealing to me at the time – and the degree was awarded! I formally graduated in 1981 and broke with earlier practice by attending the degree ceremony held in the aptly named Great Hall at Sydney University. As is the tradition, I stayed afterwards to celebrate my success with a small group of friends over afternoon tea in the beautiful Sydney University quadrangle and took the opportunity to thank Dick Spann for his timely intervention. It had been a long road, but one that I was glad to



have travelled, learning a lot along the way about how to conduct research, as well as much about how not to.

### *Making important contacts*

While my PhD thesis was being completed and examined, my work on poverty and social security continued to gain attention. Another of Tony Atkinson's important studies, this one on *Poverty in Britain and the Reform of Social Security* inspired me to think about working on poverty measurement, although this required me having access to research and technical support that I did not have. My work thus focused on remedies rather than measurement and my analysis of Henderson's GMI proposal attracted the attention of bureaucrats working in the Development Division of the Department of Social Security (DSS). I was invited to present my ideas to a morning seminar hosted by the Department in Canberra, where I met the head of the Development Division David Stanton and one of the leading policy analysts in the Department, Andrew Podger. Both were to take an active interest in my work and become lifelong personal friends.

I recall Podger responding to a seminar I gave in the department by producing (unrolling, actually) a massive chart showing how someone's disposable income (shown on the vertical axis) varied with their market or private income (shown on the horizontal axis). The relationship was virtually linear, demonstrating (at least in his view) that the existing Australian tax and transfer systems together generated almost identical outcomes to what could be achieved if they were fully integrated, as under the GMI scheme proposed by Henderson. This conclusion resonated with my view that piecemeal reform of the current system could achieve similar outcomes to a GMI without the need for major reform, although I was not as convinced as Andrew was that the current system performed well on that criterion. I left the seminar with lots to think about, proceeding to a second presentation that afternoon at a workshop on social security reform hosted by the Centre for Federal Financial Relations at the ANU, and in the evening spoke again on the topic to a meeting of the Canberra branch of the Economics Society of Australia and New Zealand. Busy times, but I was buoyed by the interest being shown in my work.

Through these meetings I got to know several people who would play an important role in my future, including in addition to David Stanton and Andrew Podger at DSS, Professors Pat Troy, Fred Gruen, Russell Mathews and Ron Mendleson from the ANU. The research group in the DSS Development Division, led by David Stanton, were impressive in terms of their knowledge of

the system but also in terms of their willingness to discuss policy issues openly with a relatively unknown low-level academic like me. The interaction between these policy makers and the academics at the ANU was close and generated a powder keg of ideas that were able to feed into and influence current debates about government policy. Canberra has a distinct advantage over all other locations in this regard because of the close proximity of the national parliament to the ivory towers of the ANU, particularly of the Research School of Social Sciences that was then the undisputed leader in its field.

I was also struck by the easy-going relations that existed in Australia between policy-focused academics and research and policy experts in the bureaucracy. It was an example of Australian egalitarianism that I warmed to, although a far narrower application of the approach than was warranted. I liked the laid-back informality that I now found myself part of in Australia and benefited greatly from it. I was given detailed feedback on draft papers by bureaucrats, who were always willing to respond to any queries about policy detail or point to new studies or data sources. I also learnt another important lesson: making an error when describing existing policy could undermine any merits attached to academic policy analysis while doing little to enhance one's scholarly reputation. Such errors were best avoided and getting informed feedback from bureaucrats prior to wider circulation certainly helped to achieve this and avoid embarrassment.

This feedback was always provided in a friendly and supportive manner, encouraging me to improve my understanding and analysis, never to undermine or demean it. Importantly, I knew that the people providing me with comments were experts in their field, several of them unsurpassed in Australia, and I realised that I had much to learn from listening to their criticisms and advice. My work improved greatly as a result, and I was grateful too for the unique insight these interactions gave me into how a bureaucracy works, how the policy maker's role and perspective differ from those of an academic, and how they can work together to make better policy. How things have changed.

Sometime in the late 1970s, Pat Troy who headed the Urban Research Unit at the ANU established the Social Justice Project. Pat was an internationally respected academic, widely admired for his integrity and scholarship, much loved by his colleagues and a totally charming man. He had been responsible (with others) for training a whole generation of experts in housing and urban issues and planned to use the project to build on that expertise by drawing Australian and international experts together to develop a research base for advancing a social justice research and policy agenda for Australia.

I had met Pat during a visit to Canberra and like many others, was seduced by his gentle voice, charm, good humour and open friendliness. He seemed constantly overwhelmed by work and responsibility, always scratching his head as if looking for relief or for an idea about how to get some. Despite this, he always had time for others, was always keen to listen to what they were up to and took a genuine interest in what they had to say, no matter what their status or position. A true egalitarian in his treatment of others, as well as a top-notch scholar and all-round wonderful man. Pat told me how highly he regarded the work I was doing on poverty and social security issues and indicated that he was hopeful that I might consider spending some time at the ANU working on the Social Justice Project. A variety of positions were about to be advertised and he encouraged me to apply for one.

Another important acquaintance I made during this period was with Palle Andersen, a Dane who worked at the Organisation for Economic Cooperation and Development (OECD) in Paris, where he headed the General Economics Division. Palle had come to Sydney as a Visiting Fellow at the Reserve Bank of Australia and had established contact with economists at several universities, including Sydney. He had a deep voice but was a quietly spoken man whose modesty concealed a vast knowledge of economics. He was also a keep-fit fanatic, running many kilometres at lunchtime, but was also a heavy smoker.

During one discussion with him, he asked if I had given any thought to working at the OECD. I told him that I hadn't but asked why he thought I might be interested in such a position. He outlined some of the virtues of the OECD, including working with a large group of economists on important policy issues with access to comparative data on rich countries, something that was still rare in those days. His enthusiasm sparked my interest, which was further aroused by the knowledge that OECD jobs were very well-paid (still true in those days!) and tax-free (still true today) and these attractions were reinforced by the prospect of living in Paris. We agreed that if I ever passed through Paris, I would let him know in advance and he would try to arrange for me to be interviewed. Despite these temptations, the possibility of moving to the OECD seemed unlikely, since they did not appear to offer positions that aligned with my interests nearly as well as the ANU opportunity flagged by Pat Troy.

### ***Birth of the SWRC***

While my discussions with Palle Andersen opened the possibility of me returning to Europe, important developments in Australia were increasing its attractiveness. The government under Malcolm Fraser had come under pressure for not implementing most of Poverty Inquiry recommendations

(119 of which remained unacted upon), while the need for improved social support was growing as the unemployment rate increased five-fold from around 2% to 10% between 1970 and 1980.

One recommendation that the government was prepared to act on was the second-last, which proposed that a National Social Research and Policy Institute be set up to carry out 'research for the improvement of social policy'. Negotiations had begun with the University of New South Wales and in 1980 the Social Welfare Research Centre (SWRC) was established to 'undertake and sponsor research on important aspects of social welfare in Australia'. Prior to its opening, the position of Director was advertised and offered to Professor Tony Vinson, then at the University of Newcastle (in Australia) but Vinson was recruited by NSW Premier Neville Wran to become Chairman and a Commissioner at the NSW Corrective Services Commission. The SWRC position was then offered to Adam Graycar who accepted and moved from Adelaide to UNSW when the centre opened at the beginning of 1980.

This was an exciting development that held great promise for the future of Australian social policy research, one that I took a keen interest in. I had met Adam at several conferences, and we got on well together. He had a good research record and the experience in management and leadership to succeed in the formidable task of getting the centre active, productive, noticed and effective. In an early meeting with him, he encouraged me to think about joining the centre and asked if I would be willing to organise a workshop on poverty measurement.

This had become a burning issue because the poverty line developed by the Poverty Inquiry (the Henderson poverty line, HPL) had come under increasing criticism for the method used to update it over time. Henderson's method of increasing the line to reflect movements in average earnings took no account of the fiscal drag that occurred when increases in before-tax (gross) income led to increased tax payments that produced a lower rise in after-tax (disposable) income. Critics argued that this caused the poverty line to rise faster than disposable incomes in the community, causing the poverty rate to be over-estimated and, if social benefits were tied to the poverty line, would result in the incomes of the poor rising faster than the incomes of everyone else. Researchers agreed that there was a problem but were unable to reach agreement on how to address it, despite a valiant effort by Ian Manning. Eventually, it was agreed that the poverty line should be indexed to household disposable income per capita rather than average earnings, thus taking account of movements in non-labour as well as labour income and allowing for population growth as well as fiscal drag. That method is still used today by the Melbourne Institute to update the poverty line.

But this change was not to happen for several years and at the time, the government had asked the Social Welfare Policy Secretariat (SWPS) to conduct a comprehensive review of poverty measurement that covered all aspects of the Henderson approach and possible alternatives. Adam and I agreed that a workshop on poverty measurement more generally was a good way of getting the SWRC involved in this important debate, hopefully to have an influence on the outcome. I agreed to take it on, despite being already heavily committed getting my PhD thesis ready for submission before I planned to spend several months overseas from mid-year on (my first!) sabbatical leave.

I was offered a temporary position of SWRC Research Fellow with responsibility for arranging and chairing the workshop and preparing a report of the proceedings, which would be published in the centre's new *Reports and Proceedings* series. I invited a broad mix of speakers to the workshop: UNSW Professor Nanak Kakwani, a world leader on poverty measurement and contributor to some of the background work of the Poverty Commission; Jim Cox who was leading the SWPS's work on poverty measurement; and Western Australian sociologist Patricia Tulloch whose book *Poor Policies*, that was highly critical of the Fraser Government's social security policies, had just been released. They were joined by an eminent international speaker, Professor Martin Rein from the Massachusetts Institute of Technology (MIT), a world-renowned expert in public policy and regular visitor to Australia who happened to be in the country at the time. The discussion of the presentations was introduced by then Policy Officer and later Chief Executive of the Australian Council of Social Service (ACOSS), Philippa Smith.

The workshop attracted about 60 participants and took place on 12 June 1980 in the SWRC premises on the corner of High Street and Eurimbla Avenue, mid-way between the main UNSW campus and the Prince of Wales Hospital. It started rather badly. After my welcome and introduction, Nanak Kakwani gave a presentation that was far too technical for the audience – most of whom were not economists. Despite my pleas to him to 'keep it simple', he covered the whiteboard with a mass of mathematical equations outlining the derivation of an axiomatic poverty measure that drew on recent work by Amartya Sen, later to win the Economics Nobel Prize. Thankfully, he was followed by Jim Cox who provided a more sober and lucid presentation that the audience could understand, even if not always agreeing with it. Patricia's paper adopted a sociological perspective on the concept of poverty that drew on the work of UK sociologist Peter Townsend on deprivation. The invited presentations and following discussion were taped, and I took the tape with me when I departed for my study leave in California three weeks later.

### *Enjoying the good life, in and around Palo Alto*

I had wanted to spend my sabbatical leave in the United States but had no contacts there and was having trouble deciding where to go. I was looking for somewhere that had people with expertise in my fields of interest that would also provide me with a break from the pressures associated with finishing my PhD and expanding my work on social policy. My Sydney economics colleague Tony Phipps mentioned that he had a close friend – John Pencavel, a leading labour market economist and professor at Stanford University – who might be willing to sponsor me as a visitor there.

It was an attractive but awesome suggestion; attractive because Stanford was situated in one of the most liveable parts of America, but awesome because the Stanford University Economics Department was one of the strongest in the world. Its staff included Nobel Prize winner Kenneth Arrow, recently recruited from Harvard, and a number of other eminent experts, including Paul David, Mike Boskin, member of President Reagan's Council of Economic Advisors, Robert Hall, the rising star of international macroeconomics, game theorists Robert Wilson, Al Roth and Paul Milgrom (all of whom were to win a Nobel Prize) and (in the Stanford Business School) Ben Bernanke, future head of the US Federal Reserve system. The thought of mixing with such a parade of intellectual giants sent shivers through me although these reservations were offset by the prospect of living in one of the most sought-after parts of California, close to San Francisco and many other attractions.

To my surprise, John Pencavel agreed to sponsor my visit and I was formally appointed a visitor for the six-month period beginning in July 1980. Academic visitors flocked to Stanford from around the world – many of them leading experts in their own fields – and the limited number of visitor offices were all fully occupied when I arrived. I was eventually offered a shared office in the Center for Advanced Studies in the Behavioural Sciences that was located in the south-west corner of the campus overlooking the famous Stanford University golf course (where former student Tom Watson honed his formidable golfing skills). I shared the office with two other visitors, but neither came in very often and I had it to myself most of the time.

My leave at Stanford gave me the opportunity to observe close-up some of the world's leading economists in action. The experience was exhilarating, but also challenging because it exposed me to the best in the world and highlighted the enormous gulf between my abilities and theirs. I had wandered into the upper reaches of the distribution of intellectual ability and could see how far its peaks stretched over the horizon and into the distance. It was great to be able to rub shoulders with the greats but frightening to think that the

heads on some of those shoulders had produced the ideas and theories that now supported my own economic knowledge.

Watching Kenneth Arrow in action at the workshops I occasionally attended was a rare treat. The topic of the seminars was game theory and most of the world's leading exponents of that indecipherable subject were in the room. Each presenter would begin by outlining the problem they would be addressing and then start listing the assumptions they would make to develop a model and prove a theorem. Time after time, after they'd put up about five assumptions, Kenneth Arrow, who'd be sitting in the front row, would interrupt by asking a question about the rationale for one of the assumptions. Before the presenter could respond, Arrow would then start to answer his own question as his voice articulated the thoughts forming rapidly in his mind, leading the audience on a rollercoaster ride as he explained, with increasingly rapidity, the implications of each preceding comment, ending up most times by proving the presenter's theorem or at least spelling out where the analysis was heading.

Meanwhile, the poor hapless presenter would stand silently at the front, amazed at the speed of Arrow's lightning-fast roll-out of a proof that they had probably been working on for months, possibly years. Sometimes someone with the status to do so would ask Arrow to stop interrupting and let the speaker continue and whenever this happened, he would realise his error, apologise meekly and stop. It wasn't as if he was deliberately trying to embarrass the presenter or show how much cleverer he was, rather that his brain worked so fast that once he started speaking he had to speak ever more quickly to keep up with the rush of ideas that were forming in his mind. It was an amazing performance that I felt privileged to witness – the closest I've been to seeing a genius in action.

Observing these events was an educational experience for me, and it confirmed in my mind that economics has much to contribute to social policy because it examines how people make choices when facing constraints and how those choices can be influenced by external shocks or policy reforms. However, its potential is often not fully realised because too many economists over-sell what they have to offer and fail to acknowledge the many complicating factors that conflict with the (often unstated) assumptions on which their conclusions depended. These complicating factors are the bread and butter of social policy analysis, so it is no surprise that the economists' grand claims are treated with suspicion or rejected out of hand. If economists could spend less time lecturing others about their disciplinary failings and reflect more deeply on the limitations of their own subject, their impact could be bigger and better.



When not attending the many seminars on offer, I spent most of my time at Stanford writing a couple of papers based on my research on price determination conducted under my Reserve Bank grant. (I never published any papers based on my PhD thesis, being content to complete the task and move on). This was the first time I had the freedom to write uninterrupted by other demands and I made the most of it, my writing skills improving in leaps and bounds as I warmed to the task and discovered the joy of writing. I learnt the importance of having a routine to shape my effort, preventing me from exploring the many attractions that surrounded me. It would have been all too easy to join what John Pencavel called the ‘many fruits and nuts’ that had made California their home, but I had the foresight (and lacked the confidence) to get too distracted by those temptations.

This still left me with ample time to experience the wonders of Palo Alto and its surrounds and that too was a source of immense pleasure. The quality of life in the Stanford area must be among the highest on the planet, although one needs to have a high income and/or be wealthy to take full advantage of what is on offer. And this was in the days when Silicon Valley was yet to become the dynamic economic and technological powerhouse that it is today and deliver a further boost to local incomes and prosperity. Even so, the streets of Palo Alto and nearby Menlo Park were lined by elegant, beautifully maintained houses, expensive cars adorning their driveways and every lawn, even those along the sidewalks, lush and mowed to perfection. An array of wonderful bookshops, coffee houses, ice cream parlours and bistros catered to the recreational needs of the area’s affluent residents and the quality of public infrastructure like roads and parkland was similarly impressive – far better than in most of the rest of the country.

Further contributing to the area’s attraction was the climate, which is still as good as anywhere I’ve stayed for any length of time. The daytime temperature oscillates in a small range around 30 degrees for much of the year, while evenings and nights are cooler but tolerable. I didn’t see my first cloud until I’d been there for over three months and it only rained for a couple of days just before I left in December. In contrast, the weather in San Francisco is much cooler (‘always take a sweater’ was the advice I was given) because the city was nearly always shrouded in the damp mist that rolls in from the Pacific.

I lived for my first six weeks in a student dormitory on the edge of the Stanford campus but had to vacate when term started, and the students moved back. After that, I rented a room in a house in nearby Menlo Park owned by the Gorodskys, two local clinical psychologists who were taking a vacation in



Indonesia and wanted someone to house-sit for them. I shared the house with two undergraduate students and two others who rented small cabins set in the large garden surrounding the main house. I asked my new landlords (Julian and Lynn) if there was somewhere I could work so that I didn't need to go into the campus every day and they kindly set up a make-shift office in a room at the rear of the house adjoining the garage and overlooking the garden.

The immediate priority was to write my Introduction to the SWRC Workshop on Poverty Measurement report and send it back to Adam Graycar in Sydney so it could be published before being overtaken by events. After spending several hours mastering how to use the tape recorder that Julian had left me in my new office, I put on the headphones, inserted the tape, pressed the play button and sat back, eyes half-closed, to listen. All went well for several minutes but the flow of the discussion was suddenly interrupted by a strange noise followed by silence. My initial thought was that there was a problem with the headphones, which I started fiddling with. I then noticed out of the corner of my eye what looked like a long black snake-like creature wriggling its way across the floor at my feet. It was in fact the tape, that had somehow escaped from its casing and was spilling out in long spools as the mechanism still turned, ejecting more of its valuable occupant onto the carpet. I was horrified. I turned the tape machine off, the tape stopped ejecting, but the damage had been done.

The future of the report that I had promised Adam Graycar had suddenly nose-dived, along with my hopes of using it to influence the choice of a new Australian poverty measure! I had no choice but to try and insert the tape back into its casing without damaging it and I set about trying to achieve this by first wrapping the tape around a pencil and then carefully re-inserting it inch by inch back into the recorder, hoping it would rewind back onto the spool undamaged. It took hours of concentrated effort and tested my patience on the many occasions when the tape refused to comply with my wishes, struggling to regain its freedom. Eventually it was all put back, the tape tuned on and to my relief it was still possible to hear what was on it.

I never mentioned this unfortunate incident to Adam although I did tell him later that producing that Introduction presented several unexpected challenges and took far longer than I had anticipated. He was relieved to get the written proceedings back in time to release the report in October 1980, just six months after the workshop had taken place. Not a bad performance by today's standards. My one disappointment was that the report did not appear, as I had hoped, as the first in the *SWRC Reports and Proceedings*, being beaten by a report on data for welfare decision-making that was published one month earlier.

Looking back, the Introduction written under trying conditions in that temporary Menlo Park office has stood the test of time remarkably well. Reflecting on the concept of poverty, I wrote:

‘... people are poor if their resources are insufficient to allow them to purchase a minimum necessary basket of goods and services. They are not required to actually purchase the minimum basket, but merely to have sufficient resources to enable them to do so. If, given sufficient resources, they choose to purchase a different basket, that is their prerogative, given the value judgement that their tastes and preferences are to be respected.’

After reviewing the literature on poverty measurement and the work of the Poverty Commission, I concluded with the following assessment of the different adjustments embodied in any poverty line:

‘It is conceivable that adjustments in each of these regards offset each other, or that the poor are such a clearly delineated group that alternative poverty lines identify the same groups in poverty. It seems more likely however, that the poor represent one extreme of a continuum of income and deprivation, in which case the elements which go into the construction of the poverty line become critical.’

Together, these two statements written forty years ago provide a compact summary of many of the issues that have guided much of my subsequent work on poverty. I have strayed along many paths since they were written, but that is natural when researching a topic like poverty that is constantly changing its shape and substance, forms of expression and personal and social impacts. Understanding these factors was to take me far beyond the statistical dimensions that were the focus of debate at that time.

### *UNDA ou l’OCDE?*

I returned to Sydney from California via New York and London – the latter combined with a stay with my parents in Waltham Cross for Christmas 1981. I then flew on to Paris where, as agreed, I had alerted Palle Andersen of my intended visit so he could arrange for me to be interviewed. He invited me to stay with him and his wife in their delightful home in a small village outside Paris which provided an insight into another of the joys of living in this wonderful city. I didn’t realise it at the time, but those few days spent in Paris less than a month after my exciting sabbatical in California would result in another equally absorbing but very different adventure.

After being delayed on my trip from the airport into central Paris I headed

for the OECD headquarters in the 16th arrondissement where amazingly, I ran into Palle in the street outside the OCED on his way home, having assumed I was not taking up his offer of a bed for the night. After a pleasant evening chatting about working at the OECD and living in France, we headed back to the OECD the next morning. Once there, Palle accompanied me to the resplendent Chateau de La Muette that housed the OECD Secretary General, his staff and the organisation's mainly French administrative personnel. I was introduced to a dour French woman who showed me into a vacant office along the corridor and handed me a lined exercise book and a single sheet of typed paper.

'I will come back to collect your answer book in two hours,' she said tersely and without further explanation, closed the door, leaving me to read what she had handed me.

The sheet contained a series of exam-like questions under the blunt instruction: *Please answer any TWO questions in the book provided.* Below this, the sheet contained about six questions, not unlike those I had set for my macroeconomics students back in Sydney. The main difference was that the OECD questions emphasised the empirical aspects and policy implications of each topic rather than focusing on the underlying economics. One of the questions I answered was on the demand for money, a topic on which I had co-written a book chapter with Dave Taylor while at Stirling. It presented the details of an estimated demand for money function for West Germany (as it was then) and asked for a written explanation prepared for German policy makers that set out the implications of the estimates and how they could be used to predict the implications of a sudden cut in official German interest rates. Or something along those lines.

I had no trouble answering this and another question in the two hours, having taught the subject at Sydney University and spent the previous six months honing my writing skills at Stanford. I was perfectly prepared for the test before me and felt confident when my answer book was collected that it contained two good answers. When she returned as promised, my absent invigilator told me to take a lunch break and return at 3pm. I took note of the lengthy lunchbreak which was common practice in France but unusual in my experience. When I returned, I was shown into a larger office to confront a group of about six men, each of them holding a photocopy of my answer book. They had obviously read my answers and proceeded to quiz me about aspects of what I had written, including querying why had I written certain things, or omitted others, or asking me to provide a rationale for some of my statements. After an hour or so, the meeting was declared finished and I

made my way back to Palle's office, sometime later back to his home and the following day flew to Sardinia for a brief (but wonderful) week's holiday with Valentino Benedetti now back at the University of Sassari, and from there back to Sydney.

When I reflected later on the rather unusual (and unexpected) selection process (about which Palle had told me nothing in advance), I realised how well-tuned it was to identifying the kinds of skills needed to be a successful OECD economist: a sound knowledge of basic economics; awareness of its limitations but appreciative of the policy implications; an ability to write clearly under pressure; and an ability to defend what one had written when asked, all the while speaking calmly and coherently. These skills were practiced daily by all OECD economists and I was impressed that the interview process had been so expertly designed to reveal whether each candidate had them. It suggested to me that there was a high level of professionalism in the organisation, and that it was likely to be a good place to work.

Back in Sydney, the PE dispute still raged in the Economics Department (a far cry from Stanford's intellectual battles) although I and a small group of colleagues, including Tony Phipps, Judy Yates, Viv Hall and later, Louis Haddad (who defected from the PE group) and another New Zealander, Russell Ross had formed a non-aligned 'middle group' that assessed each proposal on its merits rather than according to which side had proposed it. This new strand of opinion added a degree of uncertainty to proceedings but was also capable of producing better outcomes – or so we thought. In practice, the two sides of the dispute both felt threatened by the existence of the 'middle group' and were equally vociferous in their opposition to its conciliatory proposals. This reaction illustrates the petty nature of much of academic politics but also highlighted a broader truth, which is that politics is often more about fostering disagreement than resolving differences for the overall good.

I later heard from Palle that the OECD 'interview committee' had been impressed by my performance and he was hopeful that a position would be found for me. In the meantime, I had to be patient and wait while the cogs of the OECD's (predominantly French) snail-like bureaucracy turned intent into action. I didn't hold out much hope that an offer would be forthcoming, although this largely reflected my ignorance of how the OECD's recruitment practices operated. I still had the possibility of getting a position in Pat Troy's Social Justice Project at the ANU that had by now formally commenced. Either way, my eyes were turned away from the Sydney Economics Department and the sterile dispute that continued to fester there.

Eventually the positions with the Social Justice Project were advertised and one of them suited me perfectly so I decided to apply. I didn't mention this to my then (second) wife Anne until some weeks later because I knew that she was not keen on moving to Canberra. I eventually had to tell her when I was invited for an interview but assured her that I probably wouldn't be offered the position and even if I was, I probably wouldn't accept it. These arguments didn't convince Anne who seemed certain that I would get it, and as it turned out, she was right. The interview went very well, and I was offered a job by Pat Troy on the spot. When I got back to Sydney, I told Anne, arguing now that even though I had an offer, I would probably not accept it, or that if I did, it might not be necessary for me to relocate to Canberra. And even if I did move there, I could still spend most of my time in Sydney. This endless series of pathetic diversions was designed to delay having to make what I saw as a choice between my commitment to my career and my relationship with Anne.

While I negotiated the details of the ANU offer, I submitted an application for two years' leave without pay from Sydney, which I told Anne probably wouldn't be approved. It was. I was incapable of deciding whether to accept the offer and dithered for several weeks before calling Pat Troy to explain my dilemma. He had treated me very well and kept me informed along the way and I felt that the least I owed him was to treat him similarly. He was very sympathetic but said he needed me to decide soon so that I could arrive early in the project and help to shape its development. I decided to accept the offer and true to her word, Anne ended our relationship and moved out of the house we were sharing in Birchgrove. I was devastated but still hopeful that somehow everything would work out and so delayed formally accepting the ANU offer.

Then, in a development reminiscent of that unexpected telegram from Sydney that I received when at Stirling, I received a telex from the OECD. It indicated that a letter would follow offering me a position in the Growth Studies Division of the OECD's Economics and Statistics Department. The feedback provided by Palle Andersen immediately after my interview had been accurate, and the original plan had been to offer me a position right away, but the US delegation insisted that the next vacancy be filled by an American and they had more influence.

I was deeply surprised to receive the news and saw it initially as another source of pressure and indecision. More misery. But such negative thoughts soon dissipated as I saw the offer as a tremendous opportunity to work in a leading international organisation located in one of the world's greatest cities. The fact that the position paid a high tax-free salary was another attraction (I'm

an economist, remember) and even though the position sounded ominously pedestrian – Administrator, Grade 3 – my initial hesitation quickly gave way to excitement as I contemplated the practicalities of working for the OECD and living in Paris.

But there was still the offer from the ANU and Pat Troy to deal with. Fearful of his reaction, I delayed telling him the news that I would not be joining the Social Justice Project after all. I feared he would think that my failure to accept the ANU offer was a delaying tactic, part of a deliberate strategy on my part to wait to hear the outcome of a separate application to the OECD that I had not told him about. Although this was very much not the case, I could not expect him to believe that the OECD offer was as much as a surprise to me as it was about to become to him.

When I eventually plucked up the courage to call Pat and give him the news, he was incredibly understanding. He told me that the OECD had been actively searching for an Australian economist to recruit (the national balance of the professionals in the OECD secretariat is a constant issue for the organisation) and on a routine visit to Australia the previous year, senior OECD officials had asked Pat (and others) for some suggestions, and he had mentioned me as someone they might be interested in. This might well have prompted the OECD to interview me when they discovered I was visiting Paris in early 1981.

‘If you want my advice,’ he said, ‘this is a unique opportunity and you should jump at the chance to work at the OECD for a few years. The Social Justice Project will miss you, but we’ll survive, and you will learn a lot at the OECD and come back the better for it’.

What a generous reaction to news that was going to upset his plans and give rise to more work for him. It speaks loudly of why Pat Troy was so respected and admired by all who knew him, and I will never forget the empathy and forgiveness he showed me in circumstances where he could have made life very difficult for me. If he had done so, it would have made it far harder for me to accept the OECD offer as I had by then made a commitment to him and the ANU and I was a man of my word. Instead, his gracious acceptance of my decision opened the way for me to reaffirm the view already coalescing in my mind that I would be heading not to the ANU and Canberra, but to the OECD and Paris.

## CHAPTER 5

# CONNECTING INTERNATIONALLY

### *Investing in my future*

I already had two years' leave without pay approved to take up the ANU offer but I now had to get approval to change my destination to the OECD. Warren Hogan suggested that I meet with Sydney University Vice-Chancellor Professor John Ward to discuss my change of plan. We met in his office located in a quiet corner of the main quadrangle overlooking a delightful garden. Over tea, he asked me about my plans and how the dispute within the Economics Department was progressing. The meeting went well, he approved the change, and my thoughts turned to Paris.

Two significant transactions took place in the months before I left Sydney to take up my appointment with the OECD. I acquired a new house and an old travelling companion. I had decided that I needed to get back into the housing market before going to Paris and had my share of the proceeds of the sale of the house I had owned with Nina to invest. Now that my move to Paris was confirmed, I needed to move quickly to find a house and stopped one Monday morning when visiting the pleasant suburb of Annandale to look in a real estate agent's window to get a sense of house prices in the area. There was a three-bedroom renovated semi-detached house listed that looked intriguing, so I went inside to get further details. I spoke to the manager, who told me that the house had just been listed (that very morning, in fact!), was in the next street and was available for immediate inspection.

We drove there and as soon as he opened the door, I warmed to the place. It was a narrow, semi-detached cottage with a picket fence and small front garden, one of an identical pair. It was single storey when viewed from the front but the land fell away and a second floor had been built underneath that contained a third bedroom, a small bathroom, the kitchen and a largish living room that opened onto a pleasant back garden. I told the agent that I was interested and after a few hours' reflection I called him and submitted an offer: not a bad morning's work! After negotiating over the price with the owner, we reached agreement, contracts were drawn up and duly exchanged. Unfortunately, the speed with which we had arrived at this point was not repeated when it came to contract settlement and me gaining access to the property.

It turned out that the owner was a close friend of the estate agent and had only intended to 'test the water' by advertising the house for sale (on the

morning I saw it in the agent's window!). But the agent gained an almost effortless earning of his commission after my unexpected intervention and had put a 'Sold' sign up in his window and on the 'For Sale' sign hastily erected outside the house, and that was that. However, the vendor encountered difficulties securing the loan he needed to purchase another property, and this meant that he was not able (or willing) to vacate the premises. After a considerable delay (that created problems for me vacating the house I was still renting that Anne and I had occupied), his problems were resolved, and he vacated the Annandale house. I moved in for the short period before leaving for Paris, relieved at becoming a homeowner again, but apprehensive at the prospect of becoming a landlord.

The other event far was less stressful at the time but had more profound long-term consequences. After our separation Anne had moved out of Sydney, but we somehow met while she was back visiting her parents' house and I told her of my impending move to Paris. On an instinct, I asked if she'd consider coming with me and while she was taken aback, she didn't refuse outright so I set about trying to persuade her. It took some effort, but it worked. She agreed to come with me as my partner, thus making her eligible for the generous OECD entitlements paid to 'dependants' (as defined in the detailed OECD manual of staff entitlements). We flew out of Sydney in August 1982, sending ahead as unaccompanied baggage a suitcase that contained items we needed on arrival like sheets, towels and so on. If you are ever contemplating doing this, my advice is think again. After checking it in in a special building on the outskirts of Sydney Airport, the case disappeared into the airline's mysterious baggage assignment timetable and there was no sign of it when we arrived in Paris (where we were assured it would be, waiting for us). It remained hidden for several months but did eventually arrive – after a delay similar to that I had experienced when moving my effects to Sydney seven years earlier.

The delayed arrival was an inconvenient but tolerable annoyance, although the suitcase contained the final draft of a PhD thesis that I had agreed to supervise. The thesis had been written by Meredith Edwards, then a student at the ANU, who had asked me if I would be willing to supervise her thesis so she could draw on my expertise in social security issues and policy to balance the input from her two ANU supervisors, who were both eminent economists with relatively little policy experience. The thesis was the first Australian study of income-sharing within families, its centrepiece being a family survey that was small in scale but large in academic significance and policy implications. When I told Meredith about the lost suitcase, she mailed me a replacement copy which I read and mailed back with my comments.



The thesis was revised, submitted and examined and the Doctorate deservedly awarded, its findings resonating for many years through the social policy community that Meredith went on to play a leading role in as academic and policy bureaucrat.

### *The OECD*

There were 24 member countries of the OECD when I arrived in 1982, two decades after its establishment in 1961 and just over a decade after Australia joined. The organisation's goal was to promote economic growth and international trade by sharing policy ideas and experience that helped to solve common problems. It also examined educational, social, fiscal (mainly tax) and environmental issues, but was best known for its economic work. Its flagship publications were the bi-annual *OECD Economic Outlook* and the regular country reviews of developments and policy, although it occasionally also released reports on specific topics.

The Economic and Statistics Department (ESD) was separated into the General Economics and Country Studies Branches. Each Branch contained five Divisions, differentiated by topic and country, respectively, with between six and eight professional economists in each Division. The General Economics Branch provided expert advice in specific areas of monetary, fiscal and balance of payments policy and had two more general Divisions, the General Economics Division that Palle Andersen headed, and the Growth Studies Division where I was to be located. The Country Studies Branch was responsible for producing the national economic forecasts that fed into the overall (global) forecasting model, and for monitoring policy and other developments in each country.

The Growth Studies Division had been set up in the 1960s to review different ideas and proposals about what to do with the anticipated surplus generated by unhindered economic growth. Important reports had been published on the changing size, roles and impacts of publicly funded income maintenance, education and health programs and an external consultant, Malcolm Sawyer from University College London, had produced an important and influential report that was the first to compare country differences in income distribution.<sup>1</sup>

The OECD's work program was reviewed and approved by committees comprised of Ministerial and bureaucratic representatives from each member country. The Economic Policy Committee contained senior government

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<sup>1</sup> *Income Distribution in OECD Countries*, OECD Economic Outlook, Occasional Studies, Paris: OECD, 1976.

Finance Ministers or officials and met annually to review and approve the ESD work program. Once a project had been approved, its progress was monitored and discussed by a Working Party of government officials that met twice each year. The Australian membership of these two committees at the time were the Head of Treasury, John Stone who later became a Queensland Senator for the National Party, and Treasury official Don Russell, who later became Principal Advisor to Paul Keating and Ambassador to the United States.

The eighty or so economists in ESD all carried the title of Administrator, differentiated by rank from A2 (statistical assistant), A3 (my grade, a general workhorse), A4 (Principal Administrator and project leader), A5 (Head of Division), A6 (Head/Deputy Head of Branch) to A7 (Head/Deputy Head of Department). The titles capture the hierarchical and bureaucratic nature of the organisation although ability was the paramount determinant of seniority in ESD and its staff were very impressive. There was no formal promotion mechanism, but high-performing people were promoted by moving between Divisions or to another Department. Staff turn-over was high because a significant proportion of the secretariat were sent to the OECD by their home public services to gain international policy experience, these 'high-flyers' adding to the quality and expertise of the Department. To my knowledge, I was the only member of the ESD secretariat at that time who was on leave from an academic position, although many academics were hired as short-term consultants to work on specific projects.

The structure, working arrangements and professional ethos of ESD differed greatly from that in a university teaching department that I was familiar with. In my academic job, I was free to pursue my own work agenda (at least in relation to research and other non-teaching activities) and was not answerable for my output to my senior colleagues. In contrast, the ESD work program was determined externally and each person's contribution was monitored closely and reviewed internally. The bureaucratic nature of the organisation did not detract from the overall quality of its staff or its output. In my judgement, the level of staff expertise was very high – higher on average than in most Australian university economics departments at the time. The general levels of professionalism and commitment were also very high. There were some who had grown accustomed to the 'high-life' that a tax-free salary in Paris allowed, and did no more than they had to, but they were exceptions to the general rule.

I was amazed at how efficiently ESD's work program was arranged and each person's place within it identified. This was essential given the complex, integrated and precisely timed nature of the work needed to produce the

influential economic forecasts that were published each June and December. Each forecasting cycle was required to conform to a massive timetable – laid out on huge sheets of paper that stretched several metres long and over a metre deep – that were mounted poster-like on the wall outside the Branch Heads’ offices at the beginning of each cycle. The timetable for each forecasting round contained precise deadlines (by the hour, not the day, week or month!) for each step of the process, which appeared as entries in the cells of a matrix that had the days of each week running along the top and the hours in each day running down the side. The first forecast of the German economy had to be completed by the relevant Country Studies Division by 10am on Tuesday 24 March, and so on. If a deadline was missed, the next stage in the forecasting cycle would be delayed and this would create a domino effect that would put the timing of the whole process in jeopardy. If the German GDP forecast was not available on time, the French could not predict its exports to (or imports from) Germany and so its forecast would be delayed too. This might seem to be an overly rigid approach but was in fact the result of a tried and tested formula.

Alongside this excessive (but needed) rigidity was a degree of flexibility designed to ensure that all relevant knowledge and expertise was considered and, where relevant, incorporated. Early in each forecasting round all the ESD economists and key members of other departments were invited to a day-long meeting to discuss general economic developments and the overall framing of the new forecasts. Participants were invited to raise key ideas, theoretical developments or policy initiatives that might influence the new forecasts. Anyone was free to contribute ideas, and each was discussed extensively. Those that withstood the criticism and met a threshold of relevance and plausibility would be included in further discussions as the detailed forecasts, policy reviews and recommendations took shape.

I attended these meetings (as an observer, never contributing) and found them fascinating, providing further evidence of the highly professional nature of the department, but also highlighting its open and egalitarian approach. The whole approach and the atmosphere it created was more consistent with the concept of collegiality that academics often claim to be a key feature of their profession. My experience is that while collegiality is highly valued within specific academic circles, this is far from the case across the academic body as a whole, where self-interest and a zealous drive to keep one’s ideas to oneself are the norm. The fact that the OECD had a clearly defined mission that required it to draw on all available expertise was clearly relevant here, but its practical consequences represented another important lesson for me.

### *The policy context*

When I joined the Growth Studies Division, the dire economic conditions of the 1970s had resulted in economic growth virtually disappearing from the OECD 'rich boys' club with little prospect of any immediate return. Many OECD governments were becoming increasingly concerned that the excessive and apparently irreversible growth in public spending had reduced the capacity to provide tax relief and was generating adverse economic effects by stifling enterprise and competition. Some (mainly American) economists went further, drawing on the 'Laffer curve' to argue that income tax cuts would stimulate the economy, create additional income and end up generating more tax revenue, not less. It was an absurd proposition with no evidence to support it, but it had some very powerful supporters including US President Ronald Reagan and exerted a powerful impact on policy thinking.

Within Growth Studies, a project on The Size and Growth of Government was in its early stages of development when I arrived, and I was initially assigned to assist with the work on it. I was introduced to the 'public sector project' as it became known in my first meeting with my Head of Division, German Friedrich Klau. He was a lovely man who shared many of Pat Troy's attributes (including an uncanny physical resemblance to him), showing a great interest in the welfare of his staff, supportive of their work, willing to defend them when necessary and always having the time to discuss concerns, despite having a huge workload. Friedrich became my unofficial mentor and personal friend and I was to learn a tremendous amount from him over the next three years, not only about economics but also about leadership and how to manage staff, including someone like me who was unfamiliar with having his work reviewed and amended by his boss (or 'line manager'). Drafts went 'up the line' to be commented on by one's seniors so that everyone had their say, but those higher up the hierarchy had a bigger say, certainly the final say.

Friedrich would read every word of the drafts I produced and would cover them with a huge number of hand-written (often in pencil) comments, questions and suggestions. But he'd always begin our discussion by congratulating me on an excellent piece of work that 'just needs a few minor improvements' – an approach that softened me up for the deluge that was about to be released. He had an annoying habit of sitting down next to me to go through what I had written in detail, first reading out his comments (this often took a while as his handwriting was tiny and often indecipherable), then explaining his point before seeking my agreement to incorporate his proposed revision. Getting my agreement was paramount, and he was persistent, wearing down my resistance by a process of deciphering, understanding, clarifying,

debating and (nearly always) incorporating his suggested refinements. It was a remarkably successful approach and I'd like to think that I later managed to 'be a Friedrich' to some of my own junior colleagues, although that assessment is probably best left to them and should probably only be applied selectively.

Friedrich's traditionally Keynesian perspective was not popular at the time and his views often attracted the ire of his colleagues and OECD committee members, most of whom were more closely aligned with the monetarist thinking that dominated the world's Finance Ministries. Led by Reagan in the US, Prime Minister Thatcher in the UK and the ultra-conservative German Ministry of Finance, economic neo-liberalism was nascent and economic policy involved abandoning discretionary stabilisation policies in favour of adherence to broad rules. Macroeconomic policy was driven by the 'three C's' – credibility, consistency and continuity – and anyone who disagreed with the approach was either behind the times or uninformed.

I thought that the 'three C's' approach was more about creating the right atmosphere than about addressing economic problems directly (although I never dared to express this view at the time). It also seemed to me that at least one of the 'C's' was probably redundant, since if policy was credible and consistent then it should automatically be continuous, while if it was consistent and continuous then it would surely be credible, and if it was credible and continuous then its consistency would be guaranteed. But 'three C's' had a sounder ring to it than 'two C's' and its proponents had a good deal more influence than I did. There was also a degree of circularity in the arguments that underpinned the 'three C's' approach. The key word was 'credible', because policy makers argued that policies would only be credible if they complied with *their* definition of what was continuous and consistent. This shut off any discussion of alternative viewpoints and reinforced the hegemony of those with the power to call the shots.

I recall one of the Working Party meetings where there was pressure from some European countries to get the secretariat to conduct some simulation modelling to assess which policies were most likely to produce a gentle increase in demand (leading to an economic 'soft landing') rather than a sharp surge (followed by a 'hard landing') that would be disruptive and upset expectations and confidence. The proposal was vehemently opposed by the US and UK delegates, who argued that if word got out that the OECD was conducting such an analysis, that alone would destroy confidence and undermine all the good work done to settle policy makers' nerves under the 'three C's' approach. The sceptics won, of course, although I and many others in the secretariat reflected afterwards on the fragility of the 'believe it and it will be so' mantra that was driving policy under the 'three C's' approach.

### *The public sector study*

Initial work on the public sector study had been conducted by Principal Administrator Peter Sturm, with assistance from a Canadian trainee (Riel Miller) and an academic consultant, Professor Angus Maddison from the University of Groningen in the Netherlands. Angus was a leading expert on the national accounts and the measurement of economic growth and development. He had many eccentricities, including a tendency to make outrageous statements in the most unexpected circumstances.

When Friedrich first described the project to me, he said its goal was to answer four key questions: What has happened? Why has it happened? Does it matter? and What can we do about it? This struck me as an excellent shorthand way of describing the project and I have used it many times since to help clarify my own thinking and define the scope and focus of other projects. The first question had already received considerable attention and a report was being prepared for discussion at the next meeting of the ESD Working Party early the following year. My role was to address the Why? and So What? questions, leaving the final one (What can be done?) aside for the moment.

As I set to work, I quickly discovered how little I knew about the national accounts that provided much of the data used to measure government activity. The OECD had developed, with others, the System of National Accounts (SNA) used in all Western countries and collected and stored the SNA data (just along the corridor from my office as it turned out). Because the SNA measures formed part of the national accounting framework, they were comparable across countries and could thus be used in comparative studies – a topic that was new to me then, but one I was to become heavily involved in later. I spent many hours experimenting with different measures, improving my understanding of the SNA and educating myself about its strengths and limitations.

I was lucky to have an initial draft of Stage Two of the project – produced by Peter Sturm with help from Angus – that gave me a foundation on which to build. Without it, I'm not sure I would have been able to pick up the project so quickly and progress it. I worked through the draft making revisions and additions, meeting regularly with Friedrich to discuss my drafts and plan future work. This process of review and revision allowed Friedrich to assess my ability to take full responsibility for the project since he was keen to assign Peter Sturm to other projects. Once he was convinced that I could be trusted, he put me in charge of the project (highly unusual for someone at A3 level), left me alone to get on with it and protected me from the many other tasks that might have come my way, including any involvement in the economic

forecasting cycles that would have been time-consuming and reduced my autonomy and independence.

This allowed me to maintain a steady work pattern throughout the year, getting into my office between 9.30 and 10.00am each morning and leaving between 6 and 6.30pm, avoiding the long hours of frenetic work that stretched well into the night by those involved in the forecasting round as its deadlines loomed. With a traditional long French lunch break in between, I put in around six hours of intense, focused work each day, far less than some but a good deal more than others and enough to produce the output expected of me. This pattern suited my circumstances and established a relatively rigid pattern of work habits that I was to follow for many years.

### *Paris and France*

Anne and I initially rented a small apartment very close to the OECD, just across the Boulevard Suchet that runs along the eastern edge of the city, separating it from the Bois de Boulogne. The ground floor apartment was on the corner of a small side street where 'ladies of the night' plied their trade, sometimes venturing to perform acts of gross indecency in clients' cars parked right outside our apartment. The apartment was owned by French polar explorer Paul-Emile Victor who we never met, as he was always away exploring somewhere or other. The living room had roughly patterned whitewashed walls designed to give the impression of the inside of an igloo – something that only a polar explorer could wish for of a flat in Paris. I guess he felt 'away-sick' on the few occasions he came home, and this helped to alleviate the condition.

It was a fair distance from the nearest shop and a long walk to the nearest metro station at La Muette, but its close proximity to the OECD led me to boast that I lived closer to my office than most of my OECD colleagues could park. I initially saw this proximity as an advantage, but over time found it rather oppressive, arriving at work each morning while still half asleep and immersed in domestic concerns, and returning home each evening with a mind still focused on work-related issues. We stayed there for most of our first year before moving to a larger and lighter apartment in Boulogne-Billacourt, a few stops down the metro line but still less than 30 minutes from the OECD.

Paris is a marvellous city and France is an incredibly diverse and beautiful country. The city has many attractions: its food, superb restaurants, boulangeries, patisseries, cheese shops, bistros, street markets, wonderful galleries, wide boulevards, cobbled streets, small squares, lovely parks, the metro, and so many glorious hidden-away *quartiers* including the Marais, the



Latin Quarter, Rue de Passy near the OECD and the lovely Park Monceau in the fifteenth *arrondissement*. Wonderful buildings are everywhere too, including the *Conciergerie* (my favourite), the Musée d'Orsay and the Paris Opera House. Living in Paris is not without its downsides, chief among which are the arrogant and surly nature of many Parisians, the nightmare trying to find anywhere to park, the 'touch-parking' dents left in one's car by other motorists, smoke-filled restaurants, tiny dogs being fed from restaurant tables or occupying a seat on a crowded metro carriage, the dog shit that is everywhere and the insufferably loud American tourists.

But it was the French countryside that left a lasting impression on me. Anne and I would regularly head off each Sunday to explore the back roads and marvel at the scenery. Less than an hour's drive from Paris one could get lost among narrow rural roads before arriving at a village and have a glorious 'menu à prix-fixe' lunch served by an immaculately dressed *propriétaire* and still be home by nightfall. That these pleasures still exist is a testimony to the foresight and effort the French have put into maintaining these important vestiges of traditional rural life.

The first weekend we spent away – in my newly-acquired, tax-free second-hand Audi 100 – was on the Normandy coast about three hours' drive northwest of Paris. First stop was the medieval city of Rouen where we spent a couple of hours exploring the lovely laneways that lead to the main square where Joan of Arc was burnt at the stake. We then headed to the coast, reaching it at Fécamp before taking the beautiful coast road to the spectacular rocky outcrops at Etretat. The delightful cliff-top scenery was made more appealing by the marvellous weather, the clear blue sky and perfect light more than offsetting the brisk breeze that warned of approaching winter.

We stayed in a rather dilapidated hotel that overlooked the racecourse in the elegant tourist town of Deauville. It catered mainly to racegoers but there was no meeting that weekend and the hotel was virtually empty. We ate dinner at a nearby seafood restaurant, crammed alongside other guests, sitting shoulder to shoulder on the long benches that ran alongside the few basic but functionable tables. The food was excellent. The next morning, I opened our curtains on a scene of white winter-wonderland beauty. A heavy frost had descended overnight, and the racecourse and surrounds glistened under the early morning sun, already floating in another cloudless sky. We headed for the delightful fishing port of Honfleur for lunch then took the road along the Côte Fluerie before heading back to Paris along the autoroute, so pleased with our first memorable adventure that even the hideous traffic jam we encountered on the *periphérique* seemed a minor inconvenience.



### ***Back to the public sector***

As I settled into my role as *de facto* leader of the public sector project I began to think seriously about how to approach the Why Has it Happened? question. I was attracted to the decomposition analysis that had been conducted in earlier OECD reports, published in the 1960s, and set about trying to update them. There was, however, a demarcation problem since this type of analysis was traditionally conducted as part of the work program of the Social Affairs Department, not that of ESD. I had established good relations with relevant people there, but in a highly bureaucratic organisation like the OECD, much effort is expended on 'protecting one's patch' and straying into someone else's territory is not encouraged, at least not without good reason and the backing of one's superiors.

I wasn't as alert to these dangers at the time as I perhaps should have been. It was a vestige of my academic mindset, which saw it as natural to draw on the expertise and insights of others, particularly when they are so close at hand. However, this was not normal practice within the OECD and eyebrows were raised at my efforts to cross departmental boundaries. It is ironic that an organisation that spends much of its time lecturing governments about the benefits of collaboration, cooperation and clear lines of delineation (my '3 C's'), itself often displayed examples of competition, duplication and inefficiency.

My efforts at collaboration were greatly facilitated when my ex-colleague from Stirling University, Richard Hemming, took up a position in the Social Policy Division of the Social Affairs Department. He shared my enthusiasm for the work and was keen to adopt a collaborative approach, so we set about establishing an informal collaboration. The decomposition approach identifies three key factors that contribute to government spending on 'merit good' programs like education, health and income support that provide benefits to clearly specified groups in the population. These three factors are: a *demographic* factor that reflects the size of the relevant group (for pensions, the number of older people); a *coverage* factor that reflects how many in the target group receive a benefit (the number of pensioners); and a *generosity* factor that reflects how much they receive on average (the monetary level of the pension). Statistically, when multiplied together, these three factors fully account for the level of total spending on the program, and changes in each of them fully account for the overall change in spending. The approach can be used to compare the relative importance of the three factors in determining the level of, and change in, spending on a given program over different time periods within a single country, to compare the experience of different programs in the same country, or of the same program in different countries.

All you need to apply the approach is the data, and one great advantage of working at the OECD is the access it provides to such data. Having tracked it down and extracted it, I spent many months conducting statistical decompositions of government spending in five areas: education spending; health care spending; old-age pensions; unemployment benefits; and family allowances (or child benefits). The results featured prominently in the report I drafted, which was refined by Friedrich and discussed at a meeting of the ESD Working Party in late 1983. It was warmly received, and approval was given to proceed to address the third of Friedrich's four questions: Does it Matter?

However, it was clear to me by now that it would not be possible for me to complete the next stage of the project before my two years' leave from Sydney University expired in August 1984. I was committed to the public sector study and keen to see it through to completion, so Friedrich supported my application to Sydney for an extension of my leave, which was granted for nine months, until the end of May 1985.

The Does It Matter? report reviewed the available evidence on how different forms of government intervention produce positive and negative economic and social effects. It provided a balanced assessment, presenting data on achievements in education, health and income maintenance outcomes, and reviewing the evidence on the negative effects of taxes and social benefits on incentives to work and save. It also contained a comprehensive review of empirical studies of the distributional impact of government cash and in-kind transfers (free or subsidised services) that summarised the findings and conclusions of studies conducted in a broad range of OECD countries. The review re-ignited my interest in income distribution that had been sparked before I left Australia and cemented it as one of my lifelong academic interests. The review findings were regarded as important enough to warrant their early release, and the paper 'Evidence on Income Redistribution by Governments' was published under my name in the *ESD Working Paper* series in January 1985, six months before the main report was published.

Years later, I received some pleasing feedback on the value of that work from Gary Burtless, a Senior Fellow at the US Brookings Institute and leading distributional scholar and policy analyst. He was visiting the Economics Department at UNSW where he presented a seminar that I attended. After the seminar, he headed over to introduce himself to me and to congratulate me for my OECD income distribution paper that he clearly rated very highly. I made some ridiculously embarrassing comment about others having contributed but was delighted that my work had been so highly valued by someone of his stature. Such glowing feedback is rare and although it took

many years to reach me, this did not detract from the pleasure I felt when it finally arrived.

As part of the work on this phase of the public sector project, I conducted some simple statistical analysis of the relationships between aggregate measures of total government spending or total tax revenue (expressed as a ratio of gross domestic product or GDP) and three key economic macroeconomic variables: the rate of economic growth; the level of inflation; and the unemployment rate. The results showed that across OECD countries, there was an inverse relationship between economic growth and the size of government. However, its existence was dependent on the inclusion of one country: Japan, which at the time had one of the OECD's smallest public sectors and one of its highest growth rates. If Japan was removed, the relationship disappeared, casting doubt on the claim that 'big government' was bad for the economy – at least as I had measured and tested that proposition. It was also not possible to identify any negative relationships between measures of the size of government and either the inflation or unemployment rates across OECD countries.

There was unease among senior members of ESD about whether to include this analysis in the draft report presented to the Working Party because of its rudimentary nature. I argued that it was designed to introduce the topic by showing how different countries compared across these key variables and that there was no suggestion that the findings (that absorbed only a few pages of the report) should take precedence over more detailed findings presented later. With Friedrich's support (again), we won the debate and the section was included. To my surprise, when the Working Party discussed the report, its members focused almost entirely on those opening pages, discussing the results presented for several hours. Delegate after delegate voiced their criticism of the simplistic approach used and raised doubts about the plausibility of the findings produced. They were unconvinced by the argument that the results were largely intended to provide background and context and argued for the removal of the offending material.

There was however, one dissenting voice. It came from the Swiss Delegate, who was, as it turned out, an ex-colleague of mine from the Economics Department at Sydney University called Ulrich Kohli who had stayed in Sydney briefly before returning to his homeland, dispirited by Sydney's outrageous house prices. He was a very bright economist and I had great respect for his ability but was not expecting to hear what he was about to say. He argued that the approach I had used was no different from that used by the monetarists to show that the money supply was the main (and only) determinant of inflation. That too drew on similarly simplistic aggregate

(economy-wide) relationships, in their case between the rate of the growth of the money supply and the rate of inflation. Why, Ulrich argued, were the critics of our results not willing to apply the same reasoning to criticise the monetarists' results? He speculated that the difference might be because the monetarist results supported the prevailing 'small government' policy orthodoxy while ours challenged it. Only someone recently from an academic background would make such a statement in an international meeting of policy bureaucrats, but that didn't weaken my appreciation of his remarks, or my admiration for him for having the guts to present them.

It must have been one of the few times that a high-level OECD meeting drew such a stark contrast between economic policy makers' reliance on evidence that supported their pre-determined positions while rejecting similar evidence that did not. Was economics a matter of belief rather than science after all? Surely not! Despite Ulrich's spirited defense of the work, the section did not appear in the report when it was finally published. I did, however, manage to get several papers describing those findings published in leading peer-reviewed journals after I had left the OECD and later received numerous invitations to present the results to academic conferences in Europe and Australia. Those with a more open mind were apparently more sympathetic than those whose positions were challenged: another important lesson learnt.

### *Friends old and new and a special surprise*

My OECD work on the public sector brought me into contact with Bob Bonwitt who worked in the OECD Technical Cooperation Service and had been a colleague in the engineering mathematics course at Southampton University that I had embarked on in 1966. Another ex-student colleague I ran into – this time almost literally, as we were both running late to meetings – was the Italian Luigi (Lui) Genazzini, who had been in my Masters course year at Southampton. He was now working at the European Investment Bank and was on his way to attend a meeting at the OECD. Anne and I met him that evening for a drink at his airport hotel (he was flying out early the next morning) and he told us he now lived in Luxembourg and invited me to stay if I was ever passing through. I agreed to do so but it seemed highly unlikely that I would have reason to be in that part of the world, so thought little more of it. How wrong one can be!

One other OECD colleague and friend who deserves a special mention is Chris Higgins. He was the Deputy Head of the ESD General Economics Branch, on leave from his permanent position as a senior official in the Australian Treasury. He was very bright, worked incredibly hard and was much

admired by all staff. He was a connoisseur of good wine (and had an extensive wine cellar) and another keep-fit fanatic, regularly running a half-marathon during the long OECD lunch break. He was way above me in the OECD hierarchy but always had a kind word to say when our paths crossed in the corridor or at a meeting. Chris was a strong supporter of the Australian Labor Party, as I discovered when he led a group of inebriated, loud but generally well-behaved Australians to gate-crash (very late in proceedings) a small party that Anne and I had (rather unwisely) held in our 'igloo' apartment on the night that Bob Hawke led the ALP to an historic election victory in March 1983. I could tell that Chris was over the moon with delight at the election result, even though he had by then consumed so much alcohol that most of what he said was indecipherable, incoherent, implausible or all three.

When he returned to Australia, Chris became Head of Treasury and served in that role while Paul Keating was Prime Minister. Keating relied heavily on Chris's judgement and advice and one could tell that the PM held him in high regard – not something that many others can lay claim to. When Chris died tragically of a heart attack – ironically after completing a charity road race in Canberra when his weak heart eventually gave way – Keating was devastated. His personal loss was great, but the nation was also deprived of one of its best economists and a powerful force for progress and the common good.

In 1984, I worked closely with Chris on a Background Paper that was being produced for a high-level Ministerial meeting on the Role of Government, organised and hosted by the OECD. I was asked to draft a one-page Note summarising trends in government spending since 1960 accompanied by a table showing changes for each country between 1960 and 1982. That Note was probably read by more people than anything I have written before (or since), because everyone in the OECD at level A5 and above could comment on the material produced for such high-level meetings.

A few days after I had produced my draft, I was asked by one of the senior OECD managers to explain why the table did not include New Zealand. I explained that this was because New Zealand did not provide the data to the SNA that were needed to generate the government spending measure shown in the table. My explanation raised a minor storm within the OECD and a major hurricane in New Zealand because the then Prime Minister, Robert ('Piggy') Muldoon had decided to attend the meeting. If the PM was at the meeting, then New Zealand had to be included in that table, end of story! I was asked to specify the missing New Zealand data and within two days, we received the relevant information covering every year between 1960 and 1982!

The table was amended to include New Zealand at the last minute and Piggy Muldoon's blushes were saved. The incident gave me an interesting insight into how the machinery of government works, particularly when political leaders are involved, and bureaucratic heads are on the chopping block.

When the Ministerial meeting eventually took place, I was one of a small group of secretariat staff allowed to listen to the proceedings as they were taped into an adjacent room. It was while listening to that discussion that I heard the then French Prime Minister and later leading proponent of a unified Europe, Jacques Delors, say in relation to a specific economic issue under discussion:

'Remember that God gave us two eyes, so we can keep one eye on demand and the other on supply'.

It was a simple but compelling plea to always think broadly about any economic issue – a lesson that sadly has been forgotten (or misapplied) by many of his political successors.

In that same year, I attended as an observer a conference on developments in the public sector that included several papers that were relevant to the public sector study. Friedrich was initially reluctant to approve my attendance because it was unusual for OECD staff to be 'sent on mission' (and paid by the OECD) to attend a conference, unless as an invited speaker (and thus paid for by the conference organisers). But he relented and I went, although I kept a low profile, focusing on how the papers could help my OECD work (as one does when 'on mission').

I was particularly keen to hear the paper presented by a group of academic economists that described a comparative study of income distribution that drew on a new data set established specifically for the purpose. I had observed this group from a distance in earlier session breaks, talking boisterously, led by a tall American and a shorter Irishman who both broke into constant roars of laughter. They dominated proceedings, particularly during the social interludes when both appeared to consume copious amounts of alcohol. My distant negative initial reaction to them was clouded by my own insecurity and, as events were to prove, completely misguided as I was to discover that they were both totally charming and were to become close friends – Tim to this day and Michael until I lost contact with him in the early 2000s. I have stayed at both of their homes and both have visited me in Sydney on several occasions and Tim and I have written several papers together.

But back to our first meeting at that conference. It took place in Luxembourg and the paper presented by the aforementioned duo described

a new project they had established called (appropriately) the Luxembourg Income Study (LIS) that was producing new estimates of income distribution and inequality in high-income countries. The project was designed to address the weaknesses of the OECD commissioned study conducted by Malcolm Sawyer referred to earlier and had obvious relevance to the work on income distribution and redistribution that I was currently engaged in. At that stage the LIS project covered seven countries – Canada, the United States, United Kingdom, (West) Germany, Sweden, Norway and Israel – and the conference paper presented preliminary results for those seven countries, showing the benefits of having access to the micro-level data that the authors had assembled with financial support from the Luxembourg Government. By assembling data that were genuinely comparable and applying a common definitional template to the unit-record (household level) data, the new project produced cross-country comparisons based on the same definitions and assumptions. Importantly, having access to the individual data allowed these assumptions and the methods used to be changed and the impact on the results examined, within and between countries.

During a break after their presentation, I introduced myself to Tim Smeeding, then at the University of Utah and Michael O’Higgins from the University of Bath (but later to join the OECD). To my surprise, both were aware of my work at the OECD and were pleased to meet me and find out more about it. They were enthusiastic about the public sector project and we talked at some length about possible future collaboration.

Tim was the originator and leader of the LIS project and his commitment, hard work and enthusiasm drove it forward over the next three decades. He explained that they were very keen to have Australia join the project and asked if I would be willing to take on the role of Australian LIS coordinator. I told him that was an appealing idea but was not something I could do while working at the OECD. I indicated that I might be returning to Australia the following year and that we should keep in touch because I might be able get involved in the project in the future. He then asked me if I could suggest the names of any Australians that might be able to take on the role and I suggested that he contact Pat Troy and told him about the Social Justice Project, thinking that there might be interest there in getting involved.

I headed back to Paris inspired by Tim’s enthusiasm for the LIS project. I was keen to get involved in what I saw as a path-breaking project that could challenge some of Sawyer’s findings. One of these (of particular interest to me given what I had already observed about the country and its system) was that Australia appeared among Sawyer’s findings as one of the most equal income



distributions in the OECD. I found this somewhat implausible and had concerns that the poor quality of the Australian data did not justify its high equality ranking. Similar problems had been raised by others about Japan, another country that had relatively low inequality according to Sawyer.

These events prompted me to start thinking about where my future lay, as I needed to decide soon what to do when my (fast approaching and unlikely to be further extended) leave from Sydney expired. I was well-positioned to build a successful career at the OECD, having established a reputation as a competent applied economist who could work independently, meet deadlines and deliver relevant, quality output. However, it seemed unlikely that I would again be granted the autonomy that I had enjoyed while working on the public sector study, and the thought of working those endless late nights on routine forecasting tasks did not appeal to me. I knew deep down that a bureaucratic life was not for me and my mind was already turning to a return to academic life and saying farewell to the OECD (and sadly, to Paris and France).

But there was still the public sector report to finish. The Social Affairs Department's work on social expenditure decomposition led by Richard Hemming resulted in the report *Social Expenditure 1960 to 1990: Problems of Growth and Control* that was published in April 1985 just before I left. It was an excellent extension of the decomposition work that I had contributed to rejuvenating, although I was unhappy with the words 'Problems of' in the title, that had been inserted 'up the line' at the last minute.

The report received wide attention and was instrumental in the subsequent establishment by the Social Affairs Department of a Social Policy Expert Group to perform a similar role to the ESD Working Parties. I was approached by the Head of Social Affairs, Ron Gass, who wanted my advice on who they might approach to Chair the new Group. They were thinking of an Australian and one name that came immediately to mind was Andrew Podger, who I thought was an excellent policy analyst and effective leader and communicator. I recommended him to Ron, discovering later that Andrew was approached and accepted the position. Unbeknown to me, however, was the fact that he had moved from DSS to the Department of Finance since I had last had contact with him.

I discovered later that concern had been expressed within the Australian bureaucracy about someone being appointed to a high-profile position in a leading international organisation like the OECD in an area that was the responsibility of a Department that he was no longer working in. Feathers were ruffled in the higher echelons of DSS when the appointment went ahead. I'm not sure if anyone knew of my (rather peripheral) role in Andrew's



appointment, although I later discovered that he was aware of it. It ended well, because as I anticipated, he performed well in the role and the Expert Group became a permanent and influential feature of the OECD's work on social policy.

Throughout this period, Anne and I had settled into our new airy apartment in Boulogne-Billancourt and had decided that now was a good time to start a family. I was aware of how good the pro-natalist French system was at caring for mother and child before, during and after the birth. Our intentions were set, although it took an uncomfortably long time for them to translate into a concrete outcome. I was becoming anxious that something was amiss, but my fears were allayed when Anne announced that she was pregnant.

We arranged for the birth to take place at the Hôpital Franco-Britannique (British Hospital in Paris), located on the western edge of the city in the suburb of Levallois-Perret. Anne moved there a few days before the birth was due and our daughter entered the world on the morning of Friday 7 December 1984. Katherine's hair was dark and long, and her hand was stretched backwards above her head when she first looked at me with those beautiful intense eyes, as if asking, 'What the hell just happened?'. I sat there and wondered in amazement at how such a routine medical procedure could generate such intense pleasure.

The emotional high I experienced on meeting my daughter was soon replaced by the frustrations of more mundane administrative matters. The French state requires all parents to register their newborn children with the local government within three days of the birth. I dutifully headed to Levallois-Perret Town Hall, clutching a form provided by the hospital and joined a long queue in front of the Register of Births counter. My fears about dealing with the French bureaucracy with my rudimentary French were compounded as I observed the rude and demeaning treatment of those in front of me in the queue by the bureaucrat on the other side of the perspex-shielded counter. She clearly saw her role as not to serve and congratulate her exhausted clients, but to erect barriers and spread misery wherever possible.

When my turn came, she blurted out some staccato French that I didn't understand so I meekly handed over the form and said in half-French, half-English that I wanted to register my daughter's birth. She was visibly shocked by my refusal to speak her language but amazingly she took the form and proceeded to record the birth by hand in a huge leather-bound register using a beautiful ancient script. A short, typed version was then produced and handed to me, but it seemed so unlike what I had expected a birth

certificate to look like that I assumed more was to come and so stood my ground. When nothing more was forthcoming, I decided to take a risk and ask for some extra copies of the typed form, to which she agreed reluctantly, acting as if my request was likely to have dire financial consequences for the local government budget.

Anne and I had discussed what to do when my leave extension expired, and she argued strongly that we should return to Sydney. I had been sounding out Friedrich and others about what options might be available if I decided to stay at the OECD and there was a vacancy coming up at the A4 (Principal Administrator) level in the Fiscal Policy Division. Friedrich put in a good word for me with the Division Head, who expressed an interest in recruiting after we met to discuss the job. However, I decided not to accept his (informal) offer, thus probably becoming the first person to decline an offer of promotion within ESD.

The final task I had to see through before leaving the OECD was to get the public sector report published. I knew that if this didn't happen before I left, it might end up gathering dust. The problem was that the report was not suitable to be an official OECD report and had not gone through the processes that were required to achieve that. I knew instinctively that going through those processes for a report on such a sensitive topic would take months and there was no guarantee that it would not get substantially revised before getting final approval.

Luckily, a solution to the publication dilemma presented itself when ESD established the in-house journal, *OECD Economic Studies* with its own (internal) editorial board and refereeing process. This was an attractive development for many staff because it allowed research conducted in the department to be attributed to the relevant individuals and included in their CVs, unlike official OECD publications that had no author attribution. Each issue of the new journal contained the important proviso at the front that: 'Views expressed are those of the authors, and do not necessarily reflect those of the Organisation or its Member Countries'.

Several issues of the new journal had already appeared but there was a dearth of new material and the editors were getting anxious. When I discovered this, I suggested that the public sector study could be published in the journal – as a complete issue if necessary. My idea was accepted by the editors and *The Role of the Public Sector: Causes and Consequences of the Growth of Government* was published as a Special Issue (No. 4, Spring 1985) of *OECD Economic Studies*, occupying all of its 240 pages. It was officially published on 7 June 1985, exactly one week after I arrived back in Australia at the end of May.

The publication of the public sector study was a fitting climax to what had been a tremendous three years of sustained work interspersed by the countless pleasures that only Paris can offer. It was sad to have to farewell Friedrich and many others that I respected, professionally and personally. But I had used the ‘unique opportunity’ described by Pat Troy to broaden my professional experience and sharpen my skills. I had many fond memories but was keen to get back to Australia to immerse myself once more in the world of scholarship.

### *Coming home*

One issue that had not been resolved while I was at the OECD was the status of Australia’s membership of the LIS project. When I contacted Tim Smeeding for an update, he told me that he had followed my advice and contacted Pat Troy but heard nothing for some time before Pat referred the idea on to a colleague, ANU Economics Professor Fred Gruen. He had no interest in getting involved himself but had passed the matter on to Sydney University economist Patricia Apps who was visiting his Department on leave from Sydney. She considered the idea and had contacted Tim to discuss it and they had more or less agreed that she would take it on.

I held Patricia in high regard as a scholar but was not sure that she was the right person to take on the role of LIS coordinator, a role that was primarily administrative and organisational. She did not suffer fools gladly, but I thought that she set a very high bar to define that group and many (including me, I’m sure) fell below it. I was concerned for the LIS project and decided to contact Tim to make him aware of my concerns and ask for more details about what the coordinator role involved. He told me that the LIS country coordinator role involved working with the data analysts in Luxembourg to adjust their country data to conform with the LIS definitional template, providing detailed advice about data and policy details in their country and raising the funds needed to support membership of the project for an initial period of five years.

I was not convinced that Patricia was the right person for the role and told Tim that I was willing to take it on, but only if he informed Patricia that he had decided to appoint me the Australian LIS coordinator instead of her. He agreed and asked me to leave it with him. Some days later I had a call from a clearly very upset Patricia, who told me that Tim had reneged on his decision to appoint her the LIS coordinator and replace her with me. She was keen to hear my reaction to what she obviously saw as an act of gross betrayal. I told her that there was little I could do since it was ultimately Tim’s decision.

She insisted that I call him to voice my opposition to what had happened and to reject Tim's offer that I take on the role. I told her that I was not prepared to do that. When she asked why, I said that it was because I was keen to take it on, and that Tim had originally raised that as a possibility the previous year at the Luxembourg conference. There was a long silence on the line, ending with the unmistakable sound of splintering plastic as the handpiece at her end was slammed down into its cradle.

I never discussed this incident further with Patricia, although she probably never forgot it or forgave me. I felt awful that she was so upset by what had happened and because she probably thought that I had a hand in Tim's change of mind. This was true on one level, although not because I had actively sought to undermine Patricia in order to promote my own claim on the position, rather because I had expressed caution about whether her appointment was in the best interests of the LIS project. It was a tough call, but I felt that the right decision had been made and looked forward to working with Tim to bring Australia on board and find a sponsor.

Meanwhile the newly elected Hawke Government was embarking on an extensive process of economic and social reform, two elements of which were of particular interest to me. One was the establishment of the Economic Planning Advisory Council (EPAC) in 1983 to examine, provide advice and promote debate on medium and long term economic and social issues. The other occurred in 1986, when Social Security Minister Brian Howe appointed Professor Bettina Cass to head the Social Security Review to develop a reform agenda to bring the system in line with contemporary economic, social and demographic conditions.

My return to Australia was well-timed to allow me to get involved in both initiatives. My Sydney University colleague Viv Hall had been seconded to head up a unit in the EPAC secretariat and he contacted me to ask if I'd be willing to contribute to their work program on a consultancy basis. The work would involve helping produce Background Papers that would be discussed by the Council prior to publication. Membership of the Council included senior government Ministers, representatives of industry, the trade unions and the non-government sector and several eminent academics. The focus of the papers I would be involved with aligned closely with my OECD work and I agreed to take on the role without hesitation.

My time for the next few months was spent between Sydney and Canberra, teaching on Monday and Tuesday in Sydney and spending the rest of the week in Canberra working in the EPAC offices located in West Block, just behind the Old Parliament House. My travel to and from Canberra was

made easier by having access to a Commonwealth car and driver to take me to and from Sydney and Canberra airports. Within a few months I developed and wrote (with help from others) EPAC Council Papers on the size of government and economic performance, measuring government activity, tax expenditures, social expenditure growth and the social wage. All drew on my OECD work but were tailored to suit Australian conditions and circumstances and the EPAC audience.

Several of those EPAC reports have had an enduring impact. The work on tax expenditures was conducted with input from Treasury officials (led by a youthful Ken Henry) and was a precursor to the *Annual Tax Expenditures Statement* now released by The Treasury. The report on the social wage was widely cited and had an impact on the early negotiations between the government and the ACTU over the Wages Accord that was a key plank of the government's economic and social strategy. The work we did on ageing predated the more substantial contributions that came later in the shape of The Treasury's *Intergenerational Reports* and other government initiatives addressing the policy challenges associated with the ageing of the population.

I was required to attend some of the Council meetings which were held in the Cabinet Room in Old Parliament House, chaired by Prime Minister Bob Hawke. My presence was required when the papers I had been involved with were discussed in case there were any questions or need for clarification. On one of these occasions, a small group of us were waiting outside the Cabinet Room until our paper was discussed, immediately after the lunch break. There was a delayed return from lunch, but we were eventually called into the room where Bob Hawke was calling the meeting to order. He was interrupted by Paul Keating who apologised before asked if he could continue a discussion about the government's tax reforms that had been taking place over lunch. Apparently, the business representatives had expressed a rather dim assessment of the government's reform achievements and Keating said that he wanted to put the record straight.

What followed was the most comprehensive account of the reforms that had been introduced and a forceful defense of them. Keating spoke for about ten minutes, displaying an acute understanding of the technicalities, providing an eloquent statement of what had been done and why, never faltering in his delivery for an instant. It was a stellar performance in terms of content and powerful in its delivery and the business leaders kept their heads bowed, like me, in awe at what they were hearing. It was Keating at his best, a great showman and orator with an incredible ability to absorb and explain policy detail. Style as well as substance: a powerful combination. Australian politics has not seen his like since, more's the pity.

While still working with EPAC I was approached by Bettina Cass who asked if I would be willing to conduct an OECD-style decomposition analysis of Australian social security payments to provide background to the policy work of her Review. She was keen to see the approach applied to the main social security payments, including the age pension and unemployment benefit (as it then was). Bettina was a sociologist with expertise in social policy issues who had worked at the SWRC for several years before moving to the Department of Social Work at Sydney University, where she eventually became Dean of the Faculty of Arts and Social Sciences. She was one of Australia's leading social policy scholars and I was delighted to be asked to contribute to the work she was leading.

I needed someone to assist me to dig out the data going back to 1960 and at Bettina's suggestion met with one of her ex-students, Marilyn McHugh who agreed to take on the role. Most of the data we needed was available within the DSS library or in its *Annual Reports*, while that on national economic, social and demographic trends was collected and published by the Australian Bureau of Statistics (ABS). With Marilyn doing some serious detective work in DSS headquarters in Canberra, we put together the data, I conducted the analysis and a report was published by the Social Security Review early in 1987.

At about that time news broke that Adam Graycar was resigning as Director of the SWRC to move back to a position in the South Australian Public Service. By then, the centre had been reviewed and – after a long delay – the terms of an additional five years' funding had been agreed between the University and the Commonwealth Government. But the delay in reaching agreement had created uncertainty in the centre and several key staff (including Bettina Cass) had left.

There was another long delay before the position of Director was advertised almost a year after Graycar's resignation. I decided to apply, and was invited to attend an interview where I was confronted by a large interview panel, chaired by Deputy Vice-Chancellor Professor Jarlath Ronayne and including Pat Troy, and UNSW Professors John Nevile (Economics), Ian Webster (Community Medicine) and John Lawrence (Social Work), all members of the centre's Advisory Committee. Unknown to me at the time, the university was seeking a Director with sound economic training and strong international experience and connections. I had both, but still had to account well for myself and display those characteristics in what was an intimidating situation.

I am not a very good interviewee, but I thought that on that occasion I accounted for myself rather well. Professor Ronayne began by introducing

me as ‘a young man’ (tick!) and then asked me to outline the attributes that I would bring to the position. I described how my recent experiences at the OECD and since returning to Australia had resulted in a growing interest in social policy issues and then explained why I thought that Australia needed a research centre devoted to those issues. I was then asked to outline what I saw as the main strengths and weaknesses of Australian social policy research, giving an answer that, looking back, has stood the test of time rather well.

I argued that most Australian social policy research fell into one of three distinct strands: the first was *sophisticated description*, which involves deriving relatively simple summary measures that describe how policies are designed, affect different groups and are expected to affect their circumstances and behaviour; the second focuses on *testing hypotheses* about what motivates people (and institutions) and affects how they behave; and the third focuses on *policy evaluations* that examine how well policies are achieving their stated aims in practice and what other effects (intended and unintended) they give rise to.

I argued that Australian social policy research was heavily skewed towards the first of these three strands, citing the I had been involved in at EPAC on the patterns of effective marginal tax rates (EMTRs) and social benefit replacement rates as examples. But this had been largely at the expense of strands two and three, which had been neglected and were underdeveloped. As a result, we knew a lot about how the instruments of social policy *might* affect how people behave by changing the incentive structures they face, but relatively little about how people *actually* respond when circumstances or policies change – including the extent to which they were aware of any change and how accurate that awareness was. Without this latter information, it was not possible to conduct rigorous policy evaluations, assess policy effectiveness, or produce the scientific evidence needed to guide policy decision-making.

It was a pretty rudimentary classification, relevant at the time and sadly still a reasonably accurate description of the status of the subject in Australia today. We still seem to worry too much about what we think the world looks like and spend too little time trying to understand what it actually does look like – or at least how it appears in the eyes of those who are subject to its interventions rather than in the minds of those who study them.

What I didn’t say at the interview, even though I believed it, was that many social policy practitioners were far too reluctant to adopt a self-critical approach – to their own work and the work of others in the discipline. Support for goals like protecting the vulnerable or promoting greater equality in all its dimensions often reflect personal values and deeply held convictions rather

than any robust research evidence. This ‘heart on the sleeve’ approach is fine when it comes to advocating on behalf of disadvantaged groups but has no place as a principle on which to assess the academic merits of research.

My summary assessment of the state of Australian social policy research obviously struck a chord, and Professor Ronayne called me soon after the interview to offer me the position. A formal letter of appointment from the Vice-Chancellor then arrived and after some negotiation I accepted, indicating that I would start in February 1987. I had concerns that the position did not carry the title of Professor, although not for personal reasons since the advertisement made no reference to the position being Professorial, even though the salary was the same as that of a Professor (who all received the same salary at that time). My concern was that by not making the Director a Professor, the status of the centre would be diminished in the eyes of those I would have to work with and for.

Despite this concern (which was to haunt me in future years), I eagerly accepted the offer to an appointment that was to present me with many new challenges. I felt well prepared for them, having accumulated many important lessons from my time at the OECD and elsewhere, and as I cleared my office at Sydney University, I looked forward eagerly to what was to become my home for the rest of my academic career.



## CHAPTER 6

# BECOMING A DIRECTOR: LISTENING, LEARNING AND LEADING (1987-1990)

### *Defining my role*

My appointment as Director was for an initial period of five years but because the centre's funding was only guaranteed for three years after my arrival, my first task was to secure another five years' funding from the Commonwealth Government. The signs were promising since it seemed unlikely that the university and government would go through the complex and costly process of appointing a new Director of a centre just before announcing its closure. Despite this, I felt that I needed an escape route in case things didn't go as expected and decided to ask for another two years' leave without pay from Sydney University before accepting the appointment.

Somewhat to my surprise, the application was approved, although on condition that I continue to give my undergraduate lectures in public finance for the two years. By the time this latest leave was over, I would have spent almost one-third of my 14 years on the Sydney University payroll on someone else's payroll. Perhaps Sydney valued me as much by my absence as my presence, but perhaps I'd better not go there.

I wanted to hang on to my tenured position at Sydney University not only because of the uncertainty surrounding the centre's future funding but also because I didn't know how I would adjust to a research-only role. I was taking the first tentative steps towards relinquishing my tenure, but it was to take another twenty-six years before that process was complete. By the time I eventually resigned from my tenured position, I was fully attuned to the employment uncertainty that is a core feature of most research positions in Australia.

In relation to its funding, the centre was better placed than most. Because its core funding extended for five years, it could offer positions for up to that period that could attract the best researchers in the field. In practice, most contracts for senior researchers were for a maximum of three years, with those for research assistants normally for two years. This still left considerable uncertainty, and balancing the security needs of staff against the flexibility needs of the centre presented an ongoing challenge that became greater as its funding became less certain and increasingly tied to specific projects.

I was keen to get to know senior centre researcher Joan Vipond (on leave from the Economics Department at UNSW) and then centre computing

analyst Bruce Bradbury, who together had just completed an important study on poverty in Australia, updating the Henderson estimates using newly released ABS data. It was important work and an exciting development that I was keen to support and get involved in once I arrived. They told me of the on-going staff unrest in the centre and voiced their own concerns about where it was heading which signalled to me that one of my first tasks after arriving would be to heal any differences, resolve existing conflicts and try to bring the staff together.

The months leading up to my commencement gave me an opportunity to reflect on what I hoped to achieve as the Director and how to go about it. I have already expressed some concern at what I saw as a lack of self-criticism among many social policy analysts. I saw my role as promoting an academically critical but institutionally supportive environment driven by an ethos that combined rigorous research, teamwork and collegiality. I was conscious that as an economist, I was a relative 'outsider' to the social policy research community, which (in Australia, at least) was dominated by people with training in either sociology or social work since there were few undergraduate degrees in social policy. There were good reasons to regard someone with my background with a degree of suspicion and I needed to establish my social policy credentials, which was fair enough. Economists traditionally promote concepts like individualism, choice and freedom that conflict with the ideals of community, structural constraints and equality that are core social policy ideas and values. The contrasts between the two approaches were to be exposed brutally in UNSW sociologist Michael Pusey's highly influential book *Economic Rationalism in Canberra* that was being written at the time.

I saw the starting point for me being to emphasise and build on the key word in the centre's title – 'Research' – and its university setting reinforced the importance of an academic approach. This meant reinforcing the two core aspects of the centre's operation, which were the quality and independence of its research, since these are the universal hallmarks of scholarship. Its funding from the public purse also called for an approach that was transparent in its use of funds and general decision-making. But these factors must be acknowledged by external experts in the field in order to bestow scholarly legitimacy and should take priority over supporting the 'feel good' goals that are important rallying calls but no substitute for research quality.

There's nothing wrong with the sentiments that underlie these latter motivations, of course. They were and are a strong motivating force for me too, but if they dominate the design and conduct of one's research, this can undermine

its independence (and possibly also its quality). Research is essentially about uncovering the unknown and this involves testing not only the ideas of others but also one's own, by constantly challenging their theoretical and empirical basis. Despite my shameful neglect of my undergraduate course in methodology, I had come to realise that methodological considerations are a key determinant of research quality and were to be a focus of much of my future work.

Social policy was being challenged by neo-liberal thinking that favoured reductions in government intervention and increased reliance on market forces. Research was needed to temper the demands of those influential economists whose policy prescriptions rarely recognised the limitations of their theories or the practicalities involved in applying them. In pursuing this task, I was guided by a conviction that an extensive toolkit of concepts, methodologies and techniques drawn as needed from the full range of the social sciences (including economics) could provide the evidence base on which to better understand social issues and better tackle social problems. I was prepared to begin as an outsider, happy to be judged by my achievements in bringing the centre together, giving it a revitalised sense of purpose and above all, by raising the quality and value of its research.

I identified five main goals that I needed to achieve or at least make significant progress on in my initial year: to build confidence in centre staff about its future and their roles in it; to establish my own research profile within the social policy community; to re-shape and develop the centre's research agenda; to develop a strong relationship built on trust and mutual respect with the government through the Department of Social Security (DSS); and to build links with the many other agencies that had a legitimate interest in the work of the centre.

It was a formidable set of tasks, some of which would take time to achieve but all of which I saw as fundamental to the status and sustainability of the centre. The immediate priority was to address any lingering internal tensions, since without this, it would be difficult to improve the centre's external relations and reputation. I would have ample opportunity to showcase my own research, and I was confident that it would appeal to many of my new social policy comrades. Relations with government and the DSS had been fractured to some degree while the centre's role had been assessed and its Agreement negotiated, but I had the advantage here that the departmental member on the centre's research management and advisory committees was David Stanton.

I knew David well, shared many concerns with him and saw him as an important supporter and ally of the centre. His tenure on the centre's committees

didn't last, but he was followed by others who were generally supportive of the centre and of my role in leading it, including Owen Donald, Lynelle Briggs, Meredith Edwards, Chris Butel and Chris Foster. I had also established good relations with the Australian Council of Social Service (ACOSS) having served as an advisor on economic issues and, through Ronald Henderson, was also known to some of the key people in the Brotherhood of St Laurence and elsewhere in Melbourne. These contacts and relationships provided a solid foundation on which I could build to further promote the work and impact of the centre.

### *Settling in*

The Agreement between the University and the Commonwealth Government specified the scope of the centre's activity, its functioning and management. Article 3.1(a) sets out the role of the centre as being:

‘[T]o undertake and sponsor research work on important aspects of social welfare in Australia giving particular, though not exclusive, attention to identifying those individuals and groups whose needs are especially great; to study options for relieving those needs in the Australian context; to evaluate the effectiveness and efficiency of arrangements for meeting the needs; and in so doing, to take particular account of the necessity to develop an overall plan for meeting the need for both basic theoretical and practical research.’

It's a bit of a dog's breakfast but it covered well the three main types of research that I had identified in my interview. It was a broad definition, although that was understandable given that it was originally bureaucratically drafted, amended by academics and revised to reflect the recommendations of the centre's first Review Committee, before being further amended to capture comments from the centre's Advisory Committee and finally to resolve issues raised in the final round of contractual negotiations.

In addition to conducting its own program of research, the centre was required to provide opportunities for postgraduate research, to arrange seminars and conferences and to publish the findings of its research. Considerable progress towards achieving these latter objectives had been made under Adam Graycar's leadership, including funding a PhD Scholarship, arranging a regular seminar program, sponsoring seminars jointly with external bodies, and establishing the *SWRC Reports and Proceedings* series and the *SWRC Newsletter*. These important initiatives provided a solid foundation on which new developments could build.

My first task was to get to grips with how well the centre was achieving its various activities, identify priority areas for improvement or development

and talk with staff about their work responsibilities, research interests and concerns. My initial meetings with former Acting Director Adam Jamrozik went well and he offered to take over editing the *Newsletter* which freed me to focus on more pressing tasks.

I had concerns about one aspect of the centre's operation. This was its approach of persuading teaching academics to join the centre for two to three years on leave from their home departments. Although this arrangement had produced some good results, my observation was that it often failed to achieve its goal of raising the overall level of available expertise while maintaining the flexibility to respond to changes in external pressures. This was mainly because the period of leave was not long enough for those involved to make a solid and lasting contribution to the centre's work. Many academics on leave (understandably) generally take several months to settle in to their new surroundings while they complete their existing commitments and then start planning their departure months before their leave expires. This happened at the centre too and meant that it paid two year's salary to staff on leave but often got little more than one year's fully committed work out of them. I thought it was far better to recruit staff who saw the centre as their permanent home, not as a temporary resting place.

My first public appearance as Director was at a two-day conference the centre had arranged with the Department of Social Work and Social Administration at the University of Western Australia in Perth. The Opening Address was presented by the Minister for Social Security, Brian Howe and I followed with a presentation on 'Past Developments and Future Prospects for Social Security in Australia'. It was a broad sweeping paper that set out a framework for classifying the different social security benefits and then drew on recent findings using the Luxembourg Income Study data to show that Australia's targeted approach had smaller effects on poverty and inequality than more broadly-based (universal) systems like those common in Scandinavian countries and (at that time at least) the UK. The LIS results for Australia had been derived by applying the LIS definitional framework to the ABS data with the technical assistance of Bruce Bradbury and Garry Hobbes, since Australia had not yet formally joined the LIS project. The issues raised in the paper were to form the basis of a research agenda that I pursued for many years, drawing on an increasing range of national and comparative evidence to make the case against benefit targeting and in favour of a more universal system.

The Perth visit gave me a chance to meet some of the lead players in Australian social policy, including Professor Laki Jayasuriya who was an expert on multiculturalism and ethnic affairs. Laki had served on several high-level

advisory committees in these fields and in private discussions, he expressed his support for my appointment which I found gratifying. He was also delighted at the success of the conference, which attracted a large audience, and invited the speakers to dinner at his house, where he and his wife produced a marvellous array of Sri Lankan curries, adding to the enjoyment (certainly to mine).

While in Perth, I met with Paul Smyth, a student from Murdoch University who had applied for the recently advertised SWRC Postgraduate Scholarship. I was keen to see for myself if he was as good as he appeared from his application. He was. He received a strong endorsement from his former Head of Department whom I also met, so I agreed to offer him the Scholarship and he agreed to relocate to Sydney. It turned out to be a wise choice. Paul produced an excellent thesis (on the influence of Keynesian economic thinking on the historical development of Australian social policy), impressing me and his other supervisor (Jill Roe from Macquarie University, who was hand-picked by Paul). He was able to review and compress a huge amount of literature on his topic. He also knew where he was heading from the outset and at times seemed to take Jill and I along for the ride, listening attentively to our many comments before pressing on with his plans seemingly regardless.

Several months after the Perth conference, I organised a workshop at the university to discuss a new ABS publication on the impact of government benefits and taxes on household incomes. It was the first systematic attempt to trace through how the benefits from government cash and in-kind transfers affected household incomes, applying a methodology used in many of the studies I had reviewed for my OECD income distribution study. I had been appointed a consultant by the ABS to advise on the development of this important work before joining the centre, my role being to comment on the methodology adopted (still basically unchanged today, over thirty years later), help to interpret preliminary findings and suggest new avenues to explore.

The Australian Statistician at the time was Ian Castles, a lifetime Canberra bureaucrat and previous Secretary of the Department of Finance. He had a strong academic bent and had found an ideal home in the ABS, where he was able to pursue his academic interests in economic and social measurement issues. Ian was extremely knowledgeable about the role of statistics and his expertise was widely acknowledged, within Australia and internationally. He was another modest man, quietly spoken but intellectually very sharp and with a keen sense of humour always accompanied by a gentle smile. I liked him a lot and we got on well together.

The workshop was a great success and Ian was very pleased to have the opportunity to showcase one of his pet projects before an academic audience.

But I had an ulterior motive for arranging the workshop and inviting him to participate. I knew that he thought highly of the importance of comparative research and was aware of the Luxembourg Income Study. This connection was later to be a factor in the ABS playing a lead role in developing international standards for income measurement in household surveys. Through these shared interests, I wanted to float the idea with Ian that the ABS might be willing to contribute some of the funding for Australia's membership of the LIS project. After the workshop, I accompanied him across the campus to where he could catch a taxi into the city, taking the opportunity to raise the need to fund Australia's membership of the LIS project.

'What's the cost?' he asked.

'\$15,000 a year for five years' I replied, 'but I was thinking that the SWRC and the ABS might share it'.

'Fifty-fifty?' asked Ian, his tone suggesting an interest in my idea.

This encouraged me to take a bolder stance, so I proposed that the ABS provide two-thirds of the funding and SWRC the remaining one-third.

'That's fine,' said Ian as he headed off to wave down a passing taxi, leaving me speechless at having pulled off my first directorial coup with such apparent ease. The arrangement remained in place until a new national policy on micro-data storage and access resulted in the funding shifting from the ABS to Universities Australia, where it remains, with the ABS still heavily involved in the LIS project. It also confirmed the wisdom of my decision to suggest to Tim Smeeding that I be appointed the Australian LIS coordinator, and delighted him when I gave him the good news.

### *Tough times*

Internally, my relationship with one of the centre's senior researchers, Adam Jamrozik, began to deteriorate as I sought to review and impose my stamp on the work of the centre, including the research he was leading. He acted in a way that seemed very protective of that work, and of the small group of researchers who worked with him and were very loyal to him. In order to refocus the work of the centre, I had to intrude into what I surmised Adam saw as 'his domain', igniting his passion at what he probably thought was an attempt to suppress his work, thus fuelling his opposition. The gap between Adam's and my views on what needed to be done widened and he seemed to be bunkering down further to 'protect his patch', resisting change and generally making my life difficult. I had not before had to deal with sensitive staffing issues and my lack of experience was no doubt apparent – it certainly was to me! The gap between acting in the broader interest and impinging on an individual's



legitimate need for a degree of independence and autonomy is narrow and it requires considerable skill to navigate successfully. I was 'learning by doing' but the stakes were high and there was little room for error or misjudgement.

I didn't make things any better by losing my temper on one occasion when I discovered that Adam had signed a contract committing the centre to conduct a study without telling me of its existence. I was furious at what I saw as an undermining of my role and a potential threat to the centre, which would bear the cost if anything went amiss. On one occasion, I swore out loud in frustration as he left a very tense meeting in my office. He reported this to the university authorities and an internal review was established. I was in the wrong, of course, and knew it, but I felt I was acting to protect the interests of the centre, even though the swearing was not acceptable. In the end I survived, although the whole episode took its toll.

During this period of rising tensions, I was surprised at the reluctance of those members of staff who I knew agreed with my position to speak up in my defence. This was the first of many instances where I experienced the intense loneliness that can be the manager's lot at times. Staff understandably have a clear sense of which decisions are best left to management to resolve and a conflict between two leading (and powerful) centre academics was one such example where silence was better than intervention. I was puzzled and disappointed at the time with their silence and apparent lack of support, and only later came to reflect on and understand it.

The tension between us was causing me considerable stress (him too, I'm sure) and I had decided that if his contract was extended by the university against my wishes, I would step down as Director. The issue was complicated by impending changes to university policy on age discrimination which would make it harder not to renew his contract because of his age (he was about to reach 65). The new policy did not come into effect until after Adam's contract expired, and the university accepted my recommendation not to offer him a new contract. He left the centre in 1991 to take up a position in South Australia.

We met occasionally after he left, normally in an airport lounge or conference tearoom, and exchanged pleasantries, doing our best to patch over our differences. I sensed that he shared my disappointment that we could not find a way to work together in the centre and I never doubted the strength of his commitment to its work and purpose.

### *An extension, an appointment and a life partner*

The SWRC was housed in a converted two-storey terraced house on the corner of High Street and Eurimbla Avenue, mid-way between the main



university campus and the Prince of Wales Hospital. The property was owned by the Commonwealth Government who were responsible for providing the centre with its accommodation under the Agreement. The staff were fond of the building, although it was not ideal for the purpose – too small and not designed for its current purpose, consisting of several very large rooms and many much smaller rooms linked by a complex labyrinth of passageways that led to obscure dark corner rooms.

The staff were crammed into conditions that provided no privacy and were not conducive to the work they did. There were no decent meeting rooms, yet much of the centre's work was team-based and required access to such space to function effectively. The secretarial staff were particularly badly affected, sharing a room at the foot of the stairs that was heavily patrolled by the comings and goings of other staff.

These problems were eased when an extension was built on the back of the building but that soon became inadequate as more staff were recruited and a demountable structure was erected in the garden at the back of the property that again deferred our accommodation problems but was quickly filled up. The centre's inadequate accommodation was an issue that occupied much of my time as Director but despite several relocations, was not resolved until after I stood down from the position (although any conclusions about cause and effect are totally without foundation!).

My office was on the second floor overlooking Eurimbla Avenue, directly above an office shared by four staff, one of whom was Sara Graham, who had been recruited from the UK Department of Health and Social Security to work for one year on issues associated with service provision and disability. She was popular among her colleagues and I would often hear roars of laughter from her and others emanating from that office. I was encouraged by the sound of staff happiness and saw it as evidence that the centre was not only productive but also an enjoyable workplace – a combination that I was striving to achieve.

I was keen to recruit more senior staff who could take responsibility for overseeing the day-to-day work in the centre's main program areas, leaving me free to play a more active research role, including as leader of one of the research areas. I knew little about many of the centre's research areas and was keen to leave these to experts in the field who would work to an agreed overarching framework. This 'hands-off' model of research management allowed me to spend more time on centre-wide issues, including strengthening our relations with the government, the university and the social policy community.

Sara Graham's leave was due to expire in April 1987 and when I asked her what her plans were beyond then, she told me that she had made plans to return to the UK. I asked her if she'd considered resigning from her UK position and remaining at the centre, but she told me that no-one had raised the possibility of extending her stay with her, so she had decided to return to the UK. In fact, she was keen to stay in Sydney, where she had met up with a former university colleague and they had formed a close relationship that she was keen to continue. When I asked if she would be willing to stay on if I could arrange it, she said that she would, but was now committed to returning to the UK when her leave expired, and any new arrangement would need to work around that.

I set about trying to make it happen, although it proved to be far more complicated than I envisaged and while it was ultimately successful, it produced an unexpected outcome that was to change the future course of my life. Those were the days when all new university positions had to be advertised and subject to open competition. After considerable effort, a position was established and advertised, but because the scope of the position was broad and the centre was expanding, it attracted many applicants and a short-list had to be selected and interviews had to be held. The plan I agreed with Sara was that we would hold the interviews in the middle of 1987 and would bring her back out to Australia to be interviewed but also to present a series of seminars that would allow her travel costs to be shared with others. The plan worked, but the detailed arrangements took an enormous amount of my time and probably cost more than we saved by sharing her travel costs.

Despite this valiant attempt to save money, it was ironic that the level of funding was not an issue for the centre at that time. The outflow of staff before my arrival and my insistence that no new appointments be made until I arrived had resulted in a substantial under-spend of our budget and the return of unspent funds to the government. This situation creates problems at both ends – for the funding body who is perceived as having been overly generous initially, and for the recipient of the funds, who is seen as either a poor manager or as not needed so much in future. However, as I was to discover, spending all of the money received was virtually impossible because we weren't informed of the final quarterly payment each year until well into the following year when the deadline for spending the money had long passed.

But back to those interviews. One of the other interviewed candidates was a Canadian criminologist with strong sociological and statistical training. When I read her application, I thought she could fill an important gap in the centre, but only as an addition to Sara's appointment, not as a substitute for it.

But we didn't have the funds to make two senior appointments, so we ended up offering the position to Sara, with the Canadian listed as appointable if Sara rejected the offer.

Sara did accept the offer and went on to make an enormous contribution to the work of the centre. That second-ranked applicant was a certain Janet Chan, later to become my love and life partner. She eventually moved to Sydney where she worked in several government positions before taking up a position at the Department of Social Work at Sydney University and from there to the School of Social Science and Policy at UNSW. It was when she was in this latter role that I met her again on campus when having lunch with colleagues in one of our regular haunts, the dining room of the Australian Graduate School of Management. She remained in my mind and had phoned me from Canada after being interviewed to ask if she was likely to be offered a position as she had received another offer. Although Sara had not formally accepted the offer at that time, I was confident that she would and suggested to Janet that it might be wise for her to accept the other offer as it was unclear how long it would be before the situation at our end was resolved.

She took my advice and accepted the other offer, although I've no doubt that if for some reason Sara had pulled out and we had appointed Janet, not only would the centre have followed a very different trajectory, but so would I! I could not have developed a personal relationship with a member of staff and would have lost out on the years of pleasure, support and inspiration that Janet has given me. Thank you, Sara!

### ***Yes Minister!***

Brian Howe had replaced Don Grimes as the Minister for Social Security in 1984 and later served as Deputy Prime Minister under Bob Hawke and Paul Keating. He had a strong commitment to research, having held an academic appointment before entering politics and he made his support of the centre clear to me when we first met in Woden House in Belconnen, then the Head Office of the Department. He was huddled outside the main door on a cold windy day with a solemn group of other smokers – a habit he abandoned soon after (the smoking, that is!).

I didn't always find Brian easy to get on with on a personal level, but I couldn't have asked for a better Minister and valued greatly the support he provided to me in my role as Director, including his willingness to listen to my views and take them into account. With David Stanton as the main point of contact with the Department and Brian as Minister, I had access to excellent channels to government and relevant policy circles. Brian told me at one of our

early meetings that if ever I needed him to intervene on an important issue, to call him and he would respond as soon as possible. It was a lifeline that I rarely used, but its existence proved invaluable on several occasions when I used it to extricate difficult negotiations with departmental bureaucrats.

One such occasion occurred towards the end of 1989, when the centre was commissioned by the Department on Brian's behalf to prepare a report on the costs of disability that was needed to help inform a proposed change in the level and structure of what was then the invalid pension, later to become the disability support pension. We had agreed a price for the work but there was concern among Department staff that a section of the report was overly critical of an aspect of current policy. Far too critical in their view. I was pressured to remove or re-draft the offending section, but the report's main author, Sara Graham, was insistent that any such change be resisted.

In the course of an awkward telephone discussion with the relevant bureaucrat about how to proceed, I indicated that I had decided to publish the report as it stood through the centre but not to submit an invoice to the Department for the contracted amount because the work no longer had its support. I then explained that if the Minister asked why I had followed that course (as he almost surely would, I claimed), I would be forced to explain why. The phone call ended abruptly, but within hours, I received another call indicating that we should submit the report as it stood, followed soon after that by an invoice for the payment. The report was published unaltered soon afterwards and had an impact on the policy decision. Such a clear-cut victory over the bureaucracy was rare indeed and I savoured that one for many years – unaware at the time that the tide would later turn, with a vengeance!

Brian Howe was followed by two rather different but equally supportive Ministers, first by Neal Blewett and then Peter Baldwin. Neal adopted a 'hands-off' approach and left me to get on with doing my job, although like Brian, he made me aware that I should consult him whenever I needed to. Peter Baldwin was only in the position for a short period before the ALP lost government in 1996, but that was long enough to show that he too favoured an evidence-based approach and saw research as a valuable input into policy, rather than as a potential political threat and thus to be treated with caution.

He wrote a tremendous discussion paper on *Beyond the Safety Net: The Future of Social Security* while he was the Minister – almost certainly an Australian first. In it, he set out the challenges facing the system and canvassed a range of innovative and radical solutions. It grew out of an internal discussion he organised soon after becoming Minister to which he invited most of the leading experts in the field. I attended and like many others there, was

impressed by his understanding of the role, strengths and weaknesses of the social security system. A Minister who understood the technical intricacies of his portfolio and was prepared to seek independent expertise and advice and to canvas and implement radical reforms – what a pleasant (but nowadays, sadly rare) combination!

I thought very highly of the discussion paper he wrote and invited him to come to the centre to present his ideas directly to the staff. He seemed flattered by my invitation and readily agreed to come. A seminar was arranged and publicised internally, and I expected him to arrive with a small army of advisors and bureaucrats to protect him from the hoard of academic scribblers! To my amazement, he turned up alone, holding a battered brief case from which he extracted his hand-written speaking notes. He gave an excellent presentation and responded well and at length to the many questions raised during the lively discussion that followed.

It was a highly successful event and I felt that we had established a very good basis for future collaboration. As we chatted in the lift afterwards, I asked casually whether he had a car waiting, but to my surprise, he told me that he had driven himself over.

‘You should have told me,’ I said, ‘I could have arranged a parking spot for you, as it’s very difficult to park on campus, particularly near our building during term-time’.

‘Parking was no problem,’ he said.

‘Where did you manage to park?’ I asked innocently and rather surprised.

‘I found a place right outside your building,’ he replied.

I was puzzled by that final comment as I knew that parking was forbidden in the space directly outside the building. As the initial signs of anxiety emerged in my consciousness and the first droplets of sweat began to form on my brow, the lift doors opened to reveal a rather shabby second-hand car parked right outside the building’s main entrance. To my horror I then noticed that the car had been wheel-clamped by the campus security police! The Minister must have been alerted by my look of stunned surprise and followed my gaze to the offending vehicular adornment. He sighed quietly but dismissed my obvious concerns with a casual wave assuring me that he would deal with the problem. I felt uncomfortable leaving such an eminent guest in such awkward circumstances, but he was insistent that I get back to work so I never found out how he managed to rescue his car, or whether he had to use his Ministerial authority to do so. He obviously succeeded somehow and thankfully, did not bear a grudge.

Minister Baldwin went on to establish the DSS Adequacy Project that was designed to develop a new approach to identifying and measuring poverty. It was now over fifteen years since the SWPS had been tasked (unsuccessfully) with setting a new poverty measure and the subject was clearly not going away! Like others before him, Baldwin had become disillusioned by the constant squabbling between researchers and policy makers over where to set the poverty line and wanted a more authoritative approach that drew on a wider range of evidence. I was appointed to the Advisory Committee for the project and attended several very interesting meetings, arguing that we needed to identify poverty more directly by observing people's actual living conditions and not rely solely on how much income they had.

The Adequacy Project report was published in 1995 and recommended that two new strands of research be developed in the Australian context. The first, *descriptive approach* involved replicating Peter Townsend's pioneering deprivation approach, while the second *normative approach* involved building on the recent reinvigoration of research on budget standards led by British social policy analyst Jonathan Bradshaw. The report signified an important turning point in Australian poverty research, leading the Department to commission research in both areas, with the centre playing the lead role in one of them and me later leading a major research study as part of the other.

### ***What the HACC?***

In October 1987 I received a call inviting me to meet with then Minister for Health and Community Services, Neal Blewett, in Canberra. I had no idea what he wanted to discuss with me but knew that one didn't decline Ministerial invitations. We met in his office with one advisor present and the Minister got straight to the point:

'We are about to conduct a review of the HACC program and I was wondering if you'd be willing to Chair the Review?' he asked.

I hesitated before answering as I had no idea what the acronym HACC stood for and was unsure how (or whether) to reveal my ignorance. Wisely, I decided to play a straight bat, and responded:

'Apologies, Minister, but what does HACC stand for?'

The Minister shuffled uncomfortably before looking to his advisor for advice (that's what they are there for) and after a brief delay, indicated that HACC stood for the Home and Community Care Program. The program

funded a variety of home-based services designed to support frail older people living in their own homes for as long as possible and delaying their entry into institutional care (nursing or aged care homes). Largely for historical reasons, the program also covered younger people with a disability.

I expressed concern that my lack of familiarity with the program and the policies that underpinned it would limit my contribution to the Review. These were prescient words although I didn't know it at the time, because the roll-out of the program had been riddled with teething problems and was bogged down in in-fighting between Commonwealth and State/Territory bureaucrats, service provider agencies and user advocacy groups. Despite my reservations, Minister Blewett saw my lack of specific knowledge (and its implied lack of any pre-conceived opinions) as a distinct advantage. He thought this would bring an independent perspective that was sorely needed – another idea emanating from a Minister that seems rather quaint and decidedly naive when measured against today's standards.

I agreed to accept the invitation and my appointment began in November 1987 when a Working Group was established to conduct the Review under my leadership. The Group comprised members of the Commonwealth and State/Territory Departments responsible for the program and was supported by a small secretariat of Commonwealth officials. My role was to Chair the meetings of the Working Group, ensure that the Review was conducted appropriately, report periodically on progress to Ministers and oversee the production of a final report (much of which was drafted for my approval by the secretariat).

I was also encouraged to visit a sample of HACC services in each State/Territory to familiarise myself with the scope of the program and see how it functioned 'on the ground'. Thus began an extraordinary journey that provided me with a unique insight into a component of the Australian welfare state that had previously been invisible to me – as it was to the vast majority of Australians who had no direct contact with it. It was a roller-coaster ride, with many bumps along the way but an exhilarating experience that left me in awe at the range and diversity of home-based community support services, the professionalism and commitment of those providing them and the needs, circumstances and aspirations of the tens of thousands of Australians that depended on them.

Although I didn't know it at the time, it represented the beginning of my professional transformation from a narrow, desk-based, number-crunching economist towards a broad, field-based, context-aware, policy informed social scientist. The shift was necessary and although in its early stages, was to play

an important role in my development as a social policy researcher.

### *Meeting chaos*

Without doubt, the most challenging part of my role on the Review involved Chairing the meetings of the Working Group. These took place about every two months, although we met more frequently in the early months as we had been given a very tight deadline for completing my initial report on progress to Ministers. The Commonwealth was represented by Deputy Departmental Secretary Glenn Rees, although he was often unable to attend and was replaced by someone below him (but still senior) in the Departmental hierarchy.

From the outset it was clear that several of the review committee members brought to the meetings many scars from earlier skirmishes that they were keen to avenge. They were all seasoned professionals who had a long history of participation in such meetings and bitter memories of past wrongs that (they thought) needed to be put right. The Commonwealth's lack of continuity in who attended each meeting disrupted its contribution because those that did attend often lacked a clear understanding of what had happened previously, tried to influence the discussion to reflect what they thought should have already happened, or did not have the authority to make decisions on the many complex issues that had to be resolved.

We would often spend several hours reaching agreement on the Minutes of the previous meeting, generally because the Commonwealth member had changed and the new one wouldn't agree to what his or her (normally her) predecessor had said or approved. This would frustrate the State and Territory members, who then tried to re-write those aspects of the Minutes that they were unhappy with. This tit-for-tat squabbling would continue until I would try to find a compromise that all could agree to, even if most were unhappy with. On one occasion I was forced to point out that the Minutes could not be changed to reflect subsequent reflections and if we could not accept the Minutes and move on, I would cancel the meeting and report to Ministers that progress was proving impossible and explain why.

I resisted the temptation to get involved or take sides in these disputes and my low-key but balanced and independent approach seemed to win some reluctant sympathy, and I gradually imposed a sense of order on the proceedings. The members' respect for me was confirmed at our final meeting when one of the State representatives proposed that I be asked to stay on as permanent Chair of the Working Group. It was a flattering but horrifying prospect, thankfully one that did not attract wide support and one I gratefully declined.



Prior to my involvement in the HACC Review, I had no experience or informed knowledge about how Australian federalism worked in practice. I came away a committed anti-federalist, having witnessed first-hand the incessant arguing over efforts to shift costs or responsibility whenever possible. If I were 'king for a day' with the power to nominate one change that could improve the overall quality of Australian social policy, my choice without hesitation would be to abolish the States. This does not reflect any sense that they were always the guilty party, but rather the reality that we had to have a national government so if one side was to disappear it had to be them.

What was even more depressing in this instance was that these bureaucratic antics took place in the context of a program that received wide support from policy makers at all levels of government, as well as from the vast majority of service providers and from its many thousands of current and prospective users. The underlying principle of providing vulnerable people with services that support them to remain living in their homes for as long as possible is inspiring and attracts wide community support. I hate to think how bad things are for cost-shared programs where even these basic underlying principles are in dispute.

### *A seat at the table of power*

My second task as Review Chair was to report regularly on progress to Ministers. I attended two of the regular Ministerial meetings (in March and May 1988) and submitted a draft of the final report to a third, held in September, prior to its completion in December. The first of these meetings was held in the Hunter Valley with NSW as host. The Chair of the overall meeting (of which the HACC Review was one item on a very long agenda) was NSW Minister for Community Services Virginia Chadwick. She had been Minister a short time and was extremely nervous – more nervous than I was, which is saying something.

When the Review had been established under Minister Blewett, it had been agreed that its first task would be to resolve ongoing problems associated with a lack of clarity over the coverage of services specified as 'no growth' or 'excluded' in the legislation. These services were subject to special constraints on their funding, although opinions differed on what this meant in practice. In the run-up to the establishment of the Review, a 'deal' had been mapped out by the parties and agreed to by Minister Blewett and my initial progress report spelt out the details of how this was to happen.

Shortly before the meeting took place, there was a Commonwealth Ministerial re-shuffle and the community services component of Neal

Blewett's Ministry was handed over to a new junior Minister, Victorian left-winger Peter Staples. I had never met him, although just before we entered the meeting room for my presentation, he went out of his way to introduce himself to me and apologise for what was about to happen.

It was a pretty unnerving comment to receive just before my first ever Ministerial presentation and I entered the meeting room with those strange remarks ringing in my ears, full of trepidation as I sat alongside Minister Chadwick, nervously shuffling my speaking notes. I could sense a strange tension in the room and noted a flurry of activity among the bureaucrats who were seated behind Ministers Blewett and Staples. Neal Blewett sat quietly with arms folded, staring down at the table and looking extremely uncomfortable. I tried to catch his eye and nod my head as a way of acknowledging his presence and calming my nerves, but his lowered head prevented any visual communication between us.

I duly presented the review findings to date, sticking to the script that had been prepared for me by the Review secretariat and approved by the Working Group. When I had finished, Minister Chadwick thanked me for the report and opened the floor to general discussion. At that point, in an intervention that has been inscribed in my mind ever since, Minister Staples thanked me for my report but then announced that he had decided not to honour the agreement made by Minister Blewett because it conceded too much of the Commonwealth's autonomy.

His decision to change the Commonwealth's position was entirely justified given that he was now the responsible Minister and had to do what he saw as best. But not surprisingly, his remarks were followed by a long silence before pandemonium broke out. Several State Ministers spoke simultaneously, expressing their outrage at having been betrayed by what they saw as a dastardly act. Chairwoman Chadwick struggled to maintain control of the meeting and seemed incapable of deciding how to react to Staples' bombshell announcement. Meanwhile, Minister Staples sat back calmly, Minister Blewett's head remained bowed and a small army of bureaucrats hurriedly exchanged papers and scurried towards the door.

When some semblance of order had been restored, Virginia Chadwick expressed her deep concern at what had happened before turning to me and asking:

'Well Dr. Saunders, my apologies for the disgraceful treatment you have received here today, but what do you suggest we do from here?'

All eyes in the room turned to me amid the deafening silence that now replaced the vitriol and grandstanding. I had not expected this and for an

instant was unprepared, gathering my thoughts as I succumbed to a growing sense of panic. I stared at my papers desperately thinking of what to do and say, eventually speaking in what I hoped was a calming but authoritative voice:

‘Well Minister, the Working Group is scheduled to hold its next meeting tomorrow and I suggest we bring it forward to this afternoon and work our way through the implications of Minister Staples’ announcement for our first-stage recommendations and report back to Ministers in due course. I am confident that we will be able to find a solution that will be acceptable to all parties.’

That last bit was totally off the cuff and had no basis in my experience so far of how the Working Group functioned. But somehow my calm demeanour, and optimistic outlook induced a sense of order and confidence to the discussion and it was agreed that we would proceed as I proposed.

The meeting then turned to other matters and I left the room to start planning for the disasters that lay ahead. Later, during a meeting break, several observers approached me to apologise for my treatment, one of them revealing that they had never witnessed anything quite like it before and congratulating me for how I had responded to Minister Staples’ unexpected intervention. Minister Blewett eventually came over to shake my hand and apologise, barely able to look me in the face and obviously deeply embarrassed by what had happened. Minister Staples’ last-minute change of heart (prompted by his advisors, I later found out) had not only taken him completely by surprise but was a public rebuke of a proposal that he had played a major role in developing.

Needless to say, the Working Group meeting that followed set new standards for inter-governmental bitterness and abuse although strangely enough, the fact that we had a genuine crisis to resolve focused our minds on reaching a solution which we did with rather less anguish than I had anticipated. The incident was probably the nearest I ever came to having a direct influence on the trajectory of Australian social policy. For that instant when I was invited by Minister Chadwick to advise Ministers on how to proceed, I had the power to affect change within my grasp (or thought I did) or could at least have influenced how the future discussion would evolve.

Others would, I suspect, have grabbed the opportunity to shape the agenda by speaking boldly of new ideas, but I took a more cautious approach, placing my trust in the ability of proven processes of negotiation and compromise to come up with a solution. That fleeting glimpse of the power to affect change soon dissolved into business as normal and Minister Staples’ radical intervention was repelled in favour of a more conservative response as calm was restored. I had my chance, but I dithered, and it passed me by.

### *Sanity prevails in the real world*

The third strand of my work for the Review was by far the most enjoyable and left the most enduring legacy. This involved my guided visits to selected services funded under the program in each State and the ACT. The routine required me to leave Sydney on a Sunday afternoon, spend most of Monday to Wednesday with site visits and then Thursday and Friday chairing a meeting of the Working Group (which rotated between the States). It was a tough schedule and my frequent and extended absences took its toll on my family life, leading eventually to the unravelling of what had become my rather fragile relationship with Anne.

Despite these domestic challenges, my visits to HACC services left me in wonder at what social policy can achieve to help people cope with hardship and suffering and support them to get on with their lives. I had not observed the interface between social distress and policy delivery since my painful encounter with my mother's pram wheel led to my brief interaction with the NHS almost forty years earlier, but I was so grateful to have had that opportunity to see first-hand how even very modest interventions can improve people's ability to function and prosper. I observed countless examples where taxpayer dollars – often very few of them – were being used wisely and effectively by the HACC program to promote the well-being of vulnerable Australians.

Some brief examples illustrate the range of circumstances I witnessed and the remarkable and moving memories those visits left me with.

A woman living alone in a small Margaret River town whose imaginative son had secured a supermarket shopping trolley to the middle of her kitchen floor so that she could swivel it around and use it to support herself while accessing her food, utensils and facilities to cook her own meals and tidy up afterwards. She served up the most wonderful afternoon tea for me, complete with home-baked scones with jam and cream.

'I don't want for much,' she told me, 'but my days are numbered, and I want to spend as many of them as I can (hopefully all of them) living independently in my own home.'

There it was: the rationale for the HACC program articulated perfectly by one of its many grateful beneficiaries!

An older couple living in isolated western NSW I spent a couple of hours chatting with (again over a cup of tea), both immaculately dressed, the husband in a smart jacket and trousers, polished shoes and a collar and tie – put on for my benefit I'm sure. The HACC program funded a nearby resident to drive them each week several kilometres to the nearest shop to

do their shopping. Without that simple support, they would not have been able to remain in their home, ending up in a nursing home, possibly apart, dependent on others and almost certainly miserable.

A meeting with a group of mothers of children with disability at a community centre in Tea Tree Gulley in South Australia. The women varied greatly in age, some very young, others into middle age, but they talked of their experiences, sharing stories with me before telling me that the tiny amount of respite care they received under HACC (one evening off every two months) was so important in giving them the breathing space they needed to cope with the enormous challenges they faced every day.

A young woman in Hobart who I once accompanied on her daily round to collect and return a group of older people from their homes to attend a psycho-geriatric day-care centre. Each time we collected someone they would greet her golden Labrador with great affection as they climbed aboard. When I mentioned this to her later, she told me that the dog was incredibly popular with all her clients, but no-one had the slightest idea who she was or what she was doing accompanying the dog! Imagine the inner strength and dedicated professionalism needed to collect those people every day, knowing that they had no idea who you were or why you were collecting them.

A group of Indigenous women living in an isolated community about 15 kilometres outside of Alice Springs who chatted with me about their problems. The community vehicle had broken down with little prospect of being repaired so I asked them how they travelled into and out of town (and the nearest shops and services).

‘By foot,’ they told me, ‘We can make it there and back in a morning, no problem’.

It was late Autumn, but the heat was still intense and the dirt road a hazardous lifeline. They were all barefoot, and I marvelled at their strength in managing conditions that were a national disgrace then and probably no better now. A world away from the Australia I was familiar with, that rarely crossed gulf partly explaining (but not condoning) the persistence of their miserable living conditions.

I could go on. The memories flood back as I write these words and so do the emotions. I was deeply affected by that meeting in Tea Tree Gulley and often wonder how those brave women (and their children) are coping now. Their circumstances left them with so much to complain about, but they never voiced anything other than gratitude for the modest support they received. Here was the best possible evidence that the welfare state was

working to address people's needs and support them through setbacks and towards better lives. The services were delivered with a minimum of fuss and received gratefully. There was no hint of complaint from the recipients, just a silent acceptance of their lot, reflected in their dignified struggles to cope.

The visits to service agency sites gave me an appreciation of the importance of the (often very small) organisations that provide many community services, particularly in rural and remote Australia. They also alerted me to the commitment, professionalism and simple kind-hearted generosity of the many (often young and predominantly female) Australians who delivered them. The contrast between these inspirational experiences, the dreadful bureaucratic in-fighting that dominated the Working Group meetings and the opulent surroundings where the Ministerial meetings were held was striking. So too was the unseemly jostling between Commonwealth, State and local government politicians to appear in the photo opportunities and media releases that accompanied new or expanded services in their electorates, however far removed the headline-grabbers were from the dedicated hard work that lay behind the actions that were being celebrated.

The visits also highlighted for me the enormous gulf between the concerns of those developing a national policy framework for the future of HACC and the practicalities of service delivery. Many of the Commonwealth bureaucrats that were involved in policy development had little idea how things functioned in practice and the ideas they proposed were at times laughably out of touch with that reality. For example, one goal was to develop a national approach to pricing for services received, the idea being that any individual should pay the same amount to receive the same service, wherever they lived and whatever their circumstances.

This sounded fine in theory but was completely disconnected from the enormous diversity in people's situations. What sense did it make to ask that couple living in rural NSW to pay the same for their weekly car-drive to the nearest store as an older person living alone in the eastern suburbs of Sydney with their family and well-resourced services nearby, if needed? My experience suggested that the most significant variation in HACC services was not that people had to pay different amounts to access them, but that many people didn't have any access to them at all. Surely, requiring consistent pricing of services was a second-order problem that should wait until the services were available to everyone who needed them? The role of policy was to guide development, not frustrate it.

These experiences and reflections left a deep impression and highlighted the importance of understanding what is happening out where the tentacles

of the welfare state come into contact with those who need help. Those key contact points are personal and relational – the human dimension of any service exchange is fundamental – however much economists would like to describe it as just like any other interface between the ‘consumers’ and ‘producers’ of services. There is an exchange taking place, but to fully understand the nature and impact of that transaction, it is necessary to understand the personal and social contexts within which it takes place, not just the financial motives of those involved or the monetary value of what is transacted.

The thoughts prompted by these experiences convinced me that the centre’s research agenda needed to focus on the kinds of issues that the HACC program was grappling with. The centre was already embarking along this path, but I could now see the need to shift the balance of the centre’s research focus: income support *and* services, not one at the expense of the other.

### *Away and Home*

The HACC review took up a lot of my time but left enough over for me to progress other aspects of my research and reshape the structure and research focus of the centre. I travelled extensively each northern hemisphere summer, visiting research centres and attending conferences and seminars in Europe, where social policy was most developed as an academic discipline and research area. I met with many eminent social policy scholars, shared experiences with research centre Directors and promoted the centre and Australian social policy, encouraging those I met to come ‘Down Under’ and see for themselves.

Australia’s geographical isolation has long been an obstacle to research collaborations between Australian researchers and their counterparts in Europe and North America. But there has always been great academic interest in what political scientist (and astute social policy analyst) Frank Castles calls ‘Australian exceptionalism’, reflected in Australia’s unique policy approach and associated institutional architecture. Combined with its laid-back attitudes and climatic attractions, there was huge potential to engage more closely with ‘the world’ and I was keen to see the centre at the forefront of these developments.

Having secured the funding for the Luxembourg Income Study, I was nominated to its Advisory Board in 1988 – a position I still hold – and I tried to attend its biennial meetings as often as I could. This was not always possible because their timing in July coincided with the staging of the Australian Social Policy Conference that for many years was also held in July. I did, however, manage several times to get to Walferdange in Luxembourg where the LIS project was based and took the opportunity to visit my old friend (and Paris



street re-acquaintance) Lui Genazzini and his family, his earlier invitation to visit him if I was ever in the area leading to far more acceptances than either of us had envisaged!

Meanwhile, back in Sydney the 'LIS-ification' of the Australian data for the early 1980s was underway at the centre with assistance from Garry Hobbes and Bruce Bradbury. I was working separately with Garry to replicate some of the results presented in the paper I had heard Tim Smeeding and Michael O'Higgins present in Luxembourg. This involved extending my Perth Address by applying the LIS definitional template to the Australian data so that its income distribution could be compared with those for other LIS countries using a standardised set of cross-country data. The results (as I expected) showed that far from Australia being a low inequality country, it was mid-ranking, with more inequality than Sweden and Norway and (to a lesser degree) the UK, a similar degree to Canada but less than in either (West) Germany or the US.

This pattern of results differed markedly from those produced in Sawyer's OECD study, which showed the Australian income distribution to be among the most equal of high-income (OECD) countries. The differences were also quite large, with Australian inequality almost 50% higher than Sweden's and around 10% less than in Germany. These differences suggested that since the data and assumptions were the same and because all countries faced similar economic and social conditions, it was the role and impact of national income support and tax policies that were driving the differences in inequality. This in turn implied that each country's inequality reflected a conscious policy choice, not the result of some amorphous external force of nature.

The results were presented at a conference on 'Poverty, Wealth and Income Distribution in Australia' held in Melbourne in July 1988. They attracted considerable attention at the conference and again later that year when they were published. Media interest in my debunking of the 'myth' of Australian egalitarianism was intense and I explained the findings in a series of media interviews, where I emphasised that Australia's frequent characterisation as the land of the 'Fair Go' was not borne out by the evidence, at least in relation to how incomes are distributed. This was another important finding that complemented those described in my Perth address, that universal transfers were associated with lower poverty rates than the selective system favoured by Australia. A 'big picture' story was beginning to emerge that raised basic questions about the direction in which Australian social policy was moving.



### *Adventures in Kiwiland*

I had been keen to extend my work on income distribution to include comparisons with our cross-Tasman neighbours and made contact with Helen Stott who worked at the New Zealand Department of Statistics. We met at a conference in Wellington where I explained what would be involved in extending the comparisons to include New Zealand. She persuaded then NZ Statistician, Len Cook, to allow her to do the work so she replicated what I had done for Australia to create similarly 'LiS-ified' data for New Zealand and then used it to produce results that corresponded to mine for Australia.

We presented the findings at an international conference in Lahnstein, Germany in August 1989 and they were later published in *The Review of Income and Wealth*, the journal of the International Association for Research on Income and Wealth (IARIW). They showed that the New Zealand income distribution was more equal than the Australian, with those at the bottom getting a larger share of total income and those at the top a smaller share. The differences were not large in statistical terms, but big enough to ruffle some political feathers and cast further doubt on how well Australia warranted its 'Fair Go' reputation.

An extended version of that paper was presented at a conference organised jointly by the centre and the New Zealand Planning Council held in Wellington in September 1989, where I met several leading New Zealand social policy analysts. This work on income distribution overlapped with my involvement with the New Zealand Royal Commission on Social Policy that was established in 1986. My work there focused on developing ideas in the area of income maintenance and taxation, although I also contributed informally to the discussion of several other areas of policy. The Commission had been established by Prime Minister David Lange to counter the fierce neo-liberal reforms that were being introduced by his Finance Minister Roger Douglas under what came to be called 'Rogernomics'. The aim was to develop a revitalised, socially focused vision of what could be achieved to counter the heavily economic approach favoured by the Treasurer and his supporting army of Treasury economists (that included my ex-OECD colleague Peter Sturm who spent a period of leave on secondment there).

The Commission was headed by former High Court Judge Sir Ivor Richardson, who was supported by several other Commissioners and a secretariat located just up the hill from the 'Beehive' building that houses the New Zealand Parliament in Wellington. I spent the best part of two months in early 1988 working with the Commission and living in a beautiful old traditional wooden house that overlooked the harbour. Getting to work

each day involved a brisk stroll down a very steep incline but coming home each evening was a challenge that taxed my physical capacity to its limit – particularly when attempted in a headwind!

As the political context became increasingly dominated by Roger Douglas and his supporters, the future of Prime Minister Lange was on the line and his political battles left him with little time to influence the work of the Commission or to draw on its work to take back control of the policy agenda. Those who had hoped that the Royal Commission might serve as a beacon of sensible policy and political stability were disappointed. A range of social policy reforms announced by the government in December 1987 prompted Sir Ivor to issue a press statement expressing concern that the work of the Commission was being ‘pre-empted’, particularly in ‘the crucial areas of income maintenance and taxation’.

As the Commission’s work proceeded on many fronts, there was little attempt to develop a coherent overall framework or think about how to address the overlaps and interactions between different elements, or how to get its ideas promoted, debated and implemented. Ronald Henderson would have been horrified! The Commission had embarked on an extensive national consultation process to inform its work, but it generated a huge number of submissions that expanded its scope, stretched its resources to the limit and caused further delay. Ivor had decided to produce a single comprehensive report that would provide a blueprint for a set of detailed reform proposals in specific areas to address specific problems. But external events were moving rapidly, and I could see (as could many others) that this plan risked being (in fact, was being) overtaken by events as many of its proposals would already be either too general or outdated when they were released.

I tried to persuade Ivor that an alternative approach might have more chance of affecting events, arguing that the Commission should release a short (30-page) Discussion Paper that summarised its framework, floated a series of concrete reform proposals and invited more modest public submissions on their merits, priority areas and possible sequencing. My hope was that this would allow the Royal Commission to seize back the initiative, or at least delay any major policy change until its final report was released.

I think I came close to persuading Ivor, but although he decided to release a series of Working Papers on Income Maintenance and Taxation in March 1988, he stuck with the original plan to present a comprehensive ‘first Report’ to the Governor-General in April 1988. The report was indeed a weighty tome, covering four volumes (five actually, because Volume III was in two parts). The shortest of these was over 720 pages long and together they

accounted for more than 4,000 pages – a substantial read in anyone’s language! Despite being referred to as the ‘First Report’, this was the last document released by the Commission. I am one of few who have the complete set (probably the only non-New Zealander) and they are a veritable bookshelf-filler (sadly, I have to admit, largely unread).

The report was widely attacked for lacking coherence and focus by leading social policy academics, one of whom that I knew well (Brian Easton) describing it as consisting of a variety of essays that were ‘...of varying quality – many mediocre, some downright embarrassing and a few of merit’.<sup>2</sup> I didn’t have the heart (or stomach!) to ask Brian where my ‘essay’ on income support and taxation fitted into his pithy but scathing assessment – hopefully among those that were mentioned towards the end of his ranking!

The report ended up gathering dust (lots of it) and social policy forged ahead, driven by the New Zealand Treasury that outlasted its political masters to remain a powerful force for change. It seemed to offer a very dismal prospect at the time but looking back perhaps no major permanent damage was done and New Zealand society has survived, along with the substance of many of its innovative social policies. Whether this is evidence of the resilience of the welfare state or of the dubious merits of the reform proposals is debatable. What is clear is that many New Zealanders had their lives severely disrupted by reforms that often had illusory social and questionable economic benefits. Whether the same end-results could have been achieved with fewer casualties remains an open question.

### *A successful transition*

In addition to developing my research agenda and contributing to policy development, my first three years as centre Director had seen important changes in its role. Probably the most important initiative was the decision to sponsor the first Australian Social Policy Conference at UNSW in July 1989. The need for such a conference had been in my mind for some time and it was well-received internally and by the centre’s committees when I raised the idea. Concern was expressed about the risk of incurring a financial loss and about the increased workload on staff, but both were to prove over-stated and mis-directed.

In fact, that first conference returned a healthy financial surplus, since the income from conference fees exceeded the cost of paying for the travel and hotel accommodation of Invited Speakers and other costs – by a substantial

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2 As quoted in J. Barnes and P. Harris, ‘Still Kicking? The Royal Commission on Social Policy, 20 Years on’, *Social Policy Journal of New Zealand*, Issue 37, June 2011.

amount as it turned out. The conference attracted an audience that exceeded even our most optimistic projections: over 350 in the first year and later reaching a peak close to 500. As I had hoped, it became the leading social policy conference not only in Australia but in the region generally and over time, increasing numbers travelled from further afield to attend.

Our estimates of the financial impact of the conference did not include the time contributed by centre staff who did most of the organisational work in the initial years. These efforts, although a considerable imposition on some, acted as a team-building exercise that reinforced the strong bonds that already existed. Staff could see for themselves how successful the conference was and enjoy the credit that external attendees showered on the centre for staging it. The conference also cemented the centre as the country's leading social policy research institute, and this further enhanced its already strong reputation internationally.

As the centre's status grew it became easier to recruit top quality researchers, of which there was an abundance in Australia. People such as Peter Whiteford, Anthony King and Phil Raskall (on the income support side) and Michael Fine, Karen Fisher and Megan Mitchell (on the services side) joined and added to the breadth and quality of its work. Not everyone stayed, but many did and they in turn attracted a generation of early career staff that were the foundation of future growth.

The work environment and general atmosphere in the centre was further enhanced by its increasing number of international visitors, many of them world leaders in the discipline. I knew from my visits to Europe that many scholars there were keen to spend time in Australia, particularly in the southern hemisphere summer when they could escape the harsh winters that those in Scandinavia in particular, would otherwise have to endure. Many combined a visit to the centre with attendance at the conference and even though it was held in the Sydney winter, the weather was often more welcoming than the European summer they left behind. The centre was definitely 'on the map' and we were at times over-run with requests to visit but luckily had adequate space to respond positively in the majority of cases.

### *'Call me George'*

Internally, as my work on income distribution (and later, on poverty) gained momentum it became clear that I needed someone who could specialise in conducting the complex data analysis required to produce my version of the 'sophisticated descriptions' referred to in my original job interview. In late 1988, we advertised for a quantitative research assistant to work with me on

poverty and inequality issues. The position attracted a strong field of applicants, most of whom were based in Sydney. The exception was an applicant from the University of New England who travelled down from Armidale on the overnight train. It arrived mid-morning, so we agreed to interview him last, just before lunch, giving him time to recover from the trip. It had started raining heavily mid-way through the morning and the downpour had set in when my secretary announced with a strange look on her face that the last candidate (Paul Matheson) had arrived and was ready to be interviewed.

She brought him in, and I sat back just as amazed as the other interview panellists at the sight that appeared before us. The poor fellow had decided to walk from Central station to the campus – a distance of about 7 kilometres – but got caught in the downpour mid-way and was forced to carry on rather than seek shelter in order not to be late. And what a state he was in when he finally did arrive. He wore a long, beige, heavily stained raincoat tied at the waist with a piece of string that was completely drenched, as were his crumpled trousers and worn-down shoes. His long hair was plastered across his head and his equally long beard dripped rainwater onto my office carpet.

‘Come in Paul,’ I said, unsure how to acknowledge his misfortune, deciding in the end that ignoring it was probably the best strategy, ‘and welcome to Sydney!’

He looked at me for a moment with a slightly puzzled expression and replied with a wry smile,

‘Call me George’.

These three words spoken in those bizarre circumstances stirred my affection for him and so began one of my most enduring, satisfying and productive research collaborations. I felt an instant affinity with him and decided that if he did as well at the interview as his application suggested he could, we would offer him the job. He did, and we did.

George was yet another eccentric, although in a lovable way and the staff were all very fond of him, even though he dressed like a tramp and was often in need of a good wash. He was admired by many for his knowledge of social theory, which was his PhD area and which he studied in his spare time. His desk was as chaotic as his personal appearance, piled a metre or so high with paperwork surrounding the increasingly tiny workspace that he had managed to create at its centre. He worked tirelessly for me and produced work of the highest calibre. I often had little idea of how much thought and effort went into some of the ideas that I sent George’s way, but he never complained, sometimes coming back after a few days with the results, or to explain that

he was unable to produce what I had asked for. When we sat down to discuss why, I would often discover that my request had been either impossible or contained internal contradictions! I learnt much from these discussions with George and the confidence and insights I gained helped to build the platform for much of my later research.

While George and I toiled away on measuring poverty, the external review of the centre (Chaired by ANU Economics Professor Fred Gruen) was due to report to the Minister and Vice-Chancellor by the end of 1988. The review was thorough and fair in my view, reporting favourably on the performance of the centre, and recommending several sensible changes to how it should be structured and funded. These would present new challenges, but I thought the recommendations could help the centre achieve better outcomes. Both parties were in broad support of the proposed changes, many of which had been flagged informally by Minister Howe during my earlier discussions with him.

We were entering the final year of our funding cycle, allowing plenty of time for the government to approve an extension of the Agreement with the university. Or so I thought. The first step involved re-writing relevant sections of the Agreement to reflect the proposed changes. I took this on as no-one else seemed willing to do so, and when it was completed I sent it to the Department to review. One evening soon after, I received a faxed copy of the draft new Agreement. I was particularly keen to see the targets set for the amounts to be raised by the centre each year from external sources and allocated to the commissioning of external research.

Both were specified as percentages of the centre's core budget, which was around \$700,000 in 1990, and both amounts were unexpectedly large, and I thought, unrealistic and totally unachievable. I called the Department straight back and said that there must be a couple of typographical errors in the draft and when asked what they were, said that the internal and external commissioned funding targets both contained one too many zeros than they should have. This remark was intended to be serious but was conveyed with jocularly. It was met with one of those ominous silences that indicate that something unexpected had been said, but since no response was forthcoming, we agreed to confer again later.

When we discussed the issue the following day, I indicated that while I agreed with the principle of setting these targets, both had to be reasonable and realistic given the centre's existing capacity and its many other functions. I went on to indicate that if the targets remained at their proposed level, I would be forced to spend most of the remaining core grant on trying to achieve them, leaving little left over for our core research agenda and other activities.

These pressures might ease over time but would be particularly damaging in the initial years. I pointed out that Minister Howe had been keen to free up my time so I could spend more time on research and less on administration but that these changes would have the opposite effect. I also implied discreetly that they would probably lead to me reconsidering whether to stay on as Director and that if I did leave, I would make sure that the Minister was fully aware of why.

To the Department's credit, my concerns were listened to and heeded. I received a new draft Agreement with the targets reduced to levels that I thought were achievable, and with timeframes that allowed them to be phased in gradually. Apparently, I was right about those 'typos' after all and was glad I had drawn it to the attention of the Departmental officers. There was another important change to how the centre was to be funded. This involved allocating an amount of \$100,000 in the base year to projects that would be negotiated and agreed with the Department. This seemed to me to be a change that could, if handled appropriately, benefit both parties. It would allow the Department to get a more direct say on that part of the centre's research that was of greatest relevance to its concerns, while prompting the centre to develop and conduct research that was of demonstrable interest to, and valued by, the Department. It would also allow us to potentially gain access to internal information and data that might otherwise not be shared with an external organisation like the centre.

These changes would, over time, have a fundamental impact on how the centre operated, and on its impact and autonomy. Importantly, the bulk of the centre's budget – its core funding – was unaffected by the changes and continued to provide the base for independent research developed internally (that is, researcher-driven), based principally on its academic merits. The hope was that the centre would over time become more dependent on external funding sources, but that its overall academic independence wouldn't be compromised, although there were many unknowns and the final outcomes were unpredictable. It was clear that the centre would be more exposed to external forces and have less control over its destiny. What was less clear was how the balance between these opposing forces (and even whether they were in opposition, and in what sense) would play out.

Another important change was to the name of the centre. The former Social Welfare Research Centre (SWRC) was replaced by Social Policy Research Centre (SPRC). This was a mere replacement of one capital letter by another in the acronym, but a change that was resisted by some who saw the inclusion of the word 'policy' as a flag for increased government interference and less



academic autonomy. I didn't agree with this view, since the discipline itself was now called social policy (previously social administration), although it was understood that its focus was on more than just how policy was developed and implemented, drawing on a range of conceptual and theoretical advances in the social sciences.

I had known for some time that Brian Howe was keen on this change because he had earlier begun our first face-to-face discussion about changes to the Agreement by asking me what I thought of the current name.

'Not much,' I replied, surprised that this was the first issue he raised.

'What do you think it should be?' he asked, and I said that Social Policy Research Centre better described what we did and was more aligned with broader disciplinary trends in the social sciences. The Minister agreed and the name change was formalised in the first clause of the new Agreement, taking effect from the beginning of 1990.

Other new clauses were designed to ease my administrative load, freeing me up to devote more of my time to research. The centre's Advisory and Research Management Committees were combined into a single Management Board, reducing the number of meetings and preparatory paperwork, streamlining accountability requirements while maintaining performance review and oversight. Two important new positions were established: Deputy Director and Administrative Assistant, both designed to support the work of the Director. These were changes that I supported, based on my two years' experience running the centre.

Unfortunately, finalising the changes to the Agreement proved to be far easier than getting it formally approved and signed by the government. This required approval by the Cabinet. Yes, you read that correctly, the Australian Government's approval of a contract involving well below \$1 million a year for 5 years required the approval of the nation's highest decision-making body. Pathetic, really, and a sad reflection on the unwillingness of the government to delegate such decisions to the relevant Minister. It also made a mockery of the extensive (and expensive) independent review process that we had just been through.

This shouldn't have been a problem in our case, as I was assured that since the decision to re-fund the centre was not controversial, approval would be close to automatic. But I couldn't get the thought of that crazy HACC Review Ministerial meeting in the Hunter Valley out of my mind, fearing that we might suffer a similar fate. My fears were reinforced when the matter kept being relegated to the bottom of the list of Cabinet Agenda items –



understandably, since one hopes that there were many more important matters for the nation's highest decision-making body to attend to! There was no rush from the government's perspective because there was still almost a year to run on the current contract. However, this took no account of the impact of growing uncertainty on centre staff that could undermine all the work I had put into reassuring current staff that their futures were secure, not to mention recruiting new ones.

I was also facing a more immediate personal constraint since my two years' leave from Sydney University was due to expire at the end of January 1989, when I was expected to report back for teaching duties. As we entered that summer Brian Howe went on leave and his portfolio was handled by a group of fellow Ministers, each of whom passed it on as they in turn went on leave. It finally landed in the lap of Finance Minister Peter Walsh, a 'slash and burn' small government proponent who was the last person I would have chosen to see the proposal safely over this final hurdle.

In the middle of January, the matter had still not been resolved. In desperation, I contacted John Nevile – UNSW Professor of Economics, SWRC Advisory Board member and now research collaborator and close friend – and told him that if the new Agreement was not approved within two weeks, I would be forced to resign and return to my position at Sydney University. John thought about it for a few days, then came up with a clever plan. The Economics Department at UNSW was in the process of recruiting a senior lecturer and John proposed that I apply, indicating that if I was offered the job, I would apply for indefinite leave to allow me to continue as centre Director. The proposal cost nothing and allowed the Department to appoint someone else, but it provided me with a fall-back position (tenured!) if things did go pear-shaped. John persuaded his colleagues that I would keep to my word and I was offered the UNSW position, freeing me up to resign from Sydney University and focus my efforts on the centre.

Soon afterwards, Peter Walsh repressed his anti-government public spending sentiments long enough for the Cabinet to approve the new Agreement, Brian Howe had returned from his holidays, the sun was shining and after three years of intense effort, I could relax!



## CHAPTER 7

# THE NINETIES: GLORY DAYS AT HOME AND ABROAD

### *Delivering on promises*

With a new Agreement signed and funding guaranteed for a further five years, what was now the SPRC began 1990 with a sense of purpose and optimism. In the last of the *SWRC Newsletters*, I noted that ‘the range and quality of our activities are expanding’ and speculated that ‘the Centre is now in a position to make a very major contribution to social policy research during the next five years’. Strong claims maybe, but well supported by the progress and achievements of the previous three years.

Key appointments had been made or were soon to be, priorities were being set and the centre was gearing up to meet new challenges in what was shaping as a period of expansion, achievement and impact. I had weathered some early storms but felt better settled, academically, institutionally and personally (thank you, Janet!). I was also aware that my position gave me the freedom and opportunity that I was humbled to acknowledge but keen to exploit. Although bearing many responsibilities – to the staff, the university, the social policy community, the Department and its Minister – I had considerable autonomy to set my own research agenda, steer the centre in new directions, establish new connections and guide and oversee an expansion in all dimensions of centre activity.

Within the university, the centre was located outside of the Faculty structure, a stand-alone entity that left me reporting directly to the Deputy Vice-Chancellor (DVC) for Research. This meant that I did not need to get involved in Faculty politics nor convince a Dean of the merits of my ideas, although when I did need to get advice or approval it was often impossible to get to see the DVC because he (always a ‘he’, in those days) was so busy. However, this left me free to back my own judgement, so I proceeded as I thought best, secure in the knowledge that I had tried my best to seek my line-manager’s advice. Successive DVCs seemed to accept this approach, seemingly confident that the centre was being well run, was financially secure and in no danger of impending disaster.

The new Deputy Director and Administrative Assistant would relieve me of many duties and contribute to better management and planning. The centre’s new Management Board was supportive and administratively less demanding than its predecessors. I was excited at the prospect of competing

for and conducting research for external agencies, seeing this as an opportunity for our research to exert greater influence on policy and practice. The new Departmental commissioned research projects also offered the promise of greater involvement in current policy debates and potentially greater impact on the outcomes.

However, I did not foresee how challenging the expansion of our commissioned research program would be, nor fully appreciate its impact on the centre. It had the potential to threaten the two features of the centre that I had spent much time strengthening and defending: the quality of its research and its independence. The shift from an internally generated, researcher-driven process for determining its research to one driven in part by external demands could undermine the centre's perceived independence and its academic standing since it would be harder to publish the results from commissioned research projects that often contained little of academic merit.

Against this, while the centre's previous policy of publishing its work through its *Reports and Proceedings* (and later *Discussion Paper*) series helped to raise its profile in the community, it did nothing to promote its academic standing because the publications were seen as not subject to independent, blind peer review. I saw that this had to change because being in an academic setting, the quality of the centre's work would ultimately be determined by its quality as assessed by experts, not by its more general popularity. By introducing an independent voice in the quality assessment process, this shift could also help ease the lingering internal tensions over decisions about what to publish. Another benefit would be to provide protection against unwarranted interference from funding agencies about what the centre should publish, and why.

I was uneasy about the requirement that we devote a portion of our budget to commissioning external research. This was designed to expand the scope of the centre's research without having to recruit new staff, but I had been recruiting staff that were not only highly competent, but had the skills to broaden their expertise, take on new projects and have the flexibility to adjust. Why risk losing control over our research (and autonomy) when we could recruit and train existing staff to take on new tasks internally? Call me a control freak, but my thinking was always to keep things close at hand to ensure that things didn't go off the rails (as had happened with a couple of the projects commissioned externally prior to my arrival that I had to sort out).

Another issue that required a careful watch related to the apparently straightforward but actually controversial and rather vexed question of who funded the centre. This was important because it determined to whom the centre was ultimately accountable. My view (shared by others within the

university) was that the centre's funding was provided by the Commonwealth Government since it was the signatory to the Agreement. This implied that the centre's impact should be judged using a broad canvas, a view that became more compelling with the change of name since social policy clearly covered many issues that were broader than social security, which was the focus of the Department that managed the centre's day-to-day operations. This view was also consistent with the centre's Agreement, although the Department's more pragmatic view was that irrespective of who signed the Agreement, because the centre's funding came out of its budget, the resulting output should be viewed and judged through a Departmental lens.

We were to have many debates over this distinction, most of which we won in theory but lost in practice, but this didn't weaken our resolve. It was an important issue because my efforts to refocus the work of the centre onto both income support and services risked being derailed if the Department insisted on us only conducting work that was directly relevant to its portfolio. The broader perspective was also consistent with the role of the national Cabinet in approving the Agreement. If we were to suffer the delays and frustrations caused by getting Cabinet approval, we should at least receive some of the protection that this cumbersome process implied! Finally, as subsequent experience has borne out, the scope of any single Department's activity could be changed overnight by the government, radically altering what it would expect from a centre that it funded.

The Department's view followed the logic of public sector budgeting and accountability: the money was paid out of their budget, so they had to find the funds, account for them and justify their use. One could argue that if the centre did not exist, the money that the Department received from the government (who funded it) would disappear and not be available to use for other purposes. But this was hypothetical, an example of ivory tower speculation that carried no weight among the bean counters in the Department (but would probably appeal to their counterparts in the Department of Finance).

I tried to defuse this constant source of tension by seeking to broaden the centre's funding base to include other agencies with social policy responsibilities, but my efforts had limited success. The closest I got was after Brian Howe became Minister for Community Services and Health. I reminded him of the ongoing debate about the scope of the centre's activity (which we had discussed several times) and suggested that his new Department could provide some core funding to the centre that would be allocated to negotiated and approved projects, much like the new arrangement that now existed between the centre and DSS.

Brian liked the idea and agreed to give it a try and instructed the Department to provide \$100,000 a year for three years to the centre to be used to fund agreed projects of relevance to the Department's policy agenda. Sadly, the experiment was a failure. The problem was that the funds were not seen as part of the Department's core budget, but imposed politically, so while the bureaucrats were willing to comply with the funding requirement, there was no Departmental ownership of the output produced. Rather than the two bodies meeting to negotiate how to use the funds, the centre simply suggested a list of projects each year that the Department agreed to, generally without input or comment.

When the projects were completed and draft reports submitted, we were unable to get any feedback and there appeared to be no interest in using the findings to inform policy. Once the researchers realised this, they too lost interest in being involved. Who wants to waste their time on a project that no-one wants, no-one will read, no-one will act on and no-one will benefit from? It was totally disheartening and despite considerable effort on my part to drum up interest within the Department, in the end I gave up and the scheme lapsed. A brave effort but a sad reflection of how hard it is to shift the bureaucratic mindset if it is not for shifting.

### ***Development of the SPRC***

When I joined the centre in 1987 it employed about 15 staff. Within two years that number had increased to 23 and a decade later it had more than doubled to 32. The staff profile also changed markedly, with greater expertise in community services issues and more senior researchers who were expected to work independently, manage a research team and publish externally in their own right. The support staff of non-researchers had changed little, although that would change with the growth of laptops and microcomputers and as the complexity of the centre's structure, particularly its financial structure, increased.

In 1989, the final year of the second five-year Agreement, the centre's income was \$856,000, all of which was provided by the Commonwealth through DSS (note the wording!). Ten years later, total income had almost doubled to \$1.61 million, two-thirds of which (\$1.09 million) was the core grant provided through what was now the Department of Family and Community Services. The rest was mainly income raised in project-specific grants from other Commonwealth agencies (\$236,000) and State Government agencies (\$205,000), with \$80,000 paid as a block grant by the university to reflect the centre's output that attracted funding to the university.

External grant income thus represented over half (52%) of the Commonwealth core grant, well above the target of 20% specified in the two Agreements that spanned the decade. These figures come from the centre's *Annual Reports*, the production of which was another new requirement, with the first released in 1989, one year ahead of schedule. I was keen to demonstrate our commitment and compliance to our Commonwealth masters!

Like all statistics, these cannot convey the planning, commitment and sheer hard work that lies behind them. Getting that first *Annual Report* out was a major challenge, but it was an important step towards increasing the transparency of the centre's operations. It identified all of its funding sources and over time, linked them to specific projects or other activities. We set new standards of transparency and the degree of detail published, the reports being circulated widely, including to the more than 3,000 recipients of the *SPRC Newsletter*.

The shift from core funding to a combination of core and commissioned funding had profound effects on the centre. It not only caused an increase in its size but signified an increased responsiveness of its research focus to the needs of users. This allowed the centre to claim that its research was useful and valued – a key requirement that all publicly-funded agencies were required to demonstrate under the new public management principles. The shift also imposed greater discipline on how the centre functioned by requiring those involved in commissioned projects to meet strict deadlines. Against this, the centre's autonomy was eroded to a degree as tensions arose over whether to apply for specific projects and when (or where, or if) to publish project findings.

Our ability to make these adjustments was aided by the appointment of the new Administrative Assistant (Suzanne Vaughan) in early 1989 and more substantially, following the arrival of Deputy Director Sheila Shaver from Macquarie University in July 1990. I knew of Sheila's work under Ronald Henderson at the Melbourne Institute, particularly her involvement in an important study on the role of community services in supporting families. I had met her several times in Sydney, had considerable respect for her academic ability and thought she and I would make an excellent leadership team.

Sheila proved to be an exceptional Deputy Director, making many valuable contributions to the development of the centre, most notably in relation to providing a coherent academic basis for its research agenda and greatly improving its PhD program. She also fulfilled an important function that I had badly neglected, building stronger links and establishing liaisons with a broad range of university staff that had an interest in the work of the

centre. She was totally selfless in her approach to her work, often sacrificing her own work in order to focus on centre issues and always providing wise counsel to me on the many occasions when I sought it.

### *Many steps forward, a few back*

With Sheila and Suzanne on board, the centre's new senior management team was in place and ready to accommodate the new funding arrangements. I was by now guided by a clear vision of the centre. I wanted it to be the place where the best researchers in the field wanted to work, the best policy makers wanted to heed, the best students wanted to study, the best administrators wanted to practice, and the world's best scholars wanted to visit. My personal goal was to lead the way externally through the prestige of my research, while creating an internal environment of commitment, collaboration and collegiality that would attract the best and get the best out of them.

The decade was certainly very productive for me. I published extensively (I won't bore you with the details) both through the centre's own series and externally in academic journals and books. Most of my publications were about poverty, many of them about measurement but with a focus on how to bridge the gap between the measurement of poverty, the statistics produced and the experiences and realities of the people's lives that underpinned them.

I travelled widely, giving over 130 presentations over the decade – about one every four weeks – many of them invitations to speak at conferences on topics that were not within my existing expertise. At the peak of my output, between 1995 and 1998 I published 34 articles in journals or as book chapters and gave 58 seminar or conference presentations. Preparing these presentations absorbed a lot of my time but broadened the scope of my knowledge and deepened my understanding in ways that contributed positively to my scholarly development. I travelled extensively – when I look at my itineraries now, I don't know where I found the energy – presenting papers over the decade in Canada, China, Denmark, Finland, France, Hong Kong, Indonesia, Japan, Korea, Luxembourg, the Netherlands, New Zealand, Norway, Russia, Sweden, Switzerland, Thailand, the UK and the US, as well as Australia.

The concern that I and others had about the Director's position not carrying the title of 'Professor' was eased when the university announced in 1990 that it was introducing an internal Promotion to Professor scheme. I indicated my intention to apply, but to my amazement was told that I was not eligible. When I queried this, I was told that it was because the new scheme was intended to provide a promotion pathway to those holding an



appointment as Associate Professor, and since this did not apply in my case, I was not eligible. Simple really. I pointed out that I had been employed at a higher level than that since my appointment three years earlier, was paid the salary of a full Professor and that the decision to deny me the opportunity to apply for promotion was not only grossly inequitable but also probably discriminatory.

The university backed down and allowed me to apply, deciding that my application would be judged by a special Non-Faculty Committee because I was not a member of any Faculty. This was not strictly true because of my fall-back appointment in the School of Economics but I was cautious about the way I might be judged by the economists, having published only a portion of my articles in economics journals. I was by now a social scientist and keen to be judged as such!

The promotion interview took place around the middle of 1991. I was overly confident of success and as a result failed to give it the attention it warranted and ended up being seriously under-prepared for the interview. I knew many people on the committee (which included John Nevile) and felt that my publication record was already stronger than most of theirs, thinking naively that this alone would guarantee my success. But I stumbled over one of the opening ('warm-up') questions and never recovered as my performance went from bad to worse. I ended up talking myself out of the promotion that was there for the taking if I had bothered to prepare properly and present myself convincingly.

Afterwards, I was devastated. I knew I had performed poorly and feared the worst. John Nevile came to see me and said something like;

'That could have gone better'.

It was an admission of my disastrous showing given John's low-key approach and general tendency to under-state. When the letter informing me of the outcome arrived some months later, the opening sentence contained that dreaded phrase 'regret to inform you'. I was overcome with disappointment and seething with anger at what I perceived to be a gross inequity. There was some concern expressed by the committee (conveyed informally by John Nevile) that my failure to publish a substantive book was one factor behind my failure. This was ironic because it was a rationale that could only have come from social scientists, not economists, who rarely publish books and are never judged by how many of them they produce. Perhaps I might have fared better being judged by the economists after all!

I told Janet later that I would not be applying again, that the university could get stuffed (or words to that effect) because it was incapable of recognising

the inherent strength of my case for promotion. She thought my reaction was pathetic and told me so, noting that even if my case was strong, I still had to present it convincingly to the committee, which I clearly hadn't. She told me to learn from the experience and make sure that I prepared properly next time. She was right, and I am very grateful to her for pointing this truth out to me. It was still tough medicine to swallow, but over time the wisdom of her advice sank in and I resolved to apply again when my case was stronger and to prepare better for the interview.

In the interim I had continued to publish widely, including my first commercially published book *Welfare and Inequality: National and International Perspectives on the Australian Welfare State*, which was published by Cambridge University Press in 1994. My second application was submitted in 1995 shortly after the book was published, and my case was further strengthened by my Election as a Fellow of the Academy of the Social Sciences in Australia (ASSA) which I was informed about just before I was interviewed, so was able to notify the committee before it made its decision.

Being elected an ASSA Fellow is an achievement that signifies one's academic status and carries substantial prestige. The Citation for my Nomination described me in the following words:

'Peter Saunders is the Australian economist best known around the world in the general area of applied social welfare economics including income distribution, poverty studies, income support policies and related areas ... For the last ten years he has been Director of the Social Policy Research Centre at the University of New South Wales and has made that institution pre-eminent in its field in Australia.'

Not a bad summary and heartening to read that others acknowledged my achievements. Take that, UNSW Non-Faculty Promotions Committee! The committee came to its senses and my second application was successful. The lad from that corner council house at No. 47 had reached one of the pinnacles of scholarship at the age of 47, giving a nice ring to the achievement.

### ***Skirmishes with the media***

One issue that I struggled to get on top of was the centre's relationship with the media. I knew that the media served as an important conduit through which I and other centre staff could speak to a wide audience. I was also aware that engaging with the media absorbed time and energy and posed risks. One can recover from being made to look like a fool when presenting an academic seminar in private, but when it occurs in public, the damage can be deeper and long-lasting – certainly more embarrassing. My lack of experience

urged a cautious approach that needed to be handled carefully and could, if mis-used, backfire. But the importance of not only producing good research but ensuring that the findings are widely disseminated means that interacting with the media cannot be avoided by someone in my position.

Much of the Australian media – certainly the commercial media, the ABC being a notable exception – tends to focus on sensational ‘shock and horror’ stories and too little on in-depth analysis of what are often complex issues. Journalists emphasise the need to capture the essence of the story in a few lines, but this is often not possible without introducing gross distortions. I understand the need to avoid unnecessary jargon and technical details but the idea that simplicity aids clarity and understanding is misguided. It is also based on a rather paternalistic view of the capacities of those for whom the ‘story’ is being written.

I was scarred by an early incident that was to have long-term consequences for my willingness to engage with the media. It occurred after a report I co-authored with George Matheson was released by the centre in 1992, apparently showing that children are relatively inexpensive in monetary terms to bring up. It was a tentative and highly qualified conclusion based on a study which found that the amount that families said that they needed each week to make ends meet was not on average much higher for those that had more children. One possible conclusion to draw from this finding is that those extra children do not add much to the family budget, although this is one of many possible interpretations of the finding, as was noted and discussed at length in the report. Unfortunately, these details can get lost in the heat of publicity and when the onus is on highlighting the main message, not the qualifications that are the bread and butter of researchers.

When it was released, the report received extensive coverage in the media, the *Sydney Morning Herald* introducing its coverage with the striking headline ‘New Study Finds Children Are Cheap’. After arriving at work that morning, one of the centre secretaries poked her head round my door and said that the John Laws program was on the line and Mr Laws was keen to interview me about the new study. Still suffering shock from reading the newspaper headline, I told her to say that I was not available, but the radio team were persistent, and I eventually agreed to talk by phone to one of the program assistants.

A pleasant woman then came on the line and started quizzing me about the report’s findings. Meanwhile, next door the secretaries had the radio tuned to the John Laws program and realised that the material I was providing by phone, having declined an interview, was being fed to Mr Laws, who was

repeating parts of it on air! But things were to get worse, far worse. At one stage, the woman asked me about my qualifications, and I indicated that I had a PhD.

‘What’s that?’ she asked.

‘A Doctor of Philosophy,’ I replied.

No sooner had I said this than John Laws announced on air that the author of the study obviously knew nothing about the topic as he was not even an economist by training, but a philosopher!

‘This guy’s a philosopher and has no idea what he’s talking about, he’s a total wanker’ quipped Mr Laws, casting aspersions on both my academic credentials and my personal habits (both totally unwarranted, of course).

At this point I could see that there was no point in continuing so I rang off and headed into the secretarial office, where I was met by bowed heads as no-one could face looking me in the eye after my professional and personal weaknesses had been so cruelly and publicly exposed.

It was a mortifying experience for me and I’m sure that many others have trod the same path following encounters with the likes of Mr Laws. For years afterwards I refused to have any contact with the media and although I later relaxed my stance, I only dealt with the best journalists in my field, specifically Ross Gittins and Adele Horin at the *Sydney Morning Herald* and their counterparts at *The Age* in Melbourne. I also refused interviews with commercial radio or TV stations, but did do some interviews with the ABC, often with regional stations, whose reporters were generally well-informed and good interviewers, checking the material and rehearsing possible questions beforehand.

Another troubling aspect of interacting with the media was that it often caused embarrassment to the relevant Minister and I soon discovered that to be the cause of any Ministerial embarrassment was an almost unforgiveable sin. The Department was constantly putting me under pressure to develop a policy that would alert them in advance of any coverage of our research that might embarrass the Government, the Minister, or the bureaucracy itself. I refused to comply, in part because I thought that the existence of such a policy would compromise the independence of the centre, but also because I knew that it was impossible to predict what studies would get the kind of media coverage that might cause embarrassment.

At the time, I was encouraging centre researchers to take every opportunity to present their findings at conferences and seminars, but one never knew if the media would be present or, if they were, what they would decide to cover, and how. I won’t go into the many examples where a Minister

was ‘door-stopped’ and embarrassed by a question about an SPRC study. The consequences in all cases were the same: The next day, I would receive a phone call from a bureaucrat demanding to know how this had happened, why they had not been warned and requesting a copy of the paper so they could prepare a response in case it happened again. Each time I had to explain why these requests were impossible, the latter because conference presentations in those days were rarely accompanied by a written paper. Eventually calm would be restored and sanity would prevail – until the next time when the same circus would start again.

### *Connecting with Asia*

My interest in comparative social policy was extending beyond Europe and North America to include Asia, specifically East Asia. There were strong academic and policy reasons to better understand the extent of poverty and inequality in these countries, and how they compared with the richer countries like Australia that belonged to the OECD. My interest was also motivated by what I saw as an opportunity for Australia to serve as a showcase in the region for what could be achieved through effective social policy interventions. Australia was a world leader in designing, administering and delivering targeted programs and this expertise was highly valued and could be transferred internationally as foreign aid or as an export earner.

While many Asian countries were moving to introduce state welfare schemes, they were then at a far lower level of economic development than existed in Western countries half a century earlier when they were building their welfare states. The schemes that existed in Asia were often limited in coverage, providing benefits only to those in the formal sectors who were earning a reasonable wage and ignoring those most in need of assistance – the poorest, who were paid a pittance that supported only a subsistence living, generally in urban slums or deprived rural areas. Researching these issues required establishing contacts within the countries involved in order to better understand the policy context and gain access to local expertise and relevant data. I developed close relations with researchers and research institutes in China, Hong Kong, Indonesia, Japan and Korea. I was also involved with leading international agencies on policy issues including the UN Economic and Social Commission for Asia and the Pacific (ESCAP), the International Monetary Fund (IMF), the International Social Security Association (ISSA), and later with the Asian Development Bank (ADB) and the World Bank.

These experiences greatly expanded my rudimentary knowledge about the region, its culture and history and provided me with a wealth of

academically fulfilling and personally energising experiences. In order to give a flavour of the enormous diversity of these events and what I learnt from them I will describe two that remain vivid in my mind. Both produced personal revelations that contributed to my professional understanding of the role and importance of social policy and the attitudes that promoted or resisted social change.

### *An Indonesian adventure*

Early in 1992 I received an invitation from the IMF to be a consultant on a Technical Assistance Mission to Indonesia. The focus of the mission was the Indonesian pension system and its task was to review current policy settings and suggest possible reforms. The recommendations were non-binding, as the goal of the mission was to provide technical assistance (which is bureaucratic code for: ‘We can ignore it if we don’t like it’), but it was still an interesting exercise and I was delighted to be involved.

The standard IMF template for missions of this type involves spending about three weeks in the country meeting key stakeholders, preparing and circulating a draft report and receiving initial feedback followed by a week or so in Washington some time later to finalise the report. I had initially been reluctant to spend so much time away from the centre and asked for my involvement in Indonesia to be limited to two weeks, but I was told that the last few days were critical because that was when the team would meet with senior policy makers and politicians and it was important that all mission participants were present.

I repressed my reservations and agreed to participate and headed to the luxurious Grand Hyatt Hotel in the centre of Jakarta that was to be my home and office for three weeks. On arrival, I met the other team members, Mission Head and senior IMF economist George Kopits and a younger Mexican colleague who specialised in economic modelling, another consultant from the US, Stanford (Stan) Ross, and a secretary who attended to administrative matters and typed up the handwritten drafts of the report that we would slip under her hotel room door each evening before retiring.

We spent the first week and a half meeting people and discussing the strengths and weaknesses of the existing pension system. It was important that all major stakeholders were contacted, so that we could not be criticised later for ignoring a particular group or viewpoint. However, this produced more meetings than we could cover together, so after the first few days we had to split up and conduct meetings either in pairs or alone. The mission was a tremendous learning experience for me about the Indonesian pension

system and pension systems in general and (a bit) about how the Indonesian Government and the IMF function as organisations. Once George was convinced that I was level-headed and trustworthy, I was allowed to run meetings alone and that was initially rather daunting: representing the world's leading economic organisation on a mission to one of its most populous countries to assess one of its most important social programs!

My role was to write a draft that outlined the basic principles of a pension scheme for Indonesia that could achieve its stated objectives better than that already in existence. That wasn't difficult: the existing scheme was a shambles, consisting of separate schemes for the military, other public sector employees and the rest of the workforce with little or no coverage of low-paid workers and the entire informal sector. Not that this was seen as a problem by most of them. They preferred to keep the little money that they had in their own hands now rather than handing some of it over to a government that they had little trust would hand it back later as a pension. People's time horizons are very short when resources are barely enough to meet basic needs, and pensions are a distant, unattainable goal. Compliance was thus low, and the scheme mainly benefitted those already better-off but even here, the contribution rate was too low to fund the promised benefits, so the scheme was also financially unsustainable.

If we could get this one point across to senior policy makers, our efforts would have been worthwhile. However, there were many who had a vested interest in maintaining the *status quo* because they knew that the benefits they had 'earned' would be paid and the bill shuffled off to future generations. Welcome to the politics of contributory pension reform!

It was tiring work, attending meetings all day, an hour's debrief before dinner and then off to one's room to write that day's summary of the meetings and report draft before collapsing. I became a close companion of Stan Ross who was similarly stretched to the limit by the interminable demands of the project and George Kopits' constant (but personable) pressure to deliver. Stan and I would commiserate with each other every evening before heading to our rooms and several hours of report drafting before hitting the sack. He was a lawyer by training and his expertise was in the legal and administrative aspects of social security systems – as reflected in his appointment as one of the Public Trustees of the US Social Security System. This is a very prestigious position that highlighted the depth of his knowledge and the high regard held for his experience and judgement. I observed him closely throughout the mission and learnt an enormous amount from him. His interest was mainly in ensuring that the system was able to deliver the benefits promised in the

legislation. I found his focus on implementation refreshing, because it was an aspect of social security that I had long thought did not receive enough attention in Australia where delivery issues were too often assumed away or ignored.

In the Indonesian case, there was an enormous gulf between legislated policy (articulated in a Presidential Decree that set out the aims of the system and read a bit like an Executive Summary of the Beveridge Report) and what was actually being delivered on the ground. It was Stan's job to expose this gulf and suggest ways of closing it, but he faced many obstacles because of the sensitive nature of the issues he was addressing. Observing him in action was a salutary lesson in appreciating the importance of sound program management, administration and delivery in achieving intended outcomes.

We were told many times in our meetings with bureaucrats that the new employee pension scheme was functioning well as it expanded and evolved to maturity. In response, Stan would ask to be taken to a local social security office selected at random (by him) way out in the suburbs of Jakarta to see for himself what things were like 'in the field'. On arriving there (after a drive of several hours through nightmare traffic), Stan would quiz the hapless bureaucrats about the detailed operation of the scheme, leaving them stumped by his increasingly probing questions. It soon became clear that the records were woefully incomplete and hopelessly inadequate and that the scheme was light years away from what the President had decreed.

We completed our draft report (that ran to over 100 pages) by the end of the second week and it was circulated to those we had met for comment and feedback. As predicted, we met separately with the Ministers of Labour and Finance on the final two days of the mission and outlined our views and recommendations. There were no advisors present and both meetings lasted for over two hours as we tried to impress on the Ministers the need for improved performance in relation to the delivery and coverage of benefits and, more importantly, the overall design and longer-term financial sustainability of the scheme. I'm not sure how much impact this had, but it was a great experience for me being able to present my views to major decision makers, who were willing to take note (well, at least to listen) because of my association with the IMF. A couple of months later, I flew to Washington to finalise our report prior to its publication. I particularly enjoyed one marvellous afternoon playing tennis with Stan Ross in the garden of his large house in the most fashionable area of Washington, just down the street from that owned by US Vice-President (and celebrated nincompoop) Dan Quayle.



### *A very special Japanese ceremony*

In 1993, the centre eventually vacated the premises in Eurimbla Avenue and moved into the newly constructed Samuels Building on the eastern edge of the campus. The two buildings were a few hundred metres apart, but light years separated them in terms of their impact on how the centre functioned. Staff now had adequate office space and the centre had its own library and publishing rooms and several excellent meeting rooms, two of which could be converted into a small conference hall that could hold up to 150 people, 200 at a squash. Another consequence of the extra space was an increase in the number of visitors that could be accommodated and one of the first to benefit from this was Hiroko Kase, a Japanese aged-care researcher at the Japan College of Social Work, who arrived in October 1993 for a six-month visit.

Hiroko's spoken English was rudimentary and difficult to comprehend because of her heavy Japanese inflections but she settled into her life in Sydney with amazing ease. Within a week of her arrival, she had rented a flat, enrolled both her children (neither of whom could speak any English) at a local school and was arranging after-work classes in sushi preparation for interested members of staff! She was a popular visitor and I have kept in contact with her over the years, getting together with her and her family on many of my visits to Tokyo.

Hiroko returned briefly to the centre in 1995 to personally deliver me an invitation to attend a series of events being planned by the Japan College of Social Work in November 1996, including a one-day International Symposium at which I was invited to speak, followed by an official ceremony to commemorate the college's 50<sup>th</sup> anniversary and a party for present and former students and staff. I was flattered by the invitation and accepted without hesitation, not knowing that I was about to experience a marvellous few days highlighted by two very different but equally memorable events.

The first occurred after my presentation at the Symposium, which was on 'Social Policy in East Asia and the Pacific Area in the 21st Century: Challenges and Responses' – a topic deliberately chosen to allow me to speak broadly about a range of issues and draw on a variety of evidence. It was one of about six presentations from international and national experts, and they were followed by questions from the audience. It was then that I experienced something that opened my eyes to the importance of what I was doing in a way that has been etched on my consciousness ever since.

After a series of rather dull questions, a young female student got up and announced (very shyly, but in perfect English) that she was blind. She

went on to describe the daily challenges she faced in her life, drawing on her own resources to overcome them because little or no government support was available to people like her. She then proceeded to use her experience to challenge the view – widely shared in countries like Japan then, as now – that the welfare state is an economic burden that undermines initiative, promotes dependency, conflicts with traditional familial roles and makes little difference to people's lives. The room was in total silence while she spoke, and her quiet voice rang with passion and authority until at the end she said, 'Thank you for listening to me', and sat down.

The silence that followed reflected the deep impact of what she had said. It was the best defence of the welfare state I had ever heard and nothing since has approached its eloquent delivery or the power of its message. Like everyone else who was there, I sat in stunned admiration for that marvellous young woman, overcome with emotion but also with gratitude that she was willing to share her story and draw the right lessons from it. I did not keep a record of what she said (I wish I had) but I can still see the image of her standing in that sea of silent faces describing her struggles. Her words described better than any others I have heard how the lack of social provision creates hardship and suffering that can be avoided. Simply amazing!

The ceremony to celebrate the college's anniversary was scheduled for the next morning. The head of the college Dr. Kyogoku was extremely well connected with leading Japanese politicians and other national figures, and there were rumours that he had been trying to persuade none other than the Emperor of Japan to attend. When Hiroko met me at my hotel that morning, she was the bearer of the incredible news that Dr. Kyogoku's efforts had been successful and the Emperor and Empress were indeed going to attend the ceremony.

Streets had been closed all the way from the Imperial Palace in downtown Tokyo to the College grounds in the distant suburb of Kiyose on the city's outskirts. It was important that the royal party could travel unencumbered by the traffic that we ordinary mortals must endure. Once word got out about the late guests, there was a flurry of interest from local politicians and other dignitaries, who all wanted to sit (and be seen sitting) alongside the royal couple on stage. About five members of the national cabinet joined the official party at the last minute, among them the recently appointed Minister for Health and Welfare and later Prime Minister, Junichiro Koizumi.

Before the Emperor arrived, the overseas Symposium presenters were given a crash course in the etiquette of being in the close presence of Japanese Royalty. We were seated in the front row of the audience, about 5 metres from where the Emperor and Empress would be seated on the stage. The

main instruction I remember was to remain seated while the Emperor was in the room, so that no-one in his presence would stand taller than him and he was rather short in stature. (Apologies if this observation offends any of my Japanese friends, but I wanted to draw the fascinating contrast with the English Royals, where custom dictates that everyone remains standing in their presence unless invited to sit by Her Majesty).

I don't recall the details of the ceremony, although there was much exchanging of scrolls and gifts and, of course, copious amounts of bowing. I was content to sit back and admire the occasion, the first time I have been in the presence of royalty and I suspect, the last. The ceremony lasted about an hour, after which the Emperor and Empress headed back to their car and along the empty streets that led back to the Imperial Palace, the roads re-opening once the royal cavalcade had passed. The formalities were complete, and it was time for the party to begin. The Japanese are very quiet in public, but they sure know how to party! The drinks started to flow and as the level of inebriation rose, so did the noise, antics and general sense of unrestrained joy and celebration – particularly, but not only, among the students. It was a fitting end to a wonderful two days that managed to combine academic and social dimensions in an unrestrained display of pride and enjoyment.

Several years later, I returned to Tokyo for research discussions with a new colleague, Aya Abe, an expert on poverty in Japan who then worked at the National Institute for Population and Social Security Research. Imagine my delight when I discovered that the new Director of the Institute was none other than Takanobu Kyogoku who I had met at the Japan College of Social Work! Aya Abe was unaware of my previous meetings with him and had not mentioned his name in my discussions with her, nor mine in her discussions with her Director. So, neither of us were aware of meeting up again until I arrived, when he seemed delighted to renew our friendship and in an unprecedented step, introduced my seminar at the Institute with the following words:

'It is such a delight to learn that my old friend, Professor Peter Saunders has agreed to present a paper at our Institute ... He and I started our friendship while I was the President at the Japan College of Social Work ... Incidentally, he was naturally a British scholar of economics and social policy, but now seems to be demonstratively fighting such [much?] as the most famous Australian hello [hero, I think] Mr. Crocodile Dundee in Australia, against the American gangs' theories, for example monetarists, supply-side economists and market fundamentalists etc.'

Fine words. Made all the more pleasing when Aya told me what an honour it

was to be introduced and spoken of so highly by someone of such prestige and standing, not only in the Institute, but also in wider Japanese society.

### *Visa problems*

I don't travel well. I am nervous on a plane, and consequently unable to sleep, no matter how big the seat or how much space surrounds it. I suffer extreme jetlag that has shown no sign of abating as my frequent flyer miles have accumulated. In 1992 I was invited to participate in a workshop in Bandung, Indonesia that was part of the East Asian regional preparation for the 1995 World Summit on Social Development. I was one of three Australians invited by the Commonwealth Government to participate, the others being my old friend and then Deputy Secretary in the Department of Defence Andrew Podger, and development specialist and NGO activist Russell Rollinson.

Our participation was overseen by the Department of Foreign Affairs and I was asked to send my passport to the Department so they could arrange the necessary visa for Indonesia. This they did, although only after holding my passport for several weeks before returning it appropriately stamped shortly before my flight to Jakarta.

It was a Sunday morning and I endured the usual chaos at Sydney airport before finally reaching the immigration check-point. There I was informed by an official who seemed to take delight in the misery he was about to cause me, that my re-entry visa had expired. I was told that this did not affect my leaving Australia but would prevent my return, just four days later! I stood transfixed on hearing this news, impervious to the stares of the lengthening queue of travellers that now stretched out behind me like the queue at the register of births counter in Levallois Perret the previous decade.

I was unsure whether to proceed onto the flight or go home and crawl back under my bed covers and forget the whole episode. I decided to proceed with the trip and was advised to make my way to the Australian Embassy in Indonesia while away and have my re-entry visa extended or replaced by a temporary one. It should by now be obvious that I was travelling on my British passport. I had assumed (like all sensible people) that my Australian re-entry visa expired when the passport did, but they were each valid for fixed periods from the date of issue, hence the problem. I had resisted taking out Australian citizenship (a necessary step towards getting an Australian passport) since that would have required me at the time to swear allegiance to the Queen, a commitment I was unwilling to make because it hadn't been required of me in order to be a British citizen. My stubborn refusal to become an Aussie was reversed in 1995 after the 'pledge to her majesty' requirement was removed by the Keating Government.

I proceeded on to my flight to Bandung, where on arrival at my hotel I told Andrew Podger about my visa problem, pointing out in exasperation that the expired re-entry visa should have been noticed by the officials who had arranged my visa for Indonesia.

‘The fault is with the Australian Government,’ I pronounced, visibly shaken by the day’s events, but aware deep in my bowels that the fault was really mine.

Despite this, I announced with conviction:

‘I am here at the behest of the Australian Government; they got me here and it is their duty to get me back again.’

Andrew was a very experienced senior bureaucrat and had probably dealt with similar problems countless times and almost immediately came up with a solution. He pointed out that I needed to travel to Jakarta after the seminar, where the Australian Embassy could issue me with a new re-entry visa.

‘The embassy will be able to issue you with a new re-entry visa. We can contact them from here and ask them to fax the application form, which you can then fill out and give it to the Ambassador, who will be here tomorrow to open the workshop. He can then take it back with him to Jakarta and alert the embassy officials to your impending arrival.’

It was a fiendishly clever solution and I was greatly relieved by it, as there is no way that I would have come up with such an audacious idea. Simple, but imaginative and achievable – or so I thought. A blank visa application form was duly faxed to me and I spent the afternoon completing it and preparing what I would say to the Ambassador. It was a daunting prospect but if it worked, it would provide fodder for countless dinner party stories about how I persuaded the Australian Ambassador to hand-deliver my re-entry visa application to the Embassy attached to his residence in Indonesia.

Right at the end of the form was a note indicating that the renewal application would cost about \$30 to process, indicating that this had to be paid in cash in Indonesian rupiah. I had the money but felt that I couldn’t ask the Ambassador to take it with him and hand it over when he arrived back at the Embassy. Imagine what might happen if something went wrong. I could see the headlines: “Ambassador Recalled to Canberra after Accepting Bribe from Visiting Academic”. It was agreed that I would not ask the Ambassador to take the money but to indicate that I would bring it with me two days later.

Later that evening, I approached the Ambassador and asked if he’d be an accomplice in my plan to renew my re-entry visa and return to my loved ones in Sydney. He agreed immediately, though he obviously found the cause

of my dilemma amusing and couldn't resist having a chuckle at my expense. He kept to his word and I diverted to Jakarta after the workshop, staying at the luxurious Hilton Hotel where I had met with the Indonesian Finance Minister at the end of my IMF mission years earlier. The next morning, I headed to the Embassy and had a new re-entry visa stamped into my passport. There was an initial delay before someone tracked down the faxed form passed on by the Ambassador but when they found it, I was so overcome with relief that I had to resist leaning across the counter to give the woman I was dealing with a grateful hug. Probably just as well I didn't, or I might still be there.

### *A Wellington sleep-in*

Flying is a tiring business and changing time zones can play havoc with one's sleep patterns. Sleep deprivation is a constant companion of poor travellers like me and it often expresses itself in the most embarrassing ways. I had been invited to Wellington by the Department of Statistics who asked me to present a seminar to their staff on equivalence scales, a topic on which they were planning to do some work. The seminar was to take place in the Departmental offices at 9.30am on a Monday morning and my hotel was just around the corner about 200 metres away. I flew over on the Sunday evening and was met at the airport by two social researchers that I knew (the previously mentioned Helen Stott and colleague Suzanne Sniveley) who took me to my hotel and suggested we have a drink in the bar.

New Zealand is one of the very few countries on the globe that is ahead of Australia in terms of time – three hours ahead then – and my flight had left Sydney at around 2pm and arrived in Wellington at about 8pm Wellington time. We arrived at the hotel bar at about 9pm but after one brief drink my two companions said it was getting late and left me there. It was a very windy evening and freezing cold and the bar was empty, so I headed to my room for an early night. But I wasn't at all tired, my body clock still on Sydney time, which was only about 7pm. I fussed around for a bit getting cold in the under-heated room before finally climbing into bed and huddling under the (too few and too thin) blankets to keep warm. The sleep I was hoping for eluded me as I succumbed to the noises created by the wind that was blowing furiously, shaking the windows and all other movable objects in my room, which was on one of the higher floors.

I woke the next morning to the sound of the telephone ringing and struggled to shake off the remnants of a very deep sleep.

'Is that Dr. Saunders?' the caller enquired, hesitantly as if expecting a negative response.

'It is indeed,' I replied, looking across as I said it to discover to my horror that it was 9.20am, ten minutes before the seminar was due to begin!

'I was just about to come down, so I'll see you in the lobby in a few minutes.'

I hung up and transposed myself in world record time from the physical wreck that had emerged from that too short but too deep sleep a few minutes before into something approaching an eminent expert about to address a leading government agency on a highly technical issue. I don't know how I managed it, but ten minutes later I was in full flow in my presentation and responding to the battery of questions that the locals were throwing my way. I survived with reputation intact but only just.

### *Nodding off in the Netherlands*

Later that year I had a somewhat similar experience, although this time in a more public arena and in front of a far more eminent group. It happened in the charming small town of Leiden in the Netherlands, where a seminar had been arranged to acknowledge and commemorate the work of Dutch social economist Aldi Hagenaaers who had tragically died aged 39 from cancer the previous year. I had met her at one of my visits to Luxembourg to work on a project on noncash income (with Tim Smeeding, Stephen Jenkins and several others) that Aldi was advising us on. Like everyone else, I was an admirer of Aldi's work and captivated by her wonderful sense of fun. When I arrived at the meeting venue (late, as usual), I discovered a group of 15 or so economists standing around in a dormitory room chatting. My attention was immediately drawn to a rather attractive blonde woman who was lying on a bed, quietly meditating. Tim Smeeding introduced me to those present whom I did not know, but Aldi (who I had assumed was male) was not among them.

'Where's Aldi?' I asked innocently, thinking that like me, he had been delayed. The buzz of conversation in the room stopped and a hush descended before the mysterious blonde on the bed quipped,

'I am Aldi, nice to meet you Peter', and my embarrassment was complete.

We survived that awkward introduction and went on to become good friends, something that was not difficult with Aldi, who like many Dutch people, was always warm and open to all she met. She was a great supporter of the Luxembourg project and was widely regarded as one of the world's leading welfare analysts of her generation.

My trip to Leiden had been very circuitous. I flew from Sydney to Boston (one of the toughest journeys for inducing jetlag), and stayed there for



a few days with economist Joe Quinn and his family, sleeping at very unusual hours but trying my best to be sociable. After a couple of sleepless nights, I eventually managed to fall asleep at the expected time and slept for 15 hours, emerging in the Quinn lounge room at around 4pm the following afternoon. I overheard his obviously perplexed son asking Joe if I was alright.

‘Is Peter OK?’ the poor boy asked, ‘I didn’t know that grown-ups could sleep that long.’

He had obviously not been exposed before to long-haul house guests.

‘I think he’s a bit tired,’ said Joe, reassuringly, ‘He’s come a long way but I’m sure he’ll be fine and back to normal soon’.

I did recover and needed to, because the next day I was heading north from Boston to St Andrew’s in Newfoundland to attend the biannual conference of the International Association for Research on Income and Wealth. I drove up with Tim Smeeding, an experience not recommended for the faint-hearted given Tim’s proclivity to drive at top speed with little regard for the traffic rules or other motorists. After several days’ enjoyable conferencing in St Andrew’s, I returned to Boston on the Saturday, travelling back at a more sedate pace with Klaas de Vos, an ex-colleague of Aldi and, I was assured, a very careful driver. Like several others at the Leiden seminar, I was catching the night flight from Boston to London, connecting at Heathrow for Amsterdam and then catching a train to Leiden and finally a taxi to our hotel.

I had almost no sleep on the flight to London and although I managed to nod off on the flight to Amsterdam, it’s a short flight with little time for nodding. There was a dinner that evening in the hotel to welcome the many eminent scholars who had travelled from far and wide to pay homage to Aldi. I headed to my room as early as decently possible but – the traveller’s curse – was by now too tired to sleep and managed only a few hours. The next morning, we were woken early for breakfast and accompanied to the conference room on the Leiden University campus for an early start. It was a full program and Tim and I were presenting a paper on the second day. The opening presentation was given by Lee Rainwater from Harvard, one of the world’s leading sociologists who had played a key role in getting the Luxembourg Income Study off the ground and was to write a seminal report for the OECD on income distribution with Tim and Tony Atkinson, who was also at the conference.

I was sitting in the middle of the audience of about 80 of the world’s leading poverty researchers, next to Thesia Garner from the US Bureau of Labour Statistics who I knew well. As Lee began to summarise Aldi’s many contributions to the scholarly literature on poverty and related topics, his voice



took on a somnolent quality that sent me into a light doze that threatened to morph into a heavy sleep. My head tilted slowly to my right, coming to rest on Thesia's shoulder as my breathing became more rhythmic and my contact with the waking world dissipated. Thesia tolerated my incursion into her personal space until I woke with a jolt to the sound of applause as Lee finished his presentation. I automatically joined in, unaware of what Lee had said, but grateful that his saying it had come to an end, prompting the applause that woke me up. Thesia later assured me that no-one other than her was aware of my slumber, but my quiet nap in the presence of such concentrated research excellence still causes me to squirm with embarrassment.

### *The budget standards study: from hope to despair*

Back in Australia, I was preparing a submission to conduct a major project on budget standards that would form part of the new poverty measure envisaged by DSS Minister Baldwin. The research involved developing the detailed budgets that households needed to achieve a specified standard of living. The approach had a long history but had been neglected until a recent revival led by my UK friend and leading poverty expert Jonathan Bradshaw. My plan was to modify his recent UK study to suit Australian conditions and the project would engage him as an expert advisor.

This was at a time when preparing proposals to conduct externally commissioned research was new to the centre and developing research tenders was relatively new territory for the Department. I invited several people who I thought might be associated with rival bids to become members of a Project Steering Group and the approach seemed to work. Many of our potential competitors were happy to be associated with the SPRC bid and did not submit a proposal of their own. The SPRC bid was impressive and was awarded the contract of close to \$600,000, the largest external grant it had received by far to that date. We entered a process of negotiation with the Department over the details of the research and other relevant aspects, including the right to publish the findings. These negotiations were conducted in a spirit of cooperation since both sides were keen to see the research used to influence policy, including potentially the setting of poverty-alleviating social security payment levels.

We seemed to be on the threshold of a new era, one where all the work done to raise the quality and relevance of the centre's research and to build trust and a sense of common purpose with the Department was coming to fruition. We were about to embark on research that would assist a government committed to addressing poverty to re-structure its social security payments to achieve that

goal. How misguided and ultimately damaging this naively optimistic assessment proved to be – a turning point in my entire approach to working with government. This view was probably shared by many of our Departmental colleagues, whose initial optimism was to be shattered by the turn of events.

The team put together to conduct the research within the centre was led by UNSW sociologist Michael Bittman who was recruited specifically to work on the project. He had developed a close association with the centre and for several years had been looking for an opportunity to transfer across. He was joined by several new recruits and existing staff with an interest in the research, including Bruce Bradbury and Marilyn McHugh. I met with the core group frequently to review progress and debate the many issues over which there were differing views about how best to proceed. These debates grew in number but were rarely resolved as we became bogged down in, and eventually overwhelmed by, the complexity of the task we were facing.

We had agreed to base the budgets on what we described as hypothetical families that were assumed to be living in a particular area of Sydney and went about their day-to-day activities as was normal for people living in that location. This involved, for example, calculating the average distance that families in that location would have to travel between their home and local shops, medical, childcare, sporting, leisure and other facilities and services so we could work out the total distance travelled each week and hence how much the cost of petrol contributed to the weekly budget. The process illustrates how much detail is needed to derive just one of the hundreds of costs that make up the weekly family budget and explains why Jonathan Bradshaw had accurately described the whole process as ‘a ghastly chore’.

Many of the assumptions made while undertaking this chore were somewhat arbitrary and the departmental bureaucrats questioned the precise details of every choice that was made. The researchers often resented these incursions, fearing (correctly) that the aim was to lower the budget and reduce the cost that the government would incur to raise benefits up to the standard we were setting. I observed these skirmishes from a distance but noted that the researchers became increasingly defensive, as if their efforts to maintain the original budget were designed to protect the family from cuts being contemplated by the government. What began as a technical discussion about the best way to build the budgets was transformed into a ‘good versus evil’ struggle as the researchers resisted all attempts to question or change their assumptions in order to protect those imagined families whose statistical budgets had become real, affecting their lives like other crises in a soap opera drama. Passion became an element in what should have been

a rational discussion and whenever that happens, there is little prospect of reaching agreement.

I sided with the bureaucrats on many of these ‘debates’ (I use the term generously), taking on the role of ‘hard cop’ by arguing for lower budgets that I thought had a better chance of being endorsed by the Department. This stance illustrates the inherent subjectivity that is both a weakness and strength of the whole approach: a weakness because it undermines the scientific objectivity of the budgets, but a strength because it forces those developing them to apply a consistent set of judgements rather than deciding each in isolation (which is the only alternative). It does, however, mean that the final budgets will always be subject to criticism – some of it difficult to refute when viewed in isolation – making the task of justifying and defending the estimates a never-ending, energy-sapping merry-go-round of claim and counterclaim.

The regular meetings of the Project Advisory Group were another venue at which the underlying tensions were played out. I had encouraged those present to challenge whatever we did as a way of building greater rigour into the budgets and the discussion was always wide-ranging and vibrant. But what began as a supportively critical atmosphere became increasingly tense and abrasive as external circumstances changed and the Department’s attitude to the project along with them. Battle lines were drawn between bureaucrats and researchers and what had previously been a free and open discussion of the merits of alternative approaches evolved into a stand-off that became an obstacle to progress.

The meetings were generally held over two days and brought back painful memories of my involvement with the HACC Review almost a decade earlier. While the external experts on the Group provided much support and helpful advice, relations with the two Departmental representatives – ex-centre researcher Peter Whiteford and future academic Paul Henman – became increasingly frayed. I understood that they were acting ‘under orders’ when articulating their constant criticism of the budgets (driven by Paul Henman’s meticulous trawling through the spreadsheets that contained the details) and the raising of what I thought were superfluous issues (led here by Peter Whiteford, who is a formidable opponent with an excellent grasp of conceptual issues and policy detail). But this didn’t stop the arguing and I could sense that the bureaucrats were gearing up to disown the estimates once the work was completed and the results made public.

This antagonistic momentum was further propelled by the election of the Howard Government in March 1996. This was a watershed moment that signalled an abrupt shift in social security policy, away from efforts to improve

the coverage and level of benefits and towards reducing ‘welfare dependency’ among the poorest in order to cut spending and allow for income tax cuts for the wealthier. This shift had major implications for the Budget Standards project, since the last thing the new government wanted to hear from research it had funded was that social security payments needed to be increased. The change of government caused the entire rationale for the project to collapse, sweeping away with it the spirit of shared commitment and common purpose that had emerged between the centre and the Department. I’m guessing that the possibility of abandoning the project altogether was discussed within the Department and although it didn’t happen, in retrospect it might have been better for everyone involved if it had. Instead, the Department’s support eroded, and their focus shifted onto ‘managing’ the release of the findings – which I now understand is bureaucratic code for ‘Keep it under wraps for as long as possible until interest dies down, then shred it’.

Despite these developments, we completed the project and managed to have all its details and findings published (by the Department, no less!). The approach used to construct a budget standard is simple and has enduring appeal and there is an incessant demand for its output. I have received more requests about this component of my research than any other. Although the SPRC estimates were never implemented by the new government, they have had a powerful impact on many areas of Australian social policy, including in setting the minimum wage, levels of superannuation benefit, foster care allowances for children and, more recently, in estimating how much Newstart Allowance should be raised to restore its adequacy. The estimates are also used regularly by the courts to help determine the extent of compensation in cases involving injury or death, and by financial counselling services to advise on how best to manage one’s resources. The centre has just been commissioned by Fair Work Australia to update and expand its latest estimates so that they can help inform future decisions about the setting of the minimum wage.

Despite these positive achievements, the original budget standards study was difficult for all involved, particularly those in the centre who had devoted several years of their career to it. I couldn’t help but contrast my positive and successful efforts to raise the centre’s profile internationally, specifically in Asia, with the deadening negativity that dominated the important and painstaking work I and others undertook for the budget standards study. The welcoming openness with which my efforts and output were received internationally could not have been further from the unedifying and restrictive clashes with Australian policy makers who sought to delay, discredit and derail our budget standards research.

### *Darkening clouds, on two fronts*

The worst possible scenario for a research centre working in a contested area like social policy is to be commissioned to conduct a controversial study by a government in its final days in office. Probably the worst aspect of the budget standard study debacle was that it cast the centre as the enemy of the new government when it came to policy development. The warning signs were apparent when the new Minister for Social Security Jocelyn Newman noted in an Address to the National Press Club in 1999 that:

‘The Howard Government will focus on policies that build a strong social foundation for family and community life for the next century, while continuing to provide a safety net for those in need – one that encourages self-reliance and supports people to escape the trap of welfare dependency. If you like, one that acts as a springboard to economic security and independence – not just a passive net.’

The qualification about the role of the safety net encapsulated the government’s new approach that would focus not on improving the adequacy of their payments but implementing measures that would seek to move people off benefit, mainly by making it more uncomfortable for them to be there.

Senator Newman’s Ministerial appointment had come as a bit of a surprise because she replaced the Shadow Minister Phillip Ruddock, who was shifted to the Immigration portfolio. I had assumed that Ruddock would become the new Minister in what was looking like a new government and had made the effort to attend a conference run by the Federation of Ethnic Communities Councils of Australia (FECCA) in the hope that I might meet him. This I did and we sat at the same table for the conference dinner and chatted amicably. We seemed to get on rather well and I was optimistic that we would be able to work together if (or when) he became the Minister.

I was right about the change of government but not about the identity of the new Minister. Sheila Shaver and I travelled to Canberra to meet Minister Newman, but it was an awkward and uncomfortable gathering, probably as much for Senator Newman as it was for us. She seemed wary of us, as if anticipating an outburst of pro-welfare pleading whereas Sheila and I wanted to impress on her that we were professional researchers keen to maintain the quality, independence and integrity of the centre and its research. I’m not sure we managed to get that message across and came away feeling that we were cast in the Minister’s mind as left-wing, ‘heart on the sleeve’ welfare activists. Ironic really, since dispelling that myth had been one of my primary goals since joining the centre.

The centre's fourth Agreement was due to expire at the end of 1999 and the process of review would normally have begun a year earlier, in 1998. As had now happened twice previously, I wrote to the Department late that year indicating that a Review was required and proposed the name of the university representative on the committee. I also suggested that the Department might consider nominating Dame Margaret Guilfoyle as its member, since she had been Minister when the centre was established by the Fraser Government in 1980. An astute call, I thought.

After a short delay I received a response indicating that the Department was not happy with the proposed university representative on the committee (Jan Carter, then at Deakin University) and asked for an alternative nomination. I was beside myself with fury when I read that. I could stomach the government choosing someone who was anathema to the centre as *their* representative, but to reject the person nominated by the *university* conflicted with the procedure set out in the Agreement and, in my view, transgressed normal principles of ethical behaviour, decency and fairness.

As often happened when I faced difficult circumstances, I consulted John Nevile about how best to proceed. I was keen to insist that our representative remained unchanged, but he persuaded me to take a deep breath (preferably several) and propose an alternative name. I eventually saw the wisdom in his suggestion and proposed that the university member be Professor John McCallum (for whom I had considerable respect). His nomination was accepted and in an unexpectedly positive development, former Australian Statistician Ian Castles – my companion on that walk across campus a decade before that secured Australia's funding of the LIS project – was appointed Chair of the Review Committee.

The Review proceeded much as its predecessors had done and its assessment was generally positive, the report noting that the centre:

‘... is widely recognised as one of the leading international social policy research institutes and this is reflected in ... the standing of the work of the centre within international social policy agencies such as the OECD and the International Social Security Organisation.’

It seemed that my fears had not been realised and we prepared to begin negotiating with the Department about any changes to the Agreement.

Then silence. No word from Canberra as the months ticked by and centre staff (and its Director) became increasingly anxious. The federal election of 1998 caused a further delay and I kept reminding the Departmental representative on the centre's Management Board (Chris Foster) that the delay could create another outflow of staff if action of some sort wasn't forthcoming.

Chris assured me that things were being progressed and that we'd hear about them in due course. Then more silence.

Eventually, I had a call from a senior Departmental official (David Tune, I think) who told me that the government had decided not to extend the Agreement but instead would be making the funds contestable. The details were spelt out in a letter from the Minister to the Vice-Chancellor, which arrived in June 1999. It indicated that the government 'would be moving to funding the centre on a competitive tender process'. Universities and other research institutions would be invited to bid for the available funds, indicating how much they were bidding for and what they would provide in exchange – research expertise, support staff, infrastructure, and so on. The letter also indicated that the centre would receive a one-year extension of its funding to allow the new arrangements to be put in place.

I was angry and devastated to the point of despair. Angry because of the nature of the decision and the lack of warning I had received about its impending arrival. Devastated because I saw the decision as undermining all the effort that I had put into building trust, improving accountability and effectiveness and strengthening links with the Department. And in despair at what I saw as an act of personal and professional betrayal. But there was no time for self-reflection; I needed to show some leadership and reassure staff that all was not lost, and that we could still retain much of our funding if we submitted a good bid. We had no option other than to draw on our expertise and resources to put together the best possible bid.

This was all true, but it was also partly grandstanding on my part. I knew that there was no way that the government would go through the extensive and expensive process of calling for tenders and end up awarding all the money to the incumbent. That would be downright embarrassing and bring into question the entire basis for the contestability approach. There had to be evidence that the new approach worked, and this could only be demonstrated (convincingly?) if it resulted in some of the funding being awarded to some new player, or players. Wisely, I kept these thoughts to myself although I'm sure that many of my colleagues were having similar thoughts.

The Department could always claim publicly that the new bids offered better value for money without revealing the details of those bids under 'commercial in confidence' provisions. Win-win, from their perspective. This is the logic of an approach that will always be biased against the incumbents, particularly when it is first implemented.

I was not party to what went on internally in the run-up to the government's final decision, although I later heard many rumours, including



that the Department supported an extension of the Agreement and had prepared the necessary paperwork before others within the government, including senior members of the Department of Prime Minister and Cabinet, insisted that the funds should be put out to competitive tender. This was another cruel blow, since if correct, it implies that the long delays we had experienced under Labor waiting for formal Cabinet approval could have been avoided after all. A cynic might suggest that this didn't happen earlier because the Labor Party adhered to the existing rules while the new government was willing to ignore them – but, of course, I couldn't possibly comment on that!

Whatever had happened then, the reality now was that we faced the urgent task of putting together a tender that stood the best chance of us being awarded as much as possible of the available funding. Just as I sensed that we would not be awarded the majority of the funding put out to tender, I also surmised that we would not miss out altogether. That decision would have been hard to justify given the positive review we had received and the waves of support for the work of the centre that were widespread, nationally and internationally. The challenge was to ensure that we received as much as possible out of what was surely only a portion of the total funding on offer.

The call for Tenders was announced in December 1999 with a submission date of the end of January. This meant spending the entire summer devoted to preparing the submission, a prospect that did not appeal to me, particularly as I had already delayed a period of sabbatical leave for two years while the Department dithered and delayed deciding how to respond to the Review. I became despondent, finding it increasingly difficult to motivate myself and others and falling short of what I knew was needed in terms of leadership and positivity. Without the support and encouragement of others, I wouldn't have made it through that dark period. Sheila Shaver's calmness and wisdom was absolutely critical here and I owe her an enormous debt, personally and on behalf of the centre. Her role in helping us to navigate those turbulent waters was the key to our survival and the centre's eventual return to stability and revitalisation.

The total available funding was around \$1.5 million (a small increase over the centre's core funding of around \$1.3 million) and we decided to submit three bids. The main one was for the entire amount, there was a 'fall-back' for a very small amount (around \$300,000 I think) if things went badly against us, and a third bid of around \$800,000 that we thought was probably the maximum that we could realistically expect to receive. Each bid named the researchers that would be involved, the proportion of their time and the other items needed to support the research – administrative staff, travel, materials and equipment, and so on. I was hopeful that we might get our



third bid accepted and it was a deliberate part of our strategy that it would be seen as a compromise bid that would allow us to continue while saving the government face. They could claim that ‘the winds of competition’ had blown away the cobwebs, removed any complacency, re-focused priorities and created a new vibrant basis for improved performance – the kind of thing that market fundamentalists love to hear.

Meanwhile, news of the whole process was creating a stir. The university representative on the centre’s Management Board and strong supporter of the centre since (in fact before) its establishment, Professor John Lawrence, wrote a compelling article for the *Sydney Morning Herald* in which he described the Howard Government’s decision to withdraw the centre’s core funding as ‘an act of vandalism which needs to be widely discussed’. The article appeared under the headline ‘Shooting the Policy Messenger’ which captured the situation well. Other leading policy analysts wrote to the Minister expressing their dismay at the decision and questions were raised in Parliament in the Senate Estimates Hearings in May 2000. When questioned about the reasons behind the decision, Departmental representative David Tune indicated that the Review of the centre’s performance had been ‘reasonably positive’ (faint praise and inconsistent with what the report actually said), but that it was considered appropriate to ‘test the market’ to see what other agencies might provide.

I received several letters of support from colleagues at other universities, some of whom had written to the Department indicating that they were not submitting a bid for what they regarded as ‘the SPRC’s money’ – a response that I took as a heartening affirmation of what the centre had achieved. Finally, in March 2000 I received a call from David Tune indicating that the centre’s bid had been ‘successful’.

‘How much will we receive?’ I asked.

‘The exact amount will be \$462,000,’ he replied – equivalent to a cut of two-thirds in our core funding. It fell well below our ‘best outcome’ bid of \$800,000 and not much above the ‘fall-back’ bid. Better than nothing, but not much, and a kick in the face that was viciously aimed and deeply felt.

We were given no information about which parts of the bids we submitted were to be funded, leaving it to us to allocate the money as we saw fit. It was disappointing not to receive any feedback on different components of our bid and hence on how the Department ranked the relevance and quality of the work that underpinned it. The lack of transparency in the whole process was a disgrace but was typical of these kinds of contestability processes that consolidated the power of the fund-holder while treating the binders as subservient and disposable.

This latter thought was probably not occupying the minds of the two successful bidders: the Melbourne Institute of Applied Economic and Social Research at the University of Melbourne and the Economics Department in the Research School of Social Sciences at the Australian National University. The former had been experiencing a resurgence under the dynamic leadership of Peter Dawkins after its social arm had been slowly disintegrating since the retirement of Ronald Henderson. Dawkins had been a member of the welfare review panel established by the Howard Government and widely seen (perhaps unfairly) as sympathetic to the government's new welfare policy agenda and its focus on mutual obligation.

The ANU team were led by what I regarded as Australia's leading applied economist, Bob Gregory. It included several younger researchers who were technically excellent and keen to 'get their hands dirty' addressing social security issues. Both groups had a strong economic profile – far stronger than the SPRC – but lacked social policy expertise and experience. The hope was, I think, that by redirecting them towards social security issues in the short-term, their interest would be provoked leading to capacity building in the longer term.

My worst fears had been realised – well, not quite my worst as I had had nightmares about the centre losing out altogether, condemning me as the Director who oversaw the demise of a national treasure. It was hard to take any comfort from what I saw as the derisory amount we had been awarded but the centre still existed and had survived many previous crises, so all was not lost. But the outlook was decidedly bleak in those dark days and I feared the tough decisions and misery that lay ahead.

### *What's in a name?*

As these momentous events were unfolding, another traumatic development that had been simmering away in the back of my mind was about to burst into the forefront of my consciousness. It began late one winter's afternoon in 1990 when I was perusing material in the centre's library. I thought the building was empty until I heard someone rushing down the stairs towards the front door. I looked up to see recently retired UNSW Professor of Sociology Sol Encel, who I had persuaded (not too difficult!) to accept an Honorary position in SPRC. He was clutching a bulging briefcase and dragging a large- wheeled suitcase behind him, obviously on his way to the airport. As he passed the library on his way out of the building, he turned to me and shouted:

'See you next week,' before heading towards the gloom outside in search of a taxi.

‘What do you mean?’ I asked, puzzled by his comment; ‘Aren’t you going overseas? It sure looks like it.’

‘Yes,’ he replied, ‘I’m going to the conference in London and I’ll see you there. I’m looking forward to your presentation’.

That final remark sent a cold shiver down my spine. Had I suffered a terrible memory lapse? I had no recollection of agreeing to speak at a conference in London, had no tickets booked and certainly had no intention of being there the following week.

‘What conference, what presentation?’ I asked, doing my best to delay Sol’s exit so that I could interrogate him about his dire prediction that I was about to travel halfway around the world without realising it.

‘Well, here’s the conference program and you’re on it,’ he said, further compounding my dilemma.

He pulled a crumpled sheet of paper out of his briefcase, flattened it out, and thrust it in front of me. It was indeed a conference program and right at the top under the conference title was printed the name of the opening Plenary Speaker: Professor Peter Saunders. For a moment I was aghast and rocked backwards desperately trying to figure out how this terrible oversight could have transpired. It had been a busy period, but surely not busy enough for me to accept to speak at a conference in Britain and then forget all about it. Or was it an initial sign of something far more sinister, a failing of my mental capacities that signalled the end of my professional career?

Then I looked at the title of the advertised presentation and a huge swell of relief swept over me. The presentation was on some aspect of housing and urban policy, an area that I knew little about and one that no conference organiser in their right mind would invite me to speak on. My relief had been triggered by a dim light that had been flickering away for years at the back of my mind that suddenly ignited into flames. There was another Peter Saunders! It wasn’t me after all and if he had been there that afternoon, I would have hugged my namesake with gratitude.

I now recalled reading about a Peter Saunders who was a sociologist at the University of Sussex and an expert in housing policy and urban sociology. I had once seen one of his books prominently displayed in a bookshop and my heart skipped a beat at seeing that name in large print on its cover. It’s sad to admit it, and perhaps only a feature of those with suppressed egos, but even when it isn’t you, there is a sense of excitement in seeing one’s name in print, whatever the circumstances (well, within limits: there must be some circumstances where one would prefer to remain anonymous).

Those earlier feelings of excited confusion were re-ignited that afternoon, prompted by Sol's understandable confusion. It was a light-hearted moment and when I explained Sol's error to him, we shared a joke about it before he rushed off to catch his flight. After he'd left, I reflected on how unlikely a coincidence it was that two academics working in closely related fields could share the same name. What confusion *that* had the potential to cause, chaos even. Thank goodness that we were on different sides of the world and able to live separate existences, secure in the knowledge that we were indeed two individuals, even if with some shared interests.

What could possibly go wrong?

## CHAPTER 8

# THE NOUGHTIES: SCHOLARSHIP, SERVICE AND LIVING DECENTLY

### *Adjusting to the new realities*

The removal of the centre's core funding caused an uproar that prompted a good deal of reflection and dismay at the way it had been treated by the Department (more accurately, by the Howard Government). Writing in the May 2000 issue of the *SPRC Newsletter*, I voiced our disappointment at the loss of core funding and noted that:

‘Although we currently supplement our core funds with income from competitive grants and contracts, guaranteed core funding has provided the platform on which we have built our success in attracting external grant income.’

I went on to express concern that we would find it difficult to continue to publish the *Newsletter*, run the Australian Social Policy Conference and engage in the other capacity-building activities that require core funding.

While everyone regards these ‘public good’ activities as worthy, generally no-one is willing to pay for them. It's called the ‘free-rider problem’ in economics and reflects attempts to avoid paying one's share where this is possible in the hope that others will pay. It is a practice that public sector agencies regularly abhor in others, while engaging in it at every opportunity themselves. In this case, the loss of core funding would make it far more difficult to build up longer-term research capacity by restricting the ability of researchers to develop and pursue their own interests and publish their findings.

On a more positive note, I introduced the centre's 2001 *Annual Report* by noting that we were being re-established as a university centre, eventually to be fully integrated into the Faculty of Arts and Social Sciences (in 2003) and that:

‘... the centre has emerged with a renewed commitment to research excellence and independent scholarship that augurs well for the future.’

The centre had weathered many fierce storms before, and I was quietly confident that it would survive this crisis too. The question for me was whether I had the commitment and energy to continue as Director given my loss in confidence in being able to deal openly and honestly with government officials. My immediate concern was to show the leadership expected of a Director in challenging circumstances, although my calm reflections concealed an inner

turmoil that lingered and hurt. These feelings did not diminish with the passage of time, although (encouraged by colleagues, including most notably Sheila Shaver) I began to see that the changes resulting from the centre's new funding arrangements were not all negative.

One impact that had both negative and positive dimensions arose from the need to reduce the level of staffing to what was affordable within the centre's new budget. This gave rise to obvious pain for those that had to be let go but prompted a thorough assessment of where we were heading and who we needed to help us get there. I doubt that the impetus to change the staff profile of the centre would have been as strong had we not been forced to take action to cut our budget and even if it had been, we would have found it very difficult to make the adjustments in normal circumstances. Although all staff (including me) had fixed-term contracts, they were also protected by the university's provisions that made it difficult to remove staff without being able to provide evidence of misconduct or under-performance. The only other avenue was to demonstrate that funding was not (and would not be) available.

I already had a good idea about which staff were critical and focused my efforts on offering them contracts for long enough to persuade them to stay. Sheila and I agreed that this was for a minimum of three years for senior staff and ideally two years for others. I then had to persuade the university to extend the contracts for these periods, and here we were fortunate to have not yet been formally integrated into the Faculty system. It would have been very difficult to persuade a Dean to commit to a large outlay of salary costs when our future income was so uncertain, since the Dean would be liable for any shortfall. In contrast, the Deputy Vice Chancellor who was my line manager had greater capacity to absorb such losses, a far larger budget to worry about and increased capacity to make the kinds of strategic decisions that were needed.

Deans have an understandable concern about where the money will come from and this may prevent them from taking the kind of risks essential for the survival of the SPRC. This concern is reasonable in the case of core-funded academics since the government provides funds in advance to cover their teaching, research and service obligations. But the situation is reversed for a research centre where you need to spend and commit the money first in order to recruit (or maintain) the staff that will undertake the work on commissioned projects that will provide the funds to cover their salaries. Just like any investment, the outlay is made up-front and the returns accrue later.

This sequencing means that a research centre will always appear financially fragile when looking forwards, because existing salary commitments will

continue while project income is uncertain. I pointed out several times to different Deans that the centre had looked about to go over the cliff of financial sustainability at just about every point since our core funding had been withdrawn but had never done so. None were convinced by what I thought was the compelling logic of my argument. But (the argument continues), if the centre is run properly the funds will flow in, allowing the books to be balanced. It's not an appealing prospect for those who are risk averse, but there is no alternative when relying entirely on 'soft' (project-dependent) funding.

From the wider university perspective, the funds involved were relatively minor and I managed to persuade DVC for Research Professor Mark Wainwright that so too were the risks. He understood well that the centre could only survive the transformation from core to project funding if it was able to keep its key staff. Without them, our ability to raise external funding would be severely compromised and along with it our ability to generate the income we now needed to survive. He agreed to extend the relevant contracts so that we could dip our toes in the murky waters of competitive funding with a decent chance of success.

The centre then set about bidding for external projects and was successful in winning several external contracts that cushioned the loss in its core funding. The turnaround is apparent in the changing size and composition of the centre's annual budget. The total budget declined from around \$2.3 million in 2000 to \$1.8 million in 2001, but then rose to around \$2.5 million in 2002 and remained there in 2003. More significant was the change in the composition of the budget, as a large portion of the core funded component of \$1.1 million in 2000 disappeared, to be replaced by project and other external grants. By 2003 – just two years after the loss of over two-thirds of its core funding – the centre's total income was \$2.55 million, higher than it had been in the last year of core funding. A secondary impact of the funding shift was that the funds provided under the new arrangement were clearly sourced to the (then) Department of Family and Community Services, not to the Commonwealth Government.

The increased reliance on external funding meant that the centre's budget became more variable and less predictable because its performance in any one year was dependent on the existence and timing of grants announced and awarded externally. A healthy budget surplus in one year could be replaced by a deficit the following year even though the success in attracting funds and the flow of work remained largely unchanged. This increased variability affected the employment contracts offered to staff, leading to a casualisation of its workforce and increased job insecurity – mirroring changes in the economy

more generally, that were ironically a topic of investigation in the centre. These shifts also signified a reduction in the centre's autonomy, an erosion of its discretion and (most significantly) an increase in staff pressure and workloads. The immediate impact of these changes was gradual and hence manageable but gave rise to new problems that would grow in significance and impact over the medium-term. But these forces were not yet apparent, and the general feeling was that we were on the road to recovery far quicker than any of us had anticipated.

Proponents of the new public management approach would point to this turnaround as evidence that contestability was not only good for the government (that now had access to a broader range of research expertise on which to draw) but also for the centre (that was now able to demonstrate that its output was in demand, and valued). However, this ignores the fact that the two key ingredients of the centre's successful transition were the quality, adaptability and commitment of its staff and the willingness of the university to back our plans and commit the additional funding needed to make them happen. It's doubtful that either of these conditions would be met if this were to happen now, when a 'loss-making' centre would be closed or absorbed into other activities (like teaching). But thankfully we were still in the days when universities had the capacity and resources to support valued activities, and the foresight to recognise that risk was a fact of life for those reliant on 'soft money'.

One clearly positive effect of the new arrangements was that the adjustment process brought out the best in the centre's staff, across all levels. I felt privileged to work with such an admirably dedicated group and witnessed innumerable occasions when individuals put the welfare of others ahead of their own or made personal sacrifices for the common good. That spirit of teamwork had always been a hallmark of the centre and the key to it being an excellent workplace. The individual joists that supported that amazing structure held firm throughout a crisis that would have seen other workforces drift away and other institutions wither and die.

Another consequence of the removal of core funding was to have positive short-run effects but raised a series of longer-term challenges. The removal of the centre's core funding meant that it was no longer a Commonwealth-funded centre, and this meant that it now became eligible to apply for funding from the Australian Research Council (ARC). This was an important new source of funding that could support academically important research that other funders were often not willing to fund (another example of the free rider problem). However, having the option of applying for ARC funds was by no



means a guarantee that one would receive them because ARC grants were and are highly sought after and competition is intense. However, experience was to show that the centre and its staff were more than capable of competing with the best.

The centre's ARC success not only generated an important new (and growing) source of revenue but provided an important independent marker of quality and impact. Like my undergraduate degree performance, ARC grant success is another example of 'the universal currency of scholarship' because it signifies that successful grant holders rank amongst the highest echelons of their academic peers. Being awarded an ARC Discovery grant reserved for curiosity-driven ('blue skies') research is an unparalleled mark of distinction, while the ARC Linkage grants that require the input of funds and in-kind support from external organisations provide evidence that research has practical value and significance. The ARC Fellowship schemes that fund the salaries of applicants for up to five years are the pinnacle of scholarly achievement. The centre's ARC success thus not only generated extra funds internally but provided an important external benchmark of performance and achievement.

Despite their highly competitive nature and undoubted academic benefits, the ARC grants awarded to the centre were to raise new challenges. Its early success rates for Discovery and Linkage project grants were remarkable - both well above the average success rates across all applications. However, these successes created a series of new problems because the grants could not be used to pay the salaries of the Chief Investigator (CI), which had been our main use of external grant incomes until then. Under the ARC rules, CI salaries were assumed to be paid for by universities out of their base Commonwealth funding, so to pay these again out of the grant would involve a form of double-dipping. However, this reasoning did not apply to centres who had to cover all of their salary costs (CIs and those who worked with them) out of their own budgets. The inevitable consequence was that the centre's ARC grant success created a funding hole that led to a deterioration in its financial position.

It also created a two-tier system internally with those receiving ARC grants and the researchers who worked on them in a privileged position relative to those who had to 'earn their keep' working on externally commissioned projects. Whereas the former had no strict deadlines to meet and provided ample scope for publication, the latter involved constantly working to strict deadlines and rarely produced publishable material. Yet it was the mark-up earned on the latter that was used to fill the funding hole by contributing

to the unpaid-for salaries of those in charge of the former. These inequities created new tensions between staff working on ARC and commissioned projects that had to be carefully managed by giving everyone an opportunity to participate in relevant ARC projects and requiring ARC grant holders to get involved in commissioned work.

The ARC Linkage grants were particularly attractive to many staff because they involved working with community sector NGOs on interesting topics with clear benefits. They provide an avenue for conducting research that had immediate benefits for those working at the coal face of social distress and for their clients. Many SPRC staff had developed strong relations with these NGOs and although they rarely had much spare income, they saw the value in being engaged in ARC-endorsed research and were keen to be involved. These relations produced many grant ideas and opportunities to work with highly respected service provider professionals and our success rate was impressive, exceeding 60% for many years.

My success with ARC funding resulted in me being awarded grants totalling more than \$4.1 million between 2000 and 2016. That's equivalent to about four years' funding under the core funding model that ended in 2000. It included a Professorial Fellowship project with a budget of \$620,000 that paid my salary for five years, paid the salaries of the researchers that worked with me and funded a community survey. (It was virtually impossible at the time to get anyone other than the ARC to fund a survey in the social sciences, even though this was an important source of new knowledge and intellectual progress).

One final advantage of the new funding arrangements (pointed out to me by the ever-wise and strategically thinking Sheila Shaver) was that we were no longer beholden to our 'masters' in the Department. They were now just another client and were treated with the same respect as all the others, no more, no less. No longer did I have to worry about 'what the Minister might think' or get phone calls from an irate bureaucrat seeking an explanation for our latest alleged transgression or unwitting 'attempt to embarrass'. The relief that flowed from these changes was liberating, even though I had deliberately chosen to have as little as possible to do with the bureaucracy after the centre's funding debacle.

A flow-on consequence of this, and the most immediately negative impact of the new arrangements, was that we could no longer rely on the Department to fund our accommodation. In the midst of the uncertainty that led up to the decision to remove the centre's funding, we were told that we had to vacate the Samuels Building because it was needed by an expanding

Faculty of Medicine that was higher up the university pecking order than we were – considerably higher. We were to be moved into a new Research Building named after former Vice-Chancellor Rupert Myers that was being constructed on the southern edge of the campus. Construction work began in 1998 and (like our occupation of the Samuels building) we were again one of the first tenants to take up occupancy towards the end of 1999.

The new building had been approved and constructed on the understanding that its tenants would be required to pay rent, and this raised the obvious question of who would be responsible in our case. We argued strongly that it should not be the centre itself, but to no avail and the university informed me that the centre would have to pay the rent, which amounted to the not inconsiderable sum of \$240,000 a year! It was a devastating blow. Unlike virtually every other unit within the university, the SPRC was being charged rent on the building it occupied on the campus. This could only be achieved by increasing the mark-up on externally funded projects, since these were our only source of income. But this would weaken the centre's competitiveness, lead inevitably to a reduction in its success rate and undermine the flow of external income that was its new lifeline. The whole edifice that had been so carefully planned and nurtured to ensure its survival under competitive funding was under threat – and from the most unlikely of sources.

While I publicly bemoaned the unfairness and lack of foresight implied by the decision, behind the scenes I was working to avoid its devastating effect on the centre's budget. For several years I had been quietly accumulating a financial reserve from unspent income and by the time we lost our core funding this 'nest egg' amounted to just under half a million dollars, equivalent to about two years' rent. I worried that when (or if) this 'nest-egg' was revealed to the Department, it might require us to hand it over to them, on the grounds that it had been accumulated under the now defunct Agreement. But I argued that the surplus had been accumulated from the external project income that the Department had required us to raise, not from the core funds they had provided, all of which had been assiduously spent, and thankfully they didn't raise any concerns. This avoided an unseemly fight over unspent money that neither side wanted. The immediate financial burden of the rent impost was thus delayed, although I had other uses for that nest egg than allowing it to disappear into the university coffers.

This discussion reveals that the change in how a centre is funded can have many large, often unpredictable effects on all aspects of its operation – even when the total level of funding remains roughly constant. Reflecting on what happened has been an emotional and intellectual experience for me, since the

events described had profound personal as well as professional impacts. I have tried to focus on the latter since those are of greatest general interest, although I find it hard to suppress all aspects of subjectivity, as I'm sure is apparent. It is perhaps ironic that my account might be at odds with my earlier plea for a more 'hard-nosed' approach to social policy issues, but if that is the case, I offer no apology in this instance.

Despite these transgressions, my overall assessment is that the net impact of competitive tendering on the centre was probably positive, although this conclusion must be qualified by two factors: first, I have absolutely no doubt that we could not have survived the transition had we not had the resources and capacities developed under two decades of core funding; second, equally important, we would not have survived without the university agreeing to share the risk by extending the contracts of key staff from day one of our competitive regime.

These two qualifications imply that there are a few general lessons to be learnt about the possibility of establishing a new competitively funded centre from scratch, or about how best to respond to the removal of an existing centre's core funding. One thing that seems clear to me is that the centre survived because those involved in it – mainly its staff but with important support from outside – wanted it to. Without that deep commitment and the many sacrifices made in its name, the centre would have become another victim of economic neo-liberalism, its failing proving to those already converted to this pernicious ideology that they were right all along.

In retrospect, it seems clear that what happened was inevitable given the changes in tertiary sector funding that were taking place. Our core funding would have been removed at some stage and we should perhaps consider ourselves lucky that it happened before the squeeze had been put on university funding, since that would have made our struggle to survive far more difficult, probably impossible. But it's still a telling indictment of the Australian Government's attitude to research when a centre that obeys all the rules and complies with its requirements is de-funded at the whim of a government more concerned with the budget bottom line than with building the nation's capacity to adjust to social and economic change. So much for responsible economic management.

### ***Professional and personal adjustments***

The events described above had taken their toll on me, causing me to reflect deeply on my goals and priorities and how best to go about achieving them. I was fortunate to have an opportunity to do this rather late in my career.

I turned 52 in 2000, having spent just over half of my life employed by a university and half of that at the SPRC. I'd had a good run so far but was aware that I still needed to map out a viable and fulfilling future.

One thing I was by now sure about was that my main interest was in pursuing research that would push the boundaries of knowledge about the nature of social problems, their causes and their consequences. How I went about it would be driven by curiosity and academic developments, not by government policy priorities, my efforts constrained only by my own inventiveness and capacity, not by bureaucratic obsessions or Ministerial sensitivities. I was fluttering towards that scholarly beacon that had long beckoned!

In order to achieve this, I needed an independent source of funding and the only realistic option was the ARC and it was there that my gaze was directed. If successful, this would allow me the freedom that I craved to publish, since I knew that this was the key to scholarly prestige and advancement. I had long emphasised to colleagues the need to publish in professional, peer-reviewed academic journals as well as through the centre's own publications. But I also wanted to demonstrate to my centre colleagues that academic independence and achievement were, to a degree, under individual control and I saw this as setting a good example to others of where the future lay.

Of course, it was not possible for everyone to 'go the ARC route' because of the funding implications mentioned earlier: the centre needed a solid core of researchers who could help prepare research submissions (often in a very short period) and, if successful, be willing to work on projects that were often of little inherent interest, had strict timetables with many interim 'deliverables'. These factors often led to tension with funding agencies that had their own views not only about what they hoped to discover from the research but also about how to conduct it. Bureaucrats also had unrealistic expectations at times about what a research project could achieve, adding to the tensions that emerged when what we delivered failed to meet their expectations.

I tried to encourage external publication by all staff by introducing a centre-wide Writing Week initiative in 2001. The idea was that everyone would suspend their current work for that week and spend it writing a paper (or part of a paper) on a topic agreed with their supervisor. Staff would meet on the Monday morning to share their plans and again on Friday to review output and could work from home if they chose (a practice that was generally discouraged). The aim was to get people thinking about producing written work and confronting and resolving the practical as well as intellectual problems, frustrations and disappointments that this inevitably involves.

For several years, the scheme worked very well but over time it became increasingly difficult to find a week when everyone could suspend their work commitments, and the numbers involved declined, as commissioned research deadlines took precedence. They were given a more suitable week to focus on writing but the whole exercise was weakened by their absence. We also failed to introduce a way of evaluating how successful Writing Week was in generating publications that would not otherwise have been produced and comparing the associated benefits with the cost involved. But it was still a worthy initiative and still exists in modified form, albeit as 'Writing Time' to reflect the logistical problems involved in coordinating everyone's schedules without destroying the underlying objective.

### *New goals and connections*

As already explained, the key to refocusing my research career involved me gaining access to ARC funding. But I was a novice in what was a highly competitive arena and had a lot to learn. Each of the main disciplinary areas of the ARC appoints a committee of experts to review, rank and advise it on which projects to fund. In 2000, I applied for membership of the Social, Behavioural and Economic Sciences (SBE) Expert Advisory Committee (EAC) and was appointed for a three-year term beginning in 2001. The committee had about a dozen leading Australian social scientists, most of them unknown to me, although I knew the economists, originally Professor Ken Clements from UWA (who I had worked with in the mid-1980s advising the ABS on its fiscal incidence work) and later (when Ken's term expired) by my long-term friend and top-notch economist from the ANU, Bob Gregory.

The committee was chaired by demographer Graeme Hugo who set amazing standards of dedication and hard work. He told me that he read every social science application (then over 700 a year, each between 30 and 60 pages long). I once sat alongside him during an EAC meeting he was chairing and watched him write the draft of a talk he was due to present to an international conference the following week. He wrote the paper out longhand by pencil, never crossing out a single word or inserting any new ones. His original words all remained intact in the final immaculate document, even though he was constantly interrupted to mediate on issues that had arisen in the committee's deliberations. Graeme was a lovely guy, very modest like so many other leading scholars but a true Australian in every sense – as keen about his local footy team (sorry mate, I've forgotten which one!) as he was about the intricacies of demographic modelling. It was a devastating blow when he died suddenly at a relatively young age only a few years after we completed our terms with the ARC.

The EAC workload was incredible. The applications would arrive packed in two black medium-sized suitcases, too heavy to carry but luckily fitted with wheels so that they could be moved around without incurring serious injury. For the next three months, there was no escaping the dreaded ‘bags on wheels’ and the idea of having any spare time had to be abandoned once the annual assessment cycle commenced. Each application was assessed by between two and four external assessors and read by two EAC members. The external assessors provided a written report and scored each application in four key areas: the significance and innovation of the research; its feasibility; the likely benefits; and the quality of the named investigators. The four scores were then combined into an overall score out of 100. The written reports from each assessor (but not their scores) were provided to the applicants who could submit a brief Rejoinder that challenged any unwarranted claims or misunderstandings and addressed criticisms. The EAC members scored each application they were assigned using the same method and could later revise these after reading the assessor comments (and scores) and the applicants’ Rejoinder to arrive at a final, separate overall score.

Each year, I received about 150 applications to review, mainly in the fields of social policy, sociology and applied economics although I also had to assess proposals that were far outside my field of expertise in subjects such as education, anthropology or linguistics. I was surprised to discover the relative ease with which I could assess the overall quality of a research grant application in a field about which I knew almost nothing. But that was the point of the committee – to draw on available expertise across the entire social sciences – and provide a broad but balanced overall assessment of each application. Some features of research are universally important, one of them being the appropriateness and robustness of the methodology adopted, and I discovered that it was possible to judge this without being familiar with the details of the project. And I (of course) had strong training in methodology from my undergraduate days that was now repaying all that effort.

In the first half of my first year on the ARC committee I was on leave from the centre taking up the first of the Honorary Gruen Fellowships in the Economics Department at the ANU Research School of Social Sciences. I didn’t move to Canberra but travelled down and back each week, staying while there in a small ‘granny flat’ in the basement of ANU political philosopher Bob Goodin’s house. Bob kindly offered the flat to me free of charge, and although it was a bit dark and very cold once autumn had set in, it was an ideal place to spend long evenings huddled close to a small two-bar electric



heater working my way through the pile of ARC grant applications assigned to me, those darn wheeled suitcases lingering in the background.

The committee met in Canberra twice each year, once for about three days to review and suggest assessors for each application, the other for a week to finalise which applications would be recommended for funding (once again and perversely, the Minister had the final say). The latter meetings would begin by considering the raw ranking of the 700 or so projects based on a weighted average of the scores of the expert assessors and EAC members. A cut-off would then be identified at which, if each project received all the funds requested, the ARC's allocated social science budget would be fully exhausted.

It was a sobering calculation. Generally, that original cut-off would result in about 12% (one in eight) of the projects being funded. That's a very low success rate, bearing in mind that the applications were from the country's best social scientists and were the product of several months of hard work. We were then informed that such a low success rate was 'unacceptable' and asked to increase it to around 20% (in practice it generally ended up around 18%). This involved finding ways to reduce the funding of projects above the cut-off (generally by more the lower they ranked) so that funds would be saved, the cut-off could be lowered, and more proposals funded. This was painstaking work that took several days, and we would then convene for one final meeting to approve the final recommendations.

The process was illuminating but exhausting, particularly after I returned from leave and was again SPRC Director. But I learnt more about the social sciences in those three years than in any other comparable period: more about the fascinating array of topics that social scientists studied; more about the ingenious methods they used in their research; more about who was working in fields close to my own who I had never heard of; more about how I could expand my own research horizons; more about the differences between the social science disciplines; more about how a professional organisation like the ARC operates; and, of course, far more about how to design and develop my own ARC applications!

The experience taught me that the ideal grant for me would be what was then called an Australian Professorial Fellowship (APF). These were five-year grants awarded to the very best researchers and, most importantly in my case, funded not only the project itself but also the salary of the applicant. Not surprisingly, the APFs were in very high demand and only the very best researchers applied for them. Competition was thus extremely intense. Each year, about ten were awarded across the social sciences so that in a small



field like social policy one was competing with the best of the best with no guarantee that any of them would get funded.

It seemed to me that my best chance of success was to concentrate on a topic where my work was most known and where my publications' 'track record' was strongest. Since my main areas of research expertise were in inequality and poverty, I focused on a topic that embraced these. My proposal involved extending poverty measurement approaches by extending the research on deprivation that had been funded by DSS as part of the follow-up to its Adequacy Project described earlier, drawing on an approach developed by UK sociologist Peter Townsend. I extended this to include an analysis of social exclusion in Australia since was emerging as providing a new framework for social policy development. I combined this with some analysis of economic inequality and drew on my experience with the OECD and LIS and my expertise in comparative research to encompass an international perspective.

The plan worked! The EAC meeting at which my application was reviewed was disruptive and tantalising for me because I had to leave the room each time there was a discussion of applications that involved mine and considerable time was spent on the APF applications, given their prestige. I spent many long hours pacing the corridors of ARC headquarters while my application was discussed, each time re-entering the unnervingly quiet room to a sea of lowered heads, eyes avoiding mine, staring vacantly into the distance fearful of giving away the outcome. It was a very unsettling experience, particularly with so much at stake. I tried to get Bob Gregory to reveal the outcome of my application, but his response was guarded and ambiguous, so it was not until the funding outcomes were announced that October that I received the good news that I had been successful.

I took full advantage of the freedom the APF Fellowship provided and conducted some important research over those five years. Some of it was funded by a closely related ARC project, this one funded by a Linkage grant. The *Left Out and Missing Out* (LOMO) project was conducted in partnership with three of Australia's leading NGOs: Mission Australia, the Brotherhood of St Laurence and the Australian Council of Social Service (ACOSS). It built on the work done under the Fellowship project, using the approach to compare the social and economic circumstances of community sector agency clients with the general population. The findings attracted wide interest and the results were used by the partners to better understand the needs of their clients and their relative disadvantage in order to review their practises and advocate on their behalf using state-of-the-art estimates of social disadvantage. The LOMO project also kept me focused on practical issues and set deadlines that

kept my feet firmly on the ground while my mind floated in the blue skies of academic freedom that the Fellowship provided.

The stream of publications I produced over the following years raised my national and international profile and I was appointed a UNSW Scientia Professor in 2006. Scientia professorships were awarded to the most distinguished Professors for 'significant national and international recognition of prominence in any of the core activities of the university' and carried a small salary supplement of about \$10,000 per annum. I was the first social scientist in the Faculty of Arts and Social Sciences to receive the award and saw it as further evidence of the centre's growing academic prominence and profile.

The appointment was for six years, after which a new application had to be submitted. I had intended to apply again in 2012 and knew that I needed the Dean's support if my re-application was to have any chance of success. I prepared a detailed statement of what I had achieved since being awarded the current appointment and my research plans for the next six years. However, the then Dean of the Faculty, Professor James Donald seemed lukewarm on the idea, telling me initially that I was not eligible to re-apply. When I queried this with the university's Human Resources Department, I was told that I was eligible, but when I pointed this out to James Donald, his reaction suggested a reluctance to support my application, so I decided not to pursue the idea. Perhaps I should have. The Dean later told me that his reluctance to support me was in part due to his concern over the centre's deteriorating financial circumstances (more on that later). I thought this was a feeble excuse, because I would have willingly foregone the monetary reward attached to the position, if he had bothered to ask me. It was the academic status that motivated me, not just personally but also as an indication of the centre's standing.

Unlike my initial unsuccessful application for promotion to Professor, I decided not to dwell on this setback but just put my head down and got on with things I thought were important. The first such opportunity arose in 2007, when I was appointed to the social science committee that was to help develop the new Research Quality Framework (RQF) announced by then Education Minister Julie Bishop. The plan was for the RQF to be used to quantify research outputs that would be used to help determine the level of research funding provided to universities. Not a bad idea, as long as the 'outputs' were identified properly. I attended a training session for the committee, but following the change of government, the new Minister Julia Gillard abandoned her predecessor's plans and along with them, the RQF and its committee.

When the new government got around to developing a similar plan, one of its first tasks was to establish a ranking of all academic journals in each major discipline so that the quality of research output could be quantified and compared across disciplines and institutions. A committee was established to rank the social science journals and I was appointed a member. We were provided with a list of the hundreds of social science journals and asked to rank them into one of four categories, from world leading (A\*) to below average (C). The rankings we produced were controversial and an unseemly squabble developed before they were eventually accepted and implemented. It wasn't until later that I realised that they would be used to place academics under even greater pressure, as their progression and promotion would now require that they publish in leading (A\*) journals, not just in any journal as previously. I had relatively few papers published in A\* journals because I had always wanted to publish in places where the papers would be read and that was often in journals with a more practical focus that were lower down the new ARC ranking.

What I remember most about that journal ranking process was how poorly social policy and some of the other social science disciplines were represented when compared with neighbouring powerhouse disciplines like economics, demography, political science and public administration. These disciplines had long established professional associations, some of which had already ranked the journals in their field, and these understandably formed the starting point for the ARC rankings. In contrast, the newer subjects like social policy had nothing on which to build, and generally ended up with few or no top-ranked (A\*) journals. But concern about the proposed rankings was shared across all disciplines and they were bombarded with an avalanche of criticism when they were released for comment.

This experience confirmed in my mind the need to get some form of Social Policy Association established in Australia and that idea was to come to fruition with an unexpected twist within a few years. An attempt had been made to get such an Association off the ground in the early 1980s and an important national conference was held in Canberra in May 1982. It attracted almost 250 participants (I was one of them) but the quality of many of the papers (including several from the then SWRC) was low and this attracted criticism from Sheila Shaver (then at Macquarie University), who wrote an excellent review that ended:

'I found a number of the papers valuable ... but if we are to have new discipline enacted in future conferences this is just not good enough. The new discipline must renovate its intellectual furniture. If that task is undertaken promptly and thoroughly the other problems will take

care of themselves. The key question is, therefore, how to conceive of social policy in the 1980s.<sup>3</sup>

Fine words that captured my feelings but articulated them far better than I was capable of. The Association ran a second conference in 1985 but failed to address these concerns and the experiment faded into obscurity soon afterwards.

In order to focus on my ARC research, I had decided to step down as Director of the SPRC for five years from 2004. The obvious replacement was Sheila, but she had left the centre the previous year to become Pro-Vice Chancellor for Research at the University of Western Sydney (UWS) – a great loss for SPRC and UNSW that reflected Sheila's status and contribution and a win for UWS. The position of Deputy Director was advertised, and interviews were conducted in 2004. One of them was with Ilan Katz, who was then working in London. He interviewed (by phone) very well and was offered the position and after a period of uncertainty about moving to Australia, he accepted the offer and joined the centre at the beginning of 2005. Although Ilan's formal position in the centre was Deputy Director, we agreed that he would become Acting Director until my ARC Fellowship expired at the end of 2008. I assured him that I would not interfere, and he proved to be a valuable recruit, being a prolific contributor to the centre's commissioned research program while strengthening the centre's expertise in service issues for disadvantaged children and other vulnerable groups.

Judged by the size of the centre as measured by its budget, Ilan's term as Acting Director was very successful. When he took over in 2004, the centre's total income had grown to \$1.86 million. Five years later, in 2009 it had increased by more than \$5 million, to \$7.26 million – an almost four-fold increase. An impressive performance that dwarfed the earlier increases achieved under my leadership that made me wonder why I hadn't thought of stepping aside sooner!

As my ARC Fellowship drew to its end, I reflected on returning to the position of SPRC Director and realised that I did not relish the prospect. I had become immersed in the world of scholarship and having to deal again with bureaucrats, politicians and their advisors held little appeal. I countenanced the possibility of stepping down permanently and proposed to the university that I would resign as Director and take up a Research Chair in the centre if Ilan was appointed in my place. The proposal was accepted, and I formally

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3 S. Shaver, 'Social Policy in the 1980s: showcase for a new discipline: forum – report on Social Policy in the 1980s Conference, *Australian Journal of Social Issues*, Vol. 17, No. 4, 1982, pp. 316-319.

resigned as SPRC Director at the beginning of February 2009, exactly 22 years after taking up the position.

In addition to many other achievements, Ilan took on the challenge of getting an Australian Social Policy Association (ASPA) established and did much of the hard work needed to make it happen. A meeting was arranged at the university in 2009 to formally announce the formation of ASPA and elect its first President. I had kept informed of developments from a distance and intended to go to that meeting, keen to see who would become the first President and what plans were in train for the Association more generally.

A few days beforehand, Sheila Shaver contacted me to ask if I had given any thought to nominating for the position of ASPA President. I told her that I hadn't, but when she told me that in her view, no-one with the stature to take on the role had expressed an interest, I agreed to think about it. I decided that I would nominate for the position, did so, and was elected unopposed. I spent considerable time and energy over the next four years getting the Association up and running. I was helped by an Executive Committee that contained an impressive group from the academic and NGO sectors, although it was tough going as everyone was very busy and trying to change things that had been in place for decades or introduce new ideas is always difficult.

I thought that we needed to show evidence that the Association had the capacity to make a difference, and this involved being able to point to at least one concrete change that would be broadly seen as beneficial for the discipline. Most academic associations have two major on-going activities: organising an annual conference and running an academic journal. The former was already in place in the form of the ASPC which the SPRC had run very capably now for two decades and I saw little to be gained from trying to transfer that task from the centre to the Association in the short-term, even though I thought that this was a desirable longer-term goal.

The leading Australian journal that published papers on social policy was *The Australian Journal of Social Issues*, established in 1961 with input from the Department of Social Work at the University of Sydney but run since then by ACOSS. I thought initially that transferring responsibility for the journal from ACOSS to the ASPA would be straightforward. Silly me! It turned out that although the journal was no longer part of the core business of ACOSS, it generated an income stream that they were reliant upon.

We entered into a complex and at times rather awkward set of negotiations designed to protect ACOSS's financial position without unduly constraining ASPA's plans. Achieving both goals proved to be difficult, not

because of any hostility on either side, but because these kinds of negotiations raise unanticipated issues and create uncertainty that make it difficult to reach an agreement that is acceptable to all parties. We managed it eventually and the journal officially changed hands in October 2010 when the new editorial team of Tony Eardley and Gabrielle Meagher took over on behalf of ASPA. It was a good outcome, the product of a lot of hard work and the goodwill and flexibility of both organisations.

I was later delighted when ASPA introduced the ‘Peter Saunders Prize’ in 2016 to commemorate the 50th anniversary of the journal. The Prize was to be awarded in recognition of outstanding research and open to all papers published in *AJSI* in a given calendar year. In 2019, my pleasure increased further when one of my papers was awarded the Prize – possibly a first – but one that the journal’s then chief editor (Boyd Hunter) assured me was the unanimous choice of the journal’s selection panel.

Following my election in 1995 as a Fellow of the Academy of the Social Sciences, I took an active interest in the Academy’s activities. In 1999 I was appointed chair of the Academy’s Workshop Committee, initially for three years but later agreed to a second term. The committee had a small pot of money to allocate each year to workshops that addressed important academic or policy topics (or both) by bringing together scholars from a diverse range of social science disciplines. Its goals aligned well with my own interests and its focus on policy relevant issues helped bridge the gap between the ivory tower (represented by the Academy) and the ‘real world’ (represented by everything else on the planet).

In addition to these domestic involvements, I was also expanding my international connections and activities. I had started attending the biennial General Conferences of the International Association for Research on Income and Wealth in the 1990s. The Association was the leading academic forum for discussing issues relating to the measurement (as in the National Accounts) and distribution (as in inequality studies) of income and wealth. The Association’s focus on distributional issues had been expanding, led by Tim Smeeding and others associated with the Luxembourg Income Study, and the quality of the papers presented on distributional issues was first-rate. It was through my association with IARIW that I came into contact with many leading international scholars working on aspects of inequality including (in addition to the participants in the LIS Noncash Income project such as Stephen Jenkins, Johan Fritzell, Michael Wolson and Richard Hauser) Lars Osberg, Brian Nolan, Markus Jäntti, Anders Björklund, Björn Gustafsson and Hannu Uusitalo.

Aside from the invited speakers, authors were not allowed to present their papers, but a Discussant was instead assigned to briefly summarise and critique groups of up to three papers, after which there would be questions and a general discussion. The authors were then allowed five minutes each at the end to respond to questions and address any unresolved issues. Some of those discussion openers were amongst the best presentations I have heard and I can confirm from experience that having to listen to others critically assess your paper for 90 minutes before being given five minutes to respond (and salvage your academic reputation) was a chastening and revelatory experience! I served on the Association's General Council between 2004 and 2010 and co-chaired (with Harry Wu, a collaborator of Angus Maddison) the Program Committee for the first ever Special Conference it organised with China's National Bureau of Statistics on International Experience with Income and Wealth Measurement in Beijing in September 2007. Selected papers from that conference were published in a Special Issue of the IARIW journal *The Review of Income and Wealth* that I co-edited.

Another significant international involvement that began in this period was with the Foundation for International Studies on Social Security (FISS). It was the brainchild of Dutchman and former international bureaucrat and social security expert Han Emanuel but involved several leading social security scholars, including Jonathan Bradshaw, Bea Cantillon, Ed Palmer and Bjorn Hvinden. The main (in fact the only) role of FISS was to organise an annual research conference/seminar that brought together international scholars to discuss social security issues and trends, including national and comparative studies of the impact of social security on poverty and inequality.

The first conference was held in 1990 and in 1994 it was held for the first time in the Sigtunahöjden conference centre located just outside the small town of Sigtuna, close to Stockholm's Arlanda airport, that was to become its permanent home for the following two decades. Jonathan Bradshaw encouraged me to attend the FISS conference and I first did so in June 2000. I was overwhelmed by the quality of the papers and discussion, as well as by the venue's style and efficiency – perfect for a small, three-day academic conference – even if the long summertime daylight hours played havoc with my jetlag. The atmosphere was academically critical but personally supportive, and I was struck by the relatively unique but highly attractive combination of seasoned scholars and younger researchers, many of whom were either completing a PhD or were recent graduates.

My enthusiasm was apparent (and welcome!) and I was elected to the FISS Board of Governors the year after my first attendance. I became a regular



attendee and through my work as a Governor, gained an insight into the workings of FISS and was able to have a say on each year's conference theme and the selection of plenary speakers. The organisation had benefitted from a substantial grant from one of the largest Swedish pension funds in the early 1990s and had used that money to subsidise the conference, which attracted between 50 and 60 participants but generally ran at a small loss. But its modest financial reserves were almost exhausted and in 2008, following the standing down of the then Secretary-General Peter Kemp (who did most of the hard work), Jonathan urged me to stand to replace him. It was a tempting idea, but I was about to stand down as SPRC Director, depriving me of access to the (very limited) administrative resources that were needed to support FISS operations.

After some discussion, it was agreed that I would become President, replacing then President Bea Cantillon who would become Secretary-General where she would be able to access resources from her centre at the University of Antwerp. I agreed to play a more active role as President, working with Bea to make FISS more open and welcoming to new members (it was widely seen as a closed circle for 'invited members only'), expanding its horizons (it was very Euro-centric) and strengthening its financial position (those reserves were almost gone). Significant progress has been made on all three fronts since then and FISS has not only survived, but flourished. The average annual conference attendance has increased – though by less than I had hoped – its financial position has strengthened and it has ventured further afield, holding a very successful conference in Hong Kong in 2015, and another (mainly by Zoom) in July 2021, having been cancelled in 2020 because of the coronavirus pandemic. We are currently planning the 2022 conference which will be held in Sigtuna.

### *Cause and consequence*

In late-2003, Professor Sally Baldwin from the University of York in England died in a terrible accident at Tiburtina station in Rome when the moving walkway she was on collapsed. That tragic event was to affect my research trajectory in ways that indirectly contributed to arguably the most significant Australian social reform for decades. Sally had succeeded Jonathan Bradshaw as Director of the Social Policy Research Unit (SPRU) at the University of York in England that was the sister organisation of SPRC. She and I met frequently to discuss developments and exchange ideas. She was small in stature but big in presence and prestige, formidable in some ways but with a charming personality and wickedly disarming (but never malicious) sense of humour.



Her death was a terrible loss to the international social policy research community, particularly to research on disability, her main area of expertise. In 2005 a conference was held at the University of York to honour her contribution and commemorate her loss and I was one of the invited plenary speakers. I decided that I could best honour Sally by presenting a paper that combined my interest in poverty with hers in disability. She had made important contributions to research on the costs of disability that drew on interviews with people affected by disability to highlight their perilous circumstances and the inadequacies of the support available. I was aware of the need to complement her qualitative findings with quantitative studies of the economic cost of disability that could guide where the system needed improving, and by how much.

A method for estimating the costs of disability had been developed by researchers at the London School of Economics and I applied it to Australia using new data included in one of the ABS Household Expenditure Surveys. I was keen to extend the LSE study to not only estimate the monetary costs of disability but to use the estimates to produce a 'disability costs included poverty line' and use it to compare poverty rates among those with and without a disability. My estimates indicated that the cost of disability was on average similar to the cost of the second adult in a couple with no disability. This implied that the needs (and hence the poverty line) for a single adult person with a disability were about the same as for a husband and wife couple without a disability. When the poverty lines were adjusted to reflect this, the poverty rate among those with a disability was between four and six times higher than among those without a disability, the precise difference depending on the severity of the condition and the estimation method used.

I had been struck when starting this research by the lack of overlap between studies of poverty and studies of disability, even though it was acknowledged that disability was a major cause of poverty and that poverty was often a consequence of the lack of employment that resulted from disability. It was as if these two closely related fields of research existed in parallel universes, each aware of the importance of the other but neither attempting to bridge the gap that separated them. It was mainly, I think, because the focus of those researching poverty was on the role and impact of income support provisions while those working on disability issues were primarily interested in the role (and frequently, the lack) of services. But both were important, as I had realised after my HACC experiences.

I summarised my findings to the Sally Baldwin Commemorative conference in April 2005 and later that year I was invited to present them to a conference on

‘Transforming Disability: Community Inclusion, Employment and Innovative Reform’ held at the University of Melbourne. That conference was strongly supported by the then Minister for Health and Community Services, Brian Howe, who was keen to mobilise support behind a new national disability support reform agenda. Although I did not know it at the time, my paper was to influence the rationale for, and thinking behind, what eventually became the National Disability Insurance Scheme (NDIS), which was established in 2013.

I discovered this some years later, when Bob Davidson, one of my PhD students and former advisor to DSS Minister Peter Baldwin, alerted me to an article in an academic social policy journal that documented how Brian Howe’s thinking was influenced by my presentation at the Melbourne conference.<sup>4</sup> This has been subsequently confirmed on two occasions by Brian Howe speaking in my presence. The first formed part of remarks he made in 2018 at the opening of a workshop that discussed the draft chapters of the book *Revisiting Henderson: Poverty, Social Security and Basic Income* that I edited (see below). The second was at the event held at UNSW after my retirement in March 2020, when he said the following:

‘I recall inviting Peter to give a keynote speech to a conference organized by the Center for Public Policy around 2007 at Melbourne University, unusual in that it brought together the then very fragmented disability sector. Peter delivered a ‘cracker’ of a speech that focused on the links between poverty and disability and convincingly argued the case for much greater recognition in social security payments compensating for the additional costs faced by disabled people thus pushing them into poverty ... *It was this conference and this speech that gave us great impetus towards a radical reform of disability services embodied later in the National Disability Insurance Scheme.* It was an important characteristic of Peter’s research work that it was always alive to the possibilities of policy reform.’ (Italics added)

The results of that research were eventually published in an edited book based on the Sally Baldwin conference and separately in an article that appeared in *The Australian Journal of Social Issues*. I still rate the latter paper among my best and it is certainly one of my most highly cited articles, leading to many invitations to referee similar papers for a range of leading international academic journals. Brian Howe’s comments suggest that it rates highly not only in terms of its academic quality, but also in terms of its policy impact.

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<sup>4</sup> P. Miller (2017), ‘The age of entitlement has ended’: designing a disability insurance scheme in turbulent times’, *Journal of International and Comparative Social Policy*, Vol. 33(2), pp. 95-113

A rare combination, but one that is rewarding when it happens, although I was never able to cite it as evidence of the impact of my research at the time because it was not until much later that its impact was revealed to me.

### *From Sydney Harbour to Victoria Harbour*

Another example of how events can lead to unforeseen developments resulted from a series of workshops that UNSW sponsored in 2008. Then Vice-Chancellor Professor Fred Hilmer and Deputy Vice-Chancellor for Research Les Field were keen to showcase the university's research about, and relevant to, the Asia-Pacific region and decided to invite researchers from universities across the region to a series of campus workshops. When I first heard about the proposal, I was sceptical about its prospects for achieving any positive outcomes. The decision by the university to pay the fares and accommodation costs of the invitees also seemed to me to send a message that implied that UNSW had more money than sense when it came to promoting collaboration with our regional colleagues.

Despite these reservations, I agreed to present a paper to one of the workshops hosted by the Faculty of Arts and Social Sciences that described results from my ARC projects on poverty, deprivation and social exclusion described earlier. The talk went well and afterwards I had a brief discussion with a visitor from the Chinese University of Hong Kong (Wong Hung) who told me that he was working on similar topics in Hong Kong. The week ended with a rather splendid dinner at a harbourside restaurant hosted by the Vice-Chancellor, where Hung asked me over drinks if I'd be interested in presenting my research to a forthcoming conference in Hong Kong.

I expressed interest and duly received the invitation to present one of the Opening Lectures to a conference on Poverty in Hong Kong in April 2009. Poverty was emerging at the time as a major issue in Hong Kong, public concern being fuelled by evidence of stubbornly high poverty and growing inequality in what was an economic powerhouse but highly unequal society. The government had established a Commission on Poverty in 2005 but abolished it two years later, adding further to the disquiet. The conference was one of many attempts to get this decision reversed (as it eventually was in 2012 when the Commission on Poverty was re-established) by focusing community attention on the need to tackle poverty effectively.

After my talk, I was approached by one of the conference sponsors and the Chief Executive of the Hong Kong Council for Social Service (HKCSS), Mariana Chan, who asked me if the approach I had used in Australia could be applied in Hong Kong and, if so, whether I would be willing to work with Wong Hung on conducting such a study. I said it was possible and that I'd be keen to be involved

and we sent HKCSS an initial budget but heard nothing back so left things there. After some delay but much behind-the-scenes activity, the HKCSS agreed to fund the research and Hung and I worked with one of the Council's research staff, Wo Ping (Peace) Wong, to conduct the study and produce a report that was released by HKCSS in 2012 and received wide media attention.

That was the first step in what was to become a productive research collaboration with Wong Hung that is on-going. Hung and I became aware of a similar project to ours that was being run by David Gordon from the University of Bristol and Hong Kong researcher Maggie Lau that was funded by the UK Economic and Social Research Council as part of the UK Poverty and Social Exclusion (UK-PSE) project. We joined forces and the respondents to the survey we had conducted in 2011 were re-interviewed in a series of follow-up surveys that were a central component of the ESRC and SPPR studies. The scope of the HKCSS study was also expanded to include a focus on the relationship between social disadvantage and health inequalities and that expanded project was awarded one of the first five-year Strategic Public Policy Research (SPPR) grants awarded by the Hong Kong Research Grants Council in 2012.

Hung introduced me to the Head the Department of Social Work at the Chinese University of Hong Kong, Professor Sek-yum (Steven) Ngai, who was keen to get me involved in raising the Department's research profile and performance. After some discussion, I was invited to read and provide comments and suggestions on the drafts of staff funding applications to the Hong Kong Research Grants Council. I have been doing this for several years now and in 2019 I was sponsored by the Department and awarded a position under the University's Distinguished Visiting Professor Scheme. The position funds visits to the sponsoring Department for up to three months for two years. My first and second visits were scheduled to take place in March-April and June 2020 but sadly, both had to be cancelled because of the coronavirus pandemic and I am still waiting to decide when (or whether) I might be able to make my first visit. The June 2020 visit was timed to coincide with the planned second FISS conference in Hong Kong, this time to be held in conjunction with the annual conference of the East Asian Social Policy Network, but that became another victim of the pandemic eventually being held by Zoom in June 2021.

### ***White snow and a black suit in Finland***

Early in 2008 I was invited by Turku University in Finland to act as a Thesis Opponent for one of its PhD students. My name had been suggested by the Dean of the Faculty of Social Sciences, Professor Veli-Matti Ritakallio. I had first met Veli-Matti when he visited the SPRC soon after I became the

Director and we have met regularly thereafter, including at the annual FISS conferences where we were both members of the Board of Governors. I had also been serving as an external advisor to a new Finnish Research Council-funded Graduate Training Program in Social Policy that had been set up under his leadership in the Turku Department of Social Policy.

I was initially asked to read the draft thesis and advise whether it was 'fit for publication'. A positive assessment allowed the student to have the thesis printed and formally submitted for examination by two examiners, one of whom acted as the Thesis Opponent, a position that I was subsequently appointed to. That role required me to formally examine the thesis but also to attend an event where the student gave a presentation on the thesis which the Opponent then summarised the significance of before making some comments and asking a series of questions. The thesis presentation is conducted in front of an audience of the student's colleagues, staff members from her/his department, other friends and members of her/his family. Members of the public can also attend, the event being announced in the local paper and across the campus, with its doors open to all-comers.

The thesis was a comparative study of the growth of in-work poverty and its implications for the welfare state. It was a solid piece of work, thoroughly researched (using data from the Luxembourg Income Study), methodologically sound and clearly written – its grammar, style and clarity of exposition better than most Australian or British postgraduate theses that I have read. The thesis defence is a very formal occasion, with the three participants – the student, the Dean of the Faculty and the Thesis Opponent wearing either full evening dress complete with tuxedo, or a dark suit and tie. The Dean and Thesis Opponent enter the room each carrying a ceremonial top hat that has the university emblem on its front and is placed on the front desk with the emblem pointed directly at the audience, never away from them.

I explained to Veli-Matti before leaving Sydney that I didn't own a formal evening dress suit and was not willing to hire one and carry it halfway round the world with me. He assured me that everything was in hand and that the student whose thesis I was examining (Ilpo Airio) had arranged for me to borrow one once. This was duly arranged after I arrived in a snow-covered Turku, shivering after leaving the humidity of Sydney but nevertheless grateful to experience the dramatic shift in climatic conditions.

The thesis defence ceremony is a daunting experience for the student. He/she has no idea what the Thesis Opponent will say but must summarise and then defend what they have written, not only against any issues raised by the Opponent but also respond to any questions from the audience (including

by stray members of the public!). I found it daunting myself, particularly after reading the instructions, which indicated that the Opponent's opening remarks should not last for more than five hours!

To add to the student's anxiety, this all takes place in an audience full of their fellow students, their lecturers and professors, other interested parties and their family and friends. All went well because Ilpo defended his thesis against my opening criticisms (which I managed to summarise in less than five hours!). The Dean drew the proceedings to a close and we retired for afternoon tea and cakes. All very civilised. After tea, I was escorted to an office where the four-person thesis committee quizzed me intensely for about an hour about my assessment of the quality of the thesis and my recommended mark. After a lengthy discussion, we agreed on the mark of *eximia magna cum laude approbator* (very good, reserved for the best 20% of all theses) and I then had to write a report summarising my assessment of the thesis and the recommended grade.

Once the formalities were over, the celebrations began. As is traditional, the student hosts a formal dinner (or 'karonkka') on the evening of the thesis presentation, to which her/his colleagues and family members are invited. In Ilpo's case, the dinner was held in a grand country house deep in the Finnish countryside with an avenue of trees leading up to its splendid stair-cased entrance. Lights had been planted at the foot of each tree, providing a magnificent avenue of lights through the surrounding snow-covered fields that funnelled up to the house itself. It was a moment to cherish and the dinner that followed was equally memorable.

What I particularly liked about the whole process (and my second performance as Thesis Opponent in 2019) was how well the Finns managed to combine the academic and social elements of the occasion. Being awarded a doctorate is an important life-changing event that demands both academic commitment and personal sacrifice and it is appropriate that the student's colleagues, teachers, friends and family all participate, not only in the celebratory dinner but also in the academic formalities beforehand. It's a more inclusive approach than in Australia, where although graduation ceremonies are wonderfully moving occasions, the academic and social elements are kept more apart, to the detriment of both I feel, having witnessed an alternative.

### ***Confusion reigns: emergence of 'the good Peter Saunders'***

The amusing late-afternoon chat with Sol Encel in the SPRC library described earlier took on a distinctly different hue when 'the other Peter Saunders' emigrated to Australia in 1999 to take up the position as Research Director of the Australian Institute of Family Studies (AIFS). At least the Institute was in

Melbourne, although our paths crossed several times and I noted in the May 1999 issue of the *SPRC Newsletter* that:

‘We recently met for the first time and agreed that a concerted effort was needed to minimise the confusion that may arise from time to time.’

The Institute was looking to appoint a Deputy Director and I was asked by then AIFS Director and ex-DSS senior manager David Stanton to serve on the selection committee. Not surprisingly but rather bizarrely, the committee also contained the Institute’s recently appointed Research Director who shared my name. As each candidate was introduced to the four selection committee members, you could see the puzzled look on their faces when the second and fourth person they were introduced to apparently had the same names. ‘Surely that was a mistake, or perhaps I mis-heard?’ you could see them thinking as they settled back to be grilled. We had agreed to keep a straight face and not mention it unless it was raised, but no-one did and so the two Peter Saunders’ survived this initial skirmish.

But the potential for confusion among those unfamiliar with the social policy scene expanded further when ‘the other one’ moved from AIFS to the Sydney-based, conservative thinktank the Centre for Independent Studies (CIS) in 2001, where he served as Research Director between 2002 and 2008. Now I really did have to face up to the prospect of being confused with him on a regular basis. Not a pleasant prospect.

To make matters worse, we held very different views on just about all major social policy issues, my Keynesian, interventionist pro-welfare state ideas contrasting with his pro-market, small government, neo-liberal perspective. These differences were evident in a CIS report that he co-authored (with Kuriko Tsumori and Helen Hughes) that contained a scathing criticism of a study of trends in poverty in Australia in the 1990s conducted by researchers at the National Centre for Social and Economic Modelling (NATSEM) and published by The Smith Family. Following the release of the report, I watched the evening news on one of the commercial television stations in disbelief as my namesake ripped into the study’s authors about the methods they had used to show that poverty had increased over a decade in which in Australia had enjoyed strong economic growth. This combination of a growing economy and rising poverty challenged the ‘trickle down’ view held dear by conservative commentators (and academics) that economic growth would ‘grow the pie’ and produce benefits that would trickle down to those at the bottom.

While I was sympathetic with some of the points being made, it became evident as the program continued that my namesake did not have a firm understanding of how the research had been done and thus failed to appreciate



the intricacies of what implications could be drawn from the findings. I vowed to read both reports in detail and where appropriate, provide a defence of the NATSEM work by addressing the limitations of the CIS criticisms.

The next day I wrote a short paper (8 pages all up including a list of 17 ‘Technical Errors and Misinterpretations in the CIS Report’) and contacted the CEO of The Smith Family (Rod Smith) to ask if he’d be interested in publishing it as a rebuttal of the CIS attack. After reviewing what I had written, they agreed to publish it and The Smith Family Briefing Paper No. 10 *Getting Poverty Back onto the Policy Agenda* appeared shortly thereafter. Reading it again now, I am pleased with what I wrote and stand by the points raised. Its main purpose was not to defend what the NATSEM group had done (since there were undeniable problems with some parts of their study), but rather to promote the integrity and rigour of poverty research more generally.

The CIS and other conservative thinktanks had propagated the absurd argument that poverty researchers exaggerated the extent of poverty in order to increase the likelihood that bodies like the ARC would fund more research to find out why. This not only totally misrepresented the motives of all the poverty researchers that I knew, but also contained a grossly misguided understanding of how the bodies like the ARC decide which research to fund. Even more laughable was the view that some of this increased funding would find its way into the pockets of those conducting the research, its only defence perhaps being that this was how things worked for those who held such offensive views.

Much of the misunderstanding propagated by these interventions reflected the fact that groups like those working at the CIS rarely conduct any research themselves. They were commentators, not researchers and were keen to promote a particular ideological view, thus failing to appreciate the subtle complexities of the research done by others. Despite input from leading academics like (in this instance) the ANU’s Helen Hughes, this often led them to mis-read the evidence or draw unwarranted and illogical conclusions based on the resulting confusion. I later tried to explain this to my namesake over the phone but while he was pleasant enough at the time (I always enjoyed chatting with him by the way, and we actually got on rather well) he would later commit the same errors. He also repeated several times in public the assertion that I had been commissioned by The Smith Family to write the paper that was critical of the CIS report, despite my telling him repeatedly that I had approached them to seek publication of something I had written without any prompting. But these ‘details’ are easily forgotten when public debate is raging and there is so much at stake.



I urged him to think about ways that we might minimise the confusion that our names understandably created, but he resisted my suggestions. I suspect that he (and his mates at the CIS) preferred to let the confusion reign, as this helped to publicise his views. Someone then came up with the idea of distinguishing between ‘the good Peter Saunders’ (me – I think, or hope!) and either ‘the bad Peter Saunders’ or ‘the other Peter Saunders’ depending on how they were feeling at the time. I wasn’t very comfortable with that solution, although I was grateful that at least (and at last!) my role as ‘one of the good guys’ received due recognition. This distinction worked well among those who were aware of the situation but did not prevent others from making errors that might in different circumstances have been amusing but which I found unsettling, hurtful and increasingly annoying. Let me give two examples.

The first occurred when I was invited by The University of Hong Kong (HKU) in 2001 to present the prestigious Peter Hodge Memorial Lecture, an annual public lecture that commemorated the work of an eminent social work academic and former Head of the HKU Department of Social Work. My increasing visits to Hong Kong had brought me into contact with Nelson Chow who was then Head of that Department and the author of a landmark study of relative deprivation in Hong Kong. Nelson had suggested that I be invited, and my lecture was titled ‘Perceptions of Poverty: Meaning and Measurement’.

On the day of the lecture I visited the Department and met with several of Nelson’s colleagues, one of whom was a junior lecturer who was assigned to look after me and ensure that I had all I needed. He invited me to his office, where he was keen to show me something that was an obvious source of great pride. It was a large framed poster he had produced to advertise the Lecture that included the front cover of one of the books written by ‘the other Peter Saunders’! I was shocked and unsure what to do. Taking a moment to gather my thoughts, I reflected on whether I should point out the error. I didn’t want to embarrass the poor fellow but if I said nothing, it could be assumed that I was implicitly claiming by my inaction my namesake’s work as my own. I had no choice really, so I told him and asked him if he could track down where the posters had been hung around the campus and have them all removed.

It was a terrible experience but one that might have been far worse, since I later wondered whether my invitation to present the lecture had been predicated on my having authored books that were not in fact mine! That was a frightening prospect, and it was probably just as well that I never found out whether there was any truth to my fears. Perhaps they had intended to invite ‘the bad Peter Saunders’ all along and been thwarted by the unexpected appearance of the better version!

The second occasion occurred in 2010, shortly after the New Zealand National Party Government had established a Committee to develop proposals for tightening access to benefits for the unemployed, sole parents and people with a disability, or what is now pejoratively referred to by conservative governments as ‘welfare’. The Committee was headed by Paula Rebstock, a prominent businesswoman and was supported by an Expert Group, appointed to advise on technical aspects of their ideas and reform proposals.

In announcing the Expert Group in Parliament, the Minister for Social Development Paula Bennett lauded the inclusion of a certain Peter Saunders among its members. She was immediately called to task by Greens member Catherine Delahunty for selecting someone known to have ‘extreme views’. The Minister responded by holding up what she claimed was one of his books and urging others to read it, while actually brandishing one of mine! Ms Delahunty went on to note that:

‘The differences are great between Peter Saunders of the University of New South Wales and the Peter Saunders who describes himself as a freelance consultant and independent author ... One wants to reduce poverty and inequality, the other wants to increase poverty and inequality. I am not sure which one [Ms Bennett] thinks she appointed as an advisor to the Welfare Working Group, but I am guessing it is the freelance Peter Saunders.’

The Minister later released a statement indicating that

‘I can assure you we got the right man’.

She then went to note that:

‘[B]oth said professors studied in England, both were based in Sydney at the same time and both had continued to lecture on social policy and welfare and had written books on the topic. *This clearly creates potential for mistaken identity*’ (Source: *The New Zealand Herald*, 6 May 2010; italics added).

Well said, Minister – although I was not lecturing on social policy then or later and even if I were, you’d think that Government Ministers would not commit such gross errors, particularly in public!

Later that year, I was invited to speak at a conference in Auckland on poverty and welfare reform organised by the New Zealand Child Poverty Action Group. One of the other invited speakers was Paula Rebstock who approached me after her opening presentation and after apologising for not being able to stay to hear my talk, leaned towards me and said discreetly in a soft voice:

‘I recommended who should be on the Expert Group and it was intended to be you not him.’

But the ‘error’ was never corrected, and New Zealand missed a unique opportunity to benefit from some real independent expert advice! Incidentally, Catherine Delahunty was also at that Auckland conference and we later shared a quiet ironic chuckle together over a glass of wine: a whine over wine.

### *China*

My growing involvement in research in Hong Kong that developed over the decade extended to China, specifically to social security policy and its impact on poverty. This interest was initially sparked by an enquiry I received in 1999 from a Chinese scholar Xiaoyuan Shang, asking if I’d be willing to support her application for a UNSW Vice-Chancellor’s Postdoctoral Fellowship and supervise her work if it was successful. I encouraged her to apply but although her application was ranked very highly (in the top 10 of around 200 applications) she missed out by a whisker. However, the process of reading and commenting on her (very impressive) application sparked my interest in getting involved in research on China and working with Xiaoyuan, ideally at the centre. This came to fruition soon after, when it was suggested that she apply for an ARC Postdoctoral Fellowship, which she did, this time successfully. She joined the centre in 2000 and we worked together closely over the following decade, combining my analytical skills and general research know-how with her deep knowledge of the Chinese social support system and vast network of connections with policy makers and service providers.

Shortly after she began her Fellowship research, we were asked by the Asian Development Bank (ADB) to conduct a review of social security and poverty alleviation efforts in China. We spent several weeks in August 2000 in Beijing interviewing a range of key stakeholders and writing a report setting out current issues, constraints and policy choices. I learnt much during this process, not only about social security developments in China, but also about the structure of its government and civil society sectors and the uniqueness of its policies and their history and rationale. An important lesson was that in order to understand and engage with experts in China, one had to appreciate the significance of ‘China’s unique characteristics’ when it comes to understanding the structure of its system, its policies, impacts and reform options. This was a significant challenge for someone like me who did not speak Mandarin but learning the language was beyond my horizon and I accepted that this would limit what I would be able to contribute.

One of our initial meetings when on the ADB mission was with a group of researchers from the China Research Centre on Ageing (CRCA), several of whom Xiaoyuan knew well. I discovered that they conducted a large regular

survey of older Chinese (aged 60 and over) that collected a variety of interesting data about their economic and social circumstances. We agreed to work together on the data and supported this research with an ARC Linkage grant with the CRCA as Industry Partner. That marked the beginning of another productive research collaboration that was to absorb a considerable amount of my time and energy and produce a stream of publications. It also acted as a springboard for further applications with other Chinese government and non-government (civil society) agencies by myself and several of my SPRC colleagues including Ilan Katz, Karen Fisher, Megan Blaxland and more recently Bingqin Li and Qian Fang, many of them working through and with Xiaoyuan.

My research with Xiaoyuan and researchers from the CRCA alerted me to the dangers of conducting research on a system that is very different from what one is familiar with using data that is also unfamiliar. I knew from experience how easy it was to draw inappropriate inferences using data that describes a country that one knows well and has studied extensively, and this warned me of the dangers I faced when analysing data for a country that I knew very little about (the country and the data). Added to this concern, we did not have direct access to the data because the CRCA had encountered problems when making the data available to a previous collaborator, so the analysis had first to be explained to a CRCA researcher who would then conduct it, summarise the results and translate them back to me. It was a clumsy approach, fraught with potential misunderstandings that were difficult to avoid when dealing with large complex data sets in two languages.

I became increasingly concerned about the potential for errors to occur and not be picked up. When one begins to lose confidence in one's own findings, it is time to stop and draw breath. Or in my case, to stop altogether. I didn't have the time or energy to learn the language and had decided to focus on my research on poverty measurement in Australia. I did, however, conduct one final project with Xiaoyuan that produced some spectacular results. In 2004, we began working on a two-year ARC Linkage project on the circumstances of fostered orphans living in rural China. The project had the Beijing-based international NGO Save the Children (UK) as the Industry Partner and was conducted in two stages. Stage 1 involved conducting a survey with the assistance of the Ministry of Civil Affairs (MCA) to find out how many orphans there were. This was followed by a fieldwork study in stage 2 that used a budget standards approach to estimate how much was required to meet the basic needs of these orphans.

The survey findings proved to be a game-changer in terms of the impact of the study. The early signs indicated that there were far more rural orphans than

anyone had previously thought, and this prompted the MCA to put more effort and resources into a much larger survey that could produce an authoritative national estimate. A two-page summary of the survey findings was produced by Xiaoyuan and passed 'up the line' to ever more senior MCA officials, and from there to the relevant politicians until it eventually (and incredibly) found its way to, and was read by, China's then President Hu Jintao.

The report induced the President to announce the introduction of a new social support scheme for orphans that would provide them with adequate financial support for basic needs such as food, clothing and education. My role in this translational part of the research was peripheral, although the budget standard estimates we produced in stage 2 were used to guide the level of the new payments. However, it was Xiaoyuan's concerted efforts and extensive connections that provided the pathway from research to practice in a way that neither of us could have predicted when we began the study.

Some years later, in 2013, the project was included in the UNSW report *10 Innovations that Changed our World* that was used to promote the reach, value and impact of its research. It was a fitting finale to my direct role in conducting research on social policy issues in China although others in the centre continued to work in the area and I was later involved in efforts to better coordinate this important and growing area of research in the centre.



## CHAPTER 9

# THE TEENS AND BEYOND: HEALTH, WEALTH AND RETIREMENT

### *Poorer health prompts increased affluence*

My decision to stand down from the position of SPRC Director in 2009 caused me to reflect more widely on my future role in the centre and on my life more generally. If I was to remain employed full-time, I knew that I would need to ‘earn my keep’ by not only bringing in more ARC grants but also contributing to work on the commissioned projects that would help pay my salary. While the former prospect was appealing, I feared that the latter would disrupt my research plans and bring unwanted stress and anxiety.

Adding to this sense of unease was my health, which had been causing me concern, due to a mysterious sense of fear that overcame me whenever I became even the slightest bit anxious, for example when preparing to give a public lecture or even talking to a small group of colleagues or students. The source of this anxiety was troubling, because I had always been a relaxed public speaker, addressing audiences that differed greatly in size, composition and context with only the occasional tummy rumblings beforehand. My reputation was founded as much on my ability to communicate ideas orally as on my ability to develop them intellectually. Even so, I now confronted severe feelings of nausea whenever required to perform even the most mundane task in public and although I never actually vomited, the sense that I might do so at any moment was unpleasant and deeply disturbing.

Things came to a head in 2008 when I travelled to Brisbane to present the Opening Address to the annual conference of Catholic Social Services, Australia – one of the country’s largest non-government community services providers. I had felt ill all weekend and spent much of it lying on my bed with the blinds drawn, the darkness and solitude offering me some comfort. I decided to travel to Brisbane on the Sunday, feeling slightly better, though by no means at my best.

The following morning, I was on stage being introduced to the conference audience by CSSA board member Professor John Warhurst. My invitation had been arranged by CSSA CEO Frank Quinlan who I knew reasonably well because of his interest in my work on budget standards. I started to feel queasy as John introduced me and could see a hint of concern appear on Frank’s face as he shuffled awkwardly in his seat in the front row. The nauseous feeling didn’t dissipate when I began my presentation, my voice wavered as I stared

blankly at my opening power-point slide struggling to regain some semblance of control. A hush came over the audience as they clearly empathised with my plight, but no-one knew what to do. I looked down at Frank and said very quietly:

‘I’m afraid can’t go on right now, Frank, I’ll need to take a short break’.

I was shown to a restroom at the back of the auditorium and sat in a cubicle doubled over, trying to regain my composure and the strength to complete my presentation. After about 15 minutes I felt slightly better and returned to the stage. The audience was clearly apprehensive about what would happen next, so I tried to allay their concerns with a (rather feeble) joke, starting by saying:

‘Most of you have probably not experienced anything like that before. If it’s any consolation, neither have I.’

I proceeded with my presentation, slowly gaining confidence and completing it without further incident. I then participated in a panel discussion session after a break for morning tea that lasted until lunchtime. During the tea break, a woman asked me if I was feeling better, telling me that I looked so pale as I headed to the restrooms that she thought that I was about to have a heart attack. It was not the best thing I wanted to hear, since it raised possibilities (that had long lingered at the back of my mind) that I might be suffering from a serious condition that would require major treatment.

After lunch and a quick chat with Bob Gregory who was due to speak in the afternoon, I headed straight to the airport and caught an earlier flight back to Sydney where I headed back to the comfort of my bed in that darkened room. I had been scheduled to fly on to Tasmania the next day, where I was to present two other lectures but called the organisers from the airport to announce my withdrawal due to unexpected ill-health. Luckily Anne Hampshire from Mission Australia (and later The Smith Family) who had worked with me on the ARC LOMO project was attending both events and presented in my place.

I survived that ‘incident’ but it really shook me. It led to a series of encounters with different parts of the health system, trying to track down the source of my condition, but despite undergoing a series of tests, no clear diagnosis was identified. I decided to rest and began to think that the cause was psychological, most probably some form of work-related stress. Janet cared for me through the following weeks and I slowly returned to normal although I continued to experience the beginnings of anxiety and feelings of an impending ‘panic attack’ whenever I was scheduled to speak in public, however small the audience.



I began to think of retiring, or at least of reducing my responsibilities and hours of work and discussed the idea with several academics who were of a similar age. One factor that had not entered into my calculations until then (which were motivated by my health concerns) was how any decision about the timing of my retirement would affect my entitlements under the university superannuation scheme that I had joined when moving to Australia in 1975 and transferred from Sydney University to UNSW in 1987. I knew that the scheme was outrageously generous to those who (like me) had joined before 1985 and arranged to meet the university's superannuation advisor to discuss my situation. I was told that I had already hit the ceiling on benefits and would not earn any return on my future contributions. I was advised to seek further advice from an independent financial advisor, who explained – to a supposed expert on the impact of such schemes on people's behaviour, including in this instance, on their propensity to retire – that since I had reached the benefit ceiling, my future contributions would effectively be money I was handed over to the superannuation fund. A strong incentive to withdraw from the fund, which many academics of about my age had done.

The benefit I would receive on retirement was determined by the average of my earnings in my last four working years. At that time, I was receiving a salary supplementation of about 40%, made up of a performance-related component of about 30% and a separate loading to reflect my appointment as a Scientia Professor. Rather perversely, since neither was guaranteed to last into the future, there was a real risk that my benefit might be lower if I continued to work and pay contributions into the scheme! The financial incentive for me to retire was very strong and there was nothing to prevent me from doing so and then taking up a different position, thus accessing two incomes – my retirement benefit and a new salary.

This 'two income option' sounded attractive to me, even though it would shift the burden of supporting my retirement onto other superannuation contributors, worsening the position of the fund itself which, like the Indonesian pension system I had reviewed in the early 1990s, was financially unsustainable. I then realised that if I resigned from my current position, I could access my superannuation pension and seek a new appointment at UNSW without having to move to another university. This would also allow me to cut back on my hours of work and thus ease the health pressures I was experiencing while reducing the financial burden on the centre of having to pay me a full-time salary. I originally planned to retire at the end of January 2010, after completing 22 years in the position. But there was a slight delay while my proposal to return on a part-time basis was approved, and so I didn't formally retire until the end of February.

I had not tried to estimate the financial impact of my retirement on my income because there were too many variables at play. My shift would not only affect my gross salary (which would fall because of the reduced hours and because I would lose my salary supplementation on resigning), but also because my superannuation contributions and income tax amounts would both change because my earnings would be lower. The combined impact of these factors is revealed by comparing my in-pocket incomes before and after I retired. After I retired and reduced my hours of work by 40% (from 5 to 3 days a week) my take-home university pay fell by a similar amount (by 46%). However, I now also received my superannuation pension, and this raised my total income by 48% compared to when I was working full-time. So, I'd be working two-fifths less but receiving an income that was almost 50% higher – not a bad deal, all things considered!

The rather bizarre calculations highlight the peculiarities of a superannuation scheme that, at the time, was ridiculously over-generous to those lucky enough to sign up before the door was shut on new members. Pulling the calculations together highlighted how complex these kinds of financial decisions are, making the decisions based on them very difficult, even for an 'expert' like me who has spent years studying the systems that underlie them. Once again, I recalled the importance of the 'sophisticated descriptions' that I referred to when being interviewed for the SPRC position in 1986 and reflected on the importance of such calculations in helping people to understand and navigate the system when facing key lifetime choices like if and when to retire.

Thankfully, some semblance of sense has been introduced since I did these crude sums, but this has not removed the inter-generational inequities that benefitted my generation of academics, many of whom have also benefitted from getting into the housing market before house prices took off, driven up by the generous tax and pension concessions introduced or maintained by successive governments. These inequities have since been exacerbated by the absurd decision by Treasurer Costello in 2007 to declare superannuation income tax free for all retirees aged over 60. This must count as one of the most ridiculous public policy decisions of the last 50 years.

One side effect of my decision to retire was that since I was required to sign a new employment contract, I finally had to give up my tenured position at the university. I had struggled with deciding whether to sacrifice my tenured position at Sydney University when accepting the position at SPRC in 1987, but since then I had never felt that my tenure status had any noticeable impact on attitude to my work or my research performance. Tenure can be a trap that encourages certainty and the familiar, whereas a key

element of a research culture is the willingness to take risks in the search for new ideas, opportunities and applications.

With my work commitments reduced and my income substantially increased, I was set for a period of unprecedented free time and affluence. I had cashed in my pension wealth and become income rich with more time to plan my future work and leisure activities free from the constraints that most people face throughout their working lives. I vowed to ensure that this newly acquired material prosperity and greater freedom would be put to good use while I had the health to continue producing.

### *Final research priorities*

Looking back on the period following my retirement from full-time employment, I discovered that my rudimentary diaries covering the decade beginning in 2010 reveal more of a change in my priorities than I had anticipated. There is a marked increase in the number of entries relating to my personal situation, specifically to my health status and my resulting encounters with different components of the health care system, and to family matters. There is also a shift away from scholarly activities after 2010, and a growing involvement with home life (in our apartment in North Sydney and generally alone, in my house in Jamberoo) and with my about-to-be-extended family. In practice and as I expected, the greater freedom I had over how to allocate my time did not translate into a large reduction in my hours worked on scholarly matters. This was partly because Janet's long hours of committed and profession work shone like a beacon, setting a standard for me that I wondered at but was rarely able to match. I have no doubt that without her example, my efforts would have faltered and I am grateful to her for showing me how to maintain a disciplined approach to my work, albeit unwittingly.

My research plan was to focus on extending the work that had developed in the previous decade on the identification and measurement of poverty and social disadvantage, focusing specifically on two key dimensions: material deprivation and social exclusion. My two ARC projects on this topic had expired, although I was still analysing the data and developing ideas for how to extend what I saw as an important new strand of Australian poverty research. Combined with a lingering interest in budget standards research, my agenda was mirroring that proposed by the DSS Adequacy Review conducted in the 1990s.

There were two main directions in which this body of research could be extended, one quantitative and the other qualitative. One opportunity involved using the approach and indicators I had developed to estimate the impact of the global financial crisis (GFC) that impacted Australia at the end

of 2008. I had hoped that the data I needed would be collected in either new or extended ABS surveys but had had limited success persuading them to expand their already growing workload, although I had managed (with others) to get some relevant questions on social inclusion/exclusion included in the ABS *General Social Survey*. But I had had no luck convincing the ABS to replace the suite of 'financial stress' questions first introduced in the late 1980s by a set of (far better in my opinion!) deprivation questions.

The only practical alternative was to conduct my own surveys and the only source of funding for this was the ARC. I was awarded a two-year grant to conduct a second national survey in 2010, four years after the initial survey that formed part of the LOMO project. I analysed the data with my new colleague and UNSW economics PhD graduate Melissa Wong, and we produced a series of papers that were widely disseminated and discussed, including by major policy agencies like the Productivity Commission and the Treasury. History has shown that the effects of the GFC in Australia were (thankfully) moderated by the prompt and effective policy response recommended by the Treasury ('Go Early, Go Hard, Go Households') and introduced by the Rudd Government. This would cause me to later complain that my project had been undermined by the government's successful efforts to avoid the recession whose impact I had planned to study!

Following that project, I received ARC funding to develop a version of the deprivation approach (inspired by work conducted in the UK by Jonathan Bradshaw and a PhD student Gill Main) designed to produce estimates of deprivation and exclusion among children. The project was focused on school-aged children in NSW in school years 7 to 10 (aged 11 to 17 years), with the new measures based on information they provided. A state-wide survey of over 2,600 young Australians was conducted in 2016 and the results have been analysed in two papers published in 2019 with long-term SPRC colleagues Megan Bedford, Jude Brown and Yuvisthi Naidoo. In what I saw as a major achievement with long-term benefits, I also managed to persuade the Director of the longitudinal *Household, Income and Labour Dynamics in Australia* (HILDA) survey, Melbourne University Professor Mark Wooden, to support the inclusion of a suite of questions on deprivation.

The proposal was approved by the Department of Social Services and the questions were included for the first time in 2014 with a follow-up in 2018, the current plan being to repeat them on a four-year cycle. This will generate new data that will allow examination of the dynamics of social disadvantage (by following the same people over time) and allow the indicators to be linked to other variables in the HILDA survey, including wealth, consumption,

employment and a raft of well-being indicators. This new data will allow future Australian researchers to continue the work I have started and provide new evidence on the nature, profile, causes and consequences of social disadvantage. Having managed to get the deprivation questions included in HILDA, the obvious next step was to apply to the ARC to analyse the data and this I did, receiving a two-year Discovery Project grant in 2015.

I am still working on this project with Yuvisthi Naidoo, who I had recruited in 2006 to work with me on poverty and social disadvantage. We have formed another strong research partnership as her career has blossomed, her achievements to date including being awarded a PhD in 2017 under my supervision with colleague Bruce Bradbury and publishing several papers based on it. We have been joined by Melissa Wong who has a deep understanding of the ABS data used to estimate poverty (assisted by advice from Bruce on really complex issues) and together we have produced several papers exploring the similarities and differences in estimates of poverty and deprivation, in aggregate and for specific social groups. These papers have been submitted to professional journals and are currently under review, hopefully prior to their eventual publication.

The other strand of my research on social disadvantage has involved expanding its qualitative component to get a better understanding of how economic adversity is experienced by those it affects, how it influences their attitudes and behaviour, and how this can be better captured in indicators and measures. This kind of information is essential if policy is to be effective, since it requires a nuanced understanding that can build on evidence derived not only from social surveys, but also from in-depth interviews with those experiencing social disadvantage. Understanding how people's lives are affected by social distress and about how they think also allows one to finetune the questions asked in surveys so that the information gathered has maximum relevance.

I was the lead investigator on the *Making a Difference* ARC Linkage project that also involved three of my SPRC colleagues: Bettina Cass, Gerry Redmond and Jen Skattebol. It was the first project I had worked on with Bettina since persuading her to transfer from Sydney University to the SPRC several years earlier, and I was delighted to benefit from her wisdom and experience. While Director, I had recruited Gerry from the UK in 1997 and after spending several years on leave at the UNICEF Innocenti Office for Research in Florence, he had returned to the SPRC. Jen Skattebol was employed to work on the project and quickly proved to be a powerhouse of knowledge and enthusiasm, taking major responsibility for the design and conduct of the fieldwork. She even managed to persuade me to leave my desk

and join her in some interviews with young people in the western outskirts of Sydney, a first for me and a revelation in terms of opening my eyes to the realities of social disadvantage that I had previously only studied from afar.

The project was a major intellectual and logistical task, involving over 130 in-depth interviews with young people aged between 11 and 17, some of their parents/carers and selected service providers in 8 socially disadvantaged sites in NSW, Victoria and South Australia. I recall being deeply affected by an image that one of the young participants had drawn (prompted by Jen) to describe her household and where her income came from. Like other economists, I had thought of the notions of the household and its income as difficult to measure but unproblematic conceptually. But that hand-drawn, stick figure image caused a radical re-think of that naïve perception.

The first thing that stood out was that there were two houses drawn, not one. And the stick figures that were in and around each dwelling were joined by a complex network of arrows that centred on what was obviously the child herself, located at its centre. When asked to explain the diagram, she replied that she lived with her mum and her dad on different days of each week and in different houses and received income from each of them and from a range of extended family members including aunts and uncles, grandparents and close family friends. The picture described that situation perfectly and gave a far better representation than the complicated definitions and equations that I and other researchers based our analyses on. I have used that diagram since in several presentations to illustrate the complexity of people's lives and to illustrate the gulf that exists between their reality and the simplistic assumptions that underpin how distributional analysts (including me) measure and examine issues of disadvantage and poverty.

The *Making a Difference* project led to the large ARC Linkage *Australian Child Well-Being Project* (ACWP), led by Gerry and Jen with me as a named Chief Investigator. Its centrepiece was a national school-based survey of almost 5,500 children in years 4, 6 and 8 (mainly aged between 9 and 14 years) of 180 participating schools. As with my earlier projects, the content of the survey was informed by prior focus group interviews, this time focusing on levels and differences in child well-being, defined broadly across multiple domains. Getting the survey designed and approval to administer it in schools was a massive task that Gerry (with assistance from Jen) handled magnificently. They are currently (2021) working on a third ARC project that extends these earlier studies in what has proved to be fertile ground for advancing our understanding of forms of social disadvantage experienced by young Australians.

These developments illustrate that I have continued an active research agenda since retirement, building on past achievements, working with many colleagues and helping to develop them through mentoring and other efforts to improve the quality of research. This has been tremendously rewarding for me personally, not only because the findings have advanced our knowledge and understanding, but also because the projects have allowed me to work with some of the brightest members of a new generation of social policy researchers.

The centre had recruited a leading researcher from the UK on budget standards (Chris Deeming) and in 2011 he and I submitted an application to the ARC to update and refine the original budgets developed for DSS in the 1990s for a smaller range of families. The application was not successful, with one of the assessors questioning how we could guarantee that the estimates would be used and not ignored, as had happened previously. It was a fair point and we took it on board, revising the proposal to address this issue by recruiting two new Industry Partners, the trade union United Voice that represents many low-paid workers and ACOSS to guarantee a focus on the value (and use) of the estimates and the revised proposal was funded the following year.

Unfortunately (for me!) Chris Deeming decided to return to the UK so I was left to run the project single-handed, which had not been the original plan. The project was far more manageable than the original one, since we were able to build on all the work, experience and insights produced then, but also because the focus was on a smaller range of families in one of two main situations, either in work and low-paid or unemployed. Even so, the task proved to be far more challenging than we anticipated and ran into similar problems when it came to reaching agreement on the final estimates. We managed it, however, and the estimates have proved to be very useful in providing an adequacy benchmark for the level of income support for the unemployed (then called Newstart Allowance) and in the annual adjustments to the minimum wage made by the Fair Work Commission (FWC). The centre has since been commissioned by FWC to further update the estimates as a precursor for them being used regularly to inform its minimum wage decisions. More ghastly chores ahead, but valuable research that has the potential to improve the incomes and living standards of millions of disadvantaged Australians.

### *An unexpected role*

I mentioned earlier that the centre had flourished under Ilan's leadership, experiencing an unprecedented growth in its income. Although the centre's budget had declined from its peak of over \$7 million in 2009, it was still substantial, bearing in mind that we now had to raise most of that money by



competing for ARC and commissioned projects. However, that impressive performance was about to be overshadowed by gathering dark clouds as the centre's expenditure began to consistently exceed its income. For the first time, the centre ran substantial deficits in all three years up to 2010, amounting to a combined loss of \$2.86 million.<sup>5</sup> Even more concerning, the income figures included a UNSW contribution of close to \$1 million a year, totalling \$3.27 million between 2008 and 2010.

When a centre that is relatively small in terms of its total budget compared with university centres in the Science, Medicine, Engineering and Business Faculties makes a loss of around a million dollars in three consecutive years after receiving considerable financial support from the university, it is no surprise that questions are asked and senior managers take note. In our case, the key immediate person was the Dean of the Faculty James Donald, who had already been required to foot a substantial bill to fill the centre's funding shortfall and would face further demands if the centre's financial position did not improve.

The magnitude of the centre's financial problems sent a shiver through me when I first heard about them. Looking back, the problem arose because the centre had expanded far too rapidly, ending up well in excess of what I had always seen as being a 'manageable' size of between 30 to 35 employees. We now had double that number (not all full-time of course) and the internal systems that had functioned well previously were buckling under the strain. It was no surprise that spending growth had outstripped income growth because, as I explained earlier, a centre must recruit staff before it can do the work, which means that income will always lag behind expenditure during an expansion phase. But the staff must still meet all their contractual commitments and deadlines, otherwise the income stream will dry up and a temporary budget setback can become a permanent, structural problem.

The broader university context had also changed radically since I had been Director and we received core funding from the government. Staff contracts could no longer be extended with the confidence that the income would be available to pay for them. Within the university, financial responsibility had been devolved to the Faculties and Deans were understandably cautious, having far fewer funds to access and little flexibility in allocating them since most were designated to the conduct the university's 'core business of teaching'. Staff in teaching departments were reluctant to support the Dean in

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<sup>5</sup> The source for these figures is the *SPRC Annual Reports* for various years; those for the years leading up to 2010 are from the *2012 Annual Report*, where figures for earlier years were revised.



funding the shortfall of a centre that was perceived as not pulling its weight by not doing any teaching. Internally, the money needed to pay those CI salaries had to be found from somewhere.

The centre had become a victim of its own success in attracting external funding, which led to a rapid increase in the number of projects underway at any one time, and in the level of staffing. Trying to keep all projects on track and meet the larger number of deadlines stretched its resources to the limit. Ilan was spread so thinly across so many projects that one wondered how he managed to stay in one piece. He needed more support to manage the centre's many commitments so that progress could be monitored, deadlines met, new submissions prepared, and contracts awarded. But putting these mechanisms in place added to the workload in the short-run, exacerbating the pressures on staff and other resources and placing further pressure on the centre's financial situation. The centre's medium-term prospects were bright, but these adjustments were necessary to ensure that it could survive in the short-run.

I met with the Dean in September 2011 when he explained the extent of the centre's financial problems and we discussed possible solutions. I didn't have any magic wand, of course, but the more he told me the worse things looked. Towards the end of the meeting, he asked me if I'd be willing to take on the job temporarily when Ilan's contract expired to help get the centre back on track. I told him straight away that this was not an option for me. Perhaps I should have agreed to think about it more carefully and consult with others before refusing, but I had by then a clear idea of where my research was going and knew that it would absorb the three days of my time each week for which I was now being paid. I was also enjoying the freedom provided by my reduced hours and responsibilities and knew that I couldn't countenance reversing my decision to wind back my work hours – fearful of the consequences for my health of incurring new stresses. I could sense the Dean's disappointment at my immediate refusal of his offer but felt that this was the only viable option for me.

However, despite rejecting the Dean's suggestion, I expressed a willingness to assist internally to get the centre back on track as and where I could. This had to be handled carefully, since I didn't want to be seen as trying to impose myself on my colleagues if they didn't want my involvement. An option that all seemed satisfied with was that I join the centre's new Senior Executive Team (SET) that had been established in 2011 to address the centre's financial problems by reviewing progress on projects, identifying bottlenecks and re-allocating staff to overcome them. Other members of the initial SET were

Ilan Katz, Deputy Directors Lyn Craig (up to November 2011) and kylie valentine (from then) and Acting (later confirmed) General Manager of the centre David Cami.

Our meetings each Tuesday morning (my regular 'day in the office') were tough going. Each week, it seemed that we confronted a new crisis and as these cumulated over time, we faced the prospect of an increasing barrage of hard choices that affected people that we knew well and had worked closely with. Unless things improved, a substantial number of staff would have to be made redundant and we had to confront that reality and begin thinking about who might be affected if things didn't improve.

When new Deputy Director kylie valentine attended her first SET meeting, I remember her sitting silently listening to our deliberations, clearly dumbfounded at what she was hearing. She remained silent throughout most of the meeting, but as it drew to an end, she said something to the effect that she hoped that all our meetings were not like this otherwise she might have to review her decision to become Deputy Director and a member of SET. I discovered later that she had another meeting to go to, but her abrupt departure from that SET meeting signified her shock at what she had witnessed while in attendance. We were all similarly distressed, and I urged Ilan to go after her and explain the importance of what SET was doing and her role in it. I knew that kylie was highly regarded by the staff and I thought it was imperative that she be seen to endorse what SET was doing. Ilan was initially reluctant to follow her but eventually agreed and the crisis was averted.

Throughout these developments, I was deeply impressed by the contribution of David Cami, who was totally professional and an absolute tower of strength, always efficient in getting things done and in the way that he conveyed information and decisions to others, making them feel part of the team and consulted. I doubt we would have survived without his input, always provided with good nature and enthusiasm, even on the bleakest of days. I found it tough going too, but I knew that if we were not able to meet our commitments and deliver on time and to the required standard, our survival would be jeopardised. We managed to weather that storm and the others that followed, and I was pleased to play a part in keeping the centre afloat, even if the ride had seemed chaotic and even harrowing at times. We never lost sight of what mattered: the centre's integrity and independence – the same two factors that had driven its quality and professionalism throughout its existence.

The challenges that SET had to grapple with led to an inevitable delay in appointing a new Director after Ilan's term ended in 2011. There was

some concern that the position might not be advertised, leaving the centre on the road to closure, but a new Director was eventually appointed when Kelley Johnson, an expert on disability from the University of Bristol took up the position in 2014. But she was not reappointed Director when her first term expired, reverting to the position of Professor. The Director's position was then occupied briefly by Peter Whiteford and after him by Lyn Craig, both eminent scholars, but they both ended up leaving the university shortly thereafter (for the ANU and the University of Melbourne, respectively).

Over time, with input from Ilan and his successors, supported by SET and the professionalism and commitment of many members of staff, the situation stabilised, and the centre returned to an improved level of functioning. The Director's position was not readvertised but instead Carla Treloar, Director of the Centre for Social Research in Health (CSRH) that already shared administrative resources with SPRC took on the role of Director of both centres, initially on a temporary basis. This arrangement became permanent in 2018, under a new shared governance, leadership and administration model with separate reporting. I argued against the new arrangement because I saw the process as effectively involving the abolition of the position of a separate SPRC Director. This should not be seen as implying any criticism of Carla, who was (and still is) doing a great job at uniting the two centres, both of which are flourishing under her leadership. But the main motivation for the merger was to save money and that was now driving much of what the university was doing. Even so, the critical point was that the SPRC had survived, but again only just!

### ***Scholarly recognition***

The problems encountered by SPRC were an unwelcome distraction that absorbed a good deal of my time and energy. The centre's ability to remain afloat when many others would have faltered was another testimony to the resilience of its structures, the commitment and loyalty of its staff and their unending faith in the academic and social values that the centre embodied. But it still took a lot of effort and some tough choices to get it where it needed to be.

My work on deprivation kept me busy, but I was also pursuing a grander idea that had emerged during a series of discussions I had with Cassandra Goldie, CEO of ACOSS. In 2012, the centre was commissioned by ACOSS to produce a report titled *Poverty in Australia* that described the current situation and recent trends. The report was designed to highlight the issue and help put pressure on the government to do more about it – beginning by at

least acknowledging its existence. I worked with Bruce Bradbury and Melissa Wong on the report, accompanied by Peter Davidson from ACOSS who helped us identify key themes that resonated with current policy concerns. I had known Peter for many years and held him in high regard as one of Australia's leading social security experts, and was delighted when he later asked me to supervise (with Peter Whiteford) his PhD thesis (now successfully completed) on a comparative study of employment programs for the long-term unemployed.

In addition to ACOSS, that initial poverty report was supported by several leading Australian community sector agencies including Anglicare Australia, the St Vincent de Paul Society and The Salvation Army. These NGOs helped to publicise the report and draw its key findings to the attention of policy makers. I found the whole experience refreshing and rewarding since it was the first time that we researchers had engaged with users from the outset to help design the analysis and set its main points of focus. Previously, such collaboration had taken place after the research was completed and focused on what parts to emphasise in its dissemination.

I was aware that Cass Goldie shared my enthusiasm for a more permanent partnership and was pleased when she asked us in 2014 to produce an updated report on poverty and a related report on income inequality, both using the latest ABS data. The following year, Cass and I both spoke at a workshop on Law and Poverty in Australia: 40 Years After the Sackville Report organised by the UNSW Law Faculty (where Cass had been awarded her PhD). The workshop commemorated the anniversary of the pathbreaking work on law and poverty that had been conducted as part of the Henderson Poverty Inquiry and I was one of the invited speakers, along with Professor Ronald Sackville who had been one of the Poverty Inquiry Commissioners. During the reception held after the workshop, I raised with Cass the idea of making the poverty and inequality reports part of a regular series, timed to coincide with the release of new ABS data to researchers every two years. I explained that the current *ad hoc* annual arrangements were proving difficult for us because we were unable to plan and conduct the work until ACOSS had raised the funds to support it and this often took a long and unpredictable period.

Although the idea of having several funding partners appealed to me, the time taken to pull them together made it difficult to schedule the work internally because the availability of the key contributors (primarily Bruce Bradbury and Melissa Wong who undertook the analysis of the ABS data) could not be guaranteed when the funds had finally been secured. I also

explained that we had been subsidising the work done so far because I knew that if we didn't do this, it would not get done. But while I wanted the work to continue, my ability to convince others at SPRC to do so on a loss-making basis was unlikely to last. We needed a source of adequate, guaranteed and secure funding to get the full benefits from the collaboration, but the question was, where could it be obtained?

Cass then indicated that if we could persuade the university to provide say \$1 million over five years, she was confident that she could match that contribution from a variety of community sector agency and philanthropic sources. We agreed that that would be enough to fund the full cost of the research and cover the costs of project management and administration, report production and dissemination.

We set this as our goal and decided that the first step would be to meet with UNSW Vice-Chancellor Professor Ian Jacobs to try to convince him of the merits of the proposal. I thought this would be best approached via Cass, who wrote to the VC and a meeting was arranged. Professor Jacobs was enthusiastic about the idea and although he did not formally commit the funds, he made it clear that a submission would be looked at favourably by the university. Cass and I then began working frantically to put a proposal together, me focusing on developing a budget and setting out the advantages for the university while Cass concentrated on identifying potential partner participants and raising the matching funds.

When we had a proposal that we were both happy with, we met with the Deputy Vice-Chancellor for Research, Professor Les Field and several other senior managers. There was again a general sense of enthusiasm for the idea, although the meeting ended with Les Field saying (something like):

'It's a great idea and you have my full support, but we need to convince the bean-counters to give us the money so you can get started.'

I found that a rather surprising and worrying remark. I had always thought that the job of a Deputy Vice-Chancellor was to tell the bean-counters what should be done, not defer to their views on what could be done. Cass, who like me was an all-action, can-do person, was similarly disturbed by the DVC's comment, but we were now too committed to do anything other than proceed as planned.

We were fortunate to have a strong supporter in Pro-Vice-Chancellor Professor Eileen Baldry who knew SPRC well and had had a long involvement with ACOSS. Eileen explained the convoluted process that we would now have to go through to get the proposal formally accepted by the university and

accompanied us to several key meetings. I've forgotten how many committees we had to confront and convince, but the whole process took an inordinate length of time and came close to driving Cass and me to distraction. We even considered taking the idea to another institution, although I told Cass that it was not an option for me because of my loyalty to UNSW and the SPRC. In any case, the intellectual property in the computer programs and other software that were used to analyse the ABS data belonged to SPRC/UNSW and could not be transferred even if I and the project ended up elsewhere – at least not without lengthy and vitriolic legal proceedings that would probably still be before the courts!

I urged Cass to be patient for just a little longer, although I too was close to abandoning the whole exercise and getting on with the rest of my life. I told her that a decision from the university was imminent, but I had no evidence to support that claim, except a sense that surely things could not be allowed to drag on much longer. The business case for the proposal, now with the rather grand title 'Public Engagement and Capacity Building in Poverty and Inequality' – or Poverty and Inequality Initiative (PIP) for short – was finally endorsed by a meeting of the UNSW Planning and Assurance Board (PAB) at the end of June 2017. It was formally approved two weeks later by the university's Strategy Steering Group (SSG). With this nod from PAB and the endorsement of the SSG, the UNSW/ACOSS PIP was not only RTG (ready to go) but UAR (up and running)!

Throughout the development of the PIP proposal, Cass and I had agreed on its key features. These included drawing in relevant experts from other Faculties in the university to broaden its focus and make the research genuinely multidisciplinary. Links had been established with key researchers in the Faculties of Law (through Brendan Edgeworth, who had been present when we first discussed the idea at the workshop mentioned earlier), Medicine (Mark Harris and Evelyne de Leeuw) and the Built Environment (Bill Randolph and Hal Pawson). The approach was intended to give greater emphasis to non-economic dimensions including spatial and health inequalities, to cover the social consequences of growing economic disparities and to draw attention to the role that the law could play in contributing to and relieving problems. It was this broad focus that made the PIP a genuinely university-wide endeavour. Our intellectual input was supported by tremendous work on the practicalities, overseen by Jacqui Phillips at ACOSS and Hanne Bjellaanes at SPRC.

An important feature of PIP – in my mind its defining feature – was to engage with those working to redress poverty and inequality in the design

of the research conducted. A PIP Steering Committee was formed to discuss and agree the shape of individual projects from the outset. Following the establishment of PIP at the beginning of 2018, Cass and I were invited to give a presentation to a meeting of the UNSW leaders' forum, chaired by the Vice-Chancellor. I was surprised at the size of this gathering, but the positive response to our presentations augured well for the future of PIP.

Prior to that meeting and only days before the business case was finalised, I received a phone call from someone in the university finance section who pointed out that the budget I had prepared many months before did not include an allowance for on-costs like superannuation and long service leave that added an extra 30% or so to the base salaries. It was worrying that no-one had since checked my back of the envelope calculations but was by now too late to correct the oversight (for which I accepted full responsibility). Moreover, since we had agreed that UNSW and ACOSS would contribute equally to the initiative, we couldn't at this late stage ask ACOSS for an extra \$300,000. The only practical solution was to discreetly raise the UNSW contribution by 30% so that the on-costs would be covered, and we agreed to do this without drawing it to the attention of ACOSS. My budgeting error thus resulted in the Initiative being awarded \$300,000 more than had been intended. If only things were always that simple!

PIP was formally launched by the Vice-Chancellor in February 2018 and has since produced a series of new reports on poverty and inequality, followed by major reports on spatial inequality and health gradients/inequalities. ACOSS have stuck to their side of the arrangement and have raised slightly more than they proposed although some of these commitments are short-term and subject to review. From an SPRC perspective, PIP has provided security for its researchers working on poverty and inequality, all of whom I have worked with closely and most of whom I recruited, mentored and trained. Securing their futures – at least for five years – is a major achievement and although it reflects the input from many people over an extended period, it is also a source of considerable personal pride.

### *Visiting the global stage (briefly)*

My on-going interest in poverty was given added impetus when the UN General Assembly formally adopted the Sustainable Development Goals (SDGs) in September 2015. The 17 'aspirational' goals and 169 targets came into effect at the beginning of 2016 with the aim of achieving them by 2030. Goal 1 aims to 'end poverty in all its forms everywhere' and the first two Targets within that Goal are to 'eradicate extreme poverty' and 'reduce at



least by half the proportion of men, women and children of all ages living in poverty in all its dimensions according to national definitions’.

Australia was one of the almost 200 national signatories to the SDGs and I saw this (and still do) as a unique opportunity to get poverty back onto the Australian policy agenda. The SDGs are intended to apply to all countries, not just low-income countries combating absolute poverty and the second target cited above is clearly intended to apply to richer countries like Australia. My estimates suggested that if it was to achieve that target, it would have to perform better over the next 15 years than it had over the previous 15. These figures indicated that we had made only modest in-roads into poverty between 2000 and 2015, nowhere near approaching the reduction by ‘at least half’ that was required between 2015 and 2030. The reference to ‘national definitions’ of poverty also held the promise that the Australian Government would at last be forced to endorse a definition of poverty, something it had never done, not even in the wake of the Henderson Poverty Report.

As I reflected on these implications of the SDGs, I was delighted to receive an invitation from the World Bank to become a member of the Advisory Board of the Commission on Global Poverty. The Commission had been established to advise the Bank on ‘how to improve its practices and procedures for the measurement and monitoring of global poverty’. It was chaired by Tony Atkinson, who would be supported by a core group of Advisory Board members. The unparalleled scholarly stature and wide respect with which Tony was held made him an ideal appointment, although he had been suffering for several years from multiple myeloma that was taking its toll on his ability to continue working as previously.

This was the first opportunity I had to work with Tony, if only indirectly and from a distance. Our paths had crossed many times, including at meetings of the LIS Advisory Board which he had chaired since 2012. But Janet had a personal connection with Tony and his wife Judith, who she had met when all three of them were visitors at the University of British Columbia (UBC) in the mid-1990s. Since then, we had exchanged Christmas cards and family news. The card they sent in 2016 was addressed to me at the centre and arrived just before Christmas but I did not collect it until I returned to work in early January. By then, Tony had lost his battle with that dreadful illness, passing away on 1 January 2017. It was an emotional moment reading the card that Judith had written before Tony’s passing, summarising news of their family and sending their best wishes to us.

The Commission’s Advisory Board contained an international Who’s Who of the world’s best economists in poverty measurement and monitoring.



It included two Nobel Laureates (Professors Amartya Sen and Angus Deaton) and many others who were at the forefront of international poverty research, including Sabina Alkire, François Bourguignon, Andrea Brandolini, James Foster, Ravi Kanbur, Nora Lustig, Eric Marlier and Martin Ravallion. For yours truly to be included amongst that galaxy of stars was a tremendous honour and without doubt represents the pinnacle of my academic career. The Board had two main roles: initially, to respond to a series of issues raised by the chair; and later to provide comments on the draft report. The report itself was written by Tony Atkinson, who despite his debilitating illness, took sole responsibility for it, supported throughout by the core group that worked closely with him.

Advisory Board members were initially asked to comment on 11 issues, covering four broad areas. Two of these areas related to technical issues that I did not feel qualified to comment on (particularly in such distinguished company) so my comments focused on the other two: how to take account of national specifics; and the role and importance of different poverty measures. I wrote a 15,000-word response and made recommendations relating specifically to child poverty and the importance of incorporating the views of children. This latter idea was not taken up in the final report, although it did quote an extract from my submission on this issue.

Tony read all the Advisory Board responses to his initial set of issues as well as the 122 submissions received from community organisations and individuals. He wrote the initial and final drafts of the report himself, the latter distilling the comments received from Board members and in other submissions. How he managed it I'll never know, particularly in the circumstances, but it further amplified his commitment and reflected the high regard in which he was held by all who knew him and his work. The report lives on as a fitting memory to a truly great scholar who inspired a generation of poverty and inequality researchers, supervising many of their PhDs. The world was all the better for his presence and will long mourn his absence. How he was never awarded the Nobel Prize in Economics remains an unfathomable mystery.

### ***Revisiting Henderson***

My scholarly reputation in poverty research led to another invitation at the end of 2016 from Alison McClelland, who I had known for most of my time at the centre and held in very high regard. She was an extremely good social policy analyst and commentator, working for many years in the NGO sector with the Brotherhood of St Laurence in Melbourne before being appointed a Commissioner in The Productivity Commission in 2010. She

told me about the establishment of the Henderson Anniversary Project that was organising a series of events to commemorate the 50<sup>th</sup> anniversary of the original Melbourne poverty study, conceived and led by Henderson in 1966. An Advisory Committee had been established that included –in addition to Alison – Brian Howe, Shelley Mallett who held a joint appointment at the Brotherhood and Melbourne University, Dave Ribar from the Melbourne Institute, and Ronald’s son Will Henderson an actor, playwright and community theatre worker, who I had met years before when attending Ronald’s funeral in Melbourne.

An edited book had been proposed as one of the Project’s initial activities and Brian Howe was very keen to use it to stimulate public debate about the need for a basic income scheme given the important changes that were taking place in the Australian economy and labour market. Several academics had been recruited to write papers on aspects of these topics and Alison was enquiring about whether I would be willing to take on the role of editor. I was keen to be involved in a venture that recognised the contemporary relevance of Henderson’s work since this had been a theme of many of my own writings. But I knew from experience that editing a book could be a challenging and frustrating task, keeping a large group of independently-minded academics on track while ensuring the coherence of the book as a whole. I knew that it was important to choose contributors who could be relied upon to produce quality work on time and without constant prompting. I thus made it clear that my involvement was conditional upon me having the right to invite additional contributors to the book (subject to the committee’s approval) and to having overall responsibility for seeing it through to completion.

These conditions were agreed to, so I was appointed the editor and member of the Advisory Committee and set about the task energetically, rearranging my other commitments to make way for it. From the outset, I wanted to ensure that we included as authors not only the ‘usual suspects’ (some of whom had already been invited to participate), but also bring in some ‘new blood’ (and dare I say it, some new ideas). My aim was that the book would draw on contributions from the best current Australian poverty and social security researchers, inspired by Henderson but modified to reflect social change, new challenges and new research innovations. I was also keen to broaden the theme of the book away from just basic income to a range of possible social security reforms options for Australia. Both variations were accepted, and I set about bringing the task to fruition.

Two years of intense activity followed (and a few unwelcome diversions) but the whole venture was successful and for me, extremely gratifying. After

I had identified and commissioned the authors, two workshops were held to discuss their chapter outlines and drafts (in May and December 2017, respectively). I knew that these workshops would allow me to influence the overall shape of the book and ensure that the contributors were keeping on track. The workshops were highly successful and were followed by a major international conference held in Melbourne in February 2018 at which all of the contributors presented their chapters. A contract was signed with Melbourne University Press to publish the book, with financial assistance provided through the Henderson Anniversary Project. I edited the chapters in the latter half of 2018, wrote the Introduction and worked closely with Alison on her concluding chapter.

It looked at one stage that we might not have sufficient funds to support the book (despite the support provided by the Melbourne Institute) but Will Henderson approached me during one of the breaks at the conference to tell me how important he thought the book was and indicated that if we needed more money, to let him know and he would provide it. It was an important backstop, though one I hoped we wouldn't need (and didn't) but his generosity replicated similar efforts made decades earlier by Ronald and the Henderson family to support activity relating to poverty and other social ills that needed addressing.

The book was launched in Melbourne in April 2019, almost two years to the day after Alison had approached me. That might sound like a long time, but it is nothing short of a remarkable turnaround for an academic book involving over 20 leading academics, all of whom had to be drawn into line to produce their contributions on time and at the same time. That's no mean feat, believe me. I drew on all my skills, backed up by a bit of firm pressure when needed, to 'herd the cats' and thankfully they all responded. The book was published under the title *Revisiting Henderson: Poverty, Social Security and Basic Income* and I am proud to have been associated with another enterprise that drew attention to the on-going relevance of Henderson's work.

### ***Another pinnacle appointment***

Another welcome event was my appointment to the ARC Selection Advisory Committee for its Centres of Excellence program in 2018. A condition of accepting the appointment was not to reveal it publicly at the time – a reflection of the ARC's fears that this might lead to unwelcome pressure being placed on committee members by potential applicants and their universities. This seemed rather far-fetched to me, although it reflected the ARC's cautious but impressively thorough approach to protecting the integrity of its selection

processes. I found this restriction at times quite difficult since the amount of time taken up reviewing the applications meant that other commitments had to be delayed or abandoned and deadlines missed without me being able to explain to colleagues why.

I am also sworn to secrecy about the committee's actual deliberations so I will restrict myself to a few general observations. The first thing to note was the heavy workload, which was conducted in two phases: first, selection of the short-list to submit full applications from those who submitted an expression of interest (EOI); and then assessing the full applications and interviewing each of the respective teams of leading investigators. There was a total of around 130 EOIs, from which we chose and interviewed a short-list of about 20. Each application was assigned to a COI member who had to briefly describe the application at the beginning of the committee's assessment and summarise the key points raised during the discussion and assessment process at the end. Blind voting then took place before the final short-list was determined.

The EOIs and full applications were assigned to committee members to ensure an appropriate balance and relevant coverage, taking account of the very strict ARC rules about conflict of interest. Committee members with a conflict had to leave the room whenever that EOI or application was discussed and assessed and I spent long periods at each of our meetings outside the room, either because the application was submitted by a team from my university (UNSW) or because I had a professional relationship with one of the named investigators. Where these conflicts existed, I (and others) knew nothing about the application – not only how highly it was ranked, not even that it existed. SAC members didn't find out about any conflicted applications until the final decisions were announced by the Minister, and never knew about any unsuccessful applications where they were conflicted.

The full applications were all around 650 pages long, of which the description of the research agenda accounted for up to 35 pages, the remainder covering the budget and the CVs of the named investigators. The latter ran to well over 500 pages and needed to be assessed also because the quality and expertise coverage of the research team was one of the criteria being assessed. Each application was assessed by up to five international experts who provided detailed assessments of the innovative nature and viability of each proposal, often raising objections to what was said or proposed in the application. The committee had access to these assessor reports when they assessed their assigned applications along with a Rejoinder prepared by the applicants and an overall assessment score was determined following a lengthy discussion of the merits of each proposal and any issues raised by the external assessors.

The short-listed applications were interviewed by those committee members who had assessed them, and an overall mark was agreed. These marks were then discussed by the full committee and a list of the applications recommended for funding (10, I think) was drawn up. This list was then reviewed by the ARC to ensure that the guidelines had been complied with and that the available budget would allow them all to be funded and a final list of recommendations was submitted to the Minister for final approval. I didn't see the necessity for this final step in what was otherwise an impressively detailed, scrupulously fair process and I would have been very disappointed if the Minister had chosen not to approve any of our recommendations.

The committee contained about 20 of Australia's leading academic researchers and two international experts, all of whom were leaders in their field. Many of them were a good deal younger than me (I think I was the oldest member) and were obviously heading to the top echelons of scholarship or university management. The applicants too were enormously impressive, particularly the nominated centre Directors who were all at the forefront of global research in their field. The entire process was tremendously rewarding on many levels including the fact that so many of the applicants and committee members were so young, enthusiastic, ambitious and optimistic. This was a source of particular pleasure for an old fella like me.

### *Three fires*

One cold wintry Sunday afternoon at the end of August 2010 I switched on the TV news to see terrifying images of flames shooting skywards through the shattered windows of a blackened building topped by a gutted roof. The building was surrounded by several fire crews trying desperately to control the inferno, apparently with little success. I realised I had the wrong channel, so after a second glance at the chaos laid out before me, I prodded my TV remote and settled back to watch a quiz game and thought little more of it. Another day, another fire, but Sydney was a big city and fires are to be expected, though preferably avoided.

Several hours later I received a phone call from David Cami who informed me in a surprisingly grave formal voice that the SPRC had experienced a major fire that afternoon and much of its premises had been destroyed. I thought back to my earlier glimpse of that fire on the TV news and it dawned on me that the windows through which those violent flames had been pouring were attached to the office I had been occupying until about three weeks previously! The more I reflected on David's devastating news, the more it dawned on me that I was indeed a victim (luckily an absent victim) of a terrible accident.

The building formed part of the university's western campus located across Anzac Parade from the main campus, behind a small car park next to the National Institute of Dramatic Art (NIDA) Theatre. The previous occupant of the building had vacated in 2009 and the SPRC had managed to secure it (rent free!) – the first time the centre had accommodation provided and paid for by the university. The building was a single-storey wood and brick-veneered structure, probably erected when the university first opened in 1949. It was an open rectangular-shaped structure with a largish grassed area in the middle, bisected by a path that led diagonally from the car park to the main corner entrance. That led into a reception area and my office was to the right and behind it, facing the centre's library. The rest of the offices were strung out along both sides of the long corridor that ran to the left of the entrance and along half of the shorter corridor to the left of that. It was rather quaint and Peter Davidson's description of it as feeling like 'a holiday home near the beach' captured its relaxed, informal and charmingly disorganised ambience.

Three weeks before the fire, I had been persuaded to vacate my office to allow the centre's then General Manager Melissa Roughly to move closer to the other support staff who were all located around the reception area. I was allocated a smaller office in the short corridor at the other end of the building, but a condition of moving was that I be allowed to leave most of my personal library in the original (larger) office. It was an extensive library of economics and social policy textbooks, reports and academic journals and filled the bookshelves that ran from floor to ceiling on three sides of the room. I took the books and papers that were relevant to my current work with me, and just as well, because the fire – started when an electrician tried to fix an electrical fault in the tinder-dry ceiling space that surrounded the entire building – destroyed my old office and all that remained in it, but hardly touched my new office (aside from some minor water damage to a few documents).

Writing in the centre's 2010 Annual Report, Ilan Katz commented on the fire and its aftermath as follows:

'SPRC lost virtually all the library as well as office equipment and personal effects belonging to staff members. Fortunately, no one was hurt. With the help of colleagues and the social policy community we were able to get back to work very quickly. Whilst the fire was obviously devastating for the Centre, it also brought out the best in our staff, who showed remarkable compassion and support for each other.'

It was indeed amazing to observe how the staff pulled together to help everyone through a crisis that many found personally as well as professionally distressing. I don't understand how we managed to get back to work so quickly,

but it happened and incredibly, a semblance of normality was restored within days of the fire. Of course, its effects lingered for much longer as those affected came to terms with their losses.

I was lucky to survive virtually unscathed, although for years afterwards while searching unsuccessfully for a book, paper or report, would conclude that 'it must have been lost in the fire'. As these incidents multiplied, I realised that its effects on me were greater than I had originally thought. However, had I not agreed to move offices, my entire library would have been lost, not only the mostly unused remnants of it. Adding to my relief, the centre also temporarily housed over 2,600 completed questionnaires from a national mail-out survey that we had conducted in 2010 as part of my ARC project on the social impact of the global financial crisis. They were being stored in a filing cabinet located in an office at the end of the corridor, waiting to be shipped to Canberra for data cleaning and entry. Thankfully, the room where they were being stored survived the fire.

Just over two years after the SPRC fire, the IGA grocery store building in the centre of Jamberoo village – a popular meeting place for many residents and a pleasant place to shop – was also destroyed by fire. The cause in this case was a group of youths who had tried to break into the shop's rear storeroom but failed and had set fire to a nearby wheelie bin in frustration. Unfortunately, that fire then spread to the wooden structure of the heritage-style main building which was quickly engulfed and completely destroyed.

I was not 'in residence' when it happened but was told about it by neighbours and drove down the following week to see the damage. It was an awful sight, the space previously occupied by the building now a mass of blackened rubble and twisted shelving. The local community had already set up kerbside stalls selling the basics as people gathered to assist with the clean-up. Within an amazingly short period, what remained of the original structure was removed and building began on a replacement that combined a replicate street frontage with ornate ironwork above a wooden façade with a larger and improved interior. Soon afterwards, the store had re-opened, business was booming, and normality was restored.

Less than a month after the Jamberoo fire, I received an email from Kenneth Nelson, who worked at the Swedish Institute for Social Research at Stockholm University and was a member of the FISS Board of Governors. His email contained bad news and was accompanied by a picture from the local paper that brought back dire memories. A large section of the Sigtunahöjden conference centre that served as the FISS annual conference venue had been burnt to the ground! The fire had destroyed the main building that housed



the reception area, dining room, conference meeting rooms and offices, but amazingly had hardly touched the hotel component of the premises that contained the guestrooms located not more than ten metres across a central garden area.

Kenneth was alerting me to the need to find an alternative venue for that year's FISS conference which was less than six months away. Luckily, we were able to relocate to an alternative venue nearby that was ideal, and the conference went ahead as normal. Meanwhile, with amazing speed the section of the original centre that had been destroyed was replaced with a similar but modernised structure. But it was still a shock to experience the effects of two fires separated physically by more than 15,000 kilometres but temporally by less than a month, both occurring relatively soon after the SPRC fire. The fact that the recovery in all three cases was so rapid was another source of wonder, reflecting the SPRC's spirit and resilience, the strength of community bonds in regional Australia and the efficiency of Sweden's architectural, construction and tourism sectors.

### *Three unwelcome hospital visits*

As I approached my 'three score years and ten' I counted myself lucky that I had been fortunate to avoid any major contact with the health care system since my boyhood fractured shoulder and a badly gashed knee while playing football at university. The Australian Medicare system mirrored many of the features of the NHS, providing universal access to basic health care services like GP consultations and medically determined hospital treatment free of charge. Like many others, I was relieved at not having to avail myself of the services provided under the system but benefitted from the knowledge that its facilities were there if I ever needed them.

But the passage of time is accompanied after a certain age by a decline in one's physical propensities and that leads inevitably to an increase in the need for health care and, for the unfortunate few, for hospital treatment. The transient visits during one's active youth to fix bones broken during misadventure or sporting accidents give way to more sinister ailments as one ages, and to longer stays. I was unknowingly heading along this trajectory, joining the hospital users' group with a vengeance in October 2015 after an absence of almost fifty years.

In 2012, my good friend (still is!) Phillip du Rhone suggested during a chat between mates that I have a PSA test to check that I did not have a problem with prostate cancer. It sounded like a remote possibility but a sensible idea to take the test and the recorded PSA level (2.5 ng/ml) was sufficiently high



for my GP to suggest that I see a urologist for advice about what action to take, if any. The urologist suggested that I have a biopsy just to be sure there was no problem, but the results indicated that there were signs of cancer in my prostate. What the procedure didn't indicate was the rate of growth of the intruder, and I was judged to fall right on the margin between needing some form of intervention and undergoing 'active surveillance' or 'watchful waiting' that involve monitoring the situation regularly to see how things develop.

Thus began a six-monthly round of PSA tests followed by visits to the urologist to get the results and discuss their implications, followed later by a series of MRI scans, a second biopsy conducted in October 2015 and a third in December 2020. I did not want to undergo surgery if I could avoid it and the signs were that my cancer was small and slow-growing and that I might die with it, not of it – which is the case for many men in my situation. Following the second biopsy (which confirmed that the rate of growth was slow) I drove down to Jamberoo the following day to prepare for my regular Wednesday morning round of golf.

That evening, I started to feel extremely cold and began to experience intense, uncontrollable bouts of shivering. I thought I was tired and needed an early night, so headed to the warmth of my bed. But the bouts of shivering got steadily worse and adding extra bedding made no difference. At around midnight, I decided that something was seriously wrong and that I probably needed to get to a hospital. I didn't feel comfortable driving myself there, so decided to call on my neighbour Ray Savage who was a very friendly guy always willing to assist with domestic tasks like putting out my garbage bins (and bringing them in!) when I was not there on 'bin night'. I got poor Ray and his wife Sue out of bed but after I explained the situation, he agreed to drive me to the local hospital Emergency Department (in Shellharbour).

I described my symptoms on arrival and explained that I had had a prostate biopsy the previous day and was admitted immediately for observation and treatment. It appeared that I was one of the very few unlucky enough to get an infection from the biopsy procedure – and not just any infection, but a major complication following the infection (sepsis) that I do not recommend to anyone. After a very uncomfortable night in Shellharbour ED, I was transferred the next day by ambulance to Wollongong Hospital because the treatment I needed was only available there. But there were no free beds available, so I spent a miserable day being wheeled around, feeling freezing cold, although the nurses told me that my temperature was in fact very high and that my body's immune system had simulated cold in order to induce my blood to heat up and hopefully kill the invading bacteria. Very

smart internal protection system we humans have, which I guess explains why we have survived for so long. I was eventually transferred by ambulance back to Sydney and spent ten miserable days slowly recovering and losing weight at an alarming rate before being discharged.

About three weeks after being discharged, I was riding my bike on a Sunday afternoon as part of a new keep-fit regime (prompted by a very painful knee that I was reluctant to have replaced). I enjoyed cycling, despite the occasional encounter with aggressive middle-aged, lycra-coated male riders that were dismissive of motorists, pedestrians and second-rate pedal pumpers like me. I had the lycra, but was lacking in cyclistic performance, slowing to a virtual stop at the merest hint of an incline, often dismounting to push my bike to flatter ground.

As I approached the traffic lights close to home at the end of my cycle ride, my front wheel suddenly swung sideways, projecting me over the handlebars and out into the centre of the road. I can still recall the sense of shock I experienced as I departed company with my bike and travelled through the air, thinking that whatever had caused the incident, it was not going to end well. It didn't. I had no time to cushion my encounter with the bitumen, but luckily my helmet protected my head and even luckier, the car behind me was travelling slowly and well back, so was able to stop before running over me.

I gathered my senses, picked up my awkwardly bent bicycle and staggered to the side of the road to sit down on a low wall to regain my composure. The woman driving the car behind me asked if I wanted her to call an ambulance, but I declined, telling her that I lived nearby and would be fine. The accident occurred about 500 metres from our apartment, although it took me quite a while to struggle back there with the twisted bike, in considerable pain with my mobility seriously impeded. Our apartment was empty, as Janet was on the other side of the world, exploring Antarctica in an 'adventure of a lifetime' that I had foregone, fearful of spending days sea-sick in a small boat on huge seas. I could do without that sort of adventure, particularly at my age. Who would have guessed that I would encounter far greater dangers in North Sydney than in the Southern Ocean.

After arriving back at the apartment, I sat down to watch TV, feeling a sharp pain in my chest that I suspected was probably a cracked, maybe broken rib (or ribs). I knew that the treatment for most broken ribs involved waiting patiently for them to heal themselves so if that was the problem I would just have to suffer, so I decided not to call an ambulance. But sitting down was becoming increasingly painful so I went upstairs and lay on my bed, feeling slightly better (or at least slightly more comfortable). That was until I tried

to get up an hour or so later, which I found almost impossible. Moving from a lying to a sitting position was very difficult because of the pain in my chest that was by now acute and I began to realise that hospital might be the best place to be after all.

Our next-door neighbour, Marcia Manning, was a local GP and I decided to give her a call to get her advice. But there was no answer and as I reviewed my options, my phone rang. It was Marcia. She was away for the weekend (in Dubbo, 200 kilometres west of Sydney) and was calling me from there. I explained what had happened, and she said that I needed to get to a hospital right away. She then told me that she'd call for an ambulance and to wait inside until they contacted me. I duly received a call from the ambulance and when it arrived the paramedics assessed my situation and drove me to the nearby Royal North Shore (RNS) Hospital. I arrived there at around 5pm on that Sunday evening and was eventually admitted and assigned a bed at about 7pm.

I was taken for an X-ray and was told that not only were several of my ribs broken, but I had also punctured a lung and would have to have a small operation to fix the damage and drain away the fluid that had accumulated in my lung. There were no operating theatres available, so they planned to perform the procedure in a quiet corridor, although it didn't go to plan because the drain they inserted was not stable so the procedure had to be repeated (and the stitches inserted removed so they could access my chest again). The drain was eventually inserted successfully, and I was assigned a ward, arriving there as the sun was coming up at 5.30am, almost twelve hours after I had been admitted!

If that wasn't enough, I had a third bout of hospital treatment about 18 months later, this time the result of acute abdominal pain that required the removal of my appendix. The problem again began while I was in Jamberoo but this time, fearing that something serious might be wrong, I drove straight back to Sydney despite a local doctor assuring me that the problem would sort itself out within a few days. Thankfully, Janet was home this time and when the pain persisted, she persuaded me to call on our neighbour Marcia Manning (again!) for advice. After a quick inspection early the next morning (while still in her dressing gown), Marcia diagnosed the problem as my appendix requiring an urgent appendectomy. She phoned ahead to alert a colleague that I would arrive shortly to have the necessary tests and he in turn warned the ED at Royal North Shore Hospital of my impending arrival.

This happened on a Friday and after a lengthy wait in the emergency department, I was eventually admitted and assigned a bed in a public ward because no private beds were available. I was scheduled to have an operation that evening at about 7pm but it kept getting postponed because more

urgent cases appeared (mainly car accident victims) and the operation was eventually postponed until the following day. Thankfully, I didn't know at the time that the operation was urgent in cases like mine since there was a real possibility that if it was delayed, the appendix could burst, creating major internal problems. Janet told me this later as she had suffered this gruesome experience in her youth while living in Toronto. I slept peacefully unaware of these dangers and the next morning, I was woken at about 6am and taken to theatre to meet the two unnervingly youthful but charming female doctors (graduates by now, I assumed!) who would perform the operation. It began at about 6.30am and went well, and I was back in my small section of public ward 8 ('Lucky number 8', I told Janet) by around 8.30am.

Then it was just a matter of recovering and starting to regain some strength – or so I thought! Late that evening one of the nurses told me that the entire ward had been isolated from the rest of the hospital because an outbreak of type A bird flu had been detected. He told me it was incredibly infectious and that everyone in the ward was likely to catch it. That comment sent me into a paroxysm of anxiety and the next few days were amongst the worst of my life. One by one, occupants in the ward caught the dreaded bird flu and were wheeled down to the far end, as far away from the rest of us (by now a rapidly diminishing group) as possible. My room contained three other patients, one of whom pleaded (eventually successfully, but he was very persistent) to be released so he could catch up on a large backlog of work in his self-owned business. The other two remained, but both became infected and moved 'down the ward'.

I showed no signs of the virus and was eventually discharged on the Thursday, after it was discovered that due to an administrative error, I had not been tested to see if I had the virus. Scary! A test was then conducted just before I was discharged but I made sure that it did not delay my release, agreeing to self-treat at home if I did have it. I left the ward and was so happy, happy happy! to farewell it and arrive back at our apartment. As I entered our courtyard, my phone rang and I was told that the test result was negative; I hadn't contracted the dreaded bird flu after all, although my close encounter with it over those few dark days will live long in my memory.

### *The emerging Emeriti*

My transition into retirement has been gradual and, I hope, graceful. I have quietly vacated the scene at SPRC and continue to work on projects that I value, including writing this book which was not anticipated. The adjustment process has been greatly facilitated by the role of my superannuation pension in cushioning (in fact preventing) any decline in my income once I ceased

employment altogether. My health has declined more than my income and is a greater source of concern, although the combination of Medicare and private health insurance coverage has shielded me from any major health-related expenses – at least so far. As I suspected from observing my parents’ retirement many years ago, my material needs have declined by more than my income so even though my income is now lower, it is more adequate.

My decision to shift to part-time work in 2010 and subsequently reduce my (paid) hours of work incrementally is a pathway that I strongly recommend to others that have this option available. I found the prospect of retirement more challenging than the experience and a phased approach eased my concerns at a pace I felt comfortable with. Over time, however, I began to find some of my on-going work commitments increasingly onerous. Even though I maintained a high level of autonomy over what I did and when, I was aware of having to fit in with other people’s timelines and (justifiable) demands and that alerted me to start thinking about making a complete break.

I began to contemplate full retirement and once the idea was in my head, there was no dislodging it. Tasks that had previously been mildly onerous increasingly became a total chore and it was then that I realised it was time to change my labour force status to ‘retired’ and access the older person’s Opal Travel Card and other discounts that had been offered me in shops and restaurants for at least the last 15 years because of my grey hair. In the end, the decision to retire was surprisingly easy. I felt confident that my earlier concerns about being seen as ‘an old man’ who was ‘past it’ were not so bad after all if one had the strength to accept one’s physical decline while developing new projects (academic, leisure-related and personal) that could stretch one’s physical, mental and emotional abilities.

Two things that a person has far more time for when retired are family and travel. Like countless others in my situation, both have followed unanticipated trajectories following the onset of the coronavirus pandemic. Being able to devote more of one’s time to family relationships is without doubt one of the joys of retirement. Janet and I have weathered the usual storms that accompany re-partnering and become closer and increasingly supportive of each other. Like many others, the self-isolation phase of the Covid response required us to spend more time together and guess what, we found it rejuvenating! We still pursue our own agendas, working from home in separate offices, sharing the occasional word when our paths cross in the kitchen, but we have time to relax together in the evenings and I (at least) am now sleeping better, sound in the knowledge that if I can’t sleep at night, I can sleep in in the morning – another one of the delights of retirement!

We have been able to share in the pleasure of observing the successes of our children (Katherine on my side and Karen and Kenneth/Ken on Janet's) and experience the arrival of four grandchildren (so far, with a fifth on the way). The many joys of family have found expression in our role as grandparents, which we both relish, although the pandemic has prevented us from visiting Ken and Teri's two children Isabella ('Belle-Belle') and Isaac who live in Hong Kong. We keep in touch through regular Facetime hook-ups, but they are no substitute for being together. The extended lockdowns in New South Wales in 2020 and 2021 also disrupted our regular Sunday afternoon visits from Karen and Ben's two delightful daughters Astrid and Saski, although that routine has now thankfully been restored. Those missed times with growing children will never be regained, the pleasures lost forever.

My daughter Katherine has made enormous strides in her life, graduating (like her dad, with First Class Honours!) in Psychology from Sydney University in 2016 before completing a postgraduate course in Clinical Psychology and is now a practising clinical psychologist. She married Harry in January 2020, just before the onset of the pandemic and they are now homeowners (assisted by the generosity of two 'parental banks') and have just completed major home renovations. To add to an already impressive list of achievements, Katherine (ably assisted by husband Harry) gave birth to a beautiful daughter – Odette Kochi Saunders Sanna – on 15 January 2022. A late Christmas present but a wonderful one nonetheless.

The joys derived from these family developments have increased as I have grown older and come to fully appreciate the importance of relationships while becoming immersed in caring for loved ones. But my journey towards and in the world of scholarship has also brought me great pleasure and many rewards over the last five decades. My early aimless meanderings eventually gave way to a sense of purpose that has served me well and my intellectual travels have been along far straighter highways, heading towards more specific destinations inspired by worthier motivations. I may not have scaled the peaks of scholarship, but I have been lucky to meet many of those that have and am thankful for what I have learnt from them. My journey has been enormously rewarding, as has having the opportunity to see those distant peaks from the foothills and wonder at the academic brilliance of those who have conquered them.

### *Final reflections*

This account has mapped my personal, physical and intellectual journey from relatively humble beginnings in that council estate in 'the Cross' through the UK and Australian tertiary sectors to alight on the higher floors of that

global marvel, the ivory tower of scholarship. I have described the main highlights along the way and identified the key events that have signposted my route from obscurity to a semblance of scholarly distinction.

I have tried to show how the diversions that characterised my formative years were given a sense of purpose by unexpected (and largely undeserved) good fortune while at university, and how that experience taught me to recognise and seize the opportunities that have presented themselves to me, then and since. I have been fortunate to have had those chances but have learnt to look out for them and manage them in my favour. Ability and commitment are key ingredients of success, but luck is also important, or at least the know-how to engineer its mysteries to a set purpose or in a general direction. I've picked up this skill over the years and been able to make the most of my abilities while enjoying my journey and where it has taken me.

I mentioned at the outset how important public provisions have been in providing my family with secure and affordable housing and allowing me to build a strong education and maintain good health on that critical foundation. My salary since I joined the labour force in 1971 has almost exclusively been funded out of the public purse (a few early student vacation jobs and later consultancies aside) and I have received important benefits from the UK and Australian health care systems when I needed them. On the other side of the ledger, I have also paid my taxes willingly and without resentment, claiming very few modest employment-related concessions. Those that I have benefited from have been either forced on me by government (in relation to two university superannuation schemes, which were compulsory for all employees) or been introduced by the private sector to prop up an under-funded public system (as in the case of private health insurance). I have gained an enormous amount from government provision but paid my way through taxes (not just on my income) and am comfortable with my overall lifetime 'fiscal incidence' balance.

I can look back on a life that has combined a long and often isolating struggle towards scholarly achievement with a later, shorter but equally fulfilling but never lonely journey through the pleasures associated with personal relationships and shared experiences with family. I am fortunate to have found a wonderfully supportive partner in Janet, been proud to see my daughter achieve her educational potential and personal goals, and grateful to have experienced the unique joys of grandparenthood in Sydney and Hong Kong. I have travelled the world and mixed with leading scholars on campuses in many wondrous locations, shared ideas with them and marvelled at their intellectual dexterity. I have witnessed many major events during these travels



in Australia and beyond, seen the life-changing impact of the welfare state in action, been in close company of royalty, mixed with leading scholars, spoken to audiences large and small and been rewarded by external recognition of my scholarly contributions.

My association with the SPRC now extends beyond four decades and has generated innumerable benefits. It has been the fulcrum of my academic development, the source of many lifelong friendships, and shown me how collegial respect, shared goals and a common purpose and teamwork can produce significant personal, collective, institutional and national achievements. My journey has been made more enjoyable by the many companions I have met along the way. I have benefitted from their advice and other contributions, much of which has been profound and enduring. My success would also not have been possible without the support provided by several generations of excellent colleagues at work, and by loving family and friends at home. I have experienced many pleasures along my pathway to a life of scholarly values, motivations and achievements, but the ultimate source of my contentment has been the support, sacrifice and joy provided by loved ones.

The Covid pandemic has disrupted everyone's life and it currently seems (in November 2021) as if we will never return to any semblance of pre-pandemic 'normality'. I had hopes of travelling widely in my early retirement years but that now seems a distant prospect. I'd dearly love to visit Hong Kong again to see my family there and experience its many wonders although I'm fearful of the restrictions imposed on its citizens in reaction to the massive demonstrations that I witnessed when I was last there in June 2019. I would also love to spend time in Japan, marvelling at its endless curiosities and experience the wonders of *sakura* when the cherry trees are in full bloom and the entire nation heads outdoors to pay homage. I dream of one last visit in France, a few days immersed in the endless delights of Paris before travelling its rural backroads, discovering wonderful villages, peaceful rivers and imposing grand chateaus, all the while experiencing the marvels of French cuisine (with matching wines, of course)! Thus far, my very limited international 'travel' itinerary in 2021 consists of an appearance via Zoom at the annual FISS conference that took place in Hong Kong in July, and several other virtual meetings with scholars to discuss specific issues.

The self-isolation caused by Covid has not been all bad. It has brought Janet and I closer and demonstrated the importance of our relationship. We spend our days working away (she for longer and harder than me, of course!) and enjoying our evenings bingeing on Netflix and other TV streaming



services. Tonight, we are going out for our first restaurant meal for many months, to celebrate the anniversary of our first date, 31 years ago. My ordered and peaceful existence during lockdown provided me with the opportunity to reflect on, and then sit down and write the several drafts of this memoir. That task gave a structure and purpose to a life that might otherwise have been spent drifting into senility playing golf too frequently (and less competently) or in a variety of other unsavoury activities.

My physical capacities are in decline, but my mental faculties remain sound (which sadly cannot be said about my hearing, no pun intended). I am still working on several academic projects and have one ARC project to complete that will hopefully result in several more academic papers. My first and only academic project with Janet, on Big Data and Social Policy in Australia, funded by the ARC and conducted in partnership with the Academy of the Social Sciences in Australia (ASSA) is just about finished and we expect to receive the proofs of the final report (which will be published by ASSA) next week. We co-edited the report and although it proved to be a formidable challenge, we persevered, and the final product was worth the effort.

I am still working with colleagues Wong Hung and Vera Tang at the Chinese University of Hong Kong on poverty and deprivation and co-editing a book with Inhoe Ku from Korea on Poverty and Inequality in East Asia which is about to be submitted to the publisher. I serve on several advisory committees and am still President of FISS. I am participating (again via Zoom) in an international group of poverty experts brought together under the umbrella of the United Nations Children's Fund (UNICEF) on a project to develop a new global question module that will collect information on child poverty in all countries in the world as the basis for developing a better understanding of the problem and produce new measures to combat it.

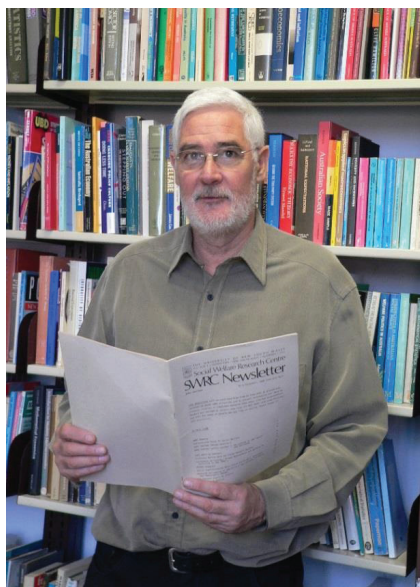
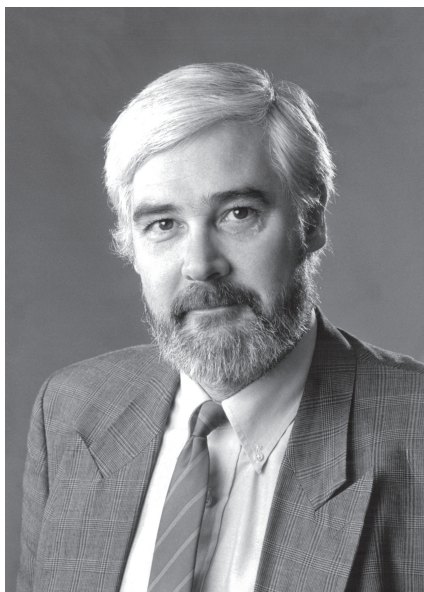
These are worthy and rewarding activities, and I hope to complete them to the same standards that have characterised my work to date. Enough there to keep me busy for what will hopefully be many more years.



## APPENDIX: SELECTED PHOTOGRAPHS



The author as a young man and as a sixth-former



The graceful ageing of a Director



*Top:* With Martin Krygier after my PhD graduation, outside the Great Hall at Sydney University in 1981  
*Bottom:* Janet gives a marvellous talk at my retirement event at UNSW on 3 March 2020, just before the Covid pandemic struck!



At one of my early Luxembourg Income Study meetings



With Lee Rainwater to my left, Robert Erickson second from the left and Richard Hauser to his left



With to my right Aldi Hagnaars, Michael O-Higgins and Michael Wolfson, with Brian Nolan holding wine glass on the left



The LIS non-cash income project team hard at work. At our first meeting in Luxembourg – the smiles soon gave way to hours of hard work and many frustrations!



Lunch with Friedrich Klau in La Murette, near the OECD headquarters in Paris, mid-2000s

With John Nevile, possibly at my Election as a Fellow of the Academy of the Social Sciences in Canberra, 1995



‘The Three (Aussie) Amigos’ – Saunders, Andrew Podger and Russell Rollason perform after a workshop in Bandung, Indonesia in 1994

Michael O’Higgins receives some unwelcome (?) attention from Saunders and Tim Smeeding at a LIS event





Then Minister Neal Blewett visits the Centre in the Samuels Building, with Sheila Shaver and Saunders



Prime Minister Paul Keating at the opening of the 1995 Australian Social Policy Conference, welcomed by Saunders and UNSW Vice-Chancellor Professor John Niland





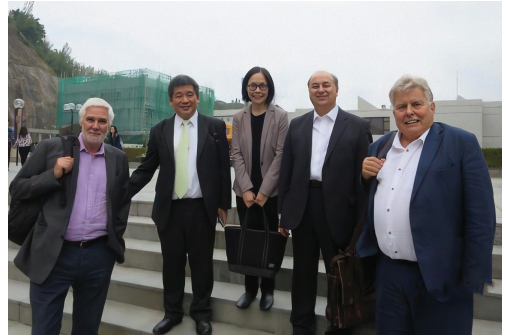
Participants in the first workshop on Social Policy in Asia held at SPRC (Samuels Building) in 1995



The sign says it all! Australian initiator and organiser Chris Butel is the tall guy in the centre at the back



Opening session of an ESCAP workshop on 'Towards Social Security for the Poor in the Asia-Pacific Region', in Bangkok, 1995



Selected participants take a break after a workshop at the Chinese University of Hong Kong in 2016. From the left: Saunders, Wong Hung, Maggie Lau, Dave Gordon and Jonathan Bradshaw



After the conference on Poverty and Poverty Alleviation at the Chinese University of Hong Kong in 2011



After a lecture by Saunders at the Taiwan Normal University School of Social Work in 2013





In Jakarta, Indonesia in 1992 on the IMF Mission on Pension Reform. With George Kopits to my left, the Mexican 'number cruncher' to his left and Stanford Ross far right



With Ian Castles and Tim Smeeding at an IARIW conference in Cambridge, 1995



With my host before a seminar at the University of Kyoto in the early 2000s



A meeting of the FISS Board of Governors in Sigtuna in June 2019. To my left Bea Cantillon, Kenneth Nelson, Ed Palmer, Agnieszka (Aggie) Nelson and Wim Van Lancken



Left: With Jonathan Bradshaw at the barbie in my house in Annandale (mid-1980s) and (Right) in his office in York, 1991



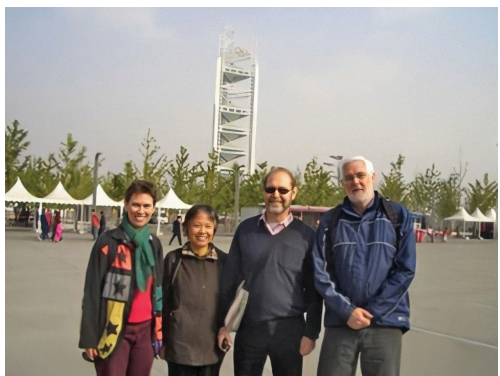
With Angus Maddison, celebrating somewhere in the Swiss Alps during 'rest day' at the 1993 IARIW conference in Flims, Switzerland



With Janet at her MFA graduation at UNSW in 2009

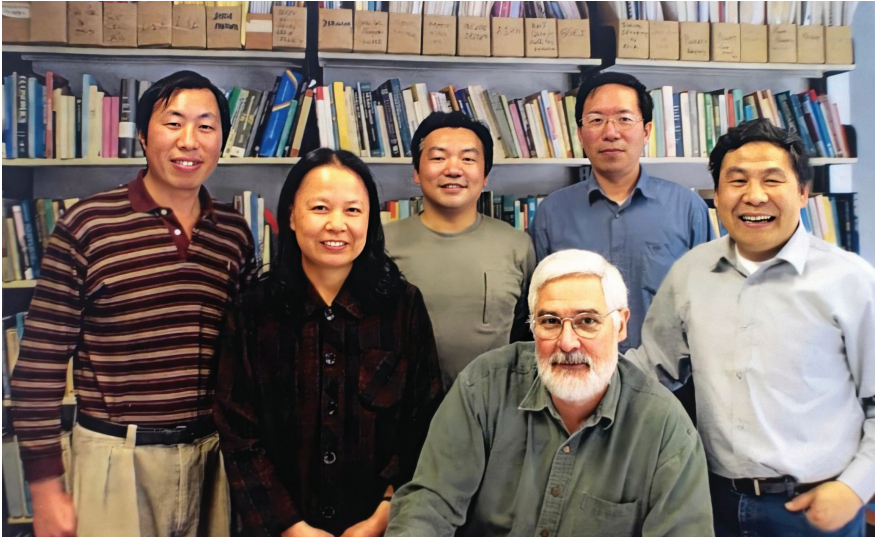


With Bettina Cass at SPRC, mid-2010s



With SPRC colleagues Karen Fisher, Xiaoyuan Shang and Ilan Katz at Beijing Olympic site, 2009





With Xiaoyuan Shang and 'the team' from the China Research Centre on Ageing during their visit to the SPRC in 2003. From the left: Chen Gang, Guo Ping, Sun Lujun and Kaiti Zhang



Thesis Opponent Saunders after the Thesis defence with student Shenghua Xie and Department Head Veli-Matti Ritakallio, University of Turku, 2019 (Note the forward pointing ceremonial hat emblems; very important!)

Finally: with my two academic heroes



Standing by the bust of John Maynard Keynes in a Lecture Hall at King's College, Cambridge after giving a lecture to the UK Department of Social Security Summer School, 1995



With Tony (Sir Anthony) Atkinson before his seminar presentation at UNSW in 2003. A great scholar, inspiration to countless researchers and a decent and honourable man



‘The Saunders memoir provides a unique picture of an academic career. The reader cannot fail to admire his energy and achievements, which include not just the contribution to social policy in Australia, but his own seminal international contributions in the fields of poverty and inequality and his comparative work. He manages to tell his story from childhood to retirement with humour, modesty, generosity to colleagues and friends’ (Emeritus Professor Jonathan Bradshaw, CBE FBA, University of York)

‘Engaging, lively, funny and informative. Peter takes us on a journey through his life and scholarship in a story that is remarkably candid in places and Peter’s wry sense of humour and honesty makes for an absorbing and interesting read. Peter keeps us entertained with his insights into the complexities of intertwining career and family, and occasional amusing anecdotes about the eccentricities of colleagues along the way’ (Professor Janeen Baxter, Director of the ARC Centre of Excellence for Children and Families over the Life Course, University of Queensland)

‘A compelling story about the joys of academic life from one of today’s internationally best known Australian social policy researchers. Deeply rooted in the British social policy tradition, Peter Saunders built a large and renowned research institute, published widely, influenced policy making in Australia and beyond and managed to bring together many researchers worldwide. He tells how his journey went, through trial and error, in good times and bad times, with great perseverance. A beautiful and inspiring story’ (Professor Bea Cantillon, Director of the Herman Deleeck Centre for Social Policy, University of Antwerp)