Is Indigenous Poverty different from other poverty?

by Boyd Hunter

Presented to the CAEPR conference, ‘Social Science Perspectives on the 2008 National and Aboriginal Torres Strait Islander Social Survey’ held at the ANU on 11-12 April 2011,
Overview

• What is Poverty?
• Poverty rates taking OECD equivalence scales as given
• Relationship of equivalent income to financial stress
  Towards an indigenous-specific model of financial stress, income and risk factors
• Combining empirical results with theory in order to derive implied equivalence scales?
• Income gradients for social networks: revisiting social exclusion in an indigenous context
• Concluding remarks: Augmenting the evidence base (i.e. expenditure survey) and expanding our mindsets
Spicker (2007) What is Poverty?

- Poverty as specific need & can said to be deprived of certain goods;
- Poverty as a pattern of deprivation over an extended period of time;
- Poverty as a low standard of living with low income or consumption;
- Poverty as a lack of resources (which results in unmet need);
- Poverty as an economic distance (or economic inequality);
- Poverty as economic class or relationship to the means of production;
- Poverty as social class, which is often defined in terms of low SES where poor people lack status power and opportunities available to others;
- Poverty as a dependency on social assistance or welfare;
- Poverty as social exclusion (either actively or passively). Poor unable to participate in society economically, socially or politically;
- Poverty can be understood as a lack of entitlement (e.g., Sen 1982)
Poverty by family type

Incidence of poverty

- GSS
- NATSISS non-remote
- NATSISS remote

Family types:
- Couple
- Sole Parent
- Other Family
Poverty by household size

Number of people in household

Incidence of poverty

- GSS
- NATSISS non-remote
- NATSISS remote
Poverty by household type

Incidence of poverty by household type:

- GSS
- NATSISS non-remote
- NATSISS remote

Household types:
- One family
- Multi-family
- Lone person
- Group Household
Breunig and Cobb-Clark (2006: 33) estimate a regression model of financial stress that allows them to estimate equivalence scales

\[ p^* = \beta_1 + \beta_2 \ln(y) + \beta_3 \ln(fs) + u \]

\[ \ln\left(\frac{y^{(j)}}{\bar{y}_r}\right) = \frac{\beta_3}{\beta_2} \ln\left(\frac{r}{j}\right) \]

\[ e_j \equiv \frac{y^{(j)}}{\bar{y}_r} = \left(\frac{j}{r}\right)^{-\frac{\beta_3}{\beta_2}} \]
Cash problems in last 12 months

<table>
<thead>
<tr>
<th></th>
<th>GSS Model 3</th>
<th>NATSISS Model 3</th>
<th>NATSISS Model 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Log of Equivalised household Income (OECD)</td>
<td>-0.4824 (-12.12)</td>
<td>-0.1996 (-3.50)</td>
<td>-0.2069 (-3.62)</td>
</tr>
<tr>
<td>Number of people in household</td>
<td>0.1666 (7.05)</td>
<td>0.0985 (4.24)</td>
<td>0.0975 (4.17)</td>
</tr>
<tr>
<td>Pseudo $R^2$</td>
<td>0.1646</td>
<td>0.0765</td>
<td>0.0781</td>
</tr>
<tr>
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<td>----------------------------------------------------</td>
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</tr>
<tr>
<td>Multi-family household</td>
<td>-0.0247 (-0.13)</td>
<td>-0.3579 (-2.42)</td>
<td>-0.3562 (-2.40)</td>
</tr>
<tr>
<td>Owner without a mortgage</td>
<td>-2.0930 (-25.19)</td>
<td>-1.3290 (-7.81)</td>
<td>-1.3267 (-7.76)</td>
</tr>
<tr>
<td>Index of Relative Socio-Economic Disadvantage</td>
<td>-0.0649 (-6.17)</td>
<td>0.0193 (1.22)</td>
<td>0.0178 (1.12)</td>
</tr>
<tr>
<td>Couple family</td>
<td>-0.3113 (-4.34)</td>
<td>-0.2102 (-1.83)</td>
<td>-0.2089 (-1.67)</td>
</tr>
<tr>
<td>One parent family</td>
<td>0.6124 (6.82)</td>
<td>0.1934 (1.76)</td>
<td>0.1909 (1.71)</td>
</tr>
<tr>
<td>Profound or severe disability</td>
<td>0.2851 (2.55)</td>
<td>0.5978 (4.99)</td>
<td>0.5965 (4.95)</td>
</tr>
<tr>
<td>Household Indig. and non-indig. residents</td>
<td>–</td>
<td>–</td>
<td>-0.0037 (-0.04)</td>
</tr>
<tr>
<td>Live in homeland</td>
<td>–</td>
<td>–</td>
<td>-0.2113 (-2.35)</td>
</tr>
<tr>
<td>Hunting &amp; Gathering for medicines</td>
<td>–</td>
<td>–</td>
<td>0.2929 (1.76)</td>
</tr>
<tr>
<td>Hunting &amp; Gathering for food</td>
<td>–</td>
<td>–</td>
<td>0.0869 (1.09)</td>
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Could raise $2000 cash within a week

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<td>Log of Equivalised household Income (OECD)</td>
<td>1.0079 (21.45)</td>
<td>1.0231 (17.20)</td>
<td>0.9973 (16.70)</td>
</tr>
<tr>
<td>Number of people in household</td>
<td>-0.1395 (-5.21)</td>
<td>-0.0731 (-3.30)</td>
<td>-0.0658 (-2.93)</td>
</tr>
<tr>
<td>Pseudo R²</td>
<td>0.2382</td>
<td>0.2225</td>
<td>0.2289</td>
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Could raise $2000 cash within a week

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<td>-0.0836 (-0.41)</td>
<td>-0.1553 (-1.15)</td>
<td>-0.1940 (-1.42)</td>
</tr>
<tr>
<td>Owner without a mortgage</td>
<td>1.7340 (21.63)</td>
<td>1.8046 (13.36)</td>
<td>1.7300 (12.70)</td>
</tr>
<tr>
<td>Index of Relative Socio-Economic Disadvantage</td>
<td>0.1355 (11.55)</td>
<td>0.0960 (6.30)</td>
<td>0.0883 (5.72)</td>
</tr>
<tr>
<td>Couple family</td>
<td>0.3911 (4.88)</td>
<td>0.4560 (4.37)</td>
<td>0.1901 (1.68)</td>
</tr>
<tr>
<td>One parent family</td>
<td>-0.4828 (-5.00)</td>
<td>0.0166 (0.16)</td>
<td>-0.0887 (-0.84)</td>
</tr>
<tr>
<td>Profound or severe disability</td>
<td>-0.3310 (-2.94)</td>
<td>-0.7440 (-6.00)</td>
<td>-0.7299 (-5.84)</td>
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<td>Household Indig. and non-indig. residents</td>
<td>–</td>
<td>–</td>
<td>-0.5238 (6.40)</td>
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<td>Live in homeland</td>
<td>–</td>
<td>–</td>
<td>-0.0840 (-1.02)</td>
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<td>Hunting &amp; Gathering for medicines</td>
<td>–</td>
<td>–</td>
<td>0.3103 (1.94)</td>
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<td>–</td>
<td>0.1352 (1.80)</td>
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GSS and NATSISS collect information on social capital that covers the broad areas of:

- Social contact
- Social networks
- Social support
- Sense of efficacy and
- Trust
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- Social contact
- **Social networks** √
- Social support
- Sense of efficacy and
- **Trust.** √
Social Networks: Bonding social capital

Per cent of respondents with all friends that have the same ethnic background

Quintile of equivalised income for the Australian population
Social Capital: Trust

Quintile of equivalised income for the Australian population

Per cent of respondents who disagree that can trust local police

- GSS
- NATSISS NON-REMOTE
- NATSISS REMOTE
Discrimination

Percentage of population 15 and over who felt discriminated against

Equivalised household income quintile (Australia)

Remote
Non-remote
Concluding remarks

• Hybrid economy & distinct productive contribution of customary activities to economic activity (Altman 2002)

• Improve NATSISS geographic categories & household level data to facilitate multilevel analysis

• Survey of expenditure patterns of indigenous and other Australians needed

• Need new sources of longitudinal data with a long time frame to allow us to identify which pathways are more effective at getting out of poverty

• Way forward: A partnership between independent researchers and ‘owners’ of program data?
End of Presentation