

The situation of poverty in australia



Nowadays the problems of poverty and poor Australians are as hot, as in the last century. The situation with poverty in Australia tends to get better, but the problem doesn't pass away. This paper is devoted to the problems of poverty and the "undeserving poor" class. It is necessary to study the meaning of the term "undeserving poor", why is it occurred? And is today the problem of the underclass still of great importance for Australians?

To understand the problem fully, it is necessary to study some historical information, and facts about the problems of poverty. Also it is necessary to say about the evidence of this problem in the 21st century, and if the underclass still exist in Australia, and estimate the depth of the problem of the nowadays.

When speaking about the problem of poverty, it is necessary to point out the ways of solving this problem in Australia, and who is responsible for this. Speaking about the poorest, it is clear that they need the help of society and the government. What steps had been taken in the past to stop the problem of the poverty, and what steps have been taken during the last years and decades?

This is a study of poverty, official poverty policy, and the underclass problem both in the past history of Australia and nowadays.

"The undeserving poor" and problems of poverty in Australia

The label "undeserving poor" dates back to the 18th century and refers to a societal underclass had to be poor because of their social position, origin, nationality, membership of national minorities. This term is closely

connected with the term underclass. Members of the underclass are not just very poor, or people with low income, but they must have the behavior of a distinct group, a deviant or antisocial outlook on life. (Williams Kelso, 1994)

Some scientists divide the underclass into groups according to the primary reasons of this status: this might include the social underclass, the impoverished underclass, the reproductive underclass, the educational underclass, the violent underclass and the criminal underclass with some expected horizontal mobility between these groups. (Williams Kelso, 1994).

The term “undeserving poor” was used by Michael B. Katz in his book “The Undeserving Poor”, that touches the questions of sociological status of the poorest, who really needs to be helped. He wrote: “Part of the reason is that conventional classifications of poor people serve such useful purposes. They offer a familiar and easy target for displacing rage, frustration, and fear. They demonstrate the link between virtue and success that legitimates capitalist political economy. And by dividing poor people, they prevent their coalescing into a powerful, unified, and threatening political force. Stigmatized conditions and punitive treatment are powerful incentives to work, whatever the wages and conditions”. (Katz, p. 195).

So, it is necessary to find out who are the poor Australians.

There are two ways to define poverty: absolute poverty and relative poverty. Absolute poverty means a certain level of poverty, when people do not have enough resources to survive. Absolute poverty is connected with hunger, starvation and very low level of life, when people just try to survive. As for the relative poverty, it is an economic inequality, a condition of relative

deprivation or exclusion from normal social and economic activities and participation.

It is necessary to point out the main causes of of poverty in Australia, that may include:

- inadequate levels of government income support;
- rise in long-term unemployment;
- growing number of single-parent families and households;
- High housing costs and locational disadvantages;
- low wages;
- poor health;
- low levels of educational attainment (Donnison 2001).

McLelland (2000) have described poverty as meaning :

- Not having enough money to make ends meet;
- Having to struggle to survive each and every day;
- Never having enough to be able to live decently;
- Never being able to afford any of the good things in life.
- Having to struggle to survive each and every day.

The level of poverty in Australia at the beginning of the 21st century

In Australia there is no official estimation of the level of poverty, so estimates are made by researchers in various organisations that study social policy issues. To estimate the level of poverty, and to find out how many people can be called poor, special poverty lines are used, that are set at some proportion of median or average income. In Australia the Henderson Poverty Line is often used, that measures poverty through comparison of income with a poverty benchmark which moves in line with population incomes. ()

So, according to the national researches, that at the end of the 20th century, during the 1990's, about 2 million of Australians were living under the line of poverty, and according to the National Centre for Social and Economic Modelling data, the percentage of those who were below the poverty line was about 16.7 % of households, and 13.7 % were classified as "rather poor".()

According to the statistical data of the National Centre for Social and Economic Modelling, poverty levels had risen during the 1990's, and at the beginning of the 21st century, one of eight Australians were living in poverty in 2000. ()

But, a special attention should be paid to the problem of children poverty, that for Australia is a hot issue. McClelland (2000) describes children that are at the greatest risk of poverty: indigenous Australian children, the children of sole parent families, children where no parent is in paid work, children where the prime source of income is government income support, children in public

or private rental accommodation, and children with parents from certain non-English speaking backgrounds. ()

According to the researches, the rate of poverty among children at the beginning of the 21st century was 9.5 %, that means that almost half a million of Australia's children lived in poverty. Among adults the poverty rate was about 11.5 %, that means that over one and a half million Australian adults were poor. ()

So, the conclusion is that the rate of poverty among children tends to be higher than the rate of poverty among adults.

Figure 1 shows the number of poor children and adults.

Having estimated the number and percentage of people in poverty, it is necessary to give a characteristics of the poor, that allows to assess the factors that lead people into poverty and may provide evidence for the sorts of policies that

might assist people to move out of poverty.

It is often assumed that women have higher rates of poverty than men.

However, in 2001, female and male poverty rates were almost identical, with the male poverty rate (at 11.2%) being slightly higher than the female rate of 11%. Higher rates of poverty amongst men could perhaps be attributed to their relatively higher levels of unemployment and decreasing participation rates compared to women.()

Figure 2 shows that while up to the early 1990s, the female unemployment rate was well above the male rate, since that time the rate for women has been consistently lower than for men. This may reflect the decline over the past decade of many traditionally 'male' industries, such as manufacturing, in favor of Australia's developing services sector, which largely employs women (ABS, Australian Social Trends 2002).

When poverty rates are broken down by age, it can be seen that most defined groups experience poverty rates below the national average (figure 3). However, two age groups experience above average rates of financial disadvantage: 15-24 year olds and those aged 55-64.

The high poverty rate amongst 15-24 year olds needs to be analysed with great caution. While we use the income unit as the basis for people sharing resources in this analysis, households and families have many different arrangements for sharing resources. This is particularly so for young people, who may rely on parental support whether they live at home or away from it. In particular, our ABS definition of the 'income unit' counts non-dependent children still living in the parental home as a separate income unit and thereby implicitly assumes that they receive no assistance from their parents. We know from our previous research that this group have particularly high apparent poverty rates (Harding et al, 2001, p. 17).

Since 1990, the notion that "the rich are getting richer and the poor are getting poorer" has gained increasing public and media attention. Often, different conclusions are reached depending on how poverty is measured. It is clear that Australia's middle class is shrinking, and while the majority of

those living in poverty are probably not becoming poorer in absolute terms, they are becoming more numerous. However, those in the bottom 5% of income earners in Australia have, in fact, become poorer over the past decade. Poverty in Australia today is complex and changing.

Overall, there is international evidence that neoliberal policies based on cutting welfare services and programs consistently lead to increased levels of poverty and inequality.

Conclusion

Australia faces real political choices in our approach to poverty. On the one hand, we can continue to go down the American path of lower taxation and lower minimum wages in the hope that this will facilitate higher employment for less skilled workers. This approach tends to narrowly examine the behavioural characteristics of the poor and the dynamics of the welfare system in isolation from the broader structures which create and entrench social and economic inequities. However, all the international evidence suggests that such policies run the risk of promoting vastly increased income inequality and working poverty.

On the other hand, we can consider the alternative policies favoured by many European countries based on progressive taxation, universal welfare, and higher real wages to promote greater egalitarianism, and reduced working poverty. These policies suggest at least some commitment to notions of collective rather than individual responsibility for poverty.

May 2009

Interrelated Dynamics of Health and Poverty in Australia

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NATSEM Seminar series, Canberra