

Poverty, Deprivation and Living Arrangements: A Comparative Analysis of Australia and Japan

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ABSTRACT

This paper will compare poverty and deprivation rates in two very distinct countries: Australia and Japan. Even though the two are both located in Asia, their cultural differences are quite apparent just by looking at the composition of household types. In Australia, most of household types consist of nuclear families – individuals or couples, either with or without children. In contrast, in Japan, the multi-generational and multiple adults (non-couple) household still remains as the norm. Thus, nearly a half of all people over 65 in Japan lived with their grown-up children in 2006, while about one third of single-mother households choose to cohabit with grandparents. Such cohabitation is not only a lineage, a way to maintain the most basic unit of society on which institutions, both formal and informal, are built in Japan, but is also a way to avoid poverty, and especially deprivation, by sharing amongst close and sometimes not so close relatives. Both the structure and impact of social protection programs must recognize and reflect these important differences. These differences in living arrangements also raise important conceptual issues about the validity of comparing well-being across countries solely in terms of economic resources, measured using income (or wealth), adjusted for differences in need using equivalent scale. For example, a two-adult family consisting of an elderly couple is in an entirely different situation to a household consisting of a working person living with an elderly mother, even if the level of income in each is the same. One way to mitigate such a problem is to use more direct approaches to measure the standard of living. An example of such an approach is the deprivation approach, developed initially by Townsend (1979) to study a living standards approach to poverty, an approach that was originally applied in England and has subsequently been applied in many countries. The approach has been used in both Australia (Saunders, Naidoo and Griffiths, 2007) and Japan (Abe 2006) and found to be applicable. This paper will build on the expertise and insights developed in this earlier work to apply the deprivation method to compare the living standards of households living in the two countries.

The paper will use data derived from recent surveys of living conditions and community attitudes in Australia and Japan. The surveys have been designed and conducted by SPRC in Australia and NIPSSR in Japan. Both surveys follow the method developed by Mack and Lansley (1985) in identifying a list of “socially perceived necessities” and then go on to identifying those who lack these items because they cannot afford them. Instead of using the common list of “socially perceived necessities” as is usually done in comparing two countries which are fairly similar (e.g. Saunders and Adelman 2006), the paper will make use of two lists which were chosen by the general public of each country. The process itself is comparative, since the public in Australia and Japan turned out to have very different views on “what is necessary”. The paper goes on to explore similarities and differences in patterns of deprivation between the two countries. The focus will be on differences in the demographic structures and living arrangements, and what the different

measures indicate about the relative position of different household groups in the two countries. Particular attention will be paid to whether the relative standing of different groups is sensitive to the use of different indicators within and between the two countries, and on the nature of such sensitivity. Attention will also focus on the degree of overlap between those defined as poor (variously defined) using the different indicators and those identified as deprived, and what this implies for the validity of the measures themselves. The results are expected to give understanding of the nature of deprivation and poverty, especially on how they interact with living arrangements and cohabitation strategy. The implications of the findings for the design and impact of social protection schemes, particularly those that aim to support the living standards of older people (e.g. pension systems) in the two countries will also be discussed.