For this issue cover concept, ‘poverty in politics’, the idea is to present a graphic image that imparts a feeling of helplessness and vulnerability through photographing a portrait of a person who seemingly appears in a moment of distress. Dark and muted colours were used to emphasise the emotive feelings the designer sought to communicate through this image. Images can be incredibly powerful and compelling tools of communication, conveying not only information but also evoking moods and emotions. People respond to images instinctively, based on their personalities, associations, and previous experience. Through experience and experimentation, we continually increase our understanding of the visual world and how we are influenced by it. Henley suggests that emotive images permit the creation of narratives, anthropomorphic reflection and knowledge transfer within the realms of audience experience and may potentially lead to aesthetic and emotional attachments (Henley, 2013).

Media theorist, John Berger states, "Seeing comes before words"; we see images before we can read, and we read images before we textualise them: "It is seeing which establishes our place in the surrounding world; we explain that world with words, but words can never undo the fact that we are surrounded by [seeing]" (Berger, 1972: 7). It was important for this cover concept to include a combination of text and image to communicate the theme title, Poverty in Politics. Here, the image becomes the title through combining and the juxtaposition of various typefaces for Poverty in Politics many times, overlaid on the photographic portrait, to become an emotive textural image.

Reference:
http://www.aiga.org/guide-whatisgraphicdesign/
Henley J. 2013 Patrons Review – The role of the moving image in natural history, Archives of natural history. Volume 40, Page 52-71
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Social Alternatives

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- copyright release form
- title page listing contributing authors, contact details, affiliation and short bio of approximately 150 to 200 words
- abstract of approximately 150 to 200 words
- three - five keywords.

Please use Australian/English spelling and follow Harvard referencing. Submit tables, graphs, pictures and diagrams on separate pages. Remove in-text references identifying authors and replace with [name removed for the review process].

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In this special issue of Social Alternatives, the politics of poverty is examined through presentation of case studies of five different countries. The first article by Dennis Raphael introduces some definitions and interpretations by which poverty and its causes can be understood within wealthy developed nations. He outlines how the concept of relative poverty is a particularly useful way to think about these issues. Raphael also points out how poverty rates are strongly related to politics, for which he offers various definitions.

Fran Baum and Angella Duvnjak present the Australian case study in which they outline key issues concerning poverty in Australia. Specifically, they discuss the trend towards using broader, multidimensional measures of material deprivation to direct public policy responses as part of a social exclusion approach. Shauna MacKinnon discusses the politics of poverty in Canada. She notes that Canada lacks an official poverty line and argues that the focus on how to measure poverty detracts from recognising Canada's unacceptably high poverty levels. Australia and Canada are both liberal welfare states which traditionally have higher poverty rates and less developed public policy responses to addressing it. These case studies highlight the significance of these nations being liberal welfare states and how welfare state ideology shapes their interpretations and responses to poverty.

Juha Mikkonen and Elisabeth Fosse describe the situation in two social democratic welfare states, Finland and Norway. Mikkonen notes Finland's low poverty rates, yet addressing poverty and inequality continue to be high on the public policy agenda. He then identifies the challenges and opportunities for continued poverty reduction in Finland. Similar to Finland, poverty has been high on the public policy agenda in Norway since the late 1990s. Since 2005, poverty has been conceptualised as a structural issue with the aim of public policy being to reduce the social inequalities through universal measures but with an emphasis on improving the material situations of those who are worst off.

The differences in how poverty is understood and addressed between the social democratic and liberal welfare states are rather striking. Canada has been especially notable for its reluctance to take action to reduce poverty. This reflects the influence of neoliberalism on public policies at the national and provincial levels. In Canada, the incidence of poverty is both gendered and racialised. Aboriginal populations and populations of colour are more likely to live in poverty than European-descent populations in Canada. Aboriginal women and women of colour are especially at risk of living in poverty. Australia, which is also a liberal welfare state, has however had a national Labor government in office and in many State governments. This party's commitment to reducing poverty has helped shift the focus of public policies to addressing social exclusion of which poverty is an important element.

Angel R. Zapata Moya and colleagues provide insights into the poverty situation in Spain. They describe how consecutive governments over the last 20 years have addressed the issue. Poverty is not a new phenomenon in Spain, and is low on the public policy agenda. They attribute growing poverty in Spain in part to growing neoliberal influence on public policy in Europe, the economic crisis of 2007, and to the emphasis on austerity to restore economic growth. The authors discuss the development of poverty as a concept, specifically its re-interpretation at the European level, and its impact on the Spanish national political agenda. The authors use social exclusion indicators – a more comprehensive approach than simple income measures – to measure the various extent and dimensions of poverty in Spain. The authors consider the economic crisis of 2007 and the absence of an effective social protection system as contributing to Spain's inability to reduce poverty.

Finally, Toba Bryant argues that it is essential to shift the discourse on poverty from one of blaming individuals and their deficiencies to one of understanding poverty as arising from structural inequalities in society that skew the distribution of economic and social resources. Discourses are related to the nature of the welfare state and its extent of state social provision. Liberal welfare states such as Canada tend towards the deficiency construction of poverty. She notes in particular that nations with high poverty rates – liberal welfare states – pathologise poor people as responsible for their situations. This approach neglects structural causes as producing and reproducing the social conditions that create poverty. A preferred shift would involve embracing a larger state role in the provision of not only health care, but also child care, comprehensive supports during periods of unemployment or illness, and other social programs. The social democratic welfare states of Finland and Norway are exemplars of what societies can do to reduce social inequalities and the poverty that results from these inequalities.
The politics of poverty is a critical issue as it is important to understand how specific social constructions of poverty reproduce the social inequalities that create poverty. Politics – and discourses – shape how societies come to understand these issues. These ‘truths’ can denigrate populations that are most disadvantaged. The denigration of these populations shifts responsibility – or blame – onto the victims and reinforces existing power relations that spawn social inequalities. These discourses then explain away poverty as a ‘natural condition’.

Shifting our understanding towards a structural analysis of poverty can help identify public policy solutions that will reduce poverty. The case studies in this special issue describe how the extent of poverty is closely associated with the politics across nation states and identify means of addressing it. We hope that this special issue will reinforce national efforts already underway to reduce poverty and stimulate action in those nations where such efforts are clearly falling short.

I Am Here

Leaving home when darkness falls
We walk and ache and walk still
the unknown.

Another alien place
Stranger than the first,
Barbed wire surrounds us
Opening, closing of doors,
Women crying, children screaming
Guards call numbers out
The clanging of keys

We must escape from here
But how,
It is harder

No one knows we’re here.

Mary Chydioti,
Elwood, Victoria

Carefully

I can’t say it’s love
but something happens between
me and these people –
yes, at a distance, mostly.

From a rooftop bar, while
I try to watch a world, one body
separates itself out
from the throng, something

in the way he carefully
lays out his square of fabric
on the shaded footpath,
lies down, closes his eyes. Or

a bald child
turning a pile of dirt
into a narrative without end.
Sometimes it takes more
closeness than I think
I can bear – only
four hours into the all-night
train trip, his knees knocking

against mine,
sister wriggling and crying
and his father pushing into my
hands a newspaper cone

of nuts, lentils and chilli.
He smiles, watching as I
begin to eat. Suddenly,
I’ve let go

of the leash around
my pale, unsettled self and who
cares where it’s gone?
Days later, barely standing

before an ancient sculpture,
the sun crouching behind
mountains older
than any community,

I find myself again –
a young man, smiling,
is pointing me out
to his wary two-year-old daughter.

Andy Jackson,
Coburg, Victoria
The Politics of Poverty: Definitions and Explanations

DENNIS RAPHAEL

It is becoming increasingly apparent that a nation’s poverty rate is determined in large part by how a nation’s governing authorities distribute economic and other resources amongst the population, i.e., politics. In this article various definitions of both poverty and politics are presented and their interrelationships noted. The links between politics and poverty can be understood in three primary ways. The first is that individual characteristics such as lack of education or employment skills create poverty. The second is that public policies themselves are the primary determinants of a nation’s poverty rates. The third is that the distribution of power and influence within the nation create the public policies that determine poverty rates. Recent data from the Luxembourg Income Study, the Innocenti Research Centre, and the Organisation for Economic Cooperation and Development are used to illustrate how differences in the poverty rate are shaped by the politics of a nation.

Introduction

Societies set goals for themselves. The French aim for Liberty, Equality, and Fraternity, the Americans seek Life, Liberty, and the Pursuit of Happiness, Norwegians strive for Egality and Equality, and Canadians aim for Peace, Order, and Good Government. In Australia the idea of a Fair Go is seen as part of its national identity. Whatever the goal, the presence of poverty is a clear obstacle to its attainment. Poverty is also a clear threat to human and social development, and health and well-being. It is becoming increasingly apparent that poverty in developed nations is a result of the political and economic organisation of society rather than the personal failings of individuals. Recent scholarship has examined how national governments organised along social democratic lines have the lowest poverty rates and those organised along liberal lines have the highest. In this special issue of Social Alternatives we examine the politics of poverty by: a) reviewing the recent literature on the politics of poverty; b) examining these concepts in relation to exemplar nations of each regime; and c) outlining the political processes by which poverty can be reduced in these nations.

Poverty

There is a consensus among agencies and researchers on the meaning of poverty in developed nations. These definitions identify two kinds of poverty: absolute and overall. The World Summit on Social Development provides this definition of absolute poverty: ‘Absolute poverty is a condition characterised by severe deprivation of basic human needs, including food, safe drinking water, sanitation facilities, health, shelter, education, and information’ (United Nations 1995: 57). Absolute poverty is frequent in many developing nations but there is evidence it is not uncommon in developed nations. UK researchers describe absolute poverty as individuals lacking the basic necessities of life to ‘keep body and soul together and being so poor that you are deprived of basic human needs’ (Gordon 2000: 75).

There are numerous ways of assessing absolute poverty. In one approach it is argued that ‘to avoid absolute poverty, you need enough money to cover all of these things: adequate diet, housing costs/rents, heating costs, clothing, water rates, and prescription costs’ (Gordon 2000: 76). In another, absolute poverty is not having access to ‘basic necessities of food, shelter, clothing, health care, personal care, essential furnishings, transportation and communication, laundry, and home insurance’ (Sarlo 2001: 11). One measure of absolute poverty used in international comparisons is that of the USA poverty line, which identifies an income level at which there is an immediate threat to the physical integrity of the individual (Innocenti Research Centre 2005). The presence of absolute poverty in a wealthy developed nation is an affront to human rights and should be politically unacceptable. As will be seen, this is frequently not the case.

Overall poverty – also called relative poverty – is the situation where access to resources so deviates from the societal average as to be problematic for the individual. The World Summit on Social Development (United Nations 1995: 57) provides this definition of overall poverty:

Overall poverty has various manifestations,
including lack of income and productive resources sufficient to ensure sustainable livelihoods, hunger and malnutrition; ill health; limited or lack of access to education and other basic services; increased morbidity and mortality from illness; homelessness and inadequate housing; unsafe environments; and social discrimination and exclusion. It is also characterized by a lack of participation in decision-making and in civil, social, and cultural life (United Nations 1995: 57).

Overall poverty is about exclusion from activities expected in a developed nation and when operationalised is usually synonymous with the concept of relative poverty. Researchers in the UK define it as not being able to do the things that most people take for granted (either because one can’t afford to participate in usual activities or because one is discriminated against in other ways) (Gordon 2000). Townsend (1993) gave the most widely used definition of overall or relative poverty as early as 1993 while Rainwater and Smeeding (2003) provide a recent restatement of the argument (see Table 1).

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<td>‘Individuals, families and groups in the population can be said to be in poverty when they lack the resources to obtain the type of diet, participate in the activities and have the living conditions and amenities which are customary, or at least widely encouraged, or approved, in the societies to which they belong. They are, in effect, excluded from ordinary living patterns, customs and activities’.</td>
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<td>“The argument is that objectively people cannot carry out the roles, participate in the activities, or maintain the social relations that are definitive of mainstream members of society if their resources (over some period of time) fall short of a “certain minimum”. In such a situation, inadequacy of resources precipitates a lower-class style of life that is reactive to the inability to live the life identified with the standard package”.</td>
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International Approaches to Measuring Poverty

There are a number of ongoing international efforts that monitor the extent and determinants of poverty rates in developed nations and provide venues for discussing means of reducing these rates. The dominant measurement approach is use of relative measures of poverty that correspond to the overall poverty definition provided earlier. Three institutional efforts are highlighted here: The Luxembourg Income Study, The Innocenti Research Centre, and the Organisation for Economic Cooperation and Development.

Luxembourg Income Study (LIS)

The LIS is an important source of data on income and poverty rates for over 30 middle and upper income nations in Europe, the Americas, and Asia and forms the basis for much of the published research on income and poverty (LIS 2013). The LIS also publishes a series of Working Papers that are a rich source of information on poverty rates and their determinants. The work presented in the LIS Working Paper Series usually applies the following definition of poverty: the percentage of individuals and/or households with post-tax-and-transfer income <50% of the country’s household size-adjusted median. Figure 1 provides recent poverty rates for working aged men and women from 31 middle and upper income nations from Europe, the Americas, and Asia. Wide variation is seen in nations’ poverty with the Nordic nations generally showing lower rates than the Anglo-Saxon nations. South American nations are among those with the highest rates (see Figure 1).

UNICEF Innocenti Research Centre (IRC)

The IRC provides Report Cards on Poverty that focus on child and family poverty rates in developed and developing nations (UNICEF 2013). It provides measures of poverty using the <50% of the median disposable income indicator favoured by international researchers. It also publishes public policy analyses focused on the societal factors that shape national poverty rates. Figure 2 provides data on children’s poverty rates in wealthy developed nations using this relative measure as well as the poverty gap represented by a percentage by which children living in poverty on average fall below the nation’s poverty line. Again, the Nordic nations have lower rates than the Anglo-Saxon nations. Interestingly, outside of Denmark, nations with the highest poverty rates also have the highest poverty gaps (see Figure 2).

Organisation for Economic Cooperation and Development (OECD)

The OECD provides data on poverty rates in its ongoing series Society at a Glance using the <50% median income indicator. It provided detailed analyses of income inequality
Figure 1. Poverty Rates for Working Aged Population 20-54 Years, Mid 2000s

Figure 2. Poverty Among Children, Late 2000s

Source: Luxembourg Income Study 2013. Key Figures, Wave Six. Available at www.lisdatacenter.org/data-access/key-figures/download-key-figures/

and poverty in Growing Unequal: Income Inequality and Poverty in OECD Nations (OECD 2008) and Divided We Stand: Why Income Inequality Keeps Growing (OECD 2011). These reports provide a wide range of poverty measures with the most important being use of the <50%, median disposable income. Figure 3 provides poverty data using these indicators for OECD nations. Similar patterns are seen as was the case for the LIS and Innocenti data (see Figure 3).

Explanations for Poverty

Governing authorities of all developed nations will argue their commitment to reducing poverty but the wide differences in national poverty rates question this claim. Much of this has to do with the existence of various explanations for poverty that are adopted to varying degrees by governing authorities. These can be conveniently placed into three main categories: poverty as individual shortcomings; poverty as a result of faulty public policy; and poverty as reflecting structural inequalities within society (Raphael 2011c).

Politics as Individual Shortcomings

This explanation of poverty dominates many nations’ approaches to poverty (Raphael 2011c). It is especially the case for liberal nations such as Canada, Australia, the UK, and USA. Here, living in poverty results when an individual lacks education, employment skills, or motivation to succeed. This view is based upon research that shows that those living in poverty generally have less education and fewer employment skills than those not living in poverty. The proposed solution to this problem is providing greater educational opportunities and opportunities to learn employment skills.

This approach takes little notice of the profound differences in poverty levels that exist among nations.
The limitations of the approach can be seen in the case of Canada where international comparisons indicate that Canada actually does rather well in terms of the literacy and math skills of its population as compared to other jurisdictions, but does rather poorly in terms of poverty levels (Mikkonen and Raphael 2010). The narrow focus upon individuals and their individual deficiencies deflects attention from the role public policy plays in determining poverty levels within a nation.

Poverty as the Result of Faulty Public Policy

This approach recognises that a jurisdiction’s public policies play an important role in determining poverty levels (Raphael 2011c). Focus is upon issues of employment security, wages, tax policy, and state provision of resources such as education, childcare, and health care. Not surprisingly, nations that keep poverty levels low are the ones with more progressive taxation systems; greater provision of economic and social resources to citizens; and legislation that provides greater employment security and higher wages (Raphael 2011b). To illustrate, research finds the single best predictor of poverty rates among nations is the percentage of low paid workers (Rainwater and Smeeding 2003). Here, the lack of education and employment skills are not themselves the primary pathway to poverty. It is rather the interaction of these characteristics with public policy that leads to poverty. Reducing poverty requires public policies that equalise the distribution of economic and other resources.

Poverty as Reflecting Structural Inequalities in Society

The final approach sees poverty resulting from structural inequalities by which certain segments of the population benefit at the expense of others. Wright (1994) argues that poverty results when those at the top in terms of income and wealth unfairly benefit from the deprivation of those at the bottom. Some argue that this study of poverty has unduly focused upon the poor when it should be looking at the situation of the rich: Poverty is not a situation of people at the bottom having too little, but rather that people at the top have too much. In this analysis the differences among jurisdictions in poverty rates represent the distribution of power of various classes. To illustrate, nations with lower poverty rates have higher unionisation rates and collective employment bargaining coverage and are more likely to have been ruled by social democratic parties of the left (Raphael 2011a). Nations with higher poverty rates have lower unionisation and collective agreement rates and have been less ruled by parties of the left.

Poverty rates – mediated by implementation of public policy and the interactions of individual characteristics with these public policies – are therefore shaped by these broader factors. Reducing poverty requires balancing inequalities in power. The situation in the Nordic nations is frequently held as the example of what can be accomplished.

Politics

Bambra et al. (2005) outline four aspects of politics related to issues of public policy and the day-to-day life of those who experience poverty: politics as a) government; b) public life; c) conflict resolution; and d) power. While overlapping, these aspects provide roadmaps for considering the relationship between politics and poverty and their consequences for the lives of those living in poverty.

Politics as Government

Politics is primarily associated with the art of government and the activities of the state that distribute economic and social resources among the population (Bambra et al. 2005). Specific areas of public policy relevant to these issues include a) financial policy in regards to taxation levels; b) labour policy in relation to active labour policy and employment laws in relation to employment security, benefits, and working conditions; c) social policy in relation to benefits provided to families (family policy), governmental provision of affordable and supportive housing (housing policy), provision of benefits in the case of disability, illness, or
unemployment (social assistance policy), and supports to the elderly (pension policy) and provision of health care, including home care (health policy).

Nations distinguish themselves in the extent to which governmental public policy moderates the effects of the market economy and shapes resource distribution. Decommodification refers to the extent to which individuals are dependent upon their employment wages to receive economic and social resources (Esping-Andersen 1990). Nordic nations are higher in decommodification in that the citizenry in general, and especially those unable to work because of illness, disability or lack of employment opportunities, are able to receive supports, benefits and services without having to pay directly for them. Poverty rates in these nations – especially for children – are very low. In contrast in liberal nations such as Australia, Canada, UK and the USA, decommodification is less such that individuals frequently lack needed economic and social resources. Not surprisingly, these nations have higher poverty rates than the Nordic nations.

Politics as Public Life
Here, politics is concerned with the conduct and management of community affairs and the day-to-day lives of individuals and their interactions with various community and governmental organisations and agencies (Bambra et al. 2005). Studies in Canada have found that people living in poverty experience ongoing difficulties in their interactions with social assistance agencies and the health care system (Reutter et al. 2005; Raphael 2011a; Reutter et al. 2009). In terms of social assistance, much of this has to do with the fact that in Canada receipt of social assistance requires one to be virtually destitute. To confirm this, government regulations require profound intrusions into the personal lives of individuals. In terms of the health care system, the treatment of people living in poverty is better in that they do not experience the stigma associated with receiving social assistance benefits. However, people living in poverty do not receive specialist health care at higher levels than Canadians in general even though they experience a greater incidence of disease. This appears to be a common situation across nations (Schoen and Doty 2004).

Politics as Conflict Resolution
Politics is also concerned with the expression and resolution of conflicts through compromise, conciliation, negotiation and other strategies (Bambra et al. 2005). Not surprisingly, the voices of people living in poverty in liberal political economies are frequently not heard (Swanson 2001; Reutter et al. 2009). They are excluded from the negotiations that occur at the community and political levels. They are doubly disadvantaged: a) they are seen as responsible for their situations making their participation in resolving these conflicts less likely; and b) since they experience ongoing day-to-day stresses associated with just getting by, they are less likely to have the ability to participate in conflict resolution as it arises in day-to-day community and political life (Schellenberg 2004). Essentially, people living in poverty exhibit the last aspect of politics: not having the power to influence their society.

Politics as Power
Politics is the process through which desired outcomes are achieved in the production, distribution and use of scarce resources in all areas of social existence (Bambra et al. 2005). It is in this definition where we see the profound influence of societal structures upon the ability of people living in poverty to influence what goes on in these societies. In the Nordic nations, firm ideological commitments to promoting equity (Saint-Arnaud and Bernard 2003) allow for systematic attempts to both reduce poverty and engage those living in poverty to reach solutions. In contrast, liberal nations’ emphasis on individual liberty leads to the denigration of people living in poverty. It should not be surprising there is little attempt to provide these people with greater power, creating a cycle by which their needs are not addressed: Systematic attempts to reduce poverty are minimal.

The Links between Politics and Poverty
The links between politics and poverty can be summarised succinctly: a society’s dominant ideology and who wields political power shape the incidence and response to poverty. This happens through the public policies that determine the incidence of poverty and how it is responded to by governing authorities (Brady 2009).

Ideology
The profound differences between Nordic and Anglo-Saxon nations are described by two Canadian sociologists (Saint-Arnaud and Bernard 2003). Among the Nordic nations, the overriding ideological imperative is one of promoting equality through state action. It does so by promoting full employment and reducing inequalities in income. In contrast, the dominant Anglo-Saxon ideological inspiration of liberty manifests by giving the market economy a freer rein. State intervention in the operation of the economy is minimised. Not surprisingly, these liberal political economies have the greatest incidence of poverty and the least emphasis upon implementing public policy to reduce it.

Political Power
In addition to describing these differences, it is important to note how they are shaped by who gets to wield political power in these nations. The Nordic nations are distinctive in that over the last five decades they have been primarily ruled by social democratic parties of the
left (Navarro et al. 2004). In contrast, the Anglo-Saxon nations over the same period have less often been ruled by parties of the left and instead ruled by liberal or conservative parties. These differences in political power manifest in public policies that profoundly shape the incidence of poverty and the day-to-day lives of those who live in such poverty (Raphael 2012).

Public Policy

A wide range of public policies shape the incidence of poverty. Financial policy related to the rates at which people of differing incomes pay taxes is a profound predictor of poverty rates. While both the Nordic and Anglo-Saxon nations share the highest marginal tax rates of between 42% (USA) and 57% (Sweden), in the Nordic nations, these high marginal rates kick in at about 1.5-2.0 times the average income (Sweden, 1.5; Norway, 1.6; Finland, 1.9). In the Anglo-Saxon nations these highest marginal rates kick in at 3.0-9.0 times the average income (Australia and Canada, 2.9; UK, 4.3, and the USA, 8.0) (Raphael 2012).

Public policy in the form of employment and working conditions as well as active labour policy related to the amount of training that is available are also profound predictors of poverty rates. The nations that allocate a greater proportion of their gross domestic product to employment training and retraining have lower poverty rates (Raphael 2011b).

Conclusion

Poverty and politics are intricately intertwined. In its most severe form, poverty is the impoverishment associated with lack of food, housing, clothing and other basic needs. In developed nations, it is more common to think of poverty in relative terms whereby individuals lack the resources necessary to participate in expected activities. Differences among nations in poverty rates and resulting problems are related to the politics of a nation defined as the activities of governments; the day-to-day operation of community affairs; the means by which conflicts are resolved; and the extent of power that one has. The ideologies and politics of a nation are the primary determinants of how these activities play out in poverty rates and responses to it. Individual characteristics such as education, occupation, gender, race, and Aboriginal status are related to poverty because these characteristics interact with how societies are organised. Ultimately, the presence of poverty and its alleviation are political problems requiring political solutions, an insight provided by Friedrich Engels (Engels 1845/1987) and Rudolph Virchow (Virchow 1848/1985) in the mid-1800s.

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**Raspberry-Lemonade**

*For Paul*

He was used to the smell of beer already from His father’s home brew, which stewed in brown Bottles in the downstairs laundry. The rich odour Of hops & barley sluiced through the bullet holes In the corrugated tin, where his dad took pot-shots At the big browns imbibing moisture from the slab Concrete floor. When his brother was sent in after An hour or two to fetch him, he was given a bribe; A raspberry-lemonade that forgave the time spent Waiting outside the pub in the Holden. Four kids & their mother watched the old Council Chambers Whiten in the daylight sun, as beer mats soaked up The ambience of another town run. When he was Ready his drought-thirsty family snaked back home.

*B. R. DIONYSIUS*

**WOODEND, QLD**

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**friedrich nietzsche contemplates the metaphor**

Nietzsche was a philosopher, poet and professor of classical philology, the study of language in written historical texts.

The first day light, then water, third day land, then sun and moon, and fish and fowl, and snakes and beasts and man, and then a time of rest. Then on the eighth day, we invented God, with Paradise and Golgotha as metaphors for life and death. But even children learn that metaphors reprised ad nauseam grow weak, then fade away and die, unheard until a self-appointed saviour raids the charnel-house of derelict refrains to cloak his hollow creed. The platitudes that once were metaphors take flight, until the advent of the übermensch* whose tireless will-to-power ignites a storm, that cleaves the dogma’s shroud. A hundred points of view contend but one idea prevails: dead metaphors can’t mask mendacious tales.

* Usually translated as superman or overman.

**NORM NEILL, POTTS POINT, NSW**
The Politics of Poverty in Australia

FRAN BAUM AND ANGELLA DUVNJAK

Poverty persists in Australia despite the existence of a welfare system. The paper describes the ways in which poverty is measured in Australia and notes the trend away from reliance on poverty lines based on single measures of income to more comprehensive multi-dimensional measures of deprivation. We describe the groups most likely to live in poverty as women, single parents, Indigenous Australians and the unemployed. We note the significant overlap between these groups. We examine public policy responses to poverty and note that public discourse has largely moved from using the concept of poverty to using that of social exclusion. The main Australian policy responses are welfare payments and support for public housing. We note that welfare payments to the unemployed have become progressively less generous and more conditional in the past two decades. The introduction of conditionality in welfare is supported by both major parties. The prospects for reducing poverty are considered and the principle mechanism is presented as redistributive policies through progressive taxation regimes. The paper concludes with a consideration of advocacy for poverty reduction.

Introduction

This article discusses the politics of poverty in Australia. It starts by describing how poverty is measured and the extent of poverty in Australia including a description of the groups who are most likely to be living in poverty. It then describes the main discourses associated with poverty, considers the ways in which public policy responds to poverty, and finally the prospects for poverty reduction.

Measuring Poverty

In Australia, poverty is measured by determining the number, or proportion, of people who earn below a set poverty line. This poverty line can either be relative (set in relation to everyone else’s incomes) or absolute (a fixed dollar amount, possibly calculated by looking at what someone needs to survive). A relative poverty line will increase as everyone’s income increases; a fixed poverty line is usually increased in line with inflation. Both have been used in Australia. A fixed poverty line (known as the Henderson Poverty line) was adopted following the report of the Commonwealth Commission of Inquiry into Poverty in 1974. Then, $62.70 per week was the disposable income required to support the basic needs of a family of two adults and two dependent children. In June 2012 this figure was updated to $890.69 (Melbourne Institute 2012). More recently poverty has also been calculated as being below 50 per cent of the median household income.

The Australian Bureau of Statistics (ABS) has also introduced the concept of ‘low economic resource households’ which are those with low income and low wealth and includes people who are ‘simultaneously in the lowest four deciles of both equivalised adjusted disposable income (adjusted to include imputed rent) and equivalised household net worth’ (ABS 2011c). This measure overcomes the issue of including in the count of poverty those who have a low income but also have relative high wealth (such as owning a home). Travers and Richardson (1993) conducted significant research on relative poverty in Australia in the early 1990s and considered how poverty affects people’s social integration and ability to lead a life that is not stigmatising. On the basis of this research they argue against the use of poverty lines suggesting that the debate about poverty measurement is often a distraction and functions to obscure the importance of ethical judgements about what is required to ‘live decently’. Their view has been supported by Saunders (2011) who argues that poverty lines are too crude and arbitrary, especially in terms of their ability to affect policy. He argues for the use of a ‘consistent poverty approach’ which combines measures of low income with other measures of deprivation.

Which Australians Are Most Likely To Live In Poverty?

Figures are available for poverty rates as a whole as well as for specific groups in Australia.

Overall

In 2012, after taking account of housing costs, 12.8% (or 2,265,000 people) of Australians were living below the poverty line. In 2009-10, one in five (20% or 1.7 million) households were classified as having low economic resources (ABS 2011a).
Children and Young people

In 2010, 17.3% (or 575,000) of all children were living below the poverty line (ACOSS 2012). In 2011, around 14% (or 590,000) of children under the age of 15 lived in jobless families. This is much higher than the OECD average of 8.7%, making Australia the fourth highest country in the OECD with children living in jobless families (ASIB 2012: 7). Three in five (59%) of single parent households were classified as having low economic resources. Young people aged 15-19 are about three times more likely to be unemployed than other Australians (18%). In 2010, Youth Allowance was 48% below the poverty line (ACOSS 2012).

Women

Women are more likely to live in poverty than men. In 2009-10, 13.5% of women were living below the poverty line compared with 12.1% of men (ACOSS 2012). Single parents, most of whom are women, are the most affected by poverty. ‘In 2009-10 lone mothers with dependent children represented 17% of all persons (aged 15 and over) living in low economic resource households...while lone fathers represented 2%’ (ABS 2012). This situation worsened from January 2013 when around 100,000 single parents were moved from the Parenting Payment benefit to the lower paid Newstart Allowance.

Aboriginal People

In the last census, 2.5% of the Australian population identified as Indigenous (ABS 2011b). Indigenous Australians are about two to three times more likely to be living in poverty than non-Indigenous Australians (Altman et al. 2003: 8). Indigenous Australians are also twice as likely to live in a low income household than non-Indigenous Australians (SCRGSP 2011). Despite the ‘closing the gap’ initiative introduced by the Labor government in 2008 ‘...there is no consistent evidence that income gaps are closing between Indigenous and non-Indigenous Australians, especially in mining areas’ (Hunter 2012: 7).

Unemployed People

Unemployed people receive the ‘Newstart Allowance’, which for single adults is 21% below the poverty line. More than 50% of households receiving Newstart were calculated as living below the poverty line in 2010 (ACOSS 2012: 28).

Primary Discourses about Poverty

Saunders suggests that poverty research has done little to influence policy and that policy responses to poverty research ‘has been to ignore it, to deny the existence of poverty or to argue that the measurement ambiguities make estimates of poverty arbitrary and thus of no use for policy’ (2002: 143). Saunders also notes that the policy focus in Australia has been on improving income through employment creation (combined with a minimum wage) and the provision of social security benefits for those unable to work. He suggests that the result of this policy focus has been that poverty is viewed as existing ‘out there’ and something that just happens to people. He goes on to note that when poverty is viewed in this way, policy is limited to protecting those affected rather than consideration of what caused the poverty in the first place.

A further strand of work has focused on areas of disadvantage and has shown that the outer suburbs of Australia’s major cities are becoming sites of multiple disadvantage. Vinson (2007) produced a complete ranking of localities from the most to the least disadvantaged using a range of indicators including social distress, health, community safety, economic advantage and education. He makes the point that when disadvantage becomes entrenched in particular localities ‘the restorative potential of standard services in spheres like education and health can diminish’ (Vinson 2007: ix). This research is important because it places the focus on the environment in which people live rather than on the people themselves. Further research has shown that low income people living in a disadvantaged area have less access to health and well-being enhancing environments than do low income people in richer areas (Browne-Yung et al. 2013).
Politicians in Australia are wary of setting out to reduce poverty because a previous Labor Prime Minister, Bob Hawke, famously declared in 1987 ‘that by 1990 no Australian child will be living in poverty’ (National Archives of Australia 2013). This promise was not realised and Saunders notes that ‘since then, the issue of poverty has gradually been removed from the reform agenda’ (2002: 57). He goes on to note that the successive Howard Governments (1996-2007) (conservative coalition governments) removed any reference to poverty from its social policy discourse. The Labor Government that took office in 2007 adopted a focus on ‘social inclusion’ rather than poverty.

A further discourse about poverty has been concerning health equity. Numerous reports have noted the impact of living in adverse social and economic conditions on health (see summary in Baum et al. 2012). One example is the extent to which people in the lower SES quintiles suffer premature mortality (see Figure 1). Men in the lowest quintile are nearly twice as likely to die prematurely as those in the highest. The difference is considerably less for women where the lowest are about 1.5 times more likely to die prematurely.

**Figure 1:** Premature mortality by Quintile of SES and Sex, ages 16-64 years, 2003-07

Aboriginal people’s health status and their significant social and economic disadvantage are also an important aspect of the discourse on poverty. There is a 10-year life expectancy gap between Aboriginal and non-Aboriginal Australians (AIHW 2011). This gap has been the focus of significant policy initiatives as we discuss below.

There has been an important discourse relevant to poverty and Indigenous people in Australia that has been concerned with the impact of welfare. Prominent Aboriginal activist Noel Pearson and Langton (2012) have argued that the provision of welfare to Aboriginal communities causes welfare dependency, which has had a very negative impact on Aboriginal communities. Pearson argues that welfare dependency has caused alcoholism, lack of motivation to seek education or work and passivity in some Aboriginal communities (Pearson 1999; 2000a; 2000b).

**Public Policy Responses to Poverty**

A variety of means are able to reduce poverty through public policy action.

**Welfare payments**

The main public policy response to poverty in Australia is the provision of welfare payments in the form of cash transfers. Age and disability pensions were first introduced in Australia in the early 1900s, and indexed to cost of living rises in the 1930s. Means tested unemployment and sickness benefits were introduced in 1945, and a non-means tested child endowment payment in 1941. The latter form of support has evolved to means tested tax relief and direct support measures for low income families with dependent children (ABS 1988). Under the Howard Government these benefits were extended to middle class families. In the 2000 budget the family payments system was overhauled, establishing Family Tax Benefits A and B, a move that ‘significantly liberalized access to these payments for higher income families’ (Brennan 2007: 37). Family Tax Benefit B is particularly generous and only excludes the top 4% of income earners in Australia. Originally, the payment was not means tested but the Gillard Labor government has introduced a household income cut-off for the payments (in 2013 $150,000). The Australian welfare system differs from other OECD countries where most cash transfers are financed by employer and employee contributions and benefits relate to past earnings – higher income workers receive higher absolute levels of benefits on unemployment or retirement. In Australia benefits are financed from general revenue and are flat-rate entitlements, which are means-tested so that payments reduce as other resources increase. The intention of this approach is to concentrate available resources on those most in need (Whiteford 2010). The major policy trend in the past 20 years has been to tighten the eligibility criteria for these payments and to introduce conditionalities such as the need to ‘work for the dole’.

Up until the late 1990s the level of the various welfare payments was fairly similar but in 2013, as a result of different indexation factors, the unemployment payment – ‘the Newstart Allowance’ – is only 65% of the aged pension (Denniss & Baker 2012: 2). It is also one of the lowest payments to unemployed people in the OECD. The falling worth of the unemployment payments is, in part at least, because Australia does not have an independent mechanism through which income support payments can be assessed for their adequacy and to set payment levels. By contrast the minimum wage is set by Fair Work Australia. This difference reflects the fact that unemployed people are stigmatised. For example, the phrase ‘dole bludger’ is a common term of derision.
Public Housing and Rental Support

Public housing programs have been funded under ‘Commonwealth-State Housing Agreements’, and originally were developed to provide housing for workers in newly developing industry sectors. Successive governments have reduced spending on public housing so that the sector now only provides housing to very poor people and there is a significant waiting list for housing (Australian Housing and Urban Research Institute 2011). Australian governments have funded rent assistance schemes for low income private renters since the late 1950s. In 2011 over one million singles or couples who receive income support payments also receive some level of Commonwealth Rent Assistance (AIHW 2012).

The Introduction of Conditional Welfare

The conservative Howard Coalition Government introduced conditionalities to the payment of unemployment allowance in a series of measures under the title ‘work for the dole’. Introduced in 1998 the scheme has been continued by the Rudd and Gillard Labor governments. A series of policy initiatives that have come to be known as the Northern Territory Intervention took the idea of welfare conditionality to a new level. In response to a report on child sexual abuse in the Northern Territory (Anderson & Wild 2007) the then Howard Government announced new policies that included the suspension of the Racial Discrimination Act so that welfare conditionality and income management could be introduced for selected Aboriginal communities, compulsory child health checks undertaken, and alcohol and pornographic material restrictions introduced. A health impact assessment conducted on the Intervention concluded that while the investment in infrastructure was welcome and likely to be beneficial for health, the psychosocial effects of loss of control and negative effects on spirituality and culture would greatly outweigh the benefits (Australian Indigenous Doctors’ Association 2010). The subsequent Labor governments have not reversed the NT Intervention and have extended the idea of welfare conditionality to other areas including expanding income management for welfare recipients in ten disadvantaged communities across Australian in July 2010 (FaHCSIA 2012).

Prospects for Poverty Reduction

Poverty reduction relies on two main public policy approaches: welfare programs and redistribution of income and wealth through taxation and other means.

Relative Poverty Cannot Disappear

The first issue to be dealt with in terms of poverty reduction is to note that the monetisation of poverty (pegging it to a percentage of average or median income) has been criticised since it represents a form of poverty that will never disappear (Lister 2004; Sloan 2012). As average or median incomes rise in a population, there will always be some who will fall below these cut-offs. It is possible for absolute poverty to fall within a country or region, while relative poverty rises; since the relative poverty cut-offs can be affected by disproportionate increases in income among a minority of the population, even if the material conditions of those at the bottom of the income gradient improve.

Reducing Poverty through Welfare Programs

Welfare programs can be used to reduce poverty. This has been the case with older people in Australia. In 1973 the government inquiry into poverty, the Henderson Study, found that 36.6% of males and 31% of females had incomes below the poverty line (Henderson 1975). By 2009-10 13.2% of those over the age of 65 were living below the 50% poverty line, which represents a significant decrease since the 1970s. Age pensioners have a lower risk of poverty of all benefit recipients in Australia (ACOSS 2012). Reasons for this include the relatively high home ownership rates among this age group, a pension increase in 2009, income from superannuation and other investments and the fact that the age pension is indexed against the average male earnings rather than the CPI (as other benefits are) (ACOSS 2012; Phillips & Nepal 2012).

Increasing the generosity of welfare programs can be politically problematic in Australia because public opinion is not always supportive. Saunders makes the point that since ‘all welfare programs involve an element of redistribution their viability depends upon the support of those who are made worse off by the resources transfer involved’ (2002: 244). This means that community attitudes have a crucial role to play in securing and maintaining the legitimacy of the welfare system. Neo-liberalism since the Reagan and Thatcher era has seen a de-legitimisation of welfare and calls for welfare benefits to be drastically cut (Larner 2000; Stilwell 2006) and this has had some impact in Australia. It is also true, however, that the Rawlsian (Rawls 1971) notions that decisions about policies should be made behind a veil of ignorance means support may be increased. Thus, people do not know if they are likely to need welfare in the future and so are willing to support a system if they know they or their relatives may become dependent on the system at some point. Others may support welfare on altruistic grounds.

Redistribution of Income and Wealth to Reduce Poverty

A consideration of poverty within a broader political economy of health immediately draws attention to the ways in which poverty is related to wealth. Increasingly, campaigners and researchers against poverty are drawing attention to issues of income and wealth inequity (Baum 2005). One recent example is an edition of New Internationalist magazine devoted to ‘The Feral Rich’ whose lead story opened by saying ‘for too long we’ve
problematized the poor and overlooked the wealthy. It's time to turn the tables’ (Baird 2013: 10).

Australia has a system of progressive income taxation but there are numerous ways in which high income earners can avoid tax. In the past decade income tax has become less progressive, with taxation rates reduced for high income earners (ACOSS 2009). Income inequality in Australia has increased in recent years and Australia remains one of the six most unequal countries in the OECD (OECD 2011) despite a cultural perception of egalitarianism. Thus there would be considerable scope to introduce measures to tax higher income earners and use the funds to reduce poverty and support low income earners. Recent attempts by the Australian Labor Party to introduce new taxation in an attempt at redistribution have not met with success. The Rudd Labor government proposed a Super Profits Tax (subsequently renamed the Minerals Resource Rent Tax), a mining profits tax which was met by a fierce media campaign by mining companies against the tax. Rudd’s support for this tax was one of the reasons he was removed as Prime Minister by his colleagues.

Wealth is also unequally distributed with the poorest 20% of households owning 1% of total net worth compared to 62% of total net worth owned by the wealthiest 20% of households (ABS 2011a) (see Figure 2). As with income there is considerable scope for increasing taxation on wealth through measures such as death duties. Politically this is unlikely to be possible. The introduction of the Australian carbon emission trading scheme in 2011 by the Labor Party has met with considerable opposition from the Coalition whose leader has run a campaign using the slogan that the scheme is just a ‘great big tax’. A very similar campaign would in all likelihood meet any proposal to introduce a wealth tax or death duties. The most progressive party in Australia is the Australian Greens Party and they do include a call for death duties or a wealth tax in their policy platform released in January 2013 (The Greens 2013).

Advocacy for Poverty Reduction
The main voice advocating poverty reduction in Australia is the Australian Council on Social Services (ACOSS). Their lobbying is well-supported by policy papers such as ‘Poverty in Australia’ which highlights the failure to reduce poverty in Australia despite the country’s growing affluence. The report is based on a relative measure of income poverty while also examining deprivation, social exclusion and lack of opportunity. It considers issues of intersectionality showing the ways that gender, age, ethnicity, location, family type, labour market participation all intersect to make the face of poverty variable depending on people’s circumstances. An Anti-Poverty Week is run by a coalition of non-government organisations in Australia.

This week ties in with the UN’s annual International Anti-Poverty Day and in 2012 featured over 400 activities designed to raise public awareness about poverty and draw the attention of politicians to poverty issues.

In February 2013 a Social Determinants of Health Alliance was formed consisting of over 30 NGOs and has been working for improved equity as a key part of its mandate 1.

Conclusion
This article has discussed the extent of poverty in Australia, examined policy responses to it and considered the politics of poverty. We have argued that effective responses need to consider not just measures to alleviate poverty but also redistributive policies, which result in a fairer distribution of income and wealth.

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Social Alternatives Vol. 32 No 1, 2013 17
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Footnote

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**Orange Crush**

I first heard REM’s Orange Crush while shopping capitalism chemical warfare & cultural imperialism came together in a pop rush ecstasy

*Nathanael O’Reilly,*
*Willow Park, Texas, USA*

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**Porridge**

We lived for days on Nescafé Blend 43 and porridge sprinkled with brown sugar, denying ourselves like old-age-pensioners, making ten bucks span the distance between Saturday night’s pub crawl and the fortnightly Austudy payment.

We stayed home in our damp mouldy flat, huddled in stained sleeping bags reading photocopied required texts, unable to afford to fire up the gas heater. Twice a month we walked to the Westpac ATM, emptied our accounts, paid the rent, put some money aside for the phone and utilities bills, bought our groceries, then blew most of the rest at the bottle shop. Arms full of bottles in brown paper bags, we shuffled through the autumn leaves like deros heading for a bench, anticipating the burn of the tawny port and the relief of the warmth spreading from within.

*Nathanael O’Reilly,*
*Willow Park, Texas, USA*

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**Trapdoor**

On weekends he earned his wet badge of courage, Pouring boiling water down the funnels of trapdoor Spider holes. With a long stick he snapped the silk Lined lids open like a child’s flimsy toothpaste cap & would lower the watering can’s tin snout into the Earth’s grainy socket, as if he were applying drops To a bullock’s dark eye. He trickled in the hot brew, With steady hands he used for his mother’s morning Tea, careful not to splash the poison strength liquid. He jumped as if burnt. His young body reacting to The blur of brown hair & legs that volanoed from The core of his fear. Blistering with rage the arachnid Would stand its sodden ground as if electrocuted. His valour, buried in the soft bunker of his mind.

*B. R. Dionysius*
*Woodend, QLD*
The Politics of Poverty in Canada

SHAUNA MACKINNON

Similar to other countries, “poverty” is a highly contested concept in Canada. In spite of Canada’s great wealth and reputation as a kinder, gentler nation than its neighbours to the south, poverty continues to be persistent and pervasive. While most Canadians agree that poverty in Canada is greater than it should be, Canada does not have an official poverty line and there has been much debate in recent years as to how poverty is best measured. This has been somewhat of a distraction from the reality that poverty, regardless of how it is measured, is unacceptable in a country of such great wealth. The problem has only become worse in the post-Keynesian context. Solutions on offer in the current political milieu focus on short term training to meet labour market needs. All too often this results in low-wage, precarious employment that fails to lift people out of poverty.

Introduction

In spite of Canada’s great wealth and reputation as a kinder, gentler nation than its neighbours to the south, poverty continues to be persistent and pervasive. This chapter provides an overview of poverty in Canada including discussion about the major obstacles standing in the way of its elimination. This includes a lack of consensus on how poverty is defined and the absence of an accepted poverty line, underlined by a dominant discourse that dismisses the idea that structural failings create the conditions that leave far too many Canadians behind.

Poverty Discourses

Similar to other countries, ‘poverty’ is a highly contested concept in Canada and responses are highly political. Ruth Levitas (2003; 2005) developed a typology of ‘social exclusion’ discourses that is equally useful to describe the various views on poverty that ultimately guide policy responses in Canada and elsewhere. Levitas (2005: 14) emphasises poverty as a prime cause of social exclusion and she outlines three dominant discourses. The redistributive (RED) discourse builds on the earlier work of Peter Townsend (1979: 32) which understands poverty in terms of ‘people’s ability to participate in the customary life of society…their resources are so seriously below those commanded by the average individual or family that they are, in effect, excluded from ordinary living patterns, customs and activities’ (Levitas 2005). This discourse leads to a policy response that integrates comprehensive approaches to increase income and ensure access to a broad range of resources.

The second view Levitas describes is the social integration (SID) discourse, which focuses solely on exclusion as a result of a disconnection to paid work. Getting people into the labour market is therefore the sole concern and solution to exclusion.

The third model, which Levitas describes as the moral underclass (MUD) discourse, views social exclusion as the result of ‘moral and cultural causes of poverty’. Policies and programs that focus on ‘reform’ of individuals, target ‘youth at risk’, and aim to ‘employ’ single mothers and others who are viewed as acting outside of mainstream norms are often modelled on such a view.

As reflected in Levitas’ RED perspective, poverty and exclusion speak to the limited participation of individuals in all domains of life with the lack of income being central to all exclusion. While access to economic opportunity through employment is the focus of SID, it is but one component of a poverty and social exclusion strategy under the auspices of RED. RED focuses on redistribution of income and wealth, recognising a need for comprehensive measures to address poverty and inequality. Levitas aptly sums up the three discourses. She says, ‘from the RED perspective, the poor and excluded have no money, in SID they have no paid work, in MUD they have no morals’ (2005: 3).

In Canada, the RED model was more evident as the social safety net was woven after WWII and through to the late 1970s. Since then, there has been a movement away from initiatives that adequately address poverty and social exclusion aligned with the redistributive discourse—ensuring that all citizens have sufficient income, satisfactory housing, accessible child care and access to education and training based on right rather than ability to pay. The SID framework has increasingly become the leading discourse with solutions to poverty at the federal
and provincial levels, with an emphasis on short-term training in response to labour market needs (MacKinnon 2011). The MUD perspective is also increasingly reflected in policies that systematically create barriers as a result of expectations that are inherently classist, racist and sexist. MUD is very evident in provincial social assistance policies, which have become increasingly restrictive.

Those subscribing to both the SID and MUD approaches view poverty alleviation in the context of the ‘achievement model of income determination’, the conventional and dominant view of poverty that is based on the idea that poverty can be escaped simply by working hard (Bowles et al. 2006), and that poverty is essentially an individual problem. This sentiment was recently articulated by Canada’s Finance Minister Jim Flaherty who defended recent scaling back of Employment Insurance stating: ‘there is no bad job, the only bad job is not having a job…I drove a taxi, I refereed hockey. You do what you have to do to make a living’ (CBC 2012).

From this perspective, poverty is also most often viewed in absolute terms—a lack of adequate food, shelter, clothing and medical care. The problem with absolute measures is that they disregard the broader social and economic context in which poverty exists. For example, while the World Bank definition of ‘a dollar a day’ may be an adequate ‘floor’ from which to measure poverty in very poor nations, it is obviously not an appropriate measure for Canada given our very different social, political and economic capacity to eliminate or at least greatly reduce poverty. Further, as noted by Wilkinson and Pickett (2009) it is necessary that we understand income trends within countries. Relative measures that look at both before- and after-tax incomes allow us to critically analyse whether policies are effectively minimising the negative effects, including extreme inequality, that result from unchecked capitalism.

**Measuring Poverty**

Just as defining poverty is highly contested, so too is how we measure it. Canada does not have an official poverty line and there has been much debate in recent years as to how poverty is best measured. The Statistics Canada Low Income Cut-Off (LICO) has most often been used to measure poverty. The LICO is essentially an income threshold below which a family will likely devote a larger share of its income on food, shelter and clothing than would the average family (Statistics Canada 2010). Using data from the 1992 Family Expenditures Survey as a base, and then factoring in Consumer Price Index (CPI) inflation rates, Statistics Canada calculates both before- and after-tax cut-offs for various family and community sizes resulting in 35 cut-offs (Statistics Canada 2010). Both before- and after-tax calculations are currently available. Statistics Canada is reportedly phasing out the before-tax LICO arguing that it does not accurately capture the real situation of Canadians that results from redistributive tax policies. Table 1 and Table 2 provide recent calculations of before- and after-tax LICOs.

**Table 1: Low Income Cut-Offs (Current Dollars, 1992 base)**

<table>
<thead>
<tr>
<th>Size of Family</th>
<th>Before Tax – 2009</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Rural Areas</td>
</tr>
<tr>
<td>1 person</td>
<td>15,302</td>
</tr>
<tr>
<td>2 persons</td>
<td>19,050</td>
</tr>
<tr>
<td>3 persons</td>
<td>23,419</td>
</tr>
<tr>
<td>4 persons</td>
<td>28,435</td>
</tr>
<tr>
<td>5 persons</td>
<td>32,250</td>
</tr>
<tr>
<td>6 persons</td>
<td>36,374</td>
</tr>
<tr>
<td>7 persons or more</td>
<td>40,496</td>
</tr>
</tbody>
</table>

Source: Statistics Canada catalogue no. 75F0002M –No. 005.

**Table 2: Low Income Cut-Offs (Current Dollars, 1992 base)**

<table>
<thead>
<tr>
<th>Size of Family</th>
<th>After Tax - 2009</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Rural Areas</td>
</tr>
<tr>
<td>1 person</td>
<td>12,050</td>
</tr>
<tr>
<td>2 persons</td>
<td>14,666</td>
</tr>
<tr>
<td>3 persons</td>
<td>18,283</td>
</tr>
<tr>
<td>4 persons</td>
<td>22,783</td>
</tr>
<tr>
<td>5 persons</td>
<td>25,944</td>
</tr>
<tr>
<td>6 persons</td>
<td>28,773</td>
</tr>
<tr>
<td>7 persons or more</td>
<td>31,602</td>
</tr>
</tbody>
</table>

Source: Statistics Canada catalogue no. 75F0002M –No. 005.

While it continues to be the measure most commonly used, the LICO is not a perfect measure and it is often criticised for its flaws. One criticism is that the LICO does not adequately capture differences in costs across the country. For example, housing costs in Winnipeg are far
lower than those in Vancouver and Toronto, yet the LICO does not account for this difference. The LICO is also not applicable to First Nations because LICOs include the cost of shelter, which is generally paid for in First Nations.

The Fraser Institute has lobbied for the elimination of the LICO. It argues that this measure effectively overstates poverty in Canada by making it a ‘moving target’ and that relative measures like the LICO will not allow us to ever alleviate poverty because the threshold is simply too high and constantly rising (Sarlo 1992). The Fraser Institute’s solution is essentially to lower the threshold so that the incidence of poverty will appear much lower than that currently shown by the LICO. In this regard, the Fraser Institute developed an absolute measure of poverty that includes only the barest of necessities and essentially shows Canada to have very little poverty.

In addition to the LICO, the Canadian government uses other measures. For the purpose of making international comparisons to determine how our country ‘measures-up’ against others, Statistics Canada uses the Low Income Measure (LIM). The LIM (Table 3) is basically a fixed percentage (50% adjusted for family size) of median-adjusted family income using the Survey of Labour and Income Dynamics (SLID).

| Table 3: Low-Income Measures (LIM) for Household Size of Four Persons, 2008 |
|-----------------------------|-----------------------------|
| Market Income               | Before Tax                  | After Tax                   |
| Current dollars             | 2008                        | 37,644                      | 42,376                      | 37,164                      |

Note: To convert to other household sizes, divide these values by 2 (the square root of the household size of four persons) and then multiply by the square root of the desired household size.

Source: Statistics Canada catalogue no. 75F0002M –No. 005.

The Government of Canada has more recently established an absolute measure called the Market Basket Measure (MBM) (Table 4). Governments and some analysts favour the MBM over the LICO because it takes into account regional differences in the cost of living. The MBM includes a broader range of essential goods and services than does the Fraser Institute measure, but it is similarly flawed in that its generosity depends on what goes into the ‘basket’ and how often it is updated.

While the LIM can be useful when comparing different countries and the MBM is useful because it takes factors other than income into consideration, poverty must be viewed in the context of the social and economic conditions of the nation, and social exclusion stems from a lack of access to opportunity as a result of poverty. From this perspective, the LICO, and in particular the after-tax LICO, are suitable for measuring how some Canadians are faring relative to others and how well tax policies are serving to counter labour market inequalities.

<table>
<thead>
<tr>
<th>Table 4: 2008 Market Basket Measure (MBM) Thresholds, Disposable Income (current dollars), Reference Family of Two Adults and Two Children by MBM Region</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Newfoundland and Labrador</strong></td>
</tr>
<tr>
<td>Rural</td>
</tr>
<tr>
<td>Less than 30,000</td>
</tr>
<tr>
<td>St. John’s</td>
</tr>
<tr>
<td><strong>Nova Scotia</strong></td>
</tr>
<tr>
<td>Rural</td>
</tr>
<tr>
<td>Less than 30,000</td>
</tr>
<tr>
<td>30,000 to 99,999</td>
</tr>
<tr>
<td>Halifax</td>
</tr>
<tr>
<td><strong>Quebec</strong></td>
</tr>
<tr>
<td>Rural</td>
</tr>
<tr>
<td>Less than 30,000</td>
</tr>
<tr>
<td>100,000 to 499,999</td>
</tr>
<tr>
<td>Montreal</td>
</tr>
<tr>
<td><strong>Ontario</strong></td>
</tr>
<tr>
<td>Rural</td>
</tr>
<tr>
<td>Less than 30,000</td>
</tr>
<tr>
<td>100,000 to 499,999</td>
</tr>
<tr>
<td>Ottawa</td>
</tr>
<tr>
<td>Toronto</td>
</tr>
<tr>
<td><strong>Manitoba</strong></td>
</tr>
<tr>
<td>Rural</td>
</tr>
<tr>
<td>Less than 30,000</td>
</tr>
<tr>
<td>Brandon</td>
</tr>
<tr>
<td>Winnipeg</td>
</tr>
<tr>
<td><strong>Alberta</strong></td>
</tr>
<tr>
<td>Rural</td>
</tr>
<tr>
<td>Less than 30,000</td>
</tr>
<tr>
<td>Edmonton</td>
</tr>
<tr>
<td>Calgary</td>
</tr>
<tr>
<td><strong>British Columbia</strong></td>
</tr>
<tr>
<td>Rural</td>
</tr>
<tr>
<td>Less than 30,000</td>
</tr>
<tr>
<td>100,000 to 499,999</td>
</tr>
<tr>
<td>Vancouver</td>
</tr>
</tbody>
</table>

Source: Statistics Canada catalogue no. 75F0002M –No. 005.

The Extent of Poverty

The various measures used to determine poverty in Canada is useful for different purposes. Debates continue on which measure paints the most accurate picture of poverty in Canada. None of these measures are perfect but the squabbling over which is best to use is somewhat of a distraction. What is most important is that we acknowledge poverty exists at unacceptable levels, set targets and timelines to reduce it, and use a consistent measure to track progress over time.
The LICO is used here to tell the Canadian story because it remains the most commonly used measure with the longest history and is therefore the most useful to measure our progress. As shown in Table 5, there has been a reduction in poverty in recent years as measured by the LICO, both before and after tax.

### Table 5: Percentage of Persons in Low-Income, Canada Before and After Tax

<table>
<thead>
<tr>
<th>Year</th>
<th>Before Tax</th>
<th>After Tax</th>
</tr>
</thead>
<tbody>
<tr>
<td>1987</td>
<td>16.0</td>
<td>13.6</td>
</tr>
<tr>
<td>1992</td>
<td>18.3</td>
<td>16.1</td>
</tr>
<tr>
<td>1997</td>
<td>19.2</td>
<td>15.8</td>
</tr>
<tr>
<td>2002</td>
<td>16.2</td>
<td>12.2</td>
</tr>
<tr>
<td>2006</td>
<td>14.3</td>
<td>11.4</td>
</tr>
<tr>
<td>2008</td>
<td>13.5</td>
<td>9.3</td>
</tr>
<tr>
<td>2010</td>
<td>13.5</td>
<td>9.0</td>
</tr>
</tbody>
</table>

Source: Statistics Canada Cansim Table 202-0802

There is a much deeper story to be told. The general trend does not tell us who is poor and where people in poverty are most likely to live. It also doesn’t tell us the depth of poverty, the extent to which Canadians are transitioning out of poverty and how their incomes compare with other Canadians. For example, the prevalence of poverty for Aboriginal people in Canada is far higher than that of the non-Aboriginal population, as shown in Table 6.

### Table 6: Prevalence of Poverty Aboriginal/Non-Aboriginal, 2006 Census

<table>
<thead>
<tr>
<th>Status-2006 Census</th>
<th>Aboriginal</th>
<th>Non-Aboriginal</th>
<th>Status-2006 Census</th>
<th>Aboriginal children under 15 years</th>
<th>Non-Aboriginal children under 15 years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economic families</td>
<td>18.7%</td>
<td>8.4%</td>
<td>Low-income households</td>
<td>27.5%</td>
<td>12.9%</td>
</tr>
<tr>
<td>Unattached individuals</td>
<td>42.8%</td>
<td>28.9%</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Collin and Jensen, 2009

Prospects for Poverty Reduction as a Priority on the Public Policy Agenda

In the late 1990s, several European countries began to recognise the societal impact of social exclusion and moved toward implementing comprehensive social inclusion strategies. The extent to which they were comprehensive in practice is debatable and in many ways now mute as countries previously leading the effort to increase inclusion have moved away from comprehensive policy approaches in the wake of the global economic crisis. The new mantra is ‘austerity’. Governments are cutting back rather than building social safety nets and this means the scaling back of social benefits and programs designed to address poverty and social exclusion. Proponents justify this as a necessary response to reducing growing government debt and to stimulate ‘investor confidence’. However, there is growing evidence that in some countries, austerity measures are creating more harm than good (OECD 2012). This will come as no surprise to Nobel prize-winning economist Joseph Stiglitz. In 2011 he warned, ‘Austerity is an experiment that has
been tried before with the same results, cutting budgets in low-growth cycles leads to higher unemployment and hampers recovery' (Schwartzkopff 2011).

While Canada’s Conservative government is taking full advantage of austerity propaganda to justify cutting back rather than bolstering social supports. It is also true that for countries like Canada and the U.S, comprehensive poverty and inequality reduction approaches have not been placed high on the policy agenda for a very long time. This is unlikely to change anytime soon. While some provincial governments have implemented poverty reduction strategies, they are few and far between, and the absence of a federal plan weakens the effectiveness of the most ambitious regional efforts. In the most recent Canadian federal election (2011), poverty and inequality were nowhere mentioned in the Conservative government’s policy platform and once elected, the Conservative government moved rapidly to move in the opposite direction, scaling back important economic security programs including Employment Insurance and Old Age Security. In spite of the growing evidence of housing insecurity, the Conservative government continues to ignore calls for a national housing strategy. The lack of safe, affordable housing is the most often cited issue raised by low-income households. A national childcare plan, which was close to becoming a reality prior to the Conservative's election in 2006, is no longer on the political radar. Other important programs have been clawed back or eliminated, affecting the most vulnerable Canadians. For example the Conservative government has eliminated important health benefits for refugees; cancelled funding to several Aboriginal organisations, and funding for prevention programs supporting vulnerable youth have been cut.

Conclusion

Sadly, the prospects for poverty reduction as a political priority in Canada are not great. Poverty reduction will not become a priority unless elected officials feel political pressure to make it a priority. What we do know for sure is that there is a lot of work to do to convince the voting public that poverty reduction is important to the overall health and well being of Canadians and that it is in everyone’s best interest to greatly reduce it.

References


Sarlo, C. 1992 Poverty in Canada, Fraser Institute, Vancouver.


Townsend, P. 1979 The International Analysis of Poverty, Harvester Wheatsheaf, Milton Keynes.


Footnotes

1. Aboriginal identity refers to those persons who reported identifying with at least one group that is, North American Indian, Metis or Inuit, and/or those who reported being a Treaty Indian or a Registerd Indian, as defined by the Indian act of Canada, and/or those who reported they were members of an Indian band or First Nation Statistics Canada Aboriginal peoples in Canada in 2006: Inuit, Metis and First Nations, 2006 Census, Cat.no.97-588-XIE, p.51).

Author

Shauna MacKinnon, PhD, is an assistant professor in Urban and Inner-City Studies at the University of Winnipeg. Shauna was the Director of the Canadian Centre for Policy Alternatives, Manitoba office (CCPA-MB) from 2005 to 2013 and continues to work with CCPA as a research associate. Shauna is co-investigator of the Manitoba Research Alliance, Partnership for Change-Community Based Solutions for Aboriginal and Inner-City Poverty, a seven-year research project funded by the Social Sciences and Humanities Research Council. Shauna is a long time anti-poverty advocate and has written extensively on poverty issues in her home province of Manitoba. In 2009 Shauna co-authored the CCPA publication, The View From Here: Manitobans Call for A Poverty Reduction Plan.
Introduction

The eradication of absolute poverty has been one of the most important achievements of well-developed welfare states. From a comparative perspective, the Nordic countries have been the most successful nations in providing equal opportunities for all citizens regardless of their socio-economic background. Moreover, the relative poverty rates in the Nordic countries are among the lowest in cross-national comparisons (UNICEF 2012; OECD 2011b).

Finnish social policy has been based on the universalistic principles of providing social protection for all and protecting citizens against various social risks, such as unemployment, old age, and work disability (NOSOSCO 2011; Niemelä & Salminen 2006). These policy measures have not been aimed specifically at poverty reduction but to provide protection to the citizens against social risks that can lead to poverty (Kangas & Saari 2007).

Finnish Welfare State

The constitution of Finland states that ‘those who cannot obtain the means necessary for a life of dignity have the right to receive indispensable subsistence and care’ (Ministry of Justice 1999). The current institutional base of the Finnish welfare state was formed through a gradual process after the Second World War (Kangas & Palme 2009). However, it would be inaccurate to claim that the Finnish welfare state (or any other Nordic welfare state) is a result of thoughtful design and planning. Kauutti states that the Nordic welfare states are ‘the result of political bargaining, step-by-step reforms, and their imperfect implementation’ (2010: 588). Over the decades, new benefits and services were incorporated to the Finnish welfare system (Niemelä & Salminen 2006). These reforms have made the system more comprehensive but also rather complex for citizens to utilise, and to be aware of benefits they are entitled to receive. The complexity of the Finnish social security system is especially visible in autobiographical narratives written by low-income citizens (e.g. Larivaara et al. 2007).

Along with the other Nordic countries, Finland has been able to attain high levels of economic and social performance despite the relatively high tax rate, generous social benefits, extensive public services, and universal policies including tax-funded higher education (Andersen et al. 2007). According to various economic and social indicators, Finland ranks among the top countries in the world. For instance, Saari (2011) has reviewed Finland’s ranking on some of the well-known international indexes measuring different aspects of social and economic development, such as the Prosperity Index (1st in 2009), the Sustainable Society Index (5th in 2010), the Satisfaction with Life Index (6th in 2006), and the Competitiveness Index (7th in 2010).

The resistance of the Finnish welfare system was tested when the country suffered a major recession and mass unemployment in the 1990s (Kiander 2005). As a consequence of the macro-economic crisis, numerous spending cuts were made in the public sector. However, the foundations of the welfare state survived and Finland was able to bounce back to good overall economic competence. Finland’s relatively fast recovery from a deep recession has been seen as proof that the Nordic welfare model can be sustainable also when facing economic downturns (Kangas & Palme 2005). Nevertheless, the recession left unemployment rates slightly higher as
compared to the rate before the economic decline and left a portion of citizens in social exclusion and in long-term unemployment. Jutila (2011) argues that the economic crisis in the 1990s was an accelerator of welfare state retrenchment in Finland, for instance, the crisis was used to justify cuts in social programmes. The most recent global financial crisis in 2009 has been noticeable also in Finland but the effects have been minor when compared with the crisis in the 1990s (Ministry of Finance 2012a).

Despite Finland's fast recovery from the 1990s recession and relatively good economic and social performance, income inequality and relative poverty have increased during the past decade. Finland had the fastest growing income inequalities among the OECD countries in 1995-2000 and the Gini coefficient increased from 21.7 to 26.7 (OECD 2008; Statistics Finland 2009). The incomes of the top one per cent of the population have more than doubled between 1992-2000 (Riihelä 2009). In the 2000s, income inequality continued to rise and the Gini coefficient in Finland was 28.2 in 2010 (Statistics Finland 2012d). However, income inequality in Finland is still lower than in many other OECD countries, which had an average Gini coefficient of 31 in the mid-2000s (OECD 2008: 51). Increases in income have concentrated on the highest income decile as the redistributive effect of taxes and transfers has decreased. For instance, the level of minimum social assistance in Finland has grown slower than the general wage trend. Empirical analyses show that the adequacy and effectiveness of social assistance in terms of poverty reduction has decreased in Finland and in other Nordic countries during the past 20 years (Kuivalainen & Nelson 2012). This has increased relative poverty, especially among single parents and the long-term unemployed without earnings related benefits (Moisio et al. 2011).

**Poverty and Inequality in the Government Programme**

Rising socio-economic inequalities in income and health have been seen as major challenges to the current Finnish welfare system. Tackling poverty and growing inequality have been put high on the national political agenda. For instance, the most recent Government Programme sets ‘the reduction of poverty, inequality and social exclusion’ as one of the government’s three priority areas (Prime Minister’s Office 2011: 7)\(^2\). The programme explicitly states ‘the Nordic welfare model, based on a high employment rate, competitive economy, equal services and care for all, has proven the best social system’ (Finnish Government 2011).

The overall stance of the current Finnish Government Programme is in balancing social and economic performance, which also includes spending cuts. It highlights that the basic structures of Finnish welfare society need to be developed and reinforced in order to combine social cohesion with economic competitiveness in the future. Recently, the Finnish government has increased the level of unemployment benefits and social assistance (NOSOSCO 2011). In the future, the adequacy of basic benefits will be evaluated every fourth year with the first evaluation being carried out in 2011 (Moisio et al. 2011).

**European Union and Poverty Reduction**

Finland joined the European Union (EU) in 1995, and since then European integration has had a considerable impact on Finnish national policies, especially at the economic level. Finland adopted the Euro as its national currency in 2002, while other Nordic countries preserved their national currencies. Deregulation and free market principles have been to some extent driving forces of EU policy making in the 2000s. European competition legislation is having an influence on new areas such as health care services, pharmaceutical policies, services of general interest, and various national monopolies such as state-controlled gambling (Kattelus et al. 2013).

Although the EU does not have direct power to guide national social policies, the European commission has steered policies in member states through a form of ‘soft law’ defined as the Open Method of Coordination (OMC) (Kangas & Saari 2007). The OMC does not aim at binding legislation at the EU level, but has included activities such as defining indicators to monitor social development, forming shared guidelines for achieving policy goals, and sharing best practices between member states\(^3\).

In 2010, the European Union adopted the Europe 2020 strategy that aims at high levels of employment, productivity, and social cohesion. The strategy also sets a target to reduce people living at risk of poverty and social exclusion by 20 million by the year 2020 in EU member states (EU 2013). The member states were advised to set their own national targets based on three available indicators that are: at-risk-of-poverty rate; the level of material deprivation; and the number of jobless households. In Finland, the Ministry of Social Affairs and Health evaluated that based on these indicators there is a total of around 900,000 citizens experiencing a risk of poverty or social exclusion. Finland has responded to the Europe 2020 strategy and set poverty reduction targets that would reduce the number of people at risk of poverty by 100,000 and improving the labour market position of 50,000 people (Ministry of Finance 2011: 2012b). However, it needs to be noted that after the current financial difficulties in the Eurozone, many have become sceptical of whether many of the goals set in the Europe 2020 strategy can be achieved.
Research on Finnish Poverty

Finland has several governmental agencies and institutions producing data on various social indicators. Statistics Finland (2011) is the most significant governmental agency measuring and monitoring poverty in Finland. As the government’s official statistics agency, Statistics Finland publishes yearly income distribution statistics along with more specific and thematically focused analyses of income distribution data.

The Social Insurance Institution of Finland (Kela) is an independent social security institution with its own management and finances that provides benefits for the Finnish citizens and carries out research on social security and its implementation. The institution is supervised by the Finnish Parliament (Kansaneläkelaitos 2012).

The Ministry of Social Affairs and Health (STM) aims at ensuring that ‘everyone in Finland has equal opportunities for a healthy and safe life’ (STM 2011). The Ministry promotes the health and welfare of Finnish citizens and monitors the adequacy of social and health services and social insurance. As a government organ, the Ministry implements the government’s programme, drafts legislation, and directs the implementation of new reforms (STM 2011).

Finnish Poverty Rates from a Comparative Perspective

Poverty rates in Finland are below the OECD average (OECD 2011b). From an international perspective, the relative poverty rates in Finland are lower than in Anglo-Saxon liberal welfare states such as Australia, Canada, the UK, and the United States (see Figure 1). In the late 2000s, OECD ranked Finland 23rd of 34 nations in the extent of poverty (OECD 2011b). The number of Finnish people with income below 60% of the median has increased from 10.7% in the mid-80s to 15.6% in the late-2000s. The increase of relative poverty in Finland is significant although the country’s poverty rate is still below the OECD average of 17.1% in the late-2000s.


Figure 1. Poverty Rates After Taxes and Transfers in Selected OECD Countries (Incomes Below 60% Of The Current Median Income)
Calculations based on EU-SILC 2009 data show that deprivation rates for European children (aged 1 to 16) living in single-parent families are the lowest in Norway (4.1%), Sweden (4.3%), Iceland (4.4%), and Finland (6.8%) (UNICEF 2012). For a wider comparison, child poverty rates in developed countries are listed in Table 1.

### Table 1. Child Poverty by Different Relative Poverty Lines in the Late 2000s

<table>
<thead>
<tr>
<th>Country</th>
<th>Poverty level at 60%</th>
<th>Poverty level at 50%</th>
<th>Poverty level at 40%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Norway</td>
<td>11.3</td>
<td>6.1</td>
<td>3.1</td>
</tr>
<tr>
<td>Finland</td>
<td>11.9</td>
<td>5.3</td>
<td>1.5</td>
</tr>
<tr>
<td>Sweden</td>
<td>12.7</td>
<td>7.3</td>
<td>3.7</td>
</tr>
<tr>
<td>Germany</td>
<td>14.9</td>
<td>8.5</td>
<td>4.6</td>
</tr>
<tr>
<td>France</td>
<td>16.8</td>
<td>8.8</td>
<td>3.7</td>
</tr>
<tr>
<td>Australia</td>
<td>17.6</td>
<td>10.9</td>
<td>4.3</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>20.8</td>
<td>12.1</td>
<td>5.6</td>
</tr>
<tr>
<td>Canada</td>
<td>21.9</td>
<td>13.3</td>
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<tr>
<td>United States</td>
<td>31.1</td>
<td>23.1</td>
<td>16.6</td>
</tr>
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</table>


1. The most plausible explanation for low child poverty rates is that these Nordic countries provide generous benefits to families with children and have implemented dual-earner family policies to support female participation in the labour force (Kangas & Palme 2009).

### National Perspectives on Poverty

According to the Statistical Office of the European Communities (Eurostat), people whose incomes fall 60% below the median income are defined to be at risk of poverty (Eurostat 2009). In 2010, 13.3% of the Finnish population lived below the poverty line at 60% of median equivalised income (Statistics Finland 2012b). A Finnish person living alone was defined as a low-income earner if his or her monthly income was less than 1,228 Euros (i.e. the low-income limit per consumption unit was 14,741 Euros per year in 2010).

Between 2007-2010, the Finnish at-risk-of-poverty rate fluctuated between 13.1% and 13.5%, making the number of low-income earners to be around 700,000 citizens (Statistics Finland 2012d). The level of relative poverty rose rapidly along with increased income inequality from the 1990s to the late-2000s. However, the at-risk-of-poverty rate did not increase in 2009, and in 2010 the upward trend continued (Figure 2).

**Figure 2.** Percentage of People at-Risk-of-Poverty in Finland 1990-2010: 50% and 60% of the median equivalent income of all households

Source: Statistics Finland 2012a4.
The most recent income distribution statistics (Statistics Finland 2012b) show that the child poverty rate (persons aged 0-17) was 12.4% in 2010, making for 134,904 children in total. The low-income risk for young adults (aged 15 to 24) was 26.5% and for elderly (aged 65 or over) the rate was 13.5%. The number of people considered as working poor is lower in Finland than in many other EU countries (Lehto 2010). So far only a few Finnish studies have analysed in-work poverty; however, it can be concluded that currently Finnish wage earners have a very low risk of poverty (3.4% in 2007). On the other hand, the risk of poverty is considerably higher among self-employed persons (12.5% in 2007) (Lehto 2010).

Figure 3 shows that 45.8% of unemployed are low-income earners; many of them rely on minimum social assistance (Statistics Finland 2012c). The second largest group of low-income earners is students (30.1%); but their situation is often seen as less alarming because of the temporary nature of student status and their increasing earning potential in the future. Of the other groups, the risk of poverty is high among the long-term unemployed who do not receive earnings-related benefits. On the other hand, wage earners and people on earnings-related benefits are unlikely to live under the poverty line.

**Figure 3.** Percentage of Finnish Citizens At-Risk-of-Poverty in Various Socioeconomic Groups, 2010

Source: Statistics Finland (2012c).

As a relative measure, the at-risk-of-poverty rate can give only a limited outlook to the extent of economic disadvantages. For instance, in Finland the relative poverty rate was very low during the recession in the mid-1990s, but at the same time, the number of people being unemployed, receiving social assistance, and experiencing income difficulties peaked (THL 2011b). Growing inequality has been associated with growth in the capital market and decreasing inequalities have been associated with the downward trend in the capital market. Although relative indicators have their value, other indicators are needed in order to have an accurate view of the situation of the economically disadvantaged.

**Subjective Financial Well-being**

Subjective poverty measures are useful for greater understanding of the level of financial difficulties in everyday life. According to the OECD’s data from the Gallup World Poll, 11% of Finnish people find it difficult or very difficult to live on their current income; the OECD average is 24% (OECD 2011a). In Finland, the percentage of people experiencing financial difficulties had increased 3% between 2007 and 2010, which is the same as the increase in the OECD average.

Based on subjective evaluations, in 2010, the percentage of Finnish households experiencing 'major difficulties' was 3.2% and experiencing 'difficulties' was 5.2% (Statistics Finland 2011). Certain population groups experienced minor or major difficulties in order to make their ends meet more often than average, such as households with unemployment (62.1%), student households (48%), and single career households (50.9%) (Statistics Finland 2011).

**Social Assistance Recipients**

In the Finnish social security system, social assistance is a last-resort financial assistance paid by a municipality when a person is unable to attain income that is required for ensuring minimal living needs. As a last-resort social security, the level of social assistance recipients is related to the extent of income poverty, the unemployment rate, and various forms of social deprivation. In 2010, the number of individuals who received social assistance at least once was 375,000, which accounted for 7% of the Finnish population (THL 2011a). Many recipients belonged to the same household, and the number of households receiving social assistance was 240,000 in 2010. The percentage of households receiving social assistance on a short-term basis was 39% (3 months or less) and on a long-term basis 28.5% (10-12 months) in 2010 (THL 2011a). People receiving social assistance are a heterogenic group of people with mixed backgrounds. Of all social assistance recipients, 71% belonged to a one-person household and 21% were households with children, of which 55% were lone parents (THL 2011a). The Finnish recession in the 1990s significantly raised the total number of social assistance recipients, but the effect of the 2008 financial crisis was less severe (see Figure 4).

**Future Prospects**

Numerous factors have an influence on the future prospects for poverty reduction in Finland. In general, some of the main challenges are related to maintaining an adequate level of social security and to ensuring the provision of high quality health and welfare services for all
socio-economic groups. The success of poverty reduction in the future will be associated with Finland’s ability to maintain a high employment rate and a healthy working aged population. Achieving this goal would meet the goal of preventing exclusion from education and employment opportunities among younger generations.

The future of the Finnish welfare state is constantly debated among policymakers and researchers. For instance, Hiilamo et al. (2010) have formulated three possible scenarios on the future of the Finnish welfare state. Their first scenario is the retrenchment of the Finnish welfare state associated with stagnant income supports and benefits (e.g. basic unemployment allowance and labour market subsidy) that do not follow the general wage trend. Their second scenario includes incremental and minor increases in social security and moving the Finnish social security system increasingly towards means-tested benefits. In both of these scenarios, the level of earnings-related benefits would rise faster than non-earning relates benefits. The third, and the most optimistic, future scenario includes systematic increases in minimum social benefits that further improve the relative position of citizens at risk of poverty in the lowest income brackets.

Conclusion

In a globalised world, national goals are linked to many global macro-economic trends that influence national economies. Finland has adopted the Euro as its currency which ties the country’s economic policies closely to economic developments in other European countries. As a relatively small national economy, Finland is highly dependent on active export markets. At a more general level, global pressures towards increased tax competition might lead to decisions that reduce the redistributive effect of the Finnish tax system. This would most likely increase economic inequality by raising capital incomes in the top income brackets. Furthermore, equitable policies are required to manage new challenges related to an ageing population and increased immigration. In conclusion, Finland is a well-developed welfare state with relatively low poverty rates, but continuous efforts and political determination at the national level are also needed to ensure a favourable social and economic situation in the future.

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Footnotes

1. The Nordic countries consist of Denmark, Finland, Iceland, Norway, and Sweden (including the territories of the Faroe Islands, Greenland and Åland).

2. Two other priorities of the current Finnish government are ‘consolidation of public finances’ and ‘enhancing sustainable economic growth, employment and competitiveness’.


4. The Statistics Finland and the OECD use different statistical units to measure at-risk-of-poverty rate, which explains slightly lower relative poverty rate measured by the Statistics Finland compared to the OECD.

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The Politics of Poverty in Norway

ELISABETH FOSSE

The issue of poverty has been on the Norwegian political agenda since the late 1990s. At that time a liberal/conservative government was in office, and the issue was conceptualised as a problem for the very few and measures were solely aimed at disadvantaged groups. It is important to note that a number of structural and universal measures also were in place, as a part of Norwegian welfare state policy. From 2005 the problem has been conceptualised not only as a poverty issue but also as a structural problem. The main aim is not only to improve living conditions for the most disadvantaged groups, but also to reduce the social gradient. In order to achieve this, it will be necessary to implement broad universal measures, combined with efforts to improve the situation for those worst off. This policy change occurred when the left wing/centre government came into office in 2005. Reducing, or even eradicating, poverty has been an overarching goal for this government. Parameters of poverty and social and economic exclusion have been developed and the situation is thus also more visible than it used to be.

Introduction

In this article the Norwegian policies to reduce poverty over the last 10-15 years are presented. In this period there has been a development where the issue has moved from a low to high priority on the political agenda. This change can partly be explained by an increased political focus on this issue, but also by an improved evidence base.

How is the Issue of Poverty Placed on the Public Policy Agenda?

Norway is a so-called social democratic welfare state (Esping-Andersen 1990). Poverty eradication is an implicit part of the ideology behind this welfare state typology. Universal arrangements for redistribution via the tax system are at the basis of this system; among them are universal health care, free public schools up to 19 years, and high quality, full-time day care at reasonable prices. There are also social security safety nets in place for groups that are in danger of falling into poverty. These supports include unemployment benefits, child benefits, support for housing etc.

These welfare arrangements were developed in the decades after World War II. At this time, the issue of poverty was very low on the political agenda, and remained so until the 1990s. It was taken for granted that poverty was more or less a historic phenomenon, except for particularly vulnerable groups. In the Norwegian culture there is also a basic understanding that ‘we are all equal’, even though there are few quite poor or very wealthy people (Dahl 2002). In Norway, dimensions of inequalities among the urban/rural and gender dimensions were emphasised more than social inequalities. This was the case, whether a social democratic or a conservative government was in office (Dahl 2002). Subsequently, national data, regarding school dropouts, did not at this time include the socio-economic background of school dropouts.

Around the turn of the millennium, the conservative/liberal government in office at the time issued an Action Plan against Poverty (Ministry of Health 2002). Efforts were to be aimed at particularly disadvantaged groups. It is fair to claim that it was only after the social democratic coalition, the so-called Red-Green government, came into office in 2005 that the issue of poverty reduction was placed at the very top of the political agenda. In the government declaration from 2005 the government stated that they wanted to eradicate poverty (Soria Moria Declaration 2005). Several national policy documents and action plans have been developed over the last few years.

What are the Primary Discourses in the Nation that Explain Poverty?

The so-called ‘employment line’ has been the basis for Norwegian welfare policy since the beginning of the 1990s. This is also the main strategy for the present government in fighting poverty (Fløtten et al. 2006). According to these authors, there are many reasons to choose this strategy in Norway. Compared to other countries, Norway has a work life system that protects the work force against income poverty. Together with the other Nordic countries, Norway has led the way in developing active labour market policies which have contributed to low unemployment rates, and hence low poverty rates. High levels of participation in the workforce also contribute to the important role paid work has in the
Norwegian society. In this situation, being out of the work force might be more connected to social exclusion than in many other countries.

Alongside the ‘employment line’, there are different discourses in explaining poverty and subsequently, how to act to reduce poverty. The policy suggested by the conservative/liberal government in 2002 had a clear focus on poverty among disadvantaged groups and individuals. This was regarded as a problem for these individuals and not a structural problem based on the organisation of society (Ministry of Health 2002).

When the so-called Red-Green coalition came into office in 2005, the discourse changed. Poverty reduction was viewed as one among several strategies to reduce social inequalities in health by levelling the social gradient. In this government’s action plan against poverty (Ministry of Labour and Social Inclusion 2006b) it was emphasised that fighting poverty is also an issue of social justice and equal opportunities. Hence, poverty can be reduced by means of universal welfare arrangements based on Norwegian welfare state traditions in the areas of work life, education and health, and social services. In addition, the government applied measures to include disadvantaged groups in work and social life. The action plan had three goals:

- Everybody should have the possibility to get a paid job;
- All children and young people should have the opportunity to participate and develop;
- Improve living conditions for the most disadvantaged.

After 2005, the policies to reduce poverty have been strongly related to the development of policies to reduce social inequalities in health by levelling the social gradient (in health). In 2007 the three-party coalition government launched the white paper, entitled ‘National Strategy to Reduce Social Inequalities in Health’ (Ministry of Health and Care Services 2007). The primary objective of the strategy was to reduce social inequalities in health by levelling up.

The white paper highlights four areas of action to reduce social inequalities in health: reduce social inequalities that contribute to inequalities in health; health behaviour and use of the health services; targeted initiatives to promote social inclusion; and develop knowledge and cross-sector tools. Accordingly, the new strategy includes interventions that are universal but also aim to help vulnerable groups.

A new Public Health Act was introduced in Norway for the period beginning January 1, 2012 (Government of Norway 2011). The principle of reducing social inequalities is at the core of the act, and these should be reduced by acting on the social determinants of health based on comprehensive intersectoral strategies. Two of the overall principles of the act are Health equity and Health in all policies (ACT 2011-06-24, no.29).

How is Poverty Measured by Authorities and Researchers?

In the first action plan to combat poverty, issued by the conservative/liberal government in 2002, the traditional OECD scale was applied. Those who had an income below 50% of the median income in the population were defined as poor. This is a rather narrow definition of poverty; but the definition set by the EU in the same period was 60% of the median income (Ministry of Health 2002; Fløtten et al. 2006).

When the Red-Green government came into office in 2005, a hearing was arranged, and a report was published by national researchers on poverty issues (Fløtten et al. 2011). The report was a discussion paper to advise the government in both the theoretical understanding of poverty and how to address the issue. In the report different definitions of poverty are discussed. The authors argue that there are both fundamental and more practical reasons to apply several alternative indicators and definitions of poverty. Poverty is often a question of degrees, rather than ‘either/or’. Some are a little poor and others are very poor. A more practical reason is that the available data on household income does not always provide a solid measure of a household’s assets. The main conclusion is that there are few evidence-based arguments for choosing one method over another (Fløtten et al. 2011).

The report to follow up the action plan against poverty was issued in 2008 and included a status report and plan for future action (Ministry of Labour and Social Inclusion 2008). The report discusses different definitions of poverty, and in line with the advice from the researchers’ 2006 report; it endorses a broad understanding of poverty.

The action plan presents the development of indicators regarding persistent income inequalities (for three years or more), participation in work life, unemployment and social welfare benefits. Other indicators applied are the number of homeless people, or people who are evicted from their homes. The Ministry of Labour and Social Inclusion (Now: Ministry of Children, Equality and Social Inclusion) is working to develop new and more accurate indicators, and also to see how indicators such as income, wealth, debts, and housing are connected.

The Extent of Poverty

Based on the discussion above, the number of poor and the distribution of poor in different groups of the population will vary, depending on what methods are used. Providing an updated picture can also be difficult, since there is a time lag in the collection and presentation...
of national statistics. In the following section, I will base my presentation on the numbers from the action plan from 2008 that presents findings from 2006 (Ministry of Labour and Social Inclusion, 2008). There are some newer numbers in other reports, but the changes are quite small (Fløtten et al. 2006).

In the period 2004-2006, 2.9% of the population had an after-tax income of less than 50% of the median income (OECD scale). By using the EU scale, i.e. 60% of median income, the number was 7.9%. According to findings from both methods, the share of the population with persistent low income increased up to the period 2002-2004. After that the number has been slightly decreasing. Households with children are over-represented in groups with persistent low income (58%, OECD scale). Single persons under 45 years and unattached individuals over 65 years are also overrepresented among the poor.

There is a close connection between poverty and being out of the work force. Indeed, 74% of the population (18-64 years) participated in the work force in 2008 and is the highest number ever measured. The increase is explained by high employment among women and elderly employees. It is thus obvious that being out of the work force on a long term basis increases differences between the working population and the unemployed, with those outside the work force at risk of poverty.

Immigrants are strongly over-represented among persons with low income, compared to the population as a whole. This is particularly the case for non-European immigrants. In the period 2004 to 2006 more than 25% of children under 18 years in this group lived in poverty (OECD scale). On the EU scale this number was 37%. This group constitutes approximately 40% of all children living in poverty. Research found that non-Western immigrants in general are at greater risk of living in poverty than the population in general (Bhuller & Aaberge 2010). There are very few poor among the full-time employed non-immigrants. However, among full-time employed immigrants, the researchers also find poor groups, including families with children in which both parents are employed. People who receive long term social benefits are also among the groups at risk of long term poverty.

In his analyses Mogstad (2005) found that poverty in Norway is a particular problem for the larger cities. This is because the cost of living is much higher in the urban areas compared to rural areas. A majority of immigrants live in the cities.

What Have Been Public Policy Responses to Poverty?

In the follow up of the 2008 Action Plan against poverty it was stated that the government aims to eradicate poverty (Ministry of Labour and Social Inclusion 2008). This very ambitious goal demands comprehensive, long term efforts. In the action plan the overall aims are outlined:

- An economic policy which facilitates high employment rates, stable economic growth and sustainable welfare arrangements;
- A further development of the Nordic welfare model;
- A broad preventive perspective; and
- Targeted measures to reduce poverty

The action plan is part of a comprehensive policy to reduce poverty, together with a number of other policy documents (Ministry of Labour and Social Inclusion, 2006a; Ministry of Education and Research 2006; Ministry of Health and Care Services 2007; Ministry of Labour and Social Inclusion 2007). The action plan has three concrete goals:

- Everybody should be able to be employed in paid work;
- All children and young people should be able to participate in society and develop their potential; and
- Improve living conditions for the most disadvantaged.

**Everybody Should Be Able to be Employed in Paid Work**

A government report was issued in 2006 called 'Work welfare, and inclusion' (Ministry of Labour and Social Inclusion 2006a). The report suggests measures and streamlined benefits to increase employment for persons who have problems in the ordinary labour market. The most important measures are a worker qualification program for disadvantaged groups, and particular efforts for young people outside the labour force. There are also programs to improve basic competencies for adults.

**All Children and Young People should be able to Participate in Society and Develop their Potential**

The education system in Norway is based on a 10-year compulsory education and a right of everyone to enter upper secondary education. Higher education is free in the sense that there are no school tuition fees. All students are eligible for subsidised loans and grants for higher education.

The government has introduced policies at all levels of education. From 2009 all children from one year are entitled to high quality day care at reasonable rates. At primary school there is language assistance for children who need this support. There is a particular focus on children from minority groups, particularly by increasing their skills in the Norwegian language. Language is a marker of future inclusion or exclusion, and children who enter primary school without basic knowledge of
the Norwegian language are in danger of being future school dropouts. In addition to focusing on language skills, children in areas with a high level of immigrants are offered free day care for several hours per day. However, more than 25% of young people drop out of school, and without basic education are vulnerable to poverty and social exclusion. Young people under 20 years are entitled to upper secondary education while those who drop out of school are entitled to alternative education or work training.

**Improve Living Conditions for the Most Disadvantaged**

Children and young people have also been a target group for efforts aimed at disadvantaged groups. The social services have developed programs to include groups of young people who are in danger of being marginalised. These efforts are part of a broader policy aimed at children and families who live in poverty. Other measures have been developed to improve living conditions for the most disadvantaged groups. Among these supports is improved financial support for housing.

**What are the Prospects for Poverty Reduction?**

As described above, several policies and interventions have been implemented since 2006 aimed at different target groups. In the discussion of the prospects of poverty reduction in Norway, I will start by referring to the reflections of Fløtten et al. (2006: 3 my translation) in their report on the government’s policy:

The government aims to eradicate poverty in Norway. As we will show, this is an unrealistic goal. Still, there might be good reasons to maintain the concept ‘eradicate’, but as an expression of a vision rather than an operational goal.

It is fair to say that government has followed the researchers’ advice and developed a variety of measures to reduce poverty. It is difficult to say if these measures have reduced poverty among disadvantaged groups, but some numbers may indicate that we are moving in the right direction. A recent report shows that the share of children living in low income families fell between 2008 and 2009, and has remained at the same level in 2010. Over recent years the number of people who have social welfare benefits as their main source of income has also fallen and there are fewer long term recipients (Herud & Naper 2012).

In 2007, the government launched the Qualification Program (QP) as its most important measure to fight poverty. The program is in the vein described earlier as the ‘employment line’ in Norwegian welfare policy. The target group is persons who are considered to have small possibilities of getting a job via ordinary channels, but who might be able to enter the labour market if they obtain individual support. The program includes income support and a variety of measures that help individuals prepare to enter the labour market.

A formative evaluation of the QP was undertaken in 2009-10 (Schaft & Spjelkavik 2011). The summative evaluation will be presented by the end of 2013. Since the evaluation is formative, it does not present final results. However, it concludes that the program gradually has adopted a labour market orientation, which can facilitate entry into the labour market. The evaluation concludes that if this orientation is being improved via integrated approaches, there is a chance that many of the participants in the program will find ordinary employment.

In addition to these targeted measures, it is again important to emphasise the significance of the general welfare arrangements that are an important hallmark of the Norwegian welfare system. Universal measures financed via the tax system are strongly contributing to low poverty rates and small social inequalities.

**Conclusion**

Even though the welfare system holds high legitimacy among the large majority of the population, the significance of politics should not be underestimated, particularly when it comes to reducing poverty. As was shown earlier, the present Red-Green government has taken the issue of poverty and social inequalities far more seriously than the previous liberal/conservative government. Research has shown that this is significant both in Norway and in other countries (Fosse 2009; 2012; Navarro & Shi 2001). Social democratic governments tend to give these issues higher priority than conservative governments. This would imply that in order to maintain the priority to reduce poverty in Norway, we would need the present government to be re-elected at the general election later this year.

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The Last Supper

I even remembers the last meal I had ‘fore them white men snatched me up: corn balls with thick goat and peanut stew. Scooped it up with my fingers and gnawed on the bones, sucking all the marrow out. I remembers the smell of smoke from the cooking fires, watched it rise up to the stars in the African sky. Those stars was different from the ones here. Them stars, they spoke to you like they was whispering secrets, telling you you is loved, and mighty, and present, always.

Stars here, I looks at them and all they be telling me is work, work, work.

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The Politics of Poverty in Spain

**Angel R. Zapata Moya, Maria Carmen Navarro Solano, and Olga Soto Peña**

Spain now faces the highest poverty rates in its recent history. This phenomenon is not new in the country, but it has found itself assigned to a residual position within the political agenda, being hidden underneath economic growth figures in the last decade, but re-emerging as a public concern following the economic crisis. This article takes a descriptive approach to the evolution of the concept of poverty noting its re-interpretation at the European level, and examines its impact on the national political agenda. We assess the extent of poverty in the country with a focus on indicators of increasing social exclusion rates as a consequence of the economic crisis and a lack of effectiveness of the social protection system to reduce it. Finally, we describe the role played by policies addressing poverty since the adoption of the First National Plan of Action for Social Inclusion in Spain (2001-2003) until the last National Reform Program adopted in 2012 and their link to the emerging dominance of the neoliberal policy agenda in southern Europe.

**Introduction**

The phenomenon of poverty in Spain and its public interpretation have undergone changes. Along with the concepts of inequality and social justice, poverty has been reinterpreted by the dominant ideological frameworks in Europe (Brock et al. 2001; Kumper 1994; Visser 2000). The ideological transition from a Keynesian paradigm towards a neoliberal paradigm during the 1970s and 1980s set up a new European political context (Habermas 2006; Navarro 2007). Concern for improving the global competitiveness of national economies was established as a priority in the political arena. From this perspective, it supported the creation of an academic research agenda whose efforts were oriented towards the promotion of two key ideas: the ‘unsustainability’ of increased government spending and the ‘evidence based’ culture that linked welfare with excessive dependence on public resources (Subirats 2003). These arguments were used to extend approaches that related social policies and social spending with the loss of competitiveness of domestic economies.

From the field of anti-poverty policies, a redefinition of the problem in a broader sense emerged with an emphasis on social exclusion (Arriba 2002). Around this concept would be a new European strategy for social integration formed during the 1990s. In a first phase, it was understood that the focus on public policy should be aimed at achieving the integration of excluded groups (i.e. policies to improve community environments). However, in the following decade the European strategy was reoriented towards active inclusion (Marban & Rodriguez 2011). This change meant that economic and structural factors ceased to be at the heart of the explanations of the phenomenon. This new emphasis made way for a new understanding of poverty based on the relationship between employability (as individual capacity) and the process of social inclusion.

The re-conceptualisation of the idea of social justice played a key role in this entire process (Inza 2012; Dixon 2012). Social inequalities were no longer perceived as a consequence of unfair structural processes whose solution was to address the issue of redistribution, but rather a problem of integration. In this way, the aim has shifted from social justice as a legislative goal to the maintenance of social cohesion as instrumental for achieving stability and economic growth. The main instruments would be employment and training policies, which enable groups or individuals to leave their deprived situation through the provision of monetary resources. These resources will provide employment and will thereby help individuals to ‘actively integrate’ in the society where they live.

The academic approach for the measurement of poverty in Spain has mostly been studied from a perspective based on the tradition of economics (Pérez 2009; Cantó 2003, Cantó et al. 2012). Besides this economic perspective, which uses indirect monetary indicators based on income or the expenses of the individual and families to study poverty, there are multidimensional approaches that use direct indicators of living conditions (Gil & Ortiz 2009).

Today in Spain the main instrument to monitor the phenomenon of poverty is the survey of living conditions published by the National Statistics Institute. Apart
from monetary indicators, this survey integrates the multidimensional approach applying other dimensions of poverty such as deprivation from access to goods and services. It also integrates indicators designed within the European 2020 framework strategy that approach poverty from a multidimensional perspective applying the concept of ‘social exclusion’.

To add to this, Spain’s highly decentralised state system in which most of the responsibilities for social and welfare policies were gradually transferred to the autonomous communities (AC), led to the transfer of social policy issues and welfare from the national to the regional governments. Analyses of legislative production issues indicate that approximately 23% of the legislative agenda of the autonomous communities has focused on welfare issues including primary and secondary education (approx. 10%), health care (2.5%-5%), social policy (4%-5%), and housing policies (2.5% -5%) (Pallau et al. 2011).

To analyse this situation, we have studied the poverty-related initiatives presented in the Spanish Parliament according to the three main functions: governmental control, legislative exercise, and political orientation exercise (see Table 1) and the percentage of proposal and resolutions in State of the Nation Debates (1997-2011), which explicitly have referred to the key concept of poverty (see Fig.1). By observing the frequency of the initiatives we arrive at the following conclusions: first our analysis reaffirms the residual position of poverty on the parliamentary agenda. Second, frequency data shows that the majority of parliamentary initiatives on poverty are undertaken as part of the government parliamentary control function in the form of questioning, interpellations, hearings and report requests. And finally, the legislative initiatives on poverty have been almost non-existent in Spanish parliamentary life. Only three policy initiatives related to poverty have been presented. These initiatives focused on developing a basic income system. Two of them were rejected, and the other one died on the order paper.

Table 1 shows that the frequency of poverty-related initiatives presented are very limited during Sessions II to IV of the legislature (1979-1993), and shows a slight increase during Session V of the legislature. During the 2004 VIII Session, a growing trend in the priority assigned is seen.

In the evolution of the Spanish political system, parliament has not played a central role in setting the political agenda being designed to generate strong and stable executives in order to boost political stability (Heywood 1995; Van Biezen & Hopkin 2005). The Spanish Prime Minister, also termed the First Minister, has a key role in determining the priorities for political action. Therefore, we have

| Table 1: Frequency Analysis of Poverty Issue Placed on Parliamentary Agenda |
|-----------------|-----------------|-----------------|
| Legislatures    | Control Functions | Legislative Functions | Recommendations for Government policy |
| I Legislation   | 0                | 0                | 1                |
| II Legislation  | 8                | 0                | 0                |
| III Legislation | 8                | 0                | 0                |
| IV Legislation  | 15               | 0                | 0                |
| V Legislation   | 35               | 0                | 0                |
| VI Legislation  | 32               | 0                | 3                |
| VII Legislation | 35               | 0                | 0                |
| VIII Legislation| 162              | 2                | 8                |
| IX Legislation  | 6                | 0                | 20               |

Source: compiled by Authors based on congress initiative search. www.congreso.es

Figure 1: Poverty and Social Exclusion on Parliamentary Agenda

Source: compiled by Authors based on analysis of proposals and resolutions in State of the Nation Debates (1997-2011) analysed the inaugural speeches of all prime ministers and identified the frequency in which the terms poverty, exclusion and marginalisation appear.

Figure 2 shows the low priority assigned by all Spanish first ministers to these issues. The focus of acceptance speeches has been on seeking trust for parliament and presenting their priorities for government action. In 1982 and 1986, the first two left-wing governments after the Franco dictatorship and the centre-right government of Adolfo Suárez (1979-1982) indicated intentions to address the problems of social exclusion. Some members backing the candidate Felipe González of the Spanish Socialist Workers’ Party (PSOE) also identified social exclusion as a priority. In 2008 poverty appears with greater emphasis in the inaugural speech of J.L.R. Zapatero as candidate for prime minister (J.L.R. Zapatero, PSOE). It should be pointed out that in this case most references continue to be made in the line of foreign policy cooperation and
development aid. In the inaugural speech of 2011, in a situation during which poverty rates had soared as a result of the deep economic crisis, the current government did not identify the fight against poverty as a priority for government action.

The Primary Discourses that Explain Poverty

Spain does not have its own poverty discourse. Discussions on poverty tend to follow the cognitive frame for poverty policies established by the European Union. Nevertheless, we encounter some nuances in the voices of national politics consistent with the policies of the political party they represent.

Following is an analysis from the interpretive framework of measures gathered in the five National Action Plans for Social Cohesion (NAPSI) (Figure 3). For this reason, it follows the classification based on the three discourses on poverty: RED, MUD and SID theorised by Levitas (2005) (see MacKinnon this volume). The results show that the Popular Party passed two plans that reflect discourses on integration/social cohesion (Plans I and II). The Spanish Socialist Workers Party plans (Plans III, IV and V) reflect an integrationist discourse with a larger number of measures containing redistributionist proposals. This did not change the general trend towards the SID speech on all plans as they favoured concepts of employment and integration over concepts of inequality and poverty. Nonetheless, references aimed at inequalities and poverty are more prominent in the discourse when PSOE rules.

The Growth of Poverty in Spain: Permanence and Change

The pattern of changing trends on the reduction of poverty and inequality in Spain can be summarised in three main stages. The first stage was from the mid-seventies up to the early nineties and is characterised by a gradual reduction of poverty and inequality. A second stage is characterised by a long period of sustained economic growth in Spain, beginning in 1994 and lasting until 2007. After 2007, contrary to what might have been expected, neither poverty nor inequality were reduced (Ayala 2010). The global economic crisis in 2008 produced an unprecedented incidence and intensity of poverty in Spain’s recent history. Among European countries, Spain has one of the highest proportions of its population at risk of falling into poverty. (Figure 4 and 5).
In Europe a clear territorial division emerges when analysing the extent of risk of poverty for 2011. This is defined as the share of people with an equivalised disposable income (after social transfer) below the at-risk-of-poverty threshold, which is set at 60% of the national median equivalised disposable income after social transfers. On one side are those countries with poverty risk rates below the European Union average of 16.7%, that is, the Nordic and Central Europeans countries, and on the other side are the countries of Southern Europe with poverty risk rates higher than the European Union average. High poverty risk countries include Greece (21.4%), Italy (19.6%), Croatia (21.1%) and Portugal (18%). The proportion of Spain’s population at risk of poverty (22%) is higher than the average registered in southern countries. Just beyond these figures are Romania (22.2%) and Bulgaria (22.3%). Looking at the impact of social transitions in reducing the risk of monetary poverty, we can see that Spain not only has a problem of a high percentage of the population at risk of poverty, but its social protection system is one that has the least impact on reducing the risk of poverty (8%).

We have analysed the evolution from 2004 to 2011 of poverty in Spain using some indices and ratios of inequality and poverty (Figure 6). The main feature is that the population at risk of poverty did not decline in the growth period between the years 2004 to 2007 even as the Spanish economy grew above the EU average and reached its lowest unemployment levels in recent history. Yet during this period, the 19% of the population at risk of poverty did not suffer a significant drop, showing small fluctuations. Changes in family structure and demographics (i.e. incorporation of women into the labour market, progressive ageing of the population and strong growth in immigration), deregulation of the labour market and less redistributive capacity of the public policies implemented during the period seem to be contributing factors to the maintenance of high rates of poverty risk during this period (Ayala et al. 2008).

If the vision offered by monetary poverty is expanded, and if the risk of social exclusion is included in the analysis through the at risk of poverty and social exclusion indicator (AROPE), there is a slight reduction in the percentage of people living at risk of poverty or social exclusion, going from 24.4% in 2004 to 22.9% in 2007. This can be attributed to the wave effect of the economic cycle on labour intensity and the slight improvement of severe deprivation data, rather than a change in public policies that redistributed income. In 2007, the slight improvement from the previous period was quickly reversed with the onset of the economic crisis. Thus in 2011, 27% of the Spanish population was at risk of poverty and social exclusion, four percentage points higher than just three years prior.

The Gini coefficient over these time periods shows that despite the period of economic expansion, income inequality increased in Spain from 0.307 in 2004 to almost 0.317 in 2007. This upward trend towards income inequality has intensified since the current economic crisis such that by 2011, the Gini coefficient stood near 0.34. This situation is repeated in the case of children's
(less than 16 years) at risk of poverty rate, which has increased by 4.1% from 2008 to 2011, currently standing at an alarming 30%.

Also alarming, in addition to the child poverty rate is the percentage of families with low labour engagement. Unemployment has increased and now stands at 5,965,400 people (Economically active population Survey by the INE, last quarter of 2012). The index of low familial labour engagement has almost doubled in this period, from 7.2% in 2004 to 12.2% in 2011. It should also be noted that there has been an increase in the number of people who though actively working are at risk of poverty, reaching 13% of the working population in 2011. Another concern is the difficult situation of many immigrant groups. Many immigrant households are not eligible for social programs, either because they are undocumented or their situation in the country is not regulated. In 2011, 43.5% of immigrants not belonging to the EU-27 were at risk of poverty. They must rely on charities and support from members of their own groups (Moreno et al. 2003).

Beginning in 2009 an emergency situation is apparent characterised by a substantial increase in the population at risk of poverty. In short, the country is undergoing a process of impoverishment. It can be argued that this new context in Spanish society seriously threatens social cohesion.

Public Policy Responses to Poverty

In the analysis of social protection in Spain, two stages ought to be distinguished. The first stage is marked by a rapid growth in social spending due to the creation and consolidation of the welfare state after the arrival of democracy. The change from allocating 12.3% of GDP in 1973 to 23.5% in 1993 signalled a trend towards convergence with average social spending in EU countries. The second stage is characterised by a stagnation of social protection expenditures due to significant reductions in spending on unemployment insurance during a period of economic growth prior to the 2008 economic crisis. The most distinct element of this second phase is that convergence towards European social protection policies initiated in the previous phase ended. Thus, in 2007 (before the start of the crisis) social protection expenditure in Spain stood at around 20.6% of GDP, nearly seven points below the EU average (EU 15 and Euro Area 17). Latest indicators are that social spending in Spain has increased by five points from the beginning of the crisis due to increased spending on unemployment protection.

The main differences between social protection expenditure in Spain and the rest of the EU is that Spain has lower social spending than the EU average (Figure 7). The Spanish welfare system during the 1980s was structured around widespread public services of health, education and social services. The structured system was based on social security contribution funds and complemented by a network of weak non-contributory welfare benefit networks. Currently, contributory pensions and unemployment benefits are the main instruments protecting households from poverty (FOESSA 2008).

Since the late 1980s, a non-contributory scheme for retirement, disability and unemployment developed, but all of these programs require means testing. These programs are characterised by lower awards than are provided by contributory benefits and schemes in other European countries. Some are subject to maximum periods of employment such as the non-contributory unemployment benefit.

Numerous reports have documented the growth of child poverty in recent years and its dramatic rise after the 2007 economic crisis. Increased child poverty seems to be clearly linked to insufficient wages of the main breadwinners, poor protection of families and children, and the increasing vulnerability of people to unemployment (Ayala & Cantó 2009; EAPN 2012; UNICEF 2012; INE 2012). Currently, unemployment coverage rate continues to drop due to exhaustion of benefits combined with long-term unemployment. This has led to an unsustainable situation in which about two million of the currently unemployed do not receive any benefits at all. This figure is expected to increase in 2013.

The policies for social inclusion developed in Spain are included in the five national plans that are part of the EU Social Inclusion Initiative. The main feature is that the greater number of actions set out in the five plans, regardless of the ideological orientation of the ruling party, focus on employment and training. NAPSI III is also concerned with housing and employment. According to the Labour Force Survey, in the third quarter of 2005 the
unemployment rate in Spain stood at 8.4%: seven years later in the third quarter of 2012 it stood at 25.0%.

The weight assigned to specific areas depends on the political party in government. It is worth highlighting that in legislation plans passed by the People’s Party (PP) (I NAPSI) more actions are intended in the areas of research, education and training, as well as mobilising social players like NGOs and social voluntaries, researchers, public administrations and institutions that represent different government levels. The reason for this trend may be attributed to the launch of the national European strategy for social inclusion, which firstly must have developed a strategy of awareness, and trained professional staff and a coordinated network of third sector actors. The People’s Party has emphasised support for families.

Actions to promote integration of immigrants, to help dependent people, health and housing management increased during Social Democratic Party (PSOE) legislatures (III, IV, V NAPSI). Since 2010, the government discontinued publishing NAPSI. The only document found on national policy, which refers to poverty and social inclusion is ‘The VI National Plan of Action for Social Inclusion 2011-2013’. However, any paragraph referring to poverty, social exclusion or active inclusion disappears from the Program of National Reform 2012 approved by the Popular Party in 2012. There is a table in Annex VIII that establishes the reduction of poverty as a target of the Spanish strategy for 2020. However, the plan does not specify measures or actions to reach such goals. The VI NAPSI failed to be improved in Spain.

In general in the five NAPSI, with some exceptions, the groups at risk of exclusion have been identified as the elderly, people with disabilities, women, young people, children, families, the Romani (gypsy population), migrants, the homeless, prison inmates and immigrants. On the other hand, the major divergences between different NAPSIs (I and II correspond to the Popular Party government and III, IV and V to the Social Democratic Party) lie in the approval of the budgetary allocations to actions related to exclusion developed by the Popular Party (PP) from 35.7 million Euros of Plan II to the 105 million Euros of the Social Democratic Party(PSOE) in Plan V.

Conclusion

Policies to address poverty in Spain since the mid-1990s have failed to reduce poverty rates. Poverty is addressed within a European social integration context where

<table>
<thead>
<tr>
<th>SPECIFIC AREAS (%)</th>
<th>I NAPSI (PP)</th>
<th>II NAPSI (PP)</th>
<th>III NAPSI (PSOE)</th>
<th>IV NAPSI (PSOE)</th>
<th>V NAPSI (PSOE)</th>
</tr>
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<tbody>
<tr>
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<td>14</td>
<td>12</td>
<td>12</td>
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<tr>
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<td>3</td>
<td>3</td>
<td>3.5</td>
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<tr>
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<td>3</td>
<td>2</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
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<td>5</td>
<td>9</td>
<td>4</td>
</tr>
<tr>
<td>Dependent people</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>7</td>
<td>4</td>
</tr>
<tr>
<td>Territorial Actions</td>
<td>0</td>
<td>2</td>
<td>5</td>
<td>9</td>
<td>6</td>
</tr>
<tr>
<td>Employment</td>
<td>12</td>
<td>13</td>
<td>13.5</td>
<td>18</td>
<td>18</td>
</tr>
<tr>
<td>Inclusion to use IT</td>
<td>10</td>
<td>6.5</td>
<td>2</td>
<td>8</td>
<td>6</td>
</tr>
<tr>
<td>Education</td>
<td>5</td>
<td>4</td>
<td>5</td>
<td>9</td>
<td>6</td>
</tr>
<tr>
<td>Family support</td>
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<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
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<td>0</td>
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<tr>
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<td>0</td>
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<td>0</td>
</tr>
<tr>
<td>Research</td>
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<tr>
<td>Total</td>
<td>100</td>
<td>100</td>
<td>100</td>
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</tbody>
</table>

Source: compiled by Authors based on frequency analysis of measures gathered in the five National Action Plans for Social Cohesion (NAPSI).

employment and training policies are the primary focus. Their goal is to promote social cohesion and inclusion of currently excluded groups in Spanish society. The sustained economic growth between 1994 and 2007 did not help place the fight against poverty on the political agenda. Redistributive policies in the form of affirming universal rights and creating a social protection network are very low on the political agenda.

Crystalisation of the neoliberal experiment in southern Europe has resulted in little redistribution of income and an under-funded social security system. Tax reforms are characterised by a regressive impact and tax collection power loss which have further contributed to weakening of welfare services in Spain. Therefore, since the mid-1990s, the Spanish welfare system is losing ability to establish itself as an effective umbrella to address the risks of poverty.

The gradual deregulation of the labour market – with a clear commitment to the so called ‘flexicurity’ – has led to widespread labour contracts characterised by short-term employment arrangements and low wages. Therefore, once the financial crisis started, the situation of people who were unemployed or living in households with low employment intensity worsened.

We can affirm that Spain may face a societal breakdown due to the problem of poverty and social exclusion not being addressed. This would have required designing public policy during the growth period that could have addressed the structural causes of poverty and inequality. It is therefore imperative to address the phenomenon of poverty from a structural perspective. Reaffirming the state and public institutions as advocates for social justice.
with public policies that promote income redistribution is necessary to reverse the growing inequalities and poverty seen in Spain and the other EU countries.

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NOT ANOTHER HAIRY PANIC GRASS POEM*

It was like this: a poet and her son, L-plates plastered front and back, getting up a hundred and twenty logbookable hours. Country road between towns. Favourite band blaring on the radio. The Panics. A haze appears up ahead. Across the tarmac, banked on both sides of the road. A mirage shimmering that does not dissolve as they speed toward it. Then they are in the cloud. Ambushed by mini-me tumble weeds. Sliding up the windscreen, caught under the wipers, a bride’s train fluting behind. Son screaming. Poet screaming. The Panics moaning ‘Don’t Fight It.’ Take the advice. Don’t break. Don’t swerve. Don’t fight it. An eternity then through into the light. What was that, pants the L-plater. That was an experience, says the poet. But she can’t write about it. Everyone who has ever stepped wheels into the country-side in December has written a hairy panic grass poem. Sometimes with the same degree of panic as in the car with the poet and her son tumbling summer haze

with syllables made for this

hairy panic grass

*but perhaps the first hairy panic grass haibun

JANE DOWNING,
ALBURY, NSW
Discourses are powerful narratives that influence attitudes and actions towards important societal issues and the populations that are affected by these issues. These discourses express ideas, attitudes, and beliefs about the origins of a problem and the courses of action by which the problem can be addressed (Lessa 2005; Foucault 1972, 1980). Discourses can go beyond explaining a phenomenon and provide either criticism or justification for phenomena such as poverty. Examining discourses towards poverty is important as the Organisation for Economic Cooperation and Development (OECD) reports that while Canada has one of the fastest growing poverty rates among rich countries, poverty is increasing in most other OECD nations as well (Organization for Economic Co-operation and Development 2008; Organisation for Economic Co-operation and Development 2011a). There is a need to consider the underlying societal arrangements and the accompanying discourses that perpetuate such conditions.

As systems of ideas, discourses embody power relations that serve to maintain power for some in society and disempower others. For example, some discourses on poverty denigrate people who live in poverty. This in turn contributes to their further exclusion from participating in activities normally expected of citizens in modern society such as employment and voting in elections. This serves not only to justify the presence of poverty, but also contributes to its perpetuation.

This article examines the dominant discourses on poverty and argues for shifting the policy discourse to an emphasis on broader structural issues such as how public policy distributes economic and social resources across the population. It does so by linking poverty discourses to welfare state regimes in Esping-Andersen's typology of welfare state (Esping-Andersen 1990). In the Nordic countries of Finland and Norway the dominant discourse focuses on redistribution and reducing social inequalities to promote the wellbeing of populations. As a result, these countries have lower poverty rates and lower social inequalities than most other developed nations. In Anglo-Saxon nations, poverty is usually seen as resulting from individual failings. Here, higher poverty rates are combined with a discourse that blames people living in poverty for their situations. Conservative nations represent a middle ground between these two differing regimes.

**Incidence of Poverty in Developed Political Economies**

Poverty has increased in most wealthy nations and this is especially the case in Anglo-Saxon nations such as Canada (Organisation for Economic Co-operation and Development 2011b). Yet governments in these countries have been slow to take action to reduce poverty. In contrast, the Nordic countries have lower poverty rates and lower income-related inequalities. In 2009, the most recent year for which data are available, the average poverty rate in the Nordic countries (Denmark, Finland, Norway, Sweden) was 8% compared to 13.1% for the Anglo-Saxon nations (Australia, Canada, New Zealand, UK, and USA) (Organisation for Economic Co-operation and Development 2011b).

These differences in poverty rates between nations reflect differing political and economic arrangements that are accompanied by particular ideological commitments that shape how social citizenship is defined and the system of social welfare is implemented. This often entails questions about policies and programs and citizen entitlements that influence the extent of solidarity and community within a
society. These ideas produce different discourses that shape public policies and programs and the idea of social citizenship; key concepts related to the issue of poverty (Bambra et al. 2005).

**Principles of Social Citizenship**

Welfare regimes – or the means by which a society approaches social provision – are expressions of basic principles of social citizenship (Bambra et al. 2005). Social citizenship refers to state provision of supports, programs, and services which all citizens in a jurisdiction are entitled to as rights of citizenship. The central principles of social citizenship in Western nations are Liberty, Equality and Solidarity, which grew out of the French Revolution (Saint-Arnaud & Bernard 2003). Societies adopt these principles to varying degrees, such that neglecting one or two will influence which of the three will be dominant. The dominant principle will also shape the nature of social citizenship, and hence the extent of social provision to citizens. This dominance of one of the three principles will also shape the distribution of economic and social resources and the extent of poverty in a nation.

For example, in societies that value Liberty, such as in the Anglo-Saxon liberal regime, economic freedom has become even more dominant under the growth of neo-liberal influence (Bryant et al. 2011). The emphasis on Liberty in the economic sphere in turn leads to growing income inequalities (Saint-Arnaud & Bernard 2003). The social democratic welfare regime emphasises Equality and provides comprehensive cradle-to-grave support to citizens to help their populations maintain a high quality of life. The emphasis is on the wellbeing of the collective. The conservative regime highlights Solidarity and social hierarchy as critical to maintaining social cohesion.

In this special issue, MacKinnon presents the three poverty-related discourses outlined by Levitas (2005). These discourses are the redistributive (RED); moral underclass (MUD); and social integrationist (SID). Each of the discourses can be paired with the welfare state types developed by Esping-Andersen (Esping-Andersen 1990). MUD is consistent with the ethos of liberal welfare states, while RED is consistent with the approach of social democratic welfare states. MUD is concerned with the morality and delinquency of populations that experience exclusion as a result of their poverty. RED emphasises redistribution of income and other resources to reduce social inequalities. Finally, SID is concerned with paid employment and including those who are not employed and is a principle of the conservative welfare state.

Responses to poverty are tied to how governments distribute resources through public policies and these policies are associated with these poverty discourses (Coburn 2004). In some states, public policymakers often justify the presence of poverty as a necessary consequence of economic growth and increased economic competitiveness in the new global economy (Bakker, 1996). Poverty is therefore seen as inevitable, and is usually attributed to individual failings such as lack of education and employment skills. Such assertions help to shape how societies come to understand poverty and act towards those who live in poverty. The result can be a discourse that disparages those who live in poverty as being responsible for their own situation (Swanson 2001). There is little attempt to understand the structural causes of poverty.

**The Liberal Welfare Regime and Moral Underclass Discourse (MUD)**

Liberal welfare states limit the provision of universal benefits and apply means-testing for those government income and social service programs that are provided. The manifestation of this regime appears in the Anglo-Saxon countries (Canada, UK, USA, Australia and New Zealand). The key institution in liberal welfare states is the Market. These states also emphasise freedom from government intervention and the importance of individual choice (Esping-Andersen 1990). As a result, liberal welfare states are distinguished by highly commodified services that provide minimum levels of government support.

Citizens are strongly reliant on income obtained through employment to meet their needs. The aim of assistance provided by liberal welfare states is to meet the immediate basic needs of recipients – when the market cannot meet these needs – in a manner that discourages welfare dependency. The meagre benefits available in liberal welfare states are an attempt to discourage this dependency. The assumption is that rather than accepting welfare, individuals will take on low-waged employment rather than receive these meagre benefits. The stigma of accepting government benefits common in liberal welfare states should reduce acceptance of these benefits.

The ‘deserving poor’, such as seniors and people with disabilities, are seen as experiencing hardship through no fault of their own, and therefore deserving of state help. In contrast, the ‘undeserving poor’ are defined as those who are able to work, but are unemployed such that their personal decisions are seen as contributing to their poverty. Even though liberal welfare states differentiate between the ‘deserving’ and ‘undeserving poor’, in Canada and the USA the benefits provided to both groups usually place them well below the poverty line. In both cases there is a stigma associated with receiving these benefits, representing an explicit failure to earn one’s own way through participation in the employment arena.
These liberal states also favour market strategies – usually involving privatisation – for the service delivery that does occur. In theory then, the market economy provides an opportunity for all citizens to meet their needs. The prevailing discourse blames individuals for their situations of living in poverty and neglects how structural factors contribute to poverty. Poverty can even be seen as necessary to achieve economic growth for most of the population at the expense of those living in poverty.

These ideas are consistent with the tenets of MUD. MUD identifies an underclass group that is socially excluded due to their being culturally different from the rest of society (Levitas 2005). It focuses on the behaviour of poor people, thereby justifying surveillance of the poor. These emphases divert attention from the broader societal structures that contribute to poverty. The state expresses a paternalistic concern for the ‘deserving poor’ but benefits for these individuals are similar to the meagre benefits provided to the ‘undeserving poor’ (Levitas 2005). Moreover, MUD does not consider the poverty of the ‘deserving’ and ‘undeserving poor’ in the context of inequalities in society as a whole. Especially disturbing is how the ‘undeserving poor’ are seen as lazy and indolent – lacking in upright behaviour and moral rectitude – and therefore deserving their situation.

MUD is gendered, with rather more concern focused on the situation of women than men (Levitas 2005). While there has been public policy concern with female-led families with children, Canadian approaches have been marked by contradictions. Canadian policymakers have granted female-led families additional benefits, but these recipients are subject to surveillance and regulation, such as the ‘spouse in the house’ rule in the province of Ontario (Women’s Legal Education and Action Fund 2002). This rule was introduced during the 1990s as an element of the neo-liberal wave in the province and stipulated that when a social assistance recipient lived in a dwelling with a member of the opposite sex, both were considered spouses such that the social assistance recipient was considered to have access to the income of their ‘spouse’. In 2004, the Ontario Court of Appeal struck down the law as discriminatory against women. The law reflected the frequent mean-spiritedness of neo-liberal exclusionary policies. MUD therefore embodies exclusionary practices and relations of power that exclude certain groups as different and morally suspect. Such discourse is used to justify the power relations of exclusion and disempowerment of people who live in poverty.

The Conservative Welfare Regime and Social Integrationist Discourse (SID)
In this special issue, Angel Ramon Zapata Moya and colleagues examine Spain, one of the Latin conservative welfare states. Latin welfare states share many characteristics associated with the conservative welfare states of continental Europe such as Belgium, France, Germany, and the Netherlands. These states provide insurance schemes based on job categories (Saint-Arnaud & Bernard 2003; Esping-Andersen 1990). The purpose of these schemes is to address risks experienced by workers and their families during their working lives such as unemployment, illness, or work-related injuries that result in disability.

The family is central to the conservative discourse. The conservative welfare regime decommodifies social and health benefits for families of wage-earners. As a result, the family is key to meeting the welfare of family members experiencing hardship, while those without family are excluded from the welfare system. Conservative welfare states are therefore said to be familialistic as they perpetuate the exemplar of the male breadwinner and reinforce the economic dependency of women on their spouses (Bambra 2004).

A central theme of the Conservative welfare state is Solidarity since benefits are widespread, although tied to social position. Insurance systems strengthen class-related identification and promote social integration. Consistent with SID, the dominant focus is on paid employment, but the approach generally countenances inequalities among workers and owners, genders and racial groups, thereby retaining existing social hierarchies (Levitas 2005). Citizens must contribute to these insurance schemes through their employment to be eligible to receive these benefits. Beyond these employment schemes, the family is the main source of support before individuals can apply for government-provided benefits. While conservative welfare states tend to provide more generous supports than liberal states, it is becoming apparent that the Latin states, such as Spain, are experiencing breakdowns in this system (see Zapata Moya and colleagues, this volume).

In summary, conservative welfare states – including the weaker Latin states – reflect a paternalist approach to social provision consistent with SID (Levitas 2005). The state intervenes only after employment-related benefits and family resources are exhausted. Solidarity rather than Equality is the dominant principle of this regime. Though not as generous as social democratic states, these states have traditionally provided more generous provision than liberal states, albeit only to those who have been employed.

The Social Democratic Welfare Regime and Redistributionist Discourse (RED)
In contrast to the liberal and conservative regimes, the social democratic regime emphasises the state as the primary institution responsible for supporting citizens
The social democratic embrace of the principle of Equality makes the state the primary institution for social provision (Saint-Arnaud & Bernard 2003). Inequalities associated with the labour market related to wage differentials and employment security are moderated by generous program investments. Research shows these social democratic states rank high on social development dimensions and are the most successful at reducing inequality (Navarro 2002; Organisation for Economic Co-operation and Development 2011a). Their poverty rates are the lowest among wealthy developed nations (Raphael 2011).

This ethos is consistent with RED, which conceives poverty as reflecting inequalities in the distribution of economic and social resources (Levitas 2005). RED critiques these sources of inequality and identifies redistributing economic resources and state provision of social and health programs as key to reducing poverty and the societal inequalities that spawn it.

The evidence indicates that RED is the most effective discourse for reducing the inequalities that create poverty (Raphael 2012). It considers poverty as a multidimensional process and identifies its gendered and racial dimensions. It is a more comprehensive approach than MUD and SID, which appears to countenance existing systems of unequal power and social relations. MUD’s and SID’s endorsement of these systems can serve to perpetuate these systems of inequality that lead to poverty.

Implications for Future Anti-Poverty Advocacy

RED provides a compelling framework for action for those concerned with reducing poverty and this is especially the case in the liberal welfare state. In Canada, anti-poverty advocacy is grounded in pluralist understandings of the public policy change process (Bryant 2012). Pluralism is an approach to public policy that emphasises the dominant role of ideas in public policy change and sees the state – in the form of elected governments – as mediating the diversity of societal interests (Bryant 2009). The state emerges as a benevolent institution that acts in the best interests of society as a whole. Since the state is seen as a benevolent institution, pluralism aims to make state action on poverty the primary means of reducing it.

This has often been a recipe for government inaction on poverty in Canada as alternative views suggest that in liberal welfare states, the state may not be a neutral actor on these issues (Bryant 2009). Pluralism provides an incomplete explanation of how public policy is made, and this is especially the case in liberal welfare states. At the very minimum, pluralism has an undeveloped understanding of differing capacities of interest groups to influence government, much of this related to being able to access government officials to present their policy ideas. More importantly, it minimises the effects of power differentials in a society and the ability of particular sectors to skew the making of public policy.

In contrast, a materialist approach to policy-making argues that governments in liberal welfare states focus on developing and enacting public policies that protect the interests of economic elites against the interests of those who are poor (Bryant 2009). RED is a materialist analysis and is consistent with a political economy approach that sees politics and economics as both related to each other and structuring public policy outcomes. These outcomes structure the distribution of social and economic resources that determine poverty rates. In practical terms, RED enables the identification of the processes that create poverty and the strategies that can reduce it. These strategies involve the redistribution of income and other resources from higher income to lower income groups.

RED also calls for advocacy efforts for public policies that involve a larger state role in ensuring greater equity in access to economic and social resources. Indeed, the Nordic countries have demonstrated that poverty reduction through such actions is achievable. Nevertheless, even the Nordic nations are experiencing increases in poverty rates, a result of the process succinctly identified by the RED discourse. The situation of the liberal welfare states provides a portrait of what these Nordic states may come to experience if these processes are not checked.

Advocating for public policies that reduce citizens’ dependency on their employment incomes for their wellbeing will also reduce poverty rates. These include implementing national child care programs, improving health care coverage by developing Pharmacare programs, and providing more equitable employment, housing, and educational opportunities. Of special importance is advocating for electoral reform that moves from the first-past-the-post electoral systems – common in Canada, Australia, the UK and USA – to proportional representation systems. Proportional representation increases the possibility of electing representatives from the political left whose commitment to the RED
discourse increases the likelihood of implementing income redistribution and decommodification of public policy areas such as housing, health care, and day care, among others (Alesina & Glaeser 2004).

Conclusion

Political discourses are powerful narratives that shape societal understandings about important issues such as poverty and those affected by them. Poverty discourses in liberal welfare states often marginalise the poor and then blame them for their situation. Such approaches serve to justify the presence of poverty by neglecting the political and economic structures that maintain such conditions. MUD, the dominant discourse in these liberal welfare states, focuses on the behaviours of suspect populations, which leads to surveillance of these populations. Social programs provide barely subsistence incomes to many households who must rely on social assistance. Poverty advocates must adopt the RED discourse and emphasise the importance of income redistribution from higher to lower income groups as the primary means of reducing poverty. Opposition to this can be expected from some sectors and implementing electoral reform is one means of countering such opposition. Another is ongoing public education as to the political and economic structures that serve to maintain poverty in wealthy developed nations and identifying those sectors of society who support these structures.

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This article examines the current role of Private Military Companies (PMCs) which have a growing profile in international affairs. They are not a new phenomenon but have evolved from past private military actors. They play a role today similar to that played by the Italian Condottieri during the Renaissance. PMCs are defined as a company that has the ability to provide an immediate and proximate capacity for violence by offering military services that are strategically essential to a variety of clients.

Since the end of the Cold War, there has been an increased prominence in the age old profession of private armies or mercenaries operating in armed conflicts purely on the basis of profit. These private armies or mercenaries, however, have transformed into a new modern form: the Private Military Company (PMC). This article contends that PMCs can be seen as a new modern form of the Condottieri. The emergence of PMCs is becoming important in relation to who has a monopoly on the use of legitimate force. The monopoly on the use of legitimate force by the state is increasingly being blurred by the outsourcing of military services to PMCs.

PMCs are corporate bodies that specialise in the provision of military skills that include combat operations, strategic planning, intelligence, risk assessment, operational support, training and technical skills (Singer 2003: 8). PMCs are also companies that have the ability to increase the immediate and proximate capacity for violence by offering offensive and defensive military services that are strategically essential to combat and warfare either directly or indirectly on a market to a variety of clients (Fulloon 2012: 74). PMCs have managed to transform the historically ubiquitous nature of ad hoc mercenaries into corporate military companies to provide military services to governments and non-state entities intricately linked to warfare.

Those mercenaries who rampaged across post-Colonial Africa and other places in the Third World have virtually disappeared. Their successors are PMCs that are more corporatised, staffed by higher skilled retired military officers, ex-special forces units, technically specific skilled civil and military personnel, retired frontline combat personnel, intelligence personnel, and low-skilled Third World military personnel who all found themselves without a job as a result of the structural changes within most of the armed forces around the globe as a result of the end of the Cold War. PMCs have now put a corporate face on one of the world’s oldest professions. Since the South African based, but Bahamas registered, PMC Executive Outcomes (EO) first emerged more than 15 years ago, international attention is focusing increasingly on the role and influence PMCs are having on the systemic nature of military operations and military services. The analysis of PMCs such as EO in Angola or Sierra Leone during the 1990s or Blackwater USA during the 2003 Iraq War does raise the provocative question of whether PMCs can legitimately contribute to military operations within the international system dominated by states. Although EO (1998) and Blackwater USA (2010) have since ceased trading, the use of PMCs in armed conflict shows few signs of diminishing. In fact, PMCs offering military services in high-risk environments have flourished in recent years, particularly since the onset of wars in Afghanistan (2001), Iraq (2003), and recent Third World conflicts such as in Liberia, Sudan, and Syria. In Iraq, the US Government Accountability Office (GOA 2006) estimated that between 20,000 and 50,000 former military personnel have been employed by PMCs supplying various military services to coalition state agencies and US based companies working on Iraqi reconstruction projects.

The uniqueness of PMCs cannot be understood without a degree of historical analysis. Granted that PMCs are a new phenomenon since the end of the Cold War, these companies are not some natural occurrence. PMCs do share some historical foundations from their former counterparts such as the Condottieri. Indeed, the world has changed dramatically since mercenary armies, pirates, mercantile companies, and Condottieri were regular features of military life. However, private military history does seem to consistently evolve and repeat itself. Not dissimilar to the current PMC industry at the end of the Cold War, where peace in one corner of Europe produced a fresh supply of out-of-work military personnel for recruitment into PMCs for conflicts in other parts of the...
globe such as the 2003 Iraq War, the mercenary trade during the Renaissance, became common practice and an important source of income for the out-of-work military personnel.

From Sparta to Athens, through to ancient Rome and the Middle Ages, via the ‘free companies’ to the Condottieri of the Renaissance to the 20th century, the ‘soldier for hire’ has been found in armies all over the world throughout history. In Italy, the Condotta developed into a contract of great care for Italian city-states, drawn up by the equivalent of modern-day lawyers. The Condottieri system enabled Italian city-states to maintain a permanent military force comprising of Italian mercenaries with specific military specialists that were hired out for particular military campaigns over set periods of time. Just like the US in relation to PMCs, Italy became the epicentre of private military actors. Military personnel were raised through Condotta (contracts), formalised with the Condottieri (contractor) supplying and commanding the mercenary company. Similar to the PMC, the Condottieri were not transient mercenary bands, but more permanent and disciplined organisations formally employed over defined periods of time.

Similar to the Condottieri, PMCs vary according to the needs of the employer. There would be retaining fees, troop number specifications, operational details, or restrictive covenants not to fight against the employer for a certain period of time once the contract had expired (Trease 1970: 17-18). PMCs such as Global Risks, Titan, or MPRI, are in a general sense primarily ideologically and politically detached from their battles. For the Milanese Dukes, Venetian Dogs, the Queen of Naples, Florentine Financiers (post-Machiavelli), and the Pope for that matter during the Renaissante, it became more politically convenient to hire such military companies under a business like contract than to employ potential rivals within their own respective domains.

The recent re-emergence of private military actors in the evolutionary form of PMCs appears more in line with the historical relationships between states, economic thinking, and the monopoly on the legitimate use of force across space and time. Although the use of PMCs in the twenty-first century is a recently new phenomenon, the use of private military actors has been a long-standing practice throughout history before the rise of the nation-state. Much of the private military history before the French Revolution is reminiscent of the post-Cold War world today – multipolarity, b-phase economic cycle, small wars, and political battles for international supremacy. In the post-Cold War era, however, the PMC is now the primary player within the private military. Today’s general public’s assumption about conflict – that warfare is engaged by armed forces, fighting for a common good or cause – is becoming diluted. Just like pre-1648, private military provision of organised violence has always been a routine aspect of international relations right up to the twenty-first century, and will continue to do so in the future (Herbst 1999: 117).

Governments from both the First and Third World, and non-state actors such as oil and mining companies trying to protect themselves from direct threats have become increasingly willing to turn to PMCs for military and security services. Because of this increase in demand, the global market for the PMC industry has significantly expanded. However, the watershed for the PMC industry was the 2003 Iraq War where the former US President George W. Bush used some 20,000 PMC personnel during the war. With an estimated growth of approximately 7% per annum, the global market for the PMC industry has developed into a versatile, global multi-billion dollar industry (O’Brien 2000: 59-64). With this in mind, PMCs have given shape to one of the major entries in the lexicon of conflict analysis: the outsourcing of military services and war. The outsourcing of military services and war reflects attempts by those working in government institutions sympathetic to the neo-classical ideal to diminish the monopoly on the use of legitimate force away from the nation-state and public institutions into an era of neo-classicalism where free markets and private entities attempt to minimise state political and military power. This shifting nascent trend of relying on PMCs represents the extremity of government minimalism and the devolution of military power away from the state concerning the monopoly on the use of legitimate force towards PMCs.

PMCs were almost non-existent during the Cold War when superpower rivalries (US and Russia) were propping up weak states in the Third World with mass personnel and hardware. Since the end of the Cold War, however, there has been an increase in conflicts throughout the Third World where PMCs have filled the void from superpower withdrawal. At one point in Africa for instance, an arc of conflict ran from the Horn of Africa down to southern Africa. Ethiopia and Eritrea engaged in a destructive war against each other, while the brutal insurgencies in Liberia and Sierra Leone destabilised western Africa with consequences still visible today. The Congo ‘free-for-all’ formed a series of interlocking conflicts that stretched from Chad to Sudan in the north of Africa, to Angola and Zimbabwe in the south of Africa. These conflicts in the African continent could be termed as Africa’s ‘first world war’, a term quoted by Marina Ottaway (Ottaway 1999: 202). From Iraq to Afghanistan, to Colombia and the Balkans war during the 1990s, and to the African continent, PMCs are involved in these post-Cold War armed conflicts more than ever before. Disorganised military forces such as Sierra Leone that needed help to curtail rebel insurgencies, dictators trying to protect
their political power and hard line rule, mining and oil companies operating in Third World countries trying to protect their valuable natural resources from insurgencies: all contribute to the rise in the PMC industry. As do powerful western states such as the United States (US) contracting PMCs to secure mineral deposits (oil) while occupying Third World countries such as Iraq. One could go to war as a public-private partnership with PMCs offering both tooth and non-tooth military services rather than as part of an international coalition of willing states. Not since the eighteenth century has there been such a reliance on private military actors accomplishing tasks directly affecting the successes of military engagement. 

The West, particularly the US and UK, leads in the supply and demand of PMCs, and the policy shift towards greater reliance on such companies. The use of PMCs by the US government during the 2003 Iraq War is an indication of how far attitudes have changed towards using private military actors. The attitude of western countries such as the US is increasingly changing in favour of using PMCs to carry out certain military functions and services, in places such as Iraq or Afghanistan, instead of heavily relying on their own armed forces. The hostile environment in Iraq and Afghanistan needs no elaboration. PMCs such as Blackwater USA, Erinys International, Global Risk Strategies, Olive Security, and Triple Canopy have come under the international spotlight due to their involvement in Iraq. Since Iraq, PMCs are representing the newest addition to the modern battlefield, and their role in contemporary warfare is becoming increasingly significant and influential as the PMC industry grows.

While PMCs are being viewed in some quarters as nothing more than corporate mercenaries, PMCs represent a new type of military service provider on the domestic and international stage that is quite significantly different to the mercenaries that plagued the African continent and the Third World during the 1960s and 1970s. What differentiates a PMC from the mercenary is the degree to which PMCs have corporatised their company structure and operations (Nossal 1998: 26). PMCs are organised like commercial firms in more conventional styles of business operations. PMCs are formally incorporated on stock exchanges or in tax and secrecy havens, and although PMCs are not exactly paradigms of transparency, PMCs produce corporate literature, attend international conferences, maintain websites, and tend to be affiliated to defence and security professional associations. It is not uncommon for PMCs to be head-quartered close to centres of government powers such as Washington and London, but maintain offices in strategic locations throughout the world (Ortiz 2010: 6).

On some occasions, corporations offering private military services may not constitute a PMC in their entirety. This suggests a differentiation between what Ortiz (2007: 55-68) highlights as a stand-alone PMC and hybrid types of PMCs. Furthermore, PMCs may be independent or subsidiaries of larger corporations. These subsidiary and ‘hybrid’ types of PMCs are usually linked to broader corporate structures. These linkages are commonly established with aerospace, construction, defence, engineering, government services, security, and information technology (IT) corporations. Moreover, some private equity companies such as the Carlyle Group, wholly or partially, have control of some PMCs. The Carlyle Group used to own US Investigations Services Incorporated (USIS), a key intelligence contractor that trained elite units in Iraq (Ortiz 2010: 50). In 2007, however, USIS was sold to Providence Equity Partners. CACI International, though labelled a PMC due to its provision of translators and interpreters during the 2003 Iraq War, is a diversified IT Services Company. Northrop Grumman Corporation, another corporate giant part of the US military industrial-complex is a diversified corporation covering various military and defence services including a PMC within its structure. Former PMC, EO, and currently operating PMC MPRI are examples of stand-alone PMCs. Throughout its existence, EO remained an independent military service provider. MPRI was incorporated in 1987, but became a subsidiary to L-3 Communications Corporation in 2000. However, MPRI still retains its corporate identity and a large degree of operational independence. Since the ownership with L-3 Communications, MPRI has expanded beyond its original military training activity to include emergency management, strategic communications, maritime and driving simulations, development programs, and military logistical advice (Ortiz 2010: 50).

It is also possible to appreciate an even more dynamic view of PMCs. This is because of the continuous mergers and acquisitions that frequently shift the military capabilities of PMCs across corporate identities and commercial sectors. While some PMCs are subsidiaries within corporations in different commercial sectors, independent or ‘stand-alone’ PMCs also diversify and merge into various military sectors according to the needs of the contractual and client’s needs. This highlights how PMCs tend not to maintain a permanent workforce. Instead, personnel are hired for specific operations or to perform particular contracted tasks. These ad hoc units are assembled and disbanded as the contract requires, although, personnel in possession of specialised unique skills tend to be retained. Universal Guardian Incorporated, for instance, is also a large and independent PMC that also owns UK based PMC Secure Risks Limited (Ortiz 2010: 50). For its part, Secure Risks acquired another UK based stand-alone PMC Security Solution International Limited (SSSI) in 2004. This highlights that PMCs tend to own one another, which owns another over space and time,
and the last two mentioned – Secure Risks and Universal Guardian – were in partnership in 2006 to provide military services for US personnel deployed at the US embassy in Kabul, Afghanistan. Furthermore, DynCorp International together with McNeil Technologies set up Global Linguist Solutions that became the key supplier of translators and interpreters for the US Army Intelligence and Security Command in Afghanistan.

The PMC industry has become big business. Globally, the PMC industry has hundreds of PMCs operating on almost every continent in over 110 countries primarily in the Third World. Most of these PMCs are in the service of their home countries such as the US, UK, France, Russia, or Israel, including some Third World countries such as Angola. PMCs have grown to such a degree that these companies deserve their own division of industry within the private military market. Ever since the PMC EO first emerged in the early 1990s, the nature of PMCs has changed dramatically to encompass all forms of military services. PMCs can sometimes be small, fluid, adaptable, and unidentifiable or can form part of a giant organisation, or a subsidiary to larger corporations, making it difficult where PMCs begin and end. Moreover, the majority of the contracts PMCs obtain are often confidential, won on no-bid competition or on sub-contract basis from other PMCs leading to further confusion. With PMCs bringing a comprehensive corporate structure to the once ad hoc nature of private military actors, individual mercenaries and out-of-work military personnel wishing to venture or persist in the private military market now need to become more professional with a clear business structure in order to compete with PMCs.

Outdated assumptions about the exclusive and permanent idea of the state within the military realm require a re-examination and amendment to account for the development of PMCs. Instead, we might acknowledge PMCs occupy a fundamentally different location in the contemporary field of international military operations. There is no current fixed timeline for PMCs. As long as there are conflicts, PMCs will exist. Whether or not the extensive use of PMCs is evolutionary or remains exceptional, the growth of the PMC industry shows no sign of diminishing.

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End of the Picnic
after the Francis Webb poem of the same name

And
black
Endeavour

Heaven
flogged

god
cast off

Cook’s
homesick, whistling
myth

STUART BARNES,
CLIFTON HILL, VICTORIA
Dissatisfaction with indicators of wellbeing has been emerging for some time. Per capita income and growth of national income (GDP) have been used not because anyone thought they were complete measures of living standards but because they were convenient, being based on readily available and internationally comparable statistics. As measures of material standards, they are not uninformative; but just as they cannot be used to compare rich and poor societies (countries with different levels of development), they miss many of the non-material (or non-economic) contributions to modern affluence, or the lack of it. The United Nations Development Programme (UNDP) has been publishing and improving its own ‘Human development index’ during recent decades. This combines data on health and education with income and thus provides a more inclusive basis for assessing policies and achievements, even in rich societies. The table below shows how country rankings vary dependent on the indicators chosen. Norway enjoys high standards of living no matter how they’re measured; Australia ranks better if health and education are reckoned in addition to individual and national incomes; countries like Singapore fare worse if social attainments and inequality are included; and other subtle changes (the relative positions of the UK and the USA) probably confirm popular perceptions of conditions in these societies, that is, that material affluence is compromised by failures in other respects. Clearly, this UNDP index will be augmented in the future – hopefully by taking environmental conditions, inequalities, social exclusion and political capacities into account.

But even at this stage, the recorded cross-national variations are sufficient to suggest that affluence, prosperity, wellbeing and happiness are affected by multiple, and unusual, aspects of society and politics.

Notwithstanding global concerns of the type depicted in the table, contemporary social science provides other reasons for invoking a widened conception of social accomplishment. Comparative political economy, for example, has shown that economic growth is only poorly correlated with employment or unemployment. So even if we do value increasing levels of affluence, it is important to recognise that growth is not always employment-generating, it is not sufficient for prosperity. During the decades of the ‘long recession’, after 1974,
quality (not just the level) of employment is also critical, with Australia facing one of the world’s highest levels of non-standard and precarious employment (about one-quarter of the total). Availability of part-time employment is often desired, but in Australia, there is significant ‘underemployment’ (more than twice the registered unemployment figure).

For the past half-century affluence has been associated with, and, for many, partly defined by, services provided by the state and funded through taxation. This ‘decommodification’, as it is called, now makes up almost a quarter of total income in OECD countries, though less than that in Australia where market provision has always dominated. In 1960 the figure was less than 10% and fifty years before that almost nothing. Decommodified income (essentially the politicisation of consumption because it disarticulates work effort from income) originally comprised mainly social security payments but now includes substantial transfers of income even to those who are fully employed (through childcare and housing subsidies and other aspects of urban amenity). This is why taxation has been referred to as the ‘price of civilization’. Clearly it is higher in the rich societies than elsewhere and therefore also registers as wellbeing. It has not decreased in recent decades.

However, to judge from election outcomes in many western countries, across the OECD countries, citizens have become disillusioned by the inability of mainstream politicians and political processes to deal with urgent political issues, such as unemployment, social inequality, immigration, national debt, environmental sustainability and other consequences of globalization. As a result, non-mainstream political parties (sometimes extremist ones, offering unconventional visions) are experiencing some popularity, though indications are that, without a reconceived theoretical and policy imagination, this experimentation will be temporary. Underlying the dissatisfaction is not just policy failure but an apparent indifference among policy elites to some components of wellbeing (for example, unemployment which detracts from living standards of even those still employed). The elites want to prioritise conventional measures of success (for example inflation or budget balances) even when the electorate does not.

These official neglects reflect not only ideological preferences (liberals and orthodox economists favour less interventionist policies compared with social democrats and heterodox economists) but also government structures and public institutions which over time build up competences in some areas, ignoring others. These capacities are increasingly referred to as regulatory or governance structures, because non-state institutions are more and more involved. Currently, for example, the dominant public institutions claim expertise in monetary policy (despite its general ineffectiveness at improving economic activity or employment) or privatisation of public assets (despite repeated intellectual rejection of the need for it) while other aspects of state capacity (such as infrastructure provision or research and development) remain underdeveloped. For these reasons, measures of wellbeing probably need to be concerned with the capacity of political parties and processes and institutions and discussion to translate community concerns into effective policy.

A recent survey of about 4,000 Queenslanders (The Social Wellbeing Project – funded by Queensland public sector unions and the ARC and conducted by the Institute of Social Science Research at UQ between 2008 and 2010) has discovered some unexpected aspects of living standards in Queensland that have implications for our knowledge of what wellbeing is and, possibly, why there seems to be such discontent with what politics has been delivering over the last few decades. The study did not enquire into political disquiet explicitly, but some conclusions may nonetheless be drawn.

Queenslanders appear to be generally satisfied with family relationships, housing, personal security, the environment, the respect shown by other citizens, the affordability of essentials and leisure. However, satisfaction levels are noticeably less robust concerning financial circumstances, work, income, health and especially the stress experienced in daily life. These five sources of inconsistency (between overall conceptions of wellbeing and particular discontents) are also the subject of recent research in heterodox (anti-orthodox and non-generalist) political economy.

Heterodox political economy, as the name suggests, allows a multiplicity of approaches (mainly empirical and historical) rather than one dominant tradition of economic analysis based on abstract formulations of what is said to be common to all (allocation of scarce resources). Generally heterodoxy draws on sociological and evolutionary conceptions of how economies are underpinned by political and institutional conditions (as argued, for example, by Emile Durkheim, Max Weber, Thorstein Veblen, Joseph Schumpeter, Karl Polanyi and John Maynard Keynes). These classical writings (the list is not exhaustive) contribute to an anti-rationalist perspective that has been extended in recent research – with wide implications for our understanding of current discontents and what can be done to alleviate them. (Key contributions to date have been Chang 2010, Goldstein & Hillard 2009, Hodgson & Knudsen 2011, Olssen 2010, Quiggin 2010, Stanfield 2011, Streeck 2011 and Taylor 2010, though the case has been made, possibly with more effect, for more than a century in literature – see Tolstoy 1869 and Lanchester 2012.)

Social science, therefore, now recognises that economies are ‘embedded’ in the social and institutional accomplishments inherited from the past and that these constitute diverse ‘modes of regulation’ that in turn render purely market conditions (including the individual motivations they are said to derive from) non-determinant. This reliance of material outcomes on non-material preconditions creates ‘complexity’ (multiple causality) in modern society. We have also learned – though it is a realisation frequently forgotten – that rationalism in economic enquiry is an untenable assumption insofar as the future is unknown (that is, the past is an unreliable guide to what will prove productive or successful in any subsequent period; the consequences of any decisions taken today cannot be predicted). Consequently outcomes are not readily calculable and financial reckonings which...
presume otherwise can become dysfunctional. Yet the decisions taken are irreversible. We cannot revisit or re-run the past; we often have to live with mistaken expectations (particularly too much or too little investment).

Modern capitalism also differs from the textbook model of an economy by virtue of bigness – where the forces of competitiveness have long been superseded by the capacity of private productive organisations to control their environment (their control over pricing), by the requirements of production itself and by the ubiquity of government and what it provides in all business activity. These aspects of wealthy economies also imply that modern societies are capable of sustaining ‘unproductive’ activity (such as the transfers and decommodification, unrelated to productive contributions, referred to above).

As noted, these capacities are dependent upon wealth and indicate that growth is never just quantitative – growth also transforms an economy in directions that create new possibilities for both infrastructure provision (which is directly economic) and democratic enhancement (which is only indirectly so). Social conditions of production not only exhibit interaction between causes and effects but also necessitate more organic conceptions of an economy (allowing that individuals may regularly misjudge their own interests so that functional elements and dysfunctional ones interact), making biological metaphors applicable. In such circumstances the public or societal bases of wellbeing may need to be explicitly secured (by the state or other authoritative bodies). Once these processes, and their novel features, are allowed, we can see that the institutional determination of behaviour produces ‘emergent properties’ – that is, unplanned and unpredicted but permanent clusters of adaptive propensities (the evolution of the welfare state towards extra-market and potentially democratic provisioning provides examples of unexpected adaptation that still conserves coherence). Institutionalism in political science and political economy shows that productive and social arrangements have co-evolved. In mixed economies, the non-economic conditions of progress have become more important (though outcomes are not necessarily competent or rational or desirable).

With these six dimensions of modern life – complexity, uncertainty, maturity, interdependence, emergence and evolution – we see that modern economies generate interpretive difficulties that underlie not only revised measures of wellbeing but also revised conceptions of it. For these reasons, the issues for which respondents reported the most dissatisfaction in the Queensland survey do not appear to be unique to Queensland or to Australia. The context of discrepant responses (relative satisfaction with leisure, housing, family relationships and the environment, alongside relative unease about work, income, the security of assets and health) characterises many OECD countries. Unemployment has been generally high for 40 years; inequality is generally increasing; infrastructure deficits and democratic deficits have emerged and persist, sometimes spectacularly; manufacturing and trade union influence have continued to decline – along with the loss of national mechanisms for transmitting wealth from high to low productivity parts of the economy (in Australia the centralised wage fixing system; in other countries the gradual erosion of high-
wages on pressure on employers as a way to sponsor desirable forms of economic transformation). Australia ranks below the OECD average in health and education and research expenditures. So the detractions from affluence experienced by the Queensland respondents may be symptomatic of a broader impasse affecting all western polities. This does not imply that global forces are unstoppable; just that domestic political forces here, like domestic political forces elsewhere, are less assertive than they could be and once were. Whether this phenomenon sustains extremist reactions, or merely extreme electoral results as seen recently in Queensland, official political abrogation, deliberate and otherwise, of the possibilities of politics needs to be acknowledged and countered. Celebration of political capacity was once a hallmark of the western political tradition; it now seems to be being undermined by those charged with nurturing it.

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Yaru Yaru Young Dreamers

KARINA TALBOTT

I

‘Which way to White Street?’

There was me, Malaki, standing by with my watiyan, my spear, tightly gripped, and there was Gericault, Blake and Tintoretto, working quick like little buzz buzz bees to procure us some Fumy Juice for an evening of brain fry. ‘Yaru yaru young dreamers,’ I hissed, ‘we best get us some medicine before the night is olden.’ And quick as a wink they were then, that precious violet honey reaching the brim of our yi-yi jar. Tintoretto, the darkest of we four, licked his lips and made out to drink the whole lot right then before we all chimed in with ‘no jest Tin-Tin!’ For there was still plenty of blackness to enjoy that evening through crystal eyes. We were closest kin back then, never a spite or spat between us, and it was as if this medicine could last us always, though as you will see, it was not the great karntana’s plan, and there was plenty yulamara – plenty sadness to be born.

We were dressed in sheets of silver tin, strung in rows across our chests and legs and arms and necks, being the closest we could get to our New World cousins who flashed white hands and teeth across the purlama, the idiot box, on Fridays at prime time. The purlama is a kind of window for us young dreamers, part of a big-boned home with no door for us to be entering.

Who were we really? I often wondered aloud to the emptiness. And who were we going to be? But these were big questions for the great karntana, and she doesn’t need silver tin to be seen. So it was dressed like this that we parted the black drapes of another night-time, running as wild horses with our yi-yi jar slosh slosh sloshing, straight towards The Punishment.

‘Which way to White Street?’

On that night it was our own dreamer Gericault who was called into the Hotel square by that kippa Gudna, that evil one, who was spitting like the tu-gun, the sea waves, and raging all about some little woman they were both catching. All around the square there were Auntsies, Uncles, namul babies – maybe even the old karntana herself – and there was me, Malaki, Blake and Tintoretto, wide-eyed and watching our Geri being cured by his Punishment. ‘Kumparra kunarlapu Geri Geri,’ we sang. Like the thunder, like the storm clouds. They were right well spitting at each other then, calling names from deep in the olden days to insult each other’s male body parts. Such filthy names we had never heard, so we began to worry that the jest would be too much even for the great karntana to bear. And soon enough there was one too many and that kippa Gudna went for his watiyan and pushed it straight through poor Gericault’s tambur, that is, his mouth. Geri stood like a gum, the spear making his body into a great big cross, eyes wider than the desert and full of the same devastation. We right wailed then, jumping into the square and swatting that tallabilla, that devil on legs, until he was just rags in the dirt. That tallabilla broke the rules that night, and no medicine could fix our poor dreamer.

I often wondered about that kippa Gudna, about why he got so like a devil and broke our rules. Some reckon it was that violet honey, same as we were taking on that night. But that kippa Gudna, well, they say he was smoky like a bush fire, they say his head was just baggurra. But none of that fun again, not in the next dear place where we found ourselves.

II

‘Which way to White Street?’

There was me, Malaki, and there was Tintoretto as you know him, and now there was Goya and Marat, old Blake reaching the End not long after our Geri. Our new home was not one where we ran as wild horses – we were more like a herd of cow in there. It was called the Garden of Delights, which Tin-Tin thought a good jest on the part of the Constables, us being in the Right Wing; he said, ‘that is where Hell is painted’. It wasn’t so bad for Goya and Marat, they thought the Garden to be like a natural life stage, with most of their male kin already visiting here or booking in for quite some time. They made light jest of Tintoretto and I being on our best behaviour
to impress the Constables. ‘Don’t you want to be like the night?’ they would tease, ‘blackest, dark and deadly?’ But that is not how we remembered it, our night being more peaceful, cool, and without any colour at all.

Lady Hieronymous had taken us under her wing, Tin-Tin and I being in search of a way out you see. We called her Miss Jippi, which is a kind of bird from the olden day’s words, as she wore all greens and reds and blues and purples, with a kind of nest on her head just like a finch would make. She didn’t mind though – Miss Jippi liked the way we talked sometimes and said if she really could fly she would take us home, but said this as a kind of secret because we were her favourites, you see.

Miss Jippi was writing a book called Mongongo, this being a kind of big ancient tree that could grow almost anywhere, she said, with dark red fruit shaped like swollen caterpillars, but not many people knew what to do with it, or maybe they didn’t care. She always said, ‘Young dreamers like you two, dear Malaki and Tintoretto, this is a big big world and being only just fourteen in years, it must seem only small and full of pieces that don’t quite make sense.’ And when I wondered aloud who we really were and who we were going to be, Miss Jippi’s voice became like the great karntana then, and I heard it like golden honey covering my eyes and ears. ‘Yaru yaru young dreamers,’ she whispered in words that we taught her, ‘there is plenty yulamara to be born, yes. But there is also the daylight, the dawning, and there are kin in those if you look for them, even here in the New World. Don’t be scared little dreamers, we all have to find our way’.

Sometimes Tin-Tin and I wondered whether these were only more lies, like those we had seen on Friday prime times. But as usual, Tintoretto had eyes far bigger than my own. ‘Hush hush old Malaki, we’ve been given a door into the big-boned home,’ he said, ‘if we should choose to go inside, well, I don’t know what we would find’.

III

‘Which way to White Street?’

That, young dreamers, was me asking for directions from a black-suit in the city – me being on my way to the Corpus Callosum to meet old Tintoretto, who was learning all about that big big world there, reading books from the old and the new days, wanting to be some kind of Science Man. He jested that he would find the ingredient list to make that violet honey to be sold in the supermarkets, only without all the fire and sadness. Yes, we left the Garden of Delights after a few long seasons with Miss Jippi, leaving as two sparkling orphans, hair cropped and clean, white teeth flashing, books in our packs and fresh lean muscles covering our old old bones. Having caught up in our New World tests we were sent off running towards the cityscape, and that is where dear Tin-Tin and I were having to make big big world decisions, and being just sixteen in years, it was time to be self-made men like our long dead fathers.

How exactly we became Men, I will tell you shortly now, for it was a new beginning, you see. Tin-Tin remembered better than I, of life back when we were just starting, when the old Men would talk of the Old World test. Tin-Tin recalled that deep in the sandy bush, fire under their feet, the Men had stood in perfect nakedness and been sliced like ripe tomatoes, red flesh bursting in lines across their chests. How we did it though was in the little kitchen of our big-boned home where we were only guests, waiting well into the night to meet there and using a tiny silver knife on each other to burst our skin. It was such a solemn occasion young dreamers, we both being silent as sadness, letting salty water stream down to our shoulders, drip drip dripping on the black and white checkered floor.

‘Which way to White Street?’

We dress now as we please, having a little money to do with what we choose. Tintoretto likes the shops filled with all assortments of other people’s lives, clothes and books and kettles and plates that have already lived a lifetime and are ready for a second go of it. They always smell like boxes of dust and I politely hold my nose sometimes when it is particularly bad. But Tin-Tin loves that kind of thing, saying that we could patchwork an entire life history for ourselves here, which is sometimes easier than thinking about our own, or explaining it to other young dreamers. Mostly he buys long silk shirts of all sorts of coloured patterns, which kind of remind me of Miss Jippi, though Tin-Tin being more like a firework than a finch. Me, I like everything brand new, mostly real smooth clothes with a bit of silver, a bit of gold here and there, and I like big big boots that are good for right stomping about city roads that sometimes make you feel very small.

Here now at the Corpus Callosum Tin-Tin and I are sitting under a great gum. I’m reflecting on our story so far and writing it all down for you young dreamers. The great Science Man is conducting a kind of experiment, he says, sprawled on the grass, waving and smiling a bright hello to those Others walking by to see how many smile back. I don’t think it’s quite a fair thing to do, myself preferring to just sit and watch and listen, but as usual, Tintoretto tells me to hush hush. ‘My dear old Malaki,’ he says, ‘I am merely making up for lost time. So many new faces to meet, but we have to sort out the pure from the corrupted. Different rules to follow now, young dreamer.’

Who are we really? And who are we going to be?

Big big questions for the great karntana, wherever she may be.

Terry Eagleton, now based in Dublin and holding Chairs in Lancaster and Galway, has long resisted the relegation of Marxism in the academy. Over many years he has written sparkling prose that illuminates social contexts for the study of the humanities. Eagleton has given us a timely *tour de force* that reaffirms the contemporary relevance of Marxist analysis. More than this, he shows how most of the fallacious arguments that have been applied to Marxism are better directed at the imperfections of modern capitalism.

When I studied politics as an undergraduate in London in the 1960s, class and inequality were among the most important political concepts we considered. The nineteenth century revolutionary philosopher Karl Marx was then a major part of the social science and humanities curriculum. He was widely considered to be a highly relevant political theorist to any analysis of the times. His followers such as C Wright Mills, Raymond Williams, Ralph Miliband and others provided a powerful critique of the dominant versions of world history and social power. While the following decades did see some important work by neo-Marxists such as Chantal Mouffe, to a great extent the study of Marxism was relegated to the more obscure margins of academia, just as Marxism itself was attacked as being dated and irrelevant by a host of commentators and theorists. This was always a mistake, but in retrospect the enormity of this omission becomes ever more evident. In the richest countries the top one per cent have enriched themselves enormously at the expense of the large majority of the population, and private debt has been transformed into public austerity as the social gains of the last century are endangered.

In *Why Marx Was Right* Eagleton shows why so many of the attacks on Marx and Marxism are based on error or confusion. At the start of each of the ten chapters Eagleton summarises in a succinct paragraph an argument that has been widely used to condemn Marx, Marxists or Marxism, and he then commences a repudiation of the argument. Eagleton’s Marx is therefore established as these repudiations are consolidated. He is the antithesis of totalitarian dictator or centralised state planner or determinist abstract philosopher. And he is a believer in unlocking the temporary shackles that impede the cooperative and peaceful essence of humankind. He is a practical fierce campaigner against the parliamentary façade that serves mainly to protect the interests of the most powerful. The work is leavened with some waspish humour at the expense of royals and celebrities, and some interesting tangential items, for example on Marx’s binge-fuelled petty vandalism. Of course, Marx is a creature of his time, and Eagleton sensibly accepts that there are blind spots, on some gender and environmental matters, for example, when viewed from a current perspective. Therefore, to give us a wider and more contemporary perspective, Eagleton’s argument moves swiftly between matters relating to Marx, to Marx-Engels, to Marxists to Marxism.

All these complaints are better addressed to the dominant ideologies of the powerful minority, while Marx is concerned with struggle, with resistance to the powerful. Eagleton’s Marx relishes diversity, is anti-equality when it negates human need, and believes in a good life for all diverse individuals based on an artistic life of self-expression. At a time of productive bounty, due to the necessary but qualified successes of capitalism, Marx looked forward to the possibility of human emancipation. He was never a dogmatist, never a narrow determinist, not an unthinking advocate of violent revolution, sometimes prepared to see benefits in piecemeal social reform. We live at a time when world population is threatened by environmental and nuclear crisis, by state violence on a global scale. The poor in the rich world are subjected to increasing austerity, and the poor in the poor world are proof of a violent exploitation. This is no time to stop reading Marx.

Adjunct Associate Professor Jeff Archer  
Political and International Studies  
University of New England

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**Cycle**

the political cycle  
has no handle bars  
or seats  
I suspect  
that it is remote controlled  
from somewhere far away  
it drives in circles  
ever getting anywhere  
but always moving  
around here  
a straight line  
is subversive

Mark Roberts,  
West Chatswood, NSW
Photography has the capacity to capture the immediate moment, the very essence of an event and of time past, never to be repeated. These images of water are fragments of real time, ‘reality on pause mode’, uploaded to the digital public domain where we can share the experience of waters’ grace and vicissitude. These images, selected from a perpetual photographic journal, comprise a study of water ranging from freshwater ponds and lakes to the vast salty oceans. Photographed around the Sunshine Coast where I live in Queensland, Australia they represent water as a continual moving malleable physical structure, adapting to any shape and form. Through the lens of the camera, these images show the visual volume of waters' malleability as a ‘motion captured’.

Unlike a movie camera, that can pan and record the atmosphere of a scene, the photograph falls short of expressing the totality of the whole view and experience. When viewing a still image, particularly images about nature, the audience understands that a sensory deprivation from the real occurs. My response to this challenge was to seek to imbue the image with the essence of my subjective experience to give the audience a sense of being there with me at that moment, at that time and in that place. I sought to capture this continually moving entity and play with the aesthetics of the scene presented in order to express each moment in time to a varied cultural audience that may include people who have never visited the ocean. This play with water as an artistic expression of nature allows the audience to interpret and connect personally with each image by drawing from their own previous experiences of water. My images show only a minute part of nature’s voluminous effervescent fluid. Captured as a framed moment ‘in time’ they work simply to coerce the viewers’ attention to see beyond the everyday and to immerse them, for a moment, with this important, wondrous and natural molecular structure that sustains our very existence.

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