

Thriving Communities Partnership Masterclass

Economic dignity & security in uncertain times



Dr Dina Bowman, Brotherhood of St Laurence

30 June 2020

Overview

1. Inequality and insecurity before COVID-19
2. Inequalities and insecurities have increased
3. Why economic dignity and security matter
4. Conclusion

Before the COVID-19 pandemic Australia had experienced almost 3 decades of uninterrupted economic growth– but the benefits were shared unevenly

“Something was **not quite right.**”

[Michael Orton](#)

Persistent poverty amidst economic growth

At 13% Australia's poverty rate is higher than the [OECD](#) average of 11%

Poverty, disadvantage and [social exclusion](#) are concentrated among key groups

- Indigenous people
- People with disabilities
- Individuals with low educational attainment
- Single mothers and their children
- Public housing tenants

These groups overlap and intersect and reflect underinvestment in social infrastructure to reduce poverty and inequality

A growing sense of precarity and insecurity

- High levels of household debt
- Unaffordable housing
- Sluggish wage growth
- Growing underemployment
- Growth in part-time jobs – often casualised
- Inadequate and conditional social security



COVID-19 **has exacerbated** pre-existing inequalities & insecurities



Swift policy responses alleviate some of the harms

- March 2020
 - 11th March, WHO declares COVID-19 a pandemic
 - 21st -29th March, Social distancing rules and additional shutdowns/ restrictions
 - 22nd March shutdown of non essential services
 - 30th March, **Jobkeeper** announced
- April 2020
 - 2nd April **free childcare** for working parents
 - **Jobseeker supplement** effectively doubles (27th April -24th September)
- May 2020
 - 1st week in May Jobkeeper payments commence
 - Progressive easing of social distancing and trading restrictions begins mid May
- June 2020
 - 8th June announcement that free childcare to end July 12th
 - 9th June, partial resumption of limited mutual obligation requirements for Jobseeker

But there have been significant **job losses**, a fall in hours worked and income earned

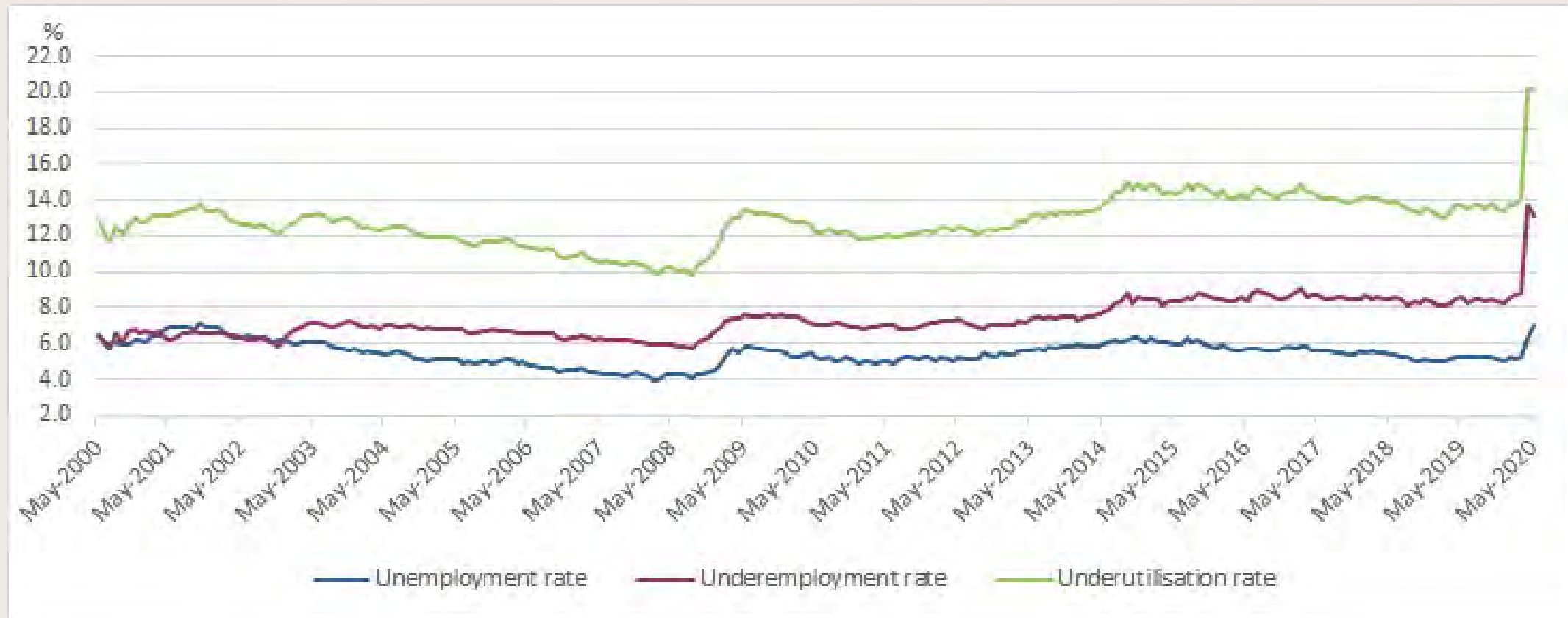
The most recent [ABS Labour Force Survey](#) data shows:

- increased unemployment at 7.1% up from 5.2% in May 2019*
- Record underemployment** – now 14.1% . This time last year was 9%.
- Record underutilisation rate (unemployment + underemployment) 20.1%

*note seasonally adjusted data – trend series has been suspended temporarily

** underemployment ratio (proportion of those employed who are underemployed)

Underemployment, unemployment and underutilisation rates



ABS 2020



Unequal impacts reflect
underlying structures of
inequality



Drivers, impacts and experience of **insecurity**

‘As a concept, **financial wellbeing** has tended to focus on individual objective measures and self-assessments of ability to meet expenses (both day-to-day and in the future) and ability to meet unexpected expenses. These are important, but we argue that it is also necessary to take into account the **systemic and structural drivers of inequality and insecurity**’ (Bowman et al. 2016).

Insecurity, risk and **dignity**

‘That’s my savings strategy. I cook for three people. That’s how I do it. It’s embarrassing. I won’t admit it to my husband openly. What I do, like I keep busy when they’re eating dinner. I wash the dishes or that’s the time I hang laundry’. (Lisa – [Bowman and Banks](#) 2018).

**Making sense of
inequalities:
The Capabilities
Approach**

Amartya Sen's capability approach highlights the interplay of **structure** and **agency** – what people can be and do.

It enables:

1. the assessment of individual well-being
2. the evaluation and assessment of social arrangements; and
3. the design of policies and proposals about social change in society (Robeyns 2016).

Dignity and capabilities

Martha Nussbaum (2000) extended Sen's approach to define ten fundamental capabilities that are necessary for human life to be 'not so impoverished that it is not worthy of the dignity of a human being' (p. 72).

For Nussbaum, dignity is central to wellbeing; and we argue that in a similar way it is central to financial wellbeing.

Dignity and financial wellbeing

By highlighting the importance of dignity, we expand the notion of financial wellbeing beyond conventional definitions, making the relationship between structures, systems and individuals more explicit.

Jeremiah Brown and Economic Dignity

Thriving Communities Partnership Masterclass

Economic security & dignity: A financial wellbeing framework

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In the pursuit of a more compassionate and just society in which all can fully participate, and responding to the imperatives for action that have emerged from our analysis, our Strategy prioritises five strategic goals.

Individual capability



ECONOMIC SECURITY FOR ALL



WELLBEING, SOCIAL INCLUSION, EMPOWERMENT AND DIGNITY FOR ALL

Community and service system capability



INCLUSIVE SERVICES AND COMMUNITIES

Organisational capability



A TRUSTED VOICE NATIONALLY ON POVERTY AND DISADVANTAGE



AN INCLUSIVE, EFFECTIVE, EFFICIENT AND AGILE ORGANISATION

A multidimensional perspective



Bowman and van Kooy (2016)



**Intersectional
perspectives**

Financial wellbeing framework



...recognises the drivers, impacts and experience of economic insecurity and is based on the concept of economic dignity.

Our framework identifies four interconnected elements:

- financial logics
- financial literacies
- financial counselling
- financial advocacy

The central aim of the framework is economic security, underpinned by economic dignity.

[Brown and Bowman 2020](#)

Structure and agency

The four elements of the framework focus to varying degrees on individuals or structural and systemic issues.

Financial logics and literacies focus more on individual perspectives and needs, while financial counselling bridges the individual and systemic and informs advocacy.

In this way, the framework reveals the importance of context and how structures of inequality and systemic barriers can constrain people's choices and undermine efforts to achieve financial wellbeing.

Financial logics

Rather than starting from a point of desirable behaviour, our approach starts with understanding the financial logic — whether moral or rational—that shape people's decisions and the factors that constrain their possible choices.

This then can shape policies and programs to **maximise possible choices that make sense to individuals**, while respecting their **autonomy and dignity**. Understanding what is important to people is a first step in knowing which information and skills might be relevant.

Financial literacies

We use the term financial literacies rather than literacy in recognition of the diverse forms of knowledge and skills that are required to successfully navigate an increasingly financialised and marketised environment.

For example, specific knowledge and skills are required to understand and interact with the aged care, child care or disability support systems. Similarly, specific knowledge and skills are required in relation to retirement, establishing a small business or choosing a telecommunications or energy supplier.

An increasing number of intermediaries have been established to assist people to navigate these systems, but accessing these also requires some level of awareness and information. And the responsibility for decisions made remains with the individual.

Financial counselling

- Insecure work and unaffordable housing, unfair contracts and predatory lenders can all contribute to financial insecurity and stress. When things go wrong, for example if people find they have unmanageable debt, they may seek financial counselling. This refers to information, advice and advocacy provided for people in financial difficulty
- Underpinned by the principle of social justice, financial counselling bridges individual support and advocacy for systemic change

Financial advocacy

- Recognising the drivers of economic insecurity and financial distress means that advocacy is required to address systemic and structural barriers. For example, reform is required in:
- financial systems, relating to lending practices
- the labour market, ensuring decent work on fair and reasonable terms
- broader social policy contexts, such as social security
- equitable social infrastructure—such as affordable health care, education, transport, housing—that provides the enabling conditions for financial wellbeing.

Applying the framework

Economic dignity requires meaningful control and respect in our financial lives. We propose the following ways in which the financial wellbeing framework should inform policy and practice approaches:

- respecting the agency and ability of people to make choices that are best for them
- supporting people to make their own decisions, rather than telling them what to do
- seeking to understand and respect the logics that frame people's financial decisions
- working with people to enable and empower them, as embodied in the phrase 'nothing about us without us'
- educating people in the financial literacies they need to feel confident that they understand the financial decisions that they make
- challenging unfair practices and policies that contribute to financial hardship
- working to change unfair systems and structures that constrain real choice.

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Image credits

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Slide 6. Warsaw graffiti [Adam Nieścioruk](#) unsplash

Slide 10. [Dark Clouds](#)

Slide 11. [Ricketty Bridge](#) Jason Hollinger flickr

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