

The role of education for inclusion and growth

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Inclusive Growth in Australia roundtable: towards a road map for shared prosperity



20 & 21 October 2011
Metropole conference centre, Fitzroy



Outline

- The big picture
- A more manageable picture
- You say inclusion, I say exclusion (but let's not call the whole thing off)
- The BSL-MIAESR index of social exclusion
- Snapshot of social exclusion in various dimensions
- Exclusion of education and skill domain over time
- Exclusion over time by education level
- Persistence of exclusion
- Concluding remarks

Education, inclusion and growth



Education -> Growth (incomes)

Education, inclusion and growth



Education -> Growth (incomes)

Education -> Inclusion

- Direct
- Indirect (through incomes)

Education, inclusion and growth



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Education -> Inclusion

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Inclusion <-> Growth (?)

Education, inclusion and growth



Education -> Growth (incomes)

Education -> Inclusion

- Direct
- Indirect (through incomes)

Inclusion <-> Growth (?)

Semantics and the BSL-MIAESR Index

- Language matters
- We want to express the positive (inclusion), but measure the negative (exclusion) and this ends up decisive for nomenclature
- Hence, the BSL-MIAESR Index of social exclusion
 - Exclusion is multidimensional
 - Exclusion isn't permanent (but can be)
 - Distinguishes 7 domains
 - Uses HILDA (release 9)

Incidence of each individual component of poverty and social exclusion— All waves 1 to 9 pooled—Population aged 15 years and over (%)

Material resources domain

Health domain

Employment domain

Social domain

Community domain

Education and skills domain

Personal safety domain

Incidence of each individual component of poverty and social exclusion— All waves 1 to 9 pooled—Population aged 15 years and over (%)

Material resources domain

Low income

Low net worth

Low consumption

In financial hardship

Employment domain

Long-term unemployed

Unemployed

Underemployed or unemployed

Marginally attached, underemployed or unemployed

In a jobless household

Education and skills domain

Health domain

Social domain

Community domain

Personal safety domain

Incidence of each individual component of poverty and social exclusion— All waves 1 to 9 pooled—Population aged 15 years and over (%)

Material resources domain

Employment domain

Education and skills domain

Low literacy
Low numeracy
Poor English proficiency
Low formal education
Little work experience

Health domain

Poor general health
Poor physical health
Poor mental health
Long-term health condition
Disabled child in the household

Social domain

Community domain

Personal safety domain

Incidence of each individual component of poverty and social exclusion— All waves 1 to 9 pooled—Population aged 15 years and over (%)

Material resources domain

Health domain

Employment domain

Social domain

Little social support

Infrequent social activity

Community domain

Low neighbourhood quality

Low satisfaction with neighbourhood

Low satisfaction with feeling part of
community

Low civic participation—membership

Low civic participation—voluntary activity

Education and skills domain

Personal safety domain

Victim of violence

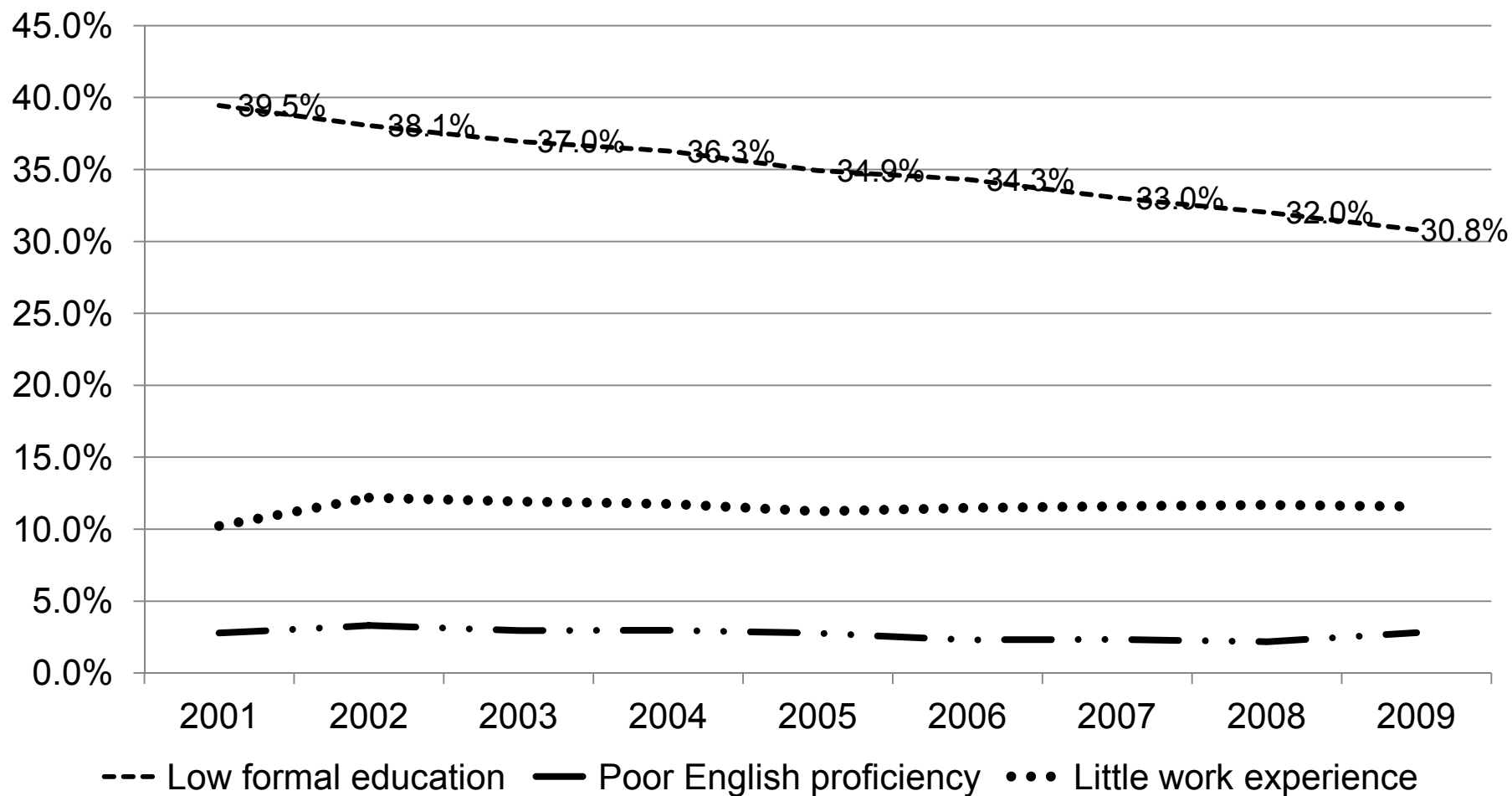
Victim of property crime

Low subjective safety

Incidence of each individual component of poverty and social exclusion— All waves 1 to 9 pooled—Population aged 15 years and over (%)

Material resources domain		Health domain	
Low income	20.6%	Poor general health	18.1%
Low net worth	35.9%	Poor physical health	10.7%
Low consumption	13.9%	Poor mental health	10.0%
In financial hardship	6.1%	Long-term health condition	26.5%
Employment domain		Disabled child in the household	3.4%
Long-term unemployed	0.5%	Social domain	
Unemployed	3.4%	Little social support	1.3%
Underemployed or unemployed	9.6%	Infrequent social activity	10.7%
Marginally attached, underemployed or unemployed	16.1%	Community domain	
In a jobless household	11.5%	Low neighbourhood quality	1.6%
Education and skills domain		Low satisfaction with neighbourhood	4.5%
Low literacy	3.1%	Low satisfaction with feeling part of community	13.7%
Low numeracy	4.7%	Low civic participation—membership	18.2%
Poor English proficiency	2.7%	Low civic participation—voluntary activity	21.7%
Low formal education	35.0%	Personal safety domain	
Little work experience	11.5%	Victim of violence	1.6%
		Victim of property crime	4.8%
		Low subjective safety	3.9%

Incidence of exclusion for Education & Skills domain components— Population aged 15 years and over (%)



Reducing multidimensionality back to a single index

- The 'score' of individual 'i' in dimension 'd':

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Material resources domain

Low income

Low net worth

Low consumption

In financial hardship

Reducing multidimensionality back to a single index

- The 'score' of individual 'i' in dimension 'd':

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Material resources domain = d

Low income

Low net worth

Low consumption

In financial hardship

Reducing multidimensionality back to a single index

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Material resources domain = d

Low income

Low net worth

Low consumption

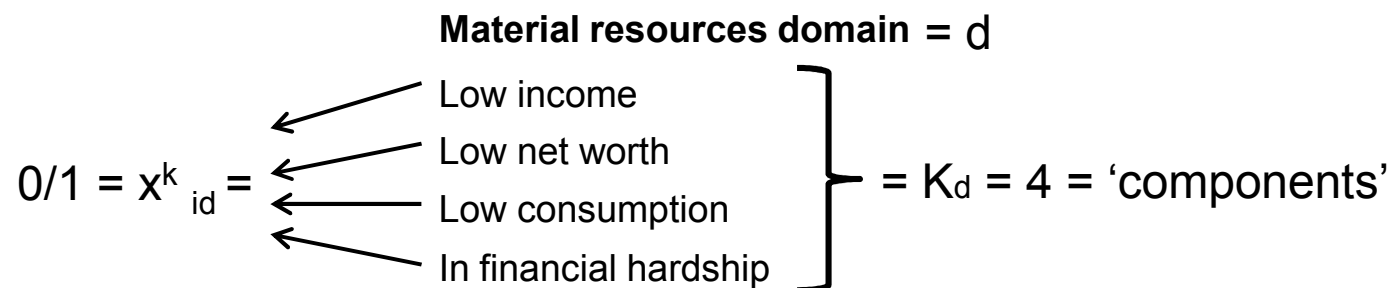
In financial hardship

} = $K_d = 4 =$ 'components'

Reducing multidimensionality back to a single index

- The 'score' of individual 'i' in dimension 'd':

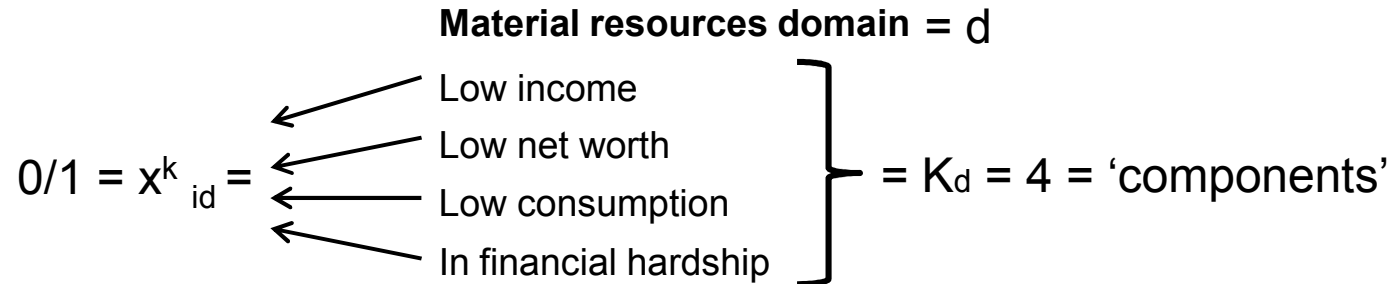
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Reducing multidimensionality back to a single index

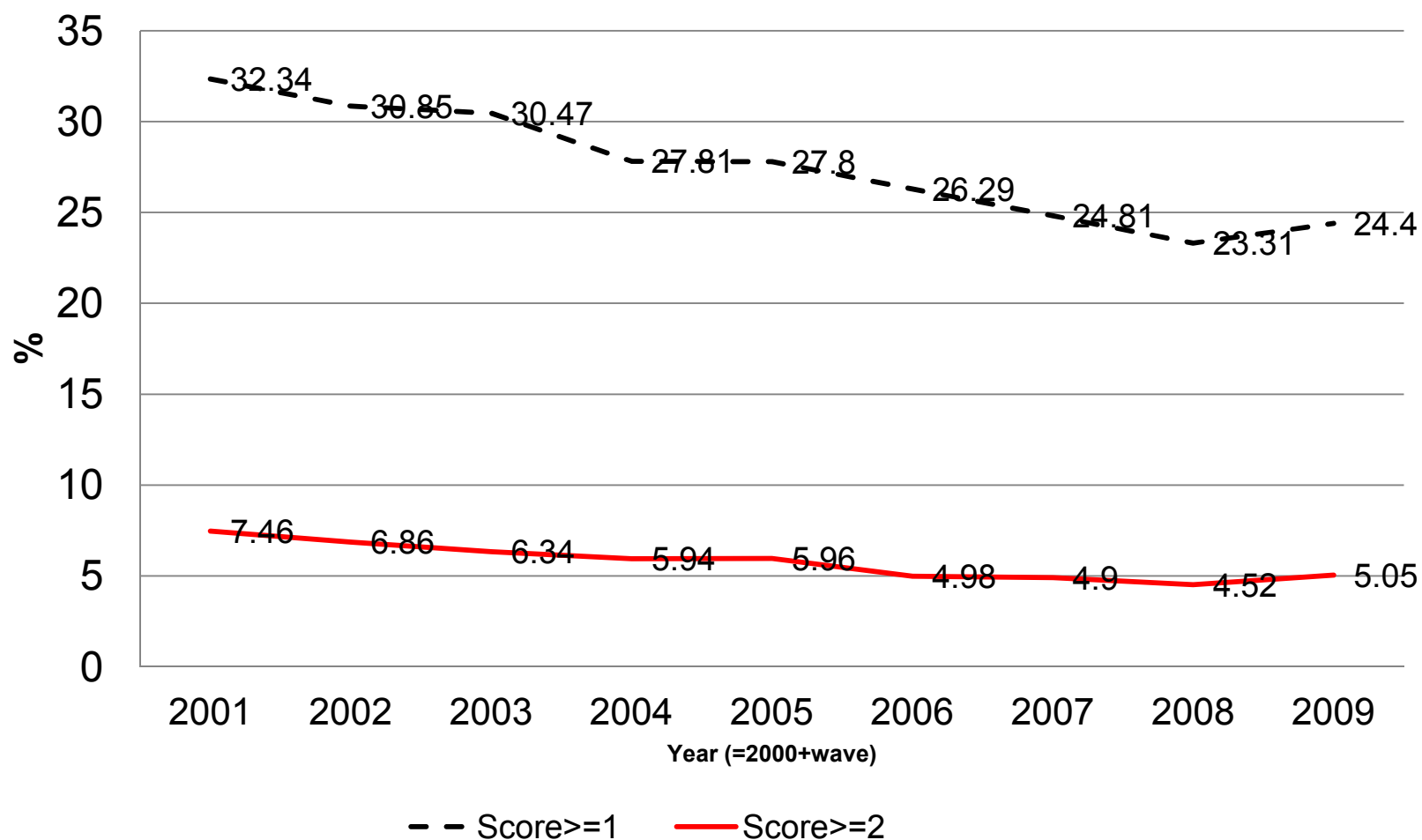
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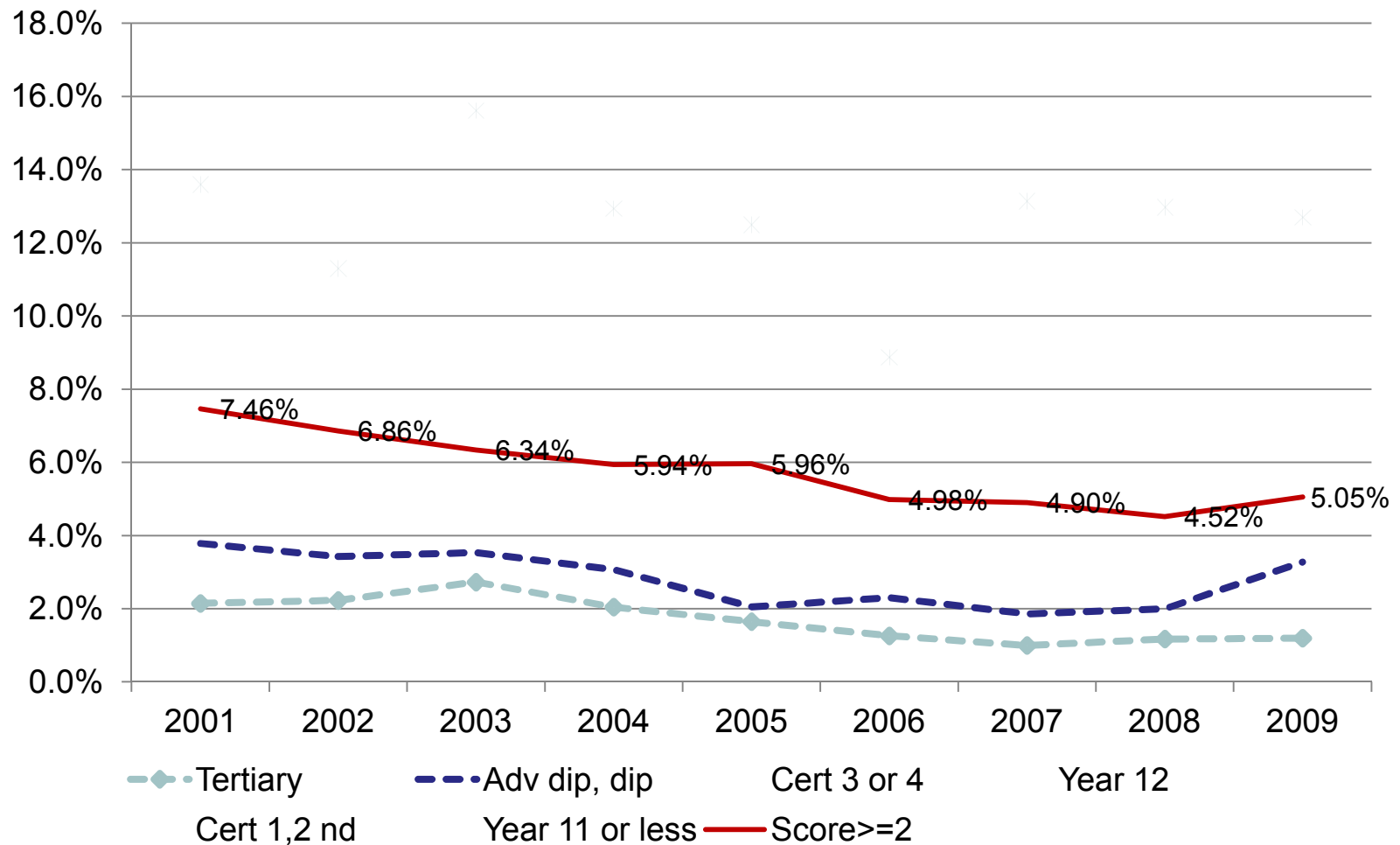


- 'Sum-score' = sum of 'scores' over all 7 dimensions

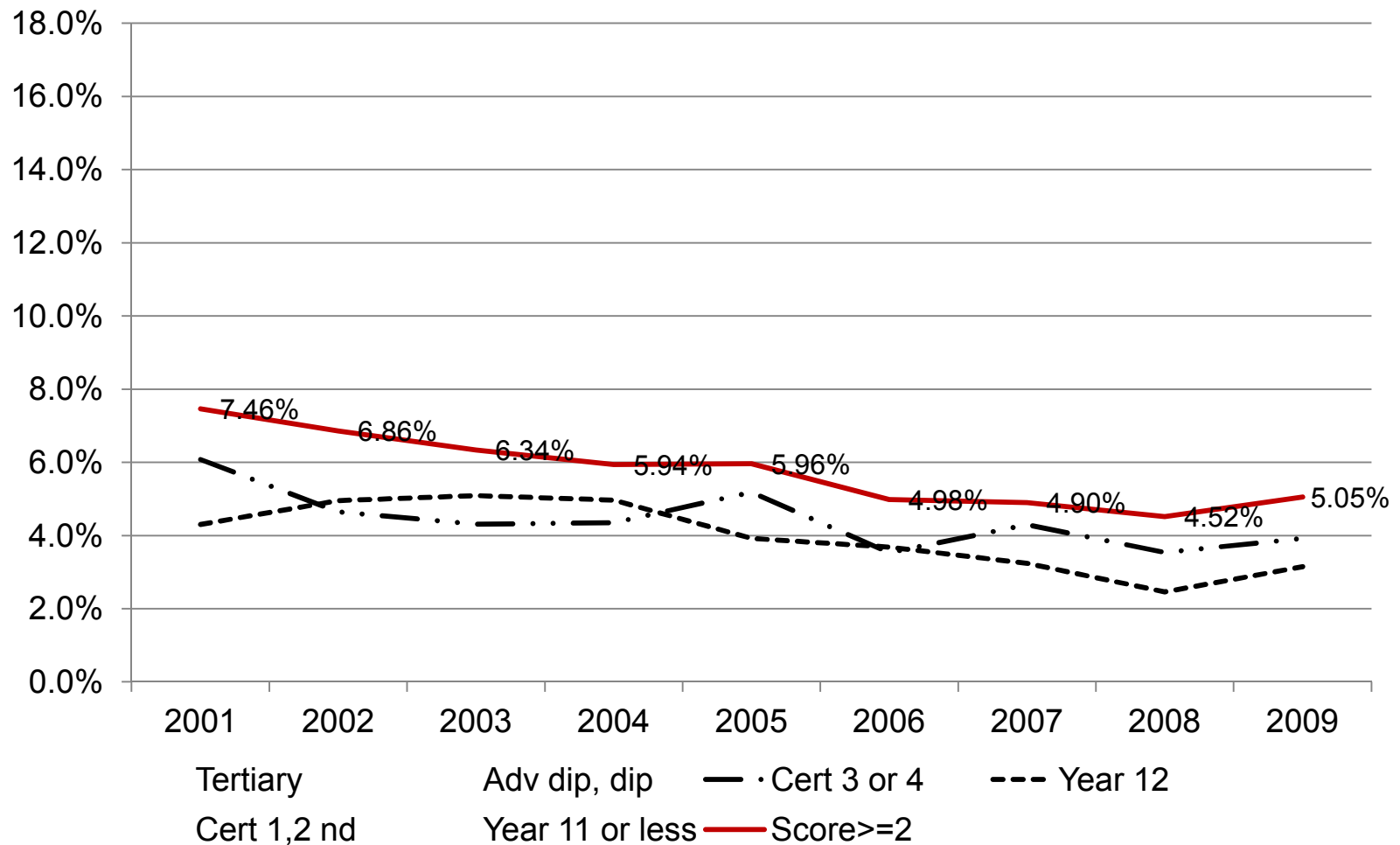
Headcount measure of social exclusion for two thresholds of the sum-score determining exclusion (based on common indicators Waves 1-9)



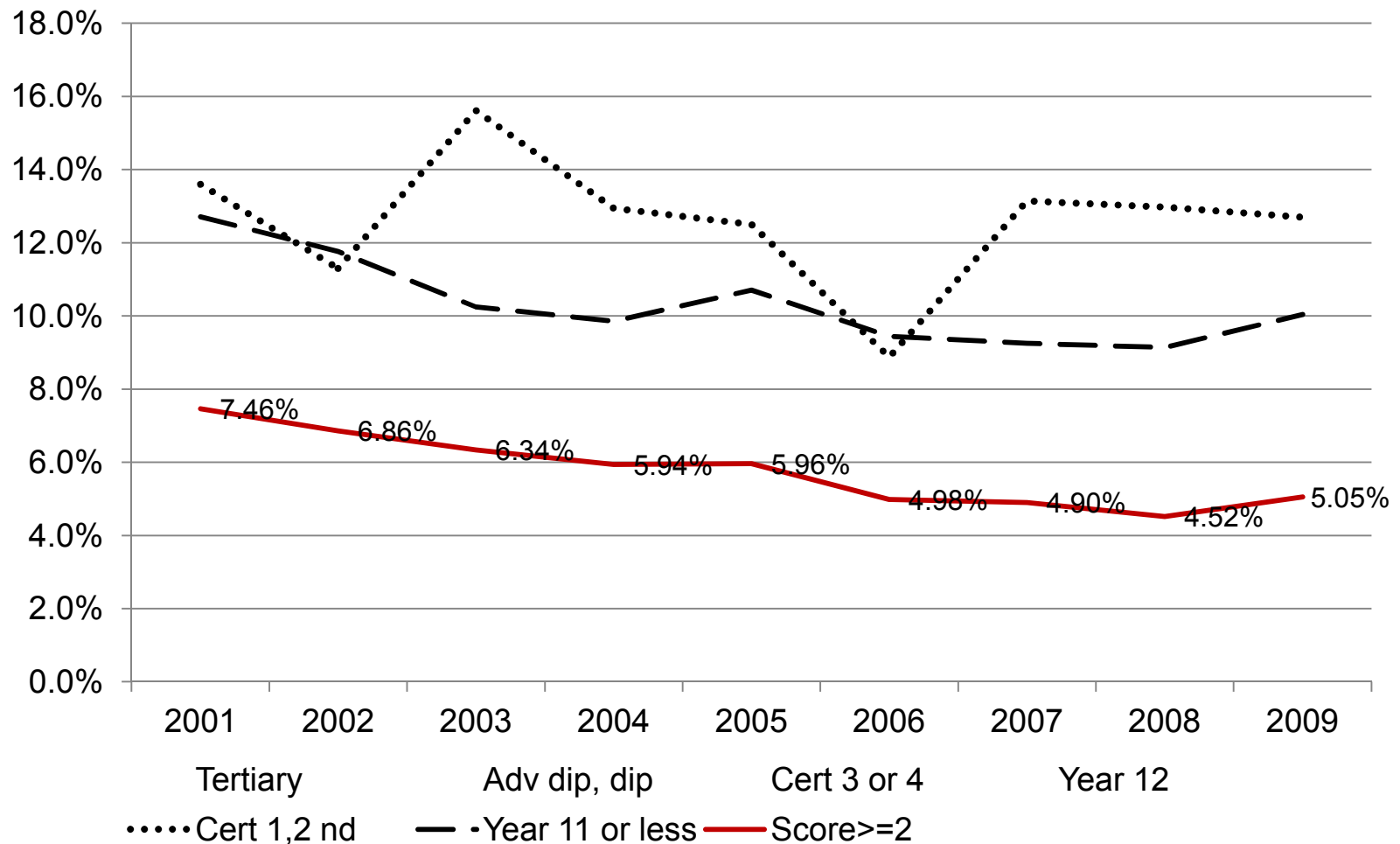
Breakdown of Headcount measure of social exclusion (Score>2; based on common indicators Waves 1-9) by level of highest formal education



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Breakdown of Headcount measure of social exclusion (Score>2; based on common indicators Waves 1-9) by level of highest formal education



Persistence of Social Exclusion (%) for the balanced Wave 9 sample (Score ≥ 1)

Years	Tertiary	Adv dip dip	Cert 3 or 4	Year 12	Cert 1,2, or nd	Year 11 or less	Total
0	64.12	61.25	49.05	47.96	14.59	22.51	44.93
1	17.13	13.38	16.11	17.32	15.45	13.59	15.46
2	6.56	9.07	8.90	10.71	14.36	11.69	9.57
3	4.12	4.19	7.49	8.22	5.74	10.38	7.31
4	3.05	3.30	4.59	4.59	14.67	8.18	5.39
5	1.61	2.41	4.43	3.63	13.19	9.49	5.17
6	1.45	3.05	3.68	2.75	8.07	8.15	4.41
7	1.28	1.52	2.76	2.12	4.35	7.24	3.58
8	0.33	0.84	1.82	1.70	7.61	5.57	2.60
9	0.36	1.00	1.18	1.00	1.96	3.20	1.57

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9	0.36	1.00	1.18	1.00	1.96	3.20	1.57

Persistence of Social Exclusion (%) for the balanced Wave 9 sample (Score ≥ 2)

Years	Tertiary	Adv dip dip	Cert 3 or 4	Year 12	Cert 1,2, or nd	Year 11 or less	Total
0	93.04	89.78	84.33	85.83	58.38	69.87	82.22
1	3.80	5.61	7.63	7.82	15.91	12.85	8.30
2	1.30	2.23	3.18	2.41	8.76	6.87	3.77
3	1.27	0.52	1.57	1.30	7.71	3.09	1.94
4	0.21	0.95	1.24	0.73	5.38	2.86	1.48
5	0.16	0.18	0.88	0.92	0.48	1.92	0.95
6	0.04	0.43	0.55	0.61	2.81	1.05	0.62
7	0.14	0.00	0.43	0.20	0.00	0.72	0.37
8	0.00	0.10	0.17	0.19	0.57	0.62	0.27
9	0.05	0.20	0.00	0.00	0.00	0.16	0.08

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Concluding remarks

- BSL-MIAESR social exclusion index provides a clear link between education and exclusion
- Can be expanded by allowing feedback loops between education and other domains (i.e. indirect effects)
- Would enable 'what-if' scenarios, e.g. superimposing the COAG targets for Certificate III or better
- Could be combined with a model that links inclusion to growth

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Distribution of sum-scores pooled over all HILDA waves 1 through 9

