



Australian Government


Social Inclusion

Origins, concepts and key themes

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1

Introduction

The purpose of this paper is to provide an overview of the origins of the concepts of social inclusion and exclusion and of key themes and emerging debates about social inclusion in Australia and selected overseas countries.

The concepts of social inclusion and exclusion are closely related, and it is difficult to discuss social inclusion without also discussing social exclusion. Throughout this paper, the discussion switches between social exclusion and inclusion as two ends of a single dimension.

1.1 Background to the development of social inclusion approaches

The concept of social exclusion is used in very different ways, as will be discussed in the following section. For some it is synonymous with poverty. Others emphasise inadequate social participation, lack of social integration and lack of power. While related to poverty, social exclusion is a quite distinct concept that is also linked to the important notion of social capital. Social capital can be defined as the networks of social relations that are characterised by norms of trust and reciprocity that facilitate cooperative behaviour (Stone, 2001) and build a cohesive society (Winter, 2000). Social disadvantage has been linked in a recent Australian study to lower levels of social trust and higher levels of crime (Cameron, 2005).

Concepts of poverty, deprivation and disadvantage have a long history. Some authors argue that the concept of social exclusion can be traced to Max Weber, a late 19th and 20th century German political economist and sociologist who saw exclusion as the attempt of one group to secure for itself a privileged position at the expense of some other group (Hills, Le Grand, & Piachaud, 2002).

However, the modern use of the term emerged in France to describe those who were excluded from the social insurance system (Lenoir, 1974). These were the disabled, lone parents and the uninsured unemployed. Such people, or *les exclus*, by virtue of their lack of opportunities, were excluded from a broad range of areas of social and economic participation (Saunders, Naidoo, & Griffiths, 2007). This was then expanded to include disaffected youth and isolated individuals, following growing social problems in housing estates on the outskirts of the large cities in France, and subsequently emphasised the importance of unemployment (Paugam, 1993). In part, the concept of social exclusion arose in France because of their emphasis on the importance to society of social cohesion.¹

During the 1980s, interest in social exclusion spread throughout Europe; it was being increasingly adopted in official policy frameworks as exemplified by the establishment of the European Community Programme to Foster Economic and Social Integration of the Least Privileged Groups. This was followed in the early 1990s by the European Observatory on Policies to Combat Social Exclusion. Within the European Union (EU), addressing social exclusion is now a mainstream policy framework.

Social exclusion attracted attention in the United Kingdom (UK) during the 1980s and early 1990s. It became prominent following the election of the Blair Labour Government in 1997 and its establishment of the Social Exclusion Unit (SEU). Although the concept of social exclusion has gained relatively little traction in the United States (US), the debate there has referred to the underclass

1 A history of the idea of social exclusion in France is provided by Silver (1994).

(e.g., Wilson, 1987), and there has been a longstanding interest in compensatory interventions for those who are at significant disadvantage, including members of minority groups (Hayes, 1991).²

In Australia, the interest in social inclusion or exclusion has been more recent than in Europe and the UK (Bradshaw, 2003), although clearly there has been a longstanding interest in assisting disadvantaged groups. Assistance was first provided mainly by charity networks and later through government programs. In 2000, the McClure report into welfare reform concluded that the goal should be to minimise social and economic exclusion. The report argued that the success of doing this should be measured by three outcomes: (a) a significant reduction in the incidence of jobless families and jobless households; (b) a significant reduction in the proportion of the working age population that needs to rely heavily on income support; and (c) stronger communities that generate more opportunities for social and economic participation. Although the report concluded that minimising social exclusion should be an explicit policy objective, it did not identify an explicit social inclusion policy agenda along the lines of that adopted in the UK or by the EU, nor did the government of the day adopt such a policy framework.

A significant development was the creation in 2002 of the Social Inclusion Initiative by the Premier of South Australia, Mike Rann, who is also the South Australian Minister for Social Inclusion. The initiative emphasises the provision of opportunities for social and economic participation, especially by the most disadvantaged citizens of the state, and has been at the vanguard of Australian social inclusion policy and practice. As the responsible minister, the Premier provides specific references to the Social Inclusion Board, chaired by the Social Inclusion Commissioner, Monsignor David Cappo AO, who reports directly to the Premier. The Commissioner attends Cabinet and oversees the work of the Social Inclusion Unit within the Department of Premier and Cabinet. The unit has staff seconded from a range of departments. References include Aboriginal Health, Disability, Homelessness, Mental Health, School Retention, The Parks (a neighbourhood renewal project), Young Offenders, Drugs, International Youth Leadership, and Suicide Prevention. The approach of the South Australian initiative is evidence-based and seeks innovative mobilisation of government and non-government resources to address each of its references.

Other state and territory governments have and are adopting policies targeted at social inclusion. For example, in Victoria, the government framework for addressing disadvantage and creating opportunity is entitled *A Fairer Victoria*, and cross-government work is being undertaken in relation to Indigenous people, those with mental health problems (Mental Health Promotion Plan) and refugees (Victorian Multicultural Commission). There are also a number of place-based programs in Victoria, including *Community Renewal*, *Neighbourhood Renewal* and *Community Building* initiatives.

A number of social-inclusion focused policies are currently being trialled in Indigenous communities. In addition, several community organisations (including Anglicare, the Brotherhood of St Laurence, the Smith Family and Mission Australia, among others) have implemented social inclusion programs focused on social inclusion and, in some cases, have explicitly adopted a social inclusion framework.

2 Although it is important to note that the underclass and social exclusion debates are quite different in many respects.

At a national level, the government has adopted a social inclusion approach and has established the Australian Social Inclusion Board and a Social Inclusion Unit in the Department of the Prime Minister and Cabinet. Many Commonwealth government programs broadly address social inclusion, including Communities for Children and the Council of Australian Government (COAG) trials in Indigenous communities.

At the 2020 Summit, one of the major themes agreed to by delegates was to make social inclusion a national priority and that a National Action Plan for Social Inclusion should be developed and implemented.

The remainder of this paper first provides a brief overview of the concept of social exclusion, how it is used and some of the issues surrounding its definition. It then examines some of the dimensions of social inclusion, before considering the characteristics and relationships of poverty, deprivation and social exclusion. The international experience of social inclusion policies is then sketched, with reference to the UK and the EU. Issues associated with identifying the socially excluded and measuring progress in addressing social exclusion are then discussed. The potential benefits, limitations and risks of a social inclusion agenda are discussed. Sections follow on locational disadvantage, jobless families, children at risk, child poverty, employment of people with a disability, and homelessness. The importance of relationships in protecting against social exclusion and promoting social inclusion is briefly discussed. Policy approaches are next discussed. The paper ends with a summary and brief consideration of directions for development of an Australian approach to social inclusion.

2

Definition of social exclusion

One of the challenges facing social inclusion agendas is that there is no generally accepted definition of what constitutes social exclusion. Several definitions have been proposed and are currently in use.³

Sir Tony Atkinson (1998), an academic based at Oxford University, argued that in discussions of social exclusion three main themes recur:

- Social exclusion is relative to the norms and expectations of society at a particular point in time (Atkinson termed this *relativity*).
- Social exclusion is caused by an act of some individual, group or institution. A person may exclude themselves by choice or they may be excluded by the decisions of other people, organisations or institutions (Atkinson termed this *agency*).
- Social exclusion is not a result simply of current circumstances (e.g., unemployment), but also requires that the person's future prospects are limited (p. 13).

Atkinson (1998) also made the important point that exclusion may be a “property of a group of individuals rather than of individuals” (p. 14) and it therefore may be manifest at a community level (geographic or social community). Another common theme in discussions of social exclusion is that it is multidimensional and reflects a combination of inter-related factors (Saunders, 2003).

The features outlined above also emphasise that social exclusion is a process rather than an outcome at a particular point in time (e.g., being in poverty), and understanding what is causing the social exclusion of an individual or group is important.

One of the more influential definitions is that of the UK Social Exclusion Unit (1997), which defined social exclusion as:

a shorthand label for what can happen when individuals or areas suffer from a combination of linked problems such as unemployment, poor skills, low incomes, poor housing, high crime environments, bad health and family breakdown.

The European Union has also adopted a definition of social exclusion that recognises the relationship between individuals and their surroundings and the dynamic nature of social exclusion. Specifically, the Eurostat Taskforce on Social Exclusion and Poverty Statistics (1998) defined the process of social exclusion as:

a dynamic process, best described as descending levels: some disadvantages lead to exclusion, which in turn leads to more disadvantage and more social exclusion and ends up with persistent multiple (deprivation) disadvantages. Individuals, households and spatial units can be excluded from access to resources like employment, health, education, social or political life. (p. 25)

3 A useful discussion of definitional issues is provided by Saunders et al. (2007).

Burchardt, Le Grand, and Piachaud (2002) suggested that:

an individual is socially excluded if he or she does not participate in key activities in the society in which he or she lives. (p. 30)

The Nobel Prize winner Amartya Sen (1999) noted that social exclusion may occur as a result of a lack of the capabilities required to participate in the experiences that lead to social inclusion.

Levitas et al. (2007) offered the following definition:

Social exclusion is a complex and multi-dimensional process. It involves the lack or denial of resources, rights, goods and services, and the inability to participate in the normal relationships and activities, available to the majority of people in society, whether in economic, social, cultural, or political arenas. It affects both the quality of life of individuals and the equity and cohesion of society as a whole. (p. 9)

The Centre for Analysis of Social Exclusion (CASE) at the London School of Economics has been influential in the social exclusion area. A definition that has been influential in the work of CASE is:

An individual is socially excluded if a) he or she is geographically resident in a society but b) for reasons beyond his or her control, he or she cannot participate in the normal activities of citizens in that society, and c) he or she would like to participate. (Burchardt, Le Grand, & Piachaud, 1999, p. 229)

A recent development has involved thinking about social exclusion as being “wide”, “deep” or “concentrated”. The Rt Hon. David Miliband, UK Minister of Communities and Local Government, in a speech in 2006, provided the following definition:

- *Wide* exclusion refers to the large number of people being excluded on a single or small number of indicators;
- *Deep* exclusion refers to being excluded on multiple or overlapping dimensions. Deep exclusion is more entrenched and deep-seated than wide exclusion; and
- *Concentrated* exclusion refers to a geographic concentration of problems and to area exclusion.

An example of a policy aimed at reducing wide social exclusion is making changes to the income support system to reduce financial disincentives to paid employment or to reduce child poverty. An example of a policy aimed at addressing deep social exclusion is one that helps “rough sleepers”. An example of a policy aimed at reducing concentrated exclusion is a place-based intervention targeted at the most disadvantaged communities.

Although the term “social exclusion” has not featured much in the US debate, there are related concepts that have been very influential. One of the more influential of these has been of the underclass. The “underclass” has been defined by Wilson (1987) as:⁴

individuals who lack training and skills and either experience long-term unemployment or are not members of the labor force, individuals who are engaged in street crime and other forms of aberrant behavior, and families that experience long-term spells of poverty and/or welfare dependency. (p. 8)

4 Wilson's (1987) work had a significant effect on US government thinking at the time, with President Clinton being quoted by Time magazine as stating that “Wilson's books made me see race and poverty and the problems of the inner city in a different light” (cited in Time 25, 1996).

Within Australia, the minister responsible for social inclusion is the Deputy Prime Minister, The Hon. Julia Gillard MP. In recent speeches, she has outlined the Australian Government's social inclusion policy approach (Gillard, 2008a, 2008b). Under this approach, to be socially included requires opportunities for:

- securing a job;
- accessing services;
- connecting with others in life through family, friends, work, personal interests and local community;
- dealing with personal crises, such as ill health, bereavement or the loss of a job; and
- being heard. (Gillard, 2008a)

The co-existence of "poverty alongside plenty" is the driving reality for the government's social inclusion agenda (Gillard, 2008b). "It's a situation in which, as Tony Vinson has told us, the people growing up in Australia's poorest postcodes are up to seven times more likely to suffer from low incomes, long-term unemployment, early school leaving, physical and mental disabilities, prison admissions and to be at risk of child abuse and neglect" (Gillard, 2008b). The focus is on policies aimed at "creating prosperity with fairness", and long-term prosperity is to be secured by the "full social and economic participation of all Australians" (Gillard, 2008b). To achieve its goals, the Australian Government has established performance targets relating to educational opportunity, reduction of homelessness, and addressing the multifaceted aspects of Indigenous disadvantage.

It will be important to be clear about how social inclusion is being defined in the Australian context. Although the discussion in this section of definitional issues has highlighted the lack of agreement as to what is meant by social inclusion, there are some aspects that are common to most definitions. Restriction of access to opportunities and limitations of the capabilities required to capitalise on these, along with reference to the social and economic dimensions of exclusion, seem to characterise most of the above definitions.

3

Dimensions of social exclusion

The lack of agreement about the precise definition of social exclusion makes it difficult to identify the dimensions of exclusion. There are two main frameworks used to examine social exclusion in the UK (Saunders et al., 2007). Burchardt et al. (2002) identified four dimensions of exclusion for Britain in the 1990s:

- *consumption*: the capacity to purchase goods and services;
- *production*: participation in economically or socially valuable activities;
- *political engagement*: involvement in local or national decision-making; and
- *social interaction*: integration with family, friends and community.

An alternative framework is that provided by the Millennium Survey of Poverty and Social Exclusion in Britain (PSE Survey), funded by the Joseph Rowntree Foundation, which included the following dimensions:⁵

- *impoverishment, or exclusion from adequate resources*—defined as being poor in terms of both low income and deprivation;
- *labour market exclusion*—identified using a range of labour market indicators, including living in a jobless household, but recognising that these are only valid indicators of exclusion when they correlate with exclusion from social relations;
- *service exclusion*—where services encompass public transport, play facilities and youth clubs, and basic services inside the home (gas, electricity, water, telephone); and
- *exclusion from social relations*—which covers five dimensions:
 - non-participation in common activities (defined as being regarded as essential by a majority of the population);
 - the extent and quality of social networks;
 - support available in normal times and in times of crisis;
 - disengagement from political and civic activity; and
 - confinement, resulting from fear of crime, disability or other factors.

The particular dimensions of social exclusion change historically; for example, there are growing concerns about social exclusion that results from limited access to modern technologies and communications (“the digital divide”).

⁵ As described by Saunders et al. (2007).

4

Poverty, deprivation and social exclusion

There is a long history of poverty research. The traditional approach to measuring poverty has defined and measured it in terms of low income. While income is important in determining living standards, defining and measuring poverty solely in terms of income has been criticised on a number of grounds. It has been criticised for being too narrow a measure and not necessarily reflecting underlying living standards; for example, it does not take account of goods and services that are provided for free, the capacity for home production or the extent to which a family or household has savings that can be used to fund current consumption. Another area of criticism is that there is a lack of consensus about what level of income should be chosen as the cut-off for being in poverty. This has meant that studies of poverty have been able to be marginalised, to some extent, in policy debate (see Saunders, 2005, for a discussion of this issue).

One response to these criticisms was the development by Townsend (1979) of the concept of deprivation as the basis for defining and identifying who is in poverty. Townsend argued in his study, *Poverty in the United Kingdom*, that:

individuals, families and groups in the population can be said to be in poverty when they lack the resources to obtain the type of diet, participate in the activities and have the living conditions and amenities which are customary, or at least widely encouraged or approved in the societies to which they belong. Their resources are so seriously below those commanded by the average individual or family that they are in effect excluded from ordinary living patterns, customs and activities. (p. 31)

Mack and Lansley (1985) proposed the following definition of deprivation (as cited in Saunders et al., 2007):

an enforced lack of socially perceived necessities (or essentials) ... It involves going without because of a lack of resources, and this explains the close link between deprivation and poverty as conventionally defined in terms of low income. (p. 10)

Social exclusion is a much broader concept and, while poverty is clearly one of the causes of social exclusion, one can be socially excluded without being in poverty (see Bradshaw, 2003; Saunders et al., 2007; and Saunders, 2008, for excellent discussions of these concepts and how they overlap).

Saunders et al. (2007) described the relationship between these concepts as follows:

while deprivation has been used to better define poverty, social exclusion has been seen as offering an alternative, broader approach that opens up issues associated with the role of institutional structures and process. (p. 9)

The most significant recent Australian work examining the connection between poverty, deprivation and social exclusion is the *Left Out and Missing Out* project, being undertaken by the Social Policy Research Centre (SPRC) at the University of New South Wales in collaboration with Mission Australia, the Brotherhood of St Laurence, Anglicare Sydney and the Australian Council of Social Service (ACOSS) (Saunders et al., 2007).

A great deal of the research literature has focused on identifying groups who are at a higher risk of experiencing social exclusion. An example of such a group is children living in jobless households. Although this group is at a higher risk of experiencing social exclusion, many children living in a jobless household for part of their childhood will not go on to experience social exclusion.

5

International experience

This section provides a very brief summary of the international experience of social inclusion or exclusion agendas and focuses on the UK and the EU experience. Summaries of key events and policies for the UK and the EU are provided in Boxes 1 and 2.

Box 1—Social exclusion agenda in the UK: Key events

1997	<p>Social Exclusion Unit established by the Blair Labour Government in the UK.</p> <p>Initially established for two years, based in the Cabinet Office and reporting to the Prime Minister.</p> <p>Aim of the unit was to develop coordinated policies to address social exclusion. Described as “joined-up policies for joined-up problems”.</p> <p>Worked mainly on specific projects, chosen following consultation with other government departments and suggestions from interested groups.</p> <p>Prime Minister, in agreement with ministers, decides the direction of the unit’s work and specific projects, after consultation with officials and interested groups.</p> <p>The unit’s remit covers England only (the devolved Scotland, Wales and Northern Ireland administrations have their own strategies for tackling social exclusion).</p> <p>The unit made recommendations, with policy and program responsibilities resting with government departments or cross-departmental units.</p> <p>Between 1997 and 2004, the unit published 29 reports in five major areas. In each of these areas, policy targets were set.</p> <p>The SEU initially focused on:</p> <ul style="list-style-type: none">■ rough sleepers;■ truancy and school exclusion;■ teenage pregnancy; and■ young people not in education, employment or training.
2002	<p>SEU moved to the Office of the Deputy Prime Minister.</p> <p>SEU moved to Department of Communities and Local Government.</p>

<p>2006</p>	<p>The Social Exclusion Unit was disbanded and transferred to a smaller taskforce in the Cabinet Office.</p> <p>Emphasis shifted to the most severely excluded.</p> <p>The focus was on preventative work among the most hard-to-reach children and families, which reflected concern that Social Exclusion Unit programs had failed to reach some of the poorest, most isolated and vulnerable families.</p> <p>The Minister for Communities and Local Government, David Miliband, outlined a refined policy framework that he summarised as having the following five elements:</p> <ul style="list-style-type: none"> ■ ensuring that the targets that are set and incentives generated for policy-makers are good enough to focus on the most deprived people and places; ■ making funding more preventative and progressive; ■ extending the joining-up of services to areas that remained fragmented; ■ focusing services harder on how they can shape aspirations, enhance personal responsibility and widen take-up of programmes; and ■ creation of shared institutions, activities and spaces that can bind society together and increase social cohesion.
<p>2008</p>	<p>The Social Exclusion Taskforce released the report <i>Think Family: Improving the Life Chances of Families at Risk</i>. This report said “‘Think Family’ extends [the Every Child Matters] model to include adults’ services, and puts families firmly at the centre of a system that ensures all agencies work together from the front line through to local leaders” (para 3.2).</p>

Box 2—The Lisbon Strategy: The social exclusion agenda in the EU—Key events

<p>2000</p>	<p>During a meeting of the European Council in Lisbon, the Heads of State or Government launched a “Lisbon Strategy”, aimed at making the EU the most competitive economy in the world and achieving full employment by 2010. This strategy, developed at a subsequent meeting of the European Council, rests on an economic pillar, a social pillar and an environmental pillar.</p> <p>The social pillar is designed to modernise the European social model by investing in human resources and combating social exclusion. The member states are expected to invest in education and training, and to conduct an active policy for employment, making it easier to move to a knowledge economy.</p>
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2005

Mid-term review of the Lisbon Strategy held in 2005 by Wim Kok, former Prime Minister of the Netherlands.

The review found that “While many of the fundamental conditions are in place for a European renaissance, there has simply not been enough delivery at European and national level. This is not just a question of difficult economic conditions since Lisbon was launched, it also results from a policy agenda which has become overloaded, failing co-ordination and sometimes conflicting priorities”

and

“Today we see the combination of economic conditions, international uncertainty, slow progress in the Member States and a gradual loss of focus has allowed Lisbon to be blown off course” (European Commission, 2005).

In March 2005, the Employment, Social Policy, Health and Consumer Affairs Council took the position that “social inclusion measures must essentially aim at combating the deep causes of poverty and exclusion, and priority actions must include: the prevention of child poverty, supporting the caring capacity of families, promoting the equality of men and women and reconciling work and family life, the improvement of social services, the treatment of the phenomenon of homelessness, the development of new approaches to the integration of ethnic minorities and immigrants”.

Following the 2005 review, it was decided that the strategy should be more clearly focused on growth and jobs. These are seen as prerequisites for being able to maintain and increase Europe’s prosperity. The sustainability of growth was emphasised. Seven key priority areas were identified:

- increase labour market participation;
- modernise social protection systems;
- tackle disadvantages in education and training;
- eliminate child poverty and enhance assistance to families;
- ensure decent housing and tackle homelessness;
- improve access to quality services; and
- overcome discrimination and increase the integration of people with disabilities, ethnic minorities and immigrants (first and second generation).

It was designed to be a close partnership between the European Commission and member states, with a clear division of responsibilities and a strong emphasis on maximising the synergies between the Community and national levels, and between different economic policy areas.

Members states undertake reforms at national level. The National Reform Programmes cover a three-year period. Each year, member states produce reports on the implementation of their National Reform Programmes.

All member states have appointed Lisbon Co-ordinators, charged with driving the strategy forward in their own member states and involving stakeholders in its implementation.

Policy has come to cover a very wide range of areas.

The Joseph Rowntree Foundation in the UK has funded the production of a series of annual reports, with the aim of providing an independent assessment of the progress being made in eliminating poverty and reducing social exclusion in the UK. The most recent report for 2006 considered 50 indicators, covering child and adult poverty, inequalities in income and pay, health inequalities, minimum educational standards, and exclusion by institutions (Palmer, MacInnes, & Kenway, 2006).

This report found that child poverty had been reduced and that there had been a big reduction in poverty among pensioners. However, poverty among working-age adults had not reduced and there was a problem of “in-work poverty”. It also seems that, while gender pay inequality had fallen, overall earnings inequalities had widened. Overall, health inequalities had not reduced. In terms of minimum education standards, the picture was mixed. The report found that in areas where the government had specific policies (e.g., bank accounts and central heating) exclusion fell substantially, but that exclusion by institutions remained an issue.

It is probably the case that the UK social inclusion policies that are directed at wide social exclusion have been more successful. There have been concerns that the most disadvantaged families have not benefited and are still being left behind.

A key lesson to be learned from the social inclusion agendas in the UK, Europe and South Australia has been the importance placed upon delivering the multiple services required to address the multiple disadvantages experienced by the socially excluded. It is clear that placing the person in need of services at the centre for the “web of services” is crucial and that the standard approaches to service delivery simply do not work for the most disadvantaged.

6

Measurement issues

In order to be able to target policies, it is necessary to be able to identify which groups or individuals are socially excluded and the dimensions of their exclusion. An issue that needs to be taken into account when seeking to identify socially excluded groups of individuals is that one of the elements of their social exclusion may be that they do not feature in official statistical collections such as those carried out by the Australian Bureau of Statistics (ABS) or in many administrative data sets collected by governments.

There are a range of national data sets available that can provide data on different aspects of social exclusion. These sources can be broadly classified as being survey and census data and administrative data.

6.1 Survey and census data

Some of the more promising sources of survey data include:

- the ABS Census of Population and Housing, which offers the most comprehensive national coverage for a range of variables (such as employment, education, socio-economic status, housing, relationship status, income) and can be used to produce estimates for the information collected in the census for small geographic areas (e.g., postcodes);
- ABS surveys of a wide range of topics (including employment, income, expenditure, time use, family characteristics, crime and safety, health, housing, transport, Indigenous Australians, migrants, education and training), although these surveys generally cannot be used to produce estimates for small geographic areas;
- Australian Institute of Health and Welfare (AIHW) data on topics related to health and welfare, some of which can produce estimates for small geographic areas (some of the AIHW data is derived from administrative data sources);
- the Household Income and Labour Dynamics in Australia (HILDA) survey being conducted by the University of Melbourne in collaboration with the Australian Institute of Family Studies and the Australian Council for Educational Research (ACER), which provides longitudinal information on income, wealth, labour market participation, family functioning and a range of other topics, but cannot be used to produce estimates for small geographic areas; and
- *Growing Up in Australia: The Longitudinal Study of Australian Children (LSAC)*, being conducted by the Australian Institute of Family Studies in partnership with the Department of Families, Housing, Community Services and Indigenous Affairs (FaHCSIA), which provides detailed information on young children and their families (infants and 4–5 year olds in Wave 1, 2–3 and 6–7 year olds in Wave 2, and 4–5 year olds and 8–9 years olds in Wave 3, which is currently being collected); however, the data cannot be used to produce estimates for small geographic areas.

6.2 Administrative data

There are a large number of data sets that have been collected for the purpose of administering programs (e.g., the income support system, police data). While survey data are very important, they do generally have the limitations of being too coarse to identify “hot spots” or, in the case of the Census, may not be timely as they are collected only every five years. Administrative data therefore is useful in identifying “hot spots” and providing supporting evidence to policies in these areas. One of the strengths of administrative data is that in some cases substantial benefits can be realised in this area from the application of only relatively small amounts of resources. Administrative data do, however, have drawbacks, including that they are not necessarily in a form that can readily be used for research purposes and that the data collected are driven by what is required to administer the program, not necessarily what is most relevant for identifying social exclusion, and often are not generally available.

Examples of administrative data that may be valuable include:

- Centrelink data about income support recipients;
- police data;
- court data;
- health system data;
- housing data;
- schools data; and
- data from the Supported Accommodation Assistance Program (SAAP) database.

6.3 Longitudinal data

Given the long-term and cyclical aspects of social exclusion discussed above, using data that follow the same individuals (or families/households) over time (longitudinal data) is important. Because longitudinal data provide information on the sequence in which events occur, they can help in understanding the processes and experiences that lead to social exclusion and to the socially excluded becoming included. They are also valuable for identifying those who are excluded for long periods of time. Finally, longitudinal data can be especially valuable for evaluating the success of particular social inclusion policies in altering long-term cycles of poverty and disadvantage.

Given the concentrations of disadvantage within particular geographic areas (e.g., Vinson, 2007), area level indicators of disadvantage will be important. The Socio-Economic Index for Areas (SEIFA), produced by the ABS, is the main such Australian indicator and has been constructed using the 2006 Census. The National Centre for Social and Economic Modelling (NATSEM) has recently produced indicators of risk of social exclusion for Australian children at the Statistical Local Area (SLA) level, based upon 2001 and 2006 Census data.

The SEIFA and NATSEM’s child social exclusion index are robust and reliable general indices. However, they are comprised of many indicators that lack specificity about the precise factors that are driving disadvantage in a particular area. These indicators are useful in the first instance to identify “hot spots”, but then a more fine-grained examination of specific area level indicators should be conducted to generate a more nuanced understanding of the issues underlying disadvantage in the particular community. The use of the ABS Area Index of Remoteness is important in understanding whether remoteness from services is an important determinant.

Accurately measuring changes in social inclusion/exclusion in a timely fashion is important in assessing progress in reducing social exclusion and whether there are particular groups who are not having their social exclusion overcome or whether there are groups that are becoming newly socially excluded. This measurement can occur at a fairly high geographic level (e.g., national, state, urban versus rural), for specific fairly small geographic areas (e.g., SLA or postcode), or for particular groups (e.g., Indigenous, the aged, migrants, young people).

6.4 Illustrative examples of measurement frameworks

A range of measurement frameworks have been developed in Australia, the UK and by the EU. The EU framework has involved developing a number of countrywide indicators that provide a useful framework for monitoring progress on social inclusion.

Four illustrative examples of measurement frameworks are now described: the Joseph Rowntree Foundation framework for the UK, the most recent framework used by the European Union, the SPRC indicators developed for Australia, and the NATSEM indicators developed for Australian children. A detailed list of the indicators used in each of these frameworks is provided in Appendix A.

- The Joseph Rowntree Foundation and the New Policy Institute have developed for the UK a set of 50 indicators that are used to measure social exclusion, and progress is measured against each of these measures. Change is measured over the last 5 years and for the latest year of available data and progress against each of these indicators is reported annually. The broad areas covered by the measures are income, children, young adults, adults aged 25 to retirement, older people and communities.
- The European Commission has developed a set of indicators that can be applied to European Union countries and that will allow cross-country comparisons to be made. The measures include poverty, long-term employment, material deprivation and child wellbeing.
- In Australia, the Social Policy Research Centre at the University of New South Wales has developed measures of social inclusion that are based on 27 indicators that cover disengagement from society, service exclusion and economic exclusion (Saunders et al., 2007). Indicators include measures such as: no regular contact with other people, children do not participate in school activities or outings, no medical treatment if needed, no access to bank or building society, couldn't keep up with payments for utilities, does not have \$500 savings for use in an emergency, and lives in a jobless household. This work also develops measures of the experience of multiple exclusions.
- The NATSEM measure of social exclusion for Australian children is based upon data that are collected by the national Census. As a consequence, the measures they use are much broader and less clearly linked to social exclusion. Examples of the variables used in the NATSEM measure include: living in a sole-parent family, living in a low-income family, and living in a household with no motor vehicle.

These frameworks are all quite different. The European framework is the narrowest—a consequence of limitations in the available comparable data for cross-country comparisons. An important feature of the SPRC framework is its broad conception of the relationships between poverty (based on income), deprivation and exclusion. It is useful because it includes measures of service exclusion, a central feature in the UK and South Australian social inclusion programs, and is based on information about what people understand to be “life essentials” in the Australian context.

The Melbourne Institute of Applied Economic and Social Research at the University of Melbourne has developed a multidimensional capabilities approach to measuring poverty and disadvantage (Headey, 2006). This research is strongly influenced by the work of Amartya Sen, and takes the approach of measuring low capabilities and low functioning. It also includes measures of low wellbeing. The measures that result from the capabilities and functioning framework largely overlap with measures that result from a more traditional social exclusion conceptual framework and therefore the measures suggested by Headey are provided in Appendix A.

An interesting model for evaluating social inclusion interventions is provided by the Peer Review and Assessment in Social Inclusion Program developed by the European Commission (www.peer-review-social-inclusion.net). This program involves the systematic evaluation of good practice and assessment of selected policies or institutional arrangements coming under the National Action Plans being implemented by member countries. Peer reviews are based on existing evaluations or early monitoring data and are thematically linked to common EU objectives for combating poverty and social exclusion. They present “good practice”, with the aim of then propagating what has worked.

7

Potential benefits, limitations and risks of a social inclusion agenda

While social inclusion has been adopted as an organising principle for social policy in several countries, the experience of these countries is mixed and the extent to which the social inclusion agenda has been successful is contested. It is important that Australia learns from international experiences to build on what has worked and avoid some of the pitfalls. One of the central insights of social inclusion/exclusion agendas internationally is that interventions have to be developed to respond specifically to the needs of particular groups. Therefore, while international experiences provide useful ideas on the kind of interventions that can be undertaken, successful policies from other countries cannot replace the process of identifying the needs and challenges of disadvantaged groups specific to the Australian context, especially as the insights from this process can be applied to improve existing mainstream services.

A social inclusion approach has a number of potential advantages, including:

- broadening the definition of disadvantage from one that focuses almost exclusively on poverty;
- emphasising social problems that do not fall under the traditional concept of poverty;
- focusing the political discourse on the most disadvantaged in society and the mobilisation of public support for addressing the issues of extreme disadvantage and exclusion;
- bringing greater policy coherence and focus;
- emphasising the importance of addressing the multiple barriers that the disadvantaged often face;
- underscoring the importance of having joined-up services (necessary to respond to individual's needs and the interlocking nature of the problems they face);⁶
- highlighting the localised nature of disadvantage, the multiple disadvantages faced by the socially excluded and the process that has led to social exclusion, to facilitate the development and implementation of localised and tailored approaches;
- identifying the role of social institutions in systematically excluding certain groups or communities and offering the potential for structural changes that redress this; and
- recognising the cumulative nature of disadvantage, including across generations of the same family.

The international experience is that there are also a number of potential risks.

⁶ Joined-up services are those involving more than one agency that are coordinated and integrated around the needs of the individual citizen in the context of his or her family and community (Cappo, 2002).

Some of the potential risks and negative consequences of a social inclusion approach include:

- stigmatising groups and communities identified as being socially excluded (for example, see Morrison, 2003);
- emphasising the importance of social exclusion being the result of the actions of a person or institution that risks distinguishing between the deserving and undeserving poor, and therefore adding a moralistic flavour that is stronger than when the focus is just on being in poverty, irrespective of the reasons;
- whole-of-government approaches diffusing responsibility for addressing specific issues;
- a lack of coordination, as clients are forced to negotiate their way through multiple services that are directed at addressing the multiple barriers they face;
- regeneration of disadvantaged urban areas that can result in gentrification and displacement of the poor to further out neighbourhoods, which have less access to services and the labour market (Atkinson, 2004);
- re-labelling existing government programs under the social inclusion agenda without reforming or better coordinating these policies to address the unmet needs of the socially excluded; and
- shifting policy attention away from other forms of inequality, including income inequality (Béland, 2007).

8

Selected aspects of social exclusion

8.1 Locational disadvantage

As discussed above, a focus of social inclusion policies has often been the improvement of outcomes, particularly in relatively small geographic areas (neighbourhoods). This section discusses what is meant by locational disadvantage, how it is measured and the impact that it has on residents.

Research in this area has generally been based upon concerns about poverty rather than social exclusion *per se*. However, it is relevant to understanding social exclusion and the nature of policies that can enhance social inclusion. Some more recent studies have taken an explicit social exclusion focus. Areas that are identified as having concentrations of poverty also tend to have concentrations of other forms of disadvantage.

Concentrated disadvantage is due to both the characteristics of people and families living in disadvantaged communities (e.g., education levels, employment, substance use) and the effect of the community context itself (over and above individual and family characteristics). While disentangling the effects of the characteristics of people and families and community context is difficult, there is now a research literature that has grappled with this issue.

Effects of neighbourhood disadvantage on the wellbeing of residents

Living in a disadvantaged neighbourhood, compared to living in a less disadvantaged neighbourhood, has been found to be associated with:

- poorer outcomes for children, including learning and behavioural outcomes, and physical health (Leventhal & Brooks-Gunn, 2000);
- poorer health in adults, as indicated by rates of infectious diseases, asthma, smoking, depression, poor diet and poor self-rated health; and⁷
- reduced job and educational prospects.⁸

The research evidence base suggests that neighbourhood characteristics do have an effect.⁹ However, it does appear that the effects of neighbourhood characteristics are relatively small compared to the effects of individual and family characteristics. This is not to underestimate the significance of neighbourhood effects, which in some cases have been found to be quite substantial; for example, on outcomes such as mental health (e.g., Orr et al., 2003). Although neighbourhood effects in isolation from other characteristics themselves are relatively small, the concentration of disadvantage in particular areas does indicate the need for place-based interventions.

7 Kawachi and Berkman (2003) provide a good review of this research.

8 Studies that found negative effects on employment and educational chances include Galster, Marcotte, Mandell, Wolfman, and Augustine (2007), and Holloway and Mulherin (2004). In contrast, Kling, Liebman, and Katz (2007) found no association between living in a disadvantaged neighbourhood and these outcomes.

9 A number of studies have attempted to address this issue and, while the results are varied, on balance the evidence is quite strong that living in a disadvantaged neighbourhood does have a negative impact on residents (e.g. Orr et al., 2003; Kling et al., 2007).

Australian research

Data for the period 1981 to 1996 suggest that the level of neighbourhood income inequality increased in Australia (Gregory & Hunter, 1995; Hunter & Gregory, 2001). The growth in neighbourhood income inequality since the 1970s in Australia also mirrors what has occurred in the United States and Canada (Hunter, 2003).

Edwards (2005) showed that neighbourhood socio-economic status was associated with social/emotional and learning outcomes for 4-year-olds. There is also evidence to suggest that youth who live in more disadvantaged neighbourhoods at age 16 are more likely to be unemployed by the ages of 18 and 21 (Andrews, Green, & Mangan, 2004).

An important and influential recent study documenting the extent of locational disadvantage and the extent to which different dimensions of exclusion are correlated within areas has been conducted by Professor Tony Vinson (2007).¹⁰ Vinson found that 3% of Australia's localities account for a disproportionate amount of disadvantage. For example, compared to the other localities, the 3% most disadvantaged had at least twice the rate of unemployment, long-term unemployment, disability support recipients and psychiatric admissions, criminal convictions, imprisonment and child maltreatment. Vinson's study also indicated that disadvantage was entrenched in these areas and durable over time.

Explanations for the influence of locational disadvantage on residents

Over and above the personal characteristics of the people living in the location, there are several possible explanations for the effects of living in a disadvantaged location. First, the mechanisms may be through the quality, quantity and diversity of learning, recreational, social, educational, health and employment resources in the community. Second, there may be limited employment near the disadvantaged area. When public transport infrastructure is limited, this may make it difficult to sustain paid employment. Third, there may be a stigma associated with living in particular areas. This may result in discrimination and hence poorer outcomes for residents. Fourth, people living in disadvantaged neighbourhoods tend to have lower levels of social capital. The social capital mechanism can explain a lack of access to networks and social connections.

Place-based approaches in Australia

Given the concentration of disadvantage in particular neighbourhoods, place-based approaches to improving outcomes for those experiencing disadvantage have been implemented in a number of countries, including the US, UK, many European countries and Australia. Examples of place-based interventions in Australia include Communities for Children; social inclusion initiatives in the Salisbury and Playford areas of Adelaide; Schools as Community Centres and Families First in New South Wales; and Neighbourhood Renewal and Community Renewal, Best Start and the Community Enterprise Strategy in Victoria.

¹⁰ This study was undertaken in collaboration with Jesuit Social Services and Catholic Social Services.

8.2 Jobless families

Compared with other OECD countries, Australia has a relatively high rate of families with children in which no adult is employed. Moreover, the number of jobless households in Australia has fallen only relatively slowly over the last decade (from 18% in 1983 to 13% in 2007), despite the strength of the economy over this period.

One of the reasons for the relatively small decrease in the proportion of families with children that are jobless is the growth in the number of single-parent households, which have a lower level of employment than couple households (de Vaus, 2004). In fact, Australia has one of the lowest rates of employment for single parents among OECD countries (49.9%, compared to an OECD average of 70.6%; OECD, 2007). This highlights the role that family breakdown plays in putting children at risk of poverty, deprivation and social exclusion.

An issue for policies that aim to decrease joblessness is that the jobs that the unemployed get tend to have lower wages and be of lower quality (Harding & Richardson, 1999; Richardson & Miller-Lewis, 2002). While there is evidence that a proportion of the unemployed initially find low-wage employment and subsequently move to better-paid, higher-quality jobs, the evidence on the extent to which this happens is mixed (Dunlop, 2000; Richardson & Miller-Lewis, 2002). A useful discussion of the links between low-wage employment and social exclusion and poverty has been provided by McKnight (2002) and a good example by Webster (2004).

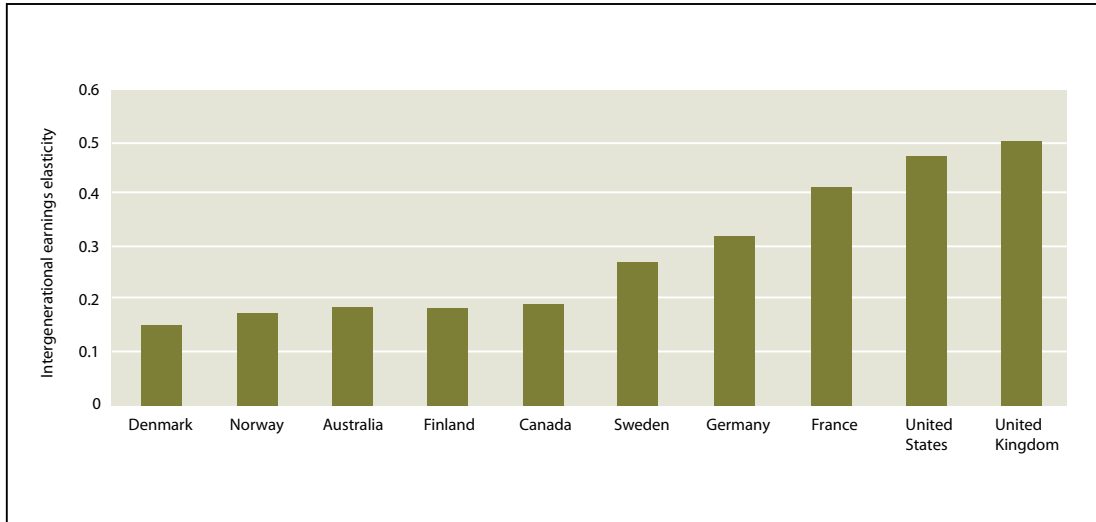
8.3 Intergenerational disadvantage

One aspect of social exclusion that has received attention is the intergenerational transmission of disadvantage. Intergenerational disadvantage refers to the situation in which multiple generations of the same family experience high levels of disadvantage (d'Addio 2007; Frazer & Marlier, 2007). Earnings, education, occupational status, wealth, decisions about family formation and receipt of welfare all persist across the generations (d'Addio, 2007).

In a recent Organisation for Economic Co-operation and Development (OECD) summary of the literature on the intergenerational transmission of disadvantage, d'Addio (2007) neatly summarised the issue as follows: "when intergenerational mobility is low, poverty during childhood will not only undermine the health, nutrition and education prospects of children, but will also increase the chances that the children of the next generation will grow up in low-income households" (p. 11).

The OECD survey concluded that Australia, the Nordic countries and Canada have the highest rates of intergenerational social mobility, while it is lowest in Italy, the UK and the US. ("Intergenerational social mobility" refers to the extent to which, in a given society, individuals' social status changes across generations.) Figure 1 shows the intergenerational mobility of earnings and Figure 2 the intergenerational correlation of educational attainment across a number of OECD countries. On both of these measures, Australia has one of the highest rates of intergenerational mobility.

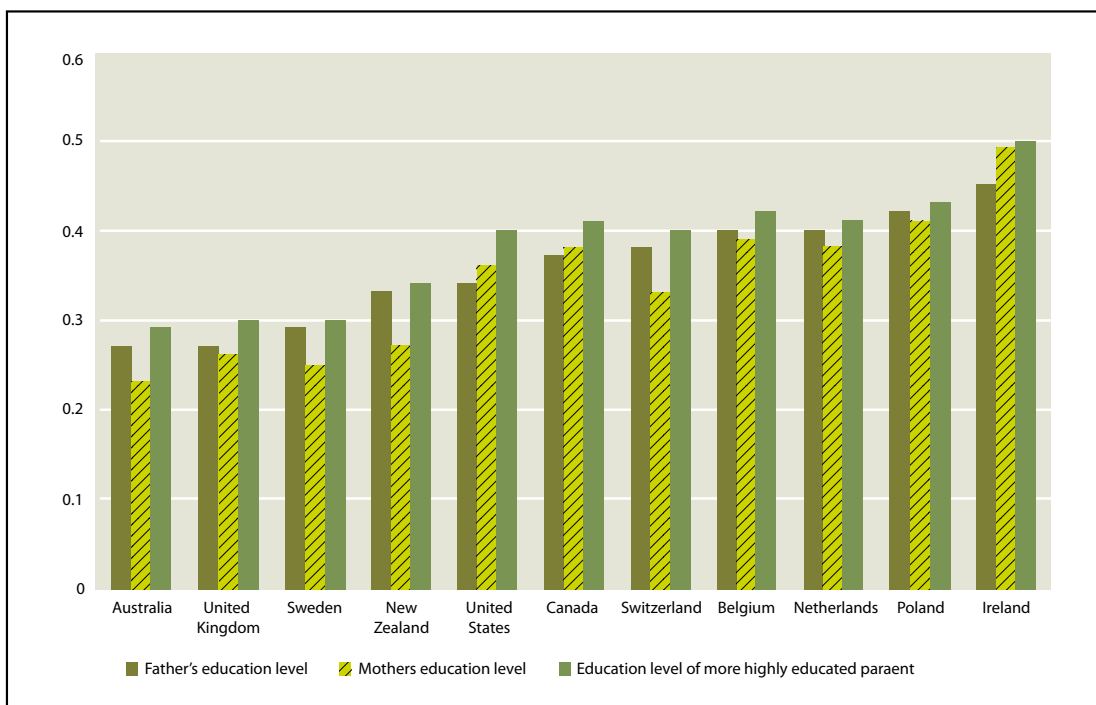
Figure 1—Intergenerational mobility of earnings across OECD countries



Note: The height of each bar represents the intergenerational earnings elasticity. The higher the bar, the higher the persistence of earnings across generations and the lower intergenerational earnings mobility.

Source: d'Addio (2007, Figure 1)

Figure 2—Intergenerational correlation of educational attainment across OECD countries



Note: The height of each bar corresponds to the rank correlation coefficient quantifying the relation between the respondent's educational attainment and that of his/her parent. The higher the bar, the stronger the intergenerational correlation of educational attainment.

Source: d'Addio (2007, Figure 4); derived from de Broucker and Underwood (1998)

Notwithstanding the relatively high level of social mobility in Australia, there are some groups that do experience very high levels of intergenerational disadvantage. Indigenous Australians are perhaps the most obvious of these groups. There is evidence that there are intergenerational effects of forced separation and relocation on the social and emotional wellbeing of Aboriginal children and young people in Australia (Silburn et al., 2006). Work by Professor Mick Dodson and Dr Boyd Hunter from the Australian National University identified the effects of forced removal on criminality of the next generation.

The following sections discuss children at risk, child poverty and jobless families, employment of people with a disability, and homelessness. Although these individual aspects of social exclusion are discussed separately, it is crucial to keep in mind that there are strong linkages and often overlaps between these areas of disadvantage. For example many of those who are homeless as an adult suffered abuse or neglect as children and lived in households touched by joblessness, relationship difficulties, and high rates of disability or chronic health problems.

8.4 Children at risk

The situation of children is not uniformly advantageous across Australian communities. Keating and Hertzman (1999) highlighted “modernity’s paradox” that unprecedented capacity for wealth creation coexists with growing perceptions of increased challenges to the development, health and wellbeing of children.

Australia, regrettably, reflects this paradox (Stanley, Richardson & Prior, 2005). There is accumulating evidence that the factors that compromise Australian children’s development, health and wellbeing are increasing, with disturbing signs of growing disadvantage, social exclusion and vulnerability in some communities. Child abuse rates provide one indicator of the extent of the problem. In 2006–07, there were 309,517 notifications and 58,563 substantiated cases of child abuse in Australia, involving 32,585 children (AIHW, 2008). The number of notifications has increased by over 50% in the last five years, from 198,355 in 2002–03. Over this period, the number of substantiations increased by 45%, from 40,416 in 2002–03. The figures do not necessarily mean that the actual incidence of child abuse and neglect has increased over this time, but they do show that the reporting of cases to child protection services has increased (National Child Protection Clearinghouse, 2008).

The trends in population and disadvantage are interrelated, with the birth rate and the average interval between generations varying considerably by social class. Disadvantage also influences the rates of infant mortality and morbidity (the occurrence of health and developmental problems). The numerous risk factors that lead to problems in childhood tend to be, though not exclusively, related to social address.

The interplay of child, family and community factors is seen in the areas of abuse and neglect, school failure and criminality, among others (Hayes, 2007). These areas of social concern reflect similar sets of risk factors related to disadvantage, limited parental education, family problems, unemployment and lack of connectedness to community. The nexus between neglect, abuse and juvenile participation in crime, for example, has been well described, with neglect having been identified as the most salient aspect of the path to offending in adolescence (see Weatherburn & Lind, 1997, for an Australian study). Similar findings have been reported from the Christchurch Health and Development Study in New Zealand (Fergusson, Swain-Campbell, & Horwood, 2004).

The pathways to poor outcomes in development, health and wellbeing have also been well established. Factors associated with social exclusion are prominent in creating and maintaining adverse life paths (see Table 1). But risk is not destiny and, just as there are many points in a life where problems can emerge, so too there are windows of opportunity for positive change (Hayes, 2007). Again the factors that promote positive pathways have been well described (see Table 2 on p. 28, and Appendix B).

Table 1—Risk factors for poor development, health and wellbeing outcomes

Child factors	Family factors	School context	Life events	Community and cultural factors
Prematurity	Parental characteristics:	School failure	Divorce and family break-up	Socioeconomic disadvantage
Low birth rate	Teenage mothers	Normative beliefs about aggression	War or natural disasters	Population density and housing conditions
Disability	Single parents	Deviant peer group	Death of a family member	Urban area
Prenatal brain damage	Psychiatric disorder, especially depression	Bullying		Neighbourhood violence and crime
Birth injury	Substance abuse	Peer rejection		Cultural norms concerning violence as acceptable
Low intelligence	Criminality	Poor attachment to school		Response to frustration
Difficult temperament	Antisocial models	Inadequate behaviour management		Media portrayal of violence
Chronic illness	Family environment:			Lack of support services
Insecure attachment	Family violence and disharmony			Social or cultural discrimination
Poor problem-solving	Marital discord			
Aggressive, acting-out behaviour	Disorganised			
Beliefs about aggression	Negative interaction			
Poor social skills	Social isolation			
Low self-esteem	Large family size			
Lack of empathy	Father absent			
Alienation	Long-term parental unemployment			
Hyperactivity/disruptive behaviour	Low family SES			
Impulsivity	Parenting style:			
	Poor supervision and monitoring of child			
	Discipline style (harsh or inconsistent)			
	Rejection of child			
	Abuse			
	Lack of warmth and affection			
	Low involvement in child's activities			
	Neglect			

An updated version of a table printed in Homel et al., (1999, p. 136). Reproduced with the kind permission of the Commonwealth Attorney-General's Department.

Table 2—Protective factors for development, health and wellbeing outcomes

Child factors	Family factors	School context	Life events	Community and cultural factors
Social competence	Supportive, caring parents	Positive school climate	Meeting significant person	Access to support services
Social skills	Family harmony	Pro-social peer group	Moving to new area	Community networking
Above average intelligence	More than two years between siblings	Responsibility and required helpfulness	Opportunities at critical turning points or major life transitions	Attachment to the community
Attachment to family	Responsibility for chores or required helpfulness	Sense of belonging/ bonding		Participation in church or other community group
Empathy	Secure and stable family	Opportunities for some success at school and recognition of achievement		Community/ cultural norms against violence
Problem-solving	Supportive relationship with other adult	School norms re violence		A strong cultural identity and ethnic pride
Optimism	Small family size	Avoidance of deviant peer involvement		Participation in adult organised peer group activities
School achievement	Strong family norms and morality			
Easy temperament	Parental supervision/ monitoring			
Internal focus of control				
Moral beliefs				
Values				
Self-related cognitions				
Self-control or self-regulation				
Good coping style				

An updated version of a table printed in Homel et al., (1999, p. 136). Reproduced with the kind permission of the Commonwealth Attorney-General's Department.

Keating and Hertzman (1999), and their co-authors, provide compelling evidence of the social gradient in many aspects of development, health and wellbeing, including the pre- and perinatal status of infants; child health; cognitive development; behavioural development; academic performance, including literacy and numeracy outcomes; criminality; and outcomes in adult life.

Social gradients have been observed in several areas of the development, health and wellbeing of Australian children. Leonard et al. (2005) examined the nexus between disadvantage and rates of intellectual disability. They found that mothers from the most disadvantaged decile of a sample of Western Australians had an over five times higher risk of having a child with mild to moderate intellectual disability as those from the least disadvantaged decile. The differentials in health are marked with children from more disadvantaged backgrounds, showing lower health-related quality of life than their more advantaged peers (Spurrier, Sawyer, Clark & Baghurst, 2003). Australian childhood obesity and overweight statistics also show a clear social gradient, with children from lower socio-economic groups showing significantly higher rates of these health-related problems than those from more advantaged backgrounds (O'Dea, 2007; Salmon, Timperio, Cleland & Venn, 2005).

With regard to obesity, as O’Dea has shown, social class and ethnicity interact, with disadvantaged Pacific Islander or Middle Eastern/Arabic children being more likely to be obese than those of Anglo/Caucasian or Asian background. The gradients in dental health are also clear, with children from the more disadvantaged areas having higher rates of decayed, filled or missing teeth than those from wealthier suburbs (Armfield, Slade, & Spencer, 2006). The link between low family income and a range of child behaviour problems has also been demonstrated by Bor et al. (1997). They have also argued that exposure to maternal depression was one of the mechanisms driving the association.

Disadvantage and family types are interrelated, with single-parent families more likely to be in the bottom quintiles of income, again placing children in these families at increased risk of a range of developmental problems (Francesconi, Jenkins, & Seidler, 2005; Lipman, Boyle, Dooley, & Offord, 2002; Simons, Lin, Gordon, Conger, & Lorenz, 1999). Australian children from blended or single-parent families had significantly higher incidences of emotional and behavioural disorders than children from intact families (Spurrier et al., 2003).

8.5 Child poverty

A particular concern is for children who are growing up in poverty. According to the latest OECD child poverty estimates, the Australian child poverty rate fell from 15.5% in the 1980s to 10.9% in the 1990s, and was 11.6% in the 2000s. Over this period, the OECD average for the child poverty rate was 10.9% in the 1980s, 11.3% in the 1990s and 12.2% in the 2000s (Whiteford & Adema, 2007). This places Australia with a child poverty rate slightly below the OECD average—11th out of the 27 OECD countries for which data were published.

Although the child poverty rate in Australia is not high by OECD standards, and in fact has apparently fallen in recent decades, we should not be complacent about the wellbeing of families with children, and in particular the wellbeing of children living in disadvantaged circumstances, particularly jobless families.

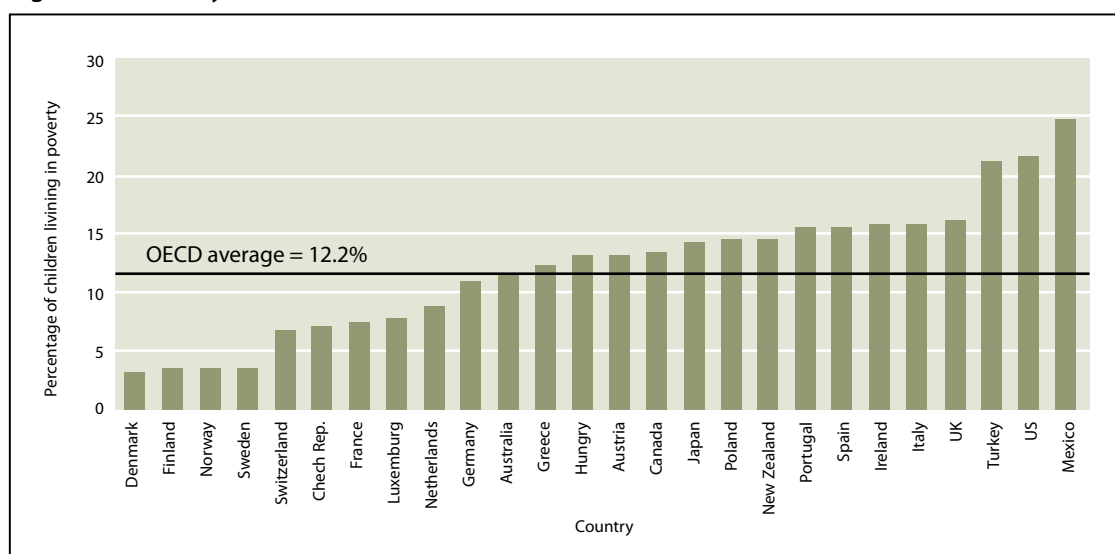
8.6 Employment of people with a disability

Over two and half million Australians of working age have a disability (AIHW, 2008). In 2003, the labour force participation rate for people with a disability (53%) was lower than for people with no disability (81%) and overall labour force participation rates for people with a disability for the last two decades have varied between 51% and 53%.

The labour force participation rates of people with a psychological disability are the lowest of the major disability groups at 28.8%. Although employment is an important factor in addressing poverty and disadvantage, and builds self-esteem and social connectedness, concerns have been raised about the lack of flexible job opportunities for people with a mental illness (Cowling, 2005). The Minister for Employment Participation, Brendan O’Connor MP, and the Parliamentary Secretary for Disability and Children’s Services, Bill Shorten MP, are jointly overseeing a National Mental Health and Disability Employment Strategy (Shorten & O’Connor, 2008). Concerns have also been raised about the relatively high rates of breaching among those receiving a Disability Support Pension (e.g. O’Connor, 2008).

Disability affects the employment not only of the person with the disability but also their primary carer. Access Economics (2005) estimated that in 2003 the employment rate of primary carers was 42.8%, compared with the Australia-wide average of 59.2%.¹¹ There is evidence that many carers who are not employed would like to be in paid employment and employment of carers is primarily part-time (e.g., Gray, Edwards, & Zmijewski, 2008).

Figure 3—Poverty rates for children, OECD countries, about 2000



Notes: Poverty is defined as living in a household with an equivalised household disposable income of less than 50% of the median for the whole population and is thus a relative measure. To account for possible scale economies in consumption, household income is equivalised using the square root of household size.

Source: Whiteford & Adema (2007, Table 1)

8.7 Homelessness

The Australian Government's (2008) policy document, *Homelessness: A New Approach*, paints a very concerning snapshot of homelessness in Australia. To summarise, around 100,000 Australians are homeless. Half of these stay with families and friends, a quarter are in insecure accommodation such as boarding houses, 14% sleep rough and only 14% find places in shelters provided by homelessness services. Ten thousand children under 12 years of age are homeless, as are 6,745 families (comprising 23,000 people), 36,173 young people, and 6,000 aged over 65 years, while almost 60,000 are single people. Indigenous people are disproportionately represented in the homeless population. A major factor in homelessness is domestic violence, which is implicated as a factor for 20% of those who are homeless. Mental illness is also a major factor. Of the 12,300 people accommodated in services provided under the Supported Accommodation Assistance Program (SAAP), only 10% are in employment after leaving the program. Like other aspects of social exclusion, homelessness shows considerable continuity over life cycles and across generations. It can have serious negative impacts, especially on the development, health, wellbeing and educational participation of young people.

¹¹ The Access Economics estimates adjust for differences in the gender and age of carers compared to the general population.

9

The importance of relationships

The consequences of personal crises (such as losing one's job or loss of health) are likely to be much more drastic for those who are socially excluded because they lack the financial and social supports that can help offset the impact of the crises and increase the likelihood of recovering. Family and social relationships are crucial during times of personal crisis. Survey data show that the family is the most common form of support for people in crisis (ABS, 2007).

Skills in relating, communicating and collaborating are fundamental to accessing opportunities. They are the social foundation of behaviours that relate to resilience, adaptability and the ability to benefit from the supports available. Social supports are, for example, strongly associated with the success of child-focused interventions, including the provision of high-quality child care and preschool programs. Support for this conclusion comes from two major studies, one of childcare and the other of preschools. Parent and family characteristics are stronger determinants of child outcomes than early childhood programs *per se*, as shown by the National Institute of Child Health and Human Development Study of Early Childcare and Youth Development (NICHD-SECYD) in the US (NICHD Early Child Care Research Network, 2005), and the Effective Provision of Pre-School Education (EPPE) in the UK (Hayes, 2007). Again, this highlights the intergenerational dimensions of social exclusion.

Dysfunctional family relationships, especially those marked by abuse and neglect, also create vulnerabilities that can be socially excluding. Such childhood histories are associated with experiencing relational difficulties later in life. As indicated above, areas showing patterns of disadvantage, deprivation and social exclusion tend to have higher levels of family breakdown, single-parent households, and homes where abuse and/or neglect may be more likely to occur. Limited social connectedness (social capital), less engagement with key social institutions (social disorganisation) and reduced access to opportunities to participate (social exclusion) are also more likely to characterise such communities. But even where disadvantage is not the prime issue, relationship problems can be excluding. For those with mental health or behavioural difficulties, the net result can be disengagement.

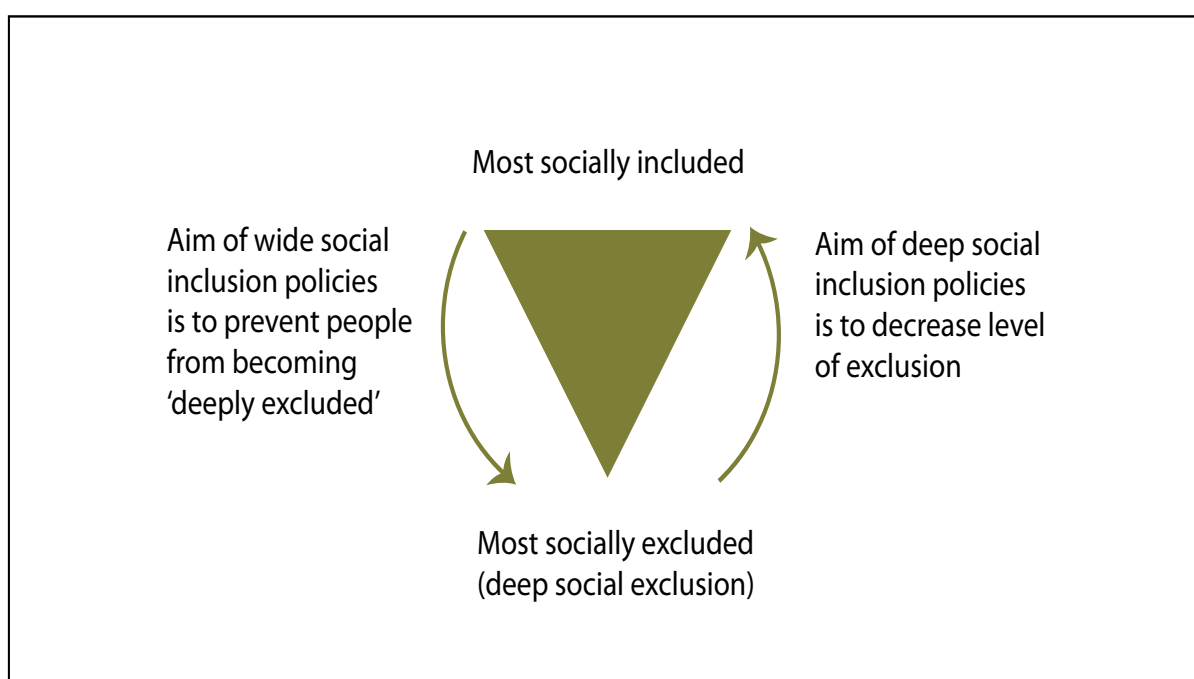
It also needs to be pointed out that family violence, sexual assault and sexual abuse are significant contributors to social exclusion, both pushing people into social exclusion and worsening the experience of social exclusion for the most vulnerable. See Morrison (in press) for a discussion of these matters.

10 Policy approaches

A very wide range of policies have the potential to assist in reducing social exclusion and increasing the level of social inclusion. The optimal set of policies will depend upon the particular social inclusion policy priorities. As outlined above, a useful way of thinking about social inclusion policies is aimed at addressing wide, deep or concentrated exclusion.

In order to reduce social exclusion, both active and preventive policies are needed. In addition, it is important to prevent those who are experiencing some social exclusion from becoming more deeply socially excluded (see Figure 4). Wide social inclusion policies are relevant in this case.

Figure 4—A model of the dynamic relationship of wide and deep social inclusion policies



Although the specific policies that are required will depend upon the particular issues they are attempting to address, the UK and South Australian experience suggest that the approaches have a number of features. These include:

- enhancing the ability of services to address the multiple disadvantages that many of the socially excluded experience (“joined-up services for joined-up problems”);
- recognising that the most socially disadvantaged and excluded often do not access conventional services, so services should target transition points (e.g., leaving prison, young people leaving care);
- centralised coordination, which can be useful in setting targets and monitoring whether they are being achieved, in terms of services reaching the socially excluded;
- local coordination across government and non-government organisations to achieve an integrated approach to social inclusion (the Local Area Agreements in the UK represent one way of achieving this);

- social inclusion initiatives at multiple points across life cycles, from early childhood onwards, as well as strategies to arrest the intergenerational transmission of disadvantage, deprivation and social exclusion;
- partnerships between government and the non-profit sector;
- attempts to change attitudes, values and beliefs of those experiencing social exclusion and the broader community. This is because much social exclusion is the result of inadvertent processes larger than the actions of one individual or actor (such as government);
- the importance of identifying the extent of the problem and the underlying causes;
- the re-examination of the evidence base to identify new solutions; and
- data performance measures and robust evaluation that capture both wide, deep and locational disadvantage to measure the progress of policy interventions, particularly over the long term.

11

Concluding remarks

This paper has highlighted some of the definitional, conceptual and historical foundations of the concept of social inclusion. It has summarised both the achievements and limitations of approaches elsewhere and sketched some of the scope of exclusion in terms of locational disadvantage, intergenerational disadvantage, children at risk, child poverty and jobless families, employment, mental health problems, disability, and homelessness. The relational dimensions of exclusion were also discussed. Finally, elements of policy approaches to move from exclusion to inclusion were outlined.

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Appendix A—Social exclusion indicator frameworks

Indicators of poverty and social exclusion, used by the Joseph Rowntree Foundation and The New Policy Institute, United Kingdom

Income

Numbers in low income
Low income and housing costs
Low income by age group
Income inequalities
Lacking essential items
Out-of-work benefit levels
Long-term recipients of out-of-work benefits

Children

In low-income households
In receipt of tax credits
In workless households
Low birth-weight babies
Child health
Underage pregnancies
Low attainment at school: 11-year-olds
Low attainment at school: 16-year-olds
School exclusions

Young adults

Without a basic qualification
School leavers
With a criminal record
Unemployment
Low pay
Suicides

Adults aged 25 to retirement

Low income and work
Low income and disability
Low income and Council Tax
Concentrations of low income
Wanting paid work
Work and disadvantaged groups
Workless households
Low pay by gender
Low pay by industry
Pay inequalities
Disadvantaged at work
Support at work
Premature death
Limiting longstanding illness or disability
Mental health

Older people

In low-income households
Benefit take-up
Excess winter deaths
Limiting longstanding illness or disability
Help from social services
Anxiety

Communities

Without a bank account
Without home contents insurance
Transport
Polarisation by tenure
Without central heating
Homelessness
Mortgage arrears

Source: Palmer, MacInnes, & Kenway (2006)

Indicators of social exclusion, used by Social Policy Research Centre (SPRC), Australia

Dimensions of social exclusion

Disengagement	Service exclusion	Economic exclusion
No regular social contact with other people	No medical treatment if needed	Does not have \$500 saving for use in an emergency
Did not participate in any community activities in the last 12 months	No access to a local doctor or hospital	Had to pawn or sell something, or borrow money in the last 12 months
Does not have a social life	No access to dental treatment if needed	Could not raise \$2,000 in a week
No annual week's holiday away from home	No access to a bulk-billing doctor	Does not have more than \$50,000 worth of assets
Children do not participate in school activities or outings (school-age children only)	No access to mental health services	Has not spent \$100 on a "special treat" for myself in the last 12 months
No hobby or leisure activity for children	No child care for working parents (working-age parents only)	Does not have enough to get by on
Couldn't get to an important event because of lack of transport in the last 12 months	No aged care for frail older people (70+ only)	Currently unemployed or looking for work
Could not go out with friends and pay my way in the last 12 months	No disability support services, when needed	Lives in a jobless household
Unable to attend wedding or funeral in the last 12 months	No access to a bank or building society	
	Couldn't keep up with payments for water, electricity, gas or telephone in the last 12 months	

Source: Saunders et al. (2007, Table 8)

Indicators of social exclusion for children, used by National Centre for Social and Economic Modelling (NATSEM), Australia

Variable	Social exclusion measure developed: Proportion of children aged 0–15
Family type	In sole-parent family
Education in family	No one in the family having completed year 12
Occupation in family	With highest occupation in family being blue collar worker
Housing tenure	In public housing
Labour force status of parents	In family where no parent working
Personal computer usage	Living in dwellings where no one used computer at home in last week
Motor vehicle	In household with no motor vehicle
Income	In household with income in bottom quintile of equivalent gross household income for all households in Australia

Source: Daly, McNamara, Tanton, Harding, & Yap (2007)

Indicators of social exclusion, used by European Union, Europe

Indicator	Definition
At-risk-of-poverty rate	Share of persons aged 0+ with an equivalent disposable income below 60% of the national equivalised median income.
Persistent at-risk-of-poverty rate	Share of persons aged 0+ with an equivalised disposable income below the at-risk-of-poverty threshold in the current year and in at least two of the preceding three years.
Relative median poverty gap	Difference between the median equivalised income of persons aged 0+ below the at-risk-of-poverty threshold and the threshold itself, expressed as a percentage of the at-risk-of-poverty threshold.
Long-term unemployment rate (gender breakdown)	Total long-term unemployed population (≥ 12 months' unemployment; ILO definition) as a proportion of total active population aged 15 years or more.
Population living in jobless households (age and gender breakdown)	Proportion of people living in jobless households, expressed as a share of all people in the same age group.
Early school-leavers not in education or training (gender breakdown)	Share of persons aged 18 to 24 who have only lower secondary education and have not received education or training in the four weeks preceding the survey.
Employment gap of immigrants	Percentage point difference between the employment rate for non-immigrants and that for immigrants.
Material deprivation	To be developed.
Housing	To be developed.
Unmet need for care by income quintile	Use, definition and breakdowns yet to be agreed upon.
Child wellbeing	To be developed.

Source: European Commission (2006)

Indicators of low capabilities, low functionings and low wellbeing, proposed by the Melbourne Institute, Australia

Concept	Definition of indicator
Low capabilities	
Financial/material capabilities	
Asset poor	(a) Insufficient net worth to remain above the > 50% of median post-government income poverty line for 3 months; (b) insufficient financial assets to achieve same
Lack of capacity to borrow	Could not borrow \$2000 in emergency
Human capital/education	
Early school leaver	Did not complete Year 12
No advanced or vocational education	No formal education beyond Year 12 and no vocational training since leaving school
Lacks work experience	Over 50% time not in work (unemployed or not in labour force) since completing f/t education
Poor English skills	Speaks English "not well" or "not at all" (self-rating)
Low literacy and/or numeracy	Rates at Level 4 or Level 5 on ABS/international test (no data in HILDA)
Low computer skills	Not yet determined (no data in HILDA)
Availability and skills to use communications, including Internet	Not yet determined (no data in HILDA)
Health capabilities	
Health disability	Disability or health condition that has lasted or is likely to last for 6 months or more
Low life expectancy	Under 60, under 70—what standards appropriate for Australia?
Excessive BMI	Obese—BMI 30 or over
Lack of access to health services	Not yet determined (no data in HILDA)

Concept	Definition of indicator
Family and social capabilities	
Lives alone and not partnered	Lives alone (one-person household) and is not partnered
Inadequate family and social attachments/network	Based on 10 items, including: <ul style="list-style-type: none"> ■ no-one to confide in ■ no-one to lean on in times of trouble ■ I seem to have lots of friends ■ often feel very lonely
Homeless or low housing quality	Not yet determined (no data in HILDA)
Unsafe neighbourhood	Neighbourhood problems scale (10 items)
Low functionings	
Financial and material functionings	
Pre-government income poor (< 50% of median)	% of individuals with equivalised pre-government income less than 50% of the median
Pre-government income poor (< 60% of median)	% of individuals with equivalised pre-government income less than 60% of the median
Post-government income poor (< 50% of median)	% of individuals with equivalised post-government income less than 50% of the median
Post-government income poor (< 60% of median)	% of individuals with equivalised post-government income less than 60% of the median
Income poor (anchored in 2001; < 50% of median)	% of individuals with equivalised post-government income less than 50% of median, measured in 2001, updated each year for inflation (CPI)
Low consumption	Not yet determined. Construct consumption poverty lines similar to income poverty lines?
Low, medium and longer-term income	Multi-year panel data, using poverty lines above
Welfare reliance	More than 50% of household gross income from the state (pensions and benefits)

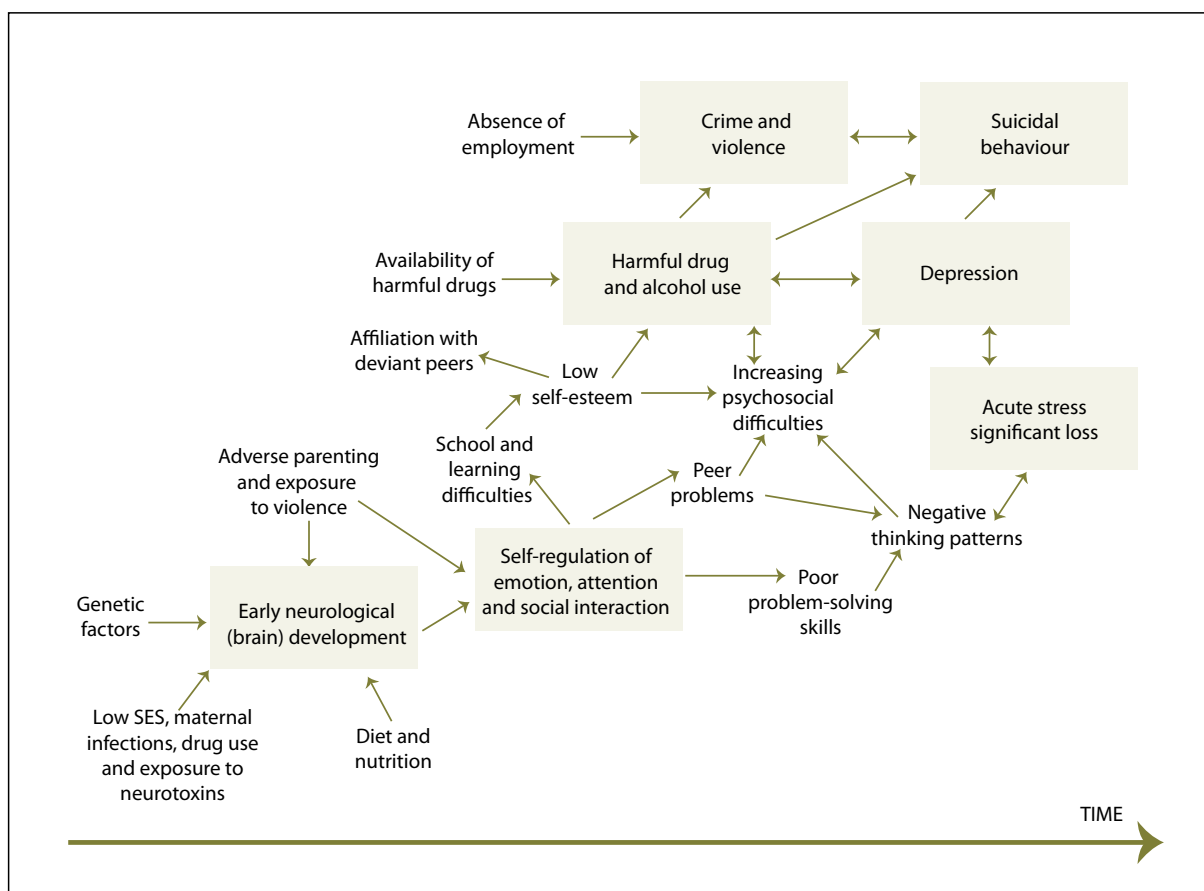
Concept	Definition of indicator
Employment/labour market functionings	
Unemployed: short-term and long-term	ABS definition: unemployed, looking for work and currently available for work
Under-employed	ABS definition: wants more hours at current hourly rate
Discouraged job seeker	ABS definition: available for work but given up trying
Wants work/more work and not undertaking job training	Not determined yet, e.g., actively seeks work and is available, but no job training in last 12 months
Jobless household	Household in which no-one worked for 26 weeks or more of last financial year
Health functionings	
Poor physical functioning	Score under 50 on the 0–100 SF-36 scale for physical functioning
Poor mental health	Score under 50 on the 0–100 SF-36 scale for mental health
Smoker	Currently smokes
Heavy drinker	Not determined yet
Lacks exercise	Exercises less than once a week
Poor diet	Not determined yet
Family and social functionings	
Poor family functioning	Not determined yet
Heavy burden of stressful caring activity	Not determined yet
Lacks social contact	Visits relatives/friends less than once a month
Low participation in community groups	Not determined yet
Victim of crime	Victim of crime in last 12 months

Concept	Definition of indicator
Low wellbeing outcomes	
Financial and material outcomes	
High financial stress	Reported 2 or more problems on a 0–7 scale: <ul style="list-style-type: none"> ■ could not pay utility bills ■ could not pay mortgage or rent on time ■ had pawned or sold something ■ went without meals ■ unable to heat the home ■ asked for financial help from friends or family ■ asked for help from a welfare organisation
Low satisfaction with financial situation	Scores less than 5 on 0–10 scale of satisfaction with “your financial situation”
Employment/labour market outcomes	
High job insecurity	Believes there is a 50% or more chance of being sacked or laid off in next 12 months
High job stress	12-item scale: scores above scale mid-point
Low job satisfaction	Scores under 5 on 0–10 job satisfaction scale
Health outcomes	
Low self-rated health	Rates health as “fair” or “poor” on 1–5 scale
Low health satisfaction	Scores under 5 on 0–10 health satisfaction scale
Family and social outcomes	
High work–family stress	13 items relating to stress about capacity to manage both work and family commitments (1–7 scale)
Low satisfaction with partner	Scores under 5 on 0–10 scale
Low satisfaction with “other relatives”	Scores under 5 on 0–10 scale
Low life satisfaction	Scores under 5 on 0–10 life satisfaction scale

Source: Headey (2006, Appendix Table A1)

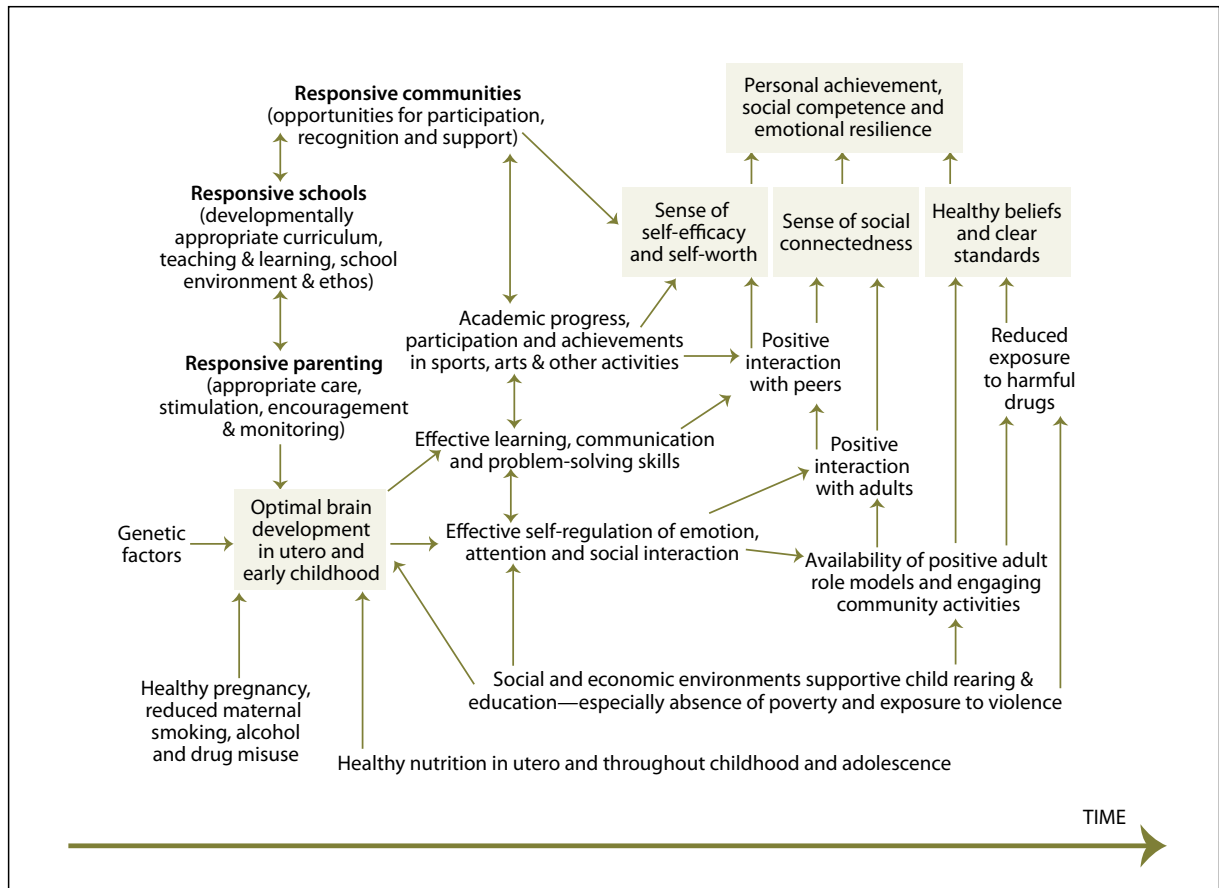
Appendix B—Pathways to risk and resilience

Pathways to risk



Source: Silburn (2003)

Pathways to resilience



Source: Silburn (2003)