

SHATTERED DREAMS

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2006

Bibliographic Details

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Publisher: Catholic Social Services Victoria
383 Albert Street
East Melbourne Vic 3002

Details

ISBN: 0-9579064-5-5

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PREFACE

Both the research literature on poverty and social commentary recognise three different approaches to defining poverty. The first approach focuses on where a family's income does not pay for the basic necessities of shelter and food. The second approach focuses upon whether a family's income is low in comparison to the income of other families. This is the approach used in studies of poverty in Australia and in other countries (e.g. the Scandinavian countries), and it is noted by measures such as the Henderson Poverty Line developed in the 1970s and updated in the mid-1990s by the Institute of Applied Economic and Social Research. The third approach focuses upon whether a family believes its income is inadequate to meet its needs.

In the late 1990s the Australian Bureau of Statistics (ABS) Household Expenditure Survey (1998-1999) revealed that the ratio of the expenditure on basic goods and services by Australian households in the lowest income quintile to those households in the highest quintile was 1:2.1. This same ABS survey reported that some 900,000 Australian households were experiencing high levels of financial stress (i.e. sought assistance from welfare or community organisations, went without meals, could not afford to heat their homes or had to sell/pawn something to make ends meet).

The 2001 Census of the Population revealed that the proportion of low income households in Australia is affected by geographic location. In 2001 the ABS found that 17 percent of people in major cities were in the lowest income quintile but 27 percent of people in outer regional areas were in the lowest income quintile. 25 percent of people in remote areas also fitted into this category. The 'location factor' is of key significance to policy makers and service providers.

Dr Klaus Serr, the inaugural winner of the Australian Catholic University Faculty of Arts and Sciences Early Research Career Incentive Award, has undertaken a study of poverty in inner Melbourne in association with Catholic Social Services Victoria at the Sacred Heart Mission in St Kilda. This study sought to gain knowledge about the perceptions of poverty among poor people, those serving them and policy makers/advocates. The study is against the backdrop of the Australian Parliamentary Senate's inquiries into poverty and financial hardship in Australia. Its findings relate to the causes of poverty, the structural barriers to its amelioration and the solutions to be embraced to change the situation.

It is an important study and I commend it to all seeking to understand poverty and to remove it.

PG Carpenter
Dean, Faculty of Arts and Sciences
Australian Catholic University

FOREWORD

As governments currently struggle to deal with issues of how to decrease the number of people reliant on income security it is both timely and refreshing to reflect on this study that features the voices of those who are the objects of this policy debate and those who attempt to represent their interests.

Central to this debate has been a discussion over whether a ‘carrot’ or ‘stick’ approach is required in getting those who are on the margins back into the mainstream of workforce participation and social engagement. While there is no doubt that gaining a decent job does provide such outcomes, the present study demonstrates that there are some people for whom this goal will remain a distant dream. A challenge arises then – even though a decent job may be out of reach, how can society move to embrace those people who are on the edges and assist them to give expression to their legitimate hopes and dreams? How can they be enabled to contribute to society to the best of their capacity?

The stories and comments in this study indicate that taking the ‘stick’ to such excluded people is both harsh and futile. Such an approach simply demonises the victim and ultimately de-humanises all of us. The problem, as indicated in the title, *Shattered Dreams*, is not about a lack of will to participate – it is much more about lack of opportunity and the sense of exclusion that many struggling people experience as they try to negotiate their way in an ever more complex world. What is required is greater outreach and engagement so that these people feel that their human dignity is respected and that they are wanted and valued in our communities.

Shattered Dreams makes an important contribution to a public policy that genuinely seeks to better engage and include those in our society who so often fall between the cracks and are written off.

Fr Joe Caddy
Chief Executive Officer
Centacare Catholic Family Services Melbourne

ACKNOWLEDGEMENTS

This research was supported by an Australian Catholic University (ACU) Faculty Pilot Linkage Research Grant and an in-kind contribution from Catholic Social Services Victoria (CSSV).

I gratefully acknowledge the numerous contributions by many people who supported this project. I especially appreciate the work and time of all participants which forms the heart and soul of this report.

I am also greatly indebted to:

The Sacred Heart Mission (St Kilda) and Terry Melbourne (the former CEO of the Mission) for his support and agreement to conduct parts of the research at the Mission. Cathy Humphrey, Madeleine Berry and Mary Rutledge, all of whom assisted in gaining access to the Mission's clients. This work could not have been done without them.

CSSV and Joe Caddy, Anne Tuohey and Patrick Gallagher for their continuous support of the project. Their vision and great commitment to change the plight of disadvantaged people made this project most worthwhile. Both Joe and Anne interviewed some of the participants and Anne also drafted some material for the report. Thanks to Margaret Casey for her great sense of humour and always being happy to help.

ACU and Peter Carpenter, Margot Hillel, Shurlee Swain, Ruth Webber, Michael McKay, Laurine Hurley and Dianne Gome for their of support and interest in the project.

Marie Lawson whose expertise, strong support and diligent work was greatly appreciated.

Finally much appreciation to Will Crinall, who was instrumental in making the connection between ACU and CSSV, without which this project would not have been possible

LIST OF PARTICIPANTS

Research Team

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|------------------------|-----------------|
| Chief Investigator: | Dr Klaus Serr |
| Partner Investigator: | Fr Joe Caddy |
| Senior Policy Advisor: | Ms Anne Tuohey |
| Research Assistant: | Dr Marie Lawson |

The Disadvantaged

Twenty disadvantaged men and women at Sacred Heart Mission in St Kilda

The Service Providers

1. Madeleine Berry, Sacred Heart
2. Ray Cleary, Anglicare Victoria
3. Sally Coutts, St Kilda Crisis Contact Centre
4. Cathy Humphrey, Sacred Heart Mission
5. Carmel Stafford, Good Shepherd Youth and Family
6. Michael Yore, Good Shepherd Youth and Family
7. David Pugh, St Luke's Anglicare, Bendigo

The Social Advocates

1. Gavin Dufty, Society of St Vincent de Paul (Vic.)
2. David Hayward, Swinburne Institute for Social Research
3. Andrew McCallum, St Luke's Anglicare, Bendigo
4. Marilyn Webster, Good Shepherd Youth and Family
5. Don Siemon, Community Care Division, Department of Human Services
6. Catherine Smith, VCOSS
7. Janet Taylor, Brotherhood of St Laurence

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EXECUTIVE SUMMARY

In 2003 a small study was undertaken by Dr Klaus Serr of Australian Catholic University (ACU) in partnership with Catholic Social Services Victoria (CSSV). This research aimed mainly to gain knowledge about poor peoples' attitudes, perceptions and insights about their situation. The study therefore interviewed 20 disadvantaged men and women at the Sacred Heart Mission, a community-based agency in St Kilda, working with some of the most disadvantaged people in inner-urban Melbourne. For identification purposes, this group is referred to in this report as the 'Disadvantaged.' In order to compare the observations of the Disadvantaged with other views, the study also ascertained the opinion of 14 professionals about poverty issues. The professionals interviewed comprised two groups: the first group, referred to here as 'Providers', represents people employed by agencies which directly provide a service to people experiencing poverty; the second group, referred to here as 'Advocates,' represents people who work in the areas of policy development, research and advocacy. Both the Disadvantaged and the professionals were asked to: 1) define poverty; 2) articulate what they thought the causes were; 3) identify some of the barriers preventing poor people from having a better life; and 4) to suggest how they thought poverty could be solved.

1. Findings Relating to Definitions of Poverty

The Disadvantaged painted a diverse picture of poverty, suggesting that poverty lay in combinations of many factors, including lack of income and resources, substandard accommodation, family conflict/breakdown, lack of social or community networks, personal problems and ill health, physical hardship, negative outlook on life and the experience of personal degradation. The Providers were one step removed from the experience of deprivation and confirmed the complexities of the nature of poverty. They felt that society stigmatises poor people, who encounter many injustices – the lack of opportunities in education and employment, and any real kind of meaningful participation in society. The Advocates were furthest removed from the day-to-day poverty of the Disadvantaged. For them, the notion of poverty was very subjective and often related to the expectations of the individual or society. They were also very aware of the poor's inability to mobilise the necessary resources to meet their basic needs, and their lack of power and limited opportunities to participate in the community.

2. Findings Relating to Causes of Poverty

All groups identified structural and individual causes of poverty. However, interviews conducted with the Disadvantaged revealed that their responses on causes often related to their previously expressed definitional understanding of poverty. This included lack of income/resources, negative government policies, inequalities, unemployment, lack of education and various family and personal issues. For the Providers, poverty was most clearly seen through the structures of society, family issues and personal factors. The Advocates, however, were much more interested in issues of globalisation and the government's implementation of what they perceived as economic rationalist policies. They also raised questions on a more 'philosophical level' about how Australia should proceed as a nation. Both the Providers and the Advocates identified the lack of social service provision as a key issue.

3. Findings Relating to Barriers

Data on barriers presented a varied picture, with all groups feeling strongly that societal structures and attitudes keep poor people in their places and do not give them the opportunities to escape their poverty. All groups identified a number of social, personal, and structural barriers to eradicating poverty in Australia. They also agreed that there was a basic lack of will, by government and society as a whole, to find solutions to poverty and structural inadequacies. The Disadvantaged in particular emphasised welfare related barriers, including inadequate Centrelink support and long waiting lists for public housing, while still also acknowledging the importance of personal factors. For some Providers, there was a culture of blaming the victim in Australia, with the notions of the ‘deserving’ and ‘non-deserving’ poor, which had a negative impact on the poor and how they felt about themselves. Advocates focused less on the experiences of the poor, and more on social, economic and political philosophies, service delivery systems and the part played by affluent community members. For the Advocates, Australia’s affluent class had a very high level of self-interest which overrode any genuine pursuit of broad community betterment.

4. Findings Relating to Poverty Solutions

From the data analysis of the solutions, a common thread emerged from the highly varied responses. The Disadvantaged suggested a variety of structural changes in the areas of the labour market, education, politics and society. For the Disadvantaged, it was clear that solutions to poverty rest on the poor receiving sufficient investment from wider society to break the poverty cycle. In addition, they wanted to improve themselves - break free from drugs and other destructive behaviours, and develop positive cycles which keep them out of trouble. For both the Providers and Advocates, Australian society was basically unequal, suggesting that the required understanding and recognition of the problem was lacking in the community. For them, the poor were unable to fully participate and the collective will to address the problem was missing. In addition, building good social networks and providing strong welfare services was an important ‘circuit breaker’ in the fight against poverty. Many Advocates also believed that poverty solutions related to changes in the distribution of wealth in society and the way the tax and social security system was structured. They argued for the creation of more employment, higher wages and better access to educational opportunities.

Concluding Remarks

Interviews undertaken with the three different groups suggest the following:

From the interviews conducted with the Disadvantaged themselves, it is apparent that:

- Most participants demonstrated high awareness of poverty issues and their answers reflected serious hardships stemming from unmet needs and poor living conditions.
- Their deprivation also included social and psychological factors, which cannot be described simply as ‘lack of money,’ thus underscoring the multifaceted nature of poverty.
- They demonstrated their ability to conceptualise and understand many of the issues of poverty.

- Responses obtained reflect peoples' living conditions and experiences of deprivation in a way that allows them to formulate relevant poverty solutions in both policy and practical terms.

Interviews carried out with the Providers demonstrate that:

- While they are well aware of some of the poverty suffered by the poor, they are one step removed from the actual poverty experience.
- They have a sound grasp of the necessary welfare provision poor people require.
- They have a deep understanding of some of the economic and political impediments to a more just and equal society.

Interviews with the Advocates suggest that:

- They were furthest removed from the poverty experience.
- Their interest related more to social, economic and political philosophies, service delivery systems, and the part played by affluent community members.
- They believed that poverty cannot be solved without fundamental changes at governmental and societal levels.
- They understand that current public policy is based on an economic rationalist ideology which the government formulates to the detriment of the poor. This results in continuous structural change, including the restructuring of the labour market, and increasing privatisation of public and other services.

All groups interviewed agreed that poverty means much more than simply a lack of money and that it needs to be tackled at many different levels. These should include the structural/societal level, welfare provisions and the personal level. Further, the solutions to the problem go to the heart of societal arrangements, social justice and cohesion. Each of these domains is detailed below, drawing on the responses of all participants in the study.

CONCLUSIONS

Societal Arrangements

As suggested by many Advocates, Providers and some of the Disadvantaged, there needs to be:

1. An ongoing public debate about what kind of society Australia wants. All three groups suggest that Australia should be based on egalitarian values and fairness to benefit the majority of the population, rather than a system of inequality benefiting only a few people in the community.
2. Political, ethical, and societal reform in Australia to move away from current narrow-focused economic rationalist policies, which leads to an ever-increasing trend of:
 - The privatisation/deregulation of public and other services.
 - Society's vulnerability to some of the negative effects of globalisation.
 - Job losses in Australian industry.
 - The growing levels of inequalities and unequal distribution of wealth and resources and increasing disadvantage in the community.

3. A rethink by government away from a mainly economic conception of society towards the creation of a fairer and more equitable Australia, including a greater commitment to assisting the poor. This involves an acknowledgement that poverty is not a personal failing, and that solving the problem cannot simply be achieved by ‘blaming the victim’ and implementing of punitive social security measures.

Structural Changes

All groups recommend structural changes by:

- Reducing current inequalities in Australian society through taxation, where the well-off pay higher taxes than the poorer sections of the community.
- Creating more jobs and increasing the level of labour participation, especially for people in rural areas and with a low skill base.
- Providing a good level of free or affordable public services, including public housing, education, transport, amenities and health care.
- Providing a strong industrial relations system which guarantees good working conditions for all.
- Enhancing processes of social justice, opportunity and participation in society.
- Providing higher Centrelink benefits to people on low incomes so that they can live a decent life.
- Building and re-creating community and social structures which can support individuals and families.

Provision of Welfare

To achieve good welfare services, the government should:

- Provide strong universally-based welfare services to assist families and individuals in need.
- Create and support decent and affordable public housing for all people in need.
- Create better opportunities or provide subsidies to make the private rental market more affordable.
- Continue to provide free health care services for people on low incomes.
- Restructure Centrelink services to meet the needs of people on low incomes. Adequate resources are needed not only to provide financial benefits, but also to give access to the direct service assistance required by people on low incomes, including counselling and early intervention, and an effective advice and referral service. Emphasis should be placed on assisting people in need at the first point of call.
- Develop structured recreational and other programmes that people on low incomes, including the unemployed, could join on a voluntary basis to escape social isolation and boredom. This would assist in developing employment and other life skills.

RECOMMENDATIONS

This research demonstrates that *listening to the poor* as well as Providers and Advocates should be seriously considered as a valuable tool for policy development in the future. Reflection on the material provided by the Disadvantaged brings out the real strength of

this approach, suggesting that this group are truly the real experts of poverty. This study also indicates that if poverty was only defined by the Advocates, for example, much of the complexity of the deprivation experienced by the Disadvantaged would be lost. Such a loss would have negative implications for policy and anti-poverty work.

All groups interviewed agreed that poverty means much more than simply a lack of money, and that it needs to be tackled at many different levels. This should include the structural/societal level, welfare provisions and the personal level. Further, solutions to poverty go to the heart of societal arrangements, social justice and cohesion.

Overall this report recommends that:

1. The concept of poverty needs to be reformulated, away from material notions such as 'being poor means the lack of money' and falling below a certain poverty line.
2. Future poverty research should take the voices of the poor very seriously and integrate their opinions, whenever possible, into the formulation of relevant policies.
3. Public policy should draw more upon the existing wealth of knowledge of relevant service providers and social advocates.

