

**The Rise of the Working Insecure Household:**

**Understanding how labour insecurity contributes housing insecurity in  
Australia during a time of restructuring and growth**

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for the degree of**

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## Glossary of abbreviations

ABS Australian Bureau of Statistics

ACOSS Australian Council of Social Service

ACIRRT Australian Centre for Industrial Relations Research and Training

AIHW Australian Institute of Health and Welfare

ASCO Australian Standard Classification of Occupations

ADI Authorised Deposit-taking Institutions

CBD Central Business District

FaHCSIA Federal Department of Families, Housing, Community Services and  
Indigenous Affairs

FEANTSA Fédération Européenne d'Associations Nationales Travaillant avec les Sans-  
Abri (European Federation of National Organisations Working with the Homeless)

FHOG First Home Owner Grant

FOES Forms of Employment Survey

HIA Housing Industry Association

HILDA Household, Income and Labour Dynamics in Australia

MIAESR Melbourne Institute of Applied and Economic and Social Research

NDCA National Data Collection Agency

NEIS New Enterprise Incentive Scheme

OECD Organisation for Economic Co-operation and Development

RMBS Residential Mortgage-Backed Securities

SPIN Standard & Poor's Mortgage Performance Index

SAAP Supported Assistance Accommodation Program

TAFE Technical and Further Education

SPSS Statistical Package for the Social Sciences

UK United Kingdom

USA United States of America

WWII World War II

## Abstract

This thesis investigates the connection between labour and housing insecurity in Australia during the period of restructuring and growth between 1992 and 2007, defined as a market-dominant regime of security. The period is characterised by a steady decline in the rate of unemployment, yet there is substantial evidence to suggest that both labour and housing markets have become more insecure for working households. The central research question posed in this thesis is: *How has labour insecurity contributed to housing insecurity during a market-dominant regime of security?* In reviewing trends in the labour market I argue that there has been growing insecurity in both employment and income, resulting from the fragmentation of contract and working-time relations and from growing inequality of earnings. In the housing market I argue that there has been growth in insecurity in both tenure and access emerging from declining affordability and reduced flexibility of households to adjust to sudden changes that threaten their household income. In making connections between labour and housing insecurity I draw on theoretical concepts informed by critical realist ontology, political economy, and Bourdieu's relational class framework to argue that labour and housing insecurity is contingently and unequally mediated through collective and cumulative household capital. Combining descriptive and statistical modeling of the Australian HILDA survey with in-depth biographical labour and housing histories I examine the contingent conditions when labour insecurity does and does not contribute to housing insecurity. Based on an analysis of these extensive and intensive data I find that housing insecurity for renters and purchasers, as well as delays in moving into home ownership, is more likely to occur amongst households with no permanent employment, reliant on self-employment, or who are unemployed. Housing insecurity amongst moderate to higher income purchasers is more likely to be associated with above-average housing costs and changes within their household than from insecurity in employment. In-depth analysis of labour and housing histories over time reveals how the strategies used to mitigate insecurity are strongly mediated by unequal amounts of collective and cumulative household capital.

## **Declaration statement**

This thesis

- represents the work of the candidate alone, except where due acknowledgment has been made
- has not been submitted, either in whole or in part, for any other academic award
- represents research undertaken during the period of candidature
- has been professionally edited by a third party
- has followed ethical procedures and guidelines

Signed

Sharon Parkinson

Date



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*To the memory of Jennifer and the future of Hannah*

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# Chapter 1

## Introduction

Whence then comes the housing shortage? How did it arise? As a good bourgeois, Dr. Sax is not supposed to know that it is a necessary product of the bourgeois social order; that it cannot fail to be present in a society in which the great masses of the workers are exclusively dependent upon wages, that is to say, on the sum of foodstuffs necessary for their existence and for the propagation of their kind; in which improvements of the existing machinery continually throw masses of workers out of employment; in which violent and regularly recurring industrial vacillations determine on the one hand the existence of a large reserve army of unemployed workers, and on the other hand drive large masses of the workers temporarily unemployed onto the streets; in which the workers are crowded together in masses in the big towns, at a quicker rate than dwellings come into existence for them under existing conditions; in which, therefore, there must always be tenants even for the most infamous pigsties; and in which finally the house owner in his capacity as capitalist has not only the right, but, in view of the competition, to a certain extent also the duty of ruthlessly making as much out of his property in house rent as he possibly can (Engels, 1887, pp. 46-47).

Engels' (1887) critique on the question of housing the masses of workers amidst the squalor and housing shortages of industrialising Europe is amongst the earliest conceptualisations of the labour and housing security relationship. With the separation of work and home came the struggle of the working class to obtain wages adequate for subsistence and to find housing close to places of work. His nineteenth century analysis makes visible the connections between insecurity in work and housing under unequal and exploitative relations between capital, labour, landlords and tenants.

While the necessary structures generating insecurity in the circulation of production and consumption endure, the notion of contingency means that the direct consequences of insecurity in labour and housing and the connection between the two will be played out differently across time and in different urban societies. This thesis is concerned with how

labour insecurity contributes to housing insecurity in Australia during a period of restructuring and growth from 1992 to 2007 before the onset of the global financial crisis. In this thesis the historically contingent changes occurring in state, household and market relations throughout 1992 to 2007 are periodised as a market-dominant regime of security. The primary research question addressed is: *How has labour insecurity contributed to housing insecurity in Australia during a market-dominant regime of security?*

I define this period as a market-dominant regime of security to depict the set of institutional changes that have progressively prioritised market-based policies to drive economic growth and income security for individuals and households. Throughout 1992 to 2007 policy-makers pursued an economic growth strategy allowing industries and workplaces greater flexibility to respond to domestic and global pressures with increased competitiveness. Many of the institutional changes occurring during this period, including the deterioration of workplace protection and the deregulation of financial markets, weaken the earlier policy connection between secure employment and secure housing forged during the post WWII era of growth (Paris, 1993; Castles, 1996; Fagan and Webber, 1999).

This market-dominant regime of security is of particular interest of study because, unlike the period of growth following the post World War II reconstruction, housing insecurity has remained a persistent, and in many areas a growing problem. The problem of housing insecurity has remained despite the steady fall in the rate of unemployment, which during the 1990-1991 recessions reached a peak of 12.2 per cent before steadily declining to a 'thirty year low' of four per cent by 2007 (Harbridge & Bagley, 2002; Campbell, 2008). Moreover, the period of growth ends with a global financial crisis precipitated by the collapse of the sub-prime mortgage market in the USA. Many of the concerns relating to securitisation of credit and the weakening of lending standards, albeit on a smaller scale, were growing in Australia throughout the two decades in question.

The persistence and growth of housing insecurity during a period of declining unemployment suggests that other conditions now exert a stronger influence on the capacity of households to manage existing and/or gain access to secure housing. During

the 1990s housing researchers in Australia and Britain began to speculate and document the housing consequences associated with the move towards greater labour market flexibility, including the growth of more precarious forms of employment.

Combining insights from Beck's Risk Society Thesis, Regulation theory, and Marxism, researchers argue that the transition from Fordism to Post-Fordism, or from an old to a new economy has generated new insecurities in the labour and housing relationship (Forrest and Kennett, 1997, Berry, 1999; Nettleton and Burrows, 2001). Yet despite theorising and some small-scale studies there has been little systematic research in Australia to explain how the fundamental changes occurring in employment and housing affect the security of households.

The aim of this thesis is to first describe how labour and housing markets have changed from the perspective of insecurity and then to explain how these trends are theoretically and empirically connected in what is defined as a market-dominant regime of security. My central thesis is that growing insecurity in earnings, both in terms of the volatility and amount, throughout this period have combined with changes in the housing market to reduce the capacity of growing numbers of working households with low to moderate incomes to both gain access to and remain secure in their housing. The cumulative consequence of a market-dominant regime of security, despite corresponding with a period of sustained growth in both labour and housing markets, has been the rise of the *working insecure household*.

Secure housing consumption requires a certain degree of income security that for most is derived from employment or regular income support. However, establishing the causal connection between growing labour and housing insecurity is not straight forward because there is no direct or necessary connection between an individual's labour market position and their housing security outcomes. Rather, I argue that labour insecurity contingently causes housing insecurity through unequal necessary employer and employee relations on the one hand, and unequal necessary housing provider and household relations on the other. The consequences of these tendencies for individuals and households are mediated by the overall collective and cumulative capital they possess, that in turn shape an unequal position within the 'social space' of housing. In the context

of insecure earnings, it is the overall capital possessed by all members of a household that either contribute to or serve to mitigate housing insecurity.

### **Theoretical assumptions and concepts**

This thesis makes a significant theoretical and empirical contribution by extending the important literature that has sought to understand the casual connection between work and housing. The contribution in thesis can be located within the theoretical and empirical literature that emphasises how production-based inequalities within the labour market influence inequalities in housing consumption position (Williams, 1984; Berry, 1986; Somerville and Knowles, 1991; Randolph, 1991; Winter, 1994). The original contribution made here is the reconceptualisation of a causal framework linking work and housing that draws on ideas from critical realism and Bourdieu's relational class framework. The specific connection between labour and housing is made through the development of new concepts of individual and household insecurity. The theoretical framework and concepts are then used to inform a systematic empirical inquiry of how labour insecurity contributes to housing insecurity amongst Australian households.

The terms insecurity, risk, and uncertainty, often used interchangeably, are prevalent in both labour and housing market literature. A useful distinction between these three terms is made by Standing (2004, p.4) in his definition of economic insecurity, claiming that:

Economic insecurity is about risks and uncertainty. Insecurity cannot be reduced just to risk. Whereas with many risks, one could in principle estimate the probability of an adverse outcome, with uncertainty there is unpredictability.

Distinctions between risk and insecurity as theoretical concepts are also made by Wheelock (1999a), who argues that risk is typically conceptualised within the realm of predicted probabilities, which may result in either negative or positive outcomes. Insecurity on the other hand is directly experienced and is both painful and undesirable.

For the purposes of this thesis, the term labour and housing insecurity are preferred because they are higher-order concepts that enable a discussion of the many interacting dimensions including the concepts of risk, uncertainty and instability in both market contexts. Specifically, I define housing insecurity as both a subjective feeling and an objective state that is bound in dynamic social relations of power extending beyond legal relations of tenure. Within this framework to be insecure in housing is to live with the material, emotional, and/or physical uncertainty of maintaining current housing and/or being denied access to conventional housing. Housing insecurity threatens one's sense of home and attachment to place. There are three dimensions of housing insecurity defined in this thesis; rent and price insecurity, insecurity in tenure, and access insecurity, which will be discussed further in chapter 2.

Labour insecurity is a similarly broad relational concept incorporating multiple objective and subjective dimensions within the labour market, including opportunities for employment access and the conditions for continued engagement and entitlements. The term labour insecurity, emerging from Standing's (1999) security typology, is preferred because it provides a framework for examining the many interacting dimensions of insecurity within the employment relationship including, labour market insecurity, insecurity in employment and income insecurity that will also be expanded upon in chapter 2.

The core argument in this thesis that the relationship between labour and housing insecurity is contingent has implications for how to understand and approach the issue of causation. A young individual working in casual employment while studying and living at home with their parents is unlikely to lose their housing if work hours are suddenly reduced. However, a mother working to support her children and meet high housing payments by herself is likely to be highly insecure should her employment conditions change in any way. In this thesis critical realism is used as a meta-theoretical framework for understanding such contingency in the labour and housing relationship because of its underlying assumptions on the nature of reality and how to proceed with causal explanation.<sup>1</sup>

Commencing from the ontological position that there is a reality 'independent of our knowledge of it', realist explanation assumes that objects have causal powers because of their inherent or real properties, regardless of whether they are empirically observed. Within a realist paradigm, most notably linked to the philosophical insights of Roy Bhaskar (1975), there are three levels of knowing: the 'real', the 'actual', and the 'empirical'. Given the premise that we cannot fully observe reality, critical realism views causation in terms of tendencies rather than law-like regularities (Archer *et al.*, 1998, p.xvi; Danermark *et al.*, 1997, pp.53-55). A critical realist perspective also supports the socially constructed nature of knowledge. However, unlike the relativist assumptions of more radical social constructionism, critical realists do not believe that all knowledge is equal, arguing that some abstractions are closer to the truth than others (Sayer, 2000; Danermark *et al.*, 1997).

From a critical realist perspective causal tendencies operate within the domain of the 'real' through emergent powers and generative mechanisms of structures and objects existing within stratified and open social systems. Within the actual, these 'powers are activated' under conditions that are contingent rather than necessary and so may or may not be observed in the empirical (Sayer, 2000, pp.11-12). The aim of realist explanation therefore is to uncover 'generative mechanisms', or the underlying causes, that give rise to empirically observable events. However, in open social systems there will always be different sets of contingent conditions that come together to either trigger or countervail observations of causal outcomes.

The need to move beyond description of housing systems to understanding causes, informed by a critical realist explanation of necessary and contingent relations, is argued convincingly by Lawson (2006). Within critical realist ontology, necessary relations are those that cannot exist without internally 'conditioning' each other, such as landlord and tenant, employer and employee. Contingent relations, such as those relating to practices within states or households, exist outside necessary relations, but may or may not condition causal outcomes within necessary relations. For instance, a landlord, by definition of being a landlord, collects rent from tenants, but their rent-seeking practices



will always be contingently conditioned by their relations with others in housing market structures across time and space.

The critical realist meta-theoretical assumption of a stratified and emergent social structure allows for the possibility of intentional and unintentional action to occur simultaneously and is compatible with Bourdieu's anthropology of practice (Potter, 2000). Individual practices or strategies, Bourdieu (2005) argues, are generated through *historically constituted habitus* or enduring dispositions differentiated across *fields* of social space structured according to unequal amounts of symbolic, cultural, social and economic capital. The *habitus* – our tastes, values, dispositions or who we are individually and collectively – is the generating mechanism of economic action through the structuring of and structure of an individual's relational position in social space. In this way, Bourdieu's (2005, p.211) use of the habitus as a concept connects structure and agency, theorizing that:

Habitus is a socialized subjectivity, a historic transcendental, whose schemes of perception and appreciation (systems of preferences, tastes etc) are the products of collective and individual history... In so far as he or she is endowed with a habitus, the social agent is a collective individual or a collective individual by the fact of embodying objective structures.

Market actors have unequal relational positions of symbolic, cultural, social and economic capital that is differentiated yet contingently connected within housing and labour markets or fields. For instance, actors within the field of employment are structured according to differing and unequal necessary relations between employees and employers within public, private and self-employment. In housing fields necessary relations between providers and consumers such as public/private landlords and tenants, lenders and borrowers exist within their own social space yet remain contingently connected to necessary labour relations.

The contingent relationship between labour and housing insecurity in this thesis is understood through interacting and mediating household and state practices within labour and housing market fields. The two fields of labour and housing are connected

contingently through the mediating positions or enduring dispositions of an individual's *habitus* structured within the field of family or household systems that are shaped by internal and external divisions of labour and overall capital possessed by the household. The field of state action in relation to labour and housing is similarly constituted by relational positions of dominant and less dominant political actors and historical practices. In this thesis, historically contingent practices amongst state agencies between 1992 and 2007 are conceptualised in terms of the move from a collective to a market-dominant regime of security.

### **Method and research questions**

A detailed explanation of how labour insecurity contributes to housing insecurity during the contemporary period of restructuring and growth in Australia between 1992 and 2007 will rely on the combination of quantitative extensive and qualitative intensive methods. The extensive approach explores associations between labour and housing insecurity, and the intensive approach explains the causes of insecurity in work and housing for different households. The extensive analysis uses the Household, Income and Labour Dynamics in Australia (HILDA) national panel dataset. The intensive analysis uses in-depth biographical interviews to reconstruct employment and housing histories over time.

Critical realism provides a suitable ontological framework for integrating both extensive and intensive approaches<sup>2</sup>. This thesis draws on the extensive and intensive approach advocated by Sayer (1992) and Danermark *et al.* (1997). Within this approach extensive methods typically associated with quantitative and intensive with qualitative are viewed as complementary, addressing different aspects of a social problem in the search for the 'generative mechanisms' or the underpinning causes of the phenomenon being studied. Extensive methods can help to uncover the magnitude of social problems by identifying trends and exploring statistical associations or 'demi-regularities' between variables. On the other hand intensive methods, which focus on a smaller number of cases in a more in-depth way, are best suited to identifying causal relations, or more specifically how the

practices of households, as they interact with employers and housing providers, contribute to housing insecurity.

The primary research question: *How does labour insecurity contribute to housing insecurity during a market-dominant regime of security?* is answered by addressing secondary research questions. The first secondary question in Chapter 2 asks: *What is insecurity in housing and labour markets and how can it be defined for the current research?* It guides an examination of existing definitions and assesses their applicability to explain contemporary Australian changes in work and housing. The second question asks: *What changes have taken place in both labour and housing markets during the period of restructuring and growth from 1992 to 2007?* This question is answered within the conceptual framework of insecurity developed in response to the first question.

The next secondary questions addressed in Chapter 3 are used to guide the development of an explanatory framework for connecting the two markets by first asking: *How have others explained the connection between labour and housing markets? And, how can these insights from the literature inform an explanatory framework for housing insecurity in the contemporary period?* These two questions help to inform a hypothetical model of how labour insecurity contributes to housing insecurity in a market-dominant regime of security and the development of a set of propositions to be further tested in the empirical chapters. The propositions have guided the empirical research questions for chapters 5 to 9 listed below.

Informed by the conceptual definitions of labour and housing insecurity and the research propositions outlined in Chapter 3, the next set of questions addressed in Chapter 5 guide the extensive descriptive overview of housing insecurity using HILDA data. They ask: *What is the prevalence of housing security and insecurity in Australia and What are the descriptive demi-regularities between the security of household employment and housing security position?* A further question, *What are the potential contributing and mitigating conditions that may help to explain observed differences in housing insecurity amongst households with different types of household employment?*, is posed to identify important mediating conditions.

The descriptive extensive analysis is further expanded upon by posing a set of questions to be tested in static and dynamic statistical models, including: *Is labour insecurity associated with a greater risk of housing insecurity in both rental and purchaser housing after controlling for other household conditions, and does the role of employment differ across low and higher income groups experiencing insecurity in their housing?* The data modelling also seeks to answer: *Is there evidence of a precautionary effect on housing consumption amongst households in less secure forms of employment after controlling for other household conditions?*

This extensive analysis of demi-regularities of labour and housing insecurity gives insight into potential structural tendencies and also helps to determine what relationships need further explanation in an intensive analysis of housing insecurity. In particular, the intensive analysis asks: *How does the employment relationship cause work to become insecure, and how does insecurity in work cause households to become insecure in their housing?* These questions help to understand the conditions of when labour insecurity causes housing to become insecure while the question, *Under what conditions are households whose members are experiencing insecurity in work able to avoid experiencing insecurity in their housing?*, addresses the mediating conditions in the contingent relationship between labour and housing insecurity.

## **Plan of the thesis**

The next two chapters of the thesis provide an overview of the problem of labour and housing insecurity in both its contemporary and historical conceptualisation in order to establish a framework for answering the primary research question. In Chapter 2 I describe changing trends occurring within each market over the past two decades to determine how such changes affect the security of both individual workers and households. The chapter is structured into four main sections commencing with a review of definitions of housing insecurity followed by a discussion of trends informed by a household typology of housing security framework. A similar format is followed for the

conceptualisation of labour insecurity and analysis of market trends within this framework. I argue that insecurity has increased in both markets according to a number of dimensions that remain unequally distributed amongst individuals in labour and households in housing markets.

Drawing on the existing theoretical and empirical literature, Chapter 3 develops an explanatory framework that is used to inform five research propositions that guide the analysis of the empirical findings. The first section of the chapter reviews the existing literature that has sought to theorise and study the connection between labour and housing markets. The review concentrates on three broad bodies of literature of the inequality of class relations, the inequality of spatial relations, and the individualisation of risk relations.

In the second section, drawing on the concepts of causal necessity and contingency, cumulative individual and collective household capital, and a market-dominant regime of security, I propose a new framework for how the bodies of literature can be more coherently integrated. In the third section, I use these concepts to propose a hypothetical model arguing that, in this contemporary period, labour insecurity has contributed to housing insecurity through the rise of the working insecure household whose capacity to mitigate insecurity in both markets remains unequal according to their overall class position defined by the total household capital they possess.

Chapter 4 discusses the extensive and intensive methods guided by critical realist ontology used to research the connection between labour and housing insecurity. The first section presents the extensive method drawing on the initial three waves or years of data from the HILDA survey. In this section the issues associated with analysing households in panel data and the methods used to measure labour and housing insecurity within this framework are discussed. I then outline the issues and methods associated with the analysis and modelling of panel data in instances where there are repeated observations for the same individuals over time. Two different panel models are presented and will be

applied to the three waves of HILDA data, including static and dynamic logistic regression models with random-effects.

In the second section of Chapter 4 the intensive method including the development of the interview schedule, recruitment of participants and method for interpretation and analysis of the interview findings is discussed. The interview method adopted draws on a biographical approach with a small number of households to identify the causal mechanisms shaping the connection between work and housing histories over participants' life courses.

Chapter 5 presents findings from an initial descriptive analysis of the HILDA survey. Applying the household typology of housing security developed in Chapter 2, I first examine the magnitude of housing insecurity in Australia. Following a baseline overview of housing insecurity, the connection between employment and housing is then explored. Three typologies of individual and household employment security are constructed in order to explore the way in which labour insecurity is descriptively associated with housing insecurity. The chapter concludes with a discussion of potential mediating and contributing factors associated with housing insecurity amongst household employment groups.

The descriptive findings in Chapter 5 are further tested in Chapter 6 through a regression analysis that models the likelihood of housing insecurity amongst different individual and household employment groups. A static logistic regression model with random-effects is applied to two measures of housing insecurity for both renters and purchasers. The results point to a strong relationship between non-permanent employment, self-employment, unemployment and housing insecurity after controlling for income and other household characteristics.

The static model analysis is then followed by dynamic models of the factors associated with transitions into and out of insecure and affordable rental. The influence of labour market and other household conditions in the transition to home ownership from the

rental market is modelled. The results point to the potential influence of a precautionary motive amongst households with non-permanent employment and the transition into home ownership from the rental market. The reverse transition of moving out of home ownership is also modelled. The results of this model suggest that the movement out of home ownership or purchaser status is linked to a complicated interplay between household dissolution, income constraints and payment arrears.

Building on the extensive analysis in Chapters 5 and 6, Chapters 7 and 8 present an intensive analysis of the work and housing histories of eight households to identify the generative or causal conditions between labour and housing insecurity. Using the explanatory framework developed in Chapter 3, Chapter 7 argues how household capital interacts with exploitative and discriminatory practices of employers and housing providers to contribute to insecurity in tenure. In particular, it highlights how processes of employer exploitation in the labour market in conjunction with enduring household dispositions lead to insecurity in tenure. Also revealed is how practices of discrimination in labour and housing become linked to an exclusionary insecurity cycle in which some households find themselves confined to the margins in both markets.

Chapter 8 then emphasises the household and housing market conditions that mitigate the loss of housing when working conditions are insecure. It is argued that households are able to avoid becoming insecure in their housing by increasing their dependency on other household members/support networks or the state. The chapter also reveals how household practices are strongly influenced according to a household's historical and physical location in an unequally socially constructed tenure hierarchy.

In answering how labour insecurity contributes to housing insecurity during a market-dominant regime of security, the thesis concludes with a synthesis of the main findings from the extensive and intensive analysis according to the research propositions developed in the explanatory framework. The broad policy implications of these findings and directions for future research are considered for different tenures and labour market groups.

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<sup>1</sup> Critical realism as a methodological framework is relatively new to housing research. Julie Lawson's work on comparative housing policy is a noted example of the explanatory potential of a realist approach to understanding causality and policy solutions across different housing systems (Lawson, 2006). While only a limited number of housing researchers explicitly define their research in realist terms, many aspects of critical realism can be found in their analysis of causal mechanisms and emphasis on contingent relations. Randolph (1991) and Somerville and Knowles (1991) are two noted examples. Andrew Sayer (2000) has written extensively on realist methods and also spatial contingency in housing relations. Pierre Bourdieu's (2005) book *'The social structures of the economy'* is specifically dedicated to an analysis of housing provision in France and can be considered critical realist, although this is not declared in the text.

<sup>2</sup> Two meta-theoretical approaches linked to the use of mixed-methods are pragmatism and critical realism. One key distinction between the two philosophies relates to their epistemological position of truth. Within the various forms of pragmatist writings, what is considered most important is not whether knowledge is real or not but its overall usefulness or effectiveness that can be verified through scientific inquiry (Maxcy, 2003). The ontological assumptions emerging from pragmatist philosophy have often been applied in mixed-method research to overcome perceived divisions between qualitative and quantitative methods (Maxcy, 2003). The appeal of pragmatism is that it does not prefer a particular set of theoretical assumptions of inquiry over another, relying on 'what works' and 'dictatorship of the research question'. Writing from a critical realist perspective, Danermark *et al.* (1997) critique the pragmatist approach to mixed-methods research, arguing that "...there is always an implicit or explicit conception of the nature of reality which has generated a particular research question. However much you want to take the pragmatic attitude to research practice, you cannot escape the ontological dimension" (Danermark *et al.*, 1997, p.153).





## Chapter 2

### The problem of labour and housing insecurity in Australia

Chapter 1 made the case for researching how labour insecurity contributes to housing insecurity in the context of fundamental changes occurring in both markets during the period of restructuring and growth between 1992 and 2007. Although insecurity in work and housing is an enduring feature of market economies, in this chapter I argue that changes occurring throughout the last two and half decades are distinct from previous periods of growth, giving rise to new concerns for housing security. Declining affordability in housing costs, more liberal use of credit and debt, increasing competition in the rental market, and the residualisation of social housing are likely to be important causes of insecurity within housing markets.

These housing trends have occurred alongside significant labour-market restructuring that has influenced changes in the distribution and security of household incomes. I argue in this chapter that one defining pattern of growing labour insecurity relates to changes in the deployment of labour associated with increasing ‘fragmentation’ of contract and working-time relations. Moreover, while some new groups are now exposed to greater insecurity, I argue that, insecurity in work mostly follows existing patterns of segmentation and stratification in the labour market, particularly with respect to gender, occupation and social class (Mythen, 2005; Mythen & Walklate, 2006; Atkinson, 2007).

First I describe the nature of changes in each market separately and establish how insecurity of individual workers on the one hand and households on the other has changed in this contemporary period of restructuring and growth. I pose two questions as a means of directing this review. The first question is: *What is insecurity in labour and housing markets and how can it be defined for the current research?* It guides an examination of the existing definitions and assesses their applicability for explaining contemporary Australian changes in work and housing. The second question is: *What*

*changes have taken place in both labour and housing markets during the period of restructuring and growth from 1992 to 2007?* This second question is answered within the definitions of labour and housing insecurity developed in response to the first question.

The chapter is divided into four sections. In addressing the first question, the chapter commences with a review of existing definitions of housing insecurity and proposes a new working definition within a household typology of housing security framework. The typology is used to address the second question on changes within the Australian housing system from a security perspective and provides a framework for the empirical chapters. Following the review of housing, a similar structure is used to discuss definitions of labour insecurity within the literature and the respective security changes that have occurred within labour markets between 1992 and 2007. In subsequent chapters I will explore how these changes in labour and housing insecurity are connected.

### **Defining housing security and insecurity**

As concepts, housing security and insecurity are complex, multidimensional and require further consideration in order to arrive at a workable definition that can be used to inform the current analysis. In this section I address the question: *What is insecurity in housing markets and how can it be defined for the current research?* In answering this question, the section proposes a working definition of housing insecurity building on the conceptualisations of other housing researchers. From the review I emphasise three dimensions that are critical to understanding insecurity across the housing system: ‘price and rent insecurity’, ‘insecurity in tenure’ and ‘access insecurity’. These dimensions are then used to inform the development of a household typology of housing security.

Images of housing security within the literature and everyday discourse have depicted the physical need for shelter or *space* and also the social, psychological, symbolic and existential meanings derived from our sense of contentment in and attachment to a home or *place* from which we develop our sense of self. The concepts of housing security and

insecurity, like poverty, in the Australian context have been viewed in both absolute and relative terms, reflecting the symbolic, cultural and material conditions of our housing system. Housing researchers have also emphasised the temporal dimensions of security and insecurity as households move through different housing trajectories or pathways.

Understanding housing insecurity first requires us to understand constructions of housing security. Most Australian households have access to conventional housing with right of tenure or the 'continued occupation of a home'. In Australia legal right of tenure to occupy a dwelling is granted in home ownership through legal title of the dwelling and to both private and social renters through leasing agreements between public and private landlord and tenants. As housing systems have advanced, cultural meanings of housing security have expanded beyond purely legal property entitlements to aspirations of ownership and accumulation of an asset for future savings and wealth (Minnery *et al.*, 2003, p.ii). Meanings of security in housing in Australia have thus become intimately tied to the ideal of home ownership.

Building on this notion of the security ideal of home ownership, some have gone so far as to claim the deeper psychological and existential benefits home owners enjoy over renters. Housing scholars, most notably Saunders (1984, 1989), argue that, compared with renting, home ownership fosters greater wellbeing by promoting a sense of ontological security; or the psychological state of trust and identity continuity. Home ownership, he argues, generates greater ontological security through the sense of fulfilment, permanence, pride and internal control that accompanies owning one's home.

Certainly, homeownership can provide all of the above preconditions for psychological wellbeing and this is a reason why it continues to be aspired to despite the risks. However, there are vastly divergent experiences amongst home owners behind closed doors, as has been identified in many studies on housing stress including those emphasising family oppression and violence that can undermine capacity for ontological security. From their review of the literature Hulse and Saugeres (2008) propose that ontological security is not an outcome of a particular type of tenure over the other but is promoted through quality housing that provides

.... a safe place of one's own in which the routines of daily life can be established, privacy can be negotiated, and where there is a secure base from which to engage in social interactions based on trust which enable self-esteem to be enhanced and self-identity to be maintained (Hulse and Saugeres, 2008, p.13).

This suggests that home ownership is not a necessary determinant of ontological security and, in fact, as argued in later chapters, in the context of high degrees of 'mortgage stress' owing a home can be a source of increasing ontological insecurity.

Housing security and insecurity, as states of being, have strong temporal dimensions linked to both progression and decline of housing position. Dynamic frameworks for understanding housing security and insecurity are frequently applied within the housing literature. The notion of 'housing careers' with its origins in the economic life-cycle approach became prominent in the 1980s as a way of understanding the dynamic or the temporal dimensions of housing opportunity and security. 'Housing careers' is used to conceptualise idealised or standardised trajectories of housing consumption following the move from the parental home through to outright home ownership in retirement.

The housing career ladder developed by Kendig *et al.* (1987) became a popular framework for following the multi-directional progression or decline in housing tenure position and for understanding dynamics of security and insecurity. Building on the notion of housing careers, the housing pathways perspective has since emerged as a more fluid way of understanding the dynamic aspects of housing mobility (Clapham, 2005). A pathways approach has become a particularly prominent framework linking different trigger events with movement into and out of homelessness (Anderson, 2000; Johnson *et al.*, 2008).

While security as a concept is strongly tied to home ownership and ideas of ontological security, insecurity, on the other hand, is typically linked with experiences of social exclusion, poverty and homelessness. A review of the housing, homelessness and poverty literature suggests that, where access to leasing and purchasing options exist within

housing market relations, insecurity emerges from issues of housing affordability, availability, property sales, foreclosures and evictions, persistent deprivation, and neighbourhood and household violence or conflict (Mayer & Jenks, 1989; Harding & Szukalska, 2000; Short, 2003; Dewilde, 2004; Saunders, 2004).

Building on the existing concepts in the housing studies literature, Hulse and Saugeres (2008) identify six interacting dimensions of insecurity amongst private and public renters. The six dimensions are summarised below in Table 1.

**Table 1. Dimensions of rental insecurity**

<b>Dimension</b>	<b>Summary definition</b>
<b>Housing mobility</b>	Involuntary moves and/or frequent moving
<b>Housing instability</b>	Uncertainty about continued occupation or exclusion from access due to landlord practices or external events beyond an individual's control
<b>Lack of privacy</b>	Unwelcome intrusion of others in the environment near or directly accessing the premises
<b>Feeling unsafe</b>	Personal threat to safety from externally related persons or from existing or former kinship relationships
<b>Lack of belonging</b>	Disconnection from wider community and social support networks within local area
<b>Lack of physical comfort</b>	Inadequate housing quality compromising physical and emotional wellbeing

Summarised and adapted from Hulse and Saugeres (2008, p.38)

The first two dimensions of housing mobility and instability, in which households have limited control over whether they remain in the property or the conditions of their tenancy, is especially prominent in both academic and general discourses on the disadvantages of renting over home ownership. The four dimensions of lack of privacy, sense of belonging, lack of physical comfort, and feeling unsafe shown in Table 1 refer to both subjective and objective experiences of the deprivation of fundamental personal needs. The four dimensions are captured through interviewees' accounts of how housing

can break down or be significantly compromised when these needs are not met (Hulse and Saugeres, 2008).

A more dynamic conceptualisation of housing insecurity has been proposed by FEANTSA, and is known as the European Typology of Homelessness and Housing Exclusion. This definition aims to capture different states of insecurity along a scale from rooflessness, houselessness, insecure housing, and inadequate accommodation. Within this continuum an individual or family is considered to be insecurely housed if they are living in:

...insecure tenure or temporary accommodation and this may be a consequence of the inaccessibility of permanent housing. This classification also includes people involuntarily sharing housing in unreasonable circumstances and people whose security is threatened by violence or threats of violence (e.g. women at risk of domestic abuse) (Meert *et al.*, 2004, p.6).

This definition is further operationalised by taking into account physical, legal and social dimensions of housing security within a broader continuum from homelessness to housing exclusion (Meert *et al.*, 2004, p.6-10). At the homelessness end, the insecurely housed include those:

- Living in a mobile home/caravan (which is not a holiday accommodation or legal site)
- Living in a dwelling that is declared unfit for habitation under (national) legislation

Whilst in the context of housing exclusion, housing insecurity includes those:

- With legal notice to quit/evict related to landlord action or mortgage provider
- Living in a dwelling without normal legal tenancy
- Living temporarily with family or friends (not through choice)
- Living in designated supported accommodation

Conceptualisation of insecurity across different housing experiences is a key strength of the definition proposed by Meert *et al.* (2004). However, the narrow focus on the insecurely housed within their typology does not allow any comparisons to be made with those who are secure in their housing. This framework needs to be expanded upon in order to analyse insecurity and security across the whole housing system.

Although not explicitly articulated by Hulse and Saugeres (2008) or Meert *et al.* (2004), the focus on low-income and more marginal housing arrangements reinforces that there is a strong and overarching affordability dimension to housing security. One aspect of an affordability dimension is reflected in Rossi's (1989) definition of the 'precariously housed' who he describes as those living in extreme poverty and at risk of becoming homeless due to difficulties in maintaining housing payments. He argues that the main distinction between the 'extreme domiciled poor' and those experiencing homelessness is their access to family support to maintain housing.

Defining housing insecurity purely in terms of risk of homelessness is limited because those identified as living in insecure housing may or may not become homeless. While homelessness may be an end state for many who are precariously housed, insecurity also needs to be understood in the context of a lived experience of uncertainty in social relations while still housed. The manifestation of housing insecurity then can be conceived as a lived experience of anxiety that accompanies both the symbolic threat and the real loss of one's home. Housing that is certain and safe implies being able to plan ahead with minimal anxiety about the future and to choose whether and when to stay or leave.

A significant theme emerging from the different perspectives reviewed within this section is that housing security and insecurity are largely based on dynamic and unequal relationships with others. Housing security relations have a legal dimension in terms of right of tenure and social and psychological dimensions based on the unequal distribution of power and resources within and between households. From the definitions reviewed in this section there are two overarching dimensions of housing security relations. The first relates to the continued occupation of one's current accommodation being under threat in some way, which I define as 'insecurity in tenure'. The second relates to being unable to gain access to secure housing, which I define as 'access insecurity'. Based on these broader dimensions, a definition that I propose for understanding housing insecurity is the following:



Housing insecurity is both a subjective feeling and objective state that is bound in dynamic social relations of power extending beyond legal relations of tenure. To be insecure in housing is to live with the material, emotional and/or physical uncertainty of maintaining current housing and/or being denied access to conventional housing. Housing insecurity threatens one's sense of home and attachment to place.

Insecurity viewed in this way can be encountered across all tenure types despite having legal right of tenure. Degrees of insecurity can range from being unable to gain any entry to legal tenure, to having an existing tenure threatened by incapacity to pay or from interpersonal violence, to living comfortably in private and social rental or owning one's home outright.

As affordability continues to decline in both rental and purchased housing a further dimension that is not well captured in existing definitions is the idea of 'price and rent insecurity', which relates to the overall functioning of the housing system from an insecurity perspective. 'Price and rent insecurity', as a dimension of affordability, can be conceived in terms of a reduced ability to obtain housing and be secure in the housing market at a set income threshold at a given point in time. It is a term that is intended to capture the market situation when aggregate prices in housing and rent in housing become unaligned with incomes. With increases in house prices, this type of insecurity can exert influence without any necessary change to individual incomes or persistent deprivation. It is a dynamic dimension that develops its own momentum with changing growth or decline in the housing market.

The three dimensions of 'price and rent insecurity', 'insecurity in tenure' and 'access insecurity' are closely connected and contingent. Price and rent insecurity influence both being able to sustain one's tenure or to having insecurity in tenure, and gaining access to different types of housing or having access insecurity in progressing towards the most secure forms of housing. With increases in price and rent insecurity there will be associated increases in insecurity in tenure and access insecurity. Price and rent insecurity is thus the basis from which insecurity in tenure and access insecurity can emerge.

Viewing insecurity–security within a dynamic framework in which households can either progress towards greater security, or conversely become more insecure, is useful conceptually. In the next section I propose a household typology of housing security emphasising the three dimensions of ‘price and rent insecurity’, ‘insecurity in tenure’ and ‘access insecurity’ across the housing system. Building on the dimensions of insecurity discussed in this section, the typology aims to identify the sources of insecurity–security, recognising that while subjective assessments may vary, some groups can be objectively assessed as experiencing higher degrees of insecurity and security over the other.

### ***Towards an Australian household typology of housing security***

Typologies are widely used in social sciences to make sense of complex social phenomena. Two broad approaches to typologies are evident in the literature. First is the *ideal type*, most notably associated with a Weberian approach, in which classification of subject matter is based on the most extreme or all of the dimensions of a concept. Second are *constructed types*, in which the subjects or groups sharing the most common dimensions are sorted into the same classification (Bailey, 1994). The household typology of housing security is based on the constructed type.

Drawing on the literature already discussed, Table 2 presents a household typology of housing security for the Australian housing system that incorporates temporal, legal, material, cultural and social aspects of security and insecurity reflected in the three dimensions of ‘price and rent insecurity’, ‘insecurity in tenure’ and ‘access insecurity’. The typology can be defined as a *polar type* (Bailey, 1994, p.5), commencing from the highest degree of insecurity at the top of the diagram, including housing conditions without legal tenure, through to the most secure form of housing of outright ownership at the bottom, in which members are likely to score highly on all dimensions of security.

The advantage of incorporating different housing groups ranging from high insecurity through to high security is that it provides a framework for understanding housing position at a given point in time as well allowing the dynamic nature of housing mobility to be followed across time as households move in and out of different housing security relations. Understanding housing security in relative dynamic terms also suggests the potential for cumulation or decline overtime. However, similar to the notion of a housing career, the general culturally desired direction is towards the greatest security of outright home ownership.

The typology has four levels and comprises thirteen groups. The four levels are roughly ordered within a tenure hierarchy constructed in terms of common conceptions of degrees of security. Within each level, housing security amongst different groups is classified on a scale of price and rent insecurity linked to housing affordability as well as the extent to which insecurity in tenure and/or access insecurity is high or low. Next, each of the thirteen housing groups appearing in the typology will be discussed in turn. In Chapter 4, I discuss how the typology can be made operational based on the available indicators within the HILDA dataset and in chapters 5 and 6 it is used as a framework for describing and modelling the association between employment and different groups experiencing housing insecurity. In chapters 7 and 8, the typology is used to help situate the intensive housing stories of eight households within an extensive framework.

Table 2. Household typology of housing security

High Insecurity	Without recourse to legal tenure	Insecurity in tenure	Access insecurity
↑ ↓	<b>Homeless and marginal: primary, secondary, tertiary</b>		
	<ul style="list-style-type: none"> <li>No ongoing legal tenure and/or below culturally accepted standards of quality</li> </ul>	High	High
	<b>Insecure personal relations</b>		
	<ul style="list-style-type: none"> <li>Physical, emotional, or sexual threats to safety in conventional or non-conventional housing</li> </ul>	High	High
	<b>Renters with legal tenure</b>		
	<b>Highly insecure</b>		
	<ul style="list-style-type: none"> <li>Low-income unaffordable private rental with arrears and/or forced mobility</li> <li>Live in social housing with arrears and/or forced mobility</li> </ul>	High	High
	<b>Insecure</b>		
	<ul style="list-style-type: none"> <li>Generally moderate-higher income</li> <li>If low-income have very low or minimal housing costs</li> <li>Arrears</li> </ul>	High	Low
	<b>Marginally insecure</b>		
	<ul style="list-style-type: none"> <li>Moderate-higher income</li> <li>Forced mobility from sale/landlord reoccupation</li> </ul>	High	Low
	<b>High risk of insecurity</b>		
	<ul style="list-style-type: none"> <li>Low income and housing costs above affordable threshold</li> <li>No forced mobility or direct housing difficulties</li> </ul>	Low	High
	<b>Social rental secure</b>		
<ul style="list-style-type: none"> <li>Social renter with no forced mobility or housing difficulties</li> </ul>	Low	High	
<b>Private rental secure</b>			
<ul style="list-style-type: none"> <li>Generally moderate-higher income</li> <li>If low-income have very low or minimal housing costs</li> <li>No forced mobility or direct housing difficulties</li> </ul>	Low	Low	
<b>Purchasers</b>			
<b>Highly insecure</b>			
<ul style="list-style-type: none"> <li>Low income and housing costs above affordable threshold</li> <li>Arrears, unable to keep up with regular payment schedule and/or forced mobility</li> </ul>	High	High	
<b>Insecure</b>			
<ul style="list-style-type: none"> <li>Generally moderate-higher income</li> <li>If low-income have very low or minimal housing costs</li> <li>Arrears, unable to keep up with regular payment schedule and/or forced mobility</li> </ul>	High	Low	
<b>High risk of insecurity</b>			
<ul style="list-style-type: none"> <li>Low income and housing costs above affordable threshold</li> <li>No forced mobility or direct housing difficulties</li> </ul>	Low	High	
<b>Purchaser secure</b>			
<ul style="list-style-type: none"> <li>Generally moderate-higher income</li> <li>If low-income have very low or minimal housing costs</li> <li>No forced mobility or direct housing difficulties</li> </ul>	Low	Low	
<b>High Security</b>	<b>Outright home owners</b>		
	<ul style="list-style-type: none"> <li>No recurrent repayments and forced mobility</li> </ul>	Low	Low

The first level within the typology is organised according to rights of legal tenure and recourse to remain in or occupy a dwelling. The majority of Australian households who are paying for their housing or own their home outright have legal tenure to reside in their property. Home purchasers who have a property title and mortgage can remain in their dwelling and accumulate any capital appreciation so long as they continue to meet the repayment schedule with their lending institution. In private rental accommodation, right of tenure typically occurs via leasehold with a landlord for an initial six to twelve month period and in public or social rental housing from an ongoing/long-term lease with a state housing authority. These leasing arrangements are accompanied by rights and responsibilities, entitling tenants to remain in the property within the leasing period and, if required to vacate, are to be given reasonable notice to find alternative accommodation.

### ***Without recourse to legal tenure***

The first two household groups of the *homeless and marginally housed* and those living within *insecure personal relations* are considered the least secure because they include those with limited legal tenure or who have no immediate recourse to remain in their property due to threats to their safety. This means that the individual or household is 'outside' legal tenure relations and has limited or no legal rights or delayed legal recourse to remain in their dwelling or be compensated should they be forced to leave the premises.

### ***The homeless and marginally housed***

Drawing on existing definitions of homelessness developed by Chamberlain and MacKenzie (1992; 1998; 2003), the first group includes individuals who are experiencing primary homelessness (without conventional housing or 'sleeping rough' on the streets), secondary homelessness (living in temporary accommodation including staying with friends) and tertiary homelessness (long-term boarding house use and more recently those renting a caravan as their usual residence).

All three sub-groups of the homeless, including those in marginal caravan housing or improvised dwellings are considered to be insecure due to the minimal provision for ongoing tenure and because they live below a culturally accepted standard of housing quality. Access insecurity in the housing system is highest amongst this group.

### *Insecure personal relations*

Included amongst those with limited legal recourse are individuals living in conventional housing, either purchased or rental, who are in an insecure dependent relationship with the lease holder or owner or whose housing security is directly threatened from others within their immediate external environment. This includes individuals whose security is jeopardised by threats to their emotional, sexual and/or physical wellbeing making their existing accommodation unsafe. Within the typology, insecure dependent relations are considered to be of a higher order threat to security over other experiences such as arrears because of the violation to the fundamental need for personal safety.

Lease holders or owner-occupiers forced to flee the property because of threats to safety are included in this group because they have limited legal recourse at the time of the threat. As a result they experience a period of high insecurity and are at increased risk of becoming homeless until more permanent accommodation can be arranged or a court order obtained to have a threatening person evicted from their property. The experience of insecurity can be particularly profound for those within this group, as material insecurity can combine with exploitative interpersonal relationships, giving rise to high insecurity in tenure and also access insecurity, particularly if forced to locate alternative housing as a single person. The physical loss of property due to natural disasters including bushfires and floods is another source of high insecurity and instant homelessness that can result in delayed recourse until the destroyed accommodation can be replaced with a permanent alternative.

### ***Renters with legal tenure***

The next groups in the typology include private and social renters with legal tenure. While it is recognised that both renters and purchasers can experience insecurity in their housing, renters are generally less secure than purchasers. With the exception of those who experience depreciating housing values and negative equity, most purchasers will accumulate equity in their housing. Notwithstanding this, there are varying degrees of insecurity – security within both tenure groups, as is illustrated in the typology.

### ***Highly insecure***

The highly insecure can include both private and social renters. For private renters with a lease, households considered to be highly insecure are low income earners with unaffordable housing costs combined with insecurity in tenure resulting from direct housing difficulties. Social renters, the majority of whom have low incomes, are included amongst the highly insecure renters if they experience insecurity in tenure. Housing difficulties resulting in insecurity in tenure can be the outcome of landlord-initiated actions, such as evictions, forced moves due to property sale or the landlord wanting to occupy the premises, or the outcome of rental arrears and incapacity to pay.

The most widely used definition of unaffordable housing is based on a measure of *housing stress*, where the *stress* is said to occur when the household is in the lowest 40 per cent of the income distribution and paying more than 30 per cent of their income on housing. For the purpose of this research, 30/40 housing stress definition is used. The central idea of using a housing stress measure in the typology is that there is likely to be a proportion of households who are forced to pay an unacceptable amount of their overall income on housing costs therefore threatening their capacity to maintain ongoing payments. This links to the idea of price and rent insecurity in the housing system, that can manifest in high degrees of insecurity in tenure and access insecurity.

For the highly insecure, access insecurity is intensified due to constraints on obtaining new housing in the private rental or purchaser market should existing arrangements break down. As a consequence they experience a high risk of moving outside conventional housing into homelessness if they cannot gain access to private or social rental housing.

Despite noted limitations (Gabriel *et al.*, 2005), housing stress as a construct does allow measurement of marginality amongst legally tenured groups in the housing system. However, one important limitation of this typology is that reliance on annual income data collections to obtain housing stress measures can conceal income changes that suddenly place a middle or high-income household temporarily into a low-income category. This particular group falls into the next category of ‘insecure renters’.

#### *Insecure renters*

The insecure are generally comprised of moderate to higher income groups, although can include lower-income households with low or negligible housing costs, experiencing insecurity in tenure through missed rental payments. This group can be distinguished from the low-income highly insecure group because, although they may have experienced difficulty in managing their housing they typically have greater capacity to access new housing and/or avoid falling into severe hardship. This group is likely to be affected more by sudden changes to their income than a persistent state of material deprivation associated with a low income. As rental housing costs have grown ahead of incomes, this group is likely to have grown in the recent period of increases in price and rent and associated insecurity.

#### *Marginally insecure renters*

The marginally insecure are households paying an affordable rent who have been forced to vacate their premises, most often because of the sale of their leased property or the landlord assuming occupation. Although obviously insecure at the time of the notice to vacate they are distinguished from the previous two insecure rental groups because their



insecurity is typically landlord-initiated and not because they cannot pay their rent. Although this group rates highly on insecurity of tenure, their overall higher income as a group means that access insecurity will be low compared with other groups of insecure renters. The marginally insecure will typically have a period of time to search for alternative accommodation and are more likely to find a new rental property within this period or even purchase their own home compared with lower-income renters in the same situation. Like insecure renters defined above, the ease of a transition into a new residence will fluctuate according to rental vacancy rates and overall housing affordability or price and rent insecurity.

#### *At high risk of insecurity*

The next group are renters living in housing stress who have not experienced any direct difficulties associated with their housing. Whilst their housing is not under direct threat, their choices in housing remain constrained and so they are at high risk of insecurity in tenure. They manage to maintain rental payments, potentially going without food or adopting other household practices in order to meet their disproportionately high housing costs on a limited budget. Access insecurity for this group is likely to be high and they are particularly vulnerable to slipping into high insecurity and homelessness if they are unable to find affordable housing should they be forced to move.

#### *Secure social renters*

The next group shown in the typology includes social renters who are considered secure in their rental properties and have not experienced any difficulties in meeting rental payments or any other threats to their tenure. Rents for social or public housing are set to an affordability threshold of 25 per cent of a tenant's income. Typically tenants living in social housing have security of tenure and remain in their properties for many years. While social housing has traditionally been considered a secure form of housing for those on low incomes, continued occupation is typically dependent on the tenant's remaining within a low-income threshold before rents are increased to market value that could make

the housing unviable for some. Tenants are also required to comply with leasing agreements or face eviction and have constrained choices of where to locate. Concerns for personal safety can also serve as a threat to ongoing tenure in some locations. Social renters who fall out of this tenure can experience high access insecurity and have an increased risk of becoming homeless.

#### *Private rental secure*

Finally, the most secure renters are those who pay affordable rent and do not experience any forced or landlord-initiated moves. Insecurity in tenure and access insecurity are low for this group. So long as tenants in this group pay their rent they have security of tenure. Movement out of a particular rental property for this group is voluntary.

#### *Purchasers*

There are four purchaser groups shown in the typology. These include the highly insecure, insecure, at high risk of insecurity, and secure. Each housing group is discussed in turn.

#### *Highly insecure*

Like renters, highly insecure purchasers have housing payments that exceed an affordability threshold according to their low income and also experience insecurity in tenure. This insecurity is the result of arrears, foreclosure, falling behind in their repayment schedule, or being forced to sell and move to either rental or cheaper housing. Access insecurity will be high for this group if the equity held in their home is low and they have limited savings to obtain alternative accommodation.

### *Insecure*

Insecure purchasers are generally comprised of moderate to higher income households or those who fall within an accepted affordability threshold who miss a payment on their mortgage. This group is likely to have grown in the context of rising house prices, increasing the proportion of buyers who have taken on large amounts of debt relative to their income in order to gain access to home ownership. If changes to finances are only short term they are more likely, compared with lower-income purchasers struggling on a weekly basis, to catch up on payments missed or have some leeway if they are ahead of their repayment schedule.

If repayments rely on more than one income earner in the household, insecure purchasers may be particularly vulnerable to sudden changes of a second earner, especially if one household member has to move out of the labour market or becomes unemployed, or leaves the household. In other words, they have little room to move despite their higher income because their housing costs exceed capacity to pay. As a group they may be more able to locate to affordable rental alternatives if housing becomes unsustainable. However, many are likely to be newer owners with low or negative equity and may still have debt even if the house is sold.

### *At high risk of insecurity*

Purchasers at high risk of insecurity, like renters, are also defined according to a housing stress measure of the lowest 40 per cent of the income distribution paying 30 per cent or more of their income on housing costs and do not experience insecurity in tenure. However, this group is at high risk of becoming insecure because of affordability constraints. Depending on the amount of equity accumulated, access insecurity will be high for this group if they do become insecure in their tenure and are forced to leave their property.

### *Purchasers secure*

Secure purchasers are defined as those with affordable payments and/or higher incomes who have no direct difficulties threatening their continued occupation of the dwelling, including any threats to their personal safety through insecure personal relations.

### *Outright home owners*

Outright owners who do not have recurrent housing repayments are considered the most secure. Physical threats from natural disasters such as floods or fires or experiences of insecure personal relations are likely to pose the greatest threat to security for these groups.

## **Security trends within Australian housing markets**

The household typology of housing security is based on three broad dimensions of 'price and rent insecurity', 'insecurity in tenure' and 'access insecurity'. These dimensions of insecurity can also be used to examine housing market trends and answer the second chapter question: *What changes have taken place in housing markets during the period of restructuring and growth between 1992 and 2007?* In answering this question, the next section describes the main changes within housing markets contributing to increases in price and rent insecurity, insecurity in tenure and access insecurity. I do this by first examining the change in price and rent insecurity within housing markets and then discuss how this change contributes to insecurity in tenure and access insecurity amongst purchasers and renters.

First, it is argued that rising price and rent insecurity through rapid growth in house prices and higher levels of debt during this period has contributed to growing insecurity in tenure by reducing the capacity of households to modify and manage their housing costs. Second, rising price and rent insecurity contributes to increases in access insecurity by

reducing the capacity of households to obtain affordable housing and secure longer-term housing arrangements. Third, it is argued that this insecurity is not evenly distributed contributing to increasing polarisation of housing opportunities for households, especially younger households with low to moderate incomes in the private rental market.

### ***The rise of price and rent insecurity***

There is broad consensus that the period of house price and rent growth during the two decades between 1992 and 2007 is distinct from previous cycles, both in its velocity and in the affordability implications that ensued. Whilst house prices have experienced fluctuations during periods of recession and rising interest rates, the overall trend within the Australian housing market since the 1970s has been one of declining affordability (Berry, 1983; Hayward, 1996; Abelson *et al.*, 2004; Yates *et al.*, 2007). However, the defining difference of this latest period of house price and rent growth, and why it remains such a concern for housing security, is that it has outpaced real incomes and the general consumer price index (Yates *et al.*, 2007; 2008).

Analysis of housing trends by Abelson *et al.* (2004, p.2) over the three decades from 1970 to 2003 revealed a 180 per cent increase in real house prices. Increases were particularly rapid from 1990 onwards, varying between 47 to 77 per cent across the different capital cities. Going back even further, Stapledon's (2009, p.1) historical analysis beginning in 1880 through to 2007 shows that in the decade between 1996 and 2007 there was a real house price increase of 87 per cent, more pronounced than for any other cycle of growth. In terms of the cost of purchasing a dwelling, the nominal median house price rose from \$114,400 to \$403,800 between March 1992 and 2007, an increase of \$289,400 (HIA, 2010, p.2).

The long-term trend in the private rental market is also one of declining affordability, especially for low-income households. Rossier and Vipond's (1985, p.6) analysis of the rental market from the 1970s through to the 1980s indicates a fall in overall rental housing costs for households, suggesting increased affordability in this sector during this

period. However, as house prices increased during the late 1990s, investors have had to borrow larger amounts which, combined with record low vacancy rates, have been passed on to renters in the form of an overall increase in real median rental costs, particularly in Sydney and Melbourne. Increases for renters have been most pronounced in the last decade with annual increases in real rent of 1 per cent (Yates, 2008, p.208).

Rising prices have spelled significant hardship or growing *price and rent insecurity* linked to diminished options for security in the housing market. This is especially evident for those remaining in private rental accommodation who have not gained access to home ownership or have entered home ownership during period of rapid price inflation. A rise in price and rent insecurity has further implications for low-income households unable secure public housing.

However, for many households, particularly existing outright owners, increasing house values have actually improved their housing security and capital wealth held. The unevenness of price and rent insecurity generated by house price growth is intensified through wealth effects associated with large capital gains for pre-existing home owners and investors. This wealth effect means that many who purchased before the latest housing boom have typically realised substantial capital gains, contributing to burgeoning intergenerational inequalities derived from housing wealth (Yates, 2002a).

There is a spatial dimension to this growing housing inequality of housing security. House price growth has been uneven across different cities according to inner, middle and outer metropolitan boundaries, and also across different regional and less densely populated areas. For example, there are vast differences in house prices in inner Sydney, Melbourne suburbs compared with some outer suburbs where house prices remained stagnant or declined during part of the latest boom (Birrell, 1999; Yates *et al.*, 2007; Wulff *et al.*, 2007).

Furthermore, prices increased and declined at different times of the housing cycle with Sydney peaking by 2004, while Perth experienced its peak much later (Stapledon, 2009). On the one hand, this uneven growth can leave some households with negative equity in

areas with declining house values, and on the other contributes to high levels of housing stress in areas with rapid price rises. Next I argue how the overall decline in housing affordability and associated increase in price and rent insecurity has contributed to growing insecurity in tenure and access insecurity.

### ***The growth of access insecurity***

Increasing price and rent insecurity, through declining affordability, has contributed to the growth of access insecurity because it has altered the opportunity structures for access to home ownership and confined increasing numbers of households to the more insecure segment of the private rental market. These two key points are discussed in turn.

The issue of whether higher proportions of new purchasers have been permanently excluded or temporarily delayed from accessing home ownership until a later stage of life continues to be debated (Baxter & McDonald, 2004, Yates, 2007b). However, it is clear that the proportion of young people entering home ownership before the age of 30 years has significantly declined over the past three decades (Yates, 2007b). Moreover, declining access to home ownership amongst lower-income households in the most recent period of growth between 1992 and 2007 is consistent with the general long-run decline emerging from the early to mid 1970s (Percival, 1998; Yates *et al*, 2007).

The real measure of growing access insecurity in home ownership for the current generation, Yates (2007a, p.9; 2008, p.201) argues, is the widening of the deposit-to-income ratio gap, which by mid-2000, based on a median-priced dwelling, was three to four times annual equivalent income compared with two times equivalent income in the 1970s. This deposit gap has contributed significantly to increases in access insecurity by confining households to the more insecure rental sector for longer periods, while for others ruling out the option of home ownership altogether.

Those who remain confined to the rental sector not only face growing access insecurity from constraints to home ownership, but also from increasing competition and segmentation of the existing and newly developed rental stock. One of the most noted changes within the rental market has been the diversification of rental stock, with significant growth in the high-end rental market corresponding to the construction of multistorey complexes to accommodate affluent and professional households (Burke, 1999). At the same time, the low-income housing rental housing stock, especially for single persons (such as boarding houses), have declined considerably over the past twenty years (Wulff, 2000; Yates *et al.*, 2007).

Furthermore, for many renters, including those with higher incomes, renting is no longer a transitional but a long-term housing solution. Low turnover of renters means more are required to compete over depleting affordable housing stock (Wulff & Maher, 1998; Yates *et al.*, 2004). This increased competition for rental properties adds to the problem of access insecurity, particularly amongst lower to moderate-income groups.

Access to public housing has also been increasingly constrained during the period of growth between 1992 and 2007. Following the rapid expansion of public housing during the 1950s and 1960s, the consistent trend up to late 2000 has been one of overall decline in the proportion of stock available and decline in funding in both nominal and real terms. Over the past fifteen years the number of new applicants accommodated has almost halved, decreasing from 53,100 in 1989-90 to 27,544 in 2005-2006 (ACOSS, 2002, p.2; FaHCSIA, 2007, p.98).

The main threats relating to public housing rest with the overall decline in accessibility for many low-income households who would otherwise be eligible, but who do not have the high needs that would see timely or 'priority' access to housing. These households, faced with years on a waiting list, have no alternative but to pay high rents in the private market. Although public housing waiting lists continued to grow throughout the 1990s and into 2000 the number on the list has reduced in the last ten years (Kendig *et al.*, 1987; Paris, 1995; FaHCSIA, 2007, p.99). The reduction in the waiting list has been attributed to changes in the management through priority allocations rather than a reduction in the overall demand for affordable and secure public housing (AIHW, 2007).



The management of public housing allocation has significantly altered accessibility for low-income working households and others who do not have 'priority needs', such those who are homeless or at imminent risk. The majority of tenants within public housing today are single-headed households (including those with children) who are out of the labour market and in receipt of government benefits, with 88 per cent of public housing tenants receiving rental rebates due to low incomes (AIHW, 2007, p.228). This current profile can be significantly contrasted with the profile of public housing occupants up to the 1980s<sup>3</sup>.

### ***The growth of insecurity in tenure***

In line with the growth of access insecurity, there is substantial evidence to support that the second dimension, of 'insecurity in tenure', has increased during the period of economic restructuring and growth between 1992 and 2007. Next I review the evidence in support of the rise of insecurity in tenure. The growth of insecurity in tenure is evident from several indicators associated with reduced flexibility and capacity to pay for existing housing. The different trends for purchasers and renters that support the argument of increasing insecurity in tenure will be discussed in turn.

The weight of housing literature reviewed suggests that home ownership has become more risky, especially in the past decade, for younger newly forming households. Rapidly rising house prices have meant ever growing levels of debt amongst those entering into home ownership. Drawing on HILDA data from 2007, Lawson and Parkinson (forthcoming) found that while ten per cent of all single property borrowers had a loan-to-value ratio (LVR) of 80 per cent or higher, this figure increases to 45 per cent for borrowers younger than 25 and to 20 per cent for those aged between 25 and 35 years. This suggests that younger borrowers, especially those with low-to-moderate incomes face a trade-off of high debt burdens for less secure tenure options in the private rental market.

Growing insecurity amongst borrowers is also borne out through the steady increase in the rate of mortgage stress, arrears and defaults, particularly from mid-2000 onwards. The incidence of housing stress amongst purchasers measured by the 30/40 rule of equivalent income reveals 49 per cent of low-income purchasers were in housing stress in 2002-2003 (Yates and Gabriel, 2006, p.40). While rates of housing stress and mortgage stress suggest that around half of low-income households are constrained in their housing, it is the growth in mortgage arrears that is particularly atypical during this most recent period of sustained economic growth. Mortgage arrears over this period increased for loans secured from conforming bank loans (prime segment), low-document loans (some prime as well sub-prime), and non-conforming non-bank loans (sub-prime segment).

Increases in arrears on prime loans were particularly pronounced and sustained between 2004 and 2007. Figures cited by the Reserve Bank of Australia for arrears over 90 days between 2004 and 2007 increased from 0.16 to 0.47 per cent<sup>4</sup>. The rate of arrears of 90 days or more for non-conforming loans recorded the highest increase from 2 per cent in 2004 to 6.5 per cent by 2007 (House of Representatives Standing Committee of Economics, Finance and Public Administration, 2007, p.17-19).

A longer-term historical analysis shows that mortgage arrears and default typically coincide with the economic cycle and increases in the rate of unemployment, peaking with late 1970s recession, followed by the stock market crash in the mid-1980s and then again at the end of 1989 into early 1990s (Berry *et al.*, 1999, p.17). Data from Standard and Poor's (2009, p.1) total arrears for 30, 60, 90+ days on RMBS prime loans reveal similar four to five year peaks, with rates increasing in both 1996 and 2001 before falling again.

From mid-2000 arrears trends diverged from this historical pattern, where there was a consistent incline in arrears on prime loans of 90+ over a three-year period between 2004 and 2007, well before the global financial crisis took hold in Australia during 2008. Following this sustained rise, arrears dipped slightly before quickly reverting upwards to reach 1.84 per cent in February 2009, the highest since the SPIN index began in 1996 (Standard and Poor's, 2009, p.1). What is distinguishing and important about the growth

in arrears, especially between 2004 and 2007, is that the sustained incline occurred during a time of declining unemployment. In fact between 2004 and 2007 unemployment rates declined to their lowest in thirty years (Campbell, 2008).

The evidence that insecurity in tenure has become problematic for growing numbers of renters is also mounting. Voluntary and non-voluntary mobility within the rental market has always been high and for some it is the flexibility of renting that makes it an attractive tenure, particularly for younger households. However, for others, renting can result in high housing insecurity (Minnery *et al.*, 2003).

As a group, renters have experienced significant improvements in their legal rights of tenure since the 1980s reforms in response to the Henderson Poverty Inquiry. The growth of insecurity in tenure for renters now results from difficulties with capacity to pay, from the higher turnover of properties, and from the overall growth of the private rental sector in which increasing numbers remain in rental housing (Burke, 1999, Yates & Wulff, 2005; Yates *et al.*, 2007). Low to moderate-income renters face high affordability problems. In 2002-2003 nearly two thirds (65%) of low income renting households experienced housing stress according the 30/40 rule of housing costs to equivalent income (Yates & Gabriel, 2006, p.40).

It is difficult to determine consistent trends in the proportion of rental tenancies that break down or involve enforced relocation due to payment difficulties because default tenancy data bases are not generally available for analysis. Specifically in the context of rental evictions, what is known is that it often represents the end point of a long process of arrears, with many households moving before the final notice to vacate. In their study on rental eviction Beer *et al.* (2006, p.1) estimate that in 2003 in Australia there were approximately 12,000 bailiff or police-assisted evictions and 80,000 instances where a tenant left on their own immediately before a forced eviction, suggesting that involuntary housing loss due to arrears is a sizeable issue within the current housing context.

Insecurity in tenure for renters can also increase during a period of sustained house price growth due to the more rapid turnover of properties amongst property investors wanting to realise capital gains. High property sales for existing tenants, particularly those exchanging from investor to owner-occupier, mean that increasing numbers are forced to find alternative rental accommodation. As argued by Burke (1999), the dominance of small-scale landlordism and the ability to realise capital gains through property sales means that renting in Australia will always be an insecure housing option in the longer term.

A further indicator of increasing insecurity in tenure in the rental market is the growth in homelessness. Throughout the past two decades Australia has witnessed the growth of visible homelessness and a changing profile of the homeless population to include increasing numbers of young persons, women and families (Johnson *et al.*, 2008; Mallett *et al.*, 2010). There have also been significant decreases and gentrification of inner city single occupancy accommodation, such as boarding housing used by low-income households, contributing to growing levels of dislocation and homelessness amongst this population group.

Whilst any long-term enumeration of homelessness in Australia is fraught with difficulty, it is safe to say that homelessness throughout the past ten years has been enduring, oscillating around 105,000 individuals on any given night according to ABS census estimates. In the 1996 ABS special homelessness collection there was an estimated 105,300 homeless individuals on census night. By the 2001 collection period the numbers counted declined to 99,000, although this figure was disputed by the AIHW because of changes to counting rules relating to improvised dwellings, particularly for Indigenous communities. The AIHW also argued that, if individuals temporarily staying in caravans, particularly in remote Indigenous areas, were included in the count, the figure would be closer to 123,000 (Chamberlain & MacKenzie, 2003, p.2; AIHW, 2005, p.325). In the most recent ABS collection in 2006, there were 104,676 individuals counted as homeless on census night, not including those staying in caravans (Chamberlain & MacKenzie, 2008, p.viii)<sup>5</sup>.

The other main collection relating to homelessness is the National Data Collection Agency (NDCA) enumeration of clients accessing the Supported Assistance Accommodation Program (SAAP). A ten-year analysis of the collection from 1996-97 to 2005-2006 suggests that there has been an overall increase in the numbers of activated referrals from 156,500 to 180,000 provided to a respective 83, 200 to 106,500 clients (AIHW, 2007, p.81-83). The NDCA special unmet demand survey undertaken in SAAP-funded services during 2004-2005 indicated that one in two persons or 54 per cent seeking assistance were turned away during the collection period. The extent of unmet demand was greatest for presenting families, with 78 per cent of couples with accompanying children and 64 per cent of single adults with accompanying children being turned away (AIHW, 2005, p.xix).

The ongoing problem of homelessness has been managed through the introduction of segmented access to public housing for those able to demonstrate a history of housing insecurity, allowing them to be 'fast tracked' into public housing. In the context of policies for more rapid rehousing, the persistence of homelessness over a ten-year period suggests that the in flow into homelessness has not been declining over time. Moreover, the significant decline in the overall number of public housing dwellings has not been adequate to meet demand, forcing many to access more temporary forms of housing including crisis accommodation.

Households who do access public housing generally have security of tenure, at least from the perspective of capacity to pay. Various *Housing Assistance Act 1996* Annual Reports from 1996-1997 to 2005-2006 (FaHCSIA, 2008) suggest that rental arrears within public housing tenancies have been steadily decreasing over time. The decline in arrears has been attributed to targeted early intervention strategies and to the proactive management of arrears by various authorities. The use of direct rental debits amongst a large proportion of tenants who are in receipt of Centrelink benefits has been especially influential in maintaining tenancies. Renters in the private market are less likely to benefit from the direct tenant management support provided through housing authorities.

### *Summary conclusion*

From the discussion of housing market changes across tenure groups it is clear that there are increasing security concerns, despite the prominent claims of growing economic prosperity occurring throughout the 1990s and into the most recent decade. These security concerns are especially evident for younger low to moderate-income households. The aggregate trend of increased house prices and rent has led to what was defined as growing 'price and rent insecurity' that has contributed to increases in both 'access insecurity' and 'insecurity in tenure' for purchasers and renters as well as for those living outside conventional housing.

The growth in access insecurity was argued to be occurring through an increasing deposit gap for purchased housing, declining supply in the number of private/public rental and purchased housing that is affordable for low to moderate-income households, increasing competition from the expansion of the number of renters in the rental market and investors in the home buyer market, and delays in obtaining public housing for non-priority tenants. The growth of insecurity in tenure was argued to be occurring through increasing debt and housing stress amongst purchasers, sustained growth in mortgage arrears and default, decline in public housing dwellings and over-reliance on the private rental sector to house lower-income households, increased turnover of rental properties from sales for capital growth, high estimated rates of eviction and forced moves, and increasing visibility and changing profile of those experiencing homelessness despite increased access to social housing programs.

Having defined housing insecurity and security and reviewed current housing market conditions within this framework, I now turn to a discussion of the labour market. Following a similar approach to that of housing, next I review existing definitions of labour insecurity within the literature, followed by an overview of recent trends and associated implications for labour insecurity.

## **Defining labour security and insecurity**

Labour insecurity, like housing, is a complex concept with many overlapping dimensions. In discussions of labour market trends, the terms instability and insecurity are often conflated to refer to the same underlying concept. For instance, using the two terms interchangeably it is argued that labour markets have not become more insecure in recent times because employment is no less stable than in previous periods (Wooden, 2000). However, as job instability results from both voluntary and involuntary employment separations, it is considered a poor measure of whether the employment relation is insecure and therefore should only be viewed as one dimension of the broader concept of insecurity (Auer & Cazes, 2000; Ruyter & Burgess, 2000).

There has been extensive research and debate surrounding the conceptualisation and measurement of labour insecurity in the existing national and international literature, with a number of different definitions and typologies formulated. This section addresses the research question: *What is insecurity in labour markets and how can it be defined for the current research?* In answering this question I review four broad definitional frameworks in the existing literature, identifying the dimensions of insecurity that will be informative in understanding contemporary changes in Australian labour markets. The broad definition of labour insecurity proposed by Standing (1999) encompassing the three dimensions of ‘labour market insecurity’, ‘insecurity in employment’ and ‘income insecurity’ I argue provides a useful framework for understanding the nature of changes occurring in Australian labour markets over the period in question.

In reviewing various definitions, Heery and Salmon (2000, pp.12-13) propose that labour insecurity can be conceptualised according to three broad themes relating to the ‘property of jobs’, ‘of the environment’, and ‘of subjective experience’. Drawing on Heery and Salmon’s (2000) conceptualisation, the ‘property of jobs’ includes the likelihood of redundancy and the predictability of earnings, which is most often measured through the type of employment contract, variable pay and redundancies. The ‘property of the environment’ refers to the systems or institutions of protection that comprise legal entitlements, trade unionism and welfare provisions. Lastly the ‘property of subjective

experience' refers to workers' perceived sense of security and insecurity within their position of employment.

A widely cited typology of labour insecurity that incorporates all three domains, the property of jobs, subjective experience and the environment, is provided by Guy Standing (1999). Standing's definition of *labour insecurity* refers to the overall functioning of the labour system. The main dimensions of insecurity are shown in Table 3. Within his framework, 'labour insecurity' encompasses three different dimensions of insecurity including 'labour market insecurity', 'insecurity in employment', and 'income insecurity' (Standing, 1999).

According to Standing's typology, 'labour market insecurity' exists when there are reduced opportunities to gain employment for those wishing to work. In its simplest form is measured in the rate of unemployment (Standing, 1999, pp.131-135). As a measure, 'labour market insecurity' is only a partial indicator of overall labour insecurity and insecurity within working relations. This latter dimension of insecurity, Standing (1999) proposes, is more adequately captured through the notion of 'insecurity in employment', which can be differentiated in terms of *employment*, *job*, *work*, *skills reproduction*, and *representation* insecurity.

Within Standing's (1999) definition of 'insecurity in employment', *employment insecurity* refers to the absence of regulatory protection for continued employment tenure, which has both an objective component relative to how many have stable or continuous contracts and a subjective assessment based on whether employment is perceived as secure. *Job insecurity* refers to conditions that threaten skills specialisation and a worker's capacity to develop an occupational 'niche' based on career progression. A work environment posing a particular threat to personal health and safety results in *work insecurity*. Closely related to job insecurity, *skills reproduction insecurity* arises when the employment fails to provide the worker with a succession of skills training to enable career mobility. Finally, *representation insecurity* occurs when the worker does not have



access to an external body to defend employment rights and entitlements (Standing, 1999, pp. 167-195).

Linked to all aspects of labour insecurity is the final dimension of ‘income insecurity’, which arises when the available income is insufficient, according to a normative ‘minimum’ standard to enable individuals and households to meet their daily requirements (Standing, 1999, p.208-209). This dimension relates to individuals who are currently in work and also to those who are not currently in paid employment.

**Table 3. Dimensions of labour insecurity**

<b>Dimensions</b>	<b>Summary Definition</b>	<b>Example indicators</b>
<b><i>Labour market insecurity</i></b>	Limited opportunities for gaining employment for those seeking work	Rate of unemployment
<b><i>Insecurity in Employment</i></b>	Threats to conditions of employment	
<b>Employment</b>	Lack of protection from arbitrary dismissal or sudden loss of employment	Irregular/non-continuous contract of employment without entitlements
<b>Job</b>	Lack of opportunity for occupational niche or career	Deskilling of roles
<b>Work</b>	Health and safety threatened through poor working conditions	Insufficient rest times, intensification of hours, and work stress and injuries
<b>Skills reproduction</b>	Limited opportunity to develop further skills and competencies	Level of job training, provision of child care, and labour market programs
<b>Representation</b>	Lack of regulatory and collective bargaining protection for employment entitlements	Individualised work agreements and de-unionisation
<b><i>Income insecurity</i></b>	Lack of assurance and or adequacy of income to meet needs for sustenance	Below median income, income inequality, irregular or uncertain income

Source: Standing (1999), summarised from pp.134-250

The literature on precarious employment provides further insight into the conceptualisation of labour insecurity by distinguishing the types of employment relations that rate highly according to the dimensions outlined in Standing’s typology. While precarious employment is more likely to be unstable, it is more aptly described as

a set of inferior quality working relations. Precarious employment at the most rudimentary level can be conceptualised in terms of ‘low levels of pay and high levels of labour insecurity’ (Burgess & Campbell, 1998, p.11). Campbell (1997a, p.12) identifies four different types of employment in the Australian labour market context that fall within a definition of precarious employment, typically characteristic of the non-standard employment relationship:

- casual employment;
- some sections of ‘marginal’ self-employment (in particular those positioned at the boundary between employee and non-employee status, e.g. some workers organised through certain labour-hire firms, leaflet distributors, couriers, some commission-based sales, truck drivers, carers, outworkers, some council workers subjected to compulsory competitive tendering);
- some government-sponsored employment schemes; and
- some sections of fixed-term or ‘life-of-project’ employment.

The type of employment relations above are considered precarious because they are characterised by: a lack of protective regulation; short or uncertain duration; a lack of ‘standard’ employment benefits; and ambiguous or unprotected legal status (Burgess & Campbell, 1998, p.8). Standard employment benefits or relations typically reflect the male-gendered full-time permanent employment contract that became the norm in working relations and entitlements following the post-WWII regime of labour regulation (Burgess & Campbell, 1998).

Within Campbell’s (1997a, p.14) definition of precarious employment some forms of ‘standard’ work can also be considered precarious if they are characterised by ‘low pay, employment insecurity and working-time insecurity’. The issue of working-time insecurity captures dimensions of insecurity linked to insufficient hours of work for those working less than a ‘standard’ week despite preferences to work more, often referred to as underemployment or labour underutilisation, and also to work intensification or the phenomenon of overemployment, where individuals work excessive hours above a standard working week. Working-time insecurity also provides a framework for

examining control over hours that are increasingly scheduled around a 24-hour seven-day working week.

A further noted definition in the literature is Burchell's (2002, p.61), which most closely resembles Standing's 'insecurity in employment' and Heery's and Salmon's (2000) third theme of subjective experiences. Within this definition *fear* of job loss and of valued entitlements is the source of insecurity in employment that incorporates subjective perceptions of losing the job and entitlements and of the consequences of job loss. The different dimensions of insecurity relating to the fear of job loss and of valued entitlements are summarised in Table 4 below.

**Table 4. Sources of job insecurity**

<b>Job insecurity</b> <i>includes the fear of:</i>	
<b>Losing the job itself via:</b> <ul style="list-style-type: none"> <li>▪ redundancies</li> <li>▪ lay-offs</li> <li>▪ control over the pace of work</li> <li>▪ sackings</li> <li>▪ bullying/harassment</li> </ul>	<b>Losing valued job features such as:</b> <ul style="list-style-type: none"> <li>▪ promotion opportunities</li> <li>▪ the ability to complete the entire job</li> <li>▪ independent representation</li> <li>▪ pay rises</li> </ul>

Source: Burchell, (2002, p.71)

One dimension included in Burchell's (2002) framework that has not been emphasised in the previous definitions discussed is bullying and harassment. Extending his typology of job insecurity further, Burchell (2002) proposes that the fear of job loss is dependent on both its pending *likelihood* and the *consequences* for the individual worker and their family. This dimension of insecurity can be both dependent and independent of the workplace, as illustrated in Table 5.

**Table 5. Determinants of job insecurity dependent and independent of the workplace**

<b>The fear of job loss</b> <i>is associated with factors which are:</i>	
<b>Dependent on the workplace such as:</b>	<b>Independent of the workplace such as:</b>
<ul style="list-style-type: none"> <li>▪ your organisation’s decision to downsize/divest</li> <li>▪ your organisation’s decision to merge/acquire</li> <li>▪ poor communication within your organisation</li> <li>▪ not knowing what is really expected of you</li> <li>▪ not being able to trust your employer</li> </ul>	<ul style="list-style-type: none"> <li>▪ your age</li> <li>▪ your ability to get another job</li> <li>▪ your capacity to withstand stress</li> <li>▪ your responsibility for dependants</li> </ul>

Source: Burchell (2002, p.71)

The definitions discussed above illustrate the complex objective and subjective dimensions of labour insecurity, and highlight the difficulty of measuring this concept. While definitions discussed overlap, there are important distinctions within each perspective that can inform an analysis of both labour and housing insecurity. Standing’s (1999) and Heery’s and Salmon’s (2000) typologies provide comprehensive frameworks for approaching the many layers of insecurity within labour relations required for a detailed understanding of the nature of changes occurring in Australian labour markets and the range of experiences likely to be encountered by the individual worker.

In this thesis the term *labour insecurity*, as conceptualised by Standing’s (1999) three dimensions of ‘labour market insecurity’, ‘insecurity in employment’ and ‘income insecurity’ will be applied to the analysis of labour trends in the section to follow. This definition is preferred because it is the one that incorporates the broadest elements of labour relations that can allow for a deeper understanding of how labour markets have changed from the perspective of insecurity. The concept of ‘insecurity in employment’ outlined in Standing’s (1999) typology is complementary to notions of precarious employment, linked but not solely related to, non-standard employment relations.

Within the framework of precarious employment, labour market trends can be examined through the new types of employment generated and the types of workers most likely to occupy positions without standard entitlements during the period of restructuring and growth in focus. Standing's dimension of 'income insecurity' will be particularly relevant for an analysis of labour market trends and also connections between labour and housing insecurity because it includes the unemployed and/or those who have been out of the labour market, as well as those in low-wage employment, in an analysis of labour insecurity. Campbell's (1997b) addition of working-time insecurity to Standing's framework of 'insecurity in employment' helps to understand how control over hours is related to changes in security relations.

Building on Standing's typology, Burchell's (2002) framework of insecurity is useful because it makes the important connection between insecurity and the fear of job loss, both actual and perceived. The way in which this fear shapes the behaviour of economic actors is a defining difference in the concern with *insecurity* over *instability* in labour relations. Perceptions of insecurity, not necessarily manifest in actual job loss but simply by the possibility that this might occur or that earnings may change in some way without warning, can still have a very real impact on housing decisions, especially the decision to purchase a home. By highlighting that the meaning of security for individuals is influenced by both the *likelihood* and the *consequences* of job loss, Burchell's (2002) framework is particularly useful for understanding the reciprocity and contingency in the employment and housing relationship. Perceptions of insecurity are likely to be greatest for those without other sources of income or earnings in their household and also for those who have more at stake or less to fall back on if their job should end.

### **Security trends within Australian labour markets**

The discussion to follow on labour market trends draws on the three dimensions of 'labour market insecurity', 'insecurity in employment' and 'income insecurity' to answer the research question: *What changes have taken place in labour markets during the*

*period of restructuring and growth from 1992 to 2007?* In answering this question I argue that while there has been a decline in ‘labour market insecurity’, predominately through declining unemployment, there has been concurrent growth in the two remaining dimensions of ‘insecurity in employment’, and ‘income insecurity’, which have become particularly problematic for working individuals.

The changing structure of Australian labour markets since the 1980s in relation to factors of supply and demand is well established (Webber, 1994; O’Connor & Stimson, 1995; Gregory & Sheehan, 1998; Gregory, 1998; Debelle & Borland, 1998; Vickery, 1999; Borland, 2000; O’Connor & Healy, 2002; Harbridge & Bagley, 2002; Watson *et al.*, 2003). Significant changes shaping the distribution and composition of the work force over this period can be summarised as follows:

- expansion of the service industry or ‘new economy’ jobs and decline of manufacturing jobs
- continued trend towards female, and decline in male, participation in the paid labour force
- significant growth in highly skilled and professional employment
- increasing income polarisation particularly between dual and single income households and between professional, skilled and unskilled labour
- increase in non standard employment including casual and fixed-term contracts, and some forms of self-employment
- fragmentation of working-time resulting in both work intensification and overemployment and underemployment
- decline in the rate of unemployment, but an increase in the duration unemployment episodes for certain labour-market groups.

### ***The changing formation of labour insecurity***

While there is general consensus that labour markets have undergone considerable restructuring, the extent to which employment is more or less secure in recent decades has been the subject of both national and international debate. Persistence of the long-term employment relationship across a number of countries has been used by authors

including Doogan (2005) and Fevre (2007) as a counterargument to the thesis upheld by social theorists such as Beck (2000), Giddens (1998), Castle (1996), and Sassen (1996) that insecurity is endemic to the new economy. In the Australian context, drawing on evidence of job mobility, separation and turnover rates, some labour market analysts argue that job tenure and therefore security in employment has not declined significantly during the 1990s period of growth (Wooden, 1998, 2000; Ruyter & Burgess, 2000; Borland, 2001).

Drawing on an analysis of ABS mobility surveys between 1975 and 1998, Borland (2001, pp.144-145) concluded that, contrary to speculation on the demise of lifetime jobs, the proportion who had been employed with the same employer for ten years or longer actually increased during this period. The growth in long-term employment was especially noticeable for women, with the proportion who had been employed for more than ten years increasing from 10.8 per cent in 1975 to 20 per cent in 1998 (Borland, 2001, p.145). For all persons the proportion employed between ten and twenty years increased from 12.4 to 15.9 per cent. More recent data from the ABS labour mobility surveys from 2002-2006 reveal little change in these overall trends (ABS, 2006, p.4).

Long-term trend data on perceptions of insecurity based on workers' self-reported assessment of the likelihood of becoming unemployed is also used as a counterargument to increased insecurity. Predictably, both national and international perceptions of the threat of employment loss generally follow cyclical trends in the rate of unemployment. Based on this measure, perceptions of insecurity linked to the fear of job loss have been falling along with unemployment (Borland, 2001).

The indicators of long-term unemployment, rising unemployment and perceptions of the likelihood of becoming unemployed reflect Standing's (1999) dimension of *labour market insecurity* relating to opportunities for gaining employment for those seeking work. While unemployment levels remain persistently higher than in the previous post-war period of growth, the overall trend in unemployment has been one of decline from its highest of 12.2 per cent during the 1990-1991 recessions, to a 'thirty year low' of four per cent in 2007 (Harbridge & Bagley, 2002; Campbell, 2008). On these measures it can be

concluded that labour market insecurity as it relates to opportunities for employment and unemployment has not increased during the 1992 to 2007 period.

When examining insecurity within its full definition according to dimensions of 'insecurity in employment' and 'income insecurity', Australian and international labour market analysts argue that there has been both an increase and a redistribution of insecurity extending beyond cyclical changes in the rates of unemployment (Heery & Salmon, 2000; Burchell, 2002; Ruyter & Burgess, 2003; Green, 2006). Following review of both the Australian and the UK labour markets based on the security dimensions in Standing's framework, Ruyter and Burgess (2003, p.224) maintain that:

...whatever generates insecurity, it is not average job duration. Hence, if we are to discuss employment insecurity, we need to look beyond the conventional measures of job stability (job tenure and job retention) and recognize that workers might be staying in their jobs because they feel insecure.

The central issue for understanding the connection between labour and housing insecurity is to gauge how insecurity has persisted, measured on a number of dimensions, during a period of sustained growth and how this departs from the previous periods of growth. The redistribution of insecurity has not occurred through increases in job separations, although for some groups the likelihood has increased. Rather, the most significant change shaping insecurity in the workplace rests with the way labour is now deployed (Buchanan, 2004).

The growth of the 'ongoing casual' illustrates the redeployment of labour in the most recent period of growth that contributes to both 'insecurity in employment' and 'income insecurity'. Ongoing casual employees, which some analysts have accorded a similar status to that of permanent employees (Murtough & Waite, 2000), is the very 'paradox' of the new regime in which insecurity may not emerge from substantial differences in hourly wage rates or loss of employment but from how hours are deployed (Buchanan, 2004). Ongoing casuals, like their permanent counterparts, may have long-term tenure but they have less protection and are used more 'flexibly', adjusting working hours as needed, often at short notice.



### *The growth of insecurity in employment and incomes*

Next I argue that a significant cause of growing insecurity during the period of restructuring and growth from 1992 to 2007 stems from the increasing fragmentation of contract and working-time relations. In particular I focus on how fragmentation of contract and working relations has contributed to 'insecurity in employment' through changes to working conditions and to working-time insecurity as a result of increased employer control of hours.

Earlier I established that insecurity in employment emerges from the threat or fear of job loss, unequal access to paid entitlements for sick leave, holidays, penalties, overtime, and the predictability and adequacy of the hours worked, all of which can jeopardise the income stream available to pay for housing. These changing working conditions have also contributed to the growth in income insecurity for those currently engaged and/or excluded from the labour market. The dimension of income insecurity is important because it extends the discussion to issues of employment access and the consequences for those who have difficulty gaining entry into employment with adequate entitlements and find themselves underemployed.

Inequality of earnings is strongly linked to issues of income insecurity, especially amongst those in low paying employment or amongst those who are outside contract relations where income may be stable but inadequate to meet the rising costs of housing. I also argue that insecurity in employment and income insecurity remain unequal, disproportionately affecting labour market groups who have the least bargaining power in their employment. While insecurity emerging from the fragmentation of contract and working-time relations has spread to new groups, including professionals in public and education sectors employed on fixed-term contracts and to industries that were previously predominately made up of permanent employees, insecurity in Australia remains persistently unequal along traditional lines of stratification including occupational status and gender.

### *Fragmentation of contract and working-time relations*

In the Australian labour market, the significant growth in the proportional share of ‘non-traditional’ or ‘non-standard’ employment over the past three decades including part-time, casual, fixed-term contracts, labour-hire and certain types of self-employment is typically used as evidence that the employment relationship is now more insecure. The standard employment relation based on a male breadwinner model of full-time permanent hours provided employees with a degree of predictability and security over working-time, incomes and expectations of continuing employment. Employment conditions associated with the standard employment relationship were also deeply intertwined with the ‘standard household relationship’, enabling many households to exist on one income, usually the male’s, while the female retained a primary caring role in the home (Pocock, 2003, p.47; Campbell, 2008).

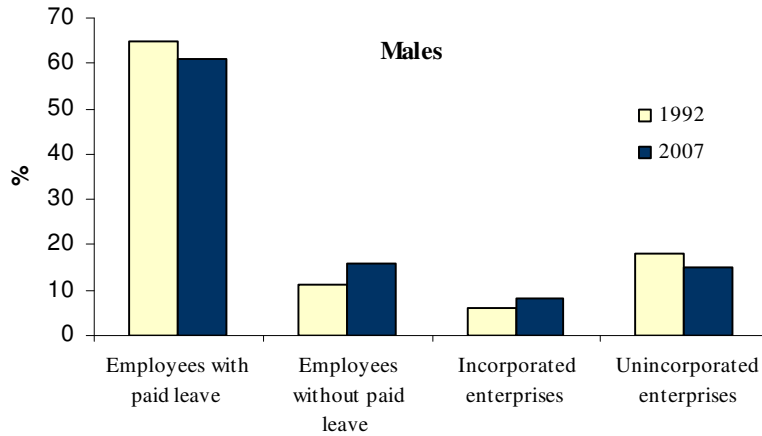
Whilst not all non-standard employment can be considered insecure, many forms of more precarious non-standard employment, particularly casual, labour-hire, project fixed-term, and dependent contract work, rate highly on all dimensions within ‘insecurity in employment’ and ‘income insecurity’, especially representation and working-time insecurity (Campbell, 1997b; Ruyter & Burgess, 2000; Fincher & Saunders, 2001; Borland *et al.*, 2001; Watson *et al.*, 2003). In Australia, the growth in more insecure forms of non-standard employment has been especially ‘extreme’ by international comparisons, with Australia ranked amongst the highest employers of temporary labour across OECD countries (Pocock & Buchanan, 2003, p.277). According to the Australian Productivity Commission, approximately 3.3 million persons were engaged in ‘non-traditional work’ in 2004 (Productivity Commission, 2006, p.23)<sup>6</sup>.

The ABS now distinguishes between some forms of standard and non-standard employment between employees with and without leave entitlements and between owner-managers of incorporated and unincorporated businesses. While full-time (defined as working 35 hours or more) employment with entitlements remains the most common type employment, there has been a decline from 56 per cent in 1992 to 51 per cent of total employment in 2007. During the same period the percentage of employees without paid

entitlements as a proportion of total employment has risen from 17 to 20 per cent (ABS, 2009a).

While the general trend towards an increase in the proportional share of employees without paid leave entitlements has continued, the rate of growth differs amongst females and males. The distribution of the total workforce according to leave entitlement status amongst males and females from 1992 to 2007 is illustrated in figures 1 and 2. The growth in employment without leave entitlements was most evident amongst males, climbing from 11 to 16 per cent between 1992 and 2007, although the overall proportion still remains well below women. The proportion of all females employed without paid leave entitlements between 1992 and 2007 remained steady at 25 to 26 per cent. The absence of leave entitlements is the ABS proxy measure for casual and labour-hire employees. Both types of employment have experienced sizeable increases over the past twenty years and are likely to be the most threatening for housing security because they offer workers the least protection on all dimensions of security.

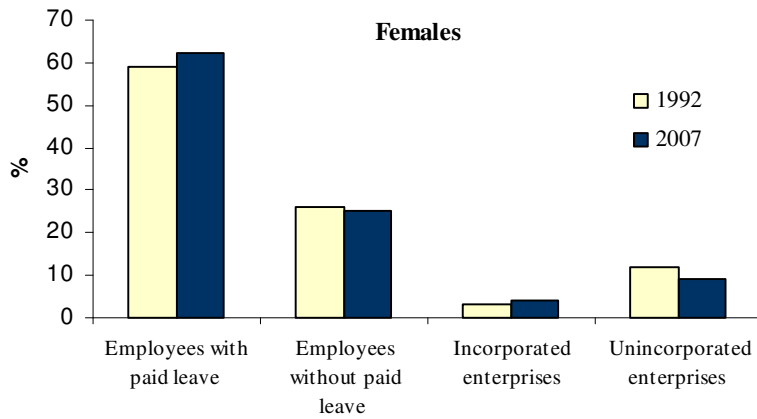
**Figure 1. Employed males, type of employment in main job, 1992 and 2007**



Source: ABS (2009a) Australian Labour Market Statistics, July Cat 6105.0

Note: ABS define an incorporated enterprise as a registered separate legal entity to its members and owners, while an unincorporated enterprise is a business entity in which the owner and the business are legally inseparable, so that the owner is liable for any business debts that are incurred (ABS, 2007a, cat 6105.0).

**Figure 2. Employed females, type of employment in main job, 1992 and 2007**



Source: ABS (2009a) Australian Labour Market Statistics, July Cat 6105.0

The proportional share of casual employees (based on the ABS (2003) measure, which includes owner-managers of incorporated enterprises within the category of employee) increased from 18.9 to 28 per cent during the fifteen years from 1988 to 2003. During this period the share of casual employment within full-time work also increased from 6 to 14 per cent whilst the proportion of males employed casually doubled from 12 to 24 per cent.

At the same time, the proportion of women casually employed increased from 28.8 per cent to 31.9 per cent, while the part-time proportion of casual employment decreased from 68.3 to 60.4 per cent (Kryger, 2004, p.1). More recently, Buddelmeyer and Wooden (2007, p.3) report that the casual employment rate in 2006 plateaued around 27 per cent, and closer to 24 per cent when owner managers of incorporated enterprises are excluded. This suggests that most growth in casual labour occurred throughout the 1990s and in early 2000.

Along with casual employment, labour-hire has become an increasingly attractive form of flexible labour for employers. Labour-hire employment involves employees of an agency and self-employed workers temporarily contracted to a third party. According to a further Productivity Commission review, undertaken by Laplagne *et al.* (2005, p.17), the number of labour-hire employees rose by approximately 16 per cent per year between 1990 and 2002. Labour-hire as a proportion of all employees grew from 0.8 to 3.9 per cent during this period.

The changing composition of self-employment is a further change likely to influence the security of housing. The self-employed have limited protection of their income and are particularly vulnerable to income insecurity due to both fluctuating amounts of earnings and cash flow concerns. Amongst the self-employed, particular attention has been directed to the growth of self-contracted work, especially dependent contractors. Based on the Productivity Commission's estimates, from 1978 to 1998, the proportion of the workforce in self-contract work rose by 15 per cent (Waite & Will, 2001, p.55). There has been a discernable increase in the number of self-employed females, with a 26 per cent increase between 1985 and 1999 (Preston, 2001a, p. 2).

The proportion of employees who are on fixed-term contracts is also estimated to have significantly increased during the last two decades. Unlike casual employment the incidence of fixed-term employment has not been accurately recorded, thus limiting any meaningful trend analysis. In 1998 the proportion of fixed-term employment was estimated to be around 2.2 per cent, whilst in 2000 the estimated proportion was 3.2 (Waite & Will, 2001, p.16). Recent figures from the Forms of Employment Survey

(FOES) for 2006 indicate that there were 2.8 per cent of fixed-term employees with paid leave entitlements and 0.9 per cent without entitlements, totalling 3.7 per cent of total employment (ABS, 2007d, p.12).

The growth of fixed-term employment, most commonly used in education and the public sector, has generated new forms of insecurity amongst entry-level and highly paid professionals. While many employed on fixed-term contracts have comparable entitlements of permanent employment, the key source of insecurity in employment arises from having to renegotiate the right to continued employment with the employer at the end of the specified period of engagement (Watson *et al.*, 2003). By shifting bargaining directly to individuals and their employers, fixed-term employment generates insecurity through creating uncertainty around ongoing tenure and in some instances requires the employee to reapply for their position through a competitive selection process.

The overall growth in employment characterised by reduced protection for ongoing employment and for basic entitlements for employees and contractors is argued to be a significant driver of working-time insecurity where employers have gained increased numerical flexibility, or in other words, greater discretion to adjust and control working hours on a needs or demand basis (Campbell, 2004). The issue of working-time insecurity has produced a problem at two ends of the spectrum, from those who are underemployed or not able to secure sufficient or predictable hours, to those who are overemployed and experience an intensification of work and unpaid overtime that can negatively affect their 'worklife-family balance' (Campbell, 2002; Glezer & Wolcott, 2000, Wooden, 2000; 2003; Pocock, 2003).

In Australia, growth in underemployment, based on the simplest measure of 'part-time workers who want more hours', was strongest during the corresponding peak of unemployment following the recession of the late 1980s, where by 1993 unemployment and underemployment climbed to over 10 and 6 per cent respectively. However, unlike the steady decline in the rate of unemployment, underemployment has since persisted around the 6-7 per cent mark for nearly two decades. While working-time and income

insecurity associated with underemployment is evident across all types of contract relations and industries, casual and labour-hire employees are especially vulnerable to the detrimental consequences associated with increased employer discretion in offering hours that are unpredictable, reduced in number, or at times that create difficulty working, especially for those with caring responsibilities (Campbell, 2008, p.67).

Working-time insecurity associated with under or overemployment may be linked to housing security in two important ways. First, underemployment will be problematic for housing security if the main income earner in the household cannot obtain an adequate income to comfortably pay for housing despite being in paid employment. Second, overemployment where employees work above standard or set working hours, especially if unpaid, also has implications for housing as some overstretched households may be reliant on additional income derived from paid overtime and penalties associated with extra shifts or working during unsocial hours. In the short-term, overemployment is only likely to be of direct benefit for housing if the extra hours worked are appropriately compensated. Evidence suggests that most extended hours of work are not directly compensated in terms of additional hourly pay (Barrett *et al.*, 2005; Campbell, 2002).

### ***The persistence of inequality in labour insecurity***

There are various ways to identify the persistence of inequalities in both insecurity in employment and income insecurity. In this final section of the chapter, I argue that, whilst labour insecurity has spread to new groups in the labour market; it predominately remains concentrated amongst individuals with the least bargaining power in work. The weight of the Australian evidence indicates a rise in insecure working relations during the most recent period of growth is still highly unequal according to occupation, skills, age, education and the enduring unequal social structures of gender and race relations.

One measure of the persistence of inequality in labour insecurity can be seen in differences amongst employees without paid leave entitlements according to occupational skill-level classifications. Table 6 illustrates the unequal distribution of paid leave

entitlements in both 1996 and 2006 according to ABS's five occupational skill levels<sup>7</sup>. Across both time periods, nearly three-quarters of those without leave entitlements are located in the lowest skill levels of four (intermediate clerical, sales and service workers, intermediate production and transport workers) and five (elementary clerical, sales and service workers, labourers and related workers). Although there has been a slight growth in the proportion of those without leave entitlements in the higher-skilled levels (one and two) between 1996 and 2006, the proportions remain small by comparison with lower-skilled groups.

**Table 6. Number of persons who are employees without paid leave entitlements, by occupation**

Occupation	1996		2006		Difference	
	'000	%	'000	%	'000	% Change
Skill level 1	167.7	10.3	212.9	10.6	45.1	26.9
Skill level 2	67.1	4.1	105.1	5.2	38.0	56.7
Skill level 3	192.4	11.8	182.1	9.1	-10.3	-5.4
Skill level 4	476.8	29.3	637.9	31.9	161.1	33.8
Skill level 5	722.6	44.4	863.9	43.2	141.3	19.6
Total	1 626.6	100.0	2 001.8	100.0	375.2	23.1

Source: ABS 2007b, p.14 , cat 6105.0. \*Employees (excluding owner-managers of incorporated enterprises)

Disparities in access to paid leave entitlements are also evident according to gender divisions. As shown earlier, women continue to be significantly overrepresented in paid work without leave entitlements. Moreover, in 2007 the proportion of women in part-time employment wishing to work more hours, one measure of underemployment, was more than double (8.7%) their male counterparts (4.2%) (Campbell *et al.*, 2009, p.67).

The rapid growth in non-standard forms of employment means that for a large proportion of workers the only entry into paid employment is via short-term contracts or casual employment (Productivity Commission, 2006; Chalmers & Waddoups, 2007; Buddelmeyer & Wooden, 2007). Women occupying a full-time permanent position before leaving the labour market to have children, may have to negotiate new employment on less secure terms, particularly if their preference is for part-time hours. In the context of enforced redundancies, long-term employees, especially those who are



older, lower skilled and geographically constrained, are often forced to settle for less secure and lower paid employment compared with their former employment (Beer, 2008; Weller, 2009).

In the Australian context, non-standard work, especially casual employment, is often presented as a 'stepping stone' into ongoing employment. However, the extent to which casual work represents a 'bridge' or a 'trap' continues to be the subject of empirical debate (Productivity Commission, 2006; Chalmers & Waddoups, 2007; Buddelmeyer & Wooden, 2007)<sup>8</sup>. Employees who are most likely to remain in casual employment in the longer term appear to be those with decreased bargaining power within the class structure and within the division of labour, including low-skilled females, older workers, those who have been unemployed or in casual employment for an extended period, those from culturally and linguistically diverse backgrounds, and those who live outside major metropolitan areas. On the other hand, employees moving onto more permanent work typically include individuals engaged in education, who are young, full-time and male (Dunlop, 2001; Chalmers & Waddoups, 2007; Buddelmeyer & Wooden, 2007).

Structures of labour market inequality are reinforced in measures of employment instability, both in terms of those who are most likely to become and those who remain unemployed for longer periods. Despite lower levels of unemployment, many groups continue to perceive their employment to be insecure. Borland's (2002) research identified that age, educational attainment, gender, occupational category, household income and recent job mobility influence workers' perceptions of insecurity differently. He also found some support for the link between perceptions of employment security, consumption behaviour and household debt.

An 'inequality of insecurity' is reflected in differences between lower and higher-skilled workers in their risk of becoming unemployed and getting back into the labour market. Compared with the higher skilled, lower-skilled workers have both higher 'separation rates' or likelihood of becoming unemployed and lower 'matching rates' or likelihood of re-entering employment (Vickery, 1999, p.2). Moreover, low-paid workers leave their

jobs involuntarily or become underemployed at a higher rate than higher paid workers (Dunlop, 2001, p.106). These findings support international research that suggest that labour market flexibility does not permeate all employment but is concentrated amongst particular segments and groups of workers and can contribute to a 'low pay no pay cycle', especially amongst low-skilled workers (Stewart & Swaffield, 1999; Auer & Cazes, 2000; Golsh, 2004).

While the various ways of measuring increasing inequality may be contested, few would dispute that incomes have become more unequal over the last three decades. At the individual level, there has been a significant shift in the distribution of incomes in the two decades between 1975 and 1999, with the real weekly earnings of those in the 90<sup>th</sup> percentile increasing by 32.5 per cent (Borland *et al.*, 2001, p.7). An increase in earnings at the top of the distribution is especially pronounced amongst professional males and within private-sector employment. At the same time, for a large part of the 1990s, earnings at the bottom of the distribution were in decline while middle income earnings remained stagnant (Borland *et al.*, 2001).

This polarisation of income has been linked to a number of factors including: the changing structure of work, the significant increase in real incomes of professional and managerial positions, the disproportionate decrease in full-time employment amongst lower-skilled groups, and loss of standard entitlements protecting the security of incomes and hours of work (Watts, 2001; Watson & Buchanan, 2001; Fincher & Saunders, 2001, Saunders, 2005). The proportional growth in employment without entitlements is likely to be an important influence in the rise in earnings inequality amongst many employees, especially women, within the lower-skilled segment of the labour market, where hours of paid work are more likely to fluctuate according to demand. At the household level increasing income polarisation has been linked to the growth of women's participation in the labour market (ACIRRT, 1999; Dawkins & Kenyon, 2000; Borland *et al.*, 2001).

In sum, the evidence reviewed here suggests strong links between labour insecurity and persistent inequality in the labour market that is in turn, likely to unequally affect the amount of individual and household discretionary incomes for consuming housing. The

extent to which the increasing divide between those who have the full range of workplace entitlements and protection and those who do not is also linked to an inequality of housing insecurity, is a theme taken up in the next chapter.

## **Conclusion**

This chapter has reviewed key trends in both housing and labour markets over the past two decades or longer from a framework of housing and labour insecurity. In the review of housing I argued that the concept of insecurity should not be confined to homelessness risk and exclusion, but should also incorporate the lived experience of uncertainty in being able to maintain and/or gain access to housing across all tenure types that exist within unequal relations with others. Within this framework insecurity in the housing system was conceptualised in terms of three broad dimensions of ‘price and rent insecurity’, ‘insecurity in tenure’, and ‘access insecurity’.

Applying these dimensions within a broader household typology of housing security framework from highest insecurity to highest security enables a more comprehensive analysis of security trends across the housing system. Changes occurring within the Australian housing market between 1992 and 2007 in terms of declining affordability for renters and purchasers, increasing debt and mortgage arrears, residualisation of social housing, increasing competition for private rental and persistent homelessness were argued to be key influences shaping the growth of insecurity in tenure and in access. These changes occurring in the housing market suggest a strong income and labour market influence.

Labour insecurity, like housing, was argued to encompass three dimensions within broader labour market relations associated with uncertainty about continued employment, entitlements and earnings. These dimensions include: ‘labour market insecurity’, ‘insecurity in employment’ and ‘income insecurity’. I argued that the two dimensions of ‘insecurity in employment’ and ‘income insecurity’ have increased insecurity amongst working individuals between 1992 and 2007.

In the Australian labour market, the employment contract forms a cornerstone of security entitlements in the employment relationship. Changes within the standard contract over the last 25 years have resulted in increasing fragmentation in working conditions and entitlements for continued employment. Work relations in Australia have not only polarised in terms of income, but also in terms of security and access to entitlements and predictable hours of work. The content covered within this chapter signals the important connection between insecurity in both markets. The extent to which similar groups experiencing insecurity in the labour market are also those experiencing housing insecurity is the theme taken up in the next chapter.

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<sup>3</sup> The role of public housing and the profile of residents housed have also changed considerably since the 1950s. During the time of the Poverty Inquiry in the mid 1970s, nearly three-quarters of those housed in the public housing system had incomes above the poverty line. Subsequent reviews throughout the 70s and 80s resulted in the introduction of means testing and market rents and systematically altered the economic and labour market profile of public housing tenants as new residencies were increasingly allocated to low income households. According to Hayward's (1996, p. 24-25) analysis, during the mid-40s housing was allocated primarily to families with a permanently employed breadwinner. In the early 1970s eligibility was based on a male breadwinner income of 85 per cent or less of average weekly earnings. By the 1980s and 90s, public housing assistance was increasingly targeted to households experiencing unemployment or those who were out of the labour force.

<sup>4</sup> Arrears rates for 30 and 60 days are not included in this figure. Overall rates for all missed payments are higher than the data presented by the RBA, which are typically based on arrears of 90+ days (House of Representatives Standing Committee of Economics, Finance and Public Administration, 2007).

<sup>5</sup> The census collection is based on Chamberlain and Mackenzie's definition of primary, secondary, and tertiary homelessness. Individuals considered homeless on census night include those living in boarding houses, SAAP accommodation, staying temporarily with friends or family, or living in improvised dwellings/sleeping out. It should be noted that caravan parks are often used as a source of emergency accommodation by providers of SAAP services when there are no further vacancies for accommodation (Chamberlain & MacKenzie, 2008).

<sup>6</sup> The Productivity Commission research applied slightly different criteria of 'non-traditional work' instead of the widely used term of 'non-standard employment' (Productivity Commission, 2006).

<sup>7</sup> The five occupational skill levels are derived from the Australian Standard Classification of Occupations (ASCO) and are based on skills specialisation with skills level one corresponding with the highest level and skills level five with the lowest. Occupational skills level one: managers, administrators and professionals; skills level two: associate professionals, tradespersons and related workers; skills level three: advanced clerical and service workers; skills level four: intermediate clerical, sales and service workers, intermediate production and transport workers; skills level five: elementary clerical, sales and service workers, labourers and related workers (ABS 2007b, cat 6105.0).

<sup>8</sup> In an earlier paper Chalmers and Kalb (2000), modelling unemployment transitions, found that entering casual work did provide a stepping stone into permanent employment for those disadvantaged in the labour market. However, they also found that this group was more susceptible to longer periods in both unemployment and casual work, suggesting greater labour market vulnerability. Buddelmeyer and Wooden's (2007, p.24) analysis revealed interesting distinctions in the transition probabilities into ongoing work according to gender. Specifically, women appeared to be no better off in the likelihood of transitioning to ongoing work by participating in casual employment. Controlling for unobserved heterogeneity, unemployed women had a greater likelihood (36%) of transitioning into ongoing work compared to those employed casually (31.8%). For men, participating in casual work as opposed to being unemployed increased the likelihood of moving into ongoing employment in the future by 3 per cent from 37.5 to 40.6 per cent.



## Chapter 3

### Explaining the labour and housing connection

Chapter 2 presented a partial response to the research question: *How does labour insecurity contribute to housing insecurity during a market-dominant regime of security?* It did this by first reviewing two important bodies of literature on recent changes in the Australian housing market on one hand and recent changes in the Australian labour market on the other. Specifically, it was argued that the growth in ‘price and rent insecurity’ has contributed to the growth of ‘insecurity in tenure’ and in ‘access insecurity’ amongst low to moderate-income households. From the labour market literature I argued that there has been growth of ‘insecurity in employment’ and ‘income insecurity’ that increasingly affects working individuals and, for the most part, remains unequally distributed across the population.

In summary, there is strong *prima facie* evidence that the dimensions of growing insecurity in the housing market are connected to growing dimensions of insecurity in the labour market. However, it remains unclear how these two markets are interacting and creating this increase in household housing insecurity. The reason for this is that labour market analysis focuses on individuals and examines factors such as individual earnings and terms and conditions of employment, whereas housing-market analysis focuses on households that, apart from single-person households, are comprised of two or more people living together in a shared dwelling who typically combine their resources to pay for their housing and other living expenses.

The task of understanding individuals in labour markets and households in housing markets requires a framework for drawing together these two different units of analysis. This chapter sets out a framework that supports an analysis of changes in housing outcomes of households caused by the changing experience of individuals in the labour market. It is presented in three sections.

The first section reviews the housing literature that has sought to establish and explain how the labour market shapes households' position within the housing market. It first addresses the question: *How have others explained the connection between labour and housing markets?* The literature on labour and housing market connections is reviewed within a critical-realist theoretical framework that classifies the main body of literature into three broad themes: the 'inequality of class relations', the 'inequality of spatial relations', and the 'individualisation of risk relations'. While these bodies of literature provide insights into how labour and housing markets are causally connected, they do not separately or in combination totally explain this connection in contemporary Australia.

The second section addresses the question: *How can the insights from the existing literature inform an explanatory framework for housing insecurity in the contemporary period?* In answering this question I argue that critical realism and relational concepts of class can support an analysis of insecurity in labour and housing relations in the contemporary period of restructuring and growth. In particular, using Bourdieu's relational class concepts of *habitus, field, and capital* I argue that labour and housing markets are sites of unequal struggle for security and are contingently connected through the mediating role of cumulative and collective household capital. A political-economy approach of regimes is used to understand the mediating role of state agencies in this struggle by periodising changing labour and housing relations in terms of a move from a collective to a market-dominant regime of security.

In the third section, I argue how labour and housing insecurity are contingently connected in this market-dominant regime of security and propose a hypothetical model that can be further verified empirically. Drawing on this framework I argue that the regulatory changes introduced throughout a market-dominant regime of security have contributed to the growth of insecurity amongst working individuals who, in the context of rising price and rent insecurity, now have reduced capacity to mitigate their insecurity in both markets. This growth of insecurity for working households represents a fundamental shift in the employment and housing connection in Australia.

Drawing on the relational class framework outlined in the second section, it is proposed that the connection between labour and housing insecurity in contemporary Australia will be mediated by collective and cumulative household capital. The chapter concludes with a set of propositions informed by the above argument and which will guide the empirical chapters to follow.

### **Theorising the links between labour and housing markets**

Following Engels' first writings on *The Housing Question (Zur Wohnungsfrage)* in 1872, many researchers have sought to explain how production-based inequalities in the labour process shape the housing consumption position of households (Williams, 1984; Berry, 1986; Somerville & Knowles, 1991; Randolph, 1991; Winter, 1994). Others have concentrated on housing as the site of the social reproduction of labour (Somerville & Knowles, 1991; Fine & Leopold, 1993; Winter, 1994). There has also been a long-standing debate on whether housing tenure position or 'consumption based cleavages' should be recognised for their independent structuring effect outside an individual's position in the labour market (Winter, 1994).

In the next section I review three broad bodies of literature on how housing researchers have explained the connection between work and housing over the past 150 years of scholarship. It addresses the question: *'How have others explained the connection between labour and housing markets?'* An underlying assumption guiding the review of the literature is that the connection between labour and housing markets is shaped by both necessary and contingent social relations. This assumption is informed by critical-realist ontology, which locates social explanation in the necessary and contingent social relations formed by the pre-structured and structuring action of individual agents (Archer *et al.*, 1998, p.xvi; Danermark *et al.*, 1997, pp.53-55). Within this framework, three broad themes can be identified in the literature relating to how housing researchers have examined the connection between labour and housing relations, including the 'inequality of class relations', the 'inequality of spatial relations', and the 'individualisation of risk relations'.



### ***Causal necessity and contingency in labour and housing relations***

In the introductory chapter I argued that critical-realism is a useful meta-theoretical framework for understanding the connection between labour and housing insecurity because of the ontological distinction made between causal necessity and contingency. Drawing on Sayer (2000, pp.13-17), I defined necessary causal relations as those that cannot exist without the other, such as employers and employees, landlords and tenants. Within this approach, necessary relations are always directly causally connected. However, the relations between employees in the labour market and landlords in the housing market, for instance, do not presuppose each other and so can only be contingently connected.

From a critical-realist understanding of reality, causation occurs within the domain of the *real* through ‘emergent powers’ and ‘generative mechanisms’ of structures and objects existing within a stratified and open social system. Within the *actual* these ‘powers are activated’ under conditions that are contingent rather than necessary and so may or may not be observed in the *empirical* (Sayer, 2000, pp.11-12). Contingent relations, such as the practices within households or state agencies, exist outside necessary relations and therefore may or may not influence causal outcomes within necessary relations. Further, contingent relations overlay necessary relations and it is possible to speak of ‘contingent necessity’ (Sayer, 2000). For example, not all employers or landlords act in the same or in law-like ways. This means that causal relations within critical-realist ontology are viewed as tendencies and not law-like regularities.

Viewing the links between labour and housing in this way suggests that there will be many contingent and countervailing conditions influencing whether an individual’s insecurity in the labour market directly causes their insecurity in the housing market. Identifying the causes of insecurity within necessary and contingent labour and housing relations, and how these relations are in turn connected, will rely on two different types of inferences associated with a critical-realist explanation. Although research informed by critical realism draws on inductive and deductive inference, it also emphasises the significance of two further types of inference: abduction and retrodution, which can

assist in arriving at a postulate or hypothesis about the nature of the ‘object’ being studied (Danermark *et al.*, 1997, pp.88-106).

Using an inductive approach the researcher forms a general *rule* or theory following the *result* from observed *cases*. The analysis typically concludes at that point without seeking to understand the mechanisms underpinning the broader structures shaping the rule. Deduction on the other hand commences from the *rule* or theory, that when applied to the *case* the *result* must logically follow. A deductive hypothesis seeks to either refute or support whether the rule is true or not but does not seek to explain the mechanisms shaping the rule. Abduction and retroduction helps to overcome the limitations of inductive and deductive inference. Danermark *et al.* (1997, p.90) explains that abduction

...differs from induction in that we start from the rule describing a general pattern, and it differs from deduction in that the conclusion is not logically given in the premise...When we apply abductive inference in social science and interpret a phenomenon in the light of a frame of interpretation (rule), the frame of interpretation constitutes one of several possible frames and the interpretation of the phenomenon one of several possible interpretations. What is common for all abductive inference, however, is that the conclusion [case] provides new insight as an outcome of our interpreting or explaining something with the help of what Pierce calls the rule. But this is always a fallible insight, a form of hypothesis.

Retroduction typically follows the process of abduction and can assist in uncovering the ‘transfactual conditions’, or the underlying causes between labour and housing insecurity that can help to establish a new set of hypotheses, propositions and questions to be tested empirically. Retroduction uses transfactual argumentation to help identify and understand the conditions that make events and actions possible. In distinguishing between necessary and contingent relations, transfactual explanations extend beyond empirically observable regularities to answer “...what properties must exist for X to exist and be what X is” (Danermark *et al.*, 1997, p.97). In this case, what generates insecurity within employment and housing relations and in turn must exist for these relations to be connected?

Posing questions on transfactual conditions can help to identify the potential causal mechanisms in the domain of the *real*, countervailing mechanisms in the *actual* and the demi-regularities or observable relationships in the *empirical*<sup>9</sup>. In this section abductive and retroductive reasoning are used to help formulate questions and provide an initial framework for interpreting how labour and housing markets are connected from the perspective of insecurity. This approach to understanding causality in labour and housing relations is summarised in Table 7.

In the bottom row of the first column in table 7 the example presents an individual *case* whose employment has become insecure because of employment practices shaped by unequal power relations between an individual worker and his or her employer. This *case* can be linked to the vast literature showing how employers exercise power through determining such factors as hours worked and the capacity to terminate employment. In linking these employment practices with housing, in the second row above, we observe the *result* that this individual's insecurity in work has caused their housing to become insecure. From this example we can formulate a general *rule* or hypothesis, shown in the top row, that unequal market relations cause housing to become insecure.

In the next column in the table, this general rule or hypothesis is followed up with retroductive inference and the posing of questions to help uncover transfactual conditions at each level of the *case*, the *result* and the *rule*. The last column indicates whether the questions in each row correspond with the *real*, *actual* or *empirical* domain of reality. This framework can then be used to assess the strengths and weaknesses of the existing literature and determine what is absent in answering how labour insecurity contributes to housing insecurity during the period of restructuring and growth in question.

**Table 7. A critical-realist framework for moving from abduction to retrodution to form a hypothesis of how labour insecurity contributes to housing insecurity**

<b>Abduction</b>	<b>Retrodution</b>	<b>Domain of Reality</b>
<b>Practices linking housing insecurity with unequal labour and housing relations</b>	<b>Causal mechanisms linking housing insecurity with unequal labour and housing relations</b>	
Rule: Housing insecurity is caused by unequal labour and housing market relations	What is it about unequal labour and housing market relations that can cause housing insecurity?  What are the contemporary contingent conditions?  How do unequal relations in labour and housing markets contribute to housing insecurity? What are the demi-regularities between inequality and insecurity in the two markets?	The real  The actual  The empirical
<b>Practices linking insecurity in work with insecurity in housing</b>	<b>Causal mechanisms linking in insecurity work with insecurity in housing</b>	
Result: This individual is insecure in their housing because of their labour insecurity	What is about labour and housing relations that can cause housing insecurity?  What are the contemporary contingent conditions?  How does labour insecurity contribute to housing insecurity? What are the demi-regularities between labour and housing insecurity?	The real  The actual  The empirical
<b>Practices linking unequal labour relations and insecurity</b>	<b>Causal mechanisms linking unequal labour relations and insecurity</b>	
Case: This individual's labour insecurity is caused by their employer reducing the amount of hours worked	What is it about employment relations that can cause insecurity for workers?  What are the contemporary contingent conditions?  How do individuals become insecure in their work? What are the demi-regularities of labour insecurity?	The real  The actual  The empirical

Note the table above is an expansion on the deduction, induction and abduction – the formal structure of inference example table presented in Danermark *et al.*, 1997, p.90 originally sourced from Peirce (1932).

### *Themes from the housing literature*

In this section I review three bodies of literature classified as the ‘inequality of class relations’, the ‘inequality of spatial relations’, and the ‘individualisation of risk relations’. The focus in this review is on the way others have explained the connection between labour and housing markets. In both the inequality of class relations and the inequality of spatial relations the connections between necessary and contingent relations are strongly emphasised. In the third body of the individualisation of risk relations, whilst observing how the contingent conditions in both labour and housing markets have altered, it does not pay sufficient attention to the necessary relations underpinning changing conditions of insecurity.

#### *The inequality of class relations*

The inequality of class relations perspective, originating in works of Marx and Engels, is essentially concerned with the connection of class-based processes occurring in both labour and housing markets. There are three important arguments to be made from this discussion on how unequal class relations contribute to insecurity in both markets. First, inequalities and insecurities emerging from necessarily exploitative labour relations are an important cause of unequal housing security relations. Second, the connection between labour and housing position is not direct but contingently mediated through unequal control and exchange relations on both sides of the markets, which are in turn mediated by contingent state and household relations. Third, because relations within the housing market are not directly connected to labour relations they can exert an independent causal effect or ‘cross-cut’ inequalities and insecurities emerging from necessary labour relations.

The main themes within the inequality in class relations perspective are summarised in Table 8 below, which outlines exemplar authors and their empirical focus, conceptions of labour and housing markets, and the relationship between the two.

**Table 8. Summary of perspectives on the inequality of class relations in labour and housing**

<i>Inequality of class relations</i>				
Exemplar authors	Empirical focus	Concept of labour	Concept of housing	Relations between the two markets
Engels (1887)	Working and housing conditions in early industrialising England	Class conflict between bourgeoisie and proletariat from pursuit of surplus value and exploitation of labour power	Class conflict between bourgeoisie landlords and proletariat leading to exploitation in provision of housing	Massive industrialisation forcing workers into waged labour leading to housing shortages and squalor from landlords seeking profit
Oswald Barnett (1942)	Slum housing conditions in Melbourne, Victoria	Paternalistic concern for the unemployed and poor in intermittent and precarious work	Paternalistic need to abolish the housing in the inner city slum areas	Working poor forced to live in squalor and poor housing conditions because of landlord exploitation and bad fortune of inhabitants
Berry (1983, 1986), Burbidge (2000), Badcock & Beer (2000)	Mobility of working-class households	Marxist circuits of accumulation and working-class constraints	Marxist structuralism unequal opportunity for home ownership and capital accumulation of housing wealth	Inequality in class position emerging through labour process or employment position is most important determinant of housing tenure and wealth position
Hammett (1994), Paris (1995), Winter & Stone (1998)	Socio-tenurial polarisation thesis	Employment aggregate of occupational class and income polarisation	Segmentation between renters and purchasers as defining site of social stratification	Entrapment of low-skilled occupation and income groups in more marginal tenures
Rex & Moore (1967), Saunders (1984), Winter (1994)	Housing tenure as class identities	Weberian, The role of labour market not emphasised. Working class mobility into home ownership	Weberian structuralism tenures as housing class with shared political interests and status positions	Housing tenure position cross cuts class inequalities and identities emerging from the labour market
Sommerville & Knowles (1991)	Reconciliation of housing-class debate	Neo-Marxist social constructionist. Class conflict between contemporary bourgeoisie and proletariat	Neo-Marxist social constructionist. Tenure as a mode of distribution	Class position in labour and housing is connected through unequal control and exchange relations on both sides of the market that are mediated by state and household

An underpinning assumption of the inequality of class perspective is that the necessary exploitation and low wages emerging through an unequal labour process result in dependence and further exploitation through the necessary unequal relations with housing providers in capitalist societies. This Marxist perspective argues that it is ultimately inequalities and insecurities emerging from the labour process that cause the unequal distribution of insecurity in the housing market.

Housing researchers in Australia, particularly Berry (1983, 1986), have been strongly influenced by the inequality of class relations perspective, tracing many contemporary housing security concerns to the early developmental links between capitalist production and the fragmentation of working-class consumption of suburban and inner city housing. Housing researchers within this Marxist perspective have also focused on how unregulated housing conditions led to growing landlord exploitation, slum conditions, evictions and political struggles amongst working-class households.

In Australia, Oswald Barnett (1942) made an important link between itinerant low wage employment and landlord exploitation amongst the tenants living in impoverished housing slums of Melbourne before WWII. Oswald's research into slum housing, as well as other political movements at the time, provided the impetus for the reform of inner city housing. While slum reforms led to the establishment of a small public-housing sector in the post-WWII period, the provision of private rental housing was not radically altered. Many contemporary security concerns in the private rental market can still be traced to the relative absence of a property owning gentry in Australia and the legal foundations of small-scale landlordism (Burke, 1999)<sup>10</sup>.

Other housing researchers have sought to explain tenure outcomes in terms of the peculiarities of Australian capitalism and how the development of the housing system diverged from other countries<sup>11</sup>. For instance, unlike industrialism in European countries, the abundance of land, limited planning restrictions, Torrens Title and expanding national wealth helped foster strong cultural aspirations of private property ownership (Davidson, 2000).

Following the post WWII reconstruction period, with increasing employment security and the rapid ascent of home ownership amongst working-class households, the dominance of the Marxist perspective became contested. Newly found security through home ownership amongst growing numbers of working class households ignited a 'housing-class debate' between the former Marxist and an emerging Weberian perspective within urban sociology over whether the housing market 'reproduce(s) or cross-cut(s) inequalities arising from the labour market' (Winter & Stone, 1998, p.5).

Starting with the work of Rex and Moore (1967), urban sociologists influenced by this Weberian perspective argue that housing tenure established housing classes outside traditional production-consumption relations. Within this perspective housing classes acting in a scarce housing market are argued to have shared political interests according to their position within a tenure hierarchy (Saunders, 1984; Winter, 1994)<sup>12</sup>. Or, in other words, housing or the shared tenure or 'housing class' position of home owners, can exert an independent effect outside an individual's position in the labour market.

Despite this emerging Weberian view other scholars influenced by Marxism continued to argue that the labour market or production based inequalities were the predominant determinant of class position and wealth for the majority of households (Berry, 1983, 1986; Burbidge 2000; and Badcock & Beer, 2000). Adherents of the Marxist perspective, including Australian housing researchers, argue that housing tenure groups do not represent distinct classes of their own; rather they mirror inequalities in income and wealth reproduced through individual class position emerging from the labour market. This argument is supported by empirical observations that working-class households are more likely to be confined to the lower rungs of the housing-tenure ladder and benefit least from intergenerational transfers and capital accumulation from their properties when they do enter into homeownership<sup>13</sup>.

The Marxist-Weberian housing-class debate was further extended through the socio-tenurial polarisation thesis, which reframed the employment-housing connection from working-class mobility and identities to examine how growing income polarisation amongst skilled and non-skilled workers is linked to polarisation in housing tenure



outcomes (Hammett, 1994; Paris, 1995; Badcock, 1997; Baum, 1997; Winter & Stone, 1998). Socio-tenorial polarisation is thought to occur when workers in lower-skilled occupations are prevented from progressing along the tenure hierarchy and so stay confined within more insecure private and social rental tenures.

While both Marxist and Weberian perspectives identify important causal processes linked to housing position, the tensions generated through the housing-class debate emerge from an inadequate framework of causation, necessitating the 'true cause' to rest with one perspective over the other. However, as Somerville and Knowles (1991, p.119) argue, the focus on the causal connection between class and tenure has been misguided because it has not adequately recognised the importance of contingency in the relationship. Combining a critical-realist approach with a neo-Marxist notion of class, the important contribution from Somerville and Knowles (1991) in this housing-class debate is their emphasis on the contingent connection between the labour market on the one hand and housing on the other through the unequal necessary relations existing on both sides of the causal connection.

Specifically, Somerville and Knowles (1991) argue that as classes and tenures are partially constituted 'in relation to each other' there can be no direct causal relationship between the two because classes and tenures are necessarily connected through landlord-tenant relations or lender-borrower relations, which are also class relations. A more useful framework for explaining the employment-tenure connection Somerville and Knowles (1991) propose is to view housing as a mode of distribution. They argue that the mode of housing distribution, like the mode of labour production, is characterised by distinct *control*, *exchange*, *household* and *state* relations existing within the enduring class distinctions broadly between two classes, the bourgeoisie and the proletariat, as they exist in their more contemporary forms. For example, inequalities in relations of control are found between landlords and tenants, mortgagees and mortgagors, capital and labour, managers and employees.

The critical causal link between labour and housing from a class perspective, Somerville and Knowles (1991) argue, emerges from class struggle and conflict whereby the mode of distribution of housing resources, like the mode of production within the labour process, is dominated by bourgeois interests. Somerville and Knowles (1991, p.125) claim that:

...tenures, as modes of housing distribution act as institutional filters of all forms of inequality deriving from production relations and class relations... the distribution of housing and access to housing are affected operationally not only by class relations but also by relations of gender, race, age and ability.

Based on this argument, unequal necessary power relations are reproduced from one market to the next as dominant classes are more likely to own or manage both the means of production and the means of housing distribution. Unequal control in market relations means that dominant classes are able to determine the conditions of exchange through their increased purchasing power over other classes. This unequal control generates further wealth and income through capital gains and rents that render lower classes dependent on the housing that is provided to them through the market. While some working-class households are able to purchase their own homes, they are generally sorted into housing tenures that reflect this unequal capacity to pay.

These necessary market relations between the bourgeoisie and proletariat Somerville and Knowles (1991) recognise are contingently mediated by state and household relations that evolve differently over time and within different places. For instance, whilst relations of exchange are determined by the mechanisms of market pricing, these relations are also mediated by the myriad of state legal, fiscal and planning relations surrounding the regulation within each type of tenure and within the labour process.

In the Australian context the emphasis on the mediating role of the state in both employment and housing position varies amongst different authors and according to the period of research. For instance, in Barnett's (1942) analysis the absence of state based intervention into slum housing was of primary concern whilst for others such as Berry (1983 and 1999) writing about the post WWII period, the state played a central role in the

provision of publicly funded housing near places of developing industry and home ownership support through full employment providing stability for working class home owners. It is critical to understand this historical contingency in state based practices and the connection between labour and housing insecurity in order to explain the types of individuals and households most affected across time.

Somerville and Knowles (1991) argue that, in addition to state practices, class relations in labour and housing are mediated by the broader division of labour within the household. However, as with the inequality of class relations in general, Somerville and Knowles (1991) do not elaborate on types of relations between and practices within different households that are likely to be important in understanding insecurity. The way the household has typically been analysed within the inequality of relations theme, namely assuming class position according to the position of a household head, is problematic for a contemporary analysis of class relations that are increasingly shaped by multiple earners in the household. For a contemporary analysis of insecurity it will be important to take into consideration the collective labour and housing market position of all of the main earners in the household.

In sum, the inequality of class relations theme explains the connection between labour and housing insecurity through the existence of unequal necessary relations giving rise to the underlying 'casual mechanism' of exploitation in both labour and housing relations. This means that insecurity in employment as well as rewards will be unequally distributed amongst those who are more and less powerful in social-class divisions and that this inequality of insecurity will influence the types of households who are more likely to experience insecurity in their housing. This theme has been further developed through Somerville's and Knowles's (1991) notion of contingency, where it is argued that there is no direct correspondence between class positions in both markets; rather this connection is mediated through the structure of the household and the policies of state institutions at the level of the 'actual'.

### *The inequality of spatial relations*

Although spatial themes are often evident in class-based housing research, a major criticism of earlier political economy approaches is their general tendency to abstract from the spatial patterning of social relations, therefore overlooking important underlying causal processes connecting labour and housing relations. The ‘spatial turn’, largely influenced by the work of human geographers such as Harvey (1973, 1996), Massey (1984), Soja (1989) and Sassen (1991) have been highly influential in asserting that space does matter in explaining labour and housing market connections. With the ‘spatial turn’ in social sciences, a growing number of housing researchers refocused their attention on how necessary unequal relations in labour and housing polarisation, exclusion, and inequality are played out contingently to produce uneven concentrations of areas of labour and housing advantage and disadvantage.

There are three important points to be made from the inequality of spatial relations literature. First, labour and housing relations interact dynamically to create areas of advantage and disadvantage through a self-perpetuating cycle that sorts households with greater earnings capacity into better locations that are in turn provided with greater access to employment opportunities. Second, spatial economic restructuring can contribute to insecurity in housing by influencing uneven rises and falls of local house prices and rents that can leave some households ‘trapped in place’. These two processes can contribute to segmentation and a ‘mismatch’ of availability of work in areas with affordable housing. Third, as in the inequality of class relations literature, the important mediating influence of households and state policies is also identified within this theme. The main ideas evident within the ‘inequality of spatial relations’ theme are presented in Table 9 below.

**Table 9. Summary of perspectives on the inequality of spatial relations in labour and housing**

<i>The Inequality of Spatial Relations</i>				
Exemplar authors	Empirical focus	Concept of labour	Concept of housing	Relations between markets
Harvey (1973, 1989 1996), Massey (1984)	Spatial temporal fixes, uneven geographies and spatial division of labour, flexible accumulation	Extension of Marxist historical materialism to the uneven spatial processes of capital accumulation and circulation that is both a solution and a limit to the reproduction of this mode of production	City housing markets are structured through processes of advantage and disadvantage based on uneven development, opportunities and place-based identities	Uneven location of different industries and the types of employees engaged produce uneven housing markets. Labour and housing markets interact to produce place-based identities that reproduce locations of injustice
Kain (1968) Berry (2006)	Spatial mismatch	In Australian context linked to growth in peripheral and low-paid service-sector employment in major metropolitan centres	Declining affordability in the inner ring of major cities	Low-skilled workers can not afford to live near places of employment growth contributing to spatial mismatch of skills to location
Glass (1964) Zukin (1989) Badcock (2001b) Atkinson (2000; 2006), Smith (2002)	Gentrification	Initial pragmatic response amongst working or artistic classes to low pay/incomes and deindustrialisation of inner city or economically depressed areas that becomes occupied by more affluent and professional classes	Renewal and renovation of old housing stock and neighbourhoods initially through cultural innovators increasing area desirability followed by redevelopment driven by profit motive of investors	Staged process of class transformation and conflict of an area commencing from acceptance of economic and cultural diversity to the homogenisation of high-income earners and dislocation and exclusion of former low-income groups through pricing them out of the market
Sassen (1991) Bridge (2001), Badcock (1997; 2001a), Yates (2002b), Berry (2006) Yates & Wood (2005)	Global cities and spatial polarisation	Global spatial division of labour producing major urban labour markets characterised by growth in both high and low-income industries	Declining affordability in rental and purchased housing	High skill and professionalised income earners contributing to rising house prices forcing lower-income groups to more affordable areas with less opportunity for employment
Randolph (1991)	Spatial discontinuity theory	Spatially discontinuous labour markets	Spatially discontinuous housing markets	Labour and housing markets are connected by unequal relations on both sides but outcomes across time and space are mediated through the household
Winter & Bryson (1998), Fincher & Wulff (2001) Beer (2008) Weller (2009)	Labour and housing market restructuring and collapse of major industries	Labour market restructuring in local areas unequally impacts lower-skilled workers	Depressed housing prices and higher levels of affordable housing	Outward mobility of higher income and inward mobility/ entrapment of lower-income groups contributes to spatial disadvantage

Use of spatial concepts within the theoretical and empirical literature on labour and housing market linkages is vast. Consistent with overseas research, Australian spatial analysis of labour and housing connections has continued to demonstrate the implications of new labour and housing geographies that are becoming spatially polarised, mismatched and gentrified (Badcock, 1997, 2001a; Rofe, 2000; Bridge, 2001; Yates, 2002b, Reynolds & Wulff, 2005; Yates *et al.*, 2006; Berry, 2006). While focusing on different spatial processes, researchers writing within this perspective essentially argue that inequalities arising from the labour market produce uneven spatially contingent outcomes in the housing market that, in turn, reinforce and deepen labour market positions.

Drawing on ideas of spatial labour-market discontinuity theory, Randolph (1991, pp.20-36) set out to propose a 'general theory of housing market stratification' to explain uneven spatial structuring of UK labour and housing markets. He argues that there are unequal or 'asymmetrical' necessary relations on both sides of labour and housing markets that contribute to the potential for discrimination and entrapment of workers and households. Although labour and housing markets are hierarchical and fragmented through the division of labour and tenure structure, he argues that they remain fluid, with people moving in and out of any given segment.

A critical point made by Randolph (1991) is that, while segmentation occurs across both markets, it is difficult to 'simply read off' an individual's labour-market position into a corresponding position within the structure of housing tenure. The way in which labour and housing markets connect, he argues, is through the 'mediating' effect of the household. Households comprise individual workers who become the 'functional' link between labour and housing markets by determining the type of housing that can be consumed on aggregate in any given spatial location. He proposes that the:

...outcome of this interrelationship is a locationally and historically specific set of spatially discontinuous housing market segments, reflecting both the structure of housing opportunities in the locality and the characteristics of households consuming these opportunities. The actual value profiles – prices and rents – of the housing market in any area represent the outcome of the interrelationship between household demand potentials, derived from, but not directly

corresponding to, the labour market position of individual household members, and the underlying value structures of the tenure-based submarkets in the area (Randolph, 1991, p.44).

In the Australian context, the uneven spatially dynamic nature of the labour and housing connection is documented in the economic restructuring mobility literature, which reveals how local labour and housing markets intersect to contribute to spatial disadvantage as 'better off' households move to new employment following loss of work, leaving behind lower-income and lower-skilled households, who can become 'entrapped' in an area of declining or stagnant house values. Recent research on the spatial difficulties faced by retrenched workers following the collapse of a major car manufacturer in South Australia (Beer, 2008) and of Ansett Airlines (Weller, 2009) reinforce earlier studies showing that the least skilled and mobile face the highest degrees of insecurities in both work and housing following retrenchment. This recent research also reveals how inflexibility in existing housing can act as an independent cause of insecurity by impeding the search for new employment opportunities.

Changes in labour market conditions in particular areas combined with the outward and inward migration of different types of households can cause housing markets to devalue or inflate depending the characteristics and perceived opportunities in particular locations at different times. Processes of outward migration of better-off households can lead to the devaluation of local housing market segments – a cycle that becomes further perpetuated by the inward migration of lower-income residents in search of affordable housing. A migratory effect on housing devaluation is similarly observed for smaller rural communities experiencing loss of important industries (Fincher & Wulff, 2001). The case study of 'Newtown' clearly illustrates the creation of spaces of 'urban poverty' as state public housing policies interact with the consequences of local economic restructuring and loss of a major manufacturer (Winter & Bryson, 1998).

Conversely, processes of gentrification of previously impoverished or lower-income areas by more affluent and highly educated households can contribute to sustained house price inflation leading to both dislocation and homelessness of low-income households previously occupying the area (Atkinson, 2000; Bridge, 2001). The rapid rise in inner city house prices near areas of higher employment growth of lower-paid service sector

employment can result in labour market inefficiencies in the form of a spatial mismatch in which areas such as the inner city and CBD with higher jobs growth and employment opportunities for lower-skilled and marginalised workers, including those from culturally diverse and Indigenous backgrounds, are no longer affordable to live in (Berry, 2006).

In sum, the inequality of spatial relations theme reveals how necessary labour and housing relations are played out contingently in different places contributing to unequal security outcomes for individuals in the labour market and for households in the housing market. One critical causal process spatially connecting insecurity in labour and housing markets is area-based social discrimination. This discrimination leads to uneven development through the practices of the more powerful and dominant labour and housing market actors who occupy and decide who gains entry to areas of advantage with thriving industries whilst the least dominant become entrapped in areas of disadvantage with less productive industries and growing insecurity. Understanding practices of discrimination in labour and housing markets in the contemporary period of restructuring and growth in Australia will be critical to explaining the persistence of an inequality of housing insecurity.

### *The individualisation of risk relations*

In the third theme of the ‘individualisation of risk’ relations, the relationship between insecurity in labour and housing is viewed as a more pervasive phenomenon now endemic to contemporary market relations. The individualisation of risk relations theme essentially focuses on how labour insecurity is associated with the threat of or actual loss of housing and/or how it influences the housing consumption decision-making of households within an individualised risk framework. The literature within this perspective can be further divided according to how risk and insecurity is conceptualised.

The first approach within this broader perspective is firmly located within a Risk Society thesis framework in which labour and housing insecurity have become ‘normalised’ across the social classes. The second approach, emerging from the economics literature



on household precautionary savings, makes the connection between how individual insecurity in work shapes the consumption decisions or strategies of households. The third approach reviewed argues that housing and systems of housing provision can play an important role in mitigating the increasing risk and insecurity occurring in the labour market. A fourth approach, reviewed in less detail, is the literature that emphasises the causal role of housing in creating disincentives to labour market participation. The main themes presented in the discussion of the individualisation risk relations are summarised in Table 10 below.

**Table 10. Summary of perspectives on the individualisation of risk relations in labour and housing**

<i>The individualisation of risk relations</i>				
Exemplar authors	Empirical focus	Concept of labour	Concept of housing	Relations between markets
Forrest & Kennet (1997), Forrest (1999), Ford & Wilcox (1998), Burrows (1998), Perrons (2000), Croft (2001), Horsewood & Doling (2004)	Risk Society, flexibilization and individualisation	Risk and insecurity in labour spreading across occupational groups	Deregulation finance spreading risk in mortgage lending Retreat of state-provided housing	Risk from labour market is contributing to increasing democratisation of risk and threatening sustainability, homeownership and precarious housing
Walker (2000), Badcock & Beer (2000)	Typologies of vulnerable households	Growth in non standard and insecure forms of employment	Inflexibility in housing market as result of declining affordability	Emergence of the insecure housing consumer, overwhelmed battlers
Benito (2006)	Labour insecurity and consumption	Labour insecurity threat to current and expected future earnings	Consumption behaviour is risk averse based on precautionary savings model	Labour insecurity invokes precautionary response from households
Lawson (2006) Ronald & Toussaint (2007)	Mediating role of housing	Labour market as a source of risk to housing	Social housing and outright ownership offers higher housing security	Outright ownership and social housing can mitigate risk from the labour market
Oswald (1996) Flatau, <i>et al.</i> (2004) Hulse & Randolph (2005)	Labour market participation across tenure	Individual job seekers act according to incentives and disincentives in job search and participation	Housing as a source of poverty trap	Housing assistance and security of home ownership act as a disincentive to labour market engagement contributing to higher rates of unemployment

Many housing researchers writing within the individualisation of risk theme have drawn on Beck's (1991) Risk Society thesis to explain the broader housing implications likely to accompany the far-reaching changes in the labour market, including increasing flexibilisation of working-time and conditions of employment. The Risk Society

perspective developed by Beck (1991) theorises how labour markets, among other things, have evolved from what is periodised as the first to the second modernity. Central to Beck's Risk Society perspective, processes of individualisation occurring from, among other things, the retreat of state intervention, de-standardisation of the life course and flexibility of work have reduced the significance of class as a conceptual framework for analysing risk and insecurity.

Drawing on Regulationists such as Michael Aglietta, Beck (2000) argues that the first modernity, characterised by Keynesian Fordist production and consumption, standardised full employment, is being replaced with a new regime in the second modernity of individualisation and flexibilisation of work and increasingly globalised borderless world markets. Central to the shift from the first to the second modernity is the process of individualisation, where all workers become exposed to employment risk and left to negotiate their own work biographies, leaving behind the relevance of class with the passing of the first modernity. For Beck the key distinction between economic risk and insecurity in the first and second modernities does not rest with its absence in the former. Rather, it is the altered framework and institutional arrangements from which to respond to economic risks that he argues contributes to the Risk Society.

Much of the literature exploring the theoretical and empirical links between risk, insecurity and housing within this approach has emerged from the UK in the wake of soaring mortgage defaults and rental arrears coinciding with labour market restructuring during the 1990s (Forrest & Kennett, 1997; Ford & Wilcox, 1998; Burrows, 1998; Perrons, 2000; Croft, 2001; Horsewood & Doling, 2004). A critical departure of the individualisation of risk perspective from previous perspectives used by housing researchers relates to the changing view on the influence of class relations in labour and housing markets.

The necessary causes of unequal relations and thus insecurity are no longer the primary focus within this theme and in fact become problematic for some who argue that risks have spread to middle classes whilst at the same time arguing that there is growing inequality. For instance, Forrest and Kennett (1997, p.352-354) argue that growing labour flexibility

and reliance on market-based welfare have contributed to greater heterogeneity in working and housing biographies in which ...

... households living side by side in the same housing tenure may have similar incomes but a widely differing capacity to cope with sudden changes in employment or other circumstances...life paths have become less predictable, with greater unforeseen difficulties associated with unemployment, underemployment, relationship breakdown, and illness. The dwelling, one of the principal linchpins of financial security, has been transformed into a potential liability and is itself a source of risk and insecurity.

In some instances, necessary unequal class relations appear to be assumed *a priori* and the Risk Society framework is merely used to describe contingent changes in labour and housing relations. In other contexts the Risk Society thesis is used as a framework for understanding the strategies that households use to get by in both their work and housing in more contemporary times and does not seek to engage in understanding the necessary causes of insecurity in the labour and housing relationship (Ford et al., 2001; Nettleton & Burrows, 2001), whilst others have sought to empirically validate the key claims of the theory including individualisation, differentiation and disconnectedness as they apply to changing labour and housing careers (Winter & Stone, 1998).

Closely connected to a broader insecurity discourse, although not specifically referring to Beck's work, are frameworks that attempt to identify particularly vulnerable households or 'ideal types' in the context of changing work and housing relations. For instance, Walker (2000) refers to the 'insecure housing consumer' whilst Badcock and Beer (2000) to the 'overwhelmed battlers' who, with overstretched mortgages and vulnerability to employment insecurity, become entrapped or are forced to default on their homes.

The strength of studies that have drawn on the Risk Society, or an insecurity perspective more generally, is that new connections are made between changes to employment security and housing in the more contemporary period. However, the underlying practices within necessary relations that are particularly emphasised in the first class theme are not adequately incorporated into an analysis of insecurity that can help to explain why or how

people become insecure in work and housing. Most importantly, it does not help to explain why some households are more likely to experience insecurity than others.

A further framework that has made connections between insecurity in work and housing emerges from the economics literature on household precautionary-savings.

Influenced by the economic life-cycle hypothesis, the precautionary savings model essentially asserts that households have a tendency to save when income is expected to decrease, such as the pending threat of unemployment. Benito (2006) has recently expanded this concept to examine the relationship between income uncertainty and the household consumption of durable goods, finding that labour insecurity invokes a precautionary motive in the consumption decisions of households.

The idea of a precautionary motive in response to labour insecurity is very useful because it shows how households alter the way they make decisions about future consumption in response to current or expected experiences of insecurity. However, this perspective does not adequately deal with contingency or the broader social and political economy in which housing decisions take place that have been emphasised in the previous two perspectives on the inequality of class and space relations. While the precautionary-savings model is used extensively in the economics literature, it has not been widely used in relation to the direct connection between labour and housing insecurity.

The third approach reviewed within the individualisation of risk relations theme focuses on the role that housing, including state-provided housing and home ownership can have in mitigating risk when work becomes insecure or is absent in the household (Lawson, 2006; Ronald & Toussaint, 2007). The important point from the risk-mitigating role of housing, similar to the housing class debate, is that housing can exert an influence on households' overall security decisions.

There is some overlap of the mitigating role of housing and the precautionary-savings model as applied to housing as a store of wealth and savings for retirement. The idea that secure housing can mitigate risks of labour insecurity in later years of retirement underpins the strong policy rationale for supporting households into home ownership.

However, such policies are also based on the assumption that the majority of households will have secure earnings through out their primary earning years when paying off their homes.

The final theme also concentrates on the causal role of housing in shaping labour market outcomes. However, instead of emphasising its mitigating role from insecurity in work, this theme views certain types of housing relations, including home ownership or the provision of social housing as a disincentive to labour market participation and by implication a cause of labour insecurity (Beer, 2008; Flatau *et al.*, 2004; Hulse & Randolph, 2005). In relation to home ownership this perspective emerged from the Oswald (1996) thesis in which home ownership is argued to be a cause of unemployment because of its role in constraining mobility and thus job search behaviour. In relation to social housing or housing assistance more generally, the disincentive effect is thought to emerge because households can lose valued housing benefits if they are no longer in receipt of income support and thus entitlement to subsidised housing. The disincentive effects associated with housing on labour market participation are particularly difficult to unpack. The causal influence is likely to interact with a number of other conditions including the age and health of household members, and the constraints faced in accessing different types of housing.

### *Summary conclusion*

In sum, there is a long history of scholarship that has set out to explain how labour and housing markets are connected from the perspective of insecurity. Many of the authors reviewed within the three bodies of literature on the ‘inequality of class relations’, the ‘inequality of spatial relations’, and the ‘individualisation of risk relations’ have been able to establish the *tendency* for labour and housing to be connected. However, each perspective in isolation does not fully explain how insecurity in the two markets is causally related in contemporary Australia.

Within the inequality of class relations perspective it was argued that there is a tendency for capitalist or dominant classes to increase their own security interests through the exploitation of the less dominant or powerful. Necessary mechanisms of exploitation generate class conflict in both labour and housing markets as employers and employees on the one hand, and households and housing providers on the other, have competing interests for security. The inequality of class relations perspective reveals how the unequal position of working, middle and upper classes shapes opportunities for housing access and accumulation of wealth that in turn reproduces an unequally structured tenure hierarchy.

In the inequality of spatial relations theme it was argued how unequal necessary relations emerging from the labour process are played out unevenly in different places to produce unequal security outcomes for individuals in the labour market and for households in the housing market. This perspective also shows how processes of labour and housing market restructuring have unequal security consequences for individuals and households through mechanisms of social discrimination that result in unequal opportunities for material accumulation and of access to localised labour and housing market segments.

Finally, within the individualisation of risk relations theme it was argued how the shift from one period of accumulation and regulation to the next has altered the contingent conditions for security in labour and housing markets. This perspective is useful because it shows how changes to labour security can be applied to an analysis of insecurity in tenure through threats to the income stream and access insecurity via a precautionary response from households. However, this approach on its own does not provide an adequate framework for explaining the interaction between necessary and contingent relations and therefore a way of explaining how it is that labour insecurity contributes to housing insecurity during a period of restructuring and growth between 1992 and 2007.

## **Explaining housing insecurity in the contemporary period**

Explaining housing insecurity in the contemporary period of restructuring and growth will require a framework that incorporates the key insights and overcomes some of the limitations evident in the three bodies of literature reviewed. In this section I address the question: *How can insights from the existing literature inform an explanatory framework for housing insecurity in the contemporary period?* In answering this question I propose a relational class framework that can assist in explaining how labour insecurity contributes to housing insecurity during the period of restructuring and growth between 1992 and 2007.

The critical argument emerging from the three bodies of literature reviewed is that labour and housing insecurity are contingently connected by unequal necessary relations on both sides of the production and consumption relationship, or between employers and employees and housing providers and households. All three bodies of literature acknowledge, albeit in varying degrees, that labour and housing security relations are mediated by household and state relations that continually change over time and in different locations.

Central to understanding how labour insecurity contributes to housing insecurity is the need to grasp how individual insecurity emerging from unequal labour relations is mediated by the unequal relational position of households and their capacity to draw on the protection of state institutions. A critical limitation within all three bodies of literature reviewed is that they do not elaborate on the security practices of individuals in the labour market and how these practices come together with the security practices of households and states in the housing market. This requires additional theoretical insights that can assist in explaining how actors come to occupy and reproduce certain unequal labour and housing security positions through intentional and unintentional action or their 'security practices' and how these practices shape and are shaped by broader social relations.

Combining Bourdieu's notion of *habitus*, *capital* and *fields* with a political economy of regimes we are reminded that labour and housing markets, mediated by households and states, are sites of unequal struggle for valued resources. Next, I develop a relational class

framework informed by Bourdieu to argue that practices in labour and housing markets shape and are by shaped by competing market interests and struggles for security according to relational positions in social 'fields' derived from unequal amounts of cumulative individual and collective household capital.

In elaborating on this relational class framework I use a political economy of regimes to argue how the rules governing labour and housing practices amongst market and state actors in this struggle have unequally legitimised the security claims of the dominant interests of employers and housing providers. This relational class framework is helpful in understanding how labour insecurity contributes to housing insecurity because it directs our focus to the generative significance of the dispositional positions of agents in shaping economic practices in the first instance and also the 'rules of the game' in the social spaces where these practices takes place. In this way, a relational class framework can help to understand why some households become insecure in their housing and not others across time and in different places.

### *An unequal struggle for security*

The socially constructed and contested practices of hiring, selling, letting, financing, renting, and buying all occur within a competitive economic field governed by an overall goal of profit maximisation in an uncertain and risky world. Economists, including Keynes, Fisher, Davenport and Knight, recognise that the basis of instability in market relations arise from uncertainty or the inability to know what the future holds. Market risk on expected returns or earnings from investments on the other hand, is assumed to be the calculable way that actors respond to uncertainty. However in reality, as Keynes asserted, this assessment typically occurs through 'rules of thumb' or 'heuristics' and cannot be fully quantified (Stabile, 2005, p.4; Keynes, 1936).

For businesses or employers, lack of perfect information induces investment risk associated with payment liabilities to debtors and for ongoing labour costs. Landlords purchase properties with the expectation of eventual profits from rental yields and capital



gains on the housing stock invested, but the incentive to invest in low-cost rental dwellings in any large-scale way is impeded by both high risks and minimal return on the investment (Berry, 2000). Households also make their daily decisions in a context of risk and uncertainty of the future of their incomes and the wellbeing of themselves and others whom they share their lives with.

However, not all market actors have equal knowledge or power in their assessment or capacity to respond to or mitigate the risk and uncertainty they face. The interconnectedness of power and market relations, Vail (1999a, pp.11-12) argues, is central to understanding who is able to protect themselves against insecurity at given points in time. The undesirability of insecurity results in 'purposeful' actors seeking to increase 'their own freedom of choice', transferring insecurity both intentionally and unintentionally to the least resourceful and powerful.

Bourdieu's theory of practice can help illuminate how individual action in labour and housing is unequally socially constructed. According to Bourdieu's theory of practice, social agents:

.... engage in strategic calculations and make choices within the limitations of the rules of the various fields. However, such rules are in part themselves a cumulative result of other agents predispositions, calculations, choices and actions, as well as the agents awareness of such – habitus causally affects both the way actors perform calculations and the means they possess for doing so (Potter, 2000, p.237).

For Bourdieu social fields of action are structured according to the enduring dispositions or *habitus* of agents that reciprocally shape and are shaped by differences in the amount of symbolic, social, economic and cultural capital possessed. This means that class or position in social space does not just reflect our relation to the means of production but is the composite of varying degrees of capital that is influenced by and influences a historically collective and cumulative socialised *habitus*.

Within Bourdieu's (2002) framework, economic capital is loosely defined as the amount of and command over material entities that can be converted into monetary resources. Cultural capital, which can be converted into economic capital and is linked to status and power, incorporates embodied intellectual or social advantage acquired through family learning, objectified education and skills, and institutionalised artefacts or symbols of distinction. Social capital refers to group membership and access to resources of influence and recognition. Symbolic capital captures the structuring importance of honour and prestige and the tendency for the dominant within particular fields to commit acts of symbolic violence or misrecognition against the least dominant.

According to Bourdieu, social space is made up of socially constituted fields that are governed by their own 'logic of practice' or sets of rules and relations of power that become legitimised by the dominant actors within each field. For instance, in labour and housing fields employers and housing providers<sup>14</sup>, because of their positional dominance in relation to employees, tenants or purchasers, are able to use practices or acts of symbolic violence that exploit and discriminate to enhance their own security interests. Employers are also subject to the positional dominance of other actors within the field of production, with larger companies and providers, who are able to accumulate greater amounts of capital, shaping the rules of action for the less dominant market actors.

Exploitation and discrimination are two necessary practices by which employers exercise their dominance over working conditions or contribute acts of symbolic violence that generate insecurity for individual workers. Similarly, these unequal necessary relations of exploitation and discrimination also shape the unequal practices of housing providers and household consumers contributing to an inequality of housing insecurity.

Building on a Marxist understanding of exploitation and drawing on principles from Kantian, Aristotelian and Utilitarian philosophy, Wolff (1999, p.115) defines that to act in an exploitative manner

...is to use another's circumstances to obtain their actual compliance with a situation without having sufficient regard to whether that situation violates fairness, flourishing, or suffering norms. To be exploited is to be treated in this way, whether or not actual harm is suffered.

Exploitation within the labour market or 'field' occurs through the unequal control of contract, wage and working-time relations. In housing relations, for example, exploitation occurs through unequal control and exchange relations where by housing providers reserve ownership rights of rental properties that determine a tenant's capacity for ongoing tenure and in home ownership by varying rates of interest, ensuring that the amounts paid back are always higher than the amounts that are borrowed regardless of the impact that this has on capacity to repay.

Mechanisms of exploitation in the labour field are intensified and manifested through processes of social discrimination or 'misrecognition' and status subordination of social groups who do not share the attributes of dominant actors within particular fields (Fraser, 2000; Bourdieu, 1984)<sup>15</sup>. Labour markets operate within the existing social hierarchy and social division of labour through processes of *discrimination*, *matching*, and *selection*. In selecting suitable candidates for positions, managers not only make their decisions on the basis of industrial values (economic, technical and organizational) but also on the basis of existing social values (market, people and work). This, Fevre (2003, p.147) argues, is far from scientific and so one method of operationlising different competing values is through the process of *discrimination*.

Likewise, practices of misrecognition are evident amongst housing providers. For instance, in their recent research on risk practices of private rental, real estate agents Short *et al.* (2008) reveal that the allocation of housing is strongly influenced according to value systems about who is an acceptable tenant in terms of ability to pay and ability to care for the property. Risk assessment for low-income tenants was found to be characterized by four main strategies of *sorting out* (moving straight to the bottom of pile), *ranking*, *discriminating* and *handing* the decision over to the owner of the property. In this way, the same mechanisms confining discriminated groups to more precarious segments of the labour market can also confine them to the least desirable spaces in housing (Equal Opportunity Commission, 2009).

*The mediating role of cumulative and collective household capital*

While exploitation and discrimination in contract, working-time conditions, housing access and control are the outcome of necessary class relations between employers and employees and housing providers and consumers, these relations are also mediated through other contingent class relations between individual workers who compete with each other according to varying levels of capital, such as education and skills, possessed. Similarly, households typically comprise a number of members, all with varying contingent experiences that shape their overall market and social position and therefore the degree of exposure they face in response to market mechanisms of exploitation and discrimination in both labour and housing relations.

Understanding the unequal structuring of individual capital and how this mediates experiences of both insecurity in employment and income insecurity is a critical first step in explaining how class position is important in shaping the housing security position of households. Segmented or dual labour-market theory has been used as one framework to explain the paradox of increased security for some workers and growing insecurity for others (Stewart & Swaffield, 1999; Auer & Cazes, 2000; Golsh, 2004). Labour market segmentation theories that explain the higher value accorded to and retention of a more professional highly skilled and permanent core goes some way to explain differences amongst workers and also the consequences for insecurity in employment and income security. However, segmentation theories do not fully explain the importance of social hierarchy in shaping the division of labour in the first instance (Fevre, 2003).

The increased emphasis on the importance of individual attributes such as skills acquisition also generates an inequality of income insecurity for those trying to gain access to employment, both in relation to employer selection processes and through the competitive process with other potential employees. There is a growing amount of research revealing how the competitive dynamics amongst different employees are played out through the unequal structuring of contract relations and how well different employees have a 'feel for the game'. The use of ongoing casual, fixed-term and

permanent workers can create differences in the ability to accumulate cultural capital in the form of additional training, more typically afforded to those who are permanent and full-time. Preferences for working-time are unequally distributed, with higher-skilled and valued workers having greater determination in the hours they worked compared with other less-skilled or valued employees (Berg *et al.*, 2004, p.347).

Different degrees of security of capital also vary, according to professional and non-professional temporary agency staff (Underhill, 2005). Increased discretion in the rostering of hours through the use of casual labour can mean that the social capital built up within an organisation by an employee can determine the type of roster they get at the end of the day (Campbell & Chalmers, 2008). The connection between unequal and cumulative individual capital, labour and housing security position is relatively straightforward for a single-person household. However, households are typically comprised of multiple members whose experiences vary with respect to their individual labour security and how this combines with the security of other members in the household.

The idea of cumulative and collective household capital is useful for understanding the complex interactions amongst and between household members as they devise household practices and strategies that seek to protect their own security interests<sup>16</sup>. Households engage in a myriad of conscious and unconscious daily practices or 'household strategies' to coordinate both their working and home lives. These practices change over time along with the changing structure of the household itself and are shaped by the cumulative and collective 'class' position of household members.

The relationship between household class position and employment, Atkinson (2009, p.900) argues, does not *logically stem directly from a current partner's employment type, but from one's own biographical history embedded in present and past experiential milieus*. Our cumulative capital in terms of networks, resources, political leanings and identities, life-style preferences, and opportunities will be usually derived from the broader family or kinship groups that we occupy, including the types of educational institutions we have attended (Bourdieu, 1984; Plutzer & Zipp, 2001; Atkinson, 2009).

In this way housing security strategies can be more adequately understood according to one's past and present, and expected future position within 'social space', as explained by Bourdieu (2005, p.211)

...action is not simply an immediate reaction to a brute reality, but an 'intelligent' response to an actively selected aspect of the real: linked to a history fraught with a probable future, it is the inertia, the trace of their past trajectory, which agents set against the immediate forces of the field, that means that their strategies cannot be deduced directly from either the immediate position or the immediate situation.

This means that all of the daily decisions relating to the micro-management of finances, from methods of coping and finding enough money to meet weekly repayments to the deliberate and strategic planning of the purchase and leasing of multiple properties, are strongly shaped by the unequal positioning of households in relation to each other. Cumulative and collective household capital, as well as being influenced by the enduring individual and collective dispositions or *habitus* of each member, is shaped by and shapes the practices of other market and state actors in the labour and housing fields (Pahl, 1984; Anderson *et al.*, 1994; Wallace, 2002; Bourdieu, 2005).

Households are not only unequally positioned in relation to other households, but the individual members within households also can be unequally positioned based on their own individual capital and power relations. For instance, the labour supply of household members is negotiated typically around other household circumstances, including care of children, which unequally affect the capacity of individual members to participate in the labour market. This social division of labour within the household is critical to understand the disparity between the security of employment amongst women and men and the implications for women in generating equal amounts of individual and household capital.

Unequal gender relations are also played out contingently through necessary employee-employer relations. The social construction of men as the 'ideal worker' who can be available to work long uninterrupted hours on the one hand, and women's role in relation to 'intensive mothering' on the other, is argued to contribute to the systemic

discrimination against women in the workforce (Carney, 2009, p.114; Saugeres, 2009, p.199). The differences in working time preferences amongst men and women have vastly unequal outcomes for job security and career advancement (Thorntwaite, 2004; van Wanrooy, 2007)<sup>17</sup>.

### *The mediating role of state security regimes*

The mediating role of both individual and household capital in contributing to labour and housing insecurity will be influenced by the type of social protection of incomes and housing costs provided by the state. Embedded in unequal market relations, states act to support the generation of profit or national growth, whilst minimizing the consequences for citizens or households, according to dominant ideas and practices that change over time. A coherent way of periodising this historical contingency in labour and housing relations is the idea of security regimes. Vail (1999b, p.42) proposes that security regimes constitute the *set of interlocking, mutually reinforcing policies to foster security that are entrenched in a series of economic, social and political institutions* at a particular point in time. Shaped by competing interests and power struggles, a security regime becomes embedded in the 'economy, civil society and the polity'.

Regimes as analytical concepts refer to the systematic and settled institutional arrangements that are in large part comprehended through state social and economic policy discourse. Most widely associated with the Regulationist perspective, regimes have been applied as 'ideal types' in which to make sense of the historical contingency of capitalism (Jessop, 2002). Following a Regulationist framework, regimes of economic *accumulation* alongside the mode of *regulation* are periodised into phases in which distinct social and economic practices and consequences can be distinguished from one another as one regime shifts to the next, such as the move from Fordism to Post-Fordism, separated by an intervening period of crisis, then adjustment.

Influencing both the regulation of industrial relations and housing-assistance provision, changes in security regimes have fundamentally different consequences for the security of labour and housing over time. Several authors have used a regime approach to periodise the restructuring and growth period between 1992 and 2007. However, there are different sets of assumptions informing their understanding of both necessary and contingent conditions generating the change from one regime to the next. For instance, influenced by the Regulationists, Beck (2000) argues within in his broader Risk Society thesis, that the transition from the first to the second modernity or from Fordism to Post-Fordism can be viewed in terms of a move to a 'risk regime'. In preferring the notion of insecurity to that of risk, Wheelock (1999b, p.30) refers to the same period as a transition from a 'regime of security' to 'regime of insecurity'.

The argument that we have moved to a risk regime or a regime of insecurity suggests that *security* as an institutional goal is abandoned altogether. In the Australian context, the change in regimes can be more appropriately understood as the transition from a *collective regime of security* following the immediate post-war period through to the eventual succession to a *market-dominant regime of security* within the most recent period of restructuring and growth. The movement to a market-dominant regime of security can be broadly viewed as a class-based struggle for security in which the dominant claims of employers and housing providers became increasingly legitimised over the security claims of employees and households.

The post-war period in the housing and labour relationship with its emphasis on 'nation building' can be interpreted as a *regime of collective security* because it captures the philosophical mood of national development promoted by the Curtin, Chifley Labor and Menzies coalition governments alike. The post-war regulatory framework was intended to minimise insecurity emerging from both international and domestic markets. And during a time of expansive production and consumption, it also signalled the growing importance that housing provision assumed in the social and economic security of Australian households.



Underpinned by nationalist security ideals, the post-WWII reconstruction period has been viewed as a compromise between competing class interests in pursuit of a more collective regime of security. The adoption of Keynesian policies through the goal of full employment, Whitwell (1995, p.167) maintains, was more than a natural continuance of a previous policy regime but a “fundamental break with the past”. Supporting this position, Smyth (1998, p.34) argues that the departure emerged from the *compromise between the two dominant influences in the political culture of the period: democratic socialism and liberalism*.

In contrast, the market-dominant regime of security can be broadly characterised by the rapid ascent of market values informing the policy-making process across all public-sector portfolios and programs ahead of other policy objectives such as equity (Rees, 1995; O’Faircheallaigh *et al.*, 1999). For instance, in the move to a market-dominant regime, institutional arrangements directly promoting job security were considered incompatible with a future competitive growth strategy<sup>18</sup>. Quoting the words of Ian Macfarlane, governor of the Reserve Bank in 1997, Bell (2000, pp.8-9) argues that the ‘trade-off’ between fairness and prosperity in this transition was upheld as the only option for Australia’s future prosperity

The solution Macfarlane advocates is to move towards US, UK and New Zealand style labour market deregulation. This Macfarlane concedes, will reduce wages and conditions for workers and lead to growing wage dispersion and inequality, but it is a price we must pay, he argues. On the questions of fairness, he states that ‘while income inequality may not seem very fair, unemployment is not very fair either’...Essentially we are being offered a grim choice between unemployment and inequality.

The market-dominant approach underpinned by neoliberal economics, principles of new public management and managerialism was promoted through the policy discourse of flexibility and the need to reinvent both the role and the size of government in pursuit of a new strategy for growth and public-sector reform. The movement away from a collective approach to regulating labour and housing relations in favour of the promotion of increased supply-side flexibility and of market values across the systems of social protection breaks with the historic democratic socialist and liberal compromise

established in the collective regime. This shift in institutional arrangements, as has been argued elsewhere (Lavelle, 2008; Lloyd, 2000), altered the existing class compromise established during the post-war period and was made possible by the weakening of the political position of workers at the height of the crisis in the late 1980s and early 1990s.

### *Summary conclusion*

In sum, in this section I have developed a relational class framework for interpreting necessity and contingency in the labour and housing security relationship. In particular I argued that a causal analysis of insecurity in labour and housing markets and the connection between the two involves uncovering the historically contingent practices of employers, employees, housing providers and consumers who shape and are shaped by a broader set of practices and rules governing different security regimes within labour and housing fields. Labour and housing markets not only shape and are shaped by individuals and the household division of labour and number of earners but also by state institutions that supplement or insure against any shortfalls in wage or business incomes. In the next section I argue how labour insecurity contributes to housing insecurity in what has now been defined as a market-dominant regime of security.

### **Housing insecurity in a market-dominant regime**

In this final section, building on the first two sections of this chapter, I propose a model that explains how labour insecurity contributes to housing insecurity during the 1992 to 2007 period of restructuring and growth referred to as a market-dominant regime of security. Specifically, I do this by returning to the insecurity concepts developed in Chapter 2 to argue how growing *insecurity in employment* and *income insecurity* have contributed to the growing housing market trends of *insecurity in tenure* and *access insecurity* amongst working households. Five propositions emerging from this discussion will be used to guide the empirical analysis of the thesis.

Building on the discussion from the first two sections of this chapter, I argue that in a market-dominant regime of security, the contingent change of growing ‘insecurity in employment’ and ‘income insecurity’ has contributed to the growth of ‘insecurity in tenure’ and ‘access insecurity’ amongst working households. While unemployment and labour market exclusion continue to be influential causes of housing insecurity, the ‘working-insecure household’ is now increasingly exposed to insecurity in its housing. Moreover, this housing insecurity remains unequally distributed in Australia because individuals, and the households they form, have vastly different means of mitigating the insecurity they face in their work and their housing.

*A hypothetical causal model of the connection between labour and housing insecurity*

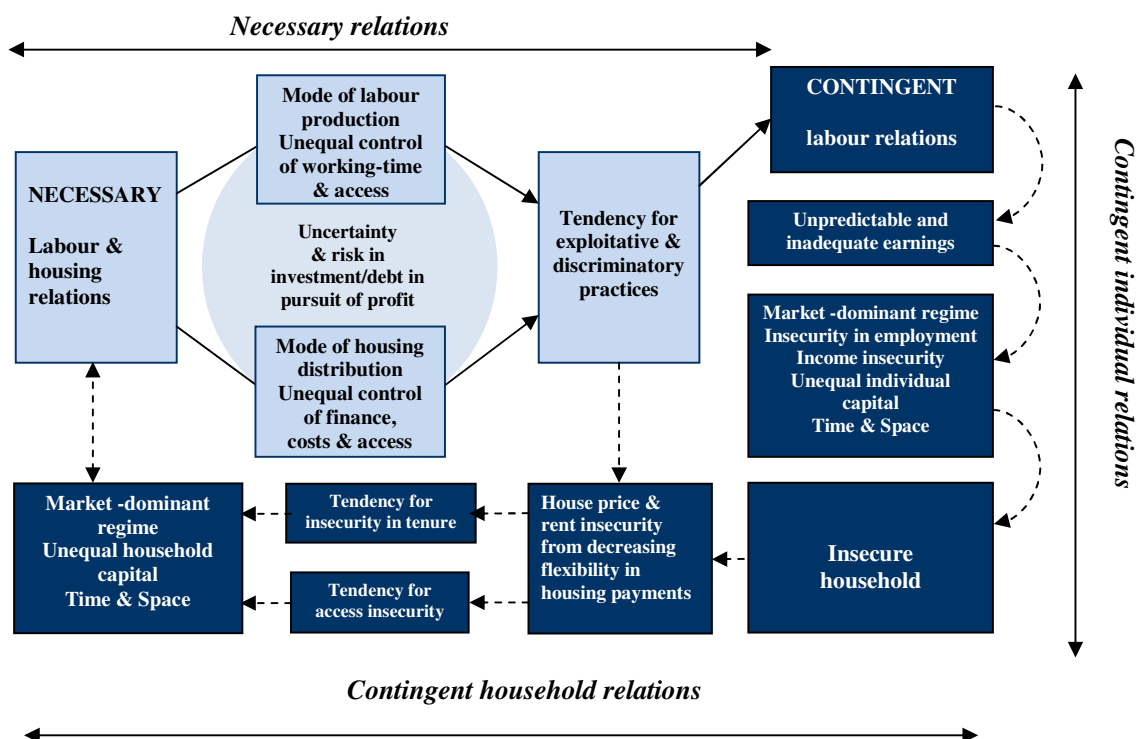
In the first two sections of the chapter I have outlined the causal mechanisms of how labour insecurity contributes to housing insecurity. Building on the existing literature I argued that labour and housing insecurity are contingently connected through necessary unequal relations on both sides of production and consumption. Briefly summarising, insecurity in both labour and housing fields is caused by the necessary pursuit of profit (and/or fiscal restraint in the budgets of non-private enterprises). Uncertainty of future risks on profits, investments and debt cause employers and housing providers to adopt practices to avoid or mitigate their own insecurity. Employers use their managerial prerogative to determine who gains employment in the first instance and the hours and conditions of employment contracts. This can give rise to varying types of exploitative practices for those in a contractual relationship and discriminatory practices amongst those outside contract relations<sup>19</sup>. The impact of these employer practices will be mediated by unequal amounts of individual capital.

Exploitation and discrimination can in turn generate unpredictability and/or loss of paid earnings, giving rise to the insecure household, which engages in unequal necessary relations with housing providers and who, because of their position of dominance in the housing field, can also use practices of exploitation and discrimination to enhance their own security interests. The extent to which labour insecurity will contribute to housing insecurity is contingent on the different types of household capital – social, economic,

and cultural – that can be drawn upon to mitigate insecurity. The ‘mediating’ resources available to households will be dependent on their overall position in social space shaped by their individual and cumulative trajectories over time, which contributes to their total household capital.

A diagrammatic representation of this causal relationship between labour and housing insecurity is presented in Diagram 1. While I have explained important underpinning necessary causal ‘mechanisms’ connecting labour and housing insecurity, I have not elaborated on how labour insecurity is connected to housing insecurity in the contemporary period of restructuring and growth in Australia. Specifically, I have not explained how the contingent changes of ‘insecurity in employment’ and ‘income insecurity’ are causally connected to ‘insecurity in tenure’ and ‘access insecurity’. This contingent causal process is shown in dark shading in Diagram 1.

**Diagram 1. Causal mechanisms connecting labour and housing insecurity**



Next, I elaborate on this causal model to argue how labour insecurity contingently causes housing insecurity in a market-dominant regime of security by outlining five key research propositions that are further examined in Chapters 5 to 8. The discussion is divided into three main sections. The first two propositions focus on the state's role in contributing to the growth of insecurity amongst working individuals through the policies introduced in the move to a market-dominant regime of security. At the same time, in a market-dominant regime, housing policies have not adequately responded to this growing insecurity amongst working households, leading to rising levels of 'insecurity in tenure' and 'access insecurity' amongst those still engaged in paid work.

Two further propositions are outlined as to how this labour insecurity contingently causes housing insecurity amongst the working insecure and as well as the more traditional housing insecure group comprised of individuals and households who are not in paid employment. The first is through a direct threat to existing housing or to insecurity in tenure. The second is via a precautionary response of households, landlords and lenders contributing to access insecurity by constraining households' entry into more secure housing, such as home ownership allowing them to generate further wealth or 'household capital' for future security.

Finally, the mediating role of households and state systems of social protection are addressed in a fifth proposition. I argue that households have varying capacities to mitigate labour insecurity of individual members based on their overall cumulative and collective household capital. Moreover, while state agencies have played a critical role in reducing security in market relations, publicly provided services, including housing assistance and flexible social housing rents, can at the same time mitigate the labour and housing insecurity emerging from unequal exchanges in the market.

### *The role of state in the growth of the working insecure*

Individuals encountering insecurity in employment and income insecurity are likely to be more adversely affected in their housing consumption if the types of housing policies in place are unable to mitigate insecurity in the labour market. The growth of insecurity in employment and income insecurity as well as the growth of insecurity in tenure and access insecurity outlined in chapter 2 can be traced to several changes occurring in the regulation of labour and housing relations associated with the move to a market-dominant regime of security that has privileged the security interests of employers and housing providers above workers and households.

Through out the transition to a market-dominant regime of security, labour market policies supporting greater flexibility were pursued by both the Hawke/Keating and Howard governments through the introduction of the *Workplace Relations and Other Amendments Act 1996*, and the later introduction of the *Workplace Relations Amendment (Work Choices) Act 2005* (Wailes & Lansbury, 1997; Bell, 2000, p.3; Ellem, 2006). *Work Choices*, in particular, greatly increased managerial prerogative in determining conditions of employment through exemption of unfair dismissal laws for small companies, the freedom to remove award entitlements and penalty rates, and placed constraints on unions to organise and exercise their right to strike (Forsyth & Sutherland, 2006; Ellem, 2006)<sup>20</sup>.

Within a regulatory environment of a market-dominant regime of security, employers have been able to continually seek more strategic ways of reducing costs and increasing competitiveness through transferring market risk and insecurity to smaller businesses, suppliers, subcontractors and employees (Watson *et al.*, 2003, p.194). The state's legitimisation of this increased right to manage or 'flexibly' adjust working hours and conditions according to changing demand as well as actively legislating reductions in employee entitlements has led to the types of employment arrangements that increase the proportion of the working insecure.

At the same time, housing policies have not adequately responded to the growing needs of the working insecure. While many of the traditional housing assistance interventions aimed at increasing affordability and housing security prioritised those disengaged from the labour market throughout the 1992 to 2007 period, albeit on a more restricted and targeted scale, assistance for working insecure households has been left predominately to market mechanisms. In the area of housing, federal policies directed at overcoming affordability problems in the rental market have led to increasing demand-side subsidies, such as rent assistance primarily directed to renters in receipt of government income support,<sup>21</sup> whilst attempting to maintain supply through incentives to stimulate rental investment, including the reintroduction of negative gearing<sup>22</sup>.

This ‘narrowing of the housing problem’ based on an over-reliance on demand-side solutions to housing low-income households and the movement away from ‘bricks and mortar’ policies towards the provision of rental subsidies akin to flexible labour-market policies has been critiqued by a number of housing commentators to have only added to the housing affordability problem (Yates, 1996; Dalton, 1999; Wulff, 2001; Tiernan & Burke, 2002).

Public-housing assistance policies have become increasingly focused on providing ‘time-dependent’ assistance for those in greatest need. Priority allocations through segmented waiting lists have ensured that households with the most pressing housing needs, including those experiencing homelessness, have timely access to housing. However, this has necessarily targeted households with members who are unemployed or disengaged from the labour market while households currently employed have been progressively filed to the bottom of the waiting list. Moreover, the effect of targeted assistance to the lowest-income households has reduced the rental revenue that can be expended on capital works and replacement of housing stock, placing even greater demands on the social housing sector (Hall & Berry, 2004; Marston, 2004)<sup>23</sup>.

Throughout much of the late 1990s and into 2000, home ownership was largely a private matter left to the market (Dalton, 2010)<sup>24</sup>. On the one hand, gaining access to home ownership has become more problematic for working insecure households because it is

likely that many will hold off and/or be prevented from gaining access to mortgage finance. On the other hand, increasing competition pressures accompanying a deregulated financial system led to a decline in lending standards and paved the way for new and riskier financial products, non-bank lenders, and intermediaries to enter the market (House of Representatives Standing Committee of Economics, Finance and Public Administration, 2007)<sup>25</sup>. Many authorised deposit-taking institutions (ADIs) or major banks increased the proportional share of low-documentation loans and relaxed debt servicing and loan-to-value ratios to remain competitive and enable borrowers in more precarious employment arrangements, including the self-employed, to enter the market despite declining affordability.

From the review of the broad policy directions outlined above, the state's role in contributing to growing insecurity amongst working households in both labour and housing markets is summarised in the following two propositions:

- The move to a market-dominant regime of security has contributed to increasing labour insecurity through increases to insecurity in employment and income insecurity amongst working individuals.
- The move to a market-dominant regime of security has lead to increasing price and rent insecurity that has contributed to increases in insecurity in tenure and access insecurity amongst working households.

Next, I outline how these policies have contributed to housing insecurity amongst the working insecure and identify the particular gaps in the existing research with respect to housing insecurity in Australia, which will be addressed in the empirical chapters of this thesis.



### ***Housing insecurity amongst the working insecure***

Historically, periods of economic growth in Australia have been strongly linked with a corresponding growth in housing security. In contrast, growing insecurity in housing has typically been of greatest concern during periods of economic recession and declining employment (Williams, 1984; Whitwell, 1989; Paris, 1993; Greig, 1997; Berry, 1999)<sup>26</sup>. The preliminary evidence reviewed in Chapter 2 suggest that, in Australia between 1992 and 2007, fundamental changes in the employment and housing relationship forged during the previous period of growth have begun to unfold. While the link between unemployment and housing insecurity is well established (Ermisch & Di Salvo, 1996; Clark & Whithers, 1999; Böheim & Taylor, 2002; Beer *et al.*, 2006; Beer, 2008; Weller, 2009) there is now a growing body of literature documenting the problem of insecurity in tenure and access insecurity amongst those still engaged in work.

In the UK, the working insecure with non-standard contracts or those engaged in self-employment have been found to be particularly vulnerable in their housing (Ford & Wilcox, 1998; Burrows, 1998; Horsewood & Doling, 2004). For some households simply losing a small amount of their income, having their hours fluctuate, reductions in paid overtime, lower pay in a new job following loss of employment, have all been linked to an increased likelihood of becoming insecure in their tenure (Forrest & Kennett, 1997; Ford & Wilcox, 1998; Burrows, 1998; Böheim & Taylor, 2000; Perrons, 2000; Croft, 2001; Horsewood & Doling, 2004).

Moreover, foreign studies have shown that a history of non-standard work and income uncertainty significantly reduces the probability of entering into home ownership. Specifically, it is documented that many characteristics of non-standard work associated with increased insecurity in employment and income insecurity reduce the ability of households to generate a predictable or planned income, thus reducing confidence or expectations of being able to meet the long-term credit costs of a mortgage (Dieleman & Everaers, 1994; Robst *et al.*, 1999; Wiens-Tuers, 2004).

Australian qualitative studies have begun to find similar links amongst working households in more precarious forms of employment and growing insecurity in tenure in both rental and purchased housing (Beer et al., 2006; Hulse & Saugeres, 2008; Berry *et al.*, 2009). Research undertaken by Yates *et al* (2006) in a national study of housing affordability identified that certain types of industries characterised by insecurity in employment and income insecurity, including workers in the highly casualised hospitality and retail sectors, had a disproportionate number experiencing housing stress. Whilst this research points to high number of working households in housing stress, it does not specifically focus on insecurity in tenure and access insecurity.

There has been some limited research establishing a tendency for those with less secure earnings to be more cautious in purchasing a home, with the nature of employment contract being the most important consideration rather than the amount of earned income amongst recent purchasers (Kupke & Marano, 2002). However, this research has not established whether there is a precautionary motive associated with renters with more insecure contracts who do not gain entry into home ownership.

While the Australian research presents preliminary evidence on growing insecurity amongst working households, the many gaps in the existing body of research do not allow us to fully comprehend the nature of the changing relationship between employment and housing insecurity. In particular, there is a need to more fully understand how an individual's labour market position is connected to the overall security position of the household, specifically with respect to insecurity in tenure and access insecurity.

In addressing this knowledge gap of how labour insecurity contributes to housing insecurity in a market-dominant regime, two further propositions will be examined in empirical chapters of this thesis:

- Insecurity in employment and income insecurity reduce the predictability and/or amount of earnings and capacity of households to modify housing costs,

contributing to insecurity in tenure amongst both working and non working households.

- Insecurity in employment and income insecurity reduce the predictability and/or amount of earnings, generating precautionary practices that contribute to a cycle of access insecurity amongst both working and non-working households.

A further aspect of the labour and housing security relationship that is not well developed in the Australian context is an understanding of the contingent conditions mediating housing security outcomes. Next, a final proposition in which the causal significance of contingency linked to unequal amounts of household capital and access to flexible housing costs, which can potentially mediate housing insecurity in a market-dominant regime of security, is outlined.

### ***The inequality of household security relations***

Inequality of household security relations means that under some conditions insecure work will directly cause housing to also become insecure, while under other conditions the household will be able to draw on a number of different resources or capital to mediate insecurity in either or both markets. With more and more women entering the paid workforce, the total employment composition of the household is becoming increasingly important in determining overall housing security. Generally, 'high commitment' dual-income households are in a more advantageous housing position, particularly in entering home ownership, compared with households that have a single or no earner (Clark *et al.*, 1994; Withers, 1998; Yates, 2002b).

Growth in dual earning households has in turn resulted in the unintended consequence of overall house price inflation and the necessity for two incomes to ensure levels of security comparable with the generation before. The growing need for two incomes to pay for housing is further affected by the notion of a household living wage being replaced with individual wage determination (Webber, 1994, p.27). Households comprising only one earner, especially single-headed households with children, will be

particularly vulnerable to insecurity in their housing because minimum individual wage rates do not always match the costs of median-priced dwellings and rents. At the same time, individual labour insecurity can be absorbed more easily if other members in the household have secure earnings.

The interaction of changing female participation rates and household structures has given rise to the 'work rich' comprised of dual earners and the 'work poor' where there are no paid members or only a single earner in the household – a phenomenon that has been perpetuated by the tendency for new jobs to be secured by partnered women (Gregg *et al.*, 2004). This polarisation amongst households has also been linked to the tendency for members of the same households to share similar labour-market characteristics or credentials that serve to reinforce earning advantage or disadvantage between family units (Watson & Buchanan, 2001).

Household decisions to purchase or rent and where and when to move tend to interact with both the certainty and security of income from employment and the overall stability of the household. The timing of housing transitions along a housing pathway will influence whether or not household events including changes in employment threaten housing security. While existing home owners will be the beneficiaries of rising housing values and growing economic capital, new entrants in an overpriced home ownership market will find it increasingly difficult to modify their housing situation if their resources become threatened. Moreover, increases or decreases in interest rates will affect these households unequally and can exert an influence independently of any changes to the security of the income stream.

The notion of winners and losers in the housing market is a reminder that the security consequences of the general decline in housing affordability are both positive and negative depending on where one sits on the 'housing career ladder' (Badcock & Beer, 2000). Households that purchase their homes during periods of high housing-price inflation combined with rising interest rates have an increased likelihood of both access insecurity and insecurity in tenure compared with those purchasing during an earlier phase in the housing cycle. This suggests that insecurity in work and the associated

impact on housing security will be experienced unequally depending on the amounts of equity held by households. In fact, the capacity to withdraw equity can itself be used as a 'buffer' in the context of financial shocks such as unemployment (Parkinson *et al.*, 2009).

In this context it is likely that some households will put on hold purchasing housing until they have more secure earnings. Low-to-moderate-income households relying on more insecure forms of employment will be particularly disadvantaged in their access to home ownership in this context. However, at the same time, there will be some households with insecure earnings who continue to fall victim to less discerning or 'predatory' mortgage lending (Berry *et al.*, 2009).

Households are also physically 'spatially situated' within local labour and housing market contexts. Strategies for mobility and attachment are not only influenced by economic opportunities or capital but by broader social capital related to kinship or familial, support, resource and knowledge networks. When employment becomes insecure within the household, decisions to stay in particular locations or move in search of new work opportunities are constrained by a 'tangled web' of competing demands and benefits, including employment of other household members, resources for child care and schooling, and the affordability of housing. Households may endure either insecure work or housing or both for extended periods, despite the contrary perception of high mobility promoted within a flexible labour-market discourse (Jarvis, 1999).

Purchasing decisions, where and whom to live next to, how much to borrow or pay in rent are not only influenced by total economic capital but are also strongly driven by differences in cultural capital or the desire for distinction and taste linked to household class identity and position in social space (Silva & Wright, 2009). A high desire for home ownership within Australian culture has generated ongoing demand for high wages ensuring the reproduction of home ownership aspirations. Rising incomes as well as the ready availability of finance inflate the price households are prepared to pay for housing, particularly in highly sought-after or emerging areas with high 'cultural capital'.

Conversely, low amounts of economic, social and cultural capital have frequently been used to explain social exclusion, homelessness and marginalised areas of housing (Phillipson *et al.*, 2004). The inability to move out of non-permanent employment amongst some social housing tenants could be preventing the move into more appropriate housing once work is obtained, contributing to a cycle of exclusion. Remaining in social housing or living outside conventional tenure relations also needs to be understood in the context of the discriminating practices of housing providers.

Increased competition for properties amongst tenants also favours the more highly resourced and 'desirable' tenants. Low amounts of household capital combined with low-vacancy rental markets can exacerbate access insecurity by increasing landlord discretion of the type of tenants they let to. Renters in a low-vacancy and highly competitive rental market, characteristic of the market-dominant regime, are particularly vulnerable to rental price rises above an affordable threshold that can be sustained on insecure incomes.

This discussion has revealed the potential contingent conditions that need to be considered in explaining how labour insecurity contributes to housing insecurity. It leads to the final (fifth) proposition that will be examined in the empirical chapters of this thesis:

- Housing insecurity for those experiencing insecurity in employment and income insecurity is unequally mediated by cumulative and collective household capital and subsidisation of housing costs either from other household members or the state.

## **Conclusion**

This chapter first set out to understand how the connections between labour and housing markets have been previously conceptualised, drawing specifically on three main bodies of literature relating to the 'inequality of class relations', the 'inequality of spatial relations' and the 'individualisation of risk relations'. A significant outcome of this review is that perspectives on risk and insecurity have become disengaged with the

insights of the former two approaches, which emphasise the central importance of unequal social relations in linking to the two markets.

Drawing on theoretical insights from critical realism, political economy and Bourdieu, I argued that inequality and insecurity in labour and housing remain strongly connected. In particular, I emphasised that to understand insecurity in both markets there is a need to examine the consequences of unequal necessary relations that form the basis of the employer-employee and housing provider-consumer connection and also the unequal contingent relations that shape and are shaped by an existing social hierarchy between individuals and households.

Moreover, to understand how insecurity contributes to housing insecurity in a market-dominant regime of security, I argued that it is essential to understand how the contingent forces relating to markets, states, households, and broader social relations have changed. Building on Chapter 2, this historical contingency was broadly conceived in terms of the shift from a collective to a market-dominant regime of security that has privileged the dominant interests of employers and housing providers, contributing to an inequality of insecurity in both markets that is increasingly affecting working households. The following five propositions hypothesise how labour insecurity contributes to housing insecurity during the 1992 to 2007 period of restructuring and growth in Australia.

- The move to a market-dominant regime of security has contributed to increasing labour insecurity through increases to insecurity in employment and income insecurity amongst working individuals.
- The move to a market-dominant regime of security has led to increasing price and rent insecurity that has contributed to increases in insecurity in tenure and access insecurity amongst working households.
- Insecurity in employment and income insecurity reduce the predictability and/or amount of earnings and capacity of households to modify housing costs, contributing to insecurity in tenure amongst both working and non-working households.
- Insecurity in employment and income insecurity reduce the predictability and/or amount of earnings, generating precautionary practices that contribute to a cycle of access insecurity amongst both working and non-working households.

- Housing insecurity for those experiencing insecurity in employment and income insecurity is unequally mediated by cumulative and collective household capital and subsidisation of housing costs either from other household members or from the state.

A central task of this chapter has been to understand the generative and the mitigating conditions in the relationship between labour and housing insecurity. It shows that a thorough investigation of this relationship cannot be done with one method alone. Rather, will be best answered from a critical-realist perspective, through an extensive and intensive analysis using both qualitative and quantitative data. An extensive analysis can help to uncover the broader demi-regularities of housing insecurity and the association between different types of employment groups, while the intensive analysis can help uncover causal processes relating to individual cases of labour and housing insecurity. The intensive analysis can also help to identify the contingent conditions mitigating insecurity in work and housing. Next, I present the empirical method that will use an extensive and intensive approach to examine the five research propositions identified in this chapter.



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<sup>9</sup> The focus on tendencies over regularities does not mean approaches to statistical covariation should be abandoned altogether in critical-realist explanation. Rather, as argued by Tony Lawson (1998), empirical co-variation between two events, which is often non-random, can be better understood as descriptive 'demi-regularities'. Focusing on demi-regularities amongst descriptive events or taxonomic groups can assist the researcher where to look for causal processes. However, this approach must be complemented with the search for mechanisms underpinning the demi-regularities as well as non-regularities to ensure that important causes are not overlooked.

<sup>10</sup> The absence of a regulatory framework for housing during Australia's early development period resulted in the combined problems of housing shortages and unsanitary conditions. High rents were often the catalyst for the many landlord-tenant struggles during the times (Williams, 1984). Although the state began to intervene to improve standards of housing quality and living conditions to promote public health along with a small degree of subsidised housing, regulation of relations between landlords and tenants was largely left to the market until the period of post-WWII reconstruction (Dalton, 2002). Oswald Barnett, a most noted housing reformer or 'abolitionist' (who subsequently became Victorian Housing Commissioner), was particularly influential in reforming slum housing.

<sup>11</sup> According to Mullins (1981), housing development during the 1800s in Australia followed the pattern of mercantile capitalism characteristic of countries reliant on primary industry production. Linked to this mercantile urbanisation was the absence of a large industrial base, with an 'urban peasantry' characterised by a high degree of self-provisioning within the suburban home, including the production of food and clothes and at times construction and maintenance of their own homes. This development pattern shaped the comparatively high rates of suburban home ownership and low investment in residential infrastructure for working-class households.

<sup>12</sup> Amongst UK and Australian researchers the idea of distinct housing classes transcending labour market or class divisions has been expanded to the redistributing wealth effects of property ownership (Winter & Stone, 1998). In the context of rapid house-price inflation the growing importance of the structuring role of housing wealth cannot be denied. Housing wealth in countries such as Australia and the UK has been increasingly liquidised as a source of income to satisfy household consumption needs outside waged labour through the use of mortgage equity withdrawal or borrowing against the secured asset of the family home (Parkinson *et al.*, 2009).

<sup>13</sup> Recent research on life time home ownership and wealth undertaken by Badcock and Beer (2000, p. 78) has seen them align with the Marxist explanation, arguing that "housing wealth is progressively concentrated among those owners with the greatest opportunities for career advancement".

<sup>14</sup> The term housing providers refers to the collective group involved in the sale, construction, administration and delivery of housing services. This includes private and social landlords, temporary and supported housing, real estate agents, lending institutions, builders and developers, and individual home owners putting their home on the market.

<sup>15</sup> Despite equal opportunity legislation, minority groups including Indigenous, migrants or refugees from non-English-speaking backgrounds continue to experience insidious to overt acts of discrimination, diminishing their bargaining position and security within the labour market, leaving open only the most undesirable and precarious jobs available (Colic-Peisker & Tilbury, 2006).

<sup>16</sup> Expanded from early poverty studies, household strategies have been used as a sociological framework for making sense of economic behaviour that is a departure from the atomistic view of rational action and from the deterministic structuralism obfuscating the role of human agency. By emphasising purposeful and unconscious practices occurring within a social context, household strategies as a method of inquiry can traverse structure and agency distinctions (Morris, 1990; Jarvis, 1999; Wallace, 2002).

<sup>17</sup> Notions of the ideal male worker and of intensive mothering amongst women can help to explain the morality associated with differences in working time preferences; however, this does not explain why such a difference commands lower hourly wages and job security. Given the higher tendency for women to be exploited in both paid and unpaid domains, the dual labour process of exploitation, proposed by Somerville (2000, p. 89) is conceptually useful for understanding not only differences in insecurity amongst classes but also the gendered nature of employment access and insecurity.

<sup>18</sup> The factors contributing to declining competitiveness and therefore policy direction remain contested in the literature. Broadly speaking, proponents of neo-classical and neo-liberal perspectives argue that the emergence of 'wage shocks' were responsible for the persistence of unemployment, underemployment and reduced competitiveness. Supply-side rigidities within markets due to excessive regulation were the perceived culprits of the 1970s economic downturn. Policies of full employment and centralised or collective wage fixing were therefore linked to inflationary pressures on wages and considered the main impediment to employment growth (Dawkins & Freebairn, 1997; Gregory, 1997). Within some branches of economic theory the growing use of credit to finance investments in business and at the household level has added to growing instability. Economists also argue that changes in consumer and investor sentiment or confidence, usually through some sort of economic or exogenous shock, can trigger flow-on effects leading to crisis in whole market segments. This process in turn generates involuntary unemployment and the problem of debt deflation, a phenomenon where debt remains constant however assets depreciate (Stabile, 2005, p.74). Others drawing on post-Keynesian, Regulationist and Marxist perspectives focused on the decline in aggregate demand and 'falling rates of profit' due to deindustrialisation and growth of service sector employment in the west and the emergence of a new international division of labour as newly industrialising countries entering the production process thus reducing the competitiveness of Australian industries (Quiggin, 1997; Mitchell, 2000; Bell, 2000; Lipietz, 1997; Webber, 1994). The newly industrialising countries entering into the manufacturing process experienced high rates of

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employment growth of low-cost labour that was reminiscent of older economies during the post war period. One mechanism driving the declining rate of profit is the tendency for the costs in the organic composition of capital, defined as the ratio between constant and variable or labour power, to increase. From a Marxist perspective employers are able to change variable-labour costs by the degree of exploitation used, such as increasing the proportion of unpaid hours or reducing wage costs by drawing on a 'reserve army' of the unemployed. The 'practical limits' of doing so over time due to the tendency for wages to remain at a level of subsistence serves to gradually reduce the overall rate of profit, leading to crisis in consumption demand. The very process of adjusting labour supply to demand is the inherent contradiction of capitalist accumulation (Hunt, 2002, pp.238-240).

19 Contract relations is a term used by Somerville (2000)

<sup>20</sup> What distinguished Work Choices with earlier labour reforms, Ellem (2006) argues, was the destruction of 'collectivism in labour law and practice' and the promotion of corporate power ahead of labour power.

<sup>21</sup> Consistent with a demand or housing investor-dominant policy, private-rental assistance continued to grow with the proportion of Commonwealth funding for rent assistance, and in reaching over two billion by mid-2000, exceeded CHSA funding for public housing (AHIW, 2005).

<sup>22</sup> While the causes behind the decline in affordable housing are complex and multifaceted, one central theme in the literature focuses on the barriers to the supply affordable private rental. One explanation proposed for the decline in low-cost rentals is that it is not particularly profitable to provide this type of housing on a large enough scale to overcome demand. Drawing on Modern Finance Theory, Berry (2002) argues that the supply of affordable rental can be linked to an 'affordable rent gap' that prevents large-scale institutional investment and allows single property or 'mums and dads' landlordism to dominate. Disincentives for investment have been linked to the taxation system and the consequences on the user-cost of capital or returns after tax, variability of interest rates and property prices, poor market information, illiquidity of the asset, and management issues of the dwelling (Berry, 2002; Yates & Wood, 2005). While the stock market downturn during the early part of 2000 did provide a viable alternative for a period and led to a redirection of funds into rental housing it did not produce the effect of increases to affordability, rather continued to inflate prices as the 'herd' rushed to secure investment properties. This 'irrational exuberance' is argued to have developed its own momentum in rapidly inflating housing prices as new investors and owners rushed to secure their properties in anticipation of further price increases (Shiller, 2005).

<sup>23</sup> Otherwise termed as the residualisation or welfarisation of social housing, housing authorities were 'reinvented' through the managerialist reforms of the 1990s in order provide the most efficient service to manage the increasing 'customer' demand for housing assistance (Marston, 2004). The introduction of a segmented waiting list for housing provision reflects this perspective.

<sup>24</sup> It was only in the context of a pending crisis within the housing construction industry following the introduction of the GST in 2000 that the government reintroduced the former first-home owners grant (FHOG). The Productivity Commission inquiry into first home ownership predominately supported minimalist intervention. However, it did recognise that the current FHOG had done little to redress the affordability of home ownership for low-income households and recommended that there should be greater targeting of assistance (Productivity Commission, 2004).

<sup>25</sup> The emergence of low-documentation and non-conforming loans and concerns over 'predatory lending' within the Australian mortgage market led to a House of Representatives inquiry into home lending borrowing in which the general decline in credit standards and increases in income-to-debt ratios amongst mortgagors was documented (House of Representatives Standing Committee on Economics, Finance and Public Administration, 2007). While the Inquiry acknowledged that Australian mortgage market standards had remained prudent by international comparisons, the small but steady growth of sub-prime lenders and the competitive pressure for major banks to follow suit by increasing the proportion of low-documentation and non-conforming loans to new borrowers were of particular policy concern.

<sup>26</sup> The absence of secure employment conditions before World War II was often a deterrent for many working-class wage earners in purchasing their own home (Greig, 1995, p. 26). Expectations of ongoing economic security during the 'golden era' of growth generated confidence in consumption of household items, including the purchase of the family home (Whitwell, 1989). The combined effect of sustained economic growth linked to full employment and rising household incomes combined with housing shortages, rent controls, access to affordable finance, mass immigration and demographic changes fuelled ongoing demand for a national housing boom of unprecedented public and private housing production and consumption. The dramatic transformation in homeownership from a relatively stable rate of around 53 per cent between 1921 and 1947 to 71 per cent by 1961 combined with sustained rates of low unemployment ensured a level of economic security not previously attained by working-class households (Williams, 1984; Neutze & Kendig, 1989).



## Chapter 4

### A mixed-method approach to researching insecurity

Chapter 3 established a framework that will be used to explain how labour insecurity contributes to housing insecurity during the period of restructuring and growth between 1992 and 2007. In this framework I argued that labour insecurity contributes to ‘insecurity in tenure’ and ‘access insecurity’ via the necessary unequal practices of individuals as they interact with employers in the labour market and households with housing providers in the housing market. However, the causal relationship between insecurity in labour and housing is not a direct or a ‘necessary’ one because it is mediated through an unequal and differentiated household *habitus* and the resources or capital that can be drawn on to mitigate the impact of insecurity in both markets.

This notion of contingency in the connection between labour and housing means that an episode of insecurity in work will not always result in the empirically observable outcome of housing insecurity. Understanding this complex relationship requires the use of an extensive approach to explore associations between labour and housing insecurity, or to identify the ‘demi-regularities’ in labour and housing insecurity, and a more intensive approach to explain what causes insecurity in work and housing for different households. It also requires a method that will enable investigation of the types of working arrangements within the whole household and how these affect final housing security outcomes.

This chapter outlines the key methods used to answer the primary research question of how labour insecurity contributes to housing insecurity during a period of restructuring and growth between 1992 and 2007. Specifically, it discusses how the five propositions developed in the theoretical framework in Chapter 3 will be empirically tested. These propositions are:

- The move to a market-dominant regime of security has contributed to increasing labour insecurity through increases to insecurity in employment and income insecurity amongst working individuals.

- The move to a market-dominant regime of security has led to increasing price and rent insecurity, which has contributed to increases in insecurity in tenure and access insecurity amongst working households.
- Insecurity in employment and income insecurity reduce the predictability and/or amount of earnings and capacity of households to modify housing costs, contributing to insecurity in tenure amongst both working and non-working households.
- Insecurity in employment and income insecurity reduce the predictability and/or amount of earnings generating precautionary practices that contribute to a cycle of access insecurity amongst both working and non working households.
- Housing insecurity for those experiencing insecurity in employment and income insecurity is unequally mediated by cumulative and collective household capital and subsidisation of housing costs either from other household members or the state.

In this thesis I combine an extensive analysis of secondary data from the longitudinal Household Income and Labour Dynamics in Australia (HILDA) survey with an intensive analysis of biographical case studies. This mixed-methods approach will enable a thorough understanding of the strength of the association or demi-regularities between labour and housing insecurity and also the types of contingent conditions that shape both demi-regularities and non-regularities. In particular, it can help to uncover the conditions when labour insecurity contributes to and/or does not contribute to housing insecurity.

In the introduction I argued that within critical-realist ontology extensive and intensive methods are viewed as complementary, possessing different strengths, and when combined provide a richer analysis than provided by any one method in isolation. Extensive methods can help to uncover the magnitude of social problems by identifying trends and exploring statistical associations or demi-regularities between variables. Whilst extensive methods do not explain underlying processes in relationships observed, they can indicate where to look for causes. On the other hand intensive methods, which focus on a smaller number of cases in a deeper way provide an *idiographic* approach to explanation by enabling causal relations to be identified. Intensive methods of a biographical nature achieve a high degree of internal validity because of the ability to study the sequence and meaning of events across time (De Vaus, 2001, pp.227-236).

This methods chapter commences with an overview of the extensive approach, including the design, recruitment and final HILDA sample. Issues associated with working with longitudinal data including attrition and following households over time are also reviewed. The data measures of labour and housing insecurity that are applied in the empirical analysis appearing in chapters 5 and 6 are then outlined. Finally, the approach to modelling the relationship between labour and housing insecurity, including suitable regression models for data derived from repeated observations on the same individuals across time, are also discussed in this section.

The second section on intensive methods covers the design, recruitment and analysis of the interviews, which combine detailed information obtained from life history calendars with open-ended narratives of experiences of insecurity relating to both work and housing for eleven interviewees. The final analysis is based on eight detailed case studies that have been selected because they show how insecurity in work and housing interact across different stages of life, types of tenure arrangements, and work experiences.

### **Extensive method**

The extensive method used for examining demi-regularities between labour and housing insecurity is based on data measures derived from the HILDA survey. In this section, the HILDA survey is introduced along with the descriptive and statistical methods that have been used to analyse the data. Researching longitudinal change requires unique methods of data management and analysis. Some of the important considerations and limitations of using the HILDA survey to measure and analyse the association between insecure work and housing are outlined. Approaches adopted for cross-sectional management and analysis are often inadequate for capturing change over time and this becomes even more apparent when the unit of analysis and measurement shifts from the individual to that of the household.

### *The HILDA survey*

The HILDA survey is based on a representative sample of Australian households which are reinterviewed each year over the life of the panel. It is one of the largest longitudinal national datasets readily available to researchers. As well as providing a large sample size, a defining strength of HILDA for the current study is the capacity to link the dynamic labour and housing market characteristics of individuals and households across time. The confidentialised datasets comprise both household and, where possible, individual face-to-face interview responses for all household members 15 years and over. Sample size and representativeness is maintained over time by inclusion of new members entering a household with an original participant as well as interviewing formerly non responding children who turn 15 (Watson, 2006). The first wave of survey interviews commenced in 2001 and, by 2009, there were seven waves available for analysis.

The current research uses the first three waves of the survey corresponding with the period 2001 to 2003 (released in 2005). As the data are released annually, a decision was made to confine the analysis to the first three waves released in 2005 (and accessed in 2006) in order to progress the research rather than wait to add new waves as they became available. Three waves were considered adequate for the purposes of the study and to enable the panel nature of the data to be exploited, especially with respect to following the movement of individuals within both labour and housing markets between waves.

Table 11 provides an overview of the sample size for individual respondents and households for each wave. As shown, the original sample size consisted of 13,969 individuals living within 7682 households. The second wave comprised 13,041 persons within 7245 households whilst the third wave had a total of 12,728 responding individuals from 7096 households. From the original wave 1 sample of 13,969 a total of 11,993 individuals responded in wave 2 and 11,190 in wave 3. The total number of respondents interviewed in all three waves is 10,777 (MIASR, 2005, p.15). This latter amount represents the ‘balanced’ sample size in which the respondent has been interviewed in all three waves.

**Table 11. Numbers of HILDA respondents, 2001-2003**

	Wave 1	Wave 2	Wave 3
Responding Individuals	13,969	13,041	12,728
Partially Responding Households	810	704	633
Fully Responding Households	6,872	6,541	6,463
Total Households	7,682	7,245	7096

Source: HILDA Survey Annual Report (2004)

### *Sample attrition*

The rate of attrition is an important factor determining whether or not a sample in a longitudinal study continues to be representative of the broader population across time. The rate of attrition for wave 2 was 13.2 per cent and 9.6 per cent for wave 3 (MIASR 2005, p. 15). Attrition is of most concern when it is non-random. Non-random attrition refers to instances where particular groups have a higher non-response rate in subsequent waves (de Vaus, 2001, p.135). Analysis of attrition according to different group characteristics suggests that attrition is non-random (see Appendix 1). Attrition rates are higher amongst the unemployed, younger age groups, single and defacto households, those from a non-English speaking background and those with lower levels of education (MIASR, 2005, p. 17). This non random attrition is likely to bias final estimates of insecurity in labour and housing within the sample, given that many of the attrition groups identified above will be at higher risk of housing difficulties.

Whilst attrition is an inevitable limitation of longitudinal surveys, there are strategies available to minimise the impact of attrition in the sample, one of which is to weight the data from imputed values for missing responses and another is to ignore the issue of attrition by listwise deletion. HILDA has developed a range of weights for individuals and households that can be applied to a balanced sample. In order to make population-wide generalisations from the sample I applied the cross-sectional weight (*ahhwtrp*) to the first wave baseline HILDA sample whilst the longitudinal respondent weight (*clnwtrp*) has been applied to a balanced three-wave sample for the pooled descriptive analysis in



Chapter 5. For ease of reading specific details on the final analysis samples appear in chapters 5 and 6. In the sections to follow some of the data management implications in following households over time and the approaches used in measuring and modelling labour and housing insecurity are outlined.

### ***Data management***

Although national panels come with many benefits, they require unique methods for the management and analysis of data. While my initial data management and descriptive analysis were undertaken in SPSS version 14, relevant files were transferred to Stata version 9 for the regression analysis. Individual and household files were merged and reshaped in order to link variables measured at the household level to individuals and vice versa. New variables were derived from existing variables to construct mutually exclusive housing typology groups and various measures of individual and household labour-market position (see Appendix 2). Data were reshaped into a ‘long’ file format from a ‘wide’ format in SPSS using the *vars to cases* and *make* commands before its transfer to Stata, which was selected for the final regression analysis due to its enhanced capacity for modelling both fixed and random effects for categorical data that is not yet fully available in SPSS.

#### *Is there a longitudinal household?*

Understanding how individual labour-market position interacts and is combined within the household unit over time is essential to explaining the connection between employment and housing. Definitions of households range from point in time, or static composition, to those that attempt to define households longitudinally. A static definition adopted by the Australian Bureau of Statistics (ABS) and also applied within HILDA refers to a household as “a group of people who usually reside and eat together” (Wooden, 2001, p.7).

Because households are dynamic with different members joining and leaving it can be difficult to define and follow their structure as a whole over time. In following households over time, Solenberger *et al.* (1989, p.192-193) identify five levels of analysis and measurement that can be obtained from longitudinal datasets:

1. *Cohort attributes of persons*: Follows attributes of persons who share a common event at a point in time. Data structure is simple, requiring information at different time intervals.
2. *Household attributes of persons*: Individuals are attributed to their household characteristics such as family type and housing. Individuals are the unit of analysis while the household is the unit of measurement. The data structure is more complex and requires both individual and household variables to be linked for each period of interest.
3. *Household aggregates of person attributes*: Individual characteristics are aggregated for all members in the household to form a new unit of measurement. The most notable example is total household income derived from the income of all individuals in the household.
4. *Households over time*: The household becomes the unit of analysis and measurement. This level of analysis raises issues of how households are to be defined longitudinally and presents numerous data management difficulties.
5. *Divergent trajectories of originating household members*: Following members of originating households who shared a common experience, status or event at one time, and who have subsequently formed new households, to determine what changes have occurred in each respective household.

There are strengths and limitations with all five approaches. In order to capture change at the household level, some researchers have attempted to follow the whole 'household over time', leading to contradictory counting rules and inadequate assumptions because households are not typically stable over time (McMillen & Herriot, 1985; Duncan & Hill 1985; Karweit and Kertzer, 1998). The lack of household continuity results from

dissolution of relationships, death of family members, children moving out on their own and sometimes moving back home again, new members joining through birth, or newly formed unions in the short or long term.

The methodological difficulties inherent in following the whole 'household over time' led Duncan and Hill (1985) to argue that any longitudinal analysis of households should be based on an 'attributional' approach. The attribute approach combines Solenberger et al's (1989) second group where the individual is used as the *unit of analysis* with the third group of 'household aggregates of person attributes' as the *unit of measurement* (Duncan & Hill, 1985, p. 362). For instance, if a household income variable is measured on a household basis the same amount of income will be recorded for each person belonging to the same household in the dataset.

One of the main advantages of an 'attributional' approach according to Duncan and Hill (1985, p. 373) is that all persons are included in the analysis rather than dividing into 'same' and other households, therefore avoiding bias caused by excluding those that do not match the longitudinal definition. Moreover, Duncan and Hill (1985, p.373) argue that changes at the household level can be incorporated as important explanatory variables in the analysis. There are, however, some who argue that an attributional approach is inadequate because it does not enable all relevant household experiences to be investigated (McMillen & Herriot, 1985; Carlson *et al.*, 1994).

In analysing the relationship between labour and housing insecurity I use the attribute approach advocated by Duncan and Hill (1985), where the individual is the unit of analysis and the household characteristics such as income or housing is the unit of measurement. This approach is necessitated by the structure of the HILDA dataset. In HILDA, households as a whole are not considered longitudinal units and members within households are provided with a new identification code in each wave making any analysis of households over time more suited to an attribute approach (Wooden, 2001). The presence of a unique wave identification code for individuals does, however, permit the matching of individual change across each wave and can easily be merged with each respective household file.

### *Individual unit of analysis in HILDA*

As individuals form the unit of analysis in the HILDA dataset for this research assumptions need to be made about which persons within the household are most likely to be the primary earners and responsible for paying for housing. In HILDA, households are coded into income units with couples with the main responsibility for finances and their dependent children considered to form the same income or first income unit, whilst independent children and other members in group and multiple family households are counted as separate income units. The reason for dividing households into income units rests on the assumption that couples are most likely to ‘pool’ their income.

The disadvantage of using income units when examining housing is that not all members within group and multifamily households are included in the same income unit because there is no assumption of income pooling so each individual or family group is assigned to a different income unit within the household. Given that the housing circumstances of individuals living in shared and group households are also of interest, a different approach was adopted, whereby all income units are retained. However, dependent and independent children are excluded from the final dataset and analysis.

Dependent children, especially, are generally not assumed to be responsible for making housing payments on behalf of the household and the labour market characteristics of parents/and or guardians are therefore considered most important in terms of measuring household labour supply. Given the higher numbers of young people in casual employment their inclusion in the dataset is likely to skew the impact on housing when they are not typically the main income earners in the household. Further, the housing trajectories of children are likely to differ over time, particularly as children leave the family home.

### *Units of measurement of HILDA*

Several new variables for employment and housing have been derived to operationalise the dimensions of insecurity and security outlined in Chapter 2. A full list of these variables can be found in Appendix 2. Next I discuss how the dimensions of housing and labour insecurity will be measured in HILDA.

### *Measuring housing insecurity-security*

The household typology of housing security introduced in Chapter 2, identified thirteen mutually exclusive groups. The operationalisation of each dimension within the typology, commencing with the highest degree of insecurity through to the highest degree of security, using HILDA data is shown in Table 12. Whilst many dimensions of insecurity and security identified amongst renters and purchasers in the household typology can be measured, the HILDA dataset does not adequately capture the most insecure dimensions of homelessness, marginal housing and insecure social relations. The HILDA analysis of housing insecurity in this thesis is therefore limited to those living in conventional rental and purchaser housing and typically incorporates material hardship and/or landlord initiated dimensions of insecurity.

**Table 12. Operationalisation of the household typology of housing security**

High Insecurity	Without legal tenure or recourse	Available indicators in HILDA	
	<b>Homeless and marginal: primary, secondary, tertiary</b> <ul style="list-style-type: none"> <li>No ongoing legal tenure and/or below culturally accepted standards of quality</li> </ul>	<b>Primary, Secondary, Tertiary homelessness</b> Caravan park rental and inadequate housing below conventional standards <i>Not adequately captured in HILDA dataset</i>	
	<b>Insecure personal relations</b> <ul style="list-style-type: none"> <li>Physical, emotional or sexual threats to safety in conventional or nonconventional housing</li> </ul>	Permanent residence but name not on lease or mortgage. Housing security based on continuing relationship with title/lease holder Physical and emotional safety in dwelling under direct threat Limited income to access timely independent housing Includes living rent free, outright home owner <i>Not adequately captured in HILDA dataset</i>	
	<b>Renters with legal tenure</b>		
	<b>Highly insecure</b> <ul style="list-style-type: none"> <li>Low income unaffordable private rental with arrears and/or forced mobility</li> <li>Live in social housing with arrears and/or forced mobility</li> </ul>	Private rental and experiencing housing stress – housing cost to equivalent income ratio >30% for lowest two quintiles or Social housing rental Plus one other primary indicator: Could not pay rent on time And/or forced mobility from either/or: Eviction, Move to more affordable place, Property no longer available, Government housing no choice	
	<b>Insecure</b> <ul style="list-style-type: none"> <li>Generally moderate-higher income</li> <li>If low-income have very low or minimal housing costs</li> <li>Arrears</li> </ul>	Could not pay rent on time	
	<b>Marginally insecure</b> <ul style="list-style-type: none"> <li>Generally moderate-higher income</li> <li>If low-income have very low or minimal housing costs</li> <li>Forced mobility from sale/landlord reoccupation</li> </ul>	Affordable private - Income quintiles 3,4 and 5 or housing cost to equivalent income ratio <30% for income quintiles 1&2 Forced mobility due to: Property no longer available	
	<b>High risk of insecurity</b> <ul style="list-style-type: none"> <li>Low income and housing costs above affordable threshold</li> <li>No forced mobility or direct housing difficulties</li> </ul>	Experiencing housing stress – housing cost to equivalent income ratio >30% for lowest two quintiles No primary indicators as identified above in the highly insecure category	
	<b>Social rental secure</b> <ul style="list-style-type: none"> <li>Social renter with no forced mobility or housing difficulties</li> </ul>	Housing costs determined as proportion of income level. Increase in income linked to increase in housing costs. Options for long term housing dependent on maintenance of low income Administrative requirement of time dependent leases Priority targeted tenure	
	<b>Private rental secure</b> <ul style="list-style-type: none"> <li>Generally moderate-higher income</li> <li>If low-income have very low or minimal housing costs</li> <li>No forced mobility or direct housing difficulties</li> </ul>	Affordable private - Income Quintiles 3,4& 5 or housing cost to equivalent income ratio <30% for income quintiles 1 and 2 No involuntary mobility	
	<b>Purchasers</b>		
	<b>Highly insecure</b> <ul style="list-style-type: none"> <li>Low income and housing costs above affordable threshold</li> <li>Arrears, unable to keep up with regular payment schedule and/or forced mobility</li> </ul>	Experiencing housing stress – housing cost to equivalent income ratio >30% for 2 lowest quintiles Plus one or more primary indicators: Could not afford to pay mortgage, Repayment schedule status behind, Move to more affordable place	
	<b>Insecure</b> <ul style="list-style-type: none"> <li>Generally moderate-higher income</li> <li>If low-income have very low or minimal housing costs</li> <li>Unable to keep up with regular payment schedule and/or forced mobility</li> </ul>	Could not pay mortgage on time	
	<b>High risk of insecurity</b> <ul style="list-style-type: none"> <li>Low income and housing costs above affordable threshold</li> <li>No forced mobility or direct housing difficulties</li> </ul>	Experiencing housing stress - housing cost to equivalent income ratio >30% for lowest two quintiles No other primary housing indicators	
	<b>Purchaser secure</b> <ul style="list-style-type: none"> <li>Generally moderate-higher income</li> <li>If low-income have very low or minimal housing costs</li> <li>No forced mobility or direct housing difficulties</li> </ul>	Affordable private - Income Quintiles 3,4 and 5 or housing cost to equivalent income ratio <30% for income quintiles 1 and 2	
<b>High Security</b>	<b>Outright home owner</b>		
	<ul style="list-style-type: none"> <li>No recurrent housing repayments and forced mobility</li> </ul>	Have no regular housing repayments	

The first two groups in the typology relating to homelessness and marginal housing and insecure personal relations cannot be adequately measured within the existing HILDA dataset. While those residing in caravan parks are identified, the numbers are too small for any meaningful analysis. HILDA also has a category for individuals who are living 'rent free', which may include those living in dependent conventional housing, and also those who may be considered to be homeless due to 'doubling up' or staying at someone else's home. However, their security position is not clear enough to enable its use in the current analysis.

Moreover, HILDA data do not adequately capture housing insecurity that can arise from violence, abuse and conflict within the household. The inability to include households living in these types of housing circumstances represents a major omission in an analysis of housing insecurity within its broadest definition. The intensive case study interviews discussed in the next section help to fill some of the gaps within HILDA data by allowing more detailed housing histories to be obtained over the life course.

Within the typology, insecurity-security amongst renters is operationalised as mutually exclusive groups ranging from the 'highly insecure', 'insecure', 'marginally insecure', 'high risk of insecurity', 'social rental secure', to 'private rental secure'. As illustrated in Table 12, highly insecure renters are derived from a sample falling within a conventional definition of housing stress that also experience one or more dimensions of insecurity. These dimensions are referred to as of direct housing difficulties, and include the experience of one or more of the following during each twelve month collection period:

- not being able to make housing payments on time
- forced moves due to eviction
- having to move to a more affordable place
- not being able to remain in the property
- government housing relocation

The initial housing stress sample is computed from a monthly equivalised household disposable income at or below 40 per cent of the total income distribution, or the first two income quintiles, who pay 30 per cent or more of their monthly income on housing costs<sup>27</sup>. Social renters who experienced one or more of the direct housing difficulties listed above are also included amongst those considered to be highly insecure in their rental, whether or not they are defined as in housing stress, because their rents are already set to an affordable threshold. Tenants unable to sustain a public tenancy are likely to face difficulties gaining entry into the private rental market and are at high risk of homelessness.

Renters in housing stress who do not experience any of the above housing difficulties are assigned to the group considered 'at risk high of insecurity'. The 'insecure' rental group refers to moderate and higher-income households, or with incomes above the lowest two quintiles, who were unable to meet housing payment during any period within the past twelve months. The 'marginally insecure' are also moderate and high-income renters who have been required to move in the past twelve months because the property they were living in was no longer available. Insecurity for this group typically occurs due to the sale of the property or landlord's wishing to move into the property.

Amongst purchasers, the 'highly insecure' are measured by combining a housing stress score with primary indicators or direct housing difficulties. These difficulties include:

- not being able to make housing payment on time
- being behind in repayment schedule
- moving to a more affordable place.

Purchasers considered at risk of insecurity are defined within the dataset according to a housing stress measure and do not experience any of the above housing difficulties. Purchasers within the 'insecure' group fall within moderate and high-income groups who reported that they were unable to make a housing payment on time during the past twelve months. Secure purchasers do not experience housing stress or any direct housing difficulties during twelve month period.



New variables were derived and recoded within the dataset according to each of the indicators listed in the typology table. Housing stress variables for renters and purchasers were then created from monthly equivalent income and housing costs. Household income was made equivalent using the OECD modified equivalence scale (Hagenaars *et al.*, 1994). Different tenure groups were then merged into a single housing typology or categorical variable and coded accordingly.

There are several limitations with the measures of rental and purchaser insecurity defined above. Measures used for insecurity are based on the commonly applied definition of housing stress or unaffordable housing (Yates & Gabriel, 2006). However, there has been significant debate surrounding the threshold measurement for housing affordability or stress, with some measures extending into higher-income groups. This is especially relevant to higher-income purchasers who have taken on large amounts of debt and default early on in their mortgages (Berry *et al.*, 2009). I have attempted to deal with this by distinguishing between the highly insecure and the insecure to enable an exploration of any differences in the labour market and other household characteristics between lower and more higher-income households.

While there are restrictions and limitations associated with available variables within the dataset, I considered HILDA to be the most useful dataset available for an extensive analysis of housing insecurity because it enables the housing circumstances of individuals to be linked with their employment characteristics and to follow how the two are associated over time. In the absence of complete measurement there is always the risk of assigning groups to categories not necessarily reflecting their own subjective assessments. While this is a limitation that can be minimised through the use of interviews, it is nevertheless important to remember that any findings relating to insecurity are only partial constructions of reality.

### *Measuring labour insecurity within HILDA*

Chapter 2 discussed ways of conceptualising insecurity in the labour market. Drawing on Standing's (1999) typology, I referred to eight types of insecurity in working relations constituting an overall measure of labour insecurity in the market. Two measures of this broader concept of labour insecurity that can be analysed in micro-household data include 'insecurity in employment' and 'income insecurity'. The concept of 'insecurity in employment' is closely linked with the concept of precarious employment, including the absence of regulatory protection for continued employment tenure, limited options for training and development, as well as income insecurity from low wages and unpredictable earnings. 'Income insecurity' can incorporate dimensions of precarious work, especially in low wage employment, as well as low income derived solely from government benefits.

In Chapter 3 I mentioned the need to move beyond measures relying on the household head or reference person in order to capture the complex working arrangements within households. Understanding the complex connection between labour and housing insecurity will require the use of multiple indicators measured at both individual and household levels. One benefit of the HILDA dataset is the collection of both individual and household variables that can be used to determine how work amongst individuals is distributed within the household. HILDA data also follow mobility into and out of different labour market states. HILDA contains employment calendars that calculate the total percentage of time spent in work in a given twelve month period.

Taking into consideration the dimensions of labour insecurity that can be measured in the HILDA dataset, three new employment variables that include both individual and household measures of insecurity have been created to examine demi-regularities between labour and housing insecurity. The variables created are based on three employment typologies that assign different employment groups into mutually exclusive categories. The three employment typologies are illustrated in Table 13.

**Table 13. Typologies of individual and household employment security**

Typology of employment duration for individuals	Household typology of employment composition	Household typology of employment security
Fully excluded	Job-seeking	Job-seeking
Discrete nonparticipation	Unattached	Unattached
Episodic nonparticipation	One member employed part-time	Non-permanent
Continuously employed	One member employed full-time	At least one permanent
	Two or more employed full-time	Self employed only
	Two or more employed part-time	
	One full time and one or more part-time	

The first measure shown in Table 13 is the typology of employment duration for individuals, which builds on a longitudinal definition of insecurity developed by Muffels and Fouarge (2000). Drawing on European panel data, Muffels and Fouarge (2000) operationalised insecurity according to the proportion of time spent in particular labour market states during a two year period. Based on their data definition, individuals were grouped into four comparison groups: fully excluded, partially excluded, insecure, and secure. Those assigned to the fully excluded category spent no time in the workforce, the partially excluded group spent up to 50 per cent of their time employed, the insecure spent between 50-99 per cent of time in employment, whilst the remaining secure group were employed for 100 per cent of the time.

While the data measure by Muffels and Fouarge (2000) aims to capture insecurity over time, it is more a measure of instability than insecurity because non-participation in the labour market can be both involuntary and voluntary. However, such a data definition is still useful in examining employment duration and attachment to the labour market. Building on Muffels and Fouarge's (2000) approach, an individual employment variable in HILDA was derived with four comparison groups according to duration of time spent in the labour force over a three year period. A key difference of this measure with the one used by Muffels and Fouarge (2000) is that it attempts to capture both one off and

intermittent periods of non participation that could be associated with different types of working relations or personal circumstances.

The HILDA typology of employment duration for individuals is also based on a measure over three years rather than two. Using the HILDA employment calendar, time spent in employment can vary from 100 per cent to 0 per cent for any given year. Combining three years or waves together the categories in the individual typology of employment duration include:

- *continuously* employed 100 per cent of the time over the three year period
- *episodic nonparticipation* or participating less than 100 per cent during any two years
- *discrete nonparticipation* or participating less than 100 per cent during any one year
- *fully excluded* or 0 per cent participation over the three year period.

The modified categories capture dynamics of employment and income insecurity, particularly in terms of following labour-market episodes in and out of employment that may be indicative of particular patterns of work and different types of contracts. Similarly, the categories can help to determine the effect of full exclusion versus one-off events or episodic movement in and out of employment participation.

The next two employment typologies appearing in Table 13 are based on household measures of labour insecurity. Recent approaches drawing on panel data that examine the distribution of employment within the household have classified households into workless or work-rich groupings based on the percentage of time or the overall amount of time in which all members in the household are employed (Muffles & Fouarge, 2000; Gregg & Wadsworth, 2004). As a measure of insecurity, the strength of this approach rests with the consideration of the way in which work is shared within and between households. However, the main drawback of such an approach is that underpinning working relations within the household are concealed. The work-rich approach assumes

that it is the total hours or number of members employed that is most important for the household.

Workless to work-rich categories do not indicate the way work is organised in the household according to important dimensions of security, including the nature of employment contracts or non-standard forms of employment. For instance, the division of labour within the household means that it will be mostly women who will have fewer hours or part-time and other types of non-standard employment arrangements, and this fact becomes concealed in an aggregate of total hours worked in the household. A critical point from the literature on precarious employment and the standard employment relation is that, beyond remuneration, there are several qualitative differences between standard and non-standard employment contracts. Being able to identify the main types of contractual-employment combinations amongst households and how these affect housing is critical.

Insecurity in employment, particularly dimensions of precarious employment, is difficult to capture in a single measure. Limitations in available data collections have resulted in insecurity in employment being predominately measured according to non-standard contract types including casual, part-time, temporary, and self-employment. Although the contract approach taps into some important elements, it obviously fails to adequately capture all dimensions of insecurity that are discussed in the literature. Nonetheless, contract status remains one important way to distinguish differences in employee outcomes for those inside and also for those who are outside contract relations, including the unemployed.

Taking the above issues into account I have constructed two different household employment measures. The first measure is the household typology of employment composition and is based on categories of total hours worked, ranging from all members out of the labour force (unattached) or where there is no paid employment but one or more are looking for work (job-seeking) to those with two or more members employed on a full-time basis. The second measure, called the household typology of employment security, examines the household composition according to various contract types and

employment arrangements, including being out of the labour force, looking for work, casual and fixed, self-employment, and permanent employment.

The measure of household employment security has been condensed into five broad groups. Amongst those with employed members, three groups are distinguished: those without any permanent employment in the household or the *non-permanent*; those with *at least one permanent* member; and *self-employed* only households. Households with a mix of self and waged employment have been assigned to the non-permanent household if the wage earner is non-permanent. If the wage earner is permanent then they have been assigned to the household measure with at least one member in permanent employment. Households without any employment are again referred to as a *job-seeking* or an *unattached* household.

Unlike the first household measure, the classification does not distinguish between one or more earners and is applied as a proxy measure of more secure and less secure households, with non-permanent and all self-employed households considered ‘insecure in employment’ whilst permanent households are considered more secure. Households without any employment as well as non-permanent households are considered ‘income insecure’. This employment typology has been condensed from a broader coding framework of households according to the various combinations of permanent, non-permanent, self-employment, and non-employment within the household. Cross-tabulations of the first and second household employment typologies are shown in Appendix 5.

While it is recognised that permanent employment can become insecure, especially during periods of rapid economic change and restructuring, generally the predictability of earnings and access to entitlements is greater for those with at least one member who is employed on a permanent basis. Furthermore, if there are two members employed in the household it is more likely that the permanent employment of one member will mitigate some of the insecurity associated with less secure employment relations experienced by other members. Households who rely only on non-permanent work have less household protection of their income and their housing strategies are likely to reflect this reduced

security of their household income. On this basis categorising households into an all non-permanent grouping can help to test the precautionary savings motive proposition introduced in Chapter 3.

The two household employment measures outlined were derived by creating new mutually exclusive household categories according to the coding criteria for the groups appearing in Table 13. In order to derive variable measures based on the employment composition of the household, individual person datasets containing labour-market variables and household files containing housing variables were merged together for each wave using the household identifier. The household file, with newly derived employment variables as well as relevant housing and other variables measured at the household level, was then transformed or ‘reshaped’ into an individual file. This reshaping allows for the attribute approach to be applied where the individual is the unit of analysis but the household is the unit of measurement.

#### *Other measures*

Measures of household stability and change were also of interest to the study. A SPSS syntax program identifying households with either a new person entering or an existing person leaving a household over a three year period was obtained from HILDA programming staff. A variable on household stability and change was then derived by attributing enumerated individuals from the master file and their household identifier. This variable was then merged with a balanced file to determine change amongst individual respondents living in households that were interviewed for all three waves. Many other variables were also recoded and reshaped for the purpose of analysis. A list of derived variables appears in Appendix 2. Having outlined the way in which labour and housing insecurity-security have been measured within the HILDA dataset, I now turn to a discussion of the method used in modelling housing insecurity.

### *Modelling panel data*

Modelling the statistical association or demi-regularities between labour and housing insecurity over time requires that the panel structure of the data, comprised of three years of observations for the same individuals, be considered. This next section commences with an overview of suitable panel models followed by the criteria used for inclusion of predictor variables in the final models. The scale of the dependent or outcome variable of interest to a study determines the statistical analysis undertaken. Dependent variables assuming a continuous distribution are suited to the linear model, whilst categorical dependent variables, such as the household typology of housing security with discrete values, are suited to binary or multinomial models (Powers & Xie, 2000, p.3).

There have been significant developments within the statistical literature in the application of panel and longitudinal models that can be applied to dependent variables with a binary or a categorical structure. For binary models, the logit transformation  $\log [p/1-p]$  based a logistic distribution, and probit transformation  $\Phi^{-1}(p)$ , which assumes a standard normal distribution, are two common approaches to regression. Within these models, probability is observed as a 'linear function of independent variables' (Powers & Xie, 2000, p. 9).

A particular problem specific to panel analysis is serial correlation amongst repeated responses of individuals across time. One issue to emerge from serial correlation in the data is unobserved heterogeneity (Powers & Xie, 2000, pp.177-178). Unobserved heterogeneity refers to individual differences that may explain events or relationships that are unobserved. In cross-sectional data the effect of unobserved heterogeneity or omitted variables cannot be estimated, and a regression analysis assumes independence between each observation. When extending the analysis to the longitudinal or panel data structure, an assumption of independence within repeated measures is no longer valid and simply applying logistic or probit regression to a pooled dataset without controlling for potential correlation amongst responses for each individual can result in biases in coefficient estimates.



### *A static model for housing insecurity*

Static and dynamic models with random-effects have been applied to the HILDA dataset to control for potential serial correlation problems associated with repeated response data. The first model outlined is a static model with random-effects that treats the three years of data as a pooled cross-section. In all models the dependent variable, housing insecurity, is coded as a dichotomous or binary variable. Housing insecurity for both renters and purchasers assumes a value of 1 when an individual is living in insecure housing according to the study definition and 0 if otherwise. Assuming an unobserved latent dependent variable  $y^*$  the cross-sectional binary model can be written as:

$$y_i^* = \mathbf{x}_i \boldsymbol{\beta} + \varepsilon_i \quad 1.1$$

where  $i$  denotes the observation,  $\varepsilon$  is the error term,  $\mathbf{x}_i$  is a vector of explanatory or independent variables and  $\boldsymbol{\beta}$  is a vector of coefficients. In the case where there are repeated measurements for the same individual, such as in panel or longitudinal data, a homogenous latent model can be rewritten as:

$$y_{it}^* = \mathbf{x}'_{it} \boldsymbol{\beta} + \varepsilon_{it}^* \quad 1.2$$

where  $i$  represents individual observation and  $t$  represents time (Frees, 2004, p. 320). The above homogenous panel model does not take into account unobserved heterogeneity and can be considered a homogenous cross-sectional pooled model. A significant distinguishing strength of panel data is the ability to control for unobserved heterogeneity in the statistical modelling through the use of fixed and random effects.

Taking into account unobserved variables the effects model formulation is as follows:

$$\begin{aligned} y_{it}^* &= \mathbf{x}'_{it} + \mathbf{v}_{it} + u_{it}, \quad i=1, \dots, n, \quad t=1, \dots, T_i \\ y_{it} &= 1 \text{ if } y_{it}^* > 0 \text{ and } 0 \text{ otherwise} \end{aligned} \quad 1.3$$

where  $u_i$  is the unobserved, individual specific heterogeneity. The error term  $v_{it}$  can be further decomposed into  $v_{it} = \alpha_i + \lambda_t + u_{it}$  where  $\alpha_i$  represents omitted individual-specific effects and  $\lambda_t$  the time-specific variables. The serial correlation problem emerges from ignoring the effect of  $\alpha_i$  which remains constant over time. Effects or variable intercept models therefore seek to control for the relationship between  $\alpha_i$  and  $\mathbf{x}'_{it}$ , with fixed-effects assuming dependence between the two and random-effects assuming independence (Hsiao, 2003, p.193; Frees, 2004). For the purposes of this analysis a random-effects model was preferred because of the small number of events and the desire to make broader population inferences.

A random-effects model can control for unobserved heterogeneity by the inclusion of an additional random intercept in the equation's error term. What this means in practice is the added advantage of being able to calculate the variance of the weighted mean score *within* repeated responses of the same individual with the mean score *between* different individuals – or in other words to hold time constant. Taking into account unobserved heterogeneity the random effects model formulation is written as follows:

$$y_{it}^* = \mathbf{x}'_{it} \boldsymbol{\beta} + \alpha_i + u_{it} \quad 1.4$$

where  $\alpha_i$  is the unobserved, individual specific heterogeneity and  $u_{it}$  is error term and assumes that the unobserved effect  $\alpha_i$  is uncorrelated with the explanatory variables.

Expressed as a binary latent response model where  $y_{it} = 1$  if  $y_{it}^* > 0$ , and 0 otherwise, a static logistic regression model with random effects can be written as

$$\text{Prob} (y_{it}^* = 1 | \alpha_i) = \pi(\alpha_i + \mathbf{x}'_{it} \boldsymbol{\beta}) = \frac{1}{1 + \exp(-(\alpha_i + \mathbf{x}'_{it} \boldsymbol{\beta}))} \quad 1.5$$

where  $y_{it}$  indicates rental or purchaser insecurity and  $\mathbf{x}$  is a vector of employment and other control variables measured at the household and individual level for subject  $i$  at time  $t$ . The modelling of housing insecurity was undertaken separately for renters and purchasers. The above model was applied to a pooled dataset within Stata using the

xtlogit command with random-effects based on Gauss-Hermitte quadrature approximation. Appendix 2 provides a list of the dependent and independent variables tested in the models for renters and purchasers. The inclusion of variables in the final models was based on three different criteria. First, variables included in final models were selected on the basis of simple bivariate tests of significance in which independent variables with a p-value  $<0.25$  were included in the initial models.

Second, variables with a high number of missing values or those that were not collected in every wave were excluded. For instance, many of the wealth indicators were only included in wave 2 and including them would have resulted in a significant amount of missing data. Variables relating to the reported reasons for unemployment or being out of the labour force, which could be considered potentially important, have only values recorded for those who answered the question based on their situation. This would mean that a substantial amount of data would be lost for the overall sample, reducing the analysis to those who were unemployed or out of the labour force rather than comparing across different employment groups.

Third, the theoretical importance of the variable was considered. Variables that had been previously shown to be important in the literature and might have increased significance when combined with other variables in the model were also initially included in model testing. Further variables that appeared to be important in the descriptive analysis in Chapter 5 were also included. These include demographic variables such as age, country of birth, education, health, wealth, employment variables – measured at both individual and household level based on contract types – and other household variables such as household type and stability.

#### *A dynamic model for housing insecurity*

A second set of ‘dynamic’ or transition models were estimated to test the role of employment variables on transitions into and out of different housing states, including moving from affordable to insecure rental and the reverse transition. Models were developed to test the influence of labour market variables on transitions out of home

ownership status back to the rental market and the reverse transition from renter to home ownership status. Multinomial transition models with random effects were estimated through binary dependent variables derived from the categorical housing typology variable and from the original housing-tenure variable: owner/purchaser, rent/rent-buy and living rent-free in order to follow transitions across different housing states and tenures over the three year period.

Following Frees (2004, pp.398-404), this model can be expressed as a Markov model of order 1, where  $H_{it}$  is the history of the  $i$ th subject to time  $t$  let  $H_{it} = \{y_{i1}, \dots, y_{i,t-1}\}$ . The response variables for a change in housing state from purchaser to renter and the reverse transition assume a binary value based on a multinomial transition matrix where the end housing state is conditional on the origin housing state in which

$$y_{it,jk} = \begin{cases} 1 & \text{if } y_{it} = k \text{ and } y_{i,t-1} = j, \\ 0 & \text{otherwise} \end{cases} \quad 1.6$$

Where  $j$  is the state or tenure of origin and  $k$  the destination tenure, the probability of making a transition from renter to purchaser or purchaser to renter can be expressed as

$$\begin{aligned} \pi_{it,jk} &= \text{Prob}(y_{it} = k | y_{i,t-1} = j) \\ &= \text{Pr ob}(y_{it} = k | \{y_{i,t-1} = j, y_{i,t-2}, \dots, y_{i,1}\}) \end{aligned} \quad 1.7$$

The parameterization of a multinomial logit model (Frees, 2004, pp.398-404) with the inclusion of a random intercept  $\alpha_i$  for each state of origin in which the systematic component  $V_{it,jk}$  represents the conditional probability that the  $i$ th subject at time  $t$  makes a transition  $jk$  can be formulated as follows

$$\pi_{it,jk}(\alpha_i) = \frac{\exp(V_{it,jk})}{\sum_{h=1}^c \exp(V_{it,jh})} = \frac{\exp(\alpha_{ijk} + \mathbf{x}'_{it,jk} \boldsymbol{\beta}_j)}{\sum_{h=1}^c \exp(\alpha_{ijh} + \mathbf{x}'_{it,jh} \boldsymbol{\beta}_j)}, j, k = 1, 2, \dots, c, \quad 1.8$$

The first model discussed in Chapter 6 relates to individuals who have made a transition from affordable to highly insecure rental during the three year period. A new binary dependent variable *afforins* was created to measure the transition from affordable rental in wave 1 to rental insecurity in waves 2 or 3. Those who lived in affordable rental in wave one and remained in affordable rental in waves 2 and 3 were coded to zero in the binary variable while those who make a transition from affordable rental in wave 1 to highly rental insecure in wave 2 and 3 were coded to 1. In the next model, the reverse transition from highly insecure to affordable rental is discussed. The starting or origin sample included those who were highly insecure in their rental in wave 1 and moved into affordable rental status in waves 2 or 3.

For a transition into rental status, the starting origin state or tenure included all individuals who were purchasers in wave 1. A new binary variable *purchre* measured the transition from purchaser status in wave 1 to renter in waves 2 and 3. Purchasers remaining in that state in all three waves were coded to zero and those making a transition in either wave 2 or 3 were coded to 1 when the transition occurred. The same method was used to construct the dependent variable *repurch* for a transition from renter to purchaser status, with a transition from wave 1 to waves 2 and 3 coded as 1 and no transition coded as zero. The transition models were estimated on a pooled dataset within Stata using the *xtlogit* command with random effects based on Gauss-Hermitte quadrature approximation.

In sum, this section has outlined the methodological considerations associated with undertaking an extensive analysis of individuals as the unit of analysis and households as the unit of measurement using HILDA data. The specific measurement of labour and housing insecurity and the approach to statistical analysis that will be applied in the extensive empirical analysis appearing in chapters 5 and 6 was also outlined. More detailed information on sample sizes and data estimation is presented in the empirical chapters 5 and 6.

This extensive approach outlined will allow the demi-regularities between labour and housing insecurity to be identified. However, it can provide only partial insight into this complex relationship because it does not elaborate on the underpinning mechanisms shaping demi-regularities and non-regularities. In the section to follow, I present the intensive case-study method adopted for this research. These case-study findings are written up in chapters 7 and 8.

### **Intensive method**

The primary goal of an intensive analysis within a critical-realist framework is to uncover the causal conditions or ‘mechanisms’ generating events, in this case, the types of working relations leading to episodes of housing insecurity. While a critical-realist approach to intensive analysis is interpretative, or acknowledges the ‘double hermeneutic’ of social inquiry, it departs from some forms of interpretative phenomenology and from a grounded theory that claims to be purely empirically based. Research informed by critical realism assumes that initial theorising is both unavoidable and necessary. Moreover, critical realism does not dismiss the importance of the ‘reasons’ that actors provide for their actions in a casual analysis of events. As Sayer (2000, p.18) argues

While realism shares with interpretive social science the view that social phenomena are concept-dependent and have to be understood, unlike interpretivism it argues that this does not rule out causal explanation, a) because material change in society has to be explained too, and b) because reasons can also be causes, in that they prompt us to do things, think differently, etc. In other words, it poses a wider conception of causation than is customary, in that it does not assume that all causes must be physical.

In the explanatory framework developed in chapter 3 I argued that a critical-realist approach aims, through the use of abductive and retroductive inference, to both elaborate on existing theoretical knowledge and to generate new theoretical insights by seeking to

uncover the contingent relations that can either generate or mitigate the occurrence of an event (Danermark *et al.*, 1997). Integrating these ideas with insights from Bourdieu, I argued that, in order to provide a more complete explanation of how labour insecurity contributes to housing insecurity, it is critical that the security practices of different social agents acting in their social context or 'field' be uncovered. These security practices within different social fields shape and are shaped by the cumulative and collective contingent practices within and between households, employers, housing providers and the state. The individual and collective *habitus*, or the dispositions relating to whom we are, how we think and the resources or individual and household capital we have to act in social fields, is cumulatively built from the associations we have had in the past and currently have with others.

One effective intensive method for uncovering causal and contingent relations is to construct detailed biographies of individuals and the household unions they form over time. A biographical approach to uncovering causal mechanisms within work and housing insecurity is considered useful because it enables the temporal ordering of event histories to be reconstructed, as well as gaining an understanding of interviewees' interpretations of these events and the strategies or actions adopted during different stages of their life course. Biographical approaches to studying housing dynamics gained increasing recognition in the late 1990s as a way of identifying potential triggers associated with the movement into and out of homelessness and marginal housing (May, 2000; Anderson, 2000). Two particularly helpful methodological frameworks for understanding the interrelatedness between work and housing over time can be found within the life course paradigm and the housing-pathways approach.

The methods developed within a life-course paradigm emphasise the historical and social embeddedness of age-graded trajectories and the importance of past trajectories on present and future biographical outcomes (Elder, 1995; Heinz, 2002; Rustin, 2000). A particular strength of the life-course paradigm to research is the development of retrospective and prospective methods for studying the interrelatedness of biographical events over time.

The life-course principle of *loose coupling*, in which socially constructed transitions and events correspond with particular age or life-span markers, such as leaving school and first independent job, or leaving the parental home, is useful for interrogating the way in which individual biographies have a socially timed structure. The concept of *linked lives* or the interrelatedness of our lives with others is a further means of interpreting the way individual stories are related to the broader ‘social space’ that households occupy.

A further key life-course principle of *cumulative continuity*, in which consequences, events, choices and actions across the life course are shaped by those from an earlier stage, is useful for guiding questions that seek to understand causal ordering and the cumulative implications across time (Riley, 1998). For instance, does the loss of work or housing provide a downward ‘turning point’ and how do the strategies adopted by households to ‘get by’ build on or counteract these consequences? The idea of cumulative continuity is useful in trying to uncover how individual and collective household habitus is formed over time and how the different types of capital – economic, social and cultural – are linked to a conditioning of past and future orientations.

The housing pathways perspective somewhat mirrors many of the core ideas articulated in the life-course paradigm. However, it has been developed in a context of understanding subjective meaning of temporality in housing. Building on the life-course perspective and the notion of housing careers, *housing pathways* as a methodological framework links housing mobility to the potential triggers in other life domains associated with movement into and out of different housing states (Anderson, 2000). More recently, Clapham (2005) has sought to locate the housing-pathways approach within a broader analytical project incorporating ideas from Sayer’s weak social constructionism, Giddens’ structuration theory and relational power. He defines a housing pathway as the

... patterns of interaction (practices) concerning house and home, over time and space ... the concept of a pathway is offered as a way of ordering the housing field in a way that foregrounds the meanings held by households and the interactions that shape housing practices as well as emphasising the dynamic nature of housing experience and its interrelatedness with other aspects of household life (Clapham, 2005, p. 27).



As mentioned in the discussion on definitions of housing security in Chapter 2, the pathways approach refined by Clapham (2005) is complementary to the traditional housing career or 'housing ladder' perspective because it recognises the importance of dynamic aspects of housing transitions and events. However, a significant point of departure of the pathways approach from the traditional housing-career perspective is the emphasis placed on the social construction of housing consumption identities. The need to understand the subjective meanings that households attach to security in their work and housing and how they shape the different strategies or practices is an important insight from the pathways perspective.

The concepts emerging from both the life-course and housing-pathways perspectives inform the development of the formalised interview schedule and provided a guide for the unstructured questions emerging throughout the course of the interviews. In particular, the frameworks helped to maintain a focus on clarifying how events were linked by seeking information on their cumulative timing and connection with others in their lives. Both the life-course paradigm and housing-pathways perspective, along with the explanatory framework presented in Chapter 3 have provided a guide for the final write-up and interpretation of the intensive case studies.

### ***Recruitment and conducting the interviews***

Eleven interviews were undertaken for the intensive component of the study. Of the eleven interviewees, six lived in a single-person or separated household while five were living in a couple household at the time of the interview. Both members were interviewed in one of the couple households. Although the focus of the interviews was on the shared and divergent trajectories and practices of all members within the household, interviewing all household members was not always possible, especially amongst those recruited via and interviewed at welfare services. In interviews undertaken with one member of couple households, employment and housing information was collected on their partners also.

The recruitment of interview participants involved a purposive sampling strategy based on selecting those who were currently experiencing or had previous episodes of insecurity in their housing and/or work or both (Minichiello *et al.*, 1995). The working definition of housing insecurity developed to guide the research was included in the background explanatory statement (see Appendix 7) and was also used in initial discussions with potential interviewees to determine their suitability for the study. There is potential for 'contamination' using this recruitment process because participants were made aware that the focus of the study was to examine connections between their work and housing security. However, this approach was considered most appropriate because the research task was to develop detailed explanation around the specific events of insecure employment and/or housing insecurity rather than an exploratory study covering unprompted or general perceptions of work or housing.

Participants for the interviews were recruited via a snowball method through word of mouth and also by approaching a number of agencies providing financial counselling services and other welfare services. The study was promoted through a large social services network email distribution list, which is an information-sharing resource for a number of major welfare agencies. The Brotherhood of St Laurence (BSL), a large non-government welfare agency, expressed interest in the study and agreed to assist with the recruitment of potential participants by displaying posters and handing out explanatory statements about the study to clients who met the broad study selection criteria.

I attended staff meetings to further promote the study and presented preliminary findings from the research at their lunchtime seminars. A total of four clients from the BSL were interviewed onsite at the service. The interviews were organised through support workers, who arranged appointment times based on mutually agreed dates. Rooms were made available to conduct the interviews in private.

The study was also promoted through my own immediate and extended networks to increase sample numbers and to obtain households experiencing diverse work and housing histories. Again a snowball method was used, requesting that the explanatory

statement be passed onto people considered suitable to be interviewed and who met the study criteria. Permission to follow up potential interviewees who expressed an interest in participating through the relevant contact persons was sought, or they were invited to contact me directly if that was preferable. Once contact was made, a suitable date and time for the interview was organised over the phone. A further seven people were recruited and interviewed using this second snowball approach. These interviews were conducted in a number of settings based on the preferences of participants, including private homes and cafes.

### ***Conducting the interviews***

Ethics approval was sought and granted from the RMIT Ethics Committee before commencing the interviews. Informed consent from all participants was also obtained before conducting the interviews. Two signed copies of the consent form were made; one for the participant to keep and the other for my own records (see Appendix 7). Following permission from participants, all interviews were audio-recorded. The duration of the formal interviews lasted between 1 ½ and 2 ½ hours. Participants were paid \$25 in recognition of their time contribution and to cover any travel expenses incurred. Some participants continued to talk informally about their experiences after taping had ceased and notes were made. In some cases there were also informal discussions leading up to the interviews.

The biographical approach adopted for the interviews combines the use of life history calendars that were used to collect structured information on employment and housing histories with more open-ended discussion around particular housing security events. This open-ended approach is based on what Flick (2009) describes as ‘episodic narratives’ that focus on a sequence of events relating to a specific experience, in this case insecurity in work and housing.

Life-history calendars are a common and effective research tool used in life-course research (Axinn *et al.*, 1999; Parry *et al.*, 1999) and were used to assist with recall. The calendars traced each move in employment and housing and documented work experiences, including the type of employment contract, periods of being out of work and living arrangements. While the final interview schedule was semi-structured, seeking dates and times of different transitions in employment and housing as well as demographic details, questioning was flexible in order to enable a more detailed exploration of 'episodic narratives' of insecurity (see Appendix 8 for the interview schedule).

The interviews commenced with questions about the interviewees' current work and housing situation. When I was satisfied that I understood their current housing and employment situation, some of which was also referenced to past experiences, I then used housing and work calendars to trace the sequence of both work and housing events and the way in which these events intersected. Changes in household composition were also noted.

Throughout the interviews the use of calendars proved to be very helpful for recalling and documenting each move and allowing both myself and the interviewees to cross-check gaps emerging in dates. Some interviewees provided their resumés in order to help document their employment history. In this way the task became a collaborative process where we were able to work back and forward across different periods of time to reconstruct both their work and housing histories. Housing histories commenced from the first move into independent housing or the move out of the parental/guardian home through to their current housing situation.

The same method for those living in a couple household when only one member was interviewed was used to collect details of partners' employment and housing history. While such an approach is less accurate than speaking to the person directly, interviewees were able to provide quite detailed information on the broad patterns of their partner's work history, the types of employment contracts that they were in, and how major events in their partner's employment shaped their joint housing trajectory. Through the process

of documenting housing and work pathways alongside each other, it became apparent how housing and employment were connected over time. Participants often commented on this connection and used different houses they lived in to help remember their employment and vice versa.

Once detailed employment and housing histories were obtained, they were used as prompts for open-ended questions or ‘episodic narratives’ about experiences of both security and insecurity in housing and the ways in which their employment influenced these experiences. This approach also helped to uncover the processes and conditions shaping work and housing experiences. Through this more open-ended exploration I was also able to gain insight into the practices that households used to negotiate both work and housing. The initial questions relating to episodic narratives of security and insecurity in work and housing were open-ended and care was taken throughout the stories told by interviewees to keep questions and prompts as open as possible and avoid the use of leading questions.

There were times in the interviews when it was necessary to use direct questioning to clarify the types of working and housing arrangements, for instance, whether the type of employment engaged in or applied for was permanent, so that I could gain insight into different work experiences and conditions. There were also more direct questions about whether or not interviewees felt insecure in different types of working and non-working arrangements, rather than a more open or general question asking, “How do you feel at work”? Again these types of questions were considered necessary to try to uncover in more specific detail the causes relating to insecurity in their work and housing relations.

### ***Write-up and analysis of case studies***

Recorded interviews were fully transcribed and analysed in two main stages. The first stage of the analysis involved the documentation of work and housing for each interview in order to present as accurately as possible the ‘factual’ chronology of event histories across individual and household biographies. This method follows a modified version of

Rosenthal and Fischer-Rosenthal's biographic-interpretive method where biographic events are reconstructed along a chronological time frame (cited in Wengraf, 2001).

Eight case studies were selected for inclusion in the final thesis chapters. As the case studies are written up as whole employment and housing histories, the final eight were selected to enable a more intensive discussion of the different causal and mitigating mechanisms. Each case study was selected because they differ with respect to housing tenure, ages and working arrangements. These eight case studies are presented in chapters 7 and 8. Each case study is initially presented as a whole story based on the ordering and sequence of events with minimal additional interpretative analysis.

Written case studies were emailed to four participants who expressed an interest in reading their story. In some situations follow-up contact was made difficult by the insecure housing conditions and my reluctance to send personal information in the mail to those living in unstable housing. For those reading their case studies, there were no direct changes to the overall content of the interviews. Feedback from participants who were sent their story mainly related to their personal reflections on what it was like to see their own history on paper. Further, changes were made to the stories after participants had read them. However, these were mainly of an editorial nature to reduce word length rather than to alter the overall essence or facts of the case studies.

The second stage involved a narrative analysis of spoken and thematic content relating to experiences of insecurity in both work and housing. While this process follows the approach of thematic analysis of “ ‘what is said’ rather than ‘how’, ‘to whom’, or ‘for what purposes’ ” (Riessman, 2008, pp.53-54), the main emphasis was on identifying interrelated and dynamic processes relating to each household case. The aim of the analysis was not to aggregate overall themes common to a number of interviewees but to identify potential contingent relations where labour insecurity does and does not contribute to housing insecurity at the level of each case history. This ‘case-centred commitment’, Riessman (2008, p.53) claims, is the key difference between a narrative approach to thematic analysis and that of grounded theory.

The interviews were also analysed according to their conversational 'structure' in order to identify narrative sequences within the text. Throughout the analysis whole text segments have been used in order to maintain richness of interview dialogue. This approach differs from other forms of thematic analysis in which the text is extracted out of the conversational context and fragmented into smaller components around a single concept or theme.

Distinct from grounded-theory, the narrative method applied combined with critical-realist ontology is both theory determined and theory generating. It is theory determined because the five propositions developed in the explanatory chapter provide an initial framework for analysing interviews. It is theory generating because the propositions are not only tested deductively but also expanded on retroductively to provide case-specific explanations. Each interview was initially analysed for demi-regularities linking insecurity or unpredictability in work with housing outcomes over the entire life course. From these demi-regularities I was able to draw out both the causal and mitigating conditions associated with housing insecurity and security. The interviews were interrogated for instances when insecurity in work did and did not directly cause housing insecurity.

The interviews were further analysed to gain insight into the reasons why individuals became insecure in their work including scrutinising the evidence for exploitative and discriminatory practices amongst employers and housing providers and how this interacted with interviewees' own capacities or habitus and cumulative collective capital. I looked for evidence of precautionary practices across different types of tenures and the impact these practices had on housing security. Interviews were analysed according to the different types of practices households used to try to remain secure in their work and housing.

## **Conclusion**

This chapter presented the mixed-methods research design that combines analysis of the HILDA survey with biographical case studies. The two extensive and intensive methods are viewed as complementary within critical-realist ontology of causation. The HILDA survey was selected for its representation of Australian households and the capacity to understand dynamics of labour and housing security and insecurity over time. This chapter outlined the way in which housing has been measured within a household typology of housing security framework as well as individual and household typologies for labour insecurity.

The measures defined in this chapter will be applied in both the descriptive and the regression analysis in order to test the relationship between labour and housing insecurity. The static and dynamic approach to modelling, including logistic and multinomial regression with random-effects, was also described. A key strength of a random-effects model is the capacity to statistically control for repeated observations amongst individuals and therefore minimise problems of serial correlation and unobserved heterogeneity.

The demi-regularities observed in the extensive analysis will be further interrogated through intensive biographical interviews. The chapter identified the method of recruiting, undertaking and analysing the interviews. The intensive method outlined, also longitudinal in design, allows for the socially situated and contingent security practices of individuals, households, employers, housing providers and state agents to be analysed. The use of critical-realist ontology combined with the empirical approach set out within the life-course paradigm and housing-pathways perspective provide an interpretative framework for understanding the mechanisms underpinning causes of housing insecurity over the course of employment and housing histories.

The chapter to follow presents the extensive descriptive analysis of housing insecurity according the various measures defined in this chapter. This is followed by statistical modelling of the association between labour and housing insecurity in Chapter 6. Chapter



7 and 8 present the findings from an intensive analysis of the labour and housing histories of eight households.

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<sup>27</sup> Households are defined as living in housing stress if their housing costs exceed more than 30 per cent of their equivalised household disposable income and they are in the bottom two income quintiles. Equivalised income is derived from the modified OECD equivalence scale that weights disposable income according to household composition. The scale is used to take into account the additional expenditure requirements of larger households. Individuals with reported zero or negative income were excluded from equivalised income calculations. Remaining values in the first income decile were retained. Whilst the first income decile is sometimes excluded based on the assumption of errors in reported income, Yates & Gabriel (2006, p. 17) identify that over 80 per cent in the first decile receive income support. Exclusion of this group is therefore likely to exclude those who experience real deprivation in their housing. However, there will be some degree of measurement error in housing stress from including the first decile, as income may be sourced through means additional to stated income.



## Chapter 5

### **Describing the work and housing relationship**

Chapter 4 discussed the extensive and intensive methods used for answering the primary research question of how labour insecurity contributes to housing insecurity during a market-dominant regime of security. This next chapter presents findings from the first stage extensive analysis describing the demi-regularities between labour and housing insecurity using HILDA data. Drawing on HILDA data from 2001-2003, the chapter aims to provide a snapshot of how the security of household employment is descriptively related to housing security outcomes amongst different household groups in the second decade of the market-dominant regime of security.

In Chapter 3, two causally contingent processes for how insecure work may contribute to housing insecurity in the Australian context were proposed. First, it was proposed that ‘insecurity in employment’ and ‘income insecurity’ contribute to ‘insecurity in tenure’ by threatening the predictability and amount of earnings available to meet housing costs. This proposition builds on existing research emphasising the links between unpredictable earnings, including the growth in non-standard employment, and housing insecurity (Forrest & Kennett, 1997; Ford & Wilcox, 1998; Burrows & Ford, 1998; Clark & Whithers, 1999; Perrons, 2000; Croft, 2001; Böheim & Taylor, 2002; Horsewood & Doling, 2004).

Second, it was proposed that ‘insecurity in employment’ and ‘income insecurity’ contribute to ‘access insecurity’ in housing via the precautionary practices of households and other actors. This perspective builds on Benito’s (2006) research on the links between income uncertainty and precautionary household consumption of durable goods. However, in the current context is applied to the potential connection between non-standard work and housing insecurity.

These two processes through which labour insecurity contributes to housing insecurity were argued to be causally contingent on household and state practices across time and space. Contingency within households was viewed through the concept of practices or strategic household action shaped by unequal amounts of household capital including the division of labour within the household, and timing and location of housing decisions. This social context was argued to be influenced by particular security regimes reflecting dominant institutional arrangements in the regulation of market relations, including the strategies used by employers to maintain their security interests.

In beginning to test these propositions empirically, the aim of this chapter is to first describe the relationship between work and housing security using the HILDA survey. A descriptive analysis of demi-regularities of labour and housing insecurity gives insight into potential tendencies and also helps to determine what relationships need further explanation in the modelling and in an intensive analysis of housing insecurity in the chapters to follow. Chapter 4 outlined how labour and housing insecurity will be measured and analysed empirically. Concentrating on the measures of employment developed and how they are distributed across the household typology of housing security, this chapter responds to three main questions:

- How prevalent is housing insecurity in Australia based on the initial year of the HILDA survey?
- What are the descriptive demi-regularities between the security of household employment and housing security position?
- What are the potential contributing and mitigating household conditions that may help to explain observed differences in housing insecurity amongst households with different types of household employment?

This descriptive chapter answers the above questions in three sections. First, an initial overview from the first wave of HILDA data on the prevalence of housing insecurity drawing on the household typology of housing security is presented. A cross-section of the first year of 2001 was selected for the initial baseline analysis because it corresponds with the year of census data, which will enable population-wide comparisons to be made on weighted estimates from the HILDA survey. Moreover, the initial analysis of the

prevalence of insecurity is restricted to a cross-section of the first year of HILDA because sample attrition is non-random and biased towards lower-income households, which could skew overall estimations of housing insecurity.

Following the initial baseline, the second section analyses a three year panel from 2001-2003. The section commences with a broad analysis of the employment profile of renters and purchasers and explores the tendency of different employment groups to occupy either rental or purchased housing. This analysis is followed by a more detailed profiling of the household employment of different groups within the household housing security typology. In the third section, the likelihood of experiencing housing insecurity amongst those who are living in *job-seeking, unattached, non-permanent, self-employed, and permanent households* is explored in more detail, including an analysis of the potential mitigating conditions amongst these household employment groups.

The period for which the data are analysed is important historically because it corresponds with a 'boom' in Australian labour and housing-market activity where housing prices appreciated at a rapid pace in line with strong economic growth and labour productivity. In earlier chapters, I argued that high levels of housing insecurity have been linked with periods of economic decline and recession – mostly as a consequence of rising levels of unemployment. In this chapter it is revealed that during the 2001-2003 period of rapid house-price growth, housing insecurity was highly prevalent amongst working households, suggesting that a new structural relationship between employment participation and housing insecurity has emerged. There is also a new group of more highly educated purchasers who were found to be insecure. However, their insecurity is more suggestive of changes within their own household structure and from higher than average housing costs than from insecurity in employment.

### **The prevalence of housing insecurity and security in Australia**

This section addresses the first question: *What is the prevalence of housing insecurity-security based on the first year of the HILDA survey?* The analysis uses the household

typology of housing security introduced in chapters 2 and 4 as a framework for providing a tenorial overview of the Australian population. In Australia, whilst the proportion of outright owners to purchasers has fluctuated, the overall rate of home ownership has oscillated around 69-70 per cent over the past 40 years (ABS, 2007) and in 2001 stood at 69.5 according to ABS census data. The persistently high rate of ownership suggests that a large proportion of Australian households are likely to enjoy a high degree of security within their housing, especially amongst older cohorts who are outright owners.

This pattern is confirmed in the analysis of the first year of HILDA based on the household typology of housing security. Weighted and unweighted figures in Table 14 reveal that the majority of individuals are concentrated towards the more secure end of the typology during the 2001 collection period. As shown in Table 14 the weighted home ownership rate of 70 per cent in HILDA closely matches the proportions obtained from the broader census collection for the same period, suggesting a high degree of representiveness within the housing typology. However, the overall trends discussed in Chapter 2 suggest that there is likely to be significant variation in the housing security position of Australian households depending on their stage of life, timing in the market, as well as their position within the labour market.

Focusing on weighted percentages in Table 14, the largest group within the typology are those who own outright (41%) followed by individuals living in secure purchased housing (22%). A respective 11 per cent and 4 per cent of private and social renters are considered secure in their housing. The remaining 13 per cent of the Australian population within rental and 7 per cent within purchased housing are at risk of insecurity or experienced direct difficulties in their housing, posing a direct threat to their security. The most insecure groups amongst the Australian population are the highly insecure renters (4%) and purchasers (1%).

Following the data definition outlined in Chapter 4, the 'highly insecure' are defined according to a low-income to high housing-costs ratio or 'housing stress' threshold combined with housing difficulties threatening security. Individuals considered 'at high

risk' of insecurity were defined as those living in housing stress but who did not report any difficulties with housing.

**Table 14. Household typology of housing security, HILDA 2001**

Housing groups <sup>2</sup>	Unweighted n	%	Weighted <sup>3</sup> n	%
<b>Non-conventional</b>				
Rent free	306	2.6	306,458	2.4
<b>Renters</b>				
Highly insecure	456	3.8	462,743	3.7
Insecure	262	2.2	285,267	2.3
Marginally insecure	80	0.7	87,332	0.7
At high risk	723	6.0	774,451	6.1
Social secure	483	4.0	513,627	4.1
Private secure	1209	10.1	1,393,493	11.0
<b>Home owners</b>				
Purchaser highly insecure	152	1.3	140,752	1.1
Purchaser insecure	138	1.2	142,988	1.1
At high risk	637	5.3	619,561	4.9
Purchaser secure	2659	22.2	2,760,386	21.8
Outright owned	4869	40.7	5,177,855	40.9
Total	11,974	100	12,664,914	100

<sup>1</sup>Source: HILDA Release 3.0 (waves 1 – 3) Confidentialised January 2005

<sup>2</sup> See Chapter 2 and 4 for definitions of housing typology groups

<sup>3</sup> The data have been weighted using the responding person weight for wave 1 (*ahhwtrp*). Statistical weights are applied in order to determine population-wide estimates.

<sup>4</sup>Selecting out children from the dataset as discussed in Chapter 4 reduces the overall unweighted baseline sample size by 1720 from 13,969 to 12,249 individual respondents. A further 275 missing due to missing income.

The threat of not being able to afford housing payments and associated deprivation is especially pronounced for both the highly insecure and the at risk group. As is well documented in the poverty and deprivation literature, people will often sacrifice food and other household expenditure in order to maintain a roof over their heads (Duggan and Sharam, 2004). This is a household strategy that is likely to conceal the ongoing housing threat amongst those within the at-risk group.

A further two per cent of the population within rental accommodation and one per cent in purchased housing were considered 'insecure'. This group do not fall within a housing stress definition and generally have average or above incomes but have missed a payment on their rental or purchased housing. The remaining one per cent of the population was

considered to be ‘marginally insecure’ in their rental. Again this last group do not fall within the low-income affordability threshold but experience insecurity because they have been forced to vacate their tenancy, typically due to the sale of their rental property.

The marginally insecure have been distinguished from other insecure renters because their insecurity predominantly comes from insecure housing relations rather than a direct interaction between insecure labour and housing relations. Subsequent analysis reveals that the marginally insecure move into affordable rental without having to relocate again or move into purchaser status in subsequent waves and their characteristics more closely resemble those of secure renters, confirming that for this group, their ‘insecurity in tenure’ is high but ‘access insecurity’ is low.

The remaining 2.4 per cent of individuals are living rent free or outside conventional housing relations in the 2001 period. In the HILDA survey, living rent free is a category in which all ‘other’ groups who are not renters or home owners are placed. While it is a potential measure of insecurity due to limited legal tenure, individuals living rent free have not been included amongst those measured as ‘insecure’. Analysis of the types of living arrangements suggest that those who live rent free are likely to have varying degrees of security. Specifically, a third of those living rent free resided in a house owned by a relative who was not living at the residence. A further 22 per cent had a life tenure contract, while 19 per cent were living rent free as part of an employment arrangement. The category that is likely to have the highest degree of insecurity is the 14 per cent who were staying with friends or relatives, potentially representing a secondary homelessness group.

### ***Housing insecurity-security amongst renters and purchasers***

The above analysis on the housing security of the total Australian population, including outright owners, is likely to conceal the degree of insecurity amongst those households with recurrent rental or loan repayments. It is recognised that outright owners have housing related expenses, such as rates and home maintenance. However, this thesis is

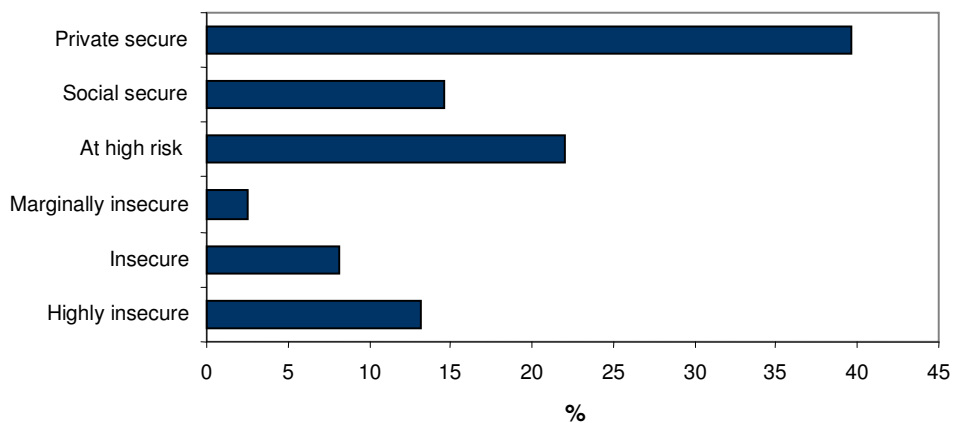


primarily concerned with those who are paying rent or repaying a mortgage because any threat to the security of employment and income is likely to provide a much greater risk to both access insecurity and insecurity in tenure amongst renters and purchasers compared with outright owners. This next section presents an analysis of rental and purchaser security once omitting outright owners and those who are rent free from the analysis.

*Rental security typology*

Focusing specifically on all the rental groups in the typology for the same 2001 period and once omitting outright owners and purchasers from the sample, Figure 3 reveals that just over half (54%) of renters are secure in their rental accommodation. Amongst secure renters, 40 per cent rent privately while a further 14 per cent are social renters. The remaining 46 per cent of renters are either at high risk of insecurity (22%) or experienced direct threats (24%) to their housing security. Specifically, 13 per cent of individuals are defined as being highly insecure in their rental housing, a further 8 per cent insecure and the remaining 3 per cent marginally insecure.

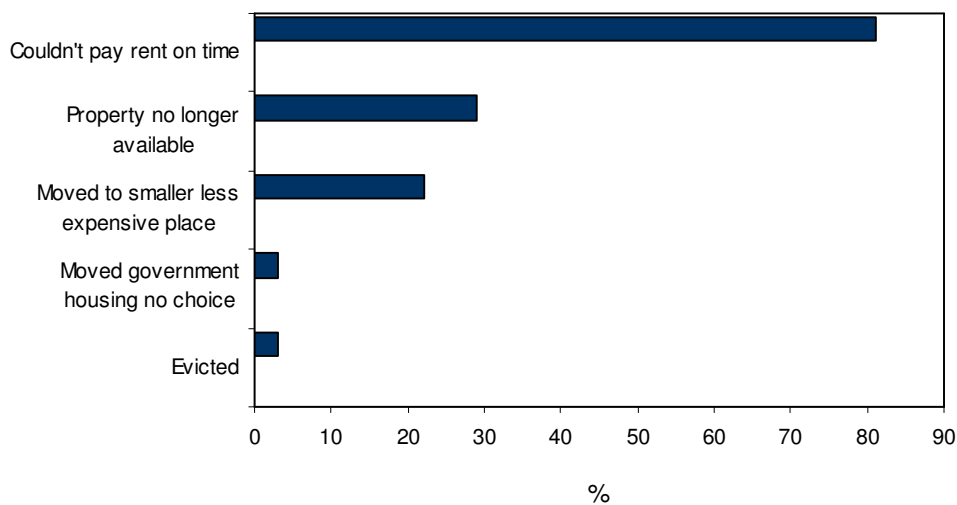
**Figure 3. Comparison of housing security status of renters, HILDA 2001**



Source: HILDA Release 3.0 (waves 1 – 3) Confidentialised January 2005

The main housing difficulties experienced by highly insecure renters are presented in Figure 4. It shows that some highly insecure renters experience more than one difficulty but, for the majority, not being able to meet rental costs during the past twelve months (81%) is the most common housing problem. A further 29 per cent of highly insecure renters are forced to move due to the property no longer being available for rental, while 22 per cent move residence to reduce housing costs (relating to such factors such as sale of the property or the landlord moving into the residence). Insecurity resulting from eviction or being forced to move from government housing is less frequent. The low income of the highly insecure renters means that they will be less able to quickly resolve their housing difficulties compared with other housing groups. In the context of declining housing affordability or increasing price and rent insecurity the highly insecure also face considerable constraints in locating more affordable housing options, or high 'access insecurity' compared with other housing groups.

**Figure 4. Housing difficulties of highly insecure renters, HILDA 2001**



Source: HILDA Release 3.0 (waves 1 – 3) Confidentialised January 2005

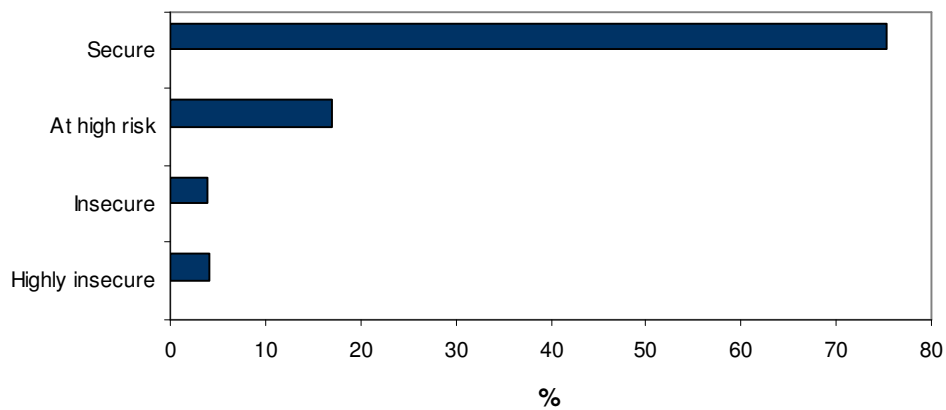
Note insecure renters can report more than one difficulty so the percentages do not add up to 100 per cent

### *Purchaser security typology*

Purchasers are typically more secure in their housing than renters. Figure 5 shows that three-quarters of individual purchasers are secure in 2001. Of the remaining 25 per cent

of purchasers, 17 per cent are considered at high risk of insecurity, 4 per cent are insecure and a further 4 per cent highly insecure.

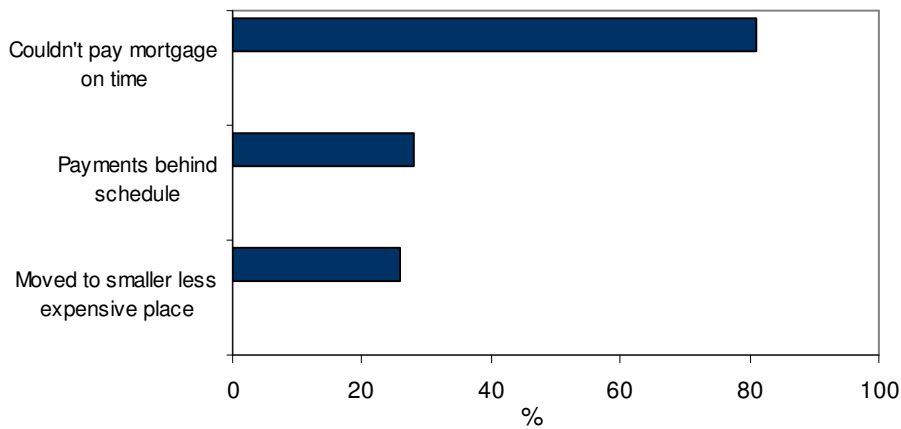
**Figure 5. Comparison of housing security status of purchasers, HILDA 2001**



Source: HILDA Release 3.0 (waves 1 – 3) Confidentialised January 2005

As for renters, Figure 6 shows that 81 per cent of highly insecure purchasers could not meet their mortgage repayments during the past twelve months. A further 28 per cent of highly insecure purchasers reported that they were behind in their mortgage repayment schedule. This contrasts to secure purchasers where the majority (65%) were ahead of their repayment schedule. A further 26 per cent of insecure purchasers decided to relocate to a smaller and less expensive place.

**Figure 6. Housing difficulties of highly insecure purchasers, HILDA 2001**



Source: HILDA Release 3.0 (waves 1 – 3) Confidentialised January 2005

In summary and in answering the first descriptive research question posed for this chapter, the HILDA data show that the majority of Australian households are secure in their housing when examining the prevalence of housing insecurity on a general population basis that includes outright owners. However, when examining renters and purchasing households, it can be concluded that the magnitude of the housing insecurity problem is particularly acute amongst renters where a sizeable proportion can be considered to be either directly insecure or experiencing high risk in their housing. Amongst a renter-only sample, just under half (46%) are defined as either at risk (22%) or experiencing some degree of direct insecurity (24%) in their existing housing according to measures available within HILDA. While on the whole, purchasers are less likely to fall within a definition of insecurity, a quarter of purchasers are either at risk (17%) or experiencing direct insecurity (8%) in their housing.

### **Demi-regularities between labour and housing security**

The univariate analysis in the first section established that housing insecurity was prevalent during the snapshot period of 2001. However, the analysis did not explore the demi-regularities between housing insecurity and employment. In the section to follow I

address the question: *What are the descriptive demi-regularities between the security of household employment and housing security position?* This question is answered by examining both ‘within housing groups’ and ‘within household employment groups’ descriptive associations amongst renters and purchasers. This is followed by more detailed profiling of the household housing security typology groups.

The final sample differs from that in the first section and begins to draw on the panel nature of the data by merging three waves of data to form a pooled cross-section covering the 2001-2003 collection periods. Pooling three waves together increases sample sizes and also allows longitudinal measures of employment to be examined. This pooled dataset also forms the sample used for modelling in Chapter 6. The final dataset is based on a balanced sample so that only individuals responding in all three years are included. A balanced as opposed to an ‘unbalanced’ dataset was preferred because longitudinal weights can be applied to the data.

Given the primary focus on renters and purchasers in this thesis, individuals living in a home that is owned outright in one or more waves were selected out of the final balanced dataset. There are 5441 individuals living in a home that was owned outright during one or more waves. Excluding children (as per the initial baseline analysis) and outright home owners reduces the cross-sectional sample size to 4786 responding persons across three waves. Further, as variables measured at the household level are likely to be important in determining housing outcomes, only households where all *in scope* members responded to the survey are included in the sample. The final balanced sample is further reduced to 4336 responding individuals in each of the three waves.

A common method for analysing panel data is to reshape the dataset into a long or pooled cross-section in which each wave for an individual appears underneath one another in the dataset to form an expanded sample of observations rather than individual cases. Using the balanced wide panel file of 4336 individuals, the total sample number in the balanced pooled cross-section was transformed to 13,008 observations or cases (4336 x 3). The longitudinal respondent weight *clnwtrp* was applied to the data to enable broader generalisations to be made to the Australian population.

In answering the first the question on the demi-regularities between housing and employment, the employment profile of renters and purchasers is firstly explored. This is followed by an analysis of the housing tenure *within* employment groups that can establish whether there is a descriptive tendency for more insecure households to be concentrated in rental housing. A more detailed profiling of each group identified in the household typology of housing security will follow this initial overview of the employment position of renters and purchasers.

### ***Tenurial polarisation in household employment***

Describing the distribution of household employment amongst renters and purchasers is an important first step in identifying and understanding the generative and mitigating conditions in the relationship between labour and housing insecurity. The socio-tenurial polarisation thesis postulates that rental and purchased housing is becoming polarised according to income and skills (Winter and Stone, 1998). However, there has been limited exploration of how polarisation may be occurring amongst renters and purchasers based on the presence or absence of work and also the nature of the security of employment within the household. For the current study, such analysis can begin to test the proposition that ‘insecurity in employment’ and ‘income insecurity’ generate precautionary practices constraining access to home ownership.

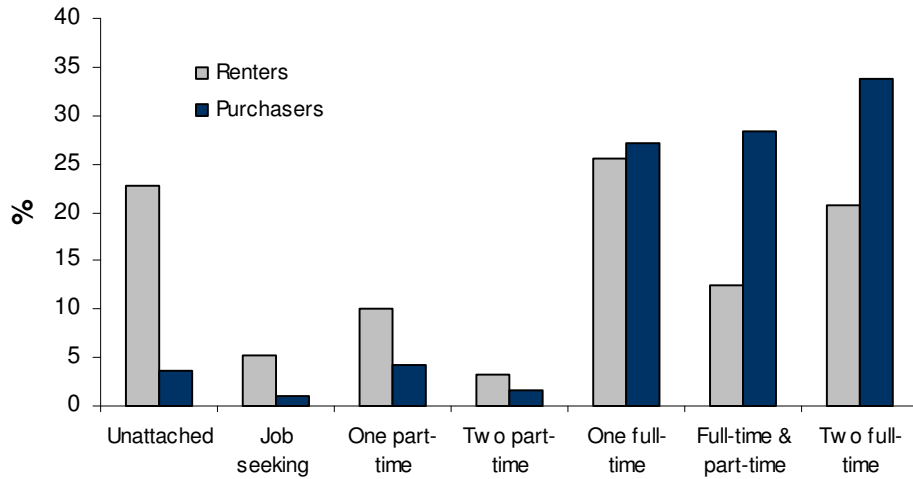
The analysis of polarisation amongst renters and purchasers in this section draws on the two household employment typologies introduced in Chapter 4. The first measure of employment examined is the household typology of employment composition, which to recapitulate, includes households with no employed members to those with at least two members employed on a full-time basis. Households with no employed members are distinguished as either *job-seeking* or *unattached*. Job-seeking households differ from the unattached because they have one or more members looking for work but no other employed members in the household, whereas with the unattached, all members are out of the labour force.

The second measure, the household typology of employment security, is classified according to different contract arrangements within the household and is condensed into five broad groups including: the unattached, job-seeking, non-permanent, self-employed and permanent households. Classification of unattached and job seeking households follow the same criteria as stated above. *Non-permanent* households are comprised of those with one or more members employed on a casual or fixed-term contract as well as those with one member who is self-employed and the other is in non-permanent employment. The *self-employed* has no waged employment in their household, while the *permanent* household has at least one member in permanent employment.

This initial exploration reveals that there are marked disparities in the tenure profiles according to both the numbers of hours worked and the security of employment within households. The distribution of renters and purchasers according to the two household employment typologies is illustrated in figures 7 and 8 (see Appendix 3 for more detailed figures and cross-tabulations). First, as illustrated in Figure 7, the employment profile of purchasers is mainly comprised of households with at least one member in full-time employment (89%). Of these, nearly two-thirds live in a dual earning full-time (34%) or a full-time and part-time (28%) household. While renters have comparable proportions of single full-time earners, there is an under-representation of dual-earning full-time (21%) and full and part-time (12%) households. At the same time, there is an over-representation of renters with no employed members in their household, the majority of whom are unattached (23%) followed by job seeking (5%). Renters also have higher proportions of households with one member employed on a part-time basis (10%) compared to purchasers (4%).

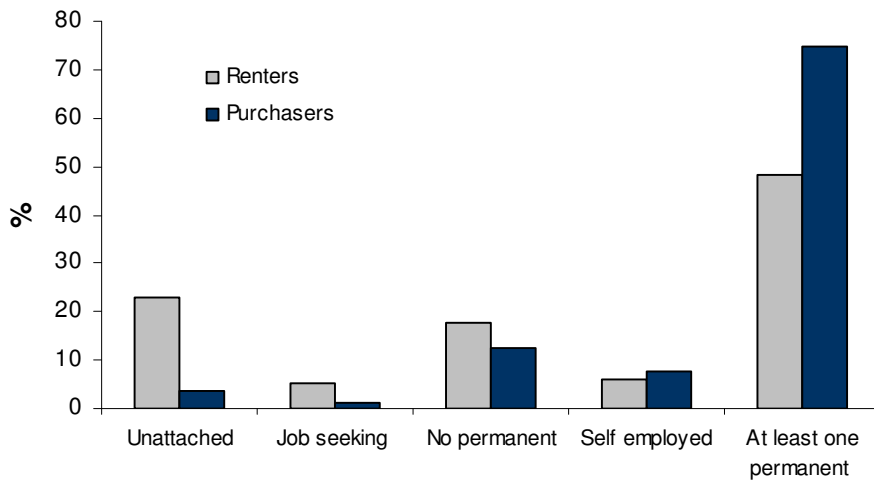
Renters, as shown in Figure 8, tend to live in households where the overall employment position is less secure than that of purchasers. Comparing the employment profile of renters and purchasers according to the household typology of employment security reveals that three-quarters (75%) of purchasers have at least one permanent member in their household, a difference of 27 percentage points from renters (48%). There is, however, a slightly higher proportion of purchasers relying totally on self-employment (8%) compared with renters (6%).

**Figure 7. Household employment composition of renters and purchasers (row %), HILDA 2001-2003**



Source: HILDA Release 3.0 (waves 1 – 3) Confidentialised January 2005

**Figure 8. Security of household employment of renters and purchasers (row %), HILDA 2001-2003**



Source: HILDA Release 3.0 (waves 1 – 3) Confidentialised January 2005

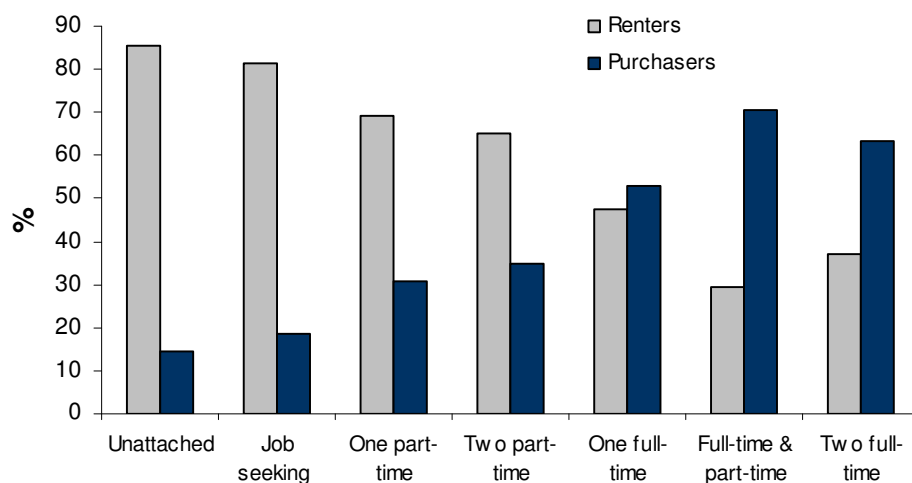
The overall employment profile reveals that renters have higher concentrations of households who are both insecure in employment and income insecure compared with



purchasers. However, the tendency for polarisation to be occurring between tenures according to overall household employment security can be best determined by examining the housing tenure status *within* household employment groups. Tenure status according to the two typologies of household employment composition and household employment security is illustrated in figures 9 and 10 respectively.

Figures 9 and 10 clearly indicate patterns of tenurial polarisation occurring amongst household employment groups. In Figure 9 it is shown that the overwhelming majority of unattached (86%) or job-seeking (81%) households (who do not own their home outright) reside in rental tenures. Households with only one member relying on part-time employment are more than twice as likely to be renting (69.1%) than purchasing (30.9%). Conversely, those with two or more full-time earners are twice as likely to be purchasing (63.1%) than renting (36.9%). In Figure 10 it is shown that those with one or more permanent members in their household are more likely to occupy purchased (62%) compared to rental (38%) housing. Those relying primarily on self employment have a slightly higher proportion who are purchasing (57%) compared to renting (43%).

**Figure 9. Tenure of household employment composition groups (column %), HILDA 2001-2003**



Source: HILDA Release 3.0 (waves 1 – 3) Confidentialised January 2005

**Figure 10. Tenure of household security employment groups (column %), HILDA 2001-2003**



Source: HILDA Release 3.0 (waves 1 – 3) Confidentialised January 2005

The combined analysis of ‘within’ tenure and ‘within’ employment demi-regularities suggests that more insecure households are occupying the more insecure segment of the housing market. While there is some descriptive evidence that tenurial polarisation is occurring according to both the hours of and the security of work within households, this analysis does not allow for direct causal inferences as to whether labour insecurity is contributing to this polarisation. As the relationship between work and housing is multi-directional it may be that purchasers have a greater imperative to seek more hours and secure employment. The demi-regularities between non-permanent employment and renting point to the possibility of ‘precautionary practices’ delaying access to home ownership among households and/or lending institutions. However, it is again too preliminary to draw any direct causal inferences and this extensive relationship will be explored further in the empirical chapters to follow.

In the next section I return to an analysis of the household typology of housing security in order to build a more detailed descriptive profile of the association between household employment and housing security. While higher concentrations of more insecure forms of employment and non participation in the labour market were found amongst renters

compared with purchasers, the next section reveals that there is considerable heterogeneity within each tenure group according to their overall employment and housing security profiles. The findings of the analysis of different housing groups in the household housing security typology suggest that as the employment composition becomes more secure so does the housing position of the household. Individuals who are secure in their rental and purchased housing report the highest share of dual earners in full-time and permanent employment within their household.

### ***A profile of rental security groups***

Commencing with renters, each group appearing in the household typology of housing security from the highly insecure through to privately secure renters will be examined according to their overall household employment profile, as well as other selected demographic characteristics. This analysis allows for more detailed understanding of insecurity and security amongst both renters and purchasers. Following this discussion a similar analysis will be presented for purchasers.

The main characteristics of each rental group are summarised in Tables 15 and 16 to provide an initial comparative profile across the rental typology. Table 15 presents the most frequent types of household employment found amongst each housing group. The table shows whether the frequency of employment for each rental group occurs above or below the rate of employment found in the general population of all renters (for more detailed figures and cross-tabulations see Appendix 3).

The next summary Table 16, provides a snapshot of selected characteristics of each housing group. Key demographic characteristics have been ranked according to the frequency of occurrence for each housing group, ranging from *very high frequency* to *very low frequency* based on a deviation from the percentage score of the characteristics for secure renters, who are in turn referenced against the highly insecure using a similar ranking scale. Frequency differences of 20 per cent or higher on the characteristics of each housing group have been classified as either *very high* or *very low frequency*

depending on whether they were above or below percentage scores for secure renters. Frequency differences below 20 per cent are defined as *frequent* if higher than secure and *low frequency* if less than secure renters. In this way the table compares each housing group according to their most commonly and least commonly observed characteristics (for more detailed cross-tabulations see Appendix 4).

**Table 15. Renter security typology: Household employment profile, HILDA 2001-2003**

Highly Insecure	%	Insecure	%	Marginally Insecure	%	At risk	%	Social Secure	%	Private Secure*	
<b>Above average frequency of all renters</b>											
Non-permanent	28	Permanent	64	Permanent	81	Unattached	35	Unattached	58	Permanent	74
Unattached	27	One f/time	37	Two-f/time	46	Non-permanent	21	One pt/time	11	Two-f/time	36
One pt/time	19	Two f/time	29	One f/time	30	One pt/time	14	Job-seeking	7	One f/time	32
Job-seeking	11	Non-permanent	21	F& pt/time	15	Job-seeking	9			F& pt/time	18
Self-employed	10	F & pt/time	17			Self-employed	8				
		Self-employed	10			Two pt/time	5				
		Two p/time	3								
<b>Below average frequency of all renters</b>											
Permanent	24	One pt/time	9	Non-permanent	10	Permanent	27	Permanent	19	Non-permanent	15
One f/time	22	Unattached	3	Self-employed	5	One f/time	22	Non-permanent	13	Self-employed	5
F & pt/time	9	Job-seeking	1	One pt/time	3	F& pt/time	9	One f/time	12	Unattached	5
Two f/time	8			Unattached	4	Two f/time	5	Two f/time	5	One pt/time	5
Two pt/time	4			Two pt/time	1			F& pt/time	4	Two pt/time	2
				Job-seeking	0			Two pt/time	3	Job-seeking	2
								Self employed	3		

Percentages shown in the table do not add up to 100 per cent  
 Source: HILDA Release 3.0 (waves 1 – 3) Confidentialised January 2005

**Table 16. Renter security typology: Individual and household characteristics, HILDA 2001-2003**

Highly Insecure	Insecure	Marginally Insecure	At risk	Social Secure	Private Secure*
<b>Very high frequency</b>					
Episodic participation Full exclusion Casual contract Income support Couldn't raise \$2000		Continuous participation	Full exclusion Casual contract Income support	Full exclusion Casual contract Income support Couldn't raise \$2000 Long term health condition	Continuous participation Degree
<b>High frequency</b>					
Couple & lone family with depend children Long term health condition	Casual contract Income support Couldn't raise \$2000	Degree Couple without children	Couldn't raise \$2000 Episodic participation Couple & lone family with depend children	Lone family with depend children	Couple without children
<b>Low frequency</b>					
	Degree	Episodic participation Couple & lone family with depend children Long term health condition	Discrete participation Couple without children	Discrete participation Couple without children	Episodic participation Couple & lone family with depend children Long term health condition
<b>Very low frequency</b>					
Degree Continuous participation		Full exclusion Casual contract Income support Couldn't raise \$2000	Degree Continuous participation Age profile	Degree Continuous participation	Full exclusion Casual contract Income support Couldn't raise \$2000
<b>Typical age profile</b>					
Late 30s	Mid 30s	Mid 30s	Early 40s	Mid 50s	Late 30s
<b>Average income \$</b>					
1223	2801	3168	1174	1315	3285
<b>Average rent \$</b>					
654	772	994	711	368	844

Source: HILDA Release 3.0 (waves 1 – 3) Confidentialised January 2005

### *The highly insecure*

The employment profile of the highly insecure renter is characterised by both labour market exclusion and insecurity, with above average proportions living in non-permanent (28%), single part-time (19%), job-seeking (11%) and unattached (27%) households. The rate of casual employment (55%) is especially prevalent amongst the highly insecure. Periods of both episodic participation (36%) and full exclusion (30%) are common while continuous employment (19%) is very low. Highly insecure renters typically have lower levels of education, suggesting that employment insecurity is likely to be concentrated in lower-skilled occupations. A significant majority are reliant on income support (57%) and have little to fall back on at a time of need, with half reporting being unable to raise \$2000.

As a group they are typically in their late thirties and have higher than average proportions of couple and lone-parent families with dependent children and they pay around half of their low income on housing. This combined security profile suggests strong labour-market and income-security influences on housing outcomes. Based on this profile, housing insecurity is likely to be more enduring than a one-off episode of missed payments.

### *The insecure*

In the housing typology presented in Chapter 2, the *insecure* were conceptualised as generally moderate to higher-income earners who had missed a payment on their housing. The empirical classification for renters suggests, however, that the profile of this group more closely resembles moderate-income earners or ‘middle Australia’ who, for whatever reason, have fallen behind in their rent. While their average monthly income differs from the highly insecure by \$1600, it is still around \$500 a month below that of secure renters. As a group insecure renters tend to be younger than other renters by around two years and live in a mix of different household types. The insecure are the

most likely to have single full-time earners (37%) in their household compared with other groups.

While they tend to be more educated than the highly insecure, the proportion with a degree (16%) is still half that of secure renters suggesting that a higher concentration work in lower-paid and less skilled industries and/or are currently studying. While nearly two thirds live in permanently employed (64%) households, they have above-average proportions solely reliant on self (10%) and non-permanent (21%) employment. They also have disproportionately high levels of individual casual employment (30%). This profile suggests that labour-market factors including both the amount and the stability of incomes could be influential in shaping housing security. However, unlike the circumstances of the highly insecure, an overall higher income and capacity to raise additional funds at a time of need means that they are in a better position to maintain existing or locate alternative housing, and thus have lower levels of access insecurity.

#### *Marginally insecure*

The profile of the *marginally insecure* closely resembles private secure renters on all indicators apart from involuntary mobility. On the whole their labour-market position can be described as secure. They tend to have higher levels of education with over a quarter having attained a degree (28%). High levels of continuous employment (61%) and permanent employment (81%) match private secure renters and the overwhelming majority have a member employed on a full-time basis in their household (91%), of which 46% have two full-time earners and 15% have full-time and part-time. Conversely, individual casual, episodic and discrete periods of non-participation, and receipt of income support are infrequent compared with other groups.

Although they have a slightly lower income and higher housing costs compared with secure private renters, their housing based on an average income-to-housing cost ratio is considered affordable. They typically live in lone-person or couple households without children; although a quarter live in a couple household with children. There are very low

proportions of lone parent households (4%) in this group. The profile of the marginally insecure is consistent with the housing typology conceptualisation of insecurity emerging from landlord-initiated action over insecurity in the labour market.

### *Renters at high risk*

Renters at high risk share a similar low-income profile to the highly insecure. However, there are some differences that may provide insight into why this group has managed to meet housing payments and not fall into arrears or be forced to relocate. Renters at high risk and the highly insecure have respective proportions of individual casual employment of 48 per cent and 55 per cent, considerably above the frequency of all other groups. However, renters at high risk are less likely to live in households where there is no permanent employment at all (21%) compared to the highly insecure (28%). This suggests that employment of other members in the household could be mitigating insecurity in employment from one member. Renters at high risk are also more likely to live in households with all members unattached (35%) from the labour market compared with the highly insecure (27%), potentially indicating that their incomes could be less susceptible to volatility.

While incomes are lower and housing costs are slightly higher renters at risk are on average five years older than the highly insecure. When compared with the highly insecure, there are lower proportions of both couple and lone parent households with dependent children. They also appear to have more resources or networks to rely on, as indicated by the much lower proportions reporting that they would have difficulty raising \$2000 at a time of need. Compared with the highly insecure, the at-risk group are 12 per cent less likely to be born in Australia. Differences in insecurity in housing could potentially reflect cultural differences in household management of finances, or differences associated with income pooling and cohabitation amongst households with Australian and non-Australian-born members.



### *Socially housed secure renters*

Secure renters in social housing were defined by the absence of housing difficulties such as arrears or forced moves. Of all renters, this group has the lowest average monthly housing costs of around \$368, representing 28 per cent of average income. Two-thirds (66%) are fully excluded from the labour market over the three year period. The same proportion of socially housed secure renters are in receipt of income support as highly insecure renters (57%), with comparable proportions (47%) who could not raise \$2000 at a time of need. Low housing payments are critical in managing housing security for this group.

They have higher concentrations of lone-person (34%) and lone-parent households (17%) and relatively low proportions of couples with children (15%). Out of all housing groups they have the highest proportion reporting a long-term health condition (50%) – a difference of 36 per cent from secure private renters and 19 per cent from highly insecure. They are on average 17 years older than both highly insecure and secure private renters. The older age profile combined with the presence of long-term health conditions indicates that participation in the labour market is likely to be difficult for a large proportion of social renters.

### *Private secure renters*

Renters who are secure in their private rental typically have secure household employment. The majority of private secure renters have at least one member employed full-time (87%). This group are generally employed continuously, and when they do leave employment it is typically on a one-off basis in the three year period. Low proportions are employed in non-permanent employment, with only 16% of individuals employed on a casual basis. Their monthly income is highest of all groups and they pay on average around 26 per cent of their income on housing.

Households without children are most common amongst private secure renters, mainly split between non-child couples (35%) and lone-person (28%) households. Nearly a third of private secure renters have a bachelor degree or higher (31%). They have very low proportions in receipt of income support (10%) and a similarly low proportion who indicate that they would have difficulty raising \$2000 at a time of need (10%).

### *A profile of purchaser security groups*

While the profile of purchasers according to their overall household security follows a similar pattern to renters, there are some important differences. I now turn to discussion of the employment and demographic characteristics of the four purchaser groups appearing in the household typology of housing security. The analysis and discussion follows a similar approach to that of renters. A summary overview of the profile of the main employment and demographic characteristics of each purchaser group is shown in tables 17 and 18 (for more detailed cross-tabulations see Appendices 3 and 4).

**Table 17. Purchaser security typology: Household employment profile, HILDA 2001-2003**

Highly Insecure	Insecure		At risk		Secure*		
	%		%		%		
<b>Above average frequency of all purchasers</b>							
One f/time	31	Permanent	73	Non permanent	19	Permanent	81
Non-permanent	27	F& pt/time	29	One pt/time	12	Two-f/time	40
Unattached	18	One f/time	29	Unattached	11	F& pt/time	29
Self-employed	17	Two f/time	27	Job-seeking	3	One f/time	25
One pt/time	10	Self-employed	11	Two pt/time	3		
Job-seeking	8	Two p/time	2				
<b>Below average frequency of all purchasers</b>							
Permanent	31	Non-permanent	12	Permanent	56	Non-permanent	11
F& pt/time	22	One pt/time	8	One f/time	34	Self-employed	6
Two f/time	10	Job-seeking	2	F& pt/time	26	Unattached	2
Two pt/time	2	Unattached	2	Two f/time	12	One pt/time	2
				Self-employed	12	Two pt/time	1
						Job-seeking	1

Source: HILDA Release 3.0 (waves 1 – 3) Confidentialised January 2005

**Table 18. Purchaser security typology: Individual and household characteristics, HILDA 2001-2003**

Highly Insecure	Insecure	At risk	Purchaser secure*
<b>Very high frequency</b>			
Episodic participation Casual contract Income support Couldn't raise \$2000	Continuous participation		Continuous participation
<b>High frequency</b>			
Full exclusion lone family with depend children Long term health condition	Degree Couldn't raise \$2000	Full exclusion Casual contract Income support Couldn't raise \$2000 Couple family with depend children	Degree
<b>Low frequency</b>			
Degree	Couple & lone family with depend children	Degree	Full exclusion lone family with depend children
<b>Very low frequency</b>			
Continuous participation		Continuous participation	Episodic participation Casual contract Income support Couldn't raise \$2000
<b>Typical age profile</b>			
Early 40s	Early 40s	Early 40s	Early 40s
<b>Average income \$</b>			
1194	3057	1337	3468
<b>Average monthly repayments \$</b>			
771	1098	871	1078
<b>Amount owing on loan \$</b>			
88,879	126,535	97,360	118,561

Episodes based on pooled balanced panel from 2001-2003 – pooled to determine participation in employment  
Source: HILDA Release 3.0 (waves 1 – 3) Confidentialised January 2005

### *Highly insecure purchasers*

Highly insecure purchasers are typically working insecure or jobless families with dependent children who are couples (62%) or lone parents (15%). While their age profile does not differ from other purchasers, they are on average slightly older than renters and tend to have low levels of education with around 10 per cent tertiary qualified. Of all purchaser groups, they are most likely to have a member in the household with a long-term health condition.

The rate of self-employment (17%) amongst the highly insecure tends to be much greater, more than double that of secure purchasers. The proportion with a permanently employed (31%) household member is lower than secure purchasers by 50 per cent. There is an over-representation of highly insecure purchasers living in unattached (18%) or job-seeking (8%) households. While these proportions are lower than for highly insecure renters previously discussed, they still exceed that of other purchasers.

Highly insecure purchasers have a very high frequency of single-earner households. Only 10 per cent live in a dual full-time employed household, amounting to 30 percentage points below that of secure purchasers. The highly insecure are characterised by high rates of episodic (31%) and individual casual employment contracts (48%), indicative of more pervasive experiences of insecurity in employment including working-time insecurity. Income insecurity is disproportionately high, with 43 per cent in receipt of income support while around a third (31%) could not raise \$2000 at time of need. Although their income is lower than highly insecure renters, housing costs for this group are higher, paying around 65 per cent of their income on housing. Lower mortgage debt amongst the highly insecure suggests that they have either purchased cheaper housing or have not recently entered home ownership, or both.

### *Insecure purchasers*

Insecure purchasers differ in a number of respects from the highly insecure, suggesting that there are important differences underpinning conditions shaping insecurity in home ownership. While sharing a similar age profile to all other purchasers, insecure purchasers are more likely to be couples without children and tend to be more highly educated with nearly a third possessing a degree or above level of education (29%). They are more likely to be Australian born (80%) than all other housing groups.

The employment profile is relatively stable with nearly two-thirds (64%) employed on a continuous basis and the proportion with a permanently employed member (73%) comparable to that of secure purchasers. While the household rates of self-employment (11%) and individual casual employment (20%) are slightly above that of secure purchasers, insecurity for this group appears more likely to be associated with other conditions.

The defining difference between insecure purchasers and other housing groups is the proportion of income spent on housing and mortgage debt held. The monthly income of insecure purchasers is around \$400 lower than secure purchasers but their average monthly housing costs (\$1,098) exceed all other groups. Difficulty raising \$2000 (18%) is also higher and together these indicators point to a group that may be overcommitted on their housing or have limited capacity to accommodate sudden changes within the household or reduction in household earnings.

#### *At-risk purchasers*

The at-risk group are predominately couple households with dependent children. They share a similar income profile to the highly insecure; however, they have not experienced direct difficulties in their housing. Their employment profile is also similar to highly insecure purchasers – they have lower levels of dual full-time earners and are less likely to be continuously and permanently employed – although the overall proportions are slightly lower.

They have much lower than average continuous engagement with the labour market similar to the highly insecure group; however, they do differ by 20 per cent in the proportions employed on a casual basis. Compared with the highly insecure, they have lower proportions on income support and they have a greater capacity to raise \$2000, suggesting that, like at-risk renters, they have broader resources to draw on at a time of need that may help to mediate lower incomes.

### *Secure purchasers*

Secure purchasers generally have a secure household employment and income profile. Over a quarter (28%) of secure purchasers have tertiary qualifications. Most live in couple households, just over half of whom (55%) have dependent children. Permanent employment is the norm for this group (81%), and they have very low levels of non-permanent employment at the individual and household level. Nearly all (94%) have at least one member of their household in full-time employment, and of those 40 per cent are in a dual full-time while 29 per cent are in a full-time and part-time household.

The monthly income of the secure group is around three times their monthly housing payments so they have a sizeable disposable income after housing costs, and the amount owing on housing loans is lower than insecure purchasers. Overall they are able to raise \$2000 if required.

### *Summary discussion*

In sum, this section has sought to answer the question: *What are the descriptive demi-regularities between the security of household employment and housing security position?* It did this by examining the demi-regularities between labour and housing insecurity during the 2001-2003 period. In Chapter 3 I argued that in a market-dominant regime of security it is now working households, as well as those not engaged in work that are facing increasing risks of both access insecurity and insecurity in tenure. There are five main findings in this chapter that help to support this proposition.

The first stage analysis between renters and purchasers revealed that renters generally have lower household employment security than purchasers and that those in more insecure households are typically over represented in rental accommodation. This analysis provides initial evidence of the tendency for polarisation to be occurring not only according to the presence of employment within the household, but also from the security of that employment. However, it is not clear from this extensive analysis what mechanisms within labour and housing relations are contributing to this polarisation.

Using the household typology of housing security as a framework, the second stage of the analysis identified that individuals living in highly insecure rental and purchaser housing as well as social housing, had higher proportions excluded from the labour market or who were unemployed compared with other housing groups. This second finding is not surprising given the known interaction between affordability, security and labour market exclusion amongst both renters and purchasers.

The third finding, that those experiencing insecurity in housing have higher proportions of single-earner households, either part-time or full-time, compared with those who have dual-earning capacity, is not surprising. However, the fact that housing insecurity occurs amongst those in paid work highlights that it is not just a phenomenon occurring amongst those on the margins of the workforce, but suggests that for some, a full-time wage is insufficient insurance against housing insecurity. As housing costs have risen and working conditions polarised, it appears that a broader range of households have experienced housing insecurity.

The fourth finding is that housing insecurity is more prevalent amongst those with high rates of individual casual employment, for households with no permanent employment, and for those relying totally on self-employment compared to other household groups. This suggests that, at a descriptive level, housing security is not only a product of whether there is employment within the household but is also influenced by the nature of the employment contract and how paid work is organised within the household. This finding provides initial support for the proposition that households with members in the labour market are increasingly experiencing housing insecurity in market-dominant regime of security.

The final finding is that there are important distinctions amongst rental and purchaser groups within the household housing security typology. Highly insecure renters have a profile that is consistent with the more marginalised struggling family, which includes an above average representation of lone parents with dependent children, typically relying on income support and/or more precarious forms of employment. While a smaller group of insecure renters are moderate-income earners, younger, slightly more educated, less

likely to have children but more likely to be attached to the labour market in less secure employment and rely on one full-time income in the household.

For purchasers, differences amongst the highly insecure and insecure are even more marked on a number of important dimensions, including education, family type and stability, and overall position in the labour market. The highly insecure purchasers have a broadly similar profile to the highly insecure renters, although they have higher proportions engaged in employment and are older. Highly insecure purchasers have excessive levels of episodic, casual and self-employment, low levels of education, above average proportions in receipt of income support, with the majority living in couple families with dependent children. In contrast, insecure purchasers are less likely to have children and they have high proportions of continuously employed with permanent employment. However, the amounts owing on their loans and their housing repayments are higher than for any other housing group. This suggests that for this latter group, excessive housing repayments are more likely to influence episodes of insecurity in tenure than precariousness in their individual and collective labour-market position.

The higher concentrations of households with no permanent, self employed, and no employed members amongst the 'highly insecure', compared with other housing groups, suggests that insecurity in employment and income insecurity are important predictors of housing security. However, it is unclear whether the main mechanisms at play relate to lower incomes, volatility of income, a greater likelihood of involuntary employment loss, household composition, or an interaction of all the above. These themes will be explored further in the section to follow by examining in more detail the descriptive characteristics of the five household groups identified in the household typology of employment security.



### **Contingent conditions within household employment groups**

In chapter 3, drawing on the critical-realist notion of contingency, I argued that there are countervailing conditions that can act in isolation or in combination in any given household, historical and spatial context to either contribute to or mitigate an episode of housing insecurity in the context of labour insecurity. This final section addresses the third question: *What are the potential contributing and mitigating conditions that may help to explain observed difference in housing insecurity amongst households with different types of household employment?* It does this by exploring potential contributing and mediating conditions associated with housing by examining the characteristics of the *unattached, job-seeking, non permanent, self employed, and permanent* households. A more detailed presentation of the percentages and mean scores on selected demographic and household characteristics for each household employment group appear in Appendix 5.

### ***Housing insecurity within household employment groups***

One pattern evident in the previous examination of the household typology of housing security section was the high proportion of unattached households that were highly insecure compared with job-seeking households. This relationship partly reflects the much higher proportions of unattached households in the general population distribution compared with job-seeking households. While both types of household groups could be defined as income insecure, *within-employment* group comparisons shown in Tables 19 and 20 reveal quite different propensities to rental and purchaser insecurity.

**Table 19. Household employment security by rental security, HILDA 2001-2003**

	Unattached	Job seeking	No permanent	Permanent	Self employed	Total
Highly insecure	14.7	26.6	19.7	6.2	19.9	12.4
Insecure	1.1	1.9	8.7	9.7	11.6	7.3
Marginally insecure	.5	.0	1.6	4.7	2.4	2.8
At high risk	32.1	35.8	24.9	11.5	25.6	20.7
Social secure	43.5	23.7	12.3	6.7	7.7	17.0
Rental secure	8.1	11.9	32.8	61.1	32.8	39.7
Weighted N <sup>1</sup>	1,744,496	395,487	1,365,127	3,689,078	464,074	7,658,262
Unweighted N	1365	301	1044	2515	347	5572
% Total within employment	100	100	100	100	100	100

Source: HILDA Release 3.0 (waves 1 – 3) Confidentialised January 2005

1. The data have been weighted using the longitudinal responding person weight (*clnwtpr*). Statistical weights are applied in order to determine population-wide estimates

As illustrated in Table 19, around 12 per cent of renters are ‘highly insecure’. Although the likelihood of unattached households (15%) living in ‘highly insecure’ rental is three percentage points above the general renter population, the proportion is more than double for job-seeking households (27%). Both non permanent (20%) and self employed (20%) households also have an increased likelihood of being ‘highly insecure’ in their rental compared with other household employment groups. The association between insecurity in employment and income insecurity is less apparent amongst employment groups living in ‘marginally insecure’ and ‘insecure’ rental. However, one notable exception is the over representation of the self employed (12%) who are ‘insecure’ renters compared to the general distribution ‘insecure’ in their rental housing (7%).

Amongst purchasers, Table 20 illustrates that those living in job-seeking (26%) households are nearly seven times more likely to be highly insecure compared with the general purchaser population (4%), while for those in unattached households (18%) the proportion is five times higher. Non permanent (8%) and self employed (8%) households are also over represented amongst the ‘highly insecure’ purchasers. Like renters, there is no marked relationship between different employment groups and ‘insecure’ purchasers. This suggests that unemployment and being out of the labour market is critically

important amongst the ‘highly insecure’ purchasers but is less influential amongst ‘insecure’ purchasers experiencing difficulties in their housing.

**Table 20. Household employment security by purchaser security, HILDA 2001-2003**

	Unattached	Job seeking	No permanent	Permanent	Self employed	Total
Highly insecure	17.5	25.7	7.7	1.5	7.8	3.6
Insecure	2.7	6.2	4.0	4.0	5.9	4.1
At high risk	43.5	32.9	23.1	11.2	23.9	15.1
Purchaser secure	36.3	35.2	65.2	83.3	62.3	77.2
Weighted N <sup>1</sup>	295,615	90,851	1,010,777	6,025,425	619,367	8,042,035
Unweighted N	245	76	845	4929	531	6626
% Total within employment	100	100	100	100	100	100

Source: HILDA Release 3.0 (waves 1 – 3) Confidentialised January 2005

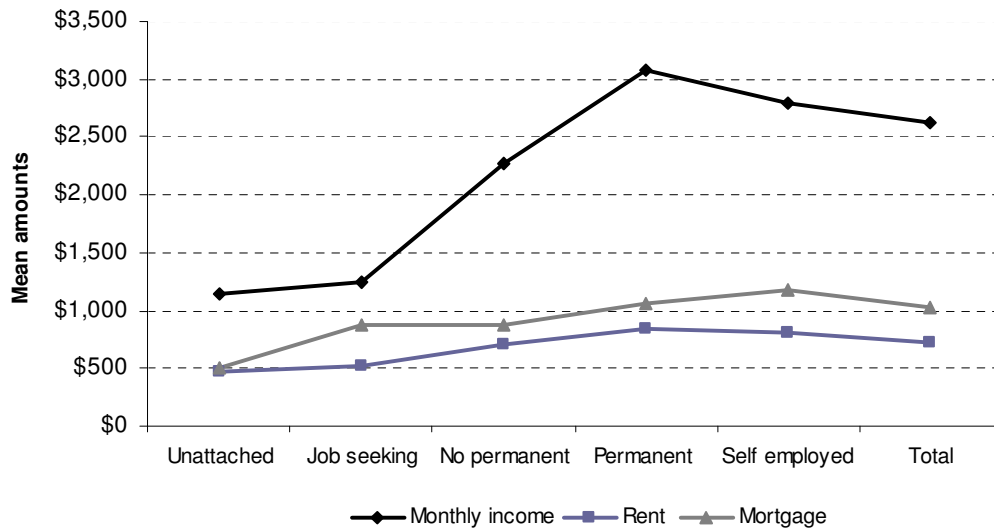
1. The data have been weighted using the longitudinal responding person weight (*clnwtrp*). Statistical weights are applied in order to determine population-wide estimates

While this analysis establishes a descriptive association between labour and housing insecurity it is clear from the findings that ‘insecurity in employment’ and ‘income insecurity’, do not always correspond with an empirically observable event of housing insecurity. There is great heterogeneity amongst households who typically experience a range of living arrangements and circumstances that can mitigate housing insecurity. Next the analysis focuses on potential mediating conditions within household employment groups.

### ***The interacting role of income and housing payments***

A potential reason why the job-seeking as opposed to the unattached, have a higher likelihood of experiencing insecurity despite comparable incomes could be partially explained by differences in housing costs and access to social housing amongst the two employment groups. Figure 11 compares the mean income and housing costs for both renters and purchasers according to the five household employment compositions. Generally, as shown in Figure 11, average incomes are lowest for individuals living in unattached (\$1137) and job-seeking households (\$1252).

**Figure 11. Average income and housing costs, HILDA 2001-2003**



Source: HILDA Release 3.0 (waves 1 – 3) Confidentialised January 2005

Amongst renters, unattached households have mean housing costs of \$466 representing 46 per cent of their average income while for job-seeking households monthly rental costs are \$529 with a housing cost-to-income ratio of 55 per cent. The likelihood of living in social housing amongst unattached households (46%) is 15 per cent higher than among job-seeking households (31%) and more than two and a half times higher than the overall proportion among renters in general (17%).

For purchasers the interaction of time and housing costs can assist in explaining why labour-market exclusion does not necessarily result in housing insecurity for a high proportion in the context of high income insecurity. Differences in housing costs between unattached and job-seeking households were even more apparent for mortgagors, with the average monthly mortgage repayment of \$874 for job-seeking households, considerably higher than the monthly repayment of \$506 among the unattached.

Higher mortgage repayments amongst the job seeking are likely to account for the higher incidence of insecurity in their purchased housing. Evidence of heightened vulnerability amongst the job-seeking can also be found in differences in amounts owed on mortgages.

The higher average amounts owed on the mortgage for job-seekers (\$98,991) compared with those in unattached households (\$56,502) suggests that housing purchase is more recent. The high costs amongst mortgagors suggest that housing payments are most likely to have been taken on during a period of employment. The inability to modify housing costs is therefore likely to place many who become unemployed who do not have a second earner in their household in an insecure housing position.

For purchasers living in a household with no members attached to the labour market, the higher mean age of 56 years combined with a lower average monthly mortgage suggest that a large proportion are benefiting from reduced housing costs associated with declining housing payments as a proportion of income over time. As a group, over three-quarters (77%) of individuals with no members in the labour force were fully excluded over the three year period and had an average duration of 17 years out of the labour market. A further potential explanation of low insecurity in the context of low income could relate to the predictability of income and therefore greater capacity to plan housing costs, especially for retired purchasers.

The diverse life-course stages amongst individuals out of the labour force, including caring for dependents and studying, is likely to leave some more susceptible to housing insecurity than others. An inability to meet living expenses including housing costs could prompt those of working age who have been out of the labour market for an extended period of time to start looking for work and hence become classified as 'unemployed' rather than 'out of the labour force'.

For households with employed members, the non-permanent and self-employed have much lower monthly earnings compared with permanent households. However, housing costs differ only marginally, contributing to large differences in housing costs-to-income ratios and therefore greater risk of becoming insecure in housing. As shown in Figure 11, average monthly earnings amongst non-permanent households (\$2276) and all self-employed (\$2796) are considerably lower than their permanent (\$3082) counterparts. Nearly a third (29%) of individuals with no permanent employment also received income support compared with 8 per cent of those with permanent members. This suggests that

the amount of income for many households reliant solely on non-permanent work is low or irregular enough to a meet means test criterion for income support payments to supplement earned income. The receipt of income support amongst the all self-employed (16%) is also higher than among those with one or more permanent members.

Mean rental costs for individuals in households with no permanent members are \$709 and for the all self-employed rental is \$814 compared to \$845 for those with at least one permanent member. All self-employed households have the highest housing cost-to-income ratio of 50 per cent, followed by 47 per cent for non-permanent and 35 per cent for permanent households. The average monthly amount for mortgage repayments is higher for all groups compared with renters. Mean mortgage repayments for individuals according to permanent/non-permanent distinctions follows a similar pattern, with households with no permanent members paying on average \$875 in monthly housing costs corresponding to a housing cost-to-income ratio of 41 per cent while those with at least one permanent member pay \$1066 with a ratio of 37 per cent. Self-employed purchasers had the highest mortgage repayments of \$1170 and a housing cost-to-income ratio of 45 per cent.

Above average expenditure on housing costs for purchasers suggests increased vulnerability amongst the self-employed should cash flow problems emerge. However, there is also likely to be wide variation in the distribution of income amongst self-employed persons from successful companies to more modest amounts amongst own-account workers. For instance, the mean monthly household income of own-account workers or 'sub-contract workers' is \$2560 while employees of own businesses have an average income of \$3559.

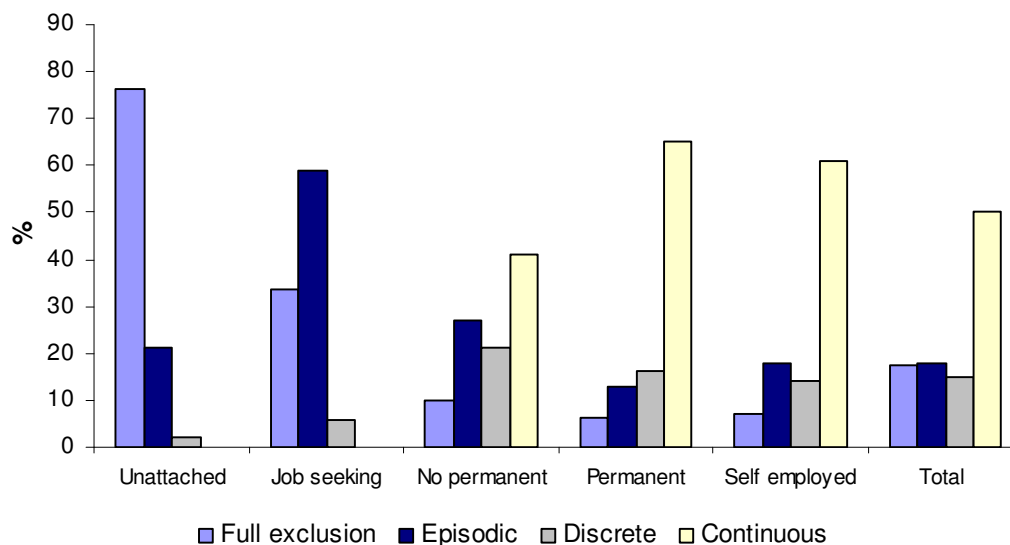
### ***Continuity of employment and satisfaction with security***

The higher likelihood of housing insecurity amongst job-seeking, non-permanent and self-employed households suggest that it is not just disparities in the amount of earned income but also the predicability of earnings and the capacity to plan ahead with respect

to amounts that can be devoted to housing costs. An important contributing factor for housing insecurity for these groups could relate to the potentially destabilising effect of movement in and out of the labour market.

In the individual typology of employment duration defined in the methods chapter, four groups were identified, including the continuously employed, those who experienced discrete and episodic non participation, and the fully excluded. Figure 12 provides a cross-tabulation of the household typology of employment security with the individual typology of employment duration. As shown, episodic and discrete experiences of unemployment or being out of the labour force are more frequently observed amongst those living in job-seeking and non-permanent households, whereas unattached households are mostly likely to be fully excluded from the labour market.

**Figure 12. Individual employment participation by household employment security, HILDA 2001-2003**



Source: HILDA Release 3.0 (waves 1 – 3) Confidentialised January 2005

Specifically, Figure 12 shows that over half (59%) of individuals living in a job-seeking household experienced episodic engagement in the labour market compared with 21 per cent among unattached households. Amongst those with employed members, 27 per cent of non-permanent households experienced episodic employment compared with 13 per

cent of those with at least one permanent member. There is also an increased likelihood of episodic employment (18%) amongst those with only self-employed members. Conversely, continuous employment is more highly concentrated among permanent households over the three year period. Non-permanent households are less likely to have a member continuously employed (41%) compared with permanent households (65%).

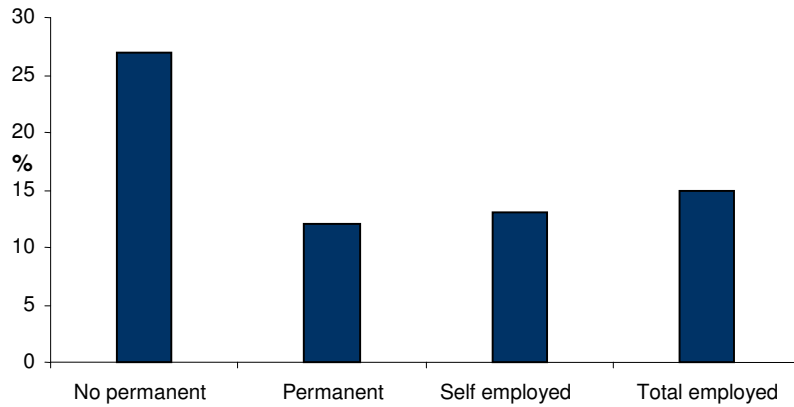
Movement in and out of employment is likely to make planning for housing costs particularly difficult due to fluctuating income levels. Income support related to unemployment is generally less than amounts available for pensions and parenting payments, and could also partly explain additional hardship during periods of non-employment that could translate into missed housing payments. In housing terms, episodic employment could be more destabilising for housing costs than the duration effects of long-term exclusion from the labour market.

There are sizable differences in mean duration of unemployment amongst permanent and non-permanent households that could be important in explaining housing insecurity. The mean duration of being unemployed is higher for those in non-permanent work during the three year period. Individuals living in a household with no permanent members have an average duration of unemployment of 1 year, while the duration of unemployment for individuals living in a permanent household is 0.45 years or around six months.

A further measure providing insight into the security differences amongst household employment groups is their preferences to work more hours. Figure 13 shows the proportion of employed persons who reported that they would like to be working more hours according to the three household employment groups. As illustrated, the proportion of non-permanent (27%) households indicating a desire to work more hours is more than double that of permanent households (12%), suggesting that it is not just differences in wage rates but access to sufficient hours of paid work that is likely to affect housing security amongst household groups.



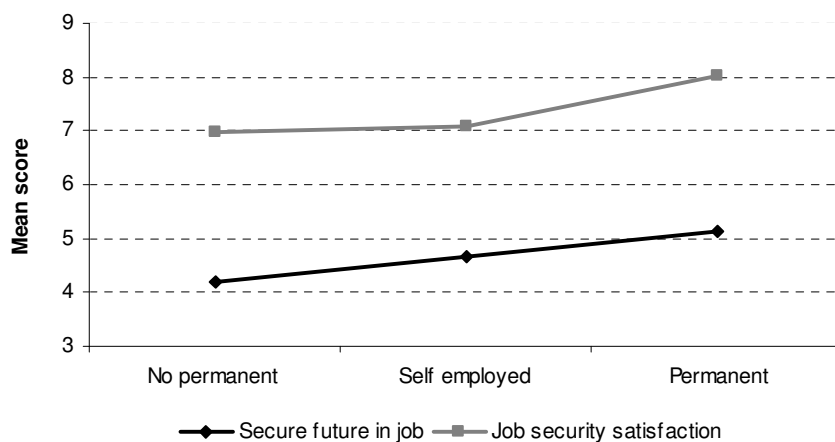
**Figure 13. Prefer to work more hours by household employment security, HILDA 2001-2003**



Source: HILDA Release 3.0 (waves 1 – 3) Confidentialised January 2005

The above findings are reinforced by perceptions of security in which reported satisfaction with security and feeling that one’s job is secure increases with permanence of employment status in the household. Figure 14 shows mean scores of satisfaction with job security and the feeling that one’s job is secure. The first measure, “I am satisfied with the security of my job”, is measured on a scale from 0 to 10 where a score of 0 corresponds with complete dissatisfaction and a score of 10 with complete satisfaction. The second measure, “I have a secure future in my job”, is measured on scale of 1 to 7, where a score of 1 corresponds with strongly disagree and seven with strongly agree.

**Figure 14. Perceptions of security by household employment security, HILDA 2001-2003**



Source: HILDA Release 3.0 (waves 1 – 3) Confidentialised January 2005

As shown in Figure 14, the most obvious differences were observed for satisfaction with security, with the mean scores of 6.96 for non-permanent and 7.10 for all self-employed considerably lower than a score of 8.03 for members living in a permanent household. Interestingly, amongst the all self-employed, own-account workers reported the lowest mean of 6.47. Those living in a non-permanent (4.21) household were less likely to agree that they had a secure future in their job compared with their permanent (5.12) counterparts.

### *A savings cushion to fall back on*

Comparisons across household employment groups reveal significant disparities in the ability to draw on savings at the time of need, including sudden loss of earnings or employment, which is likely to increase the risk of housing insecurity. A measure of financial deprivation used in HILDA is whether \$2000 could be raised at a time of financial need. While all excluded groups are considerably less likely to be able to raise \$2000 than employed households, individuals living in a job-seeking household are least likely to do so. Amongst job-seeking households, 56 per cent are unable to raise \$2000. This compares to 45 per cent of the unattached, and 18 per cent of the general sample.

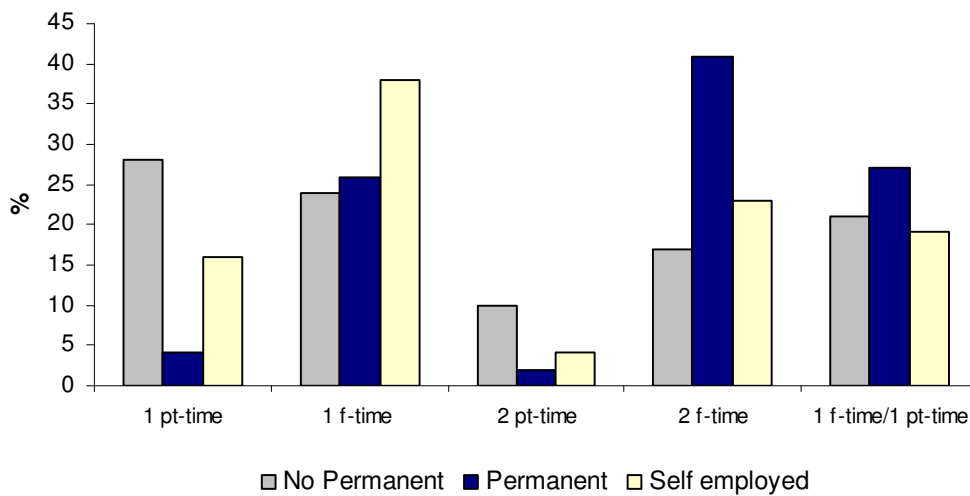
Amongst the employed, individuals in households with no permanent members are less likely to be able to raise \$2000 during a time of financial need; with 21 per cent reporting that they could not raise this amount. On the other hand, 10 per cent of households with at least one permanent employed member believe they could not raise \$2000 at all. The distribution of net wealth differed greatly according to employment composition of the household. Unattached households had the lowest net wealth (excluding outright owners), with a mean of \$50,731 followed by \$61,846 for job-seeking households. There is a difference of \$105,591 in the mean amount of net wealth between households with no permanent members and those with at least one member employed permanently (\$139,874 and \$245,465 respectively). Self-employed households have the highest net wealth, with a mean of \$441,571.

### ***Household composition and stability***

While housing insecurity can emerge from individual labour insecurity, a critical focus of this research has been to understand how labour position interacts with the composition of the household itself. The early findings revealed how households with only self-employed, non-permanent or no employed members have a higher likelihood of housing insecurity. A further factor influencing the increased likelihood of housing insecurity amongst these groups is the tendency for more insecure employment relations to be concentrated in certain types of households.

Non-permanent households and self-employed households are more likely to have a single earner compared with the permanent household. Specifically, as illustrated in Figure 15, just over half (52%) of non-permanent households had a single earner, split between part-time (28%) and full-time (24%). This is contrasted with permanent households, where just under one third (30%) have a single earner, split between part-time (4%) and full-time (26%). Moreover, only 11 per cent of households with at least one member in permanent employment have another member employed in casual employment.

**Figure 15. Household employment security by hours of household employment, HILDA 2001-2003**



Source: HILDA Release 3.0 (waves 1 – 3) Confidentialised January 2005

First, these findings suggest that there is a strong relationship between non-permanent employment and single earner households. Second, households that have permanent employment do not typically combine this employment with other less secure forms of earnings because they are most likely to derive their total household income from two permanent positions. These two patterns are likely to be a further dimension of labour inequality fuelling income polarisation for individuals in their work as well as households competing in housing markets. It also reinforces the earlier point in Chapter 2 by Watson and Buchanan (2001) in which households are typically formed of members who share similar labour-market credentials and characteristics.

A further way household composition interacts with labour and housing insecurity is the higher tendency of lone parents with dependent children to have no paid employment in their household. The proportion of lone parents living within a job-seeking household is nearly three times higher (21%) than the general population distribution. A high proportion of single parents could be seeking employment rather than remaining out of the labour force in the context of financial pressure from housing costs. Lone parents with dependent children are also over-represented amongst those with no permanently employed members in the household. The proportion of lone parents with dependent

children with no permanent members in the household is 11 per cent, compared to 4 per cent who are lone parents with at least one permanent household member.

### *Health*

The overall health status of household members is a further mediating condition between labour insecurity and household housing insecurity on the other. In the HILDA survey, one measure of individual health status is self-reported assessment of whether they suffer from a long-term health condition, disability or impairment. Compared to the general sample (21%) there is an over-representation of individuals living in job-seeking (37%) or unattached (55%) households reporting that they have a health condition, disability or impairment. For the unattached, a high mean age of 56 years suggests that many will be outside working age. A mean age of 39 years for the job-seeking suggests that health is a potentially influential contributing factor of labour insecurity for those of prime working age.

### **Conclusion**

In answering the first research question, *What is the prevalence of housing insecurity-security in Australia based on the initial year of the HILDA survey?*, it can be concluded that most Australian households are secure in their housing when examining the prevalence of housing insecurity for the general population including outright owners. However, the findings reveal that a sizeable proportion of households, particularly renters, with recurrent housing payments were vulnerable to or experienced direct threats to their housing security based on available data measures within HILDA. Amongst those paying rent, just under half (46%) were found to be either at risk (22%) or experiencing some degree of direct insecurity (24%) in their existing housing arrangement. While purchasers, in general, were less likely to fall within a definition of insecurity in their housing, a quarter were found to be either at risk (17%) or experiencing direct insecurity (8%) in their housing during the 2001 period analysed.

Addressing the second question, *What are the descriptive demi-regularities between the security of household employment and housing security position?*, it was found that it is not just a matter of whether households are engaged or disengaged in the labour market but that the type of employment relationship experienced by household members is important in explaining housing insecurity in Australia. The least secure in both purchased and rental housing have much higher concentrations of individuals living in households where all members are unemployed, have one member in part-time and/or non-permanent employment, or rely solely on self-employment compared with those whose housing is more secure according to the household typology of housing security. These same employment groups are also more likely to be concentrated in the private rental market, indicating some preliminary support for a precautionary motive and tenurial polarisation amongst those with more insecure incomes. Moreover, it was also found that insecurity in tenure is descriptively associated with other household conditions including high housing repayments, which may be independent of insecurity in employment or income insecurity.

In addressing the third the question, *What are the potential contributing and mitigating household conditions amongst different household employment groups?*, it was found that job-seeking, non-permanent, self-employed households have a higher likelihood of being 'highly insecure' in their rental than those who are living in an unattached or permanent household. For renters, observed differences in insecurity between job-seeking and unattached households suggest heterogeneity which cannot be attributed to simple disparities in income alone. For purchasers, all household employment groups have an increased likelihood of being 'highly insecure' in their housing apart from permanent households. The association between labour insecurity for renters and purchasers defined as 'insecure' and 'marginally insecure' is less apparent.

It was found that there are several conditions that are likely to be interacting to increase housing insecurity amongst job-seeking, non-permanent and self-employed households compared with other types of household employment groups. Amongst those with no employed members in their household, job-seeking households were found to be more vulnerable than those unattached to the labour market. Lower housing costs relative to

income for both purchasers and renters including higher proportions in social housing appear to be particularly important in mitigating housing insecurity in the context of long-term market exclusion.

In contrast, a high incidence of episodic participation in the labour market amongst job-seeking, non-permanent and self-employed households compared with other household employment groups could be linked to an increased likelihood of housing insecurity. The desire to work more hours was particularly high amongst non-permanent households suggesting a potential link between household underemployment and housing security outcomes. Generally, the insecurity of unattached, job-seeking, and non-permanent households is likely to be exacerbated by their limited savings. One particularly notable difference between non-permanent and permanent households is the tendency for two permanent members to occupy the same household, while non-permanent households have an over representation of single earners, thereby contributing to increasing household polarisation amongst the working insecure and working secure.

This chapter has revealed important descriptive demi-regularities between labour and housing security. While these descriptive demi-regularities do not directly explain how labour insecurity contributes to housing insecurity, they do illustrate that potential volatility in earnings stemming from 'insecurity in employment' in addition to persistently low incomes or 'income insecurity' is likely to be contributing to growing housing insecurity amongst working households. The strength of this relationship will be further explained in the next chapter, where the statistical significance of different labour market conditions is tested while controlling for several of the household conditions outlined here.





## Chapter 6

### Modelling housing insecurity

Research propositions developed in Chapter 3 on how labour insecurity contributes to housing insecurity in Australia during a market-dominant regime of security were initially explored descriptively in Chapter 5. In sum, it was proposed that labour insecurity causes insecurity in tenure by threatening the source of income to pay for housing and contributes to access insecurity by shaping the way households and other institutions make decisions about a household's capacity to pay according to the security of their overall income. However, the connection between labour and housing insecurity is, I argued, causally contingent rather than necessary because there will always be mitigating conditions or 'countervailing mechanisms', including practices within households and states, that ultimately influence whether experiences of labour insecurity directly cause the empirically observable event of housing insecurity.

The empirical analysis in Chapter 5, guided by the above research propositions, provided descriptive evidence that insecurity in employment and income insecurity are associated with an increased likelihood of insecurity in tenure and access insecurity in housing. The descriptive analysis showed that a range of household conditions may also interact to either increase or mediate the likelihood of insecurity for household groups. In this chapter, the three propositions summarised above will be further tested by modelling the strength and direction of the relationship between labour and housing insecurity using the enhanced explanatory power of panel data and associated statistical techniques, in particular those that account for clustered or repeated observations in a data set (see Chapter 4). The main questions addressed in this chapter include:

- Is labour insecurity associated with a greater risk of insecurity in tenure in both rental and purchaser housing after controlling for other household conditions?

- Does the influence of employment differ across low and higher-income groups experiencing insecurity in their housing?
- Is there evidence of a precautionary motive contributing to access insecurity amongst households in less secure forms of employment after controlling for other household conditions?

The analysis to follow is divided into two main sections. First, in order to identify point in time relationships between employment and housing insecurity, a separate static model for both renters and purchasers is estimated from three waves of pooled data. This is followed by the presentation of four different multinomial transition models in which the panel nature of the data is exploited. In the first two transition models, predictors for transitions into and out of rental insecurity are tested, while the remaining two models focus on across-tenure transitions from rental to purchaser status and the reverse transition from purchaser to renter status.

The same initial balanced panel of 13,008 observations from three waves of data is used in the present analysis to maintain consistency with the previous descriptive chapter. Following the *attribute* approach outlined in Chapter 4, the unit of analysis is the *individual* rather than the household while key variables including housing insecurity, income, housing costs as well as selected employment typologies are measured at the *household* level. This means that scores or amounts for each individual living in the same household will be the same.

### **A static model of housing insecurity**

The first two chapter questions are addressed by modelling a pooled sample of three years of HILDA data. The analysis is based on a static model with random-effects, as outlined in Chapter 4. Building on the descriptive profile in Chapter 5, the purpose of this section is to model the influence of employment measured at both the individual and the household level whilst controlling for a number of other household conditions. Three models are estimated for both renters and purchasers where different measures of housing insecurity are used as the dependent variable. Separate models are presented for renters

and purchasers. The first dependent variable modelled is the *highly insecure*, or model 1, and follows the same measurement applied in Chapter 5. The highly insecure is based on a low-income group living in unaffordable housing, or who are living in social housing and have experienced any of the following:

*For renters*

- not being able to make housing payments on time
- forced to move due to eviction
- having to move to a more affordable place
- the property no longer available
- government housing relocation

*For purchasers*

- not being able to make housing payments on time
- behind in their repayment schedule
- moved to a more affordable place

The second dependent variable, or model 2, corresponds with the *insecure* in Chapter 5 and is defined according to self-reported missed payments on housing within the last 12 months and is mutually exclusive to the highly insecure. In model 3, both insecure groups are combined into the one sample and the dependent variable is simply a total population measure of renters or purchasers falling into the two definitions of insecurity. The descriptive analysis in chapter 5 revealed distinct differences between the two insecure housing groups.

Modelling the highly insecure and insecure separately can help to answer the second research question of whether the influence of employment differs across low and higher-income groups experiencing insecurity in their housing once controlling for other variables and enabling independent effects of labour, housing and other household factors to be better identified. This question is important in the context of the Risk Society perspective, or insecurity thesis more broadly, in which it is asserted that higher income

groups are becoming insecure in their housing due to labour-market risks spreading across class boundaries.

The results of the static model for rental and purchasers are presented in tables 21 and 22. Coefficient scores in the tables have been converted to an odds ratio to help with interpretation. Independent variables included in the table such as self-employment with an odds ratio above 1 suggests that there is an increased likelihood or odds of housing insecurity, whilst scores below 1 indicate a decreased likelihood.

The five household employment groups of the unattached, job-seeking, non-permanent, self-employed and permanent outlined in chapter four are included in the models with the permanent household used as the omitted reference group. As each variable is a binary of 1 or 0, the value for the omitted reference variable is held at 1. All household employment variables are time varying, meaning that individuals can change the type of household they live in any given year.

Employment variables measured at the individual level have also been included to determine whether individual change in employment status, such as an episodic or a discrete period of non-participation in work as well as individual casual employment, are influential once controlling for the overall household employment composition. These four variables are measured at the individual level and are non-time varying and the continuously employed forms the omitted baseline or reference group. The models also control for a number of household conditions (see Appendix 2 for the list of variable definitions).

**Table 21. Static random effects models for rental insecurity**

	<b>Highly insecure Model 1</b>		<b>Insecure Model 2</b>		<b>All insecure Model 3</b>	
<i>Household Employment</i>	<b>OR</b>		<b>OR</b>		<b>OR</b>	
Job-seeking	1.174 [0.339]		0.191 [0.112]	***	1.229 [0.365]	
Unattached	1.077 [0.292]		0.338 [0.149]	***	1.208 [0.329]	
Non-permanent	1.638 [0.294]	***	1.114 [0.231]		1.569 [0.259]	***
Self-employed	2.887 [0.645]	***	1.843 [0.507]	**	2.778 [0.623]	***
One or more permanent (Omitted)	1.0				1.0	
One member part-time	1.010 [0.217]		0.753 [0.232]		0.968 [0.210]	
One full-time	0.930 [0.175]		1.183 [0.254]		1.143 [0.192]	
<i>Individual Employment</i>						
Continuous (omitted)	1.0				1.0	
Episodic	1.411 [0.270]	*	1.296 [0.279]		1.359 [0.249]	*
Discrete	1.559 [0.319]	**	1.197 [0.245]		1.359 [0.253]	*
Full exclusion	0.913 [0.209]		0.394 [0.152]	***	0.690 [0.169]	
Individual casual contract	1.292 [0.245]		1.508 [0.326]	**	1.507 [0.263]	**
<i>Other Household Conditions</i>						
Income support recipient	1.401 [0.204]	**	1.237 [0.282]		1.359 [0.209]	**
Don't think could raise \$2000	1.867 [0.234]	***	2.285 [0.407]	***	2.680 [0.344]	***
Member leaving household w2 or w3 <sup>4</sup>	1.289 [0.258]		0.609 [0.172]	*	0.951 [0.184]	
Member joining household w2 or w3	0.792 [0.161]		1.157 [0.273]		0.946 [0.171]	
Couple family with depend children	1.729 [0.291]	***	0.988 [0.201]		1.447 [0.242]	**
Lone parent depend children	1.403 [0.286]	*	0.500 [0.172]	**	1.237 [0.270]	
Lone person	0.803 [0.151]		1.167 [0.294]		0.940 [0.176]	
All other family groups (Omitted)						
Monthly household equiv income/100 <sup>3</sup>	0.873 [0.009]	***	1.005 [0.003]		0.988 [0.005]	***
Monthly housing costs/100	1.105 [0.026]	***	1.006 [0.022]		1.036 [0.020]	*
Social housing	0.968 [0.157]		1.020 [1.080]		0.556 [0.104]	***
Age of oldest member in household	1.006 [0.024]		1.053 [0.044]		1.036 [0.028]	
Age squared	0.999 [0.0002]		0.999 [0.001]		0.999 [0.000]	**
Long term health condition	1.281 [0.174]	*	1.328 [0.258]		1.167 [0.161]	
Australian born	1.422 [0.213]	***	1.412 [0.276]	*	1.502 [0.237]	***
Degree	0.752 [0.145]		0.417 [0.088]	***	0.433 [0.079]	***
Wald chi2	395.80		122.07		269.22	***
Likelihood-ratio test of rho	79.87		129.76		298.57	***
Number of observations: N=	4609		4302		4953	
Number of groups: N =	2103		2074		2166	

1. Coefficient estimates for random effects models have been converted to odds ratios. Standard errors appear in parentheses.

2. \*\*\* Significant at the 1% level \*\* Significant at the 5% level \* Significant the 10% level

3. The unit of income included in the model was monthly household income divided by 100. Income was equalised by applying the OECD equivalence scale. Equivalised income measures capture economies of scale associated with the addition of each household member.

4. A SPSS program was obtained from HILDA staff to identify households that have either had a new person enter or a member leave household based on changes on household ids.

**Table 22. Static random effects models for purchaser insecurity**

	<b>Highly insecure Model 1</b>		<b>Insecure Model 2</b>		<b>All insecure Model 3</b>	
<i>Household Employment</i>	<b>OR</b>		<b>OR</b>		<b>OR</b>	
Job-seeking	3.700 [1.751]	**	2.093 [1.307]		5.304 [2.322]	***
Unattached	2.029 [0.875]	*	0.447 [0.282]		2.634 [0.982]	***
Non-permanent	2.558 [0.669]	***	0.875 [0.220]		1.460 [0.287]	**
Self-employed	2.935 [0.884]	***	2.117 [0.527]	***	2.743 [0.594]	***
One or more permanent (omitted)	1.0					
One member part-time	0.432 [0.160]	**	1.669 [0.585]		1.229 [0.366]	
One full-time	1.514 [0.371]	*	1.025 [0.220]		1.332 [0.237]	*
<b><i>Individual Employment Participation</i></b>						
Continuous (omitted)	1.0		1.0		1.0	
Episodic non-participation	1.383 [0.375]		1.207 [0.301]		1.488 [0.316]	**
Discrete non-participation	1.727 [0.486]	**	1.178 [0.262]		1.389 [0.281]	*
Full exclusion	0.495 [0.172]	**	0.536 [0.213]		0.545 [0.164]	**
Individual casual contract	1.571 [0.443]	**	1.298 [0.322]		1.537 [0.318]	**
<b><i>Other Household Conditions</i></b>						
Income support recipient	1.664 [0.428]	**	1.215 [0.354]		1.725 [0.374]	***
Don't think could raise \$2000	2.336 [0.522]	***	4.106 [0.922]	***	3.553 [0.652]	***
Member leaving household w2 or w3 <sup>4</sup>	0.636 [0.332]		2.004 [0.648]	**	1.421 [0.438]	
Member joining household w2 or w3	1.197 [0.477]		1.131 [0.333]		1.092 [0.278]	
Couple family with depend children	1.185 [0.363]		0.662 [0.128]	**	0.736 [0.135]	*
Lone parent depend children	1.900 [0.773]		0.884 [0.357]		1.135 [0.371]	
Lone person	0.529 [0.239]		1.198 [0.374]		0.965 [0.272]	
All other family groups (omitted)						
Monthly household equiv income/100 <sup>3</sup>	0.776 [0.015]	***	0.994 [0.005]		0.962 [0.006]	***
Monthly housing costs/100	0.951 [0.037]		0.994 [0.017]		0.996 [0.017]	
Amount owing on loan	1.001 [0.000]	**	1.001 [0.000]	**	1.004 [0.0001]	***
Age of oldest member in household	0.972 [0.052]		0.995 [0.046]		0.984 [0.039]	
Age squared	1.000 [0.0005]		1.000 [0.000]		1.0001 [0.000]	
Long term health condition	1.059 [0.252]		1.167 [0.246]		1.076 [0.191]	
Australian born	1.346 [0.319]		1.539 [0.317]	**	1.516 [0.274]	**
Degree	0.627 [0.197]		1.256 [0.230]		1.072 [0.192]	
Wald chi2	290.23	***	94.62	***	254.13	***
Likelihood-ratio test of rho	36.67	***	98.82	***	172.38	***
Number of observations: N=	5898		5921		6130	
Number of groups: N =	2467		2466		2502	

1. Coefficient estimates for random effects models have been converted to odds ratios. Standard errors appear in parentheses.
2. \*\*\* Significant at the 1% level \*\* Significant at the 5% level \* Significant the 10% level
3. The unit of income included in the model was monthly household income divided by 100. Income was equalised by applying the OECD equivalence scale. Equalised income measures capture economies of scale associated with the addition of each household member.
4. A SPSS program was obtained from HILDA staff to identify households that have either had a new person enter or a member leave household based on changes on household ids.

### *The influence of household and individual labour insecurity*

Model results for the combined housing insecurity measure for renters and purchasers presented in model 3 are initially discussed. This is followed by a separate discussion comparing differences in the role of employment for the highly insecure in model 1 and insecure in model 2.

In model 3 the association between insecurity in employment and income with a combined measure of housing insecurity is strong for both renters and purchasers and still holds after controlling for a range of household characteristics including income, savings, housing costs, family type including single earning households and also household stability. These results confirm findings from earlier overseas studies on the association between non-standard employment, unemployment and housing insecurity discussed in Chapter 3. The relationship is especially strong when unemployment and more insecure forms of work are the only type of employment in the household.

Results in model 3 reveal that non-standard forms of employment, typically characterised by greater income uncertainty, including self-employment and non-permanent employment are associated with a higher likelihood of insecurity in tenure for both renters and purchasers. The odds of insecurity in tenure are nearly three times higher for self-employed renters (2.78,  $p < 0.001$ ) and purchasers (2.74,  $p < 0.001$ ) compared with the omitted baseline group of a permanent household. Amongst households relying solely on non-permanent employment, the odds of insecurity for renters are elevated to 1.57 ( $p < 0.001$ ) while for purchasers they increase to 1.46 ( $p < 0.05$ ). For renters household labour market exclusion increases the odds of insecurity but is not significant for either the unattached or job seeking, while for purchasers the odds amongst both the job seeking (5.30,  $p < 0.001$ ) and unattached (2.63,  $p < 0.001$ ) are large and significant.

The influence of labour insecurity measured at the individual level including casual work for renters (1.51,  $p < 0.05$ ) and purchasers (1.54,  $p < 0.05$ ) still holds, although the significance is reduced. Results in model 3 for renters and purchasers indicate that individual movement in and out of work over the three year period is more destabilising for housing security than full exclusion from the labour market where the odds are well below 1, although this is only significant for purchasers. The impact of labour instability is significant for purchasers who experienced episodic (1.49,  $p < 0.05$ ) periods of non-participation.

The model results lend support to the destabilising effect of precarious forms of employment or insecurity in employment and housing insecurity that have been previously identified in international research discussed in Chapter 3. However, there are some important differences observed amongst renters and purchasers. For renters it is the working insecure, those in non-permanent and self-employment and/or who are moving in and out of the labour market who have the highest risk of housing insecurity. These are likely to be the households that are outside the social housing system, reliant on private rental and are therefore less able to plan for any sudden changes in income. The unattached and longer-term excluded did not experience higher odds of rental insecurity and arrears.

The lower overall significance of non-participation in the labour market amongst renters could reflect the higher concentrations of unattached and job-seeking households in social housing who benefit from the mediating effect of flexibility of housing costs when incomes are low or fluctuate. Living in social housing significantly reduces the odds amongst the arrears group in model 3 by 46 per cent ( $p < 0.001$ ), confirming that insecurity in tenure is more prevalent amongst private renters, especially those with non-permanent earnings. This suggests that being out of the labour market is less destabilising for renters than insecurity in employment. Greater scope for sharing costs or moving to more affordable housing for renters compared with purchasers could also serve to mitigate the impact of income insecurity emerging from longer-term exclusion from the labour market.



In summary, for purchasers who on average have higher repayment costs than renters, risk to housing appears to be influenced by any event that threatens both the amount and the predictability in earnings. As for renters, non-permanent and self-employment is influential in purchaser insecurity. Purchasers are more vulnerable to experiences of unemployment and labour-market exclusion than renters, notwithstanding the smaller proportions of these employment groups amongst purchasers.

### ***The influence of labour insecurity for lower and higher income households***

In this section the second question of whether the influence of labour insecurity differs across low and higher-income groups experiencing insecurity in tenure after controlling for other household conditions is addressed. The influence of employment in housing for renters and purchasers is compared when housing insecurity is defined according to a low-income measure combined with housing difficulties in model 1 with model 2 where housing insecurity is not defined according to a low-income sample. Models 1 and 2 are based on mutually exclusive dependent variables of housing insecurity. The main purpose of this analysis is to try to isolate the impact of individual and household labour-market variables, which may be concealed when different types of households and insecurity are modelled together.

The household measure of self-employment is highly significant in all models no matter how housing insecurity is measured. Amongst renters and purchasers, the odds of housing insecurity for those reliant on self-employment is double to three times higher compared with the reference group with one or more permanently employed ( $p < 0.001$ ). The strong influence of self-employment suggests that an uncertain and fluctuating income, which can be common amongst those without waged employment makes managing recurrent housing costs difficult.

The influence of non-permanent employment measured at the household level is significant for the *highly insecure* in model 1 but not for *insecure* renters and purchasers in models 2. While the impact of non-permanent household employment increases the

odds amongst highly insecure renters to 1.64 ( $p < 0.001$ ), the relationship is especially strong amongst highly insecure purchasers, whose odds are more than double (2.60,  $p < 0.001$ ). Potential explanations for the differences in the influence of non-permanent employment amongst the highly insecure and the insecure could relate to the unpredictability and/or lower earnings associated with non-permanent work and also the tendency for non-permanent employment to be concentrated amongst single-earner households, placing them in a lower income category.

A further explanation is that fluctuations in income from more casual forms of employment may be concealed or absorbed into overall income when combined with the working arrangements of other household members. A casual employment variable measured at the individual level was also included in the model to control for this effect. Individual casual employment is significantly ( $p < 0.05$ ) associated with increased odds amongst *highly insecure* purchasers but not for *insecure* purchasers. For renters, individual casual employment is also associated with increased odds but is only significant for the *insecure* in model 2 and not *highly insecure* in model 1.

The impact of casual employment measured at the individual level is surprisingly strong given that it is often combined with other types of employment within the household. The results suggest that income uncertainty as well as lower potential earnings could be interacting to increase the likelihood of housing insecurity, even in the presence of other types of employment in the household. This finding could also be related to the growing importance of a second income, especially for purchasers who generally have higher housing costs.

A further test of the effect of non-permanent work was to control for individual part-time employment. One factor that may account for the increased insecurity amongst those with no permanent employment in their household is the high proportion employed on a part-time basis. However, part-time employment was insignificant across all models, except for highly insecure purchasers where the relationship is actually negative (0.43). This suggests that the effect of non-permanent employment is still apparent after controlling for households relying solely on part-time employment, and points to the potential

importance of fluctuating incomes, especially for those who do not have a permanent income in their household, over differences between part-time and full-time earning households per se.

While insecurity in employment is strongly and significantly associated with insecurity in tenure, the influence of labour-market exclusion for both renters and purchasers is weak. For renters, being excluded from the labour market does not significantly increase odds of experiencing insecurity in housing once controlling for a range of household conditions, including other types of employment. In fact, full exclusion measured at the individual level is associated with lower odds of rental insecurity compared with the omitted category of the continuously employed. However, it is significant in model 2.

This negative relationship remains for model 2 even when all members are unattached from the labour market. While episodic and discrete periods of non-participation are associated with increased odds across all rental models they are generally insignificant, apart from discrete periods of non participation amongst the highly insecure, where the odds are increased by 55 per cent ( $p < 0.05$ ). Unemployment measured at the household level is significantly negatively associated with rental insecurity in model 2 and insignificant for other groups.

Amongst purchasers, labour market exclusion whether measured at the individual or household level is only significant for the highly insecure in model 1, where the odds increase to 3.7 ( $p < 0.05$ ) for a job-seeking household. The high standard errors on these results indicate small numbers of job-seeking purchasers and suggest some caution in the interpretation of odds ratios. Nevertheless, this does suggest that, amongst the *insecure* in model 2, housing difficulties are not significantly related to unemployment or periods of being out of the labour market but to other household events – some of which will be elaborated on in the following section.

Findings based on the continuity of employment suggest that households that are reliant on income from self employment and/or who are looking for work face the greatest threat

to continuing ownership. Both episodic and discrete periods of non participation are associated with higher odds of insecurity in models 1 and 2; however, the relationship is only significant amongst the highly insecure experiencing discrete periods of non-participation.

Amongst purchasers when compared with the continuously employed, individual members fully excluded over a three year period have a decreased likelihood of insecurity in tenure by around 46 per cent across all models. A potential explanation for the lower odds amongst fully excluded individuals could relate to the high proportion who are retired from the workforce and are more likely to have lower amounts owing on their loans.

In sum, while insecurity in employment is associated with higher odds of housing insecurity, particularly with respect to self-employment, the association is clearly stronger amongst households with incomes at or below 40 per cent of the income distribution. This suggests that for moderate to higher-income purchasers, insecurity in housing is more likely to be occurring for other reasons than from changes within their employment or working in insecure jobs. Moreover, the low wald chi-square scores for both renters and purchasers in model 2 suggests that insecurity in employment on the whole is not strongly associated with housing insecurity for this group.

Having examined the influence of employment I now turn to a discussion on the influence of other household conditions in the housing insecurity relationship, many of which are likely to directly or indirectly interact with the type of employment in the household.

### ***The influence of other household conditions***

Although labour-market position is an important contributor to housing insecurity, other household conditions including the overall composition of the household and its stability

over time or a savings cushion at a time of need can also have a detrimental impact on housing security. This section discusses the mediating impact of different household conditions for *highly insecure* and *insecure* renters and purchasers.

Ability to draw on savings at a time of need is the most significant variable across all static models ( $p < 0.001$ ). The impact of not being able to raise \$2000 at a time of need is much stronger for *insecure* purchasers (4.11) and renters (2.29) in model 2 compared with the *highly insecure* renters (1.87) and purchasers (2.34) in model 1. This suggests that not having savings or networks to draw on is more influential for the *insecure* compared with the *highly insecure* and could help explain why this group experiences difficulties in their housing despite fewer overall episodes of unemployment and lower insecurity in employment.

The influence of household type and composition is a further difference between *highly insecure* and *insecure*. Both *highly insecure* renters (1.73) and purchasers (1.18) have increased odds of insecurity amongst couples with dependent children, although this is only significant for renters. *Highly insecure* lone parent (1.40) renters and (1.90) purchasers also have increased odds, significant at the 10 per cent level. However, this pattern is reversed for other *insecure* renters and purchasers where the relationship between dependent children in the household and odds of insecurity in tenure is negative. This is especially so amongst *insecure* purchasers living in a couple household with dependent children (0.66,  $p < 0.05$ ) and *insecure* renters living in a lone-parent household with dependent children (0.49,  $p < 0.05$ ).

One explanation for the difference could be that having dependent children in the household reduces equivalised household income because it is calculated on the number of children in the household. A further explanation could relate to the influence of household instability. The relationship between household instability and insecurity in tenure was explored through the creation of dummy variables identifying whether a member left or joined the household during the three year period. Household change did not have a significant impact on housing in most of the static models, but was particularly influential for *insecure* purchasers in model 2, where the odds doubled (2.00,  $p < 0.05$ ) for

households with a member leaving, suggesting the strong impact of household dissolution on housing insecurity amongst higher-income purchasers.

The need to make regular housing payments consumes a large proportion of overall household expenditure and influences the degree to which housing is sustainable in the context of labour insecurity and/or labour-market exclusion. The unit of measurement for housing costs is monthly rental or monthly mortgage repayments divided by 100. Housing costs are significant amongst highly insecure renters, where every additional \$100 of monthly costs increases the odds by 10 per cent and ( $p < 0.001$ ), but not in other models.

A further way of identifying the influence of purchaser housing costs is to control for the amount owing on the home loan. Amount owing will be a determinant of monthly repayments and can also reflect the time of purchase, with more recent purchasers generally owing higher amounts. While the amount owing on the loan is significant in both purchaser models ( $p < 0.05$ ), the effect is very small.

Being Australian born generally increases the odds of insecurity in all models and is especially significant amongst insecure purchasers in model 2. Further investigation would need to examine why differences are so pronounced before any meaningful insights could be made from this finding. Whilst having a tertiary level qualification or above reduces the odds of insecurity once controlling for other household conditions in most models, the odds are increased amongst insecure purchasers in model 2, although this was not significant and potentially reflects low sample numbers. It would be important to examine this relationship with a larger sample because it suggests a very different group of purchasers who are encountering difficulties in their housing, which could be related to instability within their own household and rising housing prices over insecurity in employment. From the results and the descriptive profile in Chapter 5 it appears that insecure purchasers differ in a number of ways to highly insecure purchasers.

## **Moving into and out of housing insecurity**

Another way of testing the strength of the association between labour and housing is to model the influence of employment in the transition into and out of housing security and insecurity. This can help to determine the ordering of events, comparing those who experience a change in housing with those who do not, and assist in answering the third question: *Is there evidence of a precautionary motive contributing to access insecurity amongst households in less secure forms of employment after controlling for other household conditions?*

Four transition models are presented in this section. The first two models discussed are for those moving from secure rental to highly insecure rental and the reverse transition from highly insecure rental to secure rental. The remaining two models are across-tenure transitions from renter to purchaser, and the transition out of purchased housing back into the rental market. A multinomial transition model with random effects outlined in Chapter 4 was specified through a series of derived binary dependent variables from the categorical transition matrix of the household typology of housing security and the original housing-tenure variable in order to follow transitions into and out of rental insecurity and across tenures over the three year period.

Building on the findings of the earlier static models, it is hypothesised that individuals in non-permanent, self-employed and unemployed households will have an increased likelihood of transitioning into rental insecurity. Conversely, these groups will have a decreased likelihood of transition out of rental insecurity into rental security.

The first model examines individuals who have made a transition from secure to highly insecure rental during the three year period. Based on the method described in Chapter 4, individuals making a transition from secure rental to highly insecure rental assume a value of one and all other renters are coded to zero. Taking into account missing data on explanatory variables the remaining model sample of renters is 3243 observations. The second model, applying the same coding criteria as the first transition model, examines

the reverse transition from highly insecure rental status into secure rental. The total sample includes 727 observations.

The results for transitions into and out of rental insecurity appear in Table 23. The overall model fit as determined by the wald chi score, while significant at the  $p < 0.001$  level for both models, is not high. This suggests that there are likely to be additional factors accounting for transitions into and out insecure rental that have not been observed. Omitted variable bias and small sample numbers are therefore likely to reduce the robustness of the findings. However, the purpose of this modelling exercise is to compare a similar set of employment indicators with those included in the static models.



**Table 23. Transitions into and out of rental insecurity, HILDA 2001-2003**

<i>Household Employment</i>	<i>Affordable to rental insecurity</i>			<i>Rental insecurity to affordable</i>		
	<b>OR</b>	<b>95% CI</b>		<b>OR</b>	<b>95% CI</b>	
Job-seeking	1.178 [0.688]	0.374-3.703		0.309 [0.195]	0.104 - 1.188	**
All unattached	2.192 [1.039]	0.866-5.549	*	0.454 [0.229]	0.200 - 1.387	
Non permanent	1.481 [0.534]	0.730-3.003		0.548 [0.209]	0.299 - 1.279	
Self employed	3.423 [1.310]	1.617-7.248	***	0.392 [0.222]	0.122 - 1.122	*
One or more permanent (omitted)	1.0			1.0		
No full-time employment	2.178 [0.754]	1.104-4.292	**	0.975 [0.370]	0.568 - 2.431	
<b><i>Individual Employment</i></b>						
Continuous participation	1.067 [.455]	0.462-2.46		0.895 [0.414]	0.362- 2.216	
Episodic participation	2.028 [0.708]	1.023-4.020	**	1.221 [0.458]	0.585- 2.546	
Discrete non participation	1.348 [0.598]	0.565-3.215		0.861 [0.419]	0.332- 2.233	
Full exclusion (omitted)	1.0			1.0		
Casual contract	1.511 [.543]	0.748-3.056		0.935 [0.344]	0.454 - 1.923	
<b><i>Other Household Conditions</i></b>						
Income support recipient	1.495 [0.441]	0.839-2.664		0.466 [0.143]	0.256 - 0.850	***
Don't think could raise \$2000	1.807 [0.448]	1.111-2.938	***	0.850 [0.227]	0.505 - 1.430	
Member leaving household w2 or w3	6.434 [2.057]	3.439-12.039	***	2.290 [0.977]	0.992 - 5.284	**
Member joining household w2 or w3	0.672 [0.269]	0.307-1.472		2.449 [0.924]	1.368 - 5.775	***
Couple family with depend children	2.777 [0.884]	1.488-5.183	***	2.168 [1.131]	0.779 - 6.029	
Couples without children	2.340 [0.746]	1.253-4.370	***		0.574 - 5.464	
Lone person (omitted for first transition)				4.149 [2.324]	1.384 - 12.439	***
Lone parent depend children	0.629 [0.241]	0.297-1.334		1.032 [0.742]	0.426 - 3.981	
All other family types omitted	1.0			1.0		
Monthly household equiv income/100	0.861 [0.017]	0.828-0.895	***	1.142 [0.021]	1.102 - 1.184	***
Monthly rent	1.144 [0.033]	1.081-1.209	***	0.772 [0.049]	0.642 - 0.835	***
Age of oldest member in household	0.966 [0.047]	0.880-1.063		1.143 [0.074]	1.006 - 1.297	**
Age squared	0.999 [0.001]	0.998-1.001		0.999 [0.001]	0.997 - 1.000	*
Long term health condition	1.074 [ 0.292]	0.631-1.829		0.963 [0.277]	0.547 - 1.693	
Australian born	1.297 [0.353]	0.760-2.210		0.833 [0.286]	0.425 - 1.634	
Degree	0.959 [0.314]	0.505-1.822		1.673 [0.654]	0.777 - 3.602	
Wald chi2	161.91		***	100.68		***
Likelihood-ratio test of rho	0.38			3.46		**
Number of observations: N=	3243			727		
Number of groups: N =	1208			269		

1. Coefficient estimates for random effects models have been converted to odds ratios. Standard errors appear in parentheses.

2. \*\*\* Significant at the 1% level \*\* Significant at the 5% level \* Significant the 10% level

3. The unit of income included in the model was monthly household income divided by 100. Income was equalised by applying the OECD equivalence scale. Equivalised income measures capture economies of scale associated with the addition of each household member.

4. A SPSS program was obtained from HILDA staff to identify households that have either had a new person enter or a member leave household based on changes on household ids.

It was shown earlier in the static model for renters that households relying primarily on self-employment had significantly higher odds of experiencing rental insecurity compared with other labour market groups. Table 23 shows that the influence of self-employment is even more apparent when examining a change in housing status from rental security to insecurity. Individuals living in an all self-employed household are more than three times (3.42) more likely to transition into highly insecure from secure rental ( $p < 0.001$ ).

An important difference between the static and dynamic models for rental insecurity is the influence of part-time employment. Individuals with no full-time employment in the household are twice (2.18) as likely to move from secure to insecure rental ( $p < 0.05$ ). Episodic employment measured at the individual level is also influential. Those moving in and out of employment over the three year period are twice (2.03) as likely to move into rental insecurity ( $p < 0.05$ ). Living in a non-permanent household is associated with increased odds of 48 per cent in transitioning into rental insecurity; however, unlike the previous static model, the results are insignificant. Similar odds (1.51) are observed for those in casual employment, but again the results are insignificant.

Household dissolution had the most influential effect on the likelihood of a transition from secure into insecure rental after controlling for different employment states. When combined with employment variables these results could reflect the interaction between an existing vulnerability in the labour market, household stability and rental insecurity. The odds of a transition into rental insecurity for individuals with a member leaving the household are more than six and a half times greater (6.43) and highly significant ( $p < 0.001$ ) (although a high standard error of 2.1 suggest some caution in the interpretation of this result).

These findings on the importance of household dissolution suggest that women may be particularly vulnerable to a transition from secure to insecure rental based on the high proportion of women who head part-time employed households. However, it is couples with (2.78) and without (2.34) dependent children who are more than twice as likely to

experience a transition ( $p < 0.001$ ). This effect was evident even when testing for both time-varying and non-time-varying measures of family status.

As expected, income, savings and housing cost variables are all highly significant and consistent with the initial static model. A \$100 increase in monthly income decreases the odds of a transition into rental insecurity by 14 per cent ( $p < 0.001$ ). The relationship with housing costs has a similar strength of association although it is in the opposite direction, with every additional \$100 in rental costs increasing the odds by 14 per cent. Closely associated with income, not being able to raise \$2000 increases the risk of moving into rental insecurity by 81 per cent ( $p < 0.01$ ).

The models presented thus far have generally indicated a positive relationship between insecure forms of employment and insecurity in tenure. While the direction of the relationship follows the static models, labour-market variables in the transition models are generally only significant at the level of 10 per cent after controlling for other household conditions. Again small numbers in the sample could be reducing the significance of labour-market variables and the effects maybe stronger with additional waves of data.

Income and housing costs are again highly significant ( $p < 0.001$ ) and in the expected direction. An increase in income (1.142) and a decrease (0.772) in housing costs raise the likelihood of a transition out of highly insecure rental. In line with these findings, income-support recipients are 53 per cent less likely to transition out of highly insecure into secure rental ( $p < 0.01$ ).

After controlling for income and housing costs, household instability is a strong predictor for a transition into secure rental from insecure rental. Compared with stable households, the likelihood of moving into secure rental when a new member joins the household is nearly two and half times (2.45,  $p < 0.01$ ). A member leaving the household is also associated with increased odds (2.29,  $p < 0.05$ ) of moving into secure rental.

In sum, the results from the two transition models generally confirm the impact of insecure employment, especially self-employment, in the move into highly insecure rental. Household formation and dissolution also appear to be particularly influential in what are likely to represent sudden changes in income and also a potential move of location. More conclusive results could be obtained from analysis of the interaction between household employment composition and stability over a longer period of time and with a larger sample size.

### **Moving into and out of home ownership**

The relationship between insecure work and change within a household typology of housing security can also be examined through the movement from one tenure status to another. In this section the influence of household and individual labour-market variables in moving out of home ownership into the rental market is examined first. Based on an approach similar to the two previous transition models, the starting state for individuals moving back into rental status included all individuals who were purchasers in wave 1 (2001). Purchasers remaining in that state in all three waves were coded to zero while those moving from purchaser to renter in either wave 2 or 3 were coded to 1 when the transition occurs. The final sample is 6251.

The second dynamic model tested in this section is based on the reverse transition from renter status into home ownership. This model tests a precautionary motive proposition and the third research question: *Is there evidence of a precautionary motive contributing to access insecurity amongst households in less secure forms of employment after controlling for other household conditions?*

Labour insecurity was proposed to contribute to access insecurity via a precautionary motive by reducing the likelihood of moving into home ownership and therefore confining households to the higher insecurity of the rental market. The dependent variable for a move into home ownership from the rental market was defined in a similar way to previous dynamic models with individuals remaining renters in all three waves

coded to zero while those who moved into home owner status in wave 2 or 3 coded to 1 when the transition occurred. The final sample is 5505.

Explanatory variables included in the across-tenure transition models are similar to those for the static models, but additional non-time varying measures of employment, income and housing costs have been included to help control for initial conditions before a transition. Time-invariant and time-varying variables have also been included in the transition models for family type and various labour-market measures to control for changes associated with household formation and dissolution and to help distinguish between duration effects and changes occurring within the three year period.

### ***Employment and the move out of home ownership***

A move out of purchased housing can occur for a number of reasons, including household dissolution or a temporary transition whilst building a new property, that may be independent or interact with financial constraints from the labour market. As illustrated in Table 24, after controlling for income and housing costs, the strongest predictors for a transition out of purchaser status related to household composition and instability and the absence of employment within the household.

Model results in Table 24 are based on a lagged independent variable for housing costs in which amounts in wave 1 are brought forward to the next wave observation. Including lagged independent variables omits observations for the first year. In the descriptive statistics, a quarter of individuals making the transition back into rental status also had a member leave the household. This compares to 5 per cent for those who remain in home ownership (see Appendix 6, Table A6b).

Given the prominence of household dissolution in the transition out of purchaser status, a different approach to the role of labour market variables and family type has been taken, where time-varying and time-invariant predictors are both included in the model. This

enables employment and family composition at any period over the three years to be controlled for.

The model results indicate that the transition from home ownership back into the rental market is more likely to occur amongst lone-person rather than couple households and is strongly associated with household dissolution. A member leaving the household increases the odds of a transition out of purchased housing to 3.8 ( $p < 0.001$ ). Individuals living in a couple household with dependent children at any stage during the three years have significantly higher odds (2.6) of moving back into the rental market. When included as a time-varying measure, the relationship becomes negative (0.26) and insignificant.

The time-invariant measure for lone persons is also significantly linked to increased odds of 3.38; however, on a time varying basis, the odds decrease to 0.632 and are no longer significant. Being a lone parent with dependent children is not significant for time or non-time varying measures, potentially suggesting that when separation occurs amongst those with children it is typically the female partner, initially, at least in the interim period who is most likely to remain in the purchased home.

The descriptive statistics showed that purchasers are more likely to be permanently employed. This means that any movement out home ownership, especially if relating to household dissolution, will also be occurring amongst those who are secure in their employment. To control for this effect household time-varying and non-time-varying measures have also been included in the models. Time-varying measures record the status of an individual in each year i.e. employed in wave 1 and unemployed in wave 2. Time-invariant measures are the same for each year of observation, i.e. if a person is unemployed at any time in a three year period they will be assigned to an unemployed category.

Using households with more than one member in permanent employment as the omitted reference group, the absence of any employment within the household is strongly associated with a transition when measured on a time-varying basis (4.7) ( $p < 0.01$ ) but not when measured on a time-constant basis (0.56). The decreased odds (0.41) of moving out of purchaser status amongst the continuously employed confirm the potential influence of unemployment and/or labour-market exclusion.

There are several possible explanations for these results. The higher likelihood of unemployment could reflect the sudden loss of employment of the main earner at the time of the transition. It could also be related to a separation where one of the members living in a household with another earner was not employed themselves. Employment position could be interacting with household dissolution, where those who are unable to increase their labour market participation or hours worked in the context of separation are more likely to run into repayment difficulties and move out of home ownership. Income and labour-market factors could be interacting with delays in property settlement where members of dissolving households move back into the rental market at different periods of time. Alternatively, loss of employment within the household could also be implicated in a dynamic process of relationship breakdown and the eventual movement back into the rental market (Berry *et al.*, 1999).

**Table 24. Transition from home owner to renter status, HILDA 2001-2003**

	OR	95% CI		OR	95% CI	
<b>Household Employment</b>			<b>Household &amp; Individual Conditions</b>			
No employed members time varying	4.710 [2.695]	1.535-14.458	***	Couple family with depend children time varying	0.266 [0.086]	0.141- 0.502 ***
No employed members time invariant	0.566 [0.282]	0.213- 1.501		Couple family with depend children time invariant	2.662 [0.802]	1.475- 4.805 ***
Self-employed time varying	1.752 [0.828]	0.694- 4.426		Lone parent depend children time varying	1.175 [0.752]	0.335- 4.120
Self-employed time invariant	0.716 [0.286]	0.327- 1.569		Lone parent depend children time invariant	0.979 [0.557]	0.320- 2.989
Non-permanent members time varying	0.946 [0.295]	0.514- 1.743		Lone person time varying	0.632 [0.291]	0.256- 1.560
Non permanent members time invariant	1.065 [0.258]	0.663-1.711		Lone person time invariant	3.380 [1.478]	1.435- 7.966 ***
At least one permanent (omitted)	1.0			All other family types (omitted)	1.0	
At least one full-time	0.779 [0.268]	0.397- 1.529		Monthly household equiv income/100	1.013 [0.005]	1.004- 1.023 ***
No full-time members (omitted)	1.0			Monthly housing costs lagged/100	0.970 [0.017]	0.936- 1.005 *
<b>Individual Employment/ Education</b>				Age of oldest member in household	0.912 [0.042]	0.834- 0.998 **
Continuous participation	0.406 [0.142]	0.204-0.806	***	Age squared	1.000 [0.000]	0.999- 1.002
Episodic participation	1.171 [0.409]	0.591-2.321		Long term health condition	0.763 [0.183]	0.477- 1.221
Discrete nonparticipation	0.746 [0.282]	0.356-1.563		Mortgage Arrears time invariant	1.877 [0.421]	1.210 - 2.912 ***
Full exclusion (Omitted)	1.0			Member leaving household w2 or w3	3.794 [0.912]	2.368-6.077 ***
Degree	0.585 [0.136]	0.371- 0.923	**	Member joining household w2 or w3	0.911 [0.259]	0.522- 1.590
				Australian born	1.440 [0.337]	0.910 - 2.277
Wald chi2 = 219.06 ***				Income support recipient	0.666 [0.207]	0.361-1.225
Likelihood-ratio test of rho 109.24=***				Don't think could raise \$2000 time invariant	1.400 [0.340]	0.869-2.255
Number of obsns N= 4102						
Number of groups N = 2088						

1. Coefficient estimates for random effects models have been converted to odds ratios. Standard errors appear in parentheses.
2. \*\*\* Significant at the 1% level \*\* Significant at the 5% level \* Significant the 10% level
3. The unit of income included in the model is monthly household income divided by 100. Income is equalised by applying the OECD equivalence scale. Equalised income measures capture economies of scale associated with the addition of each household member.
4. A SPSS program was obtained from HILDA staff to identify households that have either had a new person enter or a member leave household based on changes on household ids.



A further interpretation of the results is that, once household dissolution and the movement of permanently employed within a household relationships has been isolated, it is financially constrained households, as evidenced by the higher odds of arrears, who move back into the rental market. Experiencing difficulties with repayments or 'arrears' at any stage during the three year period increases the odds of moving out of home ownership by 88 per cent ( $p < 0.01$ ). Similarly, difficulty raising \$2000 during a time of need increases odds by 40 per cent, although this was not significant.

In the earlier static model, self employment was influential in purchaser arrears; however, while those in self-employment at the time of the transition have higher odds of moving out of purchased housing, the results were insignificant. Individuals in self-employment, especially in the context of business failure could move into an unemployed household status at the time of the transition.

Increasing age and possessing a degree are negatively associated with a transition, but there is a positive relationship with income, with the odds increasing by 1.3 with every additional \$100 of monthly income. After including lagged housing payments, for every \$100 increase in housing costs there is a decreased likelihood of a transition into rental status by 3 per cent ( $p < 0.10$ ). This could indicate that individuals at the higher end of the mortgage market are less likely to move back into renter status while those with lower mortgage costs more likely to make a transition.

### ***Employment and the move into home ownership***

In this final section, the precautionary motive linked to labour insecurity is modelled by examining the role of employment in the transition into home ownership. The findings of the transition model from renter to home owner are presented in Table 25. Consistent with the previous transition model, housing costs have been lagged, therefore omitting wave 1 observations. Time-invariant measures of household employment have been included in order to identify the effect of household employment before and during a

transition. The results shown are consistent with previous studies that have identified a relationship between full-time employment, household stability and the progression towards homeownership. Generally, 'high commitment' dual income households are more likely to become home owners (Yates, 2002b; Clark *et al.*, 1994).

**Table 25. Transition from renter to home owner status, HILDA 2001-2003**

	OR	95% CI		OR	95% CI	
<i>Household Employment</i>			<i>Other Household Conditions</i>			
No employed members time invariant (omitted)	1.0		Easily raise \$2000	1.775 [0.315]	[1.25-2.51]	***
Self-employed time invariant	1.524 [0.442]	[0.86-2.69]	Member leaving household w2 or w3	0.450 [0.156]	[0.23-0.89]	**
Non-permanent time invariant	1.000 [0.199]	[0.68-1.48]	Member joining household w2 or w3	0.650 [0.153]	[0.41-1.03]	*
At least one permanent time invariant	2.257 [0.618]	[1.32-3.86]	***	Couple family with depend children time varying	3.980 [1.114]	[2.30-6.88] ***
Two full-time members time invariant	1.388 [0.312]	[0.89-2.16]		Couple time varying	2.155 [0.642]	[1.20-3.86] ***
One full-time and one part-time members time invariant	1.041 [0.222]	[0.69-1.58]		Lone person time varying	0.485 [0.161]	[0.25-0.93] **
No full-time members (omitted)	1.0			Other family groups (omitted)	1.0	
<i>Individual Employment /Education</i>				Monthly household equiv income/100	1.013 [0.003]	[1.01-1.02] ***
Continuous participation	2.400 [0.878]	[1.17-4.92]	***	Lagged house price index	1.035 [0.005]	[1.03-1.05] ***
Episodic participation	1.061 [0.396]	[0.51-2.20]		Age of oldest member in household	1.060 [0.056]	[0.96-1.18]
Discrete nonparticipation	1.508 [0.602]	[0.69-3.30]		Age squared	0.999 [0.001]	[0.99-1.00] *
Full exclusion (Omitted)	1.0			Long term health condition	1.260 [0.282]	[0.81-1.95]
Degree	1.255 [0.271]	[0.82-1.92]		Australian born	0.886 [0.1888]	[0.58-1.35]

Number of observations: N= 3706

Number of groups N= 2022

Wald chi2 = 276.29 \*\*\*

Likelihood-ratio test of rho = 305.17 \*\*\*

1. Coefficient estimates for random effects models have been converted to odds ratios. Standard errors appear in parentheses.
2. \*\*\* Significant at the 1% level \*\* Significant at the 5% level \* Significant the 10% level
3. The unit of income included in the model is monthly household income divided by 100. Income is equalised by applying the OECD equivalence scale. Equalised income measures capture economies of scale associated with the addition of each household member.
4. A SPSS program was obtained from HILDA staff to identify households that have either had a new person enter or a member leave household based on changes on household ids.

A significant departure of the current findings from previous research, however, is that the relationship between full-time employment and moving into purchaser status is no longer significant after correcting for the permanence of employment within the household. The odds of moving into purchaser status are 2.26 ( $p < 0.001$ ) for those with at least one permanently employed member in their household, twice the odds of all other household employment groups including full-time dual earner households. Being continuously employed over the three year period more than doubles the odds (2.40) of moving into purchaser status.

Closely connected with permanent and continuous employment, increases in income, savings, and living in a stable couple household are all significantly associated with the move into home ownership from the rental market. A \$100 increase in household income increases the odds of moving into purchased housing by 1.3 per cent. Being able to easily raise \$2000 at any time during the three years increases the odds by 78 per cent ( $p < 0.001$ ).

The increased odds of permanent households moving into home ownership over and above full-time dual earner status indicates a precautionary motive linked to the security of employment. The observed relationship between permanent employment and the transition into home ownership may also reflect a lower propensity for conforming lending institutions in Australia to provide mortgage credit to the self-employed and non-permanent employees.

The respective odds for couples with children (4.0) and without (2.16) and the negative relationship between members leaving and joining suggest that household formation and stability play a strong role in the movement into home ownership, findings that are consistent with previous research. Higher odds amongst those with children is an interesting finding that runs counter to earlier life-cycle theories where children typically arrived after the purchase of the family home. This finding may also be indicative of a further labour-market precautionary motive where households delay purchasing until both partners can work continuously.

The role of housing costs in the transition to home ownership is more difficult to measure and determine. Other studies including Diaz-Serrano (2005), examining the probability of home ownership based on a larger panel, have compared user costs for renting versus owning by including values of annual regional house prices, interest rates, and various property and marginal tax rates in their model dataset. Aarland and Nordvick (2009) include a measure of regional house prices on a two-wave panel although the results were insignificant.

The measure of housing costs used in the current model is annual average of housing costs for established dwellings from the ABS house price index. The first year observations for the 2001 house price index have been lagged or brought forward to correspond with initial prices before a transition. The association between the transition into home owner status and housing price is positive and highly significant, indicating that an annual rise in the price index increases the odds of moving into home ownership by 3.5 per cent.

This finding corresponds with rapidly rising prices and a speculative investment boom occurring in early 2000, where many new purchasers rushed to buy a property in fear that they would be priced out of the market. The model does not include other tax and transfer incentives including adjustments in first home owner grants. However, housing finance data show clear increases amongst new entrants in years corresponding with increases in the amount of first-home owner grants (FHOG) (ABS, 2009b, p.17).

Household employment composition combined with family type, income and age indicate that the typical profile of households moving out of the rental and into the mortgage market during 2001 to 2003 were younger stable and financially secure families with at least one member in permanent employment. Modelling these dynamics over a longer duration would help to further confirm the precautionary influence of labour insecurity. Also including additional measures such as interest rates and housing user costs could improve understanding of the role of housing market indicators on the transition into home ownership.

## Conclusion

This chapter has presented findings on several models testing the association between labour and insecurity in tenure and access insecurity. The static and dynamic models tested in this chapter confirm the findings from the theoretical framework and descriptive analysis that established an association between insecurity in employment and income insecurity and rental and purchaser insecurity. In answering the first question, *Is labour insecurity associated with a greater risk of insecurity in tenure in both rental and purchaser housing after controlling for other household conditions?*, labour insecurity was found to increase the odds of insecurity in tenure. Using different measures of non-standard employment as well as employment participation measured from continuous to full exclusion as proxy indicators for labour insecurity, it is concluded that there is a significant relationship between more insecure forms of working relations and housing security outcomes, particularly amongst households in the bottom 40 per cent of the income distribution.

Low and moderate-income private renters who are outside the social housing system appear to be particularly vulnerable based on their over representation in non-permanent employment, which was found to be more highly associated with housing insecurity than labour-market exclusion. For low-income purchasers, any threat emerging from both insecurity in employment and household income insecurity increases housing difficulties. The relationship between non-permanent, self employment and labour-market exclusion and housing is generally strongest when it is the only type of employment, or there are no other employed members in the household. This suggests that the collective employment security of the household has become critical for housing security. The findings on labour market and income measures also suggest the importance of both certainty of income and the ability to draw on additional resources should there be any fluctuation in earnings.

In answering the second question, *Does the influence of employment differ across low and higher income groups experiencing insecurity in their housing?*, it was found that increased odds of insecurity in tenure was more strongly associated with household

instability, a limited savings cushion, and higher housing costs for higher-income purchasers. Household dissolution was also found to be especially influential in the transition back into the rental market from purchased housing. Household instability could combine with existing labour-market vulnerability in the housing insecurity dynamic. Results for higher-income purchasers experiencing payment difficulties suggest that new inequalities are emerging with respect to the timing of entry into purchased housing where insecurity within the household can act independently of changes in employment. This could help to explain why higher-income working households and not just those who face unemployment are finding themselves amongst those experiencing insecurity in tenure.

The above findings highlight the importance of being able to identify the different origins of insecurity affecting household security. There have been general assumptions that insecurity in employment has become more wide-spread amongst higher-income groups and that this trend can be used to explain the incidence of payment difficulties arising for more affluent households. Apart from the strong influence of self-employment across all housing groups, the results suggest that labour insecurity, particularly insecurity in employment, is playing less of a role amongst higher-income earners than household instability and high housing repayments.

In answering the third question, *Is there evidence of a precautionary motive contributing to access insecurity amongst households in less secure forms of employment after controlling for other household conditions?*, the overall findings support the importance of permanent employment in the long-term security decision to purchase a home and points to the potential influence of a precautionary motive associated with labour insecurity. The insignificance of full-time employment once controlling for permanent employment suggests that is not only the hours worked but overall employment security that influences the way households consume housing. In the absence of additional resources to draw on, the findings suggest that households reliant solely on non-permanent employment for their income will be more likely to remain in the rental sector.

There are several limitations of the analysis in this chapter that need to be acknowledged. The measures of labour and housing insecurity used here and in Chapter 5 are proxy measures of the real underlying tendencies that can only be extensively observed amongst broad taxonomic groups. These measures also rely on self-reported data collected in standardised pre coded questionnaires, which is likely to simplify complex labour and housing security relations.

Moreover, while the two-level random effects (multi-level) panel models used in this analysis control for unobserved heterogeneity amongst individuals, the analysis has not controlled for a potential third-level of unobservable heterogeneity within households. There could be specific unobservable characteristics such as values, beliefs and motivations that are shared amongst those living in the same household that could further impact upon observable relationships between labour and housing insecurity. Three level models are a relatively recent procedure for logistic regression modelling and the specific program commands were not available in the standard version of Stata 9 that was used at the time the statistical analysis was undertaken.

The results in this chapter have uncovered the strength of statistical associations between different labour market states or the ‘demi-regularities’ between employment and housing security. However, this analysis does not adequately explain the causal processes involved. This chapter found that there is an association between more insecure forms of employment and housing insecurity and we are still left to speculate the underpinning mechanisms and contingencies involved in the interaction between households and the social relations within labour and housing markets. The causal mechanisms within some forms of non-permanent and self employment could potentially relate to the greater tendency for income to fluctuate, higher rates of underemployment, and a greater likelihood of becoming unemployed altogether compared with other employment arrangements.

While labour insecurity may be invoking precautionary practices that impede access to home ownership, the analysis in this chapter does not reveal the underlying mechanisms that may be underpinning this relationship. For instance, lower odds of transitioning into

home ownership amongst non-permanent households compared with those with a permanent member could be due to the reluctance to purchase because incomes are uncertain or variable. Alternatively, it could mean that those in non-permanent households have aspirations to purchase but have been denied mortgage finance from lending institutions. It may also be a consequence of a preference for renting over purchasing because the household is not ready to commit to a particular location for the longer-term.

Some of the limitations referred to above can be overcome in a more intensive analysis of how labour insecurity contributes to housing insecurity. Reconstructing labour and housing biographies or pathways can help to uncover causal processes over time from the perspective of households acting in the social context of labour and housing market structures or fields. In the next two chapters of the thesis, I seek to address some of the shortcomings associated with extensive methods through a more intensive explanation of the connections based on the employment and housing biographies of eight households.





## Chapter 7

### **Housing insecurity and the decline of household capital**

The descriptive and regression analysis in chapters five and six provided strong evidence to support the contention that housing insecurity is frequent amongst both working and non working households, especially for those in the private rental market. However, this extensive analysis did not explain the mechanisms underpinning labour and housing relations that contribute to insecurity in both work and housing. In particular, the extensive analysis did not explain how the practices of different actors in labour and housing fields combine to produce an outcome of housing of insecurity.

In chapter three, drawing on a critical realist framework of causation, I argued that causes are located within the generative dispositions of agents and the socially constructed practices that may or may not manifest in observable demi-regularities of housing insecurity. Within this framework it is argued that labour insecurity contingently causes housing insecurity through unequal necessary relations on both sides of the production and consumption relationship. These necessary relations are enduring in the labour and housing relationship but are mediated by the contingent conditions of cumulative individual and collective household capital and state practices that change over time and in different places.

In this chapter, following the in depth stories of five households, I explain the labour practices contributing to insecurity in tenure and access insecurity. This intensive approach helps to make visible the consequences of necessary and contingent relations in work and housing affecting individuals and the households they live in. There are two research questions guiding the chapter discussion. The first question, *How does the employment relationship cause work to become insecure?*, seeks to understand the necessary mechanisms that have shaped experiences of insecurity amongst those interviewed. The second research question, *How does labour insecurity cause households*

*to become insecure in their housing?*, leads to an explanation of how experiences in the labour market interact with the contingent conditions within each household in contributing to housing insecurity.

The chapter answers the research questions in three sections. The first two sections present the labour and housing histories of five households. They present intensive accounts of insecurity previously identified within the household housing security typology framework. Each case study presents a chronology of labour and housing events across the life course. In each case it is revealed how the individuals and the households they belong to move categories within the household housing security typology. Each story also reveals the cumulation of individual and collective household capital and how this capital mediates housing security outcomes over time.

The first section presents stories of insecurity in tenure and access insecurity amongst three working insecure households who are currently residing in conventional private rental housing, one of whom has recently moved out of home ownership. The second section presents two more stories of those who, at the time of the interview, were living outside conventional housing, one of whom resides in a caravan park while the other is defined as secondary homeless staying temporarily with friends. Living on the outside of both labour and housing markets, these two stories reveal the cumulative processes of marginalisation that have led to experiences of highly insecure tenure and access insecurity.

The employment and housing histories in the first and second sections have been interpreted in my words to provide a holistic account of how household work and housing histories interact across time. The name of the participant in each story has been replaced with a pseudonym to protect their identity. Excerpts of episodic narratives reflecting times when labour insecurity led to their housing becoming insecure are drawn out from interviewees' own accounts in order to provide a discussion of the causes of insecurity relating to each individual household. These narratives reveal the meanings and reasons behind labour and housing practices of households as they interact with the practices of employers and housing providers.

The third section then provides a synthesis of the labour and household conditions causing insecurity in tenure and access insecurity in the lives of the five households discussed in the first two sections. The analysis shows how insecurity in tenure and access insecurity emerge from a cumulative process of decline in collective household capital that stems directly from current and past labour-market experiences of insecurity, as well the collective and historical position of the household in the social space of work and housing.

### **Housing insecurity amongst the conventionally housed**

The way in which labour insecurity has contributed to housing insecurity for those falling out of purchased housing and the private rental market is explained through the stories of John and Susan, Michael and Jessica, and Bev and Joe. All three households have endured long periods of labour insecurity throughout their working lives and the following three stories reveal the practices they have adopted to counteract insecurity in both their work and their housing. Their stories, told through the narratives of *an unsustainable mortgage*, *no cushion for the unexpected*, and *arrears as a way of life*, show how some households have been able to negotiate their way back to a position of security in their housing, while, for others, the experience of housing insecurity is recurring and protracted.

#### ***Susan and John's story: An unsustainable mortgage***

Now 46, Susan was 21 years old when she first moved out of her parents' home to live with friends in the private rental sector. After completing year twelve at school she gained employment as a clerk in a small law firm. At the time of moving out of home Susan left the law firm to work in an administrative role in the public service. Staying in this position for a year, Susan then took on work as a tram conductor, where she continued to work for another year.

When Susan was 24 years old she met her husband John, now 53, who was employed as storeman at the time. John left school when he was 15 years old to pursue a trade apprenticeship although he did not take one up at the time. Up until his early twenties John worked in various full-time labouring jobs including, stores work and, fork-lift driving before acquiring specialist skills in piping and insulating within the building and construction industry, which remains his current vocation.

Early in their relationship, Susan and John moved interstate. However, after relocating Susan had difficulty finding suitable work and they both returned to Victoria within a year and began saving for overseas travel. Susan gained short-term work in a factory to save extra money. They travelled overseas together for four months and when they returned they lived with John's father, who was in the process of paying off a former public housing property. Susan and John both contributed to housing and other household expenses whilst living with John's father. They continued to live with John's father until they were married and moved back into the private rental market. Susan then obtained full-time permanent work in public service. John returned to work in the building and construction industry and, with the exception of a few short roles, has remained in this field throughout his employment career.

Susan and John's first child was born after a year of marriage and coincided with a move to another rental property. During this period John's father became ill and moved in with Susan and John, all relocating to a larger house soon after. At 27 years of age Susan had her second child. Susan and John remained in the same property until the birth of their third child when Susan was 34 years old.

They remained in the private rental market until Susan was 39 years old. Although attempting to save for a home deposit where they could, the demands of raising a family and the uncertainty associated with John's work hindered their efforts. Whilst working in the building industry, John has had to change companies frequently due to regular fluctuations in the demand for construction labour. Although receiving entitlements such as sick leave and holidays, his positions in the building industry have been 'up and down' without any long-term security.

When working in the building industry, particularly in the later stages, John was able to earn a good wage, bringing home up to \$800 a week. However, any savings accumulated towards a deposit of a house were used during extended periods of being out of work. Susan's part-time income was low and only sufficient to cover basic living expenses. When John was unable to obtain building work he went back to casual stores work, with significantly lower hourly pay. In and out of casual jobs John experienced particular difficulties gaining employment during the early 1990s, when he was unable 'to get anything' despite looking for work for over six months.

In 1998, Susan also found herself in a precarious position in her government job. Her department was undergoing a significant restructure where many permanent staffing positions were being abolished. Not sure of what jobs would be available as a result of the restructure Susan took a redundancy package and left the labour market for a short period, before obtaining some casual work as a swimming instructor to keep herself occupied.

The insecurity from the loss of her job and the decision to take a package provided an unexpected break for Susan and John by allowing them to have a sufficient deposit to enter the mortgage market. Using the redundancy money as a deposit, they purchased their own home in 1999. With the added expenses associated with maintaining a mortgage Susan obtained a full-time permanent position in office administration, where she remained for approximately three years. She then went onto a different part-time position within the same organisation, which is her current employment status.

Purchasing their property in 1999, Susan and John were in their home for five years before having to sell in 2004 and move back into the private rental market. The sale price on the house was enough to cover the loan and expenses, with a small amount left over, which the family lived off. The initial housing purchase coincided with a period of dramatically rising housing costs. To purchase a house that was affordable and remain in the same area where they had been settled, Susan and John purchased an older house, which they hoped to renovate to their own liking. Susan and John borrowed approximately \$200,000 for the house.

During the period of greatest hardship, John had spent over three months out of work over the course of a twelve month period. The periods when he was temporarily laid off fluctuated from two weeks up to a month, often without notice of when he would be needed again. This uncertainty made looking for a new job very difficult. Susan's income in her current position was insufficient to manage the mortgage payments of over \$600 a fortnight in addition to the expense of raising the family and home renovation. This ongoing struggle led to the final decision to sell the home and move back to the private rental market. While Susan and John have had to come terms with the difficult decision to sell their home, the move back into the rental market has come as relief, at least for the time being.

Susan and John are now renting a four-bedroom house for \$250 a week. As John's income still fluctuates, Susan's part-time wage is used to make the regular housing payments. Susan has set up a direct debit account from which her part-time wage is automatically paid to the real estate agent each fortnight whilst John's wage contributes to other household and living expenses.

At the moment Susan feels that rental costs are manageable and they are back on their feet. Susan is confident that her job is secure in her current position. However, Susan and John continue to live with and plan around the uncertainty in John's work. Even recently the construction project that John had been working on had to cease while the Commonwealth Games were being held in Melbourne, leading to another unpaid break in employment and continuing the cycle of 'only working when the company is working'.

Although Susan expressed an interest in looking for other work she fears that a move to a different job would jeopardise the security that she has in her current place of work. Working in administration, Susan has recently reduced her hours from a nine to a six-day fortnight as she found it too difficult to work so many hours and also manage the demands of caring for three teenage children. Without the pressure of the mortgage, Susan felt she was able to reduce her hours and devote more time to caring for her children and running the household.

*Labour market causes and household practices*

At the time of the interview Susan and John had transitioned from 'insecure' purchasers to 'secure' renters. Susan's most significant experience of insecurity is when they had to sell their mortgaged home. This coincided with another 'lull' in John's employment in the building industry. Their combined household employment profile fits the permanent household category made up of one part-time permanent member who is 'income insecure' and another full-time member, the main income earner, who is casual and experiences frequent episodes of 'insecurity in employment'. Susan's second permanent income gave them security in the private rental market but was not sufficient to tide them over and repay high mortgage repayments when John was out of work.

The following is an excerpt of Susan's account of John's labour insecurity that ultimately led to their decision to sell the family home and move back into the private rental market. Susan attributes the loss of their house to the unpredictable earnings from John's work combined with her own low income as the main reason for selling. The inconsistency in John's work combined with Susan's low income has made it very difficult to accumulate savings, depleting their overall household capital to save their own house.

SP: Are you the only one working at the moment?

S: No, we both work but his is very casual. Fortunately I work to pay the rent and his income pays the rest.

SP: Is your position casual or are you permanent?

S: I am permanent. I was full time, well I was a nine day fortnight but I just felt because of the kids I was finding it a bit hard so I asked if I could change to three days a week. And that only happened about a month ago.

SP: And with your husband's employment at the moment, what sort of industry is he working in?

S: He's a pipe insulator so he works in the building trade, but I don't know if he's seen as permanent or not because when a job finishes it just depends which guys go to the next job. So you're never really sure from job to job.

SP: That's a characteristic of the construction industry?



S: Yes. So there might be periods of time when he may not be working for a month or so. And that's where we found it really hard with the mortgage. We just couldn't do it. There was a period of...if there was a lull, my income wasn't enough to pay the mortgage.

Throughout the interview Susan repeatedly spoke of the insecurity of John's work with a sense of resignation, like it was an old foe resurfacing time and time again: "Then there was this up-and-down thing again". Susan's comments, "you're never sure from job to job", reflect a position of high exploitation from the company in which the employment relationship can be disengaged and engaged with little notice or compensation. Despite John's long-term engagement with an industry often noted for this type of insecurity, he did not change vocations. Susan attributed this to his age and the difficulty of finding comparable work for his skills and his acceptance that uncertainty in the industry is a way of life or 'the rules of the game' in this particular field of work.

John's working identity and habitus appears to be strongly linked to the industry, with all their consumption strategies shaped around preparing and managing for the next episode of temporary unemployment in what appears to be a pragmatic and resigned response to the exploitation characteristic of such industry practices. Susan's working identity is linked to the emotional and material need to balance the demands of three children with the need for at least one stable income to pay for their housing.

Ironically, their first break into the home-ownership market came with Susan's own job insecurity from a public service retrenchment in which her redundancy package was used as a deposit for their house. This experience highlights the contingent connection between labour and housing security. Being fortunate enough to obtain a large sum of money as a redundancy mediated any potential housing difficulties associated with her job loss. However, entering the mortgage market during a period of rapidly rising house prices, they were faced with the prospect of having to pour significant amounts of money into the property in order to make it more liveable.

SP: Can you tell me about what happened in the period leading up to the point of having to sell?

S: I guess there was a lot that was going on, where he was just working for two months, then he was off for a month and then he was working maybe for another few months and then he was off for a month, so it was very up and down. And my income, basically I don't earn a lot really, was not enough to cover the house.

SP: What were the mortgage repayments on the house?

S: It was quite high, it was something like \$400 or more a fortnight. No, it would have been more than that because it was more than my rent at the moment, so it would have been over \$600 a fortnight. So you know, at least \$300 a week.

SP: Did you try to renegotiate the amount you paid with the bank?

S: No, we did talk to someone about what we could do about it but basically that was, we were at the highest level of the loan that we could get so there was no point getting more money 'cos the payments would have just been higher. So we really struggled. We tried to hang in and keep it but it just got too hard.

SP: So how long do you think you struggled to hang on to the house?

S: Probably a year we did try and struggle along. But we found we were then using a credit card more, so we had two things we were trying to juggle then. It was just robbing Peter to pay Paul and we couldn't see any way out of it.

Susan's and John's story illustrates the long struggle of holding onto their home in the context of John's intermittent employment in the building industry. Their story reflects a breakdown in the 'functional link' between secure employment and sustainable home ownership argued in Chapter 3. Susan's and John's experience is also one that often goes undetected in rates of mortgage default because they made their own decision to sell before there was a claim for possession.

At the time Susan and John had weighed up the many different alternatives and resources at their disposal, and after a year of ongoing financial insecurity the decision to sell was considered their only option. In the end their overall strategy was to alter their consumption by moving back into the rental market in order to protect themselves against the risk and uncertainty of John's work whilst still maintaining a quality of housing in the rental market. They did not draw on others or their social capital for financial help because in their opinion this would have only made things harder.

SP: Do you feel that your current costs are manageable at the moment?

S: Yes, at the moment when he is working its ok, when he doesn't work we panic because, ok my income is paying the rent but we just find with food, especially with three boys who eat like horses, we just spend a lot of money each week on food. So its ok when he's working cos my income pays for the rent and his income pays for the bills and the food, but when he goes into that lull again, and maybe now because my income has dropped I may get a part payment from Centrelink, but at the time when I was working full-time we were not eligible for much.

For Susan and John home ownership in the context of insecure work had come to represent a source of considerable stress, far from the greater source of ontological security promoted by Saunders (1989). For Susan the long struggle of trying to maintain their purchased house and eventual sale prompted a reassessment of the popular notion of security commonly attached to buying a home, as reflected in the following words from Susan...

SP: What was it like having the mortgage hanging over you?

S: It was very very stressful because both of us were hoping, you know, you feel more secure and you've got an asset, for the kids to have that, so we were really torn about what to do but it just got to the point where financially we were struggling so we just felt it was a choice that we had to make. We weren't happy about doing it but once it was done there was just all this pressure taken off us then and you start to think, well, does it really matter that you do have your own home? I'd like to think that security is having your own home but in reality I don't think it is... I actually feel more secure renting.

This suggests that ontological security derived from home ownership status is not a given but shaped by a multitude of contingent conditions. During working years, at least, a significant source of ontological security it can be argued can be derived from the security in our labour position and the way in which this interacts with our capacity to maintain housing. Feeling more secure in the rental market at the moment and not wanting to work full-time, Susan reported they have no immediate plans of purchasing again ...

SP: What are your housing plans for the future?

S: We'd love to think that we could save and buy again but sitting here right now to be honest I can't see that. You look back and think, I've worked a fair amount and he's worked a fair amount and you'd think by this age you'd see something for it and I can't. I mean, I've got three kids who've been well fed but as far as housing goes I can't see that we're going to get back into owning our own home...because of his situation and I don't really want to go back to full-time work. Maybe if I did, if I went back to a higher-paid full-time job, maybe we could start to think more realistically about buying a house, but reality is I'm over working full-time so unless I win Tattslotto ....

***Michael's and Jessica's story: No cushion for the unexpected***

Christmas has just passed and, in the next couple of days, Michael and Jessica will have to move again from their rental house after only seven months. While they have not had any difficulties with rent, the owners have decided to live in the property themselves. Their current rental payments are \$170, taking up just under half of Michael's after-tax income of \$450. Family assistance payment, rent assistance, and disability support payment provide an additional \$305 a week to the household budget. Because of the difficulties Michael and Jessica have experienced in the past, they have made sure that rent is taken out of Michael's wage and paid directly to the real estate agent, which his current employer does on their behalf.

Jessica is close to 30 years old. Both Jessica's parents' passed away when she was young and she spent most of her adolescent years living with a foster family whom she has grown very close to and considers to be her family. Jessica has a moderate hearing impairment and at 17 commenced a TAFE course, which focused on pre-employment training to help with entry into work. While undertaking the course she lived on campus and stayed with her foster family during holiday breaks. Jessica received a disability support pension from the age of 16 years and worked for a short period in an employment program. Finishing the course when she was 19, Jessica moved into a shared rental house with two friends for six months. She then boarded with a friend and her mother for a short while. Before turning 21, Jessica moved into her own private rental property and

stayed there for 12 months. During this time Jessica met her husband Michael and he moved into the house she was renting.

Michael is a year older than Jessica and also moved out of his parents' home when he was 17 years old to board with a family, whom he lived with until he was 22. In between the five year period, the family he was staying with moved out of town onto a farm property. When Michael left school at 17 he went onto Newstart and participated in a full-time six months jobs training program. After completing this program, Michael commenced a twelve month dairy farming traineeship when he was 18 years old. Following the traineeship he was employed for a further two months, but was soon 'laid off' because ... 'They said they couldn't afford to keep me'. Having difficulty finding work in a similar industry that he trained in, Michael went back onto Newstart. At 22 he found a job at another dairy farm and, soon after, he met Jessica.

Michael and Jessica moved in together in 1997. In the first house that Michael and Jessica shared, Michael's work was a 93 km drive each way. After four months of living together they moved to a house on the farm owned by Michael's employer. Six months later Michael's employment with the dairy farm ended. When Jessica and Michael first moved into the rented property they felt they were able to manage on Michael's income. After a period of trying to find work, Michael went back onto Newstart. Having difficulty finding work and with bills accumulating, Michael and Jessica's rental became unmanageable and they soon had to sacrifice other living expenses in order to meet housing costs. Jessica was not working at the time, and was receiving a part disability support pension.

Soon afterwards Jessica and Michael moved in with friends until they got back on their feet. Whilst staying with friends, Michael and Jessica contributed to household expenses, but were not on the lease as they were looking for their own place to rent. The tension of staying for an extended time strained their friendship and they moved out as soon as they could find their own place. Michael found a casual job with a road construction company and they then moved into their own rental property using a bond from the Office of Housing. Soon after moving, the property was put on the market and they were forced to

move again. From this house they moved into another private rental property for 12 months until the end of the lease and then moved again into another private rental property. In this last move Jessica was 23 and Michael 24 and they were expecting their first child.

During this period Michael continued to work for the road construction company under a casual contract. While the work started out providing a regular income, hours increasingly fluctuated and before his leaving the job, went down to one day per week. Jessica also worked for a couple of months in a disability employment service, which was supplemented by her part disability support payment. That same year Jessica fell pregnant and stopped looking for additional work. Wanting more stability in their housing, Jessica and Michael applied for an Office of Housing property. At the time they moved into the property, Michael was no longer working in road construction and was unemployed. Jessica was caring for their first child.

The next phase in Michael's and Jessica's housing and employment career spans a five year period. During this time the work that Michael and Jessica secured was casual in status. After a short period of unemployment following the loss of his road construction position, Michael found a casual position in dairy farming. He continued to work at the dairy farm until he was 29 years old and up to the birth of their third child. They remained in their public housing property throughout this period.

Their most recent and destabilising event came with complications emerging from Jessica's pregnancy with their third child. To bring in extra income to support their two children Jessica worked in a part-time casual night office-cleaning job, which she been working in for the past year. During the early stages of her third pregnancy Jessica was hospitalised for a few weeks and despite being told that the job would be kept for her there was no position when she returned.

At six and half months pregnant, Jessica was hospitalised again for pre eclampsia, this time in Melbourne. Their baby girl was born two months premature and required life support in a baby-care unit. While Michael's employer kept his job open for him he did not receive any income on the days he was not working and was forced to leave his job

and apply for parenting payment. Despite working for the company for five years he left without any pay.

Following a couple of months of living primarily on parenting payment, Michael found a new job. Not wanting to go through the same struggles associated with casual work Michael sought a permanent job in a small scrap-metal and plastics company, changing from his former vocation as a trained dairy farmer. He has been in the current position for the past twelve months and feels that for the time being his job is stable. Having worked in a casual position for the past five years his current job finally enables him to take sick leave and holidays and this has provided a lot of relief for the family. He now has a full time permanent job, Monday to Friday, including all entitlements.

For Michael work seems to be going well at the moment and he is keen on being involved in helping to build the small business up. The only instability has come with the company relocating half of the business to a new location, forcing Michael and Jessica out of their Office of Housing property to a private rental property close to work. This is their current residence from which they now have to move.

#### *Labour-market causes and household practices*

Relying predominately on Michael's low earnings as well Centrelink assistance, Michael and Jessica have experienced an ongoing struggle in maintaining secure housing. Michael's main area of employment has been with small family businesses in the dairy industry. Despite being full-time and working for the same farm for five years, Michael's employment in this industry was based on a casual contract. Michael and Jessica's labour and housing position throughout their most difficult periods reflected the profile of the non-permanent and highly insecure renting household. As a household they have experienced many years of insecurity in employment and income insecurity.

Without any protection of their earnings Michael and Jessica recalled two periods where they felt their housing was directly threatened as a result of his employment in the dairy industry. The first occasion coincided with the loss of Michael's dairy farming position

after only six months. Michael and Jessica had moved to live near the farm in a rental property owned by Michael's employer. Losing his employment led to their eventual relocation to a new area to share with friends until Michael was able to find a new job. Interviewed together, Michael and Jessica both reflect on this period of insecurity.

SP: In this whole time frame, were there times when your housing was not secure?

M: No, we always had a roof over our heads – never were threatened to be kicked out. Never had anywhere that we couldn't live – the only one that was really a struggle was when we were living in [country town] because money was very hard.

J: But we also had the same thing when we were living in that housing [5 year period in public housing] because our rent kept going up and up and we couldn't get enough money.

M: Yeah, that was because of work as well.

SP: When you were in the [country house] and you said money was hard, what type of work were you doing?

M: I was milking and then I lost me job. I was talking to the next door neighbour at the time and he said if you were not a local – finding work in that area was very hard – had to be there for at least twelve months. I couldn't even get a job in the factory because I had to be there for a certain time. I was chasing work because the money the government was giving us was not enough to live on...I think we were in the house two months and then I lost my job – we struggled there trying to find work for a couple of months and I got jack of that and then moved back to [original country town] for work... I had no job for about four months, I think it was.

SP: How did you get by?

M: We struggled, we struggled big time.

J: Yeah.

SP: Did you miss any housing payments – did you find it difficult to pay your rent?

M: That is one thing we made sure we did pay was our rent on the fear of being kicked out if we didn't pay – but we were behind in bills and food was very scarce in the house. Actually we only made the comment this morning if we had kids in the [country house] we would have been stuffed (laughs).

SP: From there you went back to...



M: Then I went back to [country town] for the road-construction job. We moved in with friends – for about three months because we couldn't afford to rent a place... The arrangement was to move in there to get on top of bills and then find somewhere.

J: (Confirms)

While Michael and Jessica did not fall behind in rent, their housing soon became unsustainable and led to their decision to relocate. They made the decision to move before they got into difficulty or accumulated arrears. Not able to get back into the rental market they were forced to stay with friends until they got back on their feet.

The second period of insecurity coincided with the loss of Michael's five year casual employment and Jessica's part-time casual night cleaning job. The loss of their employment was triggered by Jessica's long-term hospitalisation and the premature arrival of their third child. With no capacity to take paid leave, combined with limited savings, this unexpected event proved to be acutely destabilising for the family. The first blow came for Jessica, who lost her cleaning job when she was initially hospitalised for severe nausea. The second came for Michael when he was unable to continue his five year casual position following the emergency birth of their baby daughter at 29 weeks.

With Jessica hospitalized in the city 300 km from their home town, Michael had to travel long distances and take extended time off work to care for their other two children. Michael found it difficult to continue working and despite being employed with the same company for five years he was not provided with pay during his time off, leading to their eventual decision to apply for a parenting payment from Centrelink. Jessica's and Michael's words illustrate the dynamic interaction between labour insecurity, unexpected events and capacity to maintain housing.

SP: You fell pregnant and were sick and when you went to go back to them...

J: After I got better they said when you get better call us and let us know, which I did. I did the right thing and they wouldn't put me back on, they found somebody else.

SP: How long were you sick for?

J: I got sick for about 5 weeks.

*(Michael walks back into the room)*

M: Did you put in the reason why you weren't working? They guaranteed the job would be there and she rang up and said I'm capable of coming back and they turned around and said well sorry we don't have the hours for you. They told me exactly the same thing.

And now onto Michael's experience at the dairy farm...

J: He was there for five years, casual right the way through for five years.

SP: You were never given permanent status?

M: No, I asked many a times but he never put me on.

SP: Did you feel...

J: We felt that it was unfair because he, we didn't get any holidays.

M: If I took holidays we didn't get paid so we fell behind in everything.

J: That's it.

M: The four days I took off for our honeymoon killed us. Any time I took off made it very hard to catch back up again. I think I asked him about four times to put me onto permanent. He wouldn't.

SP: During that time you were casual – what were the main problems for you in terms of managing your housing?

M: Just getting up in the morning to get to work to make money to pay the bills.

J: That's it.

M: There would have been six times in that five year period where we had to catch up on rent because of the lack of work and lack of money coming in but we were never threatened to be kicked out.

SP: Did you feel secure in your job?

M: My job was secure, very secure, and I think that is why he wouldn't put me on permanent .... I knew the job was going to be there but if I didn't work I didn't have any money to do anything .Work was always there – he couldn't do without me really...It was for family reasons that I stopped working there. I left the dairy farm on my own accord; I wasn't laid off. I went onto a parenting payment. I had to. I had the other children to look after as well.

SP: Was that when [third child] was born?

M & J: Yep.

SP: What was the effect of that change?

M: Because of the travel backwards and forward to Melbourne all the time rent and bills weren't getting paid – they were being paid in petrol – I tried to pay a little bit when I could and it was catch up when Jessica came home. I think we got about three weeks behind in rent.

The irregularity of Jessica's and Michael's income again threatened the security of their housing as they found it difficult to plan and meet regular housing costs. While the threat of losing his casual employment at the dairy farm was not a concern for Michael, the uncertainty of income due to fluctuating hours and the lack of entitlements caused considerable stress that ultimately undermined their capacity for any forward planning of their housing. Their story also illustrates the type of working-time insecurity that can occur with ongoing casual employment, which for this family was particularly destabilising.

Being in public housing during this period enabled Michael and Jessica to maintain their housing, although there were times when they got behind in rent due to the inconsistency of his income. Despite working for the same employer for five years he had no protection in his job to cover the unexpected hospitalisation of Jessica. He also left the vocation he had been trained in to obtain more stable employment.

Michael's employer's strategy to keep him employed casually, adjusting his hours as needed whilst still retaining a trained and skilled dairy farmer, ensured a degree of *internal numerical flexibility* minimising the risk and uncertainty for the company. Local industries typically have small margins, often relying on casual hours for their profits. However, the down side of this practice, as shown in Michael's case, is a loss of company-specific skills and investment in training when the employee is forced to leave.

In thinking about their future plans Michael and Jessica have been contemplating how they can enter the home ownership market. Moving from different rental properties on a number of occasions, Michael and Jessica attach greater security to home ownership.

They also consider home ownership to be a strategy for the longer-term security of their children so that ‘they do not have to grow up like we did’ and will have something that can be passed onto them.

M: Well in the future we’d like to buy a house ...I look at it, if I had my own home it’s my home, I’m not paying someone else’s mortgage off and the money that I’m paying in rent I could be paying off my own home, and the banks don’t look at rent as savings, which I think is wrong.

SP: Do you feel if you bought your own home that would be more secure?

J: Yes.

M: Yes, I think it would. We lived in one house: I asked them was the house on the market, they said no, but we were in there a few months and the house was sold so we had to move out. And then in this house I was led to believe, but I didn’t understand fully that we were in here for 12 months, but it was only 6 to 12 months depending on the owners.

SP: What does having to move mean for you and your family?

M: Every time you move you have to virtually start from scratch again, you can’t get settled in one place to get on with your life and do what you want to do. One place we looked at in [country town] was rent it for 12 months and then the owner was going to move into it. As I said to [Jessica], what’s to stop the owner kicking us out in six months because she wants to move into it early. So we’d be in the same boat, move again.

Jessica and Michael face a high degree of access insecurity in fulfilling their goal of buying their own home. While Jessica and Michael have hopes of purchasing their own home, it is unlikely that they will be able to do so in the near future. The inconsistency of income over the past five years and having to catch up in times of fluctuating income combined with having to pay ongoing rental costs has made it difficult for Michael and Jessica to save any additional income. The long engagement in this type of employment relationship has prevented Jessica and Michael from accumulating sufficient household capital for ongoing security despite working.

Since gaining permanent employment, Michael and Jessica have made several enquiries with different mortgage providers about purchasing their own home. However, after paying high rental amounts they have little left over to save for a deposit. Without a deposit, and based on Michael's current earnings, combined with an existing car loan they were advised that the maximum amount they could borrow was \$60,000. A significant part of their total income is obtained by additional family assistance payments, which are not taken into account when calculating whether they will be entitled to a loan. With three young children, two of whom are out of school, it is hard for Jessica to find work in the area, with the costs of childcare making it unviable.

***Bev's and Joe's story: Arrears as a way of life***

Joe and Bev are currently in arrears in their private rental property. Bev has negotiated with her real estate agent to pay an additional \$40 on top of their existing \$165 a week rental costs to augment missed payments and avoid eviction. This most recent episode of arrears coincided with a \$100 reduction in Joe's after-tax pay to \$450 a week. Despite being in permanent employment and working for the same company for more than five years, Joe's hours were cut back from his typical eight hour shift as part of the company's strategy to minimise the impact of lost contracts.

Joe and Bev were married 29 years ago. For the past 26 years, they have lived on one wage and have experienced intermittent periods of unemployment, sickness, rental arrears and loss of their bond, and an eviction from public housing. During their time together they have not been able to accumulate any savings and have few assets, or household capital, and continue to live week by week.

After leaving school at 15 years old Bev worked in various low-skilled jobs until she had her first child at 20 years of age. Her second child was born a year later. Whilst returning to the workforce when she was 22 years old, Bev found working difficult and left work permanently to concentrate on raising her children. Now 47 years old, Bev has been out

of the work force for 25 years and continues to care for their 26-year-old son, who has a disability and contributes \$80 to the household budget from his disability support pension.

Bev was 19 years old when she married Joe. Now 49 years old, Joe has spent most of their married years working for the same employer in the meat industry, remaining with the company until its closure in the mid 1990s. Following a short period of unemployment Joe obtained a new permanent position working for a manufacturing company, where he remained for three years until he was again laid off. This period of unemployment lasted for over a year. In his mid-40s he then returned to the meat industry, where he has worked for the past five years up to the current period. Whilst initially employed on a casual basis he was made permanent after two years of working for the company. Joe suffered a heart attack two years ago and had a three month break from work to recover. Without sufficient sick leave, Joe received sickness benefits until returning to work.

When they were married they moved into their own private rental property, where they remained for three years. After their children were born they obtained a public housing property and lived in the estate for approximately 11 years up until the early 1990s. Accumulating eight weeks of rental arrears they were eventually evicted from their public housing property. The eviction had a profound destabilising impact on the family. They were forced to live in a caravan park and over time lost most of their furniture and possessions.

Experiencing difficulty getting back into the private rental market and public housing they lived in different parks for the next four years. During these times Joe was laid off work on two occasions and received unemployment benefits each time. They continued to struggle with their housing payments. Bev and Joe re entered the private rental market for a further four years, but lost their rental bond due to rental arrears. They then moved into a property owned by Bev's sister. Although Bev described the six years at her sister's house as being a relatively stable period and managed to pay \$100 in weekly rent they eventually had to move again so that her sister could move in following her divorce.

Bev and Joe have been in their current property for two years. Despite struggling for over a year and being dissatisfied with the neighbourhood because it 'is a bit rough', Joe and Bev have not been able to find more affordable housing. With a long history of struggling with their housing Bev is increasingly concerned about growing older in the private rental market. Bev described herself as living in constant fear of the phone ringing and people demanding payments that she could not afford to pay, expressing the stressful impact this had on herself and her relationship over the years.

Bev talked about receiving a lot of support from community organisations over the years to help them get by, both financially and emotionally. Through the help of a support agency they are now in the process of applying for public housing. Following the shock of Joe's heart attack they have also decided to take out life insurance, for which they pay \$22 a fortnight.

#### *Labour-market causes and household practices*

Although much older than Jessica and Michael, Bev and Joe have also had a long history of trying to live on the one wage and have experienced a number of occasions where their housing has become insecure, including evictions and two periods in caravan parks. While Joe's current employment in a 'meat works' is permanent, his hours have been reduced as the company tries to reduce costs. This is an example of forced underemployment, despite having permanent hours. Although living in a permanent household, Joe's persistent low wage and more recent transition into underemployment has resulted in ongoing income insecurity. This income insecurity and unaffordable rent place them amongst the highly insecure according to the household housing security typology. Bev attributes their most recent rental arrears to this latest change in their income and not being able to meet the general cost of living.

SP: So, what was happening for you at the time you got into arrears? Did something happen in his work, or other things?

B: No, his wages decreased and it's just.. you know, we'll pay two weeks next week and then next week comes and you can't afford two weeks, so I rung them up and said the best I can do is just pay \$190 a week and they were quite happy with that.

SP: Is he in a permanent job there?

B: Yes... the work has dropped back a bit so he's not working the full eight hours because they've lost a lot of contracts and stuff.

SP: How much did his wages change by?

B: I'd say by about \$100. When he was earning \$500-\$520 we could live on that but then it dropped and it's just become really hard. I've got to go without a lot of things and then you've got your gas, his petrol and his rotten smokes and his medication. And by the time you pay everything else you think well what am I going to do for food? So I usually ring up (service provider) and she'll organise something.

Being out of the labour market herself for over 25 years Bev knows that she has the support available with community agencies to fall back on and as her only source of social capital has used them widely as a part of day-to-day management of household expenses as well as meeting emotional needs to help her keep going.

SP: Do you have any other family support that you can use when you're not getting by financially?

B: I used to go a lot to my mum but she passed away two years ago and my dad's in a nursing home. I can't really go to my sister, I never have for that kind of thing.

SP: So the [service] and other community agencies are the main source of help for you?

B: Yes, I go to church salvos every Sunday and they've helped us out a few times with food vouchers and just that support for me. But, you know, I get phone calls from people wanting their money and I more or less say look, I can't give what I haven't got. And of course they're ringing up all the time saying we want this and sending 48 demand letters. And so forth and so forth. And I'm on medication, high blood pressure and anti-depressants and I get really down.

SP: (*Nods*)

B: Well, it's quite hard to face that everyday and how I'm going to manage this now. And I know a lot of other people go through the same thing but sometimes I feel why get out of bed.



Merely existing from week to week for so many years, their poverty is entrenched and the accumulation of arrears and debt was seen as inevitable and possibly indicative of a learned helplessness that can accompany long-term disadvantage, as reflected in the comments, 'I can't pay what I haven't got'. Her story reflects what Ezzy (2000) describes as a narrative of 'tragic fate', and may help explain repeated housing arrears. Without any perceived prospects of increasing their earnings, the accumulation of arrears and dealing with the consequences after the event appears to have become part of their overall strategy for getting by – a habitus of helplessness.

The cumulative effect of unskilled work with intermittent periods of unemployment, underemployment and casual contracts combined with long-term renting has increased their vulnerability as they approach their 50s without any assets or savings. The years of cumulative disadvantage have contributed to high household capital insecurity. As time passes Bev and Joe are finding themselves in a more and more precarious position in both labour and housing markets.

Joe's insecurity emerges from his diminished bargaining power as he ages, combined with the fear associated with his deteriorating health. Bev's insecurity arises from her complete dependence on her husband's low income as well as her own sense of powerlessness and emotional stress of having to cope on a shoe string budget daily. However, at the same time Bev reflected on a number of active strategies they have taken to improve their immediate and longer-term security. By engaging with a financial counsellor, renegotiating rental payments, applying for public housing and taking out insurance, despite not being able to meet their current day-to-day living costs, they are trying to plan for their security in the longer-term.

B: We're putting our name on the list of ministry. I've got the forms at home, I've got to put it all in ... If you're going to ministry that's yours for the rest of your life, I think I'll feel a bit more secure that way. If any thing happened to my husband now I couldn't afford the rent. But once we get into ministry and rent comes out of his pay it won't be that hard. It goes on what your husband earns and you can have direct debit so we're going to do that and then you know the rent is

paid every week and then you live off what's left but at least your rent is getting paid.

### **Housing insecurity amongst the marginally housed**

Within the household typology of housing security, living outside conventional tenure relations of private and social rental or purchased housing was the least secure. Focusing on the stories of David and Mathew, this next section illustrates the cumulative exclusionary process of insecurity in tenure and access insecurity in the context of long-term unemployment combined with intermittent periods of casual work. The two case studies show how an individual's exclusionary position in social space interacts with employer and housing provider practices of discrimination. Under the narrative headings *on the margins* and *a bumpy exit from home*, these case studies are used to argue that signals from a labour-market position of depleted social capital can lead to discrimination in the housing market, helping to explain how some individuals can find themselves on the margins of both markets.

While David and Mathew come across as articulate and have studied at the tertiary level, their movement in and out of work, often influenced by troubled personal circumstances, has weakened their overall market position, signalling the potential risk they pose as both an employee and a tenant. Over time the process of exclusion has appeared to take on its own causal power as experiences of labour discrimination lead to housing provider discrimination, contributing to a spiral of further insecurity. Both David and Mathew acknowledge this process as they find it increasingly hard to gain access to two highly competitive fields of labour and housing as time goes by. The absence of stable and isolated housing only adds to their difficulty in finding suitable work.

### *David's story: on the margins*

A small cabin in a caravan park on the outskirts of the city has been David's home for the past two and half years. Preferring to live on his own, the caravan park has been the only form of accommodation he has been able to secure. David has been on and off unemployment benefits for the past six years, shifting to different levels of assistance including Intensive Assistance and the Personal Support Program. His household employment profile is consistent with the job-seeking household. While he has been employed for short periods, work has always been casual and in precarious industries such as carnival work and fruit picking. David is currently receiving a second round of Intensive Assistance through a Job Network provider who is assisting him to find work. However, he is finding it difficult to get a foot in the door because of the 'hole' in his resume.

David's current rental costs are \$172 a week, from a Newstart allowance of \$491 a fortnight. Paying three-quarters of his income on housing, David frequently finds himself sacrificing food and nutrition in order to meet his rental costs. He has no tenure in the form of a lease, but views his accommodation as secure so long as he continues to meet his housing costs.

David is now 32 years old and first moved out of home when he was 21 following conflict with his mother. Studying for a science degree at the time, this initial move was described as period of high housing insecurity and where he was 'rescued' by a friend. He lived with his friend for four months and then obtained his own rental property. He paid for his rental accommodation, education and other living expenses with an inheritance he received following his father's death. He completed two years of his science degree and feeling that it was the wrong choice for him decided to take a year off. He then commenced an arts degree. He described himself as too 'screwed up' at the time to complete it. David continued to live off the inheritance through his studies, reporting

that receiving the inheritance did not ultimately help him in the end because it ‘just got blown on living expenses’.

Before moving out of home and during his study David worked casually in a fast-food chain on a casual part-time basis. Although the hours David worked fluctuated from 5 to 30, living at home at the time meant that the unpredictability in his earnings did not affect his housing. He did not work again until he was 25 years old, when he obtained informal casual work for a carnival-ride company and a tomato farm, which he described as on and off for over a year. He also first applied for Newstart around this period.

David rented on his own until he was 26 years old and then relocated with his girlfriend, who had obtained work interstate. Whilst living interstate he continued to receive Newstart and commenced a Certificate II in retail sales. With a number of unsuccessful interview attempts he described the difficulties he had in obtaining work and following Intensive Assistance was placed on the Personal Support Program in order to work through ‘some issues’.

Splitting the household costs with his girlfriend during this period of unemployment, David reported that he didn’t have any difficulties in his housing until their separation. After breaking up with his girlfriend he moved back from interstate to his current accommodation at the caravan park. At the time David considered that the cabin would be a short-term option; however, after a number of unsuccessful private rental and job applications it has become a more ongoing housing arrangement. On his return from interstate he noticed a significant increase in housing rents and found it hard to compete with other tenants whilst receiving unemployment benefits. Despite his high payments for the cabin he described only one period where he accumulated arrears.

Because David’s accommodation is a long way from his friends he is very isolated from informal sources of support. With most of his family living overseas David has no family networks and community organisations have become his main form of financial and emotional support. He has now progressed through the Personal Support Program back to Intensive Assistance and is required to look for work and has been ‘tweaking’ his resume

and preparing letters for employers. He is hopeful of obtaining employment with a call centre or related work as an entry point back into the workforce and of finding a private rental property that he can afford on his own.

### *Labour-market causes and household practices*

Following a number of unsuccessful applications for private rental properties and wishing to live alone, David's housing options are currently confined to a cabin in a caravan park. Within the housing literature, caravan parks are typically considered a marginal form of housing without security of tenure. Whilst David views his cabin as a more secure form of housing than the private rental market, he is also mindful that without a lease to fall back on, any missed payments will result in eviction.

Paying excessively high rental of \$172 a week from his Newstart allowance is something he maintains he has chosen as a trade-off for living by himself. While he reported experiencing arrears on only one occasion, his housing is clearly unsustainable in the longer term. David described the constant juggling of the need to pay for housing with a compromise on basic nutrition and necessities.

SP: And have you experienced any difficulties while living in the cabin?

D: What sort of difficulties?

SP: Affordability....

D: Oh, affordability every week. It's a personal choice, but I'm on a job search allowance, Newstart, and it basically comes down to a choice between safe, secure, clean accommodation that's on my own 'cos I don't want to share and food and socialising and things like that, and some weeks I have to make the choice, okay I can't do this thing, or I have to eat pasta for three days to be able to afford the accommodation which I've chosen. 'cos I don't want to live some place that's in poor condition and the caravan park is secure and I don't want to share with anybody, so you know...

SP: How secure is it in terms of your tenure there?

D: Well, tenure is simple. If I pay I'm there as long as I want to be.

SP: Do you have a lease?

D: No, no lease. It's month by month. No actually it is weekly, I pay every fortnight. But it is secure in that I know if I hold up my end of the bargain they won't boot me out. Even if you have a year-long lease they can boot you out at the end of it. But at least I know here they've got no ulterior motive. They're not going to sell it they're not going to do any thing. It's there to be rented, and as long as I pay my rent....

Being unemployed for an extended period of six years combined with short spells of casual and informal work, David's labour insecurity emerges from the cumulative effect of long-term exclusion and associated difficulties with entering the labour market due to the 'holes in his resume'. His narrative reflects an acknowledgement of his inferior market position over others and also of the experiences of discrimination as he finds himself outside the bounds of mainstream contract relations.

Over the course of his employment career David attributed his difficulty in maintaining study and employment to his need to work through some 'personal' issues and to not being given an opportunity from the 'gatekeepers'. Recognising that 'beggars can't be choosers' he is aware of the scarring effect that his long-term exclusion has had in his ability to bargain in the labour market. Living in an isolated location away from labour-market opportunities and also the potential stigmatisation associated with being a resident of a caravan park act as a further barrier to gaining employment. In this way his housing situation also becomes a causal mechanism in the further entrenchment of his insecurity.

SP: Have you made any applications to employers?

D: Yeah.

SP: What sort of work?

D: I've been looking for like call centre and retail, particularly working in book stores, but it's hard with the sort of hole in my resume to get an interview. I think that, 'cos I've got a good speaking manner and stuff, I think that if I could get some interviews I could get a job but it's very hard to get the foot in the door and get an interview.

SP: And have they been permanent positions you've been going for?

D: I would like a permanent position but I need money and I might need to go for something casual and that makes me feel very insecure 'cos most of the work I've done in my life has been on a casual basis, and one week you feel like you're swimming in it and the next week you're eating bread and water.... And that insecurity worries me about certain positions. But I mean, at the moment I sort of feel like beggars can't be choosers. I don't like the option but I might not have any choice....Going through the gatekeepers of the real estate company going through the gatekeepers of the employment job search companies, you know the guys who weed out everybody is painful. And it's something where I feel particularly insecure in that position 'cos I feel like I'm not being given a go.

David's narrative of insecurity in housing and work oscillate between fate and heroic agency (Ezzy, 2000). Paying over two-thirds of his income on housing is a trade-off David maintains he has 'chosen' for ensuring his own personal security and not having to share with others. He is almost boastful of the fact that he pays high rent for the privilege to live on his own. However, when discussing his experience in applying for both housing in the private rental market and employment his agentic perceptions switch to fatalism and he attributes most of the choice about his future security residing with the 'gatekeepers' who have the power to determine who lives in particular property and who gains employment. Not having anyone else to share housing costs his labour-market position, by way of constrained income, has limited the housing options in the private rental market that would enable him to live realistically, thus contributing to ongoing experiences of insecurity in his housing.

### *Mathew's story: a bumpy exit from home*

Mathew was almost 23 when he moved out of the home he had lived in with his adoptee father and brother since the age of ten. Before his adoption he had lived in and out of state care and family-group homes, with grandparents and relatives, and his biological mother, who died when he was four years old. Mathew's exit from home was unplanned and influenced by the difficulties in his relationship with his adoptee father. With the expectation that Mathew pay \$100 towards the household living expenses combined with ongoing dissension in their relationship Mathew decided that a better option would be to move out. A final argument contributed to his leaving more hastily than planned: *'I didn't*

*really think too much about where I was going I just had to find somewhere*'. An opportunity arose for Mathew to board with his girlfriend's uncle (called Bill from hereon), where he stayed for a year.

Whilst living at home Mathew had been establishing a career in digital systems and electronics. Graduating with a degree at 21 he gained several roles related to his specific industry before returning to study at TAFE to further his training. His career trajectory into his field commenced with a permanent full-time sales position in computers, but was short lived as the store soon closed down. Eager to find a position where he could use his skills he then obtained a full-time casual position working on a specific project through a contact he knew, lasting three months.

Mathew then secured a position that enabled him to apply and extend his skills (an industry job) and was then told he required further study and so enrolled in a related course at TAFE. He continued to combine work and study for a number of months but the position ended because his employer wanted someone full time. From this position Mathew went back to working in a casual part-time retail position, which he found monotonous and unchallenging and subsequently left. Currently receiving Newstart he has been looking for a new position in the field of his training for the past six months.

At the time Mathew left home he was working casually in an 'industry' job and completing his TAFE course. Having limited financial resources behind him and based on the income he was earning, he did not feel he was able to maintain his own independent housing costs in the rental market. A weekly housing payment was negotiated between himself and Bill. After living with Bill for five months Mathew lost this position.

While he was studying at TAFE and looking for part-time work Mathew had a period with no income. He soon picked up casual work at a supermarket while he continued to complete his TAFE course, which he finished in July 2005. Although Mathew was not expected to pay board during this period there was an expectation that he repay unpaid board when he had an income. Mathew continued to board in the house with Bill until



October 2005. The lease period was coming to an end and Bill wanted to move out. Mathew also expressed that not paying more towards household costs could have potentially contributed to Bill wanting to move out of the property.

As Mathew was not able to meet the rental costs on his own he began to look for other housing alternatives. Still experiencing difficulties with the relationship with his father he did not feel that returning home was an option. Without work, Mathew's next housing transition was more precarious than his initial exit from home. He lived off a small amount he had saved and Newstart. The next phase in Mathew's housing trajectory consisted of a number of temporary residences over a three month period. At the time he moved out from living with Bill he found informal casual work in a gaming store. He also obtained a place to stay temporarily with one of the owners of the business.

Both his tenure in this housing and employment lasted just over a month. As his position was informal he had limited entitlements, apart from receiving cash in hand. Given the informal nature of the position Mathew did not treat the job too seriously and saw it as an opportunity to earn additional money to meet costs of bills including mobile phone and car insurance, while attempting to find a 'real industry' job and a place to live.

From his temporary housing arrangement he went to stay with his girlfriend at her parents' house for a few days and then had the opportunity to house-sit for friends over the Christmas and January holiday period. On the day of the interview Mathew was staying at his girlfriend's parents' house again, which he felt was very insecure and he was concerned that her parents would resent him if he continued to overstay his welcome. At the time of the interview he had applied for five rental properties and was waiting to hear back.

#### *Labour-market causes and household practices*

Leaving home in an unplanned way following conflict with his father has seen Mathew live in a number of precarious and short-term housing situations over the past 12 months.

Mathew currently receives \$366 a fortnight from Newstart, and he has been trying to find a rental property that he can afford to pay within his limited income. Originally receiving \$400, his fortnightly amount was recently reduced while he repays a \$500 Centrelink loan.

Contemplating how he can enter the rental market and still have a sufficient amount to live on has been the main constraint to finding his own place to live while limited informal support networks or social capital, apart from his girlfriend, have exacerbated his housing insecurity. Mathew has been looking into the different alternatives available including bond assistance in order to find a more secure and ongoing housing solution given the uncertainty of his career and strained relationship with his adoptee father. Whilst not wanting to return home he feels that it may be his only option.

M: My stuff has been stored at my, where my girlfriend's uncle is now at his father's house, he's got some room there, and also some at my friend's bungalow, and I'm living out of a suitcase pretty much with the rest of my stuff at my girlfriend's house. So I really need a rental property.....any day now I'm waiting on a reply for a place I've applied for. And if I got that I'd be very confident that I'm not going to get chucked out or anything...I think I'd consider that very secure...I'm just bombarding agents with my applications really and trying to make my situation as positive as possible for them and if that falls through and doesn't show anything in the next couple of weeks I'll have to go home I think unless something else comes up. And if I go home I won't be staying there long, cos I'll be looking for a place to live as much 'cos I don't want to live at home.

Although completing his engineering degree and TAFE studies, Mathew has mainly had casual or fixed-term positions, interrupted by periods of study. Despite his training he has found it very difficult to establish himself in a professional career. His lack of work has increased his dependence on others for his housing whilst the lack of stable housing has made it difficult for him to seek employment. As time has passed Mathew has found that being unemployed and 'holding out' for a professional job has made it increasingly difficult for him to re-enter a skilled position. At this stage he feels a reluctance to work in unskilled positions in the retail sector and still retains hope of finding a better match for his skills. Through necessity, the most recent jobs that he has applied for, while

related to his industry, in his own assessment have required less skill and have altered his expectations for a career.

SP: Have you had much difficulty finding the jobs you have looked for – your industry jobs?

M: Yes, particularly now as I've been on Newstart since August last year, it's been the longest stint of not finding any thing at all, 'cos as you can see previously I've been from one job to another and the time in between the first industry job I had back in early 2004, the time between that one and later in the year when I was at TAFE when I got the other one it was two or three months, so that was great, especially during TAFE to have a job. So I haven't really had trouble till now.

SP: How does that make you feel.... does it make you feel insecure?

M: Failing all these attempts to get a job makes me feel really insecure. Will I really be able to make the repayments to Centrelink? I think I will but who knows. If I get a rental property, will I be able to provide for myself? That has had to change really my career path. I have to go for a job that's sort of in the industry but a lot easier to get. In electrical engineering design work you can just be a technician, which does soldering, testing; that stuff is pretty cool but it's not as hard, it's pretty basic compared to the knowledge of engineering something – it's just sort of lab work where you fix stuff and you build stuff so I've been going for those sort of jobs too. I am also worried about where I apply for work as I don't know where I'll be so I might be living like an hour's drive.... like if I get a rental property I might be living an hour's drive from where I've just gotten a job. So I'm really worried about that.

The number of unsuccessful attempts in locating an 'industry job' due to employer discrimination for his lack of experience and his own unwillingness to apply for retail work, as David's story indicates, is only going to exacerbate his insecurity as time goes by. Mathew's narrative differs somewhat from David's in that he still feels he has some options in the labour market and has not reached a point where he is suffering materially because he does not have housing costs and can get by on Centrelink payments.

However, he is constrained from making an independent transition into housing and his career pathway has been significantly interrupted by the instability of both his personal relationship with his adoptee father and housing options he has with his limited income. While there is increasing emphasis on the benefits of improving cultural and economic

capital through further education and training, gaining entry into a professional pathway is an increasingly competitive process, made all the more difficult when sources of social capital are depleted and unstable.

The loss and trauma experienced in his formative years, combined with no connections to biological family members, is likely to be adding to his increased vulnerability in work and housing. Mathew's attempt to meet his longer-term security goal of a career in his chosen industry is undermining his shorter-term housing security because he is reluctant to take just any job. And because he is only answerable to himself, he still feels there is time to hold out for something better.

M: ... see Centrelink's got a benefit: it helps you get by and helps you survive, and to me that's more important and it's a bit of a cop-out, it's important to me that suffering emotionally in a job that I really don't enjoy but that's probably easier to get. Like when I was working at Bi Lo, I only worked there for six weeks but it's like monotonously stacking shelves, and they tried to get me in for like eight or ten hours and I got away with not doing it that long but I just can't do that. I need to be thinking and actually applying my skills at certain things. People say, if you want a job there are jobs out there to get and I believe that but I'm still being very particular about my jobs, but I think I'm still in a situation where I can, I don't have children to look after. See, if I was married and we did have children and we needed an income I would go and work in Bi Lo, but I think I can just get by at the moment without having to go through punishment like that, that was just terrible.

In attempting to make his own transition into independent housing the reciprocity of Mathew's employment and housing circumstance can be seen to further entrench his insecurity. At the same time, the uncertainty in Mathew's housing circumstance has hindered his capacity to plan a career in any meaningful way and within a location that is compatible for both ends.

SP: How does that affect your ability to plan for the future?

M: I can't. There is tentative planning, like I'm going to get a job, I'm trying hard to get a job. Pretty much as hard as getting a property to rent. Apart from that I'm not saying anything, like 'oh, we're going to go on holidays in six months', 'I'm going to save up for this item this year' or whatever. Mind you, long-term

planning, it's a good question because, planning for the future, I'm actually trying to save money where I can now.

### **Discussion of the causal role of employment**

The stories of Susan and John, Michael and Jessica, Bev and Joe, David, and Mathew presented in this chapter have shown that the connection between labour and housing insecurity is highly dynamic and cumulative. All stories revealed the influence that labour insecurity played in the decline of their housing security position. There were also several 'turning points' in the lives of interviewees where external events altered their pathways in both work and housing.

Narratives of housing generally reflect a progression towards what is perceived to increase overall security. However, the pathways of those interviewed have not always reflected a linear progression upwards in terms of a traditional notion of a housing career that could be considered to be consistent with an unconstrained 'reflexive project of the self' (Giddens, 1991). In this final section I discuss the conditions that have shaped experiences of housing insecurity. From this analysis it is concluded that the extent to which households become positioned and remain in the highest states of housing insecurity occurs via a process of the cumulative and collective decline in household capital stemming from the interaction between unequal necessary and contingent relations.

#### *Inequality in necessary labour and housing relations*

The narratives of those interviewed strongly reinforced how necessary labour and housing relations in a market-dominant regime of security contributed to their experiences of insecurity in both markets. For all interviewees their insecurity in employment can be linked to the lack of employment protection emerging in their places

of work and limited choice, apart from the decision to leave, in the determination of the conditions of their employment. While there is evidence of instances when flexible employment conditions were negotiated, in most part, the balance of flexibility and power appeared the rest firmly with employers or managers.

There were also times when people reported leaving their jobs ‘of their own accord’, whether for personal or health reasons, family responsibilities, or to pursue different goals. There were times when permanent employment became insecure leading to experiences of underemployment, but the highest degree of insecurity came mainly during casual and fixed-term employment. Narratives of labour-market processes linked to adverse outcomes for housing security centred on the following experiences.

- The absence of protection against employment loss or any compensation following the unemployment event
- Limited warning period about the termination of employment or extended unpaid breaks within the same position, making it difficult to seek alternative employment
- Persistence of low-wage work, even if permanent in status
- Unpredictability of income where weekly earnings and hours fluctuated at the discretion of the employer, or instances of self-employment when the number of clients on the books was low
- Inaccessibility of permanent employment, especially after long periods of unemployment and being out of the labour market, forcing participants to settle for casual and low-paying employment despite retraining and education.

All interviewees at some point in their housing histories have struggled with the cost of housing and had limited choice but to pay higher rents than they could reasonably afford. The lack of affordable housing was undoubtedly the main housing-market factor contributing to insecurity for all participants as illustrated in the point ‘it’s not really affordable but we’ve got to keep a roof over our heads’. While aggregate market principles of supply and demand would dictate that housing consumers determine the

price they are prepared to pay, the need for housing means that most consumers with insecure earnings have little choice.

The growing affordability problem outlined in Chapter 2, especially in the context of low vacancy rates, ensures that the balance of supply and demand increasingly favours landlords and lenders. Forced mobility and frequent moving were also common sources of insecurity in tenure, with nearly all households experiencing this form of insecurity, although some were more unstable than others. Having to live temporarily with friends and family was also a common experience. Apart from Mathew, all the household stories discussed in this chapter involve long-term private renting. The stories of the five households also revealed considerable degrees of access insecurity, preventing them from improving the security of their housing. Many of the above mechanisms identified are interwoven across all of the stories during different stages of their labour and housing trajectories. However, viewing the relationship longitudinally also reinforced the importance of contingency in the labour and housing security relationship.

### *The contingent process of decline and disadvantage*

In Chapter 3, I argued that to understand the contingent connection between labour and housing insecurity it is necessary to examine the mediating influence of cumulative and collective household capital. Based on the five stories presented in this chapter it is clear how household capital has been shaped by their cumulative work histories and broader social relations to influence the types of resources they could draw on at their time of greatest need. The timing of labour insecurity according to participants' 'housing career' position, both in terms of age and location, was particularly influential in shaping housing outcomes. The longer-term consequences for labour insecurity appeared to be greatest once children arrived and when the options for changing course in both housing and work became more limited.

Over the course of interviewees' employment and housing careers, labour insecurity was found to contribute to both the threat and the actual loss of housing when combined with the following household conditions.

- Unexpected events, including household changes due to pregnancy, divorce, separation
- Ongoing physical and/or psychological incapacity of one or more household members
- Limited resources within the household to fall back on
- Competing household costs with income insecurity
- Difficulties accumulating savings due to long periods of either exclusion or low-wage work
- Purchasing an older style property requiring significant renovation during a period of rising housing costs
- Inflexibility of housing costs either through negotiating lower amounts or being able to easily relocate to another property.

The idea of cumulative and collective household capital can help to understand why some households are able to resolve their insecurity while others continue to cycle through extended and repeated events of housing insecurity. While Susan and John lost their mortgaged home, they had a number of resources, including a second income and some equity in their housing that they could draw on to help with the move back to the private rental market. In contrast, for Bev and Joe, who are of a similar age, their labour and housing insecurity is both protracted and entrenched.

The concept of cumulative and collective household capital introduced in the framework in Chapter 3, captures the notion that housing insecurity is a process of downward decline and also provides a way of making sense of the different strategies that households are able to draw on for their future housing security. This idea builds on the life course principle of 'cumulative continuity', where past transitions shape future trajectories to form career sequences across a number of interrelated life domains (Giele & Elder, 1998, pp.9-11; Riley, 1998, pp.30-31), enabling households to accumulate varying amounts of capital over time.



One way to present this cumulative relationship between labour, household capital and housing insecurity is to identify how each household can be ranked according to their overall depletion of household capital, based on the cumulative experience of different dimensions of insecurity in work, households and housing. This relationship is presented in Table 26. The left-hand column shows an estimate of the total number of dimensions of labour insecurity experienced over the life course of each household. The middle column presents the various dimensions of insecurity in household capital, including low economic, cultural and social capital that are lacking or limited amongst the five households. The final column lists the dimensions of insecurity in tenure and access insecurity experienced by each household.

It is likely that the overall capital possessed by households can only be approximated. However, what is striking about the table is the strong correspondence between the total labour insecurity and the total amount of insecurity in household capital over the life course. From the security matrix it can be seen that the higher the scores on dimensions of labour insecurity and household capital insecurity the higher scores are for housing insecurity experienced over the life course.

**Table 26. Housing insecurity and the decline of household capital**

Dimensions of labour insecurity	Dimensions household capital insecurity					Dimensions of housing insecurity											
	Susan & John	Jessica & Michael	Bev & Joe	David	Mathew	Susan & John	Jessica & Michael	Bev & Joe	David	Mathew							
<b>Labour market insecurity</b>						<b>Economic</b>					<b>Insecurity in tenure</b>						
Difficulty obtaining work	✓	✓	✓	✓	✓	No accumulation of savings		✓	✓	✓	✓	Frequent moving		✓	✓	✓	✓
Difficulty obtaining permanent work	✓	✓	✓	✓	✓	Loss of assets	✓		✓	✓		Forced move	✓	✓	✓	✓	✓
						Living day by day		✓	✓	✓	✓	Eviction for arrears/ non payment			✓	✓	✓
<b>Insecurity in Employment</b>																	
Loss of/absence of penalties		✓	✓	✓	✓	Loss or reduction in main income	✓	✓	✓	✓	✓	Rented without a lease		✓	✓	✓	✓
History of casual /episodic employment	✓	✓	✓	✓	✓	Long-term reliance on single income		✓	✓	✓	✓	High housing costs income	✓	✓	✓	✓	
Ongoing casual position		✓	✓	✓	✓	Going without necessities food/bills	✓	✓	✓	✓	✓	Missed payments/arrears	✓	✓	✓	✓	✓
Redundancy	✓	✓	✓	✓	✓	Responsibility for dependents	✓	✓	✓			Involuntary loss of public housing			✓		
Temporary lay-offs without pay	✓	✓										<b>Access insecurity</b>					
Hours and pay fluctuating	✓	✓	✓	✓	✓	<b>Cultural</b>						Long waiting period for social housing			✓		
						Early school leaving	✓	✓	✓			Unsuccessful applications		✓	✓	✓	✓
<b>Income insecurity</b>						No formal qualification			✓	✓		Lived in caravan/ marginal housing			✓	✓	
Persistence of low-wage employment		✓	✓	✓	✓												
						<b>Social and personal</b>											
Underemployment	✓	✓	✓	✓	✓	Household dissolution				✓	✓	Stayed with friends/siblings		✓	✓	✓	✓
Long-term income support	✓	✓	✓	✓	✓	Early home leaving		✓	✓	✓	✓	Renting over 10 years	✓	✓	✓	✓	
Unemployment longer than 12 months				✓	✓	Limited financial support	✓	✓	✓	✓	✓	Difficulty living in shared housing					✓
						Accessing welfare for food			✓	✓							
						Periods of physical/ psychological incapacitation		✓	✓	✓							
						Geographic isolation		✓		✓							
						Loss of family supports		✓	✓	✓	✓						
						Lives alone				✓							
<b>Total score of dimensions of labour insecurity</b>	6	11	10	11	11	<b>Total score cumulative household capital decline</b>	6	12	14	15	9		4	8	12	11	7

In aggregating total cumulative household capital decline from the second and third columns (not including individual labour insecurity dimensions), David, Bev and Joe scored the highest of 26 dimensions of insecurity each. The stories of David, Bev and Joe reveal the strongest and most enduring impact of cumulative continuity in the decline of household capital that is both a consequence and cause of ongoing marginalisation in work and housing. With limited family and other sources of social capital they frequently draw on the assistance of community organisations. It has been very difficult for these two households to stabilise themselves in the place of work and in the private rental market or escape the poverty they have experienced for so many years. David's difficulty sharing with others places him at extreme risk of primary homelessness if his cabin accommodation breaks down.

Jessica and Michael had a total score of 20 dimensions of household capital insecurity. A critical reason for their improved housing security position compared with Bev and Joe can be linked to Michael's capacity to find new sources of work and being prepared or able to move before their situation becomes unmanageable. They have managed to stay within conventional housing without progressing to more marginal tenures, benefited from long-term public housing and have not lost their housing due to evictions. They have had a more active strategy in finding work and housing. However, as their children age and become settled, it is becoming more difficult to keep adopting these household practices. Given the access insecurity faced in moving into home ownership, they will be likely to remain in rental housing indefinitely and be exposed to longer-term rental instability unless they can both secure more permanent sources of income and housing to raise their three children.

Mathew has been highly precarious in his housing. His overall household capital insecurity position, with a total score of 16, is lifted by his shorter duration of instability and not having any recurrent housing costs at the moment. He also has the option of returning home if his situation deteriorates. This, combined with his tertiary qualification and overall higher cultural capital, means that he will have greater chances of being able

to secure some form of employment and housing if he is prepared to accept a less skilled position.

While Susan and John, with an overall score of 10, have lost their mortgaged home, their position in the private rental market is very secure and the fact that they have the capacity to work and two incomes to fall back on will help to ensure that there will be at least one income if John's earnings are temporarily cut off again. They are, however, according to their future housing plans unlikely to be purchasing a house again and will find long-term renting difficult as they approach retirement.

All interviewees contrasted their current feelings of insecurity and security to where they wanted to be in the future and what they have done to increase their current security needs. Similar to constructions of biographical accounts in other areas of life, precautionary narratives of housing insecurity were intrinsically linked to themes of temporality as current experiences of insecurity were referenced against past experiences and future opportunities for security (Giddens, 1991; Ezzy, 2000).

Situating narratives within a household typology of housing security, the future housing strategies of Mathew, with no fixed address, and David with marginal tenure in a caravan park, focus on how they can enter the private rental market. For those living in private rental, including Michael and Jessica and Susan and John, future planning narratives centred on meanings and strategies linked to home ownership. Michael and Jessica attached greater security to the purchase of a home while Susan found herself questioning the pervasive security assumptions tied to home ownership.

## **Conclusion**

The household stories in this chapter have been used to argue how processes of fragmentation associated with insecurity in employment and income insecurity have contributed to insecurity in tenure and access insecurity throughout a market-dominant regime of security. The stories presented in this chapter reveal the dynamic biographical

link between work and housing over the course of individual and collective history of households. In answering the first question, *How does the employment relationship cause work to become insecure?*, experiences of insecurity in work and housing were found to be strongly shaped by both unequal necessary and contingent social relations. Following the work experiences over the entire employment career of interviewees enabled a comparison of the types of employment relationships considered most and least secure, as well as the longer and short-term housing consequences emerging from their own practices and that of their employers and housing providers.

Based on the experiences of the interviewees, the processes of how labour insecurity contributed to housing insecurity were not only connected with the loss of employment, but also to the unpredictability of earnings whilst still engaged in work. There was strong evidence of the impact of exploitative and discriminatory practices in both markets. The types of exploitative and discriminatory practices directly threatening the income stream for housing discussed by interviewees included the absence of protection for continued employment, short notice of termination and irregular hours, persistence of low-wage employment, changing contract conditions and hours worked, and difficulty gaining entry back into the labour market and/or having to settle for long periods of casual work.

A common experience underpinning housing insecurity across all the stories related to the inflexibility of housing costs, where all were required to pay above an affordable threshold and had difficulties obtaining suitable housing, leading to either insecurity in tenure and access insecurity or an interaction of both. While some were able to renegotiate payments, they had very limited avenues for reducing their housing costs apart from relocating and/or for getting through the 'gatekeepers' of the rental system. Landlord-initiated moves either from sales or from evictions and or breakdown in dependent relationships contributed to processes of further decline in the context of labour insecurity.

In answering the second chapter question, *How does labour insecurity cause households to become insecure in their housing?*, it was shown how employer and housing provider practices combine with the overall cumulative capital of households to contribute to

experiences of both insecurity in tenure and access insecurity. In all stories reviewed here, insecurity in housing can be linked to a process of decline in total household capital, including economic, social and cultural, that impede capacity in overcoming insecurity in both markets. This process was found to be both cumulative and dynamic, where some households were confined to extended and repeated episodes of insecurity while others were able to resolve their housing security crisis more quickly.

The different experiences of household insecurity were viewed within a temporal framework of cumulative decline that continued to shape future opportunities for labour security, which in turn continued to unequally shape future outcomes for housing security. Being able to change labour-market position, either through accessing a new job or increasing pay within an existing job, as well as moving out of existing housing, was critical to minimising the impact of a housing security crisis. Enduring long-term low-wage work, ongoing casual positions and labour market exclusion was linked to a repeated cycle of housing crisis over the life course.

From a critical realist perspective, the five stories discussed in this chapter provide an intensive account of the contingent relationship between labour and housing insecurity. The aim of this chapter has been to identify the specific mechanisms shaping labour and housing outcomes for these particular households. Such a process relies on self accounts of participant's experiences and reasons they provide for their insecurity in both markets, and while as Sayer (2000, p.18) argues that reasons can be causes, some of the most influential reasons may not be shared in the interviews, or even be fully realised by those telling their labour and housing stories. Moreover, the casual mechanisms may not have been accurately interpreted. These accounts of casual processes will therefore always be fallible constructions of what is real.

Next, drawing on three new case studies, I discuss the conditions where households manage to stay secure in their housing in the context of labour insecurity. However, it is argued that these individuals can only do so by increasing their dependence on other household members or by relying on state housing subsidies.



## **Chapter 8**

### **Labour insecurity and the cycle of dependence in staying housed**

Chapter 7 presented the causal connections between labour and housing insecurity in the lives of five households. These five case studies reveal how insecurity in employment and income insecurity caused housing to become insecure from the accounts of those interviewed and my interpretation of the meaning of these accounts. For these households, while their most recent housing experiences were insecure, there were also times in their lives when labour insecurity was not at all a concern or when they managed to avoid slipping into insecurity despite having no or unpredictable earnings.

In this final empirical chapter, I examine the stories of three new households whose recent and current housing has remained secure despite extended periods of both insecurity in employment and income insecurity. From these new case studies rich narratives were provided on the mitigating conditions linked to their household security. As such these three stories in particular help to test the proposition that housing insecurity for those experiencing insecurity in employment and income insecurity is unequally mediated by cumulative household capital and subsidisation of housing costs either from other household members or from the state.

This proposition is based on the critical-realist premise that real causal relations cannot always be observed as demi-regularities in the empirical domain of reality because there will always be countervailing tendencies that mitigate events occurring. The extensive analysis presented in chapters 5 and 6, for instance, showed how the presence of a second earner with a permanent income, lower housing costs and stability of the household can reduce the likelihood of housing insecurity in the context of individual labour insecurity. The three case studies presented here also allow the proposition that labour insecurity generates precautionary practices in housing consumption to be expanded upon.



There are numerous examples throughout the labour and housing careers studied providing evidence of precautionary practices or strategies that households adopt to maintain a basic standard of housing in the context of labour insecurity. Sharing housing during student years, staying with friends, remaining in public housing, holding off from buying a house to moving back into the rental market, all reflect a precautionary response to market uncertainty.

Drawing on the two propositions above, the main question addressed in this final empirical chapter is: *Under what conditions are households whose members are experiencing insecurity in work able to avoid experiencing insecurity in their housing?* This question is answered in two broad sections. In the first section, I present the stories of Kate, Helen and Carol to explain how contingent household conditions can mitigate the effect of insecurity in work. This helps to explain why we do not always observe a direct relationship between insecurity in work and housing. In the second section, in drawing the three stories together, I argue that the inability to gain access to more secure forms of employment means that these three women have become increasingly reliant on the social capital of their own extended networks or from the state to meet their long-term housing security needs.

### **Maintaining housing when work is insecure**

While at some stage in their housing and employment careers all interviewees had periods where they experienced several interacting mitigating conditions in their housing, the case histories and narratives from Kate, Robin and Carol illustrate these processes most clearly. This next section draws on the employment and housing experiences of these three women and their households, explaining how insecure work is mediated by the household and the flexibility they have in their housing conditions. The section is structured under the three narratives of *the safety net of subsidised living*, *a secure place in social housing*, and *the importance of timing*.

***Kate's story: the safety net of subsidised living***

Moving out of home for Kate coincided with commencing study for a bachelor's degree and her parents relocating interstate. Initially living in a student residence for twelve months Kate's early housing career in the private rental market reflected a student shared housing trajectory typically characterised by high instability as different housemates move in and out. Between 1994 and 1997 Kate moved house seven times. To support herself financially during this period of study Kate worked casually part-time in a department store.

After Kate completed her degree in 1997, she backpacked overseas for a three month period returning to the same shared house, where she stayed for a further six months. Upon her return Kate gained a full-time fixed-term position in a related area to her studies. She stayed in the position for two years and then following a further overseas trip decided on a change of direction in her career.

In mid-2000 after working six months for a government department, Kate was offered a place in an overseas youth ambassador volunteer program with expenses paid for six months. When Kate returned from her overseas work she spent three months on Newstart and undertook *temp* work until she found full-time employment. She obtained full-time employment with a private consultancy firm, which lasted for three months. Following this she soon regained a fixed-term position with a government department for a further twelve months.

During this early stage of career development, Kate discovered that she had difficulties working standard full-time hours, which she attributed to deteriorations in her health caused by the onset of chronic fatigue whilst she was still at high school. In all her early professional positions Kate reported having to renegotiate the hours worked in an office environment to work from home to manage her condition.

Up to this point Kate continued to live in shared private rental housing with friends while establishing her professional career. She moved three times during this period, including the move overseas as a youth ambassador. Kate felt her housing was still quite secure and described her standard of living as increasing with each successive move. However, as she got older and her friends re-established themselves she found it harder to find people to share with.

When Kate was 26 she moved in with her grandmother. This time coincided with re-establishing herself in full-time work and also trying to manage a recurring deterioration in her health. After living with her grandmother for a short period she moved in with another friend for six months before returning overseas to pursue work for 18 months in mid-2002. During this time Kate also commenced part-time postgraduate studies.

Whilst working overseas Kate sustained an injury and returned home early to live with her parents. During this time she was on Newstart while she looked for work but found it difficult to find work interstate because she did not have the right social contacts in the area. She stayed with her parents for six months and returned to Melbourne at the end of 2003 to live with her brother in his private rental property.

Shortly after moving in with her brother Kate went back to her previous employer [government department] and obtained a six month contract position in a similar role she was performing before her latest trip overseas. She worked two to three days a week in this position and also lived off the savings she had from working overseas to cover additional living expenses not met by her income. Still undertaking her postgraduate studies, Kate went on to participate in a three month exchange program overseas to further her career in development work. The trip was funded with a \$1500 scholarship, savings and her credit card.

On returning to Australia, Kate found the transition back into professional work more difficult. She obtained a one day a week casual research-assistant position lasting eight months. While her hours at times fluctuated, the minimum income she received from the one-day position totalled \$191.00 a week and there was a three week period where she

had no income because the organisation closed over the Christmas period. In time her hours increased in the position and she was put onto a three day a week fixed-term contract. Kate described this period as the most insecure and, had she not had her rent subsidised by her brother, she would not have been able to afford her accommodation. During periods of low and no income Kate lived off her credit card.

Through out this period Kate participated in volunteer work with non government organisations to help build up her networks and ‘stand a better chance’ of furthering her career in international development work. This helped her to gain her current three day a week twelve month fixed-term position working as an assistant for an international program. She reduced her hours back to one day in the research assistant position and then left at the end of the contract. Towards the end of 2005 she completed her postgraduate studies.

At the time of the interview, Kate had been living with her boyfriend for three months in a property that he is purchasing. The lease on the rental property she shared with her brother had come to an end and was being sold, prompting a decision to move in with her boyfriend. Kate’s current housing status would be now counted as living in home ownership and not rental. However, as the house has not been purchased as a partnership investment, she does not feel it is her ‘own home’, or one that she could afford to pay off, feeling that her dependence for housing security has shifted from her brother to her boyfriend.

#### *Labour insecurity and the mitigating conditions in staying securely housed*

Kate’s housing career before she finished her undergraduate studies can be characterised as a student housing trajectory in a socially structured field typically benefiting young ‘income poor’ individuals at a similar stage of life. With most of her peers in a similar situation, Kate was linked into a shared housing network and recalled that ‘there was always some one else to share with’. Generally during this phase, living standards are compromised by limited income typically accompanying full-time study or low-entry paying employment.

By sharing household expenses Kate was able to live on limited means and still maintain a roof over her head. During her study Kate also worked as a part-time casual in a department store to support herself. For Kate the main difficulties of housing security related to sharing with those who had different values and sensitivities to her own.

K: I guess there's been a lot of chopping and changing. In the early years it was never an issue, it seemed like all my friends that's the way we lived.... You had a 12 month lease on a property and generally at the end of that you moved unless everything was working out great and then you stayed. The two periods I stayed longer than a year almost felt odd to me and that was just the done thing as a student....the share-house time was fabulous, I lived with great people and learned how to live with people with different values about things like dishes and cleanliness.

The culture of shared housing provides a safety net for many students and young people. However, it also reproduces a structure of lower-wage employment amongst this group because it allows them to accept more precarious types of employment to fit around their studies. Kate's need for flexibility in her employment, especially with respect to her health, has led to her leaving jobs and also encountering difficulties when attempting to re-enter the labour market.

Although Kate had periods of moving in and out of work, both voluntarily and involuntarily due to study commitments, a number of trips overseas, and a long-term illness, she had not felt any impact on her housing as a result of employment until her latest trip home from working overseas. On her return she found it difficult to regain employment and had to settle for casual work. Kate looked back on this period of time as one of considerable uncertainty and financial stress.

SP: In what ways have your past employment experiences affected your housing?

K: It wasn't until I came back from [overseas] and I've had this up-and-down income and they've been in lower-paying industries that my employment has affected my housing ...I guess it's affected it in terms of, I won't say I felt trapped, but I felt like the only option I had was to live with my brother and the house that he picked, that he taken the lease out on, was like taking me back five years, to a student house, it's actually the worst house I've ever lived in. Even

when I was younger and at an earlier life stage I was living in better accommodation.

SP: Did you get behind in rent?

K: No, my brother was really good when I wasn't bringing in anything. I can't remember the details but if that \$50 rent was my last \$50 he wouldn't have asked for it, so either I didn't pay or when my hours went up I paid him retrospectively, but because I had that flexibility that was the only way I could have gotten through. If I had a landlord knocking on my door for that \$50 each week that would have been quite difficult. Once I got the three days per week here at [employer] at the beginning of this year I started paying my brother \$80 a week rent.

SP: Did you have any other debts?

K: At that time it was really difficult to get other work, so that was tight, and that's when I really started getting into trouble with the credit card... I've essentially relied on a credit card debt to get me through, mainly [for] living expenses. I wasn't living extravagantly it was just that my income was not enough to get me through from pay period to pay period.

Although her housing was not under direct threat, the combination of Kate's fluctuating health and employment status has accentuated her dependence on her kin networks for housing security and reliance on a credit card as her form of 'income insurance' in meeting daily living expenses. Spending long periods of time in education has depleted Kate's economic capital but at the same time she has been accumulating cultural capital through her experiences in education and travel that have ultimately broadened her overall social capital and the social space in which she circulates.

At the time of the interview Kate had recently moved into her boyfriend's purchased house. This means that Kate's current position within the household housing security typology is a 'secure purchaser' living in a permanent household. The impact of her labour insecurity on housing security is mediated by her partner's secure position in work. However, she is highly dependent on the permanence of her relationship for her housing security. Kate described her boyfriend as very well paid but 'time poor', and felt that her security in housing had shifted from her brother to her partner. Kate talked of the implications this has had for the division of labour within their household whereby the lack of financial contribution towards housing costs was often substituted with unpaid

domestic work. Finding herself in a similar domestic dynamic with that of her brother, Kate talked about her conflict of wanting to contribute but at the same time fearing that domestic responsibilities will become an expected role that is not distributed equally amongst all household members.

K: It has been nice to be in a situation where, because I work less hours, I can contribute in different ways and because of my health and the fact that I don't know if I'll ever be able to work full-time it has been nice to be in a situation with my brother and now my boyfriend where there is some value placed on the contribution I can make through my time. But again in both those relationships there's that little female thing thinking I don't want you stereotyping me as being the housewife, I'm your sister, I'm your girlfriend, not your maid. There's that fine line. You can contribute to the household in different ways because you can't contribute financially and still maintaining those lines of I'm your sister, I'm your girlfriend, not your maid.

### ***Helen's story: A secure place in social housing***

Helen is currently living in public housing with her two children and has been trying to gain ongoing employment after some years of being out of the labour force combined with short periods of casual employment. Helen first left home and school when she was 17 years old to live on campus at the nurse's home and train as a state-enrolled nurse. On completion of her training, Helen moved into a private rental flat with a friend who was also a nurse. The move coincided with employment in a hospital outside of Melbourne, where she worked and resided until she was 21 years old.

Aspiring to be closer to the city, Helen moved out from living with her friend to share a private rental apartment with her sister and obtained a night-shift position for six months as a way of gaining entry into a nursing position in the city. She then commenced agency nursing for a further six months. Being young at the time she enjoyed the flexibility of agency nursing and felt financially secure.

During this period Helen got married and moved into a private rental house with her husband. Both were working full-time, and Helen had gained a permanent nursing position. Soon after their marriage Helen's nursing career was cut short due to a back injury caused by her nursing duties. Helen was 24 at the time of the injury.

Unable to work due to the severity of the injury, Helen received workers compensation and remained out of the workforce until she was 28 years old. Although receiving workers compensation, Helen reported that their overall household income was reduced without a second wage. Whilst feeling financially independent before her injury, Helen found that their housing options became increasingly constrained as time passed. Over the four year period when she was not in the workforce, Helen and her husband moved rental properties each year, in order to reduce their housing costs and manage other household expenses.

At 28 Helen re-entered the workforce through a traineeship in administration at a school office and a community care centre as part of a return-to-work scheme. Two years later Helen had her first child and left the workforce to concentrate on being a full-time mother. Helen and her husband remained in a rental property in Melbourne for two years and then decided to relocate to the country to be closer to family. While waiting for their rental property to become available, they stayed with Helen's parents and then moved into the property where they resided for a year. They then moved into a long-term private rental property.

Helen's second child was born when she was 33 years old. A year later she and her husband separated. Helen continued to live in the same property with her two children. With two young children, Helen did not re-enter the workforce and received a sole parent pension (now parenting payment). Once her youngest child started to attend kindergarten, Helen became regularly involved in volunteering at the kinder and the school that her children were attending. Although struggling financially at times, throughout this period Helen's housing remained stable. Living in a country area Helen's rental payments were low and she became skilled at managing on a limited income, making sure her housing and bills were always paid for.



After spending five years on her own with her children, Helen re-partnered at 39 years. Because Helen and the children were established in their house, Helen's partner moved in to the property that Helen was renting. No longer eligible to receive the full amount of income support due to her new partner's income and given that her youngest child was now in school, Helen re-entered the workforce to supplement the household income, obtaining part-time casual work at a bakery, where she continued to work for six months. She then left the bakery position for another casual position cleaning motel rooms, where she remained for another year.

During this period, the rental house that Helen resided in was put on the market. After eight years of renting, the sale prompted Helen and her partner to look for alternative rental accommodation and location to live in. Living in the same property for so many years their rental costs had been kept relatively low. To keep her housing costs manageable Helen applied for an Office of Housing property and was offered a place in another regional town. However, soon after relocating, Helen and her partner separated. Having left her job to move Helen was again without an income. With full responsibility for the care of the children and the need for an immediate income to support the household, Helen went back onto a parenting payment.

After re-establishing herself in a new town Helen found it difficult to re-enter the labour market and remained on parenting payment. Helen and her two children, now aged twelve and fifteen years have been living in a three-bedroom Office of Housing property for the past four and half years. Becoming increasingly concerned about her long-term security and the fact that her children were also approaching an age where she will no longer be eligible for parenting payment Helen has spent the last two years trying to obtain a permanent job.

At 42 years of age Helen participated in a Centrelink-funded course in office administration, completing TAFE modules in Office Administration 2 and 3 and Information Technology 2. While finding the course interesting and 'learning how to turn a computer on' Helen continued to have difficulties obtaining work. Without experience, the course did not give her the added advantage she was hoping for.

Not able to gain the type of employment that reflected her recent training, nor able to secure a permanent position Helen eventually found employment working for an archiving and filing company. She has worked on and off in this position for the past two and half years. Despite being full-time, Helen has remained on a casual contract and experienced periods where her 'services were no longer required' only to be re-employed again later when demand increased. In one interim period Helen combined her filing work with casual work in a video shop.

*Labour insecurity and the mitigating conditions in staying securely housed*

Helen's labour and housing profile is consistent with a non permanent secure social renter. While Helen reported that she thought she was better off financially when she was working full-time, she also spoke at length of the insecurities she felt in her current casual position. Her story reveals high degrees of insecurity in employment, particularly working-time insecurity. Working on and off with the same company for over two years, Helen has been dismissed with one day of notice only to be called back in after an unpaid break. Her insecurity also came from feeling like she did not have the same rights as other employees and being afraid to 'make any waves' so that she didn't lose her job.

SP: So you feel there's a difference amongst the staff in how you're treated as a casual compared to permanent?

H: Yes, it's just little things like you don't get told what's happening. I only asked my supervisor a couple of weeks ago how long she thought the work would go and she had no idea, so I don't know if I will work next week. I know I'll work Monday but I could finish Monday afternoon. In the past they've told me at like two o'clock in the afternoon and told me I don't need to come in the next day...this is the third time I've been back in two years. I have no feeling of security that I've got work from one week to the next. And that can be really quite stressful at times... there's always that thought that if the supervisor comes near you at two or three o'clock she could be about to say, thanks, see you later.

At the time of the interview, Helen was earning \$550 week gross and the full amount of family benefit assistance for two dependent children based on her fluctuating income. When Helen is working full-time, her Office of Housing property increases to the full

market rent of \$189 a week. In between episodes of casual work, when she goes back onto parenting payment her rent decreases to around \$80 a week. The adjustment of rental costs according to her earned income has meant that Helen has managed to maintain her rental payments and has not accumulated arrears during times when her income has fluctuated. This she believes is critical to her long-term security in the context of the difficulties she has faced in gaining permanent employment.

She also attributes her housing security to her ability to ‘make a little go a very long way’, having family who can help her out financially, strict budgeting and going without.

SP: What about in times when you had breaks in your casual work, did that effect day-to-day living in any way?

H: I was able to get back with the pension, because I’ve always had...I think at the moment I get \$12 a fortnight pension but I ring Centrelink every two weeks and declare my income, so depending on what I earn as to how much I get. So it’s usually just a matter of saying I earn zero income this fortnight and the rent goes down and the pension goes up. It’s hard going back to – how do you put it – shuffling bills around to get them paid, like paying half the electricity bill one week instead of paying the whole thing. So it just makes things tighter.

SP: So that provides another form of housing security because you know that there is that to fall back on....

H: The reason I stay where I am is because when I’m not working the rent drops, whereas if I was in the private sector it wouldn’t. I’d get rent assistance but it wouldn’t drop as much....I’m lucky that I’m in a Department of Housing house, because if I was in the private sector I’d be ‘RS’ because I just can’t afford to pay \$200 a week rent when I’m not working...if that house was being rented out in the private sector that would be that money, \$200 - \$240 per week. I stay here because I know it’s a difference of \$100 a week rent. Who knows where we’d be if we weren’t in a department house?

After the long struggle to find permanent employment and get back into the labour market in her 40s, Helen cannot ever envisage buying her own home. Helen’s long-term plans are to remain in her Office of Housing property, believing it is the most secure housing option she has for her children and herself.

SP: Does the fact that you're in casual work affect your planning for housing?

H: Not at this stage, because I plan to stay where I am. Because I know I pay my rent, I look after the house. They've told me they consider me a very good tenant. I'm not likely to be kicked out for being in arrears for rent or damage to the house; you've got to be a pretty bad tenant to be kicked out. So I feel secure in that way 'cos I pay my rent, but it doesn't give me the feeling of getting ahead and putting money aside for a home loan and owning my own home because they won't give me any bank loan or mortgage loan at this point ... Because it's a department house I know I can stay there, you know, it's not going to be sold.

### ***Carol's story: the importance of timing***

Separating from her husband ten years ago Carol has been paying off the family home whilst supporting three children on her own. Since the break-up Carol has combined a parenting payment with different casual jobs to support herself and her three children. As Carol's youngest child has recently turned 16 years, she is no longer eligible for parenting payment. With the help of the Centrelink New Enterprise Incentive Scheme (NEIS) and retraining in reflexology, Carol is currently establishing her own business. Generating sufficient and regular income from the business has been difficult and she recently reapplied for income support to help supplement her fluctuating income.

Carol did not follow the 'typical' housing career, recalling that she 'never really moved out' of home in the usual sense. Carol was married to her first husband when she was 19 years old and they both continued to live with Carol's family. A year later they purchased their own home but had difficulty sustaining the mortgage when Carol fell pregnant and was no longer earning a second income. They sold the home and moved back in with Carol's family in a subdivided house shared by her parents in one unit and grandmother in the other.

Carol and her first husband continued to live in the house until their separation when Carol was 24 years and their second child was one year old. Carol repartnered when she was 25 and had her third child at 26 years. She continued to live in the same home until the purchase of their current house when Carol was 28 years old.

Carol and her husband initially purchased their home 17 years ago for \$67,000 through a homeloan opportunity scheme. They were both working at the time and paying approximately \$700 a month. Her husband, a landscaper, had his own business and was also a self-contractor. Carol worked part-time for a petroleum company, which was her first main job after leaving school and completing a business certificate. With intermittent breaks to have her children, Carol remained with the same company until she was made redundant following its closure during the 1990s recession. She was 36 years old at the time and received around \$4000 in redundancy pay. While her employment with the company was ongoing, each time she returned from maternity leave her roles, hours and conditions changed, with her contract of employment moving from permanent to casual. Following her redundancy Carol retrained in horticulture and worked in a nursery but found the work too physically demanding and was not able to continue.

Although interacting events led to Carol and her husband's eventual separation, including his frequent drinking, Carol claimed that it was the loss of her financial independence following her retrenchment and long-term unemployment that was the final 'breaking point' for her. To avoid sale of the property and relocation of the children, Carol received their mortgaged home in lieu of any child maintenance payments and also borrowed money from her grandmother, which she termed as an 'early inheritance', in order to pay a lump sum to her husband. She was also able to renegotiate repayments with her lender that she could afford on her own.

Paying only the minimal repayments on an extended loan she still owes approximately \$28,000 on the mortgage. With her housing payments declining over time relative to her income, her current housing costs are kept at a manageable rate of \$211.50 a fortnight. In the early days of taking on the mortgage by herself Carol reported that were many times where she struggled to meet repayments, recalling going without food or 'eating porridge' for tea, getting food parcels on a number of occasions, and borrowing money from family in order to make sure the house was paid for. Carol has also cashed in the small amount of superannuation she had to pay for the house.

During this time Carol mainly worked in casual jobs that she could fit around the care of her three children including delivering pamphlets, preparing flowers for cylinders at home, ironing and repairs for a fancy dress shop, house cleaning and delivering groceries. In all these roles the hours were irregular, without any entitlements, and paying only enough to supplement her parenting payment.

As Carol approaches her late 40s she plans to continue to build up her business, despite the struggles faced in generating sufficient income to live off. Feeling secure in her housing and with her children becoming more independent, Carol plans to pay off her 'Australian dream' and eventually move to a smaller and more manageable house.

C: I have a goal of paying off that mortgage and seeing that little paid in full sign – I have the Australian dream or whatever. I would love to purchase another property as an investment, would love to, but I don't know how it would ever come about but it's something I would really like to do. Otherwise, I think what will happen is we'll get to the point, I mean the house is so hard to look after now, it's a house it's got a front yard and a back yard so it's not easy to look after. The time is going to come where I'm just going to have to say, this is too much. It's going to have to be sold and I'll move into a two bedroom unit or something like that.

### *Mitigating conditions*

Since taking on the full responsibility for the mortgage, Carol felt that her housing has remained secure. Carol's current labour position fits the profile of a self employed income insecure household but has spent many years as a non-permanent household. While her current housing situation can be considered a 'secure purchaser', she has at various times has slipped in and out of a position of 'high risk of insecurity' in her purchased housing. Carol spoke of a number of strategies used to hold onto the purchased home and bring in enough income to support the family on her own, including getting food parcels and 'eating porridge for tea'. Paying \$700 a month at the time of her separation, her capacity to renegotiate her housing payments to a more affordable rate was critical in helping her to remain secure in her housing.

SP: Has there been any time where your mortgage has been at risk or you haven't been able to make the payment for your housing, or felt insecure in being able to maintain that housing?

C: I would have to say no to that honestly 'cos I would actually go without food before I wouldn't pay my mortgage...

SP: So the mortgage is always paid. Does that impact on other living expenses?

C: In a way it does, but in another way it doesn't as I live off a credit card. So the mortgage is always paid and to me that is the most important thing, and other things will be paid on the credit card and I'll pay off what I can pay off... There are times when I've fallen in a hole, like the times when the registration has been due on the car and it's broken down and I just haven't had enough money to pay for it. I've cashed in my super to keep myself going, it wasn't a lot of super, but I cashed it in. I've gotten money off my mum or my grandma, you know, a thousand or so here and there which has paid rego or an electricity bill or whatever at the time to keep me manageable. I worked four part-time jobs while I was getting the parenting payment.... I dragged those poor three kids around in prams and strollers delivering newspapers and stuff. It was horrible. You survive 'cos you have to. You survive because you have to and you become sensible, you know..... It's funny actually, when you've lived like that for so long you've got to grow out of living like that, it becomes a frame of mind. And even now I see something that looks really nice. Nope. Yes. Nope. And I have this battle that goes on. Yeah, you're good enough, get it for yourself, what have you got to worry about?

The 'frame of mind' that Carol refers to is consistent with Bourdieu's notion of habitus – an enduring way of being and doing that shapes her action and the choices she has made over the years, though limited, in keeping her family in housing. Her habitus is steeped in an agency of survival accumulated over her life course as a single parent, which she herself acknowledges will take some time to alter as her situation improves. Her habitus of survival, in combination with the sources of social and economic capital she has been able to draw on along the way is central to explaining why she has been able to maintain her house despite experiencing times when she might have otherwise lost it.

Moreover, in the context of sustained income and labour insecurity, Carol's story also illustrates the important mediating influence of timing in the housing market cycle for housing security. Purchasing the family home 17 years ago for \$67,000 through a Home Opportunity Loan Scheme and now owing approximately \$28,000 Carol has benefited

from the reduced housing costs over the life of her loan as well as being able to accumulate an asset. Although rising interest rates have seen her payments go up, they have still remained at an affordable level relative to her income.

SP: Do you feel that your current housing costs are manageable?

C: It is at the moment, as my Centrelink payment goes into one account and that's where the mortgage comes out of, so I don't even think about the mortgage because the Centrelink payment covers it. So the mortgage is always paid and to me that is the most important thing, and other things will be paid on the credit card and I'll pay off what I can pay off.

SP: What are your weekly mortgage repayments on the property?

C: My fortnightly repayments are \$211.50 I think it is, so I couldn't actually rent a house cheaper.

As with Helen's experience, being able to receive income support whilst working in different casual jobs and being self-employed has also had a significant mediating effect on the overall security of her housing and the wellbeing of the family. Purchasing at a time of relatively low house prices and with two combined incomes from herself and former husband, Carol feels quite secure in her housing, with her main plans for the future to continue paying off the house. Cashing in the small amount of superannuation during property settlement, Carol describes her current housing as 'her retirement fund' with all her savings tied to the family home.

### **Discussion of the mitigating conditions in staying housed**

In many instances the employment experiences of the three women discussed in this chapter are not dissimilar to the five households who had recent episodes of housing insecurity. Experiences of exploitative and discriminatory employer practices as a significant source of their insecurity in employment and income insecurity was evident in all their narratives. For Helen and Carol these employer practices made things all the more difficult because of their sole responsibility for the care of their children and the



difficulties they have experienced in negotiating suitable employment around this role. All women had very limited control over the hours they worked, continuation of employment or capacity to get any form of permanent employment. They all remained in precarious roles despite working hard to retrain and advance their own cultural capital that would help to build financial independence.

Despite their experience of high labour insecurity, Kate, Helen and Carol have over the course of their lives accumulated the types of household capital that has enabled them to be secure in their housing. Following the process shown in Chapter 7, the matrix Table 27 presents the similar dimensions of labour insecurity. However, these labour dimensions are now matched with mitigating dimensions of security in household capital and housing. While Table 27 shows that the three women rate highly on all the dimensions of labour insecurity they have several differences with respect to their security in household capital and housing compared with households who became insecure in their housing.

**Table 27. The mediating influence of household capital in staying housed**

Dimensions of labour insecurity	Dimensions household capital security			Dimensions of housing security						
	Kate	Helen	Carol	Kate	Helen	Carol	Kate	Helen	Carol	
<b>Labour insecurity</b>				<b>Security in household capital</b>			<b>Flexibility in housing costs</b>			
<b>Labour-market insecurity</b>				<b>Economic security</b>			<b>Security in tenure</b>			
Difficulty obtaining work	✓	✓	✓	Accumulation of savings	✓		Title holder of purchased property		✓	
Difficulty obtaining permanent work	✓	✓	✓	Accumulation of assets		✓	Ongoing tenure in social housing	✓		
<b>Insecurity in Employment</b>				Access to secure second earner	✓		Low housing mobility	✓	✓	
Loss of/absence of penalties	✓	✓	✓	No dependents	✓		Adjustable housing costs in response to sudden income changes	✓	✓	
History of casual /episodic employment	✓	✓	✓	<b>Cultural security</b>			Low housing costs income	✓	✓	
Ongoing casual position		✓		Tertiary qualification	✓		No housing costs	✓		
Redundancy			✓	Retraining	✓	✓	<b>Access security</b>			
Temporary lay-offs without pay	✓	✓	✓	Strong budgeting and planning skills	✓	✓	Sharing lease and costs with friends/family	✓		
Hours and pay fluctuating	✓	✓	✓	<b>Social and personal security</b>			Purchasing during period of low house prices		✓	
Day or less notice of termination		✓		Access to financial support	✓	✓	Living in owned property	✓		
<b>Income insecurity</b>				Planned exit from home	✓	✓				
Persistence of low-wage employment	✓	✓	✓	Stability of extended family	✓	✓				
Underemployment	✓		✓	Geographic access to employment	✓	✓				
Long-term income support		✓	✓	Stable partner	✓					
<b>Total score dimensions of labour insecurity</b>	8	10	10	<b>Total score household capital accumulated</b>	11	6	7	5	4	5

The mitigating effect of household capital is most evident for Kate, whose overall score on dimensions of household and housing security is 16. Through her studies and social connections Kate has cultivated high amounts of cultural and social capital. Throughout her insecurity in employment she has been able to directly draw on the financial support of her family and then her partner. The accumulation of high amounts of cultural capital has meant that Kate's social networks also include those of a similar background, which has allowed her to eventually partner into a wealthy relationship and affluent neighbourhood. Provided she remains in her relationship she will continue to significantly increase her overall economic capital in time, mitigating the insecurity she experiences in work.

Kate's overall employment and housing trajectory most closely reflects Giddens (1991) idea of 'biographies' of self-made careers, as evidenced through some of the voluntary decisions she has made to leave jobs to pursue her own interests of further study and travel. However, at the same she still experienced conflicts in being able to negotiate her career path in a direction of her own choosing that, without her networks, would have posed a direct threat to her capacity to sustain any form of housing.

Rating next highest is Carol with a total household and housing security score of 12. Carol's overall household capital has benefited from the capacity to accumulate an asset that is her own, providing her with a significant store of economic capital on retirement, albeit of modest proportions based on the type of housing and area. While Helen with a total score of 10 has not been able to accumulate much economic capital, she has been able to draw on the social capital of strong family connections in times of financial need and publicly provided housing that has acted as buffer from the insecurity she has experienced in work. Both Helen and Carol have drawn heavily on their ability to make a little go a long way as they have had to raise their children on their own. They have both been able to maintain their housing payments below an affordable threshold.

By reducing the financial independence of Kate, Helen and Carol, their experiences of labour insecurity also have strong implications for unequal relations of power within their household relationships and the gender division of labour. The stories of Kate, Robin and

Carol all provide evidence of a dual labour process of exploitation that increases the vulnerability of women in the workforce and in housing (Somerville, 2000). Support from other household members or access to subsidised housing costs has enabled these women to accept inferior working conditions in the first instance. However, this exchange of support was typically provisional on their primary role in social reproduction through unpaid domestic work and care for children that has contributed to high dependency in their social relations with others.

For Kate this high dependency first occurred with her brother and then her partner, while for Robin and Carol this was mainly from the state as a provider of parental income support and subsidised housing. For all three women the presence of these mediating influences was vitally important in being able to maintain their housing in the context of insecure work. At the same time, their experience reflects exploitation not only in paid work but also in unpaid.

Kate's past and recent employment experiences have provided opportunities for travel and fulfilment in her social contribution. However, she has had to re-establish herself repeatedly in her housing and work rather than following a sequential progression of economic accumulation and financial independence. Kate has moved into a purchased home but she is not title holder of the house and has full acknowledgement of the impact this has had on her sense of equity within the household.

While Helen has predominately raised her teenage children by herself with the assistance of the parenting payment, she has never moved into home ownership and therefore has not been able to accumulate any asset. Helen's security in tenure is dependent on lower rental costs of public housing and in the longer-term her labour insecurity does not provide her with any access security to other forms of housing, especially home ownership.

In Helen's case, her labour insecurity reinforced the need for affordable housing whilst affordable housing made it possible for her to continue to accept insecure working conditions. Combining the parenting payment with her casual job and adjustable public

housing costs has been an integral strategy for Helen's housing security rather than a strategy to avoid paid work because she is receiving housing assistance. As argued by Hulse and Randolph (2005) any labour market disincentive effect that housing assistance may have in the behavioural decisions of housing assistance recipients is complex and far from uniform. Helen felt better off working and has actively pursued work despite the increased rents, with her housing assistance considered a 'back up' rather than a disincentive to working.

## **Conclusion**

The stories presented in this final empirical chapter have been used to explain some of the mitigating mechanisms that allow households to avoid becoming insecure in their housing when one member is insecure in work or income is insecure. The chapter set out to answer the question: *Under what conditions are households whose members are experiencing insecurity in work able to avoid experiencing insecurity in their housing?* While the experiences of insecurity in employment and income insecurity were comparable to those of the five households in Chapter 7, the three stories of Kate, Helen and Carol presented in this chapter all revealed significant differences in housing and household experiences.

The three stories presented in this chapter provide support for the proposition that the impact of labour insecurity on housing is mediated by the subsidisation of housing costs either from sharing, paying below market amounts such as that offered in public housing or from benefiting reduced payments from the earlier purchase of a property when incomes were secure. It was argued how this accumulation of household capital, particularly high cultural and social capital, was vital in securing housing. However, one unintended outcome emerging from the subsidisation of housing costs is the transference of dependence onto others, whether a state housing authority or kinship networks, for continued security to compensate for shortfalls in individual labour-market position.

This chapter has identified some of the countervailing mechanisms that keep people housed when their work is insecure and helps to explain why there is not a direct causal relationship between labour and housing insecurity that can always be empirically observable. While the three accounts of mediating conditions provide insight into the reasons why people do not always become insecure in their housing, they only allow some of the mechanisms at play to be identified. As with the previous Chapter 7, this chapter relies on the self accounts and detailed recall of labour and housing histories of participants, as well as my own interpretation of these accounts, that if told in another setting and time could yield a different explanation.



## Chapter 9

### Conclusion

While insecurity in work and housing are enduring conditions of market relations, the emergent consequences for households will be experienced differently over time. The central thesis research question, *How has labour insecurity contributed to housing insecurity during a market-dominant regime of security?* focuses on the contingent relationship between labour and housing markets that has influenced the security of households during a period of restructuring and growth between 1992 and 2007. The ideas of a 'market-dominant regime of security' periodises the institutional changes that have privileged the dominant security interests of employers and housing providers above those of employees and housing consumers.

The period of a market-dominant regime of security is characterised by sustained increases in labour productivity and a corresponding decline in the rate of unemployment up to 2007. Historically, periods of sustained growth typically culminate in overall improvements in the security of household employment and incomes that in turn generate increased security in housing consumption. However, in this thesis it is argued that the move from a collective to market-dominant regime of security has contributed to the growth of the working-insecure household thereby altering the connection between secure employment and secure housing consumption forged in the post WWII period of growth. Contingent changes in working relations have combined with contingent changes in the housing market to diminish the capacity of many low to moderate-income households to manage ongoing housing costs, gain access to secure housing, and effectively plan for their future housing security needs.



Throughout the market-dominant regime of security between 1992 and 2007 it was shown in the thesis that employee rights and entitlements continued to erode, allowing more precarious forms of employment, including casual, labour-hire, fixed-term, and some self-employment, to flourish. It was argued that the redeployment of labour according to employer-oriented demand for increased flexibility in working-time and contract relations has contributed to the growth of insecurity in employment and income insecurity. This has occurred by reducing the certainty of employment tenure, increasing the tendency for earnings to fluctuate, and or remain below a living wage. This labour insecurity, whilst spreading to more educated groups, for the most part, remains unequally distributed across the labour force.

At the same time, rapid growth in house prices, more liberal use of credit and debt, increasing competition in the rental market, and the residualisation of social housing have significantly reduced housing affordability amongst low to moderate-income households. These trends were argued to have contributed to sustained levels homelessness, housing stress, difficulties in managing housing costs and gaining access to appropriate and secure housing. This growth in housing insecurity was reconceptualised in terms of three broad dimensions of price and rent insecurity, insecurity in tenure, and access insecurity.

The dimensions of housing insecurity were operationalised within a broader household typology of housing security. This typology allowed, for the first time in the Australian housing system, for direct comparisons of the empirical demi-regularities of employment amongst different household groups to be identified within the one analytical framework. The empirical typology was further advanced by a critical-realist theoretical framework that established the causal or 'real' and 'actual' necessary and contingent relations in labour and housing markets underpinning these empirically observable housing groups.

The theoretical framework for how labour insecurity contributes to housing insecurity was informed by a review of three broad bodies of literature classified as the inequality of class relations, the inequality of spatial relations, and the individualisation of risk relations. Drawing on this literature it was argued that labour and housing markets are

contingently connected through unequal necessary employer-employee relations on the one hand and unequal necessary relations between housing providers and consumers on the other. These relations are in turn mediated by contingent relations within state agencies and households.

Insights from the existing theoretical and empirical literature were further expanded upon using a relational class framework informed by a political economy of regimes and the sociology of Bourdieu. The historical contingency in state practices, drawing on a political economy of regimes, conceptualised the period of restructuring and growth between 1992 and 2007 as the move from a collective to market-dominant regime of security. Drawing on Bourdieu's relational class framework, insecurity in labour and housing relations was argued to be contingently mediated by unequal amounts of collective and cumulative household capital.

The discussion of labour and housing market trends in Chapter 2 combined with the theoretical framework in Chapter 3 informed two propositions about the contingent changes occurring within unequal necessary relations between employers and employees and housing providers and consumers, stating that:

- The move to a market-dominant regime of security has contributed to increasing labour insecurity through increases to insecurity in employment and income insecurity amongst working individuals.
- The move to a market-dominant regime of security has lead to increasing price and rent insecurity that has contributed to increases in insecurity in tenure and access insecurity amongst working households.

The consequences of this shift in regimes for individuals and households, however, remain contingently mediated by unequal relational positions in the social space of labour and housing fields that are shaped by and shape the overall collective and cumulative capital possessed by households. A further three propositions were formulated to argue

how it is that this labour insecurity has contributed to housing insecurity during the transition to a market-dominant regime of security including:

- Insecurity in employment and income insecurity reduce the predictability and/or amount of earnings and capacity of households to modify housing costs, contributing to insecurity in tenure amongst both working and non-working households.
- Insecurity in employment and income insecurity reduce the predictability and/or amount of earnings generating precautionary practices that contribute to a cycle of access insecurity amongst both working and non-working households.
- Housing insecurity for those experiencing insecurity in employment and income insecurity is unequally mediated by cumulative and collective household capital and subsidisation of housing costs either from other household members or from the state.

The thesis propositions were empirically tested using a mixed-methods research design that combined an extensive analysis of the (HILDA) national panel dataset with an intensive analysis of in-depth biographical interviews reconstructing household employment and housing histories as well as uncovering household practices for security. The relationship between labour and housing insecurity was initially explored descriptively using three years of HILDA data from 2001 to 2003 and then modelled using statistical techniques suitable for panel data. The findings from the extensive analysis were then elaborated through an analysis of eight biographical case studies showing how labour and housing-market practices are connected over time. The critical-realist notion of causal necessity and contingency directed attention to uncovering the household conditions of when labour insecurity does and does not contribute to the observed outcome of housing insecurity.

The household typology of housing security was applied to an extensive analysis of HILDA data in both examining the magnitude of housing insecurity and understanding the demi-regularities of housing insecurity for different household groups. While there were data limitations in the measures of housing insecurity used, the research was able to identify more vulnerable groups within the housing market and to link their experience with current and past employment. Innovative methods for identifying the total

employment security position of households and as well as individual engagement in the labour market over time were developed in the thesis. This enabled the research to identify that it is not just a matter of whether households are engaged or disengaged in the labour market but that the type of employment within the household is becoming increasingly important in explaining housing security outcomes.

### **Demi-regularities and causes of insecurity in tenure**

An overview of the prevalence of housing insecurity revealed that approximately 24 per cent of renters and 8 per cent of purchasers experienced payment and/or other direct difficulties in their housing during the baseline period in 2001. The proportion experiencing more extreme insecurity, defined according to both low annual income and the presence of direct housing difficulties including arrears and/or forced relocations, was slightly lower at around 13 per cent for renters and 4 per cent of purchasers. The findings suggest that private renters are more vulnerable in their housing and this is likely to reflect their tendency for increased precariousness and disengagement from the labour market.

The proposition that insecurity in employment and income insecurity reduce the predictability and/or amount of earnings and capacity of households to modify housing costs, contributing to insecurity in tenure amongst both working and non-working households, was supported in the descriptive and statistical analysis and also by the intensive case studies focusing on causal processes. Drawing on the findings from both the extensive and the intensive analyses, insecurity in tenure during the period studied was not only associated with episodes of unemployment, but also with insecurity in employment and income insecurity. From the initial descriptive analysis, individuals living in households where all members were unemployed, had one member in part-time and/or non-permanent employment, or relied solely on self-employment, had a higher likelihood of housing insecurity. However, there were also households with full-time

employment in their household who were observed to be insecure in their housing, particularly amongst the 'highly insecure'.

Modelling the labour and housing security relationship using logistic regression and controlling for a number of other household conditions including income, confirmed the initial findings of the descriptive analysis. While the results confirm the association between non-standard employment, unemployment and housing insecurity identified in the international literature reviewed, the findings in this thesis are based on an analysis of more nuanced measures of household labour and housing insecurity than has been undertaken to date. Moreover, the analysis undertaken was able to identify important differences in the influence of household employment within and between renting and purchasing households.

For renters it is the working insecure or individuals living in non-permanent and self-employed households and those moving in and out of the labour market who were most insecure in their housing. These are likely to be the groups who are outside the social housing system, reliant on private rental, and are therefore less able to plan for any sudden changes in income. The unattached and longer-term excluded did not experience a higher likelihood of insecurity in tenure in their rental property.

For purchasers, who on average have higher repayment costs than renters, risk to housing payments appear to be influenced by any event that threatens both the amount and predictability of earnings. Like renters, non-permanent and self-employment increased the likelihood of insecurity in tenure, particularly amongst the highly insecure. The highly insecure purchasers were observed to be more vulnerable to the experiences of unemployment and labour-market exclusion, notwithstanding the much smaller proportions of these employment groups within this tenure.

While moderate to higher-income purchasing households were found to experience insecurity in tenure, when compared to the lower-income housing group, their housing insecurity was more strongly influenced by household instability and overconsumption on housing costs than from heightened precariousness in the labour market. This is a critical finding because it is often assumed that labour insecurity is widespread amongst higher-income groups and thus the main cause of their increasing housing insecurity. It also reveals that changes occurring in the housing market in terms of rising repayment costs can have an effect independent of insecurity emerging from individual or household employment.

The mixed-methods approach adopted in this thesis enabled the observable demi-regularities based on the employment and housing typologies used in the extensive analysis to be further explained through the intensive analysis of eight households. Following the work and housing histories of eight households over their life course revealed that the greatest insecurity in employment and income came during periods when hours were unexpectedly reduced, especially during periods of ongoing casual employment. For these households, insecurity in employment and income insecurity were found to be caused by the lack of employment protection in places of work and the limited, apart from the decision to leave, ability to influence the conditions of their employment. The types of exploitative and discriminatory practices directly threatening the income stream for housing discussed by interviewees included:

- the absence of protection for continued employment;
- short notice of termination and irregular hours;
- persistence of low-wage employment;
- changing contract conditions and hours worked; and
- difficulty in gaining entry back into the labour market and/or having to settle for extended periods of casual work.

The interaction between the above employer practices and housing security outcomes was shaped by other contingent conditions within and between households. Insecurity in housing tenure amongst insecure workers was shown to be highly dynamic, influenced by both internal changes such as the formation of new households, as well as external events and 'turning points' altering the cumulative pathways in both work and housing. The timing in terms of age and location in a 'housing career' was found to be particularly influential in shaping housing outcomes in the context of insecure work. The consequences for labour insecurity appeared to be greatest once children arrived and when the options for changing course in both work and housing became more limited. Adverse housing consequences from individual labour insecurity were greatest when the income of a second earner was low or absent in the household.

Drawing on the theoretical framework and further elaborated upon from the 'grounded' experiences of interviewees, insecurity in tenure was conceptualised in terms of a process of cumulative decline in household capital that impeded the household's capacity to overcome insecurity in both markets. These findings suggest the importance of both certainty of income and the ability to draw on additional resources should there be any fluctuation in earnings. This process was found to be highly unequal, where some households were confined to extended and repeated episodes of insecurity in tenure, while others were able to resolve their housing security crisis more quickly.

This inequality of household housing insecurity was viewed within a temporal framework of cumulative decline that continued to shape future opportunities for labour security, which in turn continued to unequally shape future outcomes for housing security. Being able to change labour-market position either through a new job or increasing hours of pay and as well as moving out of existing housing was critical to minimising the impact of a housing security crisis. Enduring long-term low-wage work, ongoing casual positions and labour-market exclusion was linked to a repeated cycle of housing crisis over the life course.

### **Demi-regularities and causes of access insecurity**

In addition to insecurity in tenure, labour insecurity was seen to contribute to housing access insecurity through the precautionary practices of households and housing providers that prevent progression towards more secure forms of housing. Evidence of precautionary practices associated with labour insecurity was first observed in the over representation of those living in the least secure household employment groups residing in rental tenures. Above average proportions of renters relying solely on non-permanent employment in their household suggests that socio-tenurial polarisation between purchasers and renters is not only emerging from growing disparities in income or skills, but is likely to be increasingly shaped by differences in the overall employment security of household members.

A precautionary motive amongst households was further tested in the regression analysis by examining whether households with only non-permanent employment were less likely than those with a permanent member to move into home ownership. The statistical significance of permanent employment in the long-term security decision to purchase a home suggests the potential influence of a precautionary motive attached to less secure forms of employment and unemployment. Moreover, the insignificance of full-time employment over permanent employment suggest that it is not only differences in the amount of income earned, but also overall employment security that influences the way households consume housing. After controlling for variables such as age, income and dual-earning status, the modelling revealed that the typical profile of households moving out of the rental and into the mortgage market between 2001 and 2003 were younger, stable and financially secure families with at least one member in permanent employment.

In the intensive interviews, households revealed many different practices reflecting a precautionary motive associated with their labour insecurity. Households experiencing long periods in non-permanent employment were continually constrained in their planning for home ownership and were not able to secure housing finance. The inability to accumulate adequate savings and or have high enough wages to service a mortgage



contributed to ongoing access insecurity in moving into home ownership. However, the interviews also revealed the contingency or mediating role of household capital in this connection. One example is when increased labour insecurity from the loss of a public sector position was significantly mediated by a large redundancy payment that ultimately helped with a deposit used to purchase a home.

Moreover, the precautionary housing practices of households were found to be intrinsically linked to the cumulative influence of past trajectories in housing and work. Staying in or applying for public housing was an important precautionary practice when there were limited options for increasing the security of incomes or progressing towards home ownership. Others reported that their insecure labour position made it difficult to gain access to the private rental market because they were not viewed favourably by the housing 'gatekeepers'. In this way housing practices, as argued by Bourdieu (2005), represent a 'reasonable' rather than 'rational' assessment, of how the greatest degree of security can be obtained within the dispositional constraints of households as they interact with other actors according to their unequal positing in relational social space.

### **The mediating role of the household and state agencies in staying secure**

The mediating structures within the housing market and the practices that households employ to protect their own security interests within the context of insecure work were also examined in this thesis. The final proposition that housing insecurity for those experiencing insecurity in employment and income insecurity is unequally mediated by cumulative and collective household capital and the subsidisation of housing costs either from other household members or from the state was supported in the findings of this research. The intensive analysis found that the subsidisation of housing costs either through sharing with friends or moving back with family, paying below-market amounts or benefiting from reduced payments from the earlier purchase of a property when incomes were secure, mitigated some of the potential housing consequences from labour insecurity.

Lower housing costs were particularly influential in providing a buffer against housing insecurity in the context of labour insecurity and long-term exclusion from the labour market. The regression analysis confirmed these findings, revealing that social housing was significantly associated with a reduced likelihood of payment arrears compared with those renting privately. The high proportion of those who are unattached from the labour market living in social housing could partially explain why working-insecure households in the private rental market are more likely to be experiencing insecurity in tenure.

Moreover, the capacity to accumulate household capital, particularly high cultural and social capital, was vital in staying secure in housing when individual economic capital became limited or threatened by insecure work. However, one unintended outcome emerging from this reliance on other forms of capital to subsidise housing costs is that dependence for housing security becomes transferred onto others, whether a state housing authority or kinship networks. By increasing dependence for the subsidisation of housing costs, labour insecurity was found to further entrench unequal relations of power within the gendered household division of labour.

### **Directions for future policies and research**

At the time of writing in the wake of the heightened insecurity associated with the onset of the 'global financial crisis' we have entered another cycle of change in the relationship between labour and housing markets and the beginnings of a new regime of security. Stimulatory responses to sustain employment and the housing market have seen renewed interest in a more interventionist role for governments in the economy. It is not entirely apparent how this new regime will unfold over the coming months and years. However, what is clear is the recognition of government as a powerful investor in market economies and the need to re-regulate housing, credit and labour markets.

This research has shown that there are significant mediating influences within the structure of housing provision and that housing policy can make a critical difference to increasing the security of consumption. There have been many ideas put forward over the years about how to improve affordability and security in both purchased and rental housing. Renewed investment in the rental market through the National Rental Affordability Scheme and the recent injection of funding for specifically targeted homelessness initiatives is likely to make a significant contribution to increasing the supply of affordable and secure housing for low-income households. Similarly, the introduction of deposit savings schemes and mortgage relief programs will go some way to assisting new purchasers.

This thesis provides evidence, drawing on multiple sources from the existing literature as well as new empirical findings, that large proportions of working households are not secure in their housing. The combined analysis in this thesis suggests that the former relationship between a living wage and adequate subsistence for households has substantially weakened over the cumulative period of a market-dominant regime of security. Without significant changes in labour and housing market relations, it is likely that this relationship will become an enduring structural 'tendency' in the foreseeable future.

Housing policies have not kept pace with the needs of working insecure households because they remain more strongly focused on those who are not engaged in work particularly through the public housing system. The growth in more precarious forms of employment is likely to increase the need for a rental market that can accommodate and provide a longer-term secure and affordable alternative to an increasingly diverse mix of households, including the working insecure. While the provision of housing assistance for those not engaged in paid work is vitally important, it is likely to overlook the needs of working insecure households.

Housing policies focusing on the working insecure could help to mitigate insecurity in housing but they cannot fully redress the insecurities and inequalities emerging in the labour market. In this research it has been argued, that it is the unpredictability in earnings – where hours fluctuate at the discretion of the employer, where permanent hours are cut down to half-time, where unemployment is sudden – that threaten households' capacity to plan and pay for their housing. Labour market strategies designed to improve security need to involve multiple responses from regulation to ensure a minimum protection and employment security standards for all, collective bargaining, especially in industries characterised by more precarious forms of employment, as well as individual workplace initiatives (Burgess *et al.*, 2008; Standing, 2008).

Labour-market and welfare-to-work policies raised concerns about the growth of the jobless household and the need for the long-term excluded, especially women with children, to join the ranks of the employed. An outcome of this policy regime has been the continued growth in the non-permanent household, who are not only at greater risk of job loss, but are also more likely to fall outside the social system of protection, including housing, and who are often required to combine ongoing welfare payments with inferior wages. In the housing market, especially within private rental, this group were found to be equally if not more insecure in their housing than those fully outside the labour market altogether. In the absence of additional resources to draw on, households reliant solely on non-permanent employment for their income in the longer term will be more likely to remain in the insecure segment of the private rental sector.

Many unanswered questions requiring further theoretical and empirical exploration have been raised in this thesis. There is a critical need to continue to develop an understanding of the security of working relations within households and how this impacts upon housing security outcomes. This includes the continued pursuit of the refinement of adequate quantitative measures of household employment as well as a more qualitative understanding of the practices households used in negotiating the security of their work and home life.

Further research into how many years household members remain in non-permanent employment will be particularly informative in determining the longer-term consequences of the growth of non-standard employment on aggregate housing demand and also the sustainability of purchased housing for those in less secure employment entering into home ownership. Are households who are engaged in non-standard employment for extended periods prevented from accessing home ownership altogether or do they simply delay their purchases until permanent work can be obtained? Is their capacity to accumulate savings significantly impaired in the longer term? To what extent does insecure employment prevent movement out of social housing and do households in social housing become trapped in non-permanent employment? Researching these dynamics over a longer duration would help to confirm the precautionary practices associated with labour insecurity.

This research along with a number of overseas studies has identified increased housing insecurity amongst the self-employed renters and purchasers. There is need for a greater understanding of the types of self-employment that are more detrimental for housing security. For instance, is it mainly lower-skilled independent contractors, professional private practitioners, or more the result of small-business failure in the hospitality sector or does it matter? While not the primary focus of this research, there is preliminary evidence that underemployment is a growing concern for housing security and there is a critical need for further research specifically investigating this dimension of labour insecurity. Focusing only on the consequences of unemployment is likely to underestimate the real threats to housing security associated with the emerging problem of underemployment.

The recent events of the global financial crisis are a reminder of the fragility of production and consumption in a global economic system. Critically, the employment and housing relations leading up to the collapse of the US sub-prime mortgage market remind us that the balance in the growth of more secure to less secure forms of employment in the economy must not go unchecked. There needs to be greater recognition of the consequences on the aggregate consumption capacities of households

that stem from the increasing reliance of more insecure forms of employment for national growth.

The longer-term impact of growing insecurity amongst working households for housing consumption is yet to be fully understood in Australia. Simply, this thesis has argued that households need *basic* employment and income security to pay for their housing. How we achieve this ultimately relates to the type of society we want to build, but it is likely to require a commitment to recognising the need for greater equality in earnings and access to security entitlements amongst all, as advocated by Guy Standing (2008, p16):

.....the modern egalitarian should argue that for full freedom, there must be an equal right to *basic* socio-economic security. This is a claim right, or a republican right, in the sense that one should want policies and institutional changes to move society in the direction of realising it.

Indeed, the timing is right for the realignment of social, economic and political goals in the pursuit of basic security in work and housing for all households.

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## Appendices

### Appendix 1

**Table A1. Response rates for the HILDA Survey, waves 2 and 3 compared**

Characteristic	Attrition rate %		Characteristic	Attrition rate (%)	
	Wave 2	Wave 3		Wave 2	Wave 3
<i>Area</i>			<i>Country of birth</i>		
Sydney	17.6	10.8	Australia	11.9	8.9
Rest of NSW	11.8	7.8	Overseas		
Melbourne	14.6	10.7	Main English speaking	12.9	9.8
Rest of Victoria	11.9	11.2	Other	20.1	13.5
Brisbane	12.5	7.7			
Rest of Qld	10.8	9.9	<i>Indigenous status</i>		
Adelaide	10.8	7.4	Indigenous	19.8	15.6
Rest of South Australia	11.4	10.9	Non-indigenous	13.1	9.5
Perth	11.4	8.5			
Rest of WA	13.4	12.4	<i>Education attainment</i>		
Tasmania	14.2	8.5	Year 11 or below	15.2	11.2
Northern Territory	4.6	8.7	Year 12	16.6	11.0
ACT	9.1	9.3	Certificate	13.0	9.0
			Diploma		
<i>Sex</i>			Degree or higher	10.5	7.8
Male	13.7	10.3		8.3	7.1
Female	12.8	9.0			
			<i>Dwelling type</i>		
<i>Age group</i>			House	12.8	9.6
15-19	20.3	15.1	Semi-detached	12.8	9.4
20-24	23.4	12.4	Flat, unit, apartment	17.5	9.5
25-34	14.2	11.0	Other	11.1	9.0
35-44	11.2	8.8			
45-54	11.5	8.5	<i>Labour force status</i>		
55-64	10.4	8.0	Employed full-time	13.3	9.7
65-74	8.0	6.2	Employed part-time	12.6	8.9
75+		8.5	Unemployed	18.9	13.8
			Not in labour force	12.7	9.5
<i>Marital status</i>			<i>Employment status in main job (employed only)</i>		
Married	11.4	8.6	Employee	13.4	9.4
De facto	16.5	10.4	Employer	10.0	12.4
Separated	11.8	7.3	Own account worker	11.1	8.3
Divorced	10.8	7.2	Family worker	13.9	6.4
Widowed	7.9	7.2			
Single	17.9	13.2			

Source: HILDA Survey Annual Report, 2004

## Appendix 2

**Table A2. List of model variable measures and definitions**

<b>Dependent Variables</b>		
<b>Model Variables</b>	<b>Definitions</b>	<b>Measurement</b>
Rental highly insecure	Private rental stress or social housing rental Plus one other primary indicator Could not pay rent on time, and/or forced mobility due to eviction, move to more affordable place, property no longer available, government housing no choice	Binary Time varying
Purchaser highly insecure	Purchaser stress Plus one other primary indicator Could not afford to pay mortgage, repayment schedule status behind, move to more affordable place	Binary Time varying
Insecure renters and purchasers	Couldn't pay rent or mortgage on time coded to one and all else zero	Binary Time varying
Transition from affordable to insecure (dynamic)	Affordable rental in wave 1 to rental insecurity in waves 2 or 3	Binary Transition from origin state
Transition from insecure to affordable (dynamic)	Rental insecurity in wave 1 to affordable rental in waves 2 or 3	Binary Transition from origin state
Transition from renter to purchaser (dynamic)	Renter in wave 1 to purchaser in wave 2 or 3 coded one and all else zero	Binary Transition from origin state
Transition from purchaser to renter (dynamic)	Purchaser in wave 1 to renter in wave 2 or 3 coded to one and all else zero	Binary Transition from origin state
<i>Independent Variables</i>		
<i>Individual Labour market measures</i>		
Full exclusion	Not employed during any year over three years coded to one and all else zero	Binary Time invariant
Episodic Employment	Not employed on more than one occasions coded to one and all else zero	Binary Time invariant
Discrete Employment	Not employed on one occasion coded to one and all else zero	Binary Time invariant
Continuous employment	Continuous Employment during 3years coded to one and all else zero	Binary Time invariant
Casual employment	Casual worker (ABS definition) individual casual coded to one all else included not employed coded to zero	Binary Time varying
<i>Household labour market measures</i>		
Job-seeking	All members looking for work or one member looking for work and other member out of the labour market coded to one and all else zero	Binary Time varying
Unattached	All members out of the labour market coded to one and all else zero	Binary Time varying

No permanent employment	One or more members in the household are employed in non-permanent employment only based on employment contract that casual and fixed-term coded to one and all else zero. Households with a mix of self and waged employment have been assigned to the non permanent household if the wage earner is non-permanent.	Binary Time varying
No waged employment	All employment from either from independent contract work or own business coded to one and all else zero	Binary Time varying
At least one permanent	One or more members employed on permanent contract coded to one and all else zero. Households with a mix of self and waged employment have been either assigned to the permanent household if the wage earner is permanent.	Binary Time varying
One part-time	Only one member employed part-time coded to one and all else zero	Binary Time varying
Two or more part-time	All members in the household in part-time employment coded to one and all else zero	Binary Time varying
One employed full-time	Only one employed in household and employment is full-time coded to one and all else zero	Binary Time varying
Two or more employed full-time	At least two members employed full-time coded to one and all else zero	Binary Time varying
One fulltime and one or more part-time	One member full-time and one or more in part time employment coded to one and all else zero	Binary Time varying
No full-time	All members in the household in part-time employment – combines one and two members in part time employment coded to one and all else zero	Binary Time varying
One or more full-time	One or more members in full-time employment – combines all of the above with at least one member in full-time employment coded to one and all else zero	Binary Time varying
<i>Other Household Indicators</i>		
Couples without children	Living in couple without children coded to one and all else zero	Binary Time varying
Couples without children	Living in couple without children coded to one and all else zero	Binary Time invariant
Couple family with depend children	Couples with non independent children including children under 15 and/or still at school coded to one and all else zero	Binary Time varying
Couple family with depend children	Couples with non independent children including children under 15 and/or still at school coded to one and all else zero	Binary Time invariant
Lone parent depend children	Lone parent with non independent children including children under 15 and/or still at school coded to one and all else zero	Binary Time varying
Lone parent depend children	Lone parent with non independent children including children under 15 and/or still at school coded to one and all else zero	Binary Time invariant
Lone person	Person living alone coded to one and all else zero	Binary Time varying
Lone person	Person living alone coded to one and all else zero	Binary Time invariant
Other	Couples and lone persons with independent children, group and multi-family household coded to one and all else zero	Binary
Member leaving household w2 or w3	Has there been a reduction in household measured by house id for	Binary Time varying



	fully responding households*. Coded to one and all else zero	
Member joining household w2 or w3	Has there been an increase in household measured by house id for fully responding households*. Coded to one and all else zero	Binary Time varying
Social rental	Renting from public/community housing authority coded to one and all else zero	Binary Time varying
Age of oldest member in household	Original HILDA measurement	Continuous Time varying
Monthly household equiv income00	Monthly household OECD equivalent income divided by 100	Continuous Time varying
Monthly rental payments	Rent payments \$ per month divided by 100	Continuous Time varying
Monthly mortgage repayments	Mortgage repayments \$ per month divided by 100	Continuous Time varying
Monthly housing costs	Rent and purchaser usual repayments \$ per month divided by 100	Continuous Time varying
Amount owed on loan	Approximate amount owed on loan divided by 1000 from first mortgage	Continuous Time varying
Monthly housing payment lagged	Lagged variable for rental and purchaser housing costs divided by 100	Continuous Time varying
Australian house price index	Annual average of ABS house price index	Time varying
<i>Other Individual Indicators</i>		
Income support recipient	Includes government aged pension and all benefits coded to one and all else zero	Binary Time varying
Don't think could raise \$2000	Ability to raise \$2000 in time of need – Don't think could raise \$2000 in time of need recoded to 1 and all other values recoded to zero	Binary Time invariant
Could easily raise \$2000	Ability to raise \$2000 in time of need – Easily raise \$2000 recoded to one all else recoded to zero	Binary Time varying
Long-term health condition	Long-term health condition, disability or impairment coded to one and all else zero	Binary Time varying
Australian born	Country of birth brief recoded to Australian-born recoded to one and all else zero	Binary Time varying
Degree	Highest education level achieved recoded to one if degree or above all else zero	Binary Time varying

\* SPSS Syntax Program obtained from HILDA

### Appendix 3

**Table A3a. Household employment security of renters and purchasers, pooled weighted 2001-2003 %**

	Unattached	Job seeking	No permanent	Permanent	Self employed	Total
Renters	22.8	5.2	17.8	48.2	6.1	100
Purchasers	3.7	1.1	12.6	74.9	7.7	100
Weighted N	2040112	486338	2375904	9714502	1083440	15700296
Unweighted N	1610	377	1889	7444	878	12198
% of Total	13.0	3.1	15.1	61.9	6.9	100

**Table A3b. Household employment composition of renters and purchasers, pooled weighted 2001-2003 %**

	Unattached	Job seeking	One part-time	One full-time	Two full-time	Two part-time	Full time & part time	Total
Renters	22.8	5.2	10.0	25.6	20.8	3.3	12.4	100
Purchasers	3.7	1.1	4.3	27.1	33.8	1.7	28.4	100
Weighted N	2040112	486338	1107894	4138912	4307711	384549	3231371	15696887
Unweighted N	1610	377	940	3303	2994	284	2686	12194
% of Total	13.0	3.1	7.1	26.4	27.4	2.4	20.6	100

**Table A3c. Tenure of household employment security groups (column %), pooled weighted 2001-2003 %**

	Unattached	No permanent	Permanent	Self employed	Job seeking	Total
Renters	85.5	57.5	38.0	42.8	81.3	48.8
Purchasers	14.5	42.5	62.0	57.2	18.7	51.2
Count	2040112	2375904	9714502	1083440	486338	15700296
Unweighted N	1610	1889	7444	878	377	12198
% Employment contract	100	100	100	100	100	100
% of Total	13.0	15.1	61.9	6.9	3.1	100

**Table A3d. Tenure of household employment composition groups, pooled weighted 2001-2003 %**

	<b>Job seeking</b>	<b>Unattached</b>	<b>One part-time</b>	<b>One full-time</b>	<b>Two full-time</b>	<b>Two part-time</b>	<b>Full-time &amp; part-time</b>	<b>Total</b>
Renters	81.3	85.5	69.1	47.3	36.9	65.3	29.3	48.8
Purchasers	18.7	14.5	30.9	52.7	63.1	34.7	70.7	51.2
Weighted N	486338	2040112	1107894	4138912	4307711	384549	3231371	15696887
Unweighted N	377	1610	940	3303	2994	284	2686	12194
	100	100	100	100	100	100	100	100
% of Total	3.1	13.0	7.1	26.4	27.4	2.4	20.6	100

**Table A3e. Renter typology by household employment, pooled 2001-2003 weighted %**

<b>Rental security relations</b>	<b>Job-seeking</b>	<b>Unattached</b>	<b>One part-time</b>	<b>One full-time</b>	<b>Two full-time</b>	<b>Two part-time</b>	<b>Full time &amp; part-time</b>	<b>Total rental</b>
Highly insecure	11.0	26.9	19.4	22.0	7.7	4.1	8.9	100
Insecure	1.4	3.4	9.2	37.0	28.9	3.0	17.1	100
Marginally insecure	0	4.1	3.4	30.0	46.4	0.8	15.3	100
At high risk	8.9	35.3	14.3	22.0	5.3	5.2	8.9	100
Social secure	7.2	58.2	11.4	11.5	5.0	2.8	3.9	100
Private secure	1.6	4.6	4.8	32.2	36.5	2.4	17.9	100
Total % employment within all renters	5.2	22.8	10.0	25.6	20.8	3.3	12.4	100

**Table A3f. Renter typology by household employment security, pooled 2001-2003 weighted %**

<b>Rental security relations</b>	<b>Job-seeking</b>	<b>Unattached</b>	<b>Non-permanent</b>	<b>At least one permanent</b>	<b>Self-employed</b>	<b>Total</b>
Highly insecure	11.0	26.9	28.2	24.2	9.7	100
Insecure	1.4	3.4	21.3	64.4	9.6	100
Marginally insecure	0	4.1	10.0	80.7	5.2	100
At risk	8.9	35.3	21.4	26.8	7.5	100
Social Secure	7.2	58.2	12.9	19.0	2.7	100
Private Secure	1.6	4.6	14.7	74.1	5.0	100
Total % employment within all renters	5.2	22.8	17.8	48.2	6.1	100

**Table A3g. Purchaser typology by household employment, pooled 2001-2003 weighted %**

<b>Purchaser Security Relations</b>	<b>Job-seeking</b>	<b>Unattached</b>	<b>One part-time</b>	<b>One full-time</b>	<b>Two full-time</b>	<b>Two part-time</b>	<b>Full-time &amp; part-time</b>	<b>Total Purchaser</b>
Highly insecure	8.0	17.8	9.7	30.7	10.4	1.9	21.6	100
Insecure	1.7	2.6	8.3	29.4	27.4	2.0	28.9	100
At risk	2.5	10.6	11.9	34.4	11.5	3.2	26.0	100
Secure	0.5	1.7	2.3	25.4	39.6	1.3	29.2	100
Total % employment within all purchasers	1.1	3.7	4.3	27.1	33.8	1.7	28.4	100

**Table A3h. Purchaser typology by household employment security, pooled 2001-2003 weighted %**

<b>Purchaser security relations</b>	<b>Job-seeking</b>	<b>Unattached</b>	<b>Non permanent</b>	<b>At least one permanent</b>	<b>All self employed</b>	<b>Total</b>
Highly insecure	8.0	17.8	26.9	30.7	16.7	100
Insecure	1.7	2.4	12.1	72.6	11.1	100
At risk	2.5	10.6	19.2	55.6	12.2	100
Secure	0.5	1.7	10.6	80.9	6.2	100
Total % employment within all purchasers	1.1	3.7	12.6	74.9	7.7	100

## Appendix 4

Table A4. Comparison of mean (%) scores for renter & purchaser typology groups (column %), pooled 2001-2003 weighted

	Renters					Purchasers				
	High insecurity	Insecure	Marginally insecure	At risk	Social secure	Private secure	High insecurity	Insecure	At risk	Purchaser secure
<i>Individual employment %</i>										
Continuous participation	19	48.8	61.1	18.4	11.9	56.2	33	63.8	43.9	70.1
Episodic participation	36	25.0	14.3	31.2	17.7	16.8	31	15.3	21.5	10.5
Discrete non participation	15	21.8	20.8	11.2	4.6	21.4	18	15.5	12.9	13.6
Full exclusion	30	4.4	3.8	39.1	65.8	5.6	18	5.4	21.7	5.8
Casual contract (ABS defin)	55.0	30.2	14.5	48.3	42	15.8	47.6	19.9	28.6	12.8
<i>Other household conditions %</i>										
Income support recipient	57	18.6	6.7	47.0	56.6	9.7	43	12.9	24.4	6.6
Don't think could raise \$2000	50	27.5	10.1	36.2	47.1	10.4	31	18.1	16.2	4.6
Member leaving household w2 or w3	10	5.4	13.3	7.4	4.5	7.1	4	5.6	3.6	3.7
Member joining household w2 or w3	8	7.9	6.5	8.2	4.6	6.5	6	6.0	6.8	6.2
Couple family with depend children	34	27.2	23.6	31.6	14.8	20.6	62	45.1	71.4	55.1
Couple without children	14	27.0	34.0	19.2	24.3	35.4	8	27.6	9.2	25.9
Lone parent depend children	23	5.4	3.6	18.3	16.9	4.2	15	4.8	8.4	2.9
Lone person	23	27.9	29.5	22.6	34.4	28.4	7	13.3	4.5	9.2
Other family										
Social housing	21	0	0		100		0	0		
Age of oldest member in household	38	36	36	43	55	38	42	41	42	41
Long term health condition	31	19.7	15.1	29.1	49.8	13.8	25	17.4	20.1	14.0
Australian born	79	79.4	74.9	66.7	63.3	70.4	76	80.0	71.1	76.6
Degree	10	16.0	28.2	12.6	11.3	30.7	10	29.3	15.0	28.3
<i>Income &amp; housing costs (mean)</i>										
Monthly household equiv income	1223	2801	3168	1174	1315	3285	1194	3057	1337	3468
Monthly housing costs	654	772	994	711	368	844	771	1098	871	1078
Amount owing on the loan							88,879	126,535	97,360	118,561
	N=745	N=411	N=155	N=1221	N=969	N=2101	N=255	N=259	N=1043	N=5082

## Appendix 5

Table A5. Household typology of employment security, summary characteristics (column %), pooled 2001-2003 weighted

Summary characteristics	Unattached	Job-seeking	Non-permanent	Permanent	Self-employed	Total
<i>Gender %</i>						
Female	61.1	50.7	53.6	48.9	41.9	50.8
Male	38.9	49.3	46.4	51.1	58.1	49.2
<i>Wealth and savings</i>						
Could easily raise \$2000 %	25.2	11.5	34.9	49.0	50.0	42.7
don't think could raise \$2000 %	45.3	55.5	21.4	9.8	10.2	17.6
Income support %	60.9	81.8	29.2	7.6	16.2	21.0
Mean household wealth \$	50,731	61,846	139,874	245,465	441,571	211,945
<i>Income and housing costs</i>						
Monthly household equivalised income \$	1137	1252	2276	3082	2796	2624
Rent usual repayments \$ per month	466.47	528.88	709.17	844.73	814.82	715.63
Mortgage usual repayments \$ per month	506.22	874.84	874.57	1066.08	1169.95	1027.23
Approximate outstanding on home loan \$	56,502	98,991	91,770	117,728	133,629	113,293
Ratio of to rental costs to income %	46.27	55.32	46.66	34.50	50.45	41.34
Ratio of mortgage costs to income to %	47.22	55.57	40.88	37.27	44.98	38.86
Social Housing – Renters %	46.0	30.6	15.3	8.1	8.5	19.5
<i>Time of labour market exclusion</i>						
Mean duration out of labour market years	17.3997	5.4880	3.8552	2.9057	2.8908	5.1114
Mean duration unemployed years	1.1646	3.2313	0.9977	0.4550	0.4902	0.7197
Fully excluded %	77.4	34.5	10.3	6.3	6.8	17.6
Episodic %	20.5	59.1	27.4	12.7	18.3	17.8
Discrete %	2.1	6.4	21.0	16.1	13.8	14.5
Continuous %	0	0	41.3	64.8	61.0	50.1
<i>Time of employment</i>						
Mean tenure in current occupation (years)			6.29	8.24	10.49	8.08
Mean tenure with current employer (years)			3.24	5.94	7.07	5.57
<i>Contract status</i>						
Individual casual contract			67.0	10.8	100.0	20.6

Summary characteristics	Unattached	Job-seeking	Non-permanent	Permanent	Self-employed	Total
Other contract, including fixed term			33.0	89.2	0	79.4
<i>Hours worked in household</i>						
No employed members	0	0	0	0	0	24
One part time	0	0	28	4	16	7
One full-time	0	0	24	26	38	21
Two part-time	0	0	10	2	4	3
Two full-time	0	0	17	41	23	26
One full-time & one part-time	0	0	21	27	19	19
<i>Cultural identity and country of birth</i>						
Indigenous background	6.1	9.8	3.5	1.7	1.0	2.7
Overseas non-English speaking	19.9	23.7	16.7	13.	17.1	15.7
Overseas English speaking	15.6	8.3	8.9	11.7	15.0	12.0
<i>Health</i>						
Long-term health condition, disability or impairment	54.9	37.0	18.9	13.4	16.9	20.9
<i>Education</i>						
Year 11 or below	53.9	38.6	23.4	20.8	21.5	26.3
<i>Age</i>						
Mean age of oldest member in household	56.35	39.06	38.10	39.11	42.30	41.55
<i>Household type</i>						
Couple family without children	27.4	11.8	18.1	27.3	20.1	24.9
Couple family with depend children	9.1	28.6	37.0	46.7	51.9	39.9
Lone-parent depend children	18.8	21.2	11.4	4.0	2.8	7.6
Lone person	40.7	27.0	20.2	11.4	20.4	17.9
Group household	1.2	1.7	4.6	3.2	1.0	2.9
Multi-family household	0.6	2.7	1.6	1.1	.6	1.1
<i>Household stability</i>						
Member leaving household w2 or w3	7.0	11.1	7.5	5.5	6.9	6.3
Member joining household w2 or w3	4.0	11.0	8.2	7.5	9.7	7.4

Source: HILDA Release 3.0 (waves 1 – 3) Confidentialised January 2005

## Appendix 6

**Table A6a. Mean (%) scores for transitions into and out of rental insecurity**

	<i>Affordable to rental insecurity</i>		<i>Rental insecurity to affordable</i>	
	No transition	Transition	No transition	Transition
<b><i>Household Employment</i></b>				
Job-seeking	3	7	11	5
Unattached	20	23	29	24
Non-permanent	16	31	26	22
Self-employed	6	15	8	5
One or more permanent				
No full-time employment	10	30	22	16
<b><i>Individual Employment</i></b>				
Continuous participation	44	22	17	26
Episodic participation	17	42	37	35
Discrete nonparticipation	17	14	15	15
Full exclusion				
Casual contract	13	26	19	20
<b><i>Other Household Conditions</i></b>				
Income support recipient	24	52	58	37
Don't think could raise \$2000	23	44	52	4
Member leaving household w2 or w3	5	22	7	12
Member joining household w2 or w3	7	9	8	19
Couple family with depend children	19	30	36	31
Couples without children	29	20	11	17
Lone person			20	31
Lone parent depend children	8	11	25	13
Monthly household equiv income/100	2561	1343	1299	1914
Monthly rent	6741	663	625	566
Age of oldest member in household	42	39	38	40
Long term health condition	26	30	31	30
Australian born	73	77	81	79
Degree	24	14	9	16
	N=3109	N=122	N=617	N=189



**Table A6b. Comparison of mean (%) scores for non transitioning and transitioning renters and purchasers**

	Transition from renter to purchaser		Transition from purchaser to renter	
	No transition	Transition	No transition	Transition
<i>Household Employment</i>				
No employed members time varying			5	18
No employed members time invariant			8	22
Self-employed time varying			8	8
Self-employed time invariant	9	13	13	13
Non-permanent time varying				
Non permanent time invariant	35	31		
At least one permanent time varying			75	62
At least one permanent time invariant	59	85	85	85
Two full-time members non time invariant	27	48		
One full-time and one part-time member time invariant	23	38		
No full-time members				
At least one full-time			88	74
<i>Individual Employment</i>				
Continuous participation	35	57	65	46
Episodic participation	23	17	13	22
Discrete nonparticipation	16	18	14	18
Full exclusion	26	8	8	14
<i>Other Household Conditions</i>				
Income support recipient			11	19
Easily raise \$2000	30	52		
Don't think could raise \$2000 time invariant			15	28
Member leaving household w2 or w3	7	4	4	25
Member joining household w2 or w3	8	12	6	11
Couple family with depend children time varying	25	45	60	36
Couple family with depend children time invariant			65	54
Lone parent depend children time varying			5	11
Lone parent depend children time invariant			7	14
Lone person time varying	30	12	9	23
Lone person time invariant			12	29
Couple time varying	24	34	20	24
Couple time invariant			24	33
Monthly household equiv income/100	2114	3517	2936	2979
Monthly housing costs	673	1188	988	856
Age of oldest member in household	42	37	42	40
Age squared	1994	1434	1813	1701
Long-term health condition	27	18	15	18
Mortgage arrears time invariant			15	28
Australian born	74	73	78	84
Degree	19	29	25	15
	N=5707	N=525	N=6012	N=301

## Appendix 7



Design and Social Context Portfolio  
School of Social Science and Planning

### HUMAN RESEARCH ETHICS COMMITTEE



Brotherhood  
of St Laurence  
Working for an Australia free of poverty

#### PORTFOLIO OF

SCHOOL/CENTRE OF School of Social Science and Planning  
Brotherhood St Laurence

Name of participant:

Project Title: Insecurity: An Employment and Housing Connection

Name(s) of investigators: Sharon Parkinson Phone: 03 99259952  
Phone: 0425 723 239

1. I have received a statement explaining the interview/questionnaire involved in this project.
2. I consent to participate in the above project, the particulars of which - including details of the interviews or questionnaires - have been explained to me.
3. I authorise the investigator or his or her assistant to interview me or administer a questionnaire.
4. I give my permission to be audio taped  Yes  No
5. I give my permission for my name or identity to be used  Yes  No
6. I acknowledge that:
  - (a) Having read the Plain Language Statement, I agree to the general purpose, methods and demands of the study.
  - (b) I have been informed that I am free to withdraw from the project at any time and to withdraw any unprocessed data previously supplied.
  - (c) The project is for the purpose of research and/or teaching. It may not be of direct benefit to me.
  - (d) The privacy of the information I provide will be safeguarded. However should information of a private nature need to be disclosed for moral, clinical or legal reasons, I will be given an opportunity to negotiate the terms of this disclosure.
  - (e) The security of the research data is assured during and after completion of the study. The data collected during the study may be published, and a report of the project outcomes will be provided to the School of Social Science and Planning. Any information which may be used to identify me will not be used unless I have given my permission (see point 5).

#### Participant's Consent

Name: \_\_\_\_\_ Date: \_\_\_\_\_  
(Participant)

Name: \_\_\_\_\_ Date: \_\_\_\_\_  
(Witness to signature)

Any complaints about your participation in this project may be directed to the Secretary, RMIT Human Research Ethics Committee, University Secretariat, RMIT, GPO Box 2476V, Melbourne, 3001. The telephone number is (03) 9925 1745. Details of the complaints procedure are available from: [www.rmit.edu.au/council/hrec](http://www.rmit.edu.au/council/hrec)  
OR  
General Manager Social Action & Research Brotherhood St Laurence, 67 Brunswick Street, Fitzroy 3065, Victoria Phone 03 9483 1183



Design and Social Context Portfolio  
School of Social Science and Planning



Brotherhood  
of St Laurence  
Working for an Australia free of poverty

## **Insecurity: An Employment & Housing Connection**

My name is Sharon Parkinson.

I am researching the links between employment insecurity and housing insecurity.

There have been many changes within work places that have resulted in reduced entitlements for workers, including increasing casual and temporary contracts that may contribute to more insecure working conditions affecting income and future opportunities. Independent contract workers and small business operators may also experience insecurity in their work due to irregular incomes.

At the same time, there have been increases in housing costs in many locations that affect overall housing affordability, which may contribute to households experiencing difficulty paying for their housing or being forced to move.

I would like to talk to members of households who are experiencing difficulties with their current housing costs or have recently experienced difficulties, to find out how current and past employment experiences may be related to housing security.

I am also interested in talking with members of households who feel their employment is not secure or members who have recently lost their employment and/or are not working at the moment.

An important part of the research is learning directly about your employment and housing experience and the ways in which you may have managed housing costs in times when one or all members of your household have been without employment or in insecure employment.

I hope to talk with all adults in your household if you agree.

Each member interviewed in the household will receive a \$25 cash payment in recognition of your time commitment. The interview will take between 60-90 minutes.

Your involvement in the interview is voluntary and you can stop participating or ask questions at any time you like.

If you agree, I would like to tape the interview to make sure I can accurately record what you are saying. What you say will be completely confidential.

Your interview responses will be anonymously grouped with responses from other households and included in a thesis report. Individual stories of households will also be written up in a final report. There will be no identifying information in these stories that can be traced back to you in any way. The final report will be made available to you if you would like a copy.

Your contribution will be valuable in reporting the effect of changes that are occurring within employment and housing in the Australian community.

If you would like to participate in an interview please contact either

- **Sharon Parkinson** at RMIT by phone (w)9925 9952 (mobile) 0425 723 239, or by email [sharon.parkinson@rmit.edu.au](mailto:sharon.parkinson@rmit.edu.au)
- **Or the BSL staff person who told you about this project**

**Name**

**Phone**

for an interview to be organised at a time and place that is convenient for you.

This research is supported by:

Australian Housing and Urban Research Institute at RMIT University and

Brotherhood of St Laurence, both of whom have an important role in researching housing difficulties that are faced by the community with the aim of improving the housing assistance policies of government.

If you have any concerns or complaints about the research, please contact the Secretary, RMIT Human Research Ethics Committee and/or General Manager Social Action and Research, Brotherhood St Laurence on the contact details shown below.

Secretary, RMIT Human Research Ethics Committee, University Secretariat, RMIT, GPO Box 2476V, Melbourne, 3001. Phone (03) 9925 1745. Details of the complaints procedure are available from: <a href="http://www.rmit.edu.au/council/hrec">www.rmit.edu.au/council/hrec</a> OR General Manager Social Action and Research Brotherhood St Laurence, 67 Brunswick Street, Fitzroy 3065, Victoria. Phone 03 9483 1183.
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## Appendix 8

### Interview schedule

Thank you for agreeing to talk with me about your housing and employment. I am interested in hearing about the housing experiences that you have had throughout your life up until now to understand the way in which your experience of work may have influenced your housing.

### Current Housing & Employment Experience

*Let's start with your current housing and employment situation*

1. What type of housing are you living in at the moment?

- Tenure
- Duration
- Household Composition

2. Have you experienced any difficulties in this housing?

3. Do you feel that your housing costs are manageable?

3a. Can you tell me how much you are paying for your current housing?

Amount: Week      Fortnight      Month

3b. What is your household income? What are the sources of income?

Main source of income	Yes	Weekly Amount	Fortnightly Amount	Monthly Amount	Yearly Amount	Duration received
<b>Government income - Type</b>						
<b>Family Allowance</b>						
<b>Wage</b>						
<b>Business</b>						
<b>Child Support</b>						
<b>Payments from Board</b>						
<b>Informal Work</b>						
<b>Investments shares/royalties/rental</b>						
<b>Total amount of yearly (last financial year)</b>						

<b>household Income after tax (bring home)</b>	
<b>from all sources</b>	
<b>Estimated value of current assets:</b> <b>including</b> <b>savings</b> <b>inheritance,</b> <b>cars/house etc</b>	<b>Estimated value of current debts:</b> <b>Housing</b> <b>Car</b> <b>Credit Card</b> <b>Centrelink</b> <b>Other</b>

4. You identified that your main source of income was from..... ? (Check partner if speaking on behalf of all)

- Type of work (if working)
- Duration – how long in current position
- Occupation, qualification
- Company
- Difficulties experienced

5. In what way does your current employment situation/s influence the decisions you make about housing?

- Housing affordable near work
- Limited income
- Un able to plan ahead

6. Do you feel that your housing is secure? Can you talk more about what makes you feel secure/insecure about your housing circumstances?

7. Resources/strategies used to assist maintaining current housing?

### **Past Housing & Employment Experiences**

*We've talked about your current housing and employment situation (Housing calendar)*

8. Thinking back can you talk about the housing you have lived in since leaving home/ parent guardians? – Add age, duration, household and tenure type.

a. Have there been times in the past when you experienced housing difficulties?

b. Were there any times when you felt that your housing was not secure?

Times when you couldn't afford to pay for housing (proportion of income to housing)

Been forced to sell or leave your property?

Times when you moved regularly – i.e. once a year or more

Staying temporarily in housing – such as staying with friends, boarding house,  
community or welfare service

Times without any shelter - ie living in your car/street/tent?

9. You mentioned that there were times when you felt that your housing was not secure - Can you talk more about what made you feel secure/insecure about your housing circumstances?

What else was happening for you during these times?

10. How did you get by? What resources/help were you able to draw on to help with your housing?

*Let's go back to your employment experiences (Employment calendar)*

11. Can you talk about the work have you done since leaving school?

- Did you have to do any training?
- Contracts/entitlements

12. Have there been any times when your job was not secure?

- Did you lose your job?
- What was it about the job that was not secure?

13. Were there times when you did not have any employment but were looking/or required to look for work?

14. Were there any times where you were not in paid work and not looking for work or gave up looking for work – out of the labour force?

15. In what ways have your past employment experiences affected your housing?

## **Future Plans**

*Thinking ahead now....*

16. What are your housing plans for the future?

17. Does your current employment enable you to meet the housing goals you have?

**Attachment 1: Housing Costs and Income for housing at time of past housing difficulty**

**Housing Costs**

**Total Amount of Rent/Housing payment for the household:**

Week                  Fortnight                  Month

Amount of income?

Main source of income	Yes	Weekly Amount	Fortnightly Amount	Monthly Amount	Yearly Amount	Duration received
<b>Government income - Type</b>						
<b>Family Allowance</b>						
<b>Wage</b>						
<b>Business</b>						
<b>Child Support</b>						
<b>Payments from Board</b>						
<b>Informal Work</b>						
<b>Investments shares/royalties/rental</b>						
<b>Total amount of yearly (last financial year) household Income after tax (bring home) from all sources</b>						
<b>Estimated value of current assets: including savings inheritance, cars/house etc</b>			<b>Estimated value of current debts: Housing Car Credit Card Centrelink Other</b>			



**Attachment 2: Housing Calendar**

**Housing History Calendar - Independent Housing**

Date moved to independent housing .....	Years by Age	Housing events	Type of Housing	Household type	Periods regularly moved – once a year, multiple



**Non independent housing accommodation**

If yes to living in temporary accommodation - can you describe the types of housing/accommodation that you have live in?

Type of Accommodation	No .times	Age/Year/D uration for each time
<b>Friends</b>		
<b>With other family members</b>		
<b>Supported Accommodation provided by a welfare or community service</b>		
<b>Transitional housing provided by a community /welfare service</b>		
<b>Caravan park</b>		
<b>Hotel/Motel</b>		
<b>Staying temporarily in car/tent/or on streets</b>		
<b>Staying temporarily in boarding or rooming house</b>		
<b>Staying long term in boarding or rooming housing</b>		
<b>Prison</b>		
<b>Staying in drug and alcohol Rehabilitation</b>		
<b>Psychiatric Hospital</b>		
<b>Other</b>		

**Employment Calendar**

Date																						
Age																						
Education /Training																						
Permanent Contract F/T - P/T																						
Casual F/T - P/T																						
Fixed Term F/T - P/T																						
Employer/ Own Business F/T - P/T																						
Times when changed jobs regularly F/T - P/T																						

<b>Informal paid work</b>			
<b>Unemployed looking for work</b>			
<b>Not working and not looking for work</b>			