

# Social Polarisation in a Suburban Community

## An Australian Newtown Revisited

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In this fourth and final article from the Newtown Revisited Project, IAN WINTER and LOIS BRYSON consider some of the study's key findings in light of contemporary analyses that point to processes of polarisation in Australian society. A book based on the project is to be published by Allen & Unwin in 1998.

As we approach the end of the 20th century we are constantly reminded that this is an era of swift and powerful change. There is considerable concern about many of these changes, particularly in relation to employment, unemployment and underemployment, and in relation to wealth, poverty and inequality. Today, national unemployment lies between 8 and 9 per cent and casual employment rates at 24 per cent. The average male working week has risen from 38 to 41.6 hours over the last decade and there is a growing number of working poor.

Studies in a range of advanced western economies, including Australia, have con-

cluded that the overall outcome of these changes is that our societies are becoming increasingly polarised (Gregory 1993; Hamnett 1994, 1996; Harding 1994; Pahl 1988; Sassen 1991; Saunders and Fritzell 1995); that is, there are growing groups of 'haves' and 'have-nots', with fewer in between.

The image of the structure of society is said to be shifting from that of an egg to

that of an hourglass (Marcuse 1989). In the egg-shaped social structure the majority of citizens are in the widest, middle section of the egg with smaller numbers at the top and bottom of the social structure as the egg shape tapers towards either end. A polarised social structure, represented by an hourglass, is one in which the middle of the social structure has been squeezed and most citizens are in either the top part or the bottom part of the hourglass with few in between.

The evidence used in the polarisation debate refers to the sorts of jobs that people hold (occupation) and the amount of money they earn (income). Comparing the distribution of occupations and of income

### ABOUT NEWTOWN

Newtown (a pseudonym) is a housing development built by the Victorian Housing Commission during the 1950s and 1960s as part of its public housing mandate, with 2500 houses being completed by 1966. The aims of the Newtown development were twofold: to house workers supplying the labour force demands of expanding local manufacturing (often through migrant workers), and to provide a site for families who were the target of the Commission's inner-city slum clearance program.

A 'revisit' to the site of the 1960s community study *An Australian Newtown: Life and Leadership in a Working Class Suburb* (Bryson and Thompson 1972) had been a longstanding latent intention of the original researchers. The Newtown Revisited Project, reported here, was eventually triggered, however, by the fact that Newtown was one of the suburbs included



in the Australian Living Standards Study carried out by the Australian Institute of Family Studies in 1991.

This national study provided a survey of government and community agencies and service providers in Newtown and the surrounding area (153 in all). As well, it provided a study of families (with dependent children under 20 years) through a sample of 62 Newtown households. The data collection methods used in the original 1960s study included a similarly detailed examination of local service provision and use, a rather more extensive household survey of around 340 households, involvement in the day-to-day life of the residents, and in-depth interviewing of key players in the locality. The current study encompasses a similar range of methods, although it does not replicate those used earlier.

at two points in time – to assess whether change has taken place – researchers have examined, first, the number of people in any one occupation or income group and, second, the comparative size of this group. In the first instance the concern is to measure absolute change, and in the second instance to measure relative change (Hamnett 1994, 1996; Sassen 1991).

On trends in the distribution of income, there appears little agreement, partly because the results are particularly sensitive to the methodology adopted. Hence, while some point to the 1980s as being a period of little change (Bradbury, Doyle and Whiteford 1990, p.55; Harding 1994, p.22), others suggest inequality has increased (Saunders 1993, 1994) (see Burbidge and Winter 1996, p.98).

Gregory and Hunter (1995) incorporate a spatial dimension to their analysis to consider whether poor and rich households are increasingly living in separate parts of our cities. They state: 'Income distribution has become more unequal and the change is extraordinary. There is a significant increase in the geographical polarisation of household income across Australia. The poor are increasingly living together in one set of neighbourhoods and the rich in another set. The economic gap is widening.' (p.4)

To the extent that popular accounts characterise the way we define ourselves as a nation, the polarisation of Australian society fundamentally challenges notions of Australia as egalitarian, as the land of opportunity, and as a young nation not riven by the class divisions of older industrial societies. Polarisation would mean that the number and relative proportion of poor people in Australia would continue to grow as the middle class continued to fade.

In investigating the extent of polarisation in Newtown we are, of course, examining only one suburb rather than a whole city; New York (Sassen 1991) and London (Hamnett 1996) have been the foci of earlier studies of polarisation. Thus we are examining the possibility of polarisation in one slice of society rather than its full spectrum. Indeed that slice represents a geographic concentration of low-income earners. Nevertheless, by focusing on the vicissitudes of life in Newtown in the 1960s and the 1990s, we can gain a view of whether processes of polarisation are observable at the suburban scale and what impact, if any, processes of polarisation might be having upon family life.

### Evidence of Polarisation

A key part of the backdrop to processes of polarisation is that of rates of participation in the labour force and of unemployment. The labour force participation rate for men in Newtown was at the same level (74 per cent) in 1991 as it was in 1966. As is the case with the workforce more generally, the changes in participation rates for Newtown female workers have been significant. In 1966, women's participation was at 32

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per cent; by 1991 this had increased to 47 per cent.

Although at both points in time these figures were close to the national figure, the Newtown picture has some distinctive characteristics. In 1966 the women workers included a higher proportion of those in the child bearing years than was typical, and fewer single women were represented. This effectively meant that the Newtown rate was higher for women with similar family characteristics than the state and national figure. This, together with high rates of full-time work, must be linked to the relatively low incomes of their husbands and to the pressures felt by immigrant families establishing themselves in a new country (Bryson and Thompson 1972, Ch.4).

The most striking of the changes in the occupational profile of residents of Newtown over the 25-year period is undoubtedly that reflected in the increase in unemployment. In 1966 the unemployment rate for men was a negligible 1 per cent. By 1991 it had risen to 20 per cent,

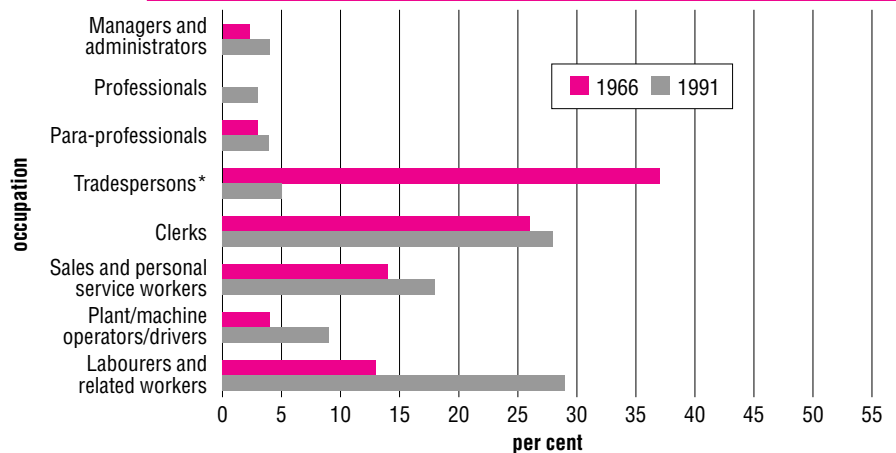
and the unemployed represented 14 per cent of the male population over 15 years-of-age. Over the same period the unemployment rate for women climbed from 3 per cent to 19 per cent.

While unemployment among women in 1991 represented a smaller proportion of the overall population (9 per cent) than for men, this needs to be read against the tendency for women's unemployment to be more 'hidden' than men's (ABS 1993). The long-term unemployed (over 12 months) represented nearly 30 per cent of Newtown's unemployed, a rate which applied to both women and men and shows the intractability of the problem facing residents.

### Occupational polarisation

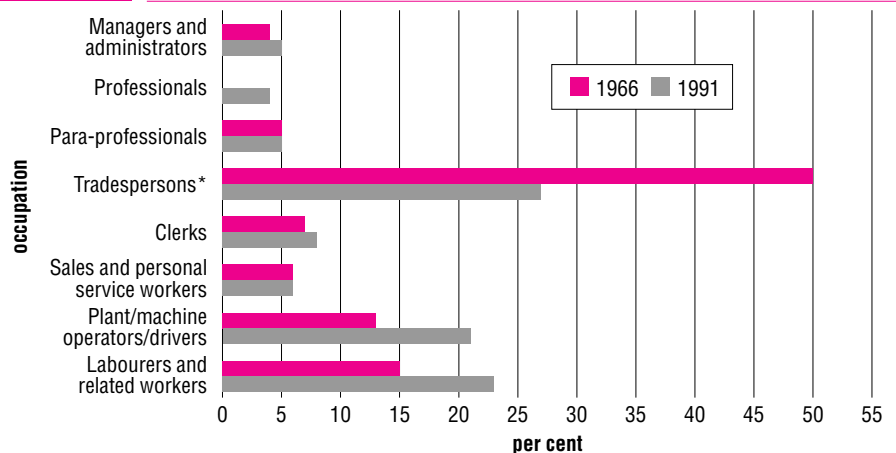
Looking first at data on occupation, Figures 1 and 2 illustrate the relative change in the occupational structure between 1966 and 1991 for females and males in Newtown. The trend, apparent in both charts and most stark for females, is that of a relative increase at the bottom of the occupational

**Figure 1** Relative change in occupation between 1966 and 1991: females



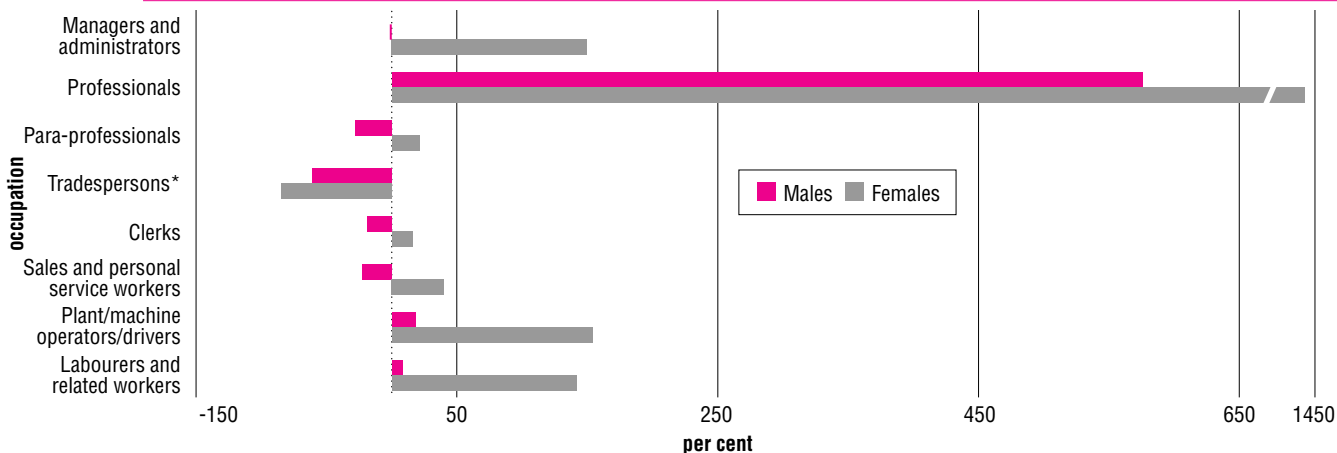
\* This category in 1966 is overestimated due to conversion of occupation classifications.  
Source: ABS 1966 and 1991 Census of Population and Housing.

**Figure 2** Relative change in occupation between 1966 and 1991: males



\* This category in 1966 is overestimated due to conversion of occupation classifications.  
Source: ABS 1966 and 1991 Census of Population and Housing.

**Figure 3** Absolute change in occupation between 1966 and 1991 by sex



\* This category in 1966 is overestimated due to conversion of occupation classifications. Source: ABS 1966 and 1991 Census of Population and Housing.

structure; that is, in the proportion of those working in unskilled occupations.

The proportion of female 'plant/machine operators/drivers' and of 'labourers and related workers', the two bottom occupation groupings, has more than doubled. The most significant proportionate increases for males are also in these two groupings.

All of this growth is accumulated from the collapse of the 'tradespersons' category – the middle of the occupational structure – for both females and males. Female tradespersons have fallen from representing 37 per cent of workers in 1966 to just 5 per cent in 1991. Male tradespersons have fallen from representing 50 per cent of workers in 1966 to 27 per cent in 1991.<sup>1</sup> The upper end of the occupational structure has seen limited growth with these groups still being very small proportionately in Newtown.

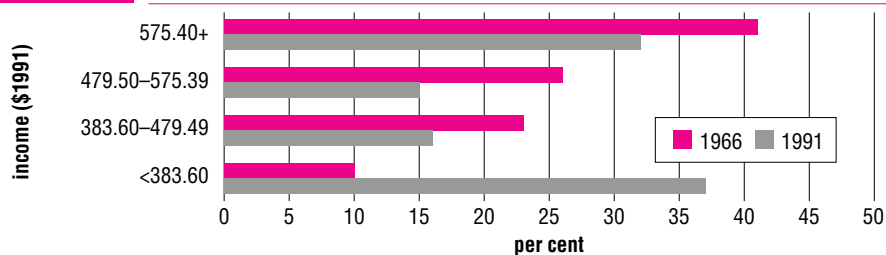
The other component of change in a polarised occupational structure is said to be that of absolute growth at the top and bottom ends. Figure 3 illustrates the absolute change in occupational structure in Newtown for males and females, 1966–91. What is measured in this instance is not the relative size of the groups but the size of the numerical increase in any one group.

Again, the overall trend is broadly similar for both males and females and the figures are far more stark for women. This may be due to the fact that Australia-wide it is women who have experienced the most radical changes in labour market participation (Women's Adviser's Unit 1990).

At the bottom of the occupational structure, the number of female 'plant/machine operators/drivers' and 'labourers and related workers' has increased by 154 per cent and 142 per cent respectively. Smaller increases are evident in these occupation groups for males, at 18 per cent and 8 per cent respectively.

In the middle of the occupational structure the number of female tradespersons has fallen by 85 per cent, and that of males by 61 per cent. At the top of the occupational structure the difference is most dramatic. The number of female

**Figure 4** Relative change in weekly parental income: 1966 and 1991



Sources: Bryson, L. (1970), *Caretaking in a working class suburb*, PhD thesis, Monash University. Australian Living Standards Study (ALSS) 1991–92, Australian Institute of Family Studies, Melbourne.

professionals has risen by 1433 per cent and that of male managers and administrators has increased by 150 per cent. Though the upper occupation groups remain relatively small they have witnessed considerable numerical growth between 1966 and 1991.

With regard to the notion of a polarised occupational structure, Newtown clearly demonstrates a relative growth at the bottom end and a hollowing out of the middle. The relative increase at the top end is less noticeable though the absolute increase is quite spectacular.

This picture is due to the fact that Newtown has always been home to families at the lower end of the socio-economic scale. In 1967 it was ranked in the bottom of eight categories of socio-economic disadvantage (Jones 1967). In 1991, on the index of relative socio-economic disadvantage for Victoria, Newtown was in the bottom decile (ABS 1994). Relatively speaking then, the upper occupation groups have always been less important in Newtown. Nonetheless, when we consider the absolute change it is clear that the significant growth, especially for females, is at the bottom and top ends with falls in the middle-range occupations.

Bearing in mind the position of Newtown in the overall social structure and that the evidence is stronger for females than for males, the data suggest that an initial piece of the polarisation jigsaw puzzle would appear to fit in Newtown. This polarisation is reflected in the occupational profile by de-skilling, on the one

hand, and by professionalisation, on the other.

#### Income polarisation

Measuring the change in income structure in Newtown between 1966 and 1991 is more difficult because the available data do not readily lend themselves to such analysis. To start with, no income data was collected by the Census until 1976. Hence, an analysis of change in income structure between 1966 and 1991 is not possible for Census data. However, analysis of the survey data for Newtown allows comparison of the relative change in income structure between 1966 and 1991, but not the absolute change. A survey of all residents, rather than a sample, is needed to calculate meaningful absolute changes. The survey data are for parental income.

Figure 4 shows how the income structure of Newtown has shifted between 1966 and 1991. The top of the income range is approximately at the level of average weekly earnings (adult male full time) in both 1966 and 1991, again demonstrating that Newtown represents the bottom end of the full income spectrum. An increase in the percentage of families in the bottom income category and decreases in each of the other income categories indicate that a substantially larger proportion of families are now on very low incomes. Graphically speaking, the shape of the income structure has changed from that of the lower part of an egg to that of an hourglass.

With the available data there is, then, partial evidence of income polarisation in

that there is an increase in the relative size of the bottom income group.

### Impact of Polarisation on Family Life

The evidence of social polarisation in Newtown raises questions of how this increased proportion of poor families is coping and how life for such families might have changed between the 1960s and the 1990s.

With increases in the proportion and absolute number of lower skilled and lower paid workers, the impacts of polarisation are manifest as a series of poor quality of life outcomes for Newtown families.

In 1991, over a quarter of all Newtown families and 61 per cent of those in the lowest income group were living in poverty, assessed against the Henderson poverty line. In 1966, 68 per cent of single income earners but only 26 per cent of dual income families fell into the lowest income category, so the best way of avoiding hardship was to have two incomes.<sup>2</sup>

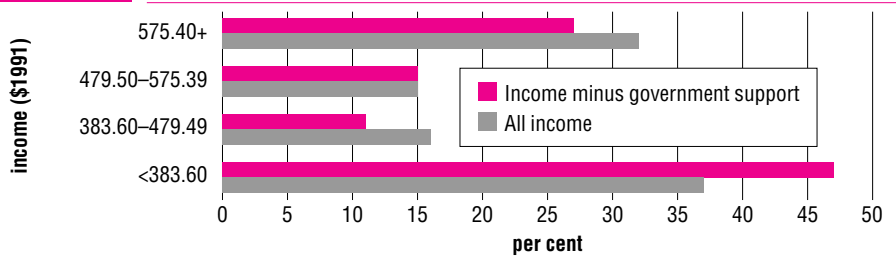
However, having two incomes does not guarantee the avoidance of poverty and in 1991, when second incomes were increasingly part time (up from 28 per cent in 1966 to 52 per cent in 1991) and increasingly under 20 hours per week, dual income families were more likely than in 1966 to fall into the bottom income category.

Also in 1991, 83 per cent of families (more than double the rate for 1966) were finding it difficult or impossible to manage on their income despite the fact that the average number of children per family had fallen from 3.47 children in 1966 to 2.42 children in 1991.

Examining some specific items of family spending, Figure 5 illustrates that:

- almost half the families were unable to service or repair their car
- 40 per cent had fallen behind with utility bills and a similar number were unable

**Figure 6** Weekly parental income: 1991



Source: Australian Living Standards Study (ALSS) 1991-92, Australian Institute of Family Studies, Melbourne.

to pay the insurance on their house, its contents or their car

- house payments had proved a problem for 31 per cent and hire purchase payments for just over 20 per cent
- around 20 per cent had received financial help from their immediate family or other relatives to help pay for day to day needs
- children's needs proved difficult with 18 per cent of families unable to pay for their child to go on a school trip or excursion and 17 per cent unable to pay school fees.

All told, 66 per cent (n=41) of Newtown families experienced one or more of the specified financial difficulties in 1991.

The impact of polarisation has been one of hardship and deprivation and the available evidence suggests that this is not a story that is unique to Newtown, but is the story of the last 30 years in other working-class communities as well.

On the basis of a detailed historical study of the suburb Elizabeth in South Australia which, similarly to Newtown was built by the State housing authority, Peel (1995) concludes: 'There is no doubt that Elizabeth is disadvantaged relative to most of Adelaide. But its disadvantage is new, the poverty of postwar suburbs savaged by restructuring and recession. This is a place

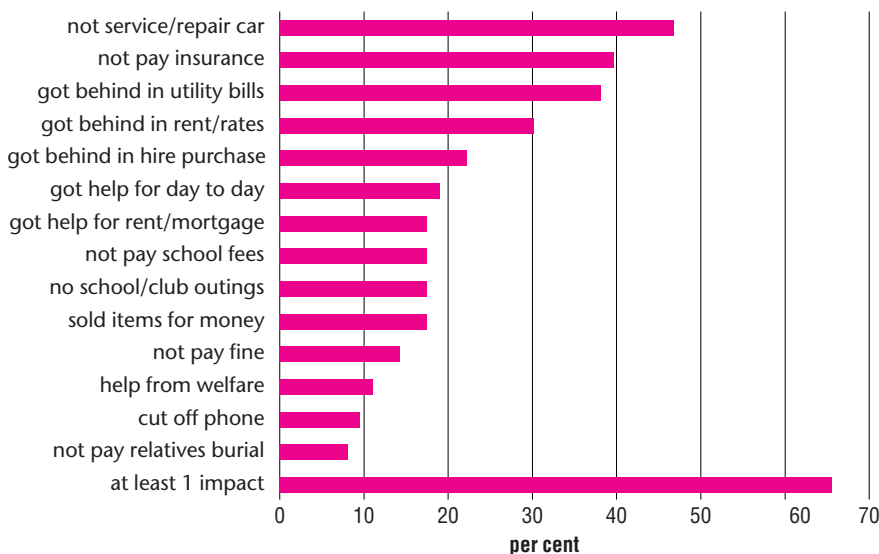
made poor, a place for the people who live along the bad edge of a changing Australia. Adelaide's Elizabeth, Melbourne's Broadmeadows or Dandenong, Sydney's west. Good places turned bad. Just as in other working-class suburbs, not everyone here is poor; there are many who have managed to make a decent living, buy a house and give their children a future, and who want to stay here. But a lot of people find themselves left behind, their factories closed and their jobs gone, their hopes of settling down looking more and more forlorn.' (pp.1-2)

If Newtown, Elizabeth and other working-class communities like them have been made poor, can anything be done to improve the living standards of the families who live in these and other similar suburbs? To the extent that the welfare state acts to moderate the impact of processes of social polarisation, the answer is 'yes'. Following Hamnett (1996): 'The form and extent of polarisation in different cities are likely to reflect the nature and form of welfare state regimes in different countries as well as the form of economic restructuring and other factors such as the scale of immigration.' (p.1407)

International comparative research has shown quite clearly that while the processes of global economic restructuring have led to similar economic trends in a range of advanced economies (for example, a shift from manufacturing to services, more jobs becoming less secure, greater female labour force participation, increased unemployment), the rates at which these trends have progressed have been shaped crucially by trade and industrial policies, labour laws and industrial relations policies (Hamnett 1996, p.1424; Silver 1993).

One aspect of welfare state provision that can ameliorate social polarisation is income support. Figure 6 illustrates the proportions of families in four income ranges both before and after income support. When income support is excluded from the figures, the proportion of families falling into the bottom income category is 47 per cent, nearly half of all the surveyed families. When government income support is included the proportion in the bottom income category falls to 37 per cent of families. Thus, the social security measures taken to target assistance on lower income families with children have worked to reduce the percentage of families falling into the bottom income category.

**Figure 5** Financial impacts of lack of income



Note: These data are from a multiple response question; that is, a respondent could give more than one answer. Source: Australian Living Standards Study (ALSS) 1991-92, Australian Institute of Family Studies, Melbourne.



**The impact of polarisation has been one of hardship and deprivation.**

Picture: Andrew Chapman

## Conclusion

Over the past 30 years, life in working-class communities such as Newtown has changed. In the 1960s that life provided what was largely a set of common experiences. Most adults in Newtown worked in jobs in middle-of-the-range occupations. The two middle occupation categories of 'tradespersons' and 'clerks' employed 63 per cent of females and 57 per cent of males in 1966. The bottom two occupation categories of 'plant/machine operators/drivers' and 'labourers and related workers' employed just 17 per cent of females and 28 per cent of males. Thus, the labour market was not a great source of differentiation among people in Newtown.

By the 1990s the occupational structure of Newtown had altered dramatically. No longer are people in Newtown engaged in middle-range occupations; rather they are increasingly clustered in the bottom occupational groups. The middle two occupational groups now only employ 33 per cent of females and 35 per cent of males, whereas the bottom two income groups have grown to employ 38 per cent of females and 44 per cent of males.

This occupational de-skilling is reflected in the income structure of Newtown with the relative change showing an increase in the proportion of families falling into a bottom income category. Whereas in the 1960s the bottom income category represented the smallest proportion of families, by the 1990s, it represented the largest.

While there were obviously differences among people in Newtown during the 1960s, these were mainly differences of status – the distinction between the deserving and undeserving, the respectable and the rough. In the 1990s, however, these differences have become divisions and they have become harder and wider. No longer are they just differences of status but divisions of an ingrained economic nature.

## Notes

1. The occupational classification used by the Census changed between 1996 and 1991, from CCLO to ASCO. The proportion of persons in the CCLO tradespersons category overestimates persons in the ASCO tradespersons category by following proportions: males, 1.3 per cent; females, 22.5 per cent.
2. The proportion of dual income families rose between 1996 and 1991 from 30 per cent to 39 per cent.

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