

Book Review

Peter Saunders (2011)

Down and Out: Poverty and Social Exclusion in Australia

The Policy Press, Bristol UK

pp. 276 + xiii

Hardback: ISBN 978-1-84742-839-4

RRP: AUD 215.95

Paperback: ISBN 978-1-84742-838-7

RRP: AUD 49.95

Peter Saunders is one of Australia's leading authorities on poverty, deprivation and social exclusion. This book is therefore a must read for anyone interested in these issues in Australia. And while the book provides quite a comprehensive perspective of who is poor in Australia and what it means to be poor, it also provides a compelling narrative on how the discourse around poverty and social exclusion has evolved in Australia over recent decades.

Although average living standards have improved considerably in recent years this does not mean that socio-economic disadvantage has been eliminated. *Down and Out* reminds us of that. There does however continue to be much debate about the extent and nature of disadvantage in Australia, and how it has been changing in recent times. In particular, debates about what being 'poor' or 'disadvantaged' actually means persist, especially when it comes to assessing adequate levels of income and material wellbeing. The Henderson poverty line, developed in the 1960s and early 1970s, is no longer widely used, and other income-based approaches to poverty remain contentious. There correspondingly remains no official measure of poverty in Australia, and increased awareness of the conceptual limitations and measurement problems associated with a single income-based measure of poverty means none is likely in the near future. Although value judgements will always be involved in assessments of who is disadvantaged there is clearly a need for better information on the experience of inadequate living standards in the Australian community. Such information is key to monitoring wellbeing in Australia and is essential to the appropriate formulation and rigorous evaluation of government economic and social policies — be they specifically targeting disadvantage or not. This book is one such key contribution to improving our understanding of the wellbeing of our citizens and residents.

In *Down and Out*, Peter Saunders reminds us that in recent times, broader concepts of disadvantage have taken over from the more traditional ways of thinking about poverty. Two such concepts include approaches to thinking about socioeconomic disadvantage and poverty, either as deprivation or as social exclusion. These definitions matter, because they indicate what citizens value and what shapes government policy and practice (p. 1).

The book's Introduction and Overview chapter provides a valuable summary of debates over conceptualising these multiple dimensions of social disadvantage. It argues that as well as income, broader social factors such as education and location are important, and notes the shift from purely objective measurement

to the use of indicators as 'signposts of complex issues like multi-dimensional disadvantage' (p. 5). Such indicators of access to resources may be direct (for example living standards) or indirect (for example income), and result in a shift of research focus towards outcomes. Saunders emphasises the methodological importance of this shift, from 'examining what poverty means to those who measure it, to an understanding of what poverty means to those who actually experience it' (p. 6). It requires that traditional quantitative approaches be supplemented with qualitative investigation. Research must be based on an understanding of agency, and Saunders emphasises the importance of involving communities in the research process.

Chapters Two and Three provide an overview of the conventional economic deprivation approach to poverty, beginning by comparing and contrasting Australian and OECD approaches to income measurement and then extending the scope to include other economic measures of living standards. Chapter Four outlines the approach used in the remaining chapters, in which researchers, policy analysts and welfare practitioners worked together to draw on insights provided by low income clients of community-based welfare agencies. Chapters Five and Six then focus on the deprivation approach. Chapter Five draws on the Community Understanding of Poverty and Social Exclusion Survey, which is based on participants' nomination of items they see as 'the essentials of life' required for participating in contemporary Australian society. The findings highlight the extent to which need is socially defined. Chapter Six examines the merits of alternative approaches to measuring deprivation, and explores whether it is possible to use weighting systems to arrive at some set of 'basic' items. The findings are applied in exploring ways of assessing the adequacy of pensions and other transfer payments. Chapter Seven provides a comparative overview of all these approaches, and maps overlaps between people who are poor and those experiencing deprivation.

Chapters Eight and Nine draw on the evidence of earlier chapters to provide a critical examination of the concept of social exclusion, using demographic and economic data to profile three 'dimensions' of exclusion — disengagement, exclusion from basic services, and economic exclusion. Overlap analysis is again used to identify multiple exclusion and also to define clearly the distinction between poverty and exclusion.

We are reminded that the concept of poverty, or socio-economic disadvantage, has always been recognised as having multiple dimensions. However, traditionally, attempts to measure disadvantage have primarily focused on resource-based, and more particularly income-based, measures. The premise behind resource-based measures of disadvantage is that some minimum level of resources is required in order for people to attain an 'acceptable' standard of living. The focus on income reflects the view that this is the best indicator of the resources available to an individual, as well as the practical consideration that it is typically easier to obtain household income information than information on other types

of resources, or indeed other (non-resource) dimensions of poverty. Household income is regularly measured for representative samples of households in all developed countries, whereas most other dimensions of poverty are measured infrequently or not at all.

Rather than focusing solely on incomes, Townsend developed the idea of relative deprivation where people in poverty, 'Lack the resources to obtain the types of diet, participate in the activities, and have the living conditions and amenities which are customary, or at least widely encouraged and approved, in the societies to which they belong.' (Townsend 1979: 31) It is perhaps in Townsend's notion of relative deprivation where the multi-dimensional nature of deprivation becomes more apparent in measurement studies, particularly in the UK and EU. It is from this base that the concept, and measurement, of social exclusion was developed.

Lack of resources and/or inadequate access to services makes it difficult for individuals or groups to participate in society. The formal concept of social exclusion originated in the 1970s in France referring to the population unprotected by the French social security system and was rooted in the tradition of social solidarity. The concept has since grown, being taken up by most of Europe, and is currently used to refer to the range of dimensions which marginalise people and reduce their opportunities to engage in social or political life.

Most countries in the European Union (EU) now produce indicators of social exclusion to gauge the region's progress in improving the circumstances of disadvantaged groups. Indicators typically used to measure the extent of social exclusion relate to health, education, incomes, attachment to the labour market and access to housing and other services. In the UK, the Labour Government under former Prime Minister Tony Blair has played a leading role in implementing a social inclusion agenda. Part of this agenda involved establishing a Social Exclusion Unit, which has since evolved into the current Social Exclusion Task Force (SETF) within the UK Cabinet Office, which has played a coordinating role in the government's drive against social exclusion. The new taskforce has been established to ensure that the cross-departmental approach delivers for those most in need.

These developments have also been followed more recently by the Australian federal government's development of a social inclusion agenda, which is to be driven by the new Social Inclusion Unit within the Department of Prime Minister and Cabinet.

Another major contribution made by Peter Saunders in *Down and Out* is in the book's presentation of the findings of the Left Out and Missing Out Project. While most analyses of poverty and social exclusion prior to this focus on the size of the problem, this study provides quite rich information on the actual living standards and experiences of people living in poverty at the time they were surveyed. A particularly important contribution of this study is the analysis of what those surveyed consider to be the essentials of life.

A critique of the book however is that it only notes in passing another popular multidimensional approach to conceptualising disadvantage, Nobel Prize winning economist Amartya Sen's notion of poverty as capability deprivation. Sen argues that what matter are individuals' *freedoms* — for example, freedom to live long and healthy lives, freedom to economically, politically and socially participate in society, and freedom from violence — and that therefore poverty should be viewed as not simply a situation of low income, but rather a situation of deprivation of freedoms, or *capabilities* to choose *functionings*. Sen identifies five types of freedoms: political freedoms, economic facilities, social opportunities, transparency guarantees and protective security. While resources such as income are important to achieving these freedoms, so are many other factors. The income required will depend on the circumstances of the individual, such as whether the individual has a disability or not, and can in fact be irrelevant to some freedoms, such as basic human rights. This notion of 'capability poverty' is entirely consistent with the concept of social exclusion. As Sen himself notes, '(s)ocial exclusion can ... be constitutively a part of capability deprivation as well as instrumentally a cause of diverse capability failures' (Sen 2000).¹

It is the integration of these two approaches, social exclusion and capability deprivation, that have been instrumental in directing the social exclusion agenda in Australia. Understanding poverty as capability deprivation is also something that has been taken up by the international community, a leading example of which is the United Nations with its work on the Human Development Index.

Other essential aspects of poverty not covered in the book relate to the temporal dimensions of poverty, deprivation or social exclusion. There has been a growing literature on poverty dynamics internationally, which has not been discussed at all. There is no discussion of how long people remain in poverty, how long they are deprived or are socially excluded. Likewise there is no discussion of how many people escape poverty quite quickly or how much cycling in and out of poverty, deprivation or social exclusion occurs. Do people who are socially excluded become poor or vice versa? Who are the chronic poor? These are all questions that should at least be raised, if not answered, in a book such as this, as all are essential to improve our understandings of the causes or consequences of poverty, deprivation or social exclusion.

Notes

1. Sen (1999) notes that in practice capabilities are for the most part not observable, and '... the assessment of capabilities has to proceed primarily on the basis of observing a person's actual functionings.' Sen goes on to say that while '... there is a jump here (from functionings to capabilities) ... it need not be a big jump, if only because the valuation of actual functionings is one way of assessing how a person values the options she has ...' and '... even with the informational focus confined to functionings (longevity, health status, literacy, and so on), we get a more instructive measure of deprivation than we get from income statistics alone.'

References

- Townsend, P. (1979) *Poverty in the United Kingdom*, Penguin Books, Harmondsworth.
- Sen, A. (2000) 'Social exclusion: Concept, application and scrutiny', Social Development Papers No. 1, Office of Environment and Social Development, Asian Development Bank, Manila, Philippines.
- Sen, A. (1999) *Development and Freedom*, Oxford University Press, Oxford.

Reviewed by **Rosanna Scutella**
Melbourne Institute of Applied Economic and Social Research,
The University of Melbourne

