Social Exclusion: Challenges for Research and Implications for Policy

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Abstract

Social exclusion is influencing how social policy issues are conceived, debated, researched and addressed, particularly in Europe. It has also been given prominence as a focus of the Rudd Government's social policy agenda. This paper reviews the debate over the definition and measurement of social exclusion, focusing on its relationship with poverty, defined in terms of low-income. The analysis is based on the premise that conceptual and measurement issues can play an important role in identifying causation, and thus point to the kinds of actions needed to address the problem. The argument is illustrated by drawing on recent Australian research that shows that exclusion takes many different but often inter-connected forms, and that there is a low degree of overlap between exclusion and poverty. The implications of the findings for research and policy are briefly discussed.

Introduction

Social exclusion has emerged as a major organising theme of social policy. It has influenced how issues are conceived, debated, researched and addressed, particularly in Europe. Its modern usage began in France in the 1970s to capture the idea that certain groups were marginalised and effectively excluded from the French social protection system (Lenoir 1974; Whiteford 2001). It was identified a decade ago as one of the thematic priorities of Britain's Economic and Social Research Council (ESRC 1997) and since then has exerted a powerful influence on the formulation of British social policy under Tony Blair and Gordon Brown. The UK now releases three-year National Action Plans that identify indicators, report trends and compare the UK with other EU countries (Department for Work and Pensions 2006). Ireland has introduced a National Office for Social Inclusion that will monitor the progress of its anti-poverty strategy (Northern Ireland Assembly 2002). The importance of policies that promote social inclusion and social cohesion has also grown in the European Union (EU), where the development of indicators of exclusion has re-invigorated the social indicators movement (Atkinson, Cantillon, Marlier and Nolan 2002). Interest in the concept among European policy makers culminated in

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the 'Lisbon Agenda' agreed to by EU Heads of State in 2000, which places social exclusion at the centre of the European social policy agenda (Atkinson 2007; Gordon 2008).

However, divisions exist over the meaning of the term, its scope, how it can and should be measured and its implications for policy. Unlike poverty research, which has become obsessed with definitional and measurement issues within a narrow income framework, debates over social exclusion have opened up a broader perspective and been characterised by a degree of pragmatism and flexibility, all of which have been welcomed by policy makers (Bradshaw et al 2004). Issues of definition and measurement cannot, of themselves, identify the causes of social (or other) policy problems and are no substitute for actions that address those causes directly. However, the ways in which problems are perceived, debated and identified can help to highlight the underlying causes and thus have profound effects on what kinds of actions are deemed necessary. Measurement is thus the first step on the road to identifying causation. This paper illustrates these propositions by comparing the new social exclusion paradigm with a more traditional one based on poverty, defined as a lack of income relative to need.

The Howard Government banished the use of the 'p-word' and although it paid lip service to the concept of social exclusion, its actions were focused on the narrower idea of participation, particularly economic participation in the form of employment. There was no effective policy response to the McClure Report's stated goal, which was to reform the welfare system in order 'to minimise social and economic exclusion' (Reference Group on Welfare Reform 2000: 4). In contrast, the Rudd Government has placed inclusion at the centre of its social policy agenda and seems prepared to acknowledge that some Australians (e.g. single older people) may be living in poverty (even if the word itself remains unspoken). Addressing the ACOSS Congress in April 2008, Deputy Prime Minister Julia Gillard announced that the new government would be developing 'a new framework for national policy based on the powerful idea of social inclusion' (Gillard 2008: 4). The government has established a Social Inclusion Unit and set up a Social Inclusion Board that will consult widely and provide advice on policies designed to tackle disadvantage and exclusion. Specific initiatives in areas such as homelessness, mental health and Indigenous health will also raise issues of exclusion and inclusion.

The fact that Australia currently lags far behind European thinking on the topic means that we have much to gain by studying their experience, and this needs to proceed at the level of both research and policy. In addressing the issues that underlie this dual challenge, this paper draws on the literature that discusses what exclusion means and how it can be measured. It also presents some of the findings from a recent study of social exclusion and other dimensions of social disadvantage to illustrate some of the challenges that social exclusion poses for how studies of disadvantage are conducted, including what kinds of data are needed (Saunders, Naidoo and Griffiths 2007). Until we have a clear idea of what social exclusion is and how we should go about measuring it, it is unlikely to exert a major impact on either research or policy.

The paper is organised as follows: Section 2 briefly reviews the concept of social exclusion, and discusses its links to poverty and other forms of disadvantage. Section 3 addresses some of the challenges involved in measuring social exclusion using indicators, while Section 4 presents some recent findings, focusing on the diverse nature of exclusion and how it overlaps with poverty, defined in terms of low-income. Section 5 summarises the main implications of the discussion for social exclusion research and policy in the Australian context.

The Concept of Social Exclusion

The emergence of social exclusion reflects deep-seated dissatisfaction with other measures of disadvantage used to inform social policy analysis. This has been most notable in the area of poverty research, where its narrow focus on income, combined with disagreement over its measurement, contributed to its demise as a policy priority. However, it was the limitations of the *concept* of poverty rather than its *measurement* problems that led to the emergence of social exclusion as an alternative paradigm in Europe.

This is apparent from the writings of some of the early proponents of the exclusion approach, including the French sociologist Serge Paugam, who has argued that:

> '[T]he 'poor' do not form a very homogenous social entity; that is to say, there are several strata within this population … *poverty is a multidimensional phenomenon, which today corresponds less to a state, than to a process*. Consequently, any static definition of poverty tends to lump together, within the same overall category, sections of the population whose situation is heterogeneous, and to obscure the basic question as to the process by which the problems of individuals or of households progressively accumulate, from its origins to its effects in the medium to long term.' (Paugum 1995: 49–50, italics added)

The two key words in this description are 'multidimensional' and 'process', both of which challenge an approach that identifies poverty in static terms, as a snapshot characterised by a lack of income. Social exclusion raises issues that poverty is incapable of addressing, not because of the strictures imposed when measuring poverty using a poverty line, but because of its aggregation of 'the poor' into an homogenous group characterised by a single common factor, low-income (relative to need).

As many critics have pointed out, this one-dimensional approach leads to the self-evident proposition that poverty can be 'solved' through income transfers, without the need to address (or even identify) its underlying causes. Hence the focus on measurement. The limitations of this approach were recognised over three decades ago by the Poverty Commission, which prefaced all of its reports with the statement that:

> 'If poverty is seen as a result of structural inequality within society, any serious attempt to eliminate poverty must seek to change those conditions which produce it.' (Commission of Inquiry into Poverty 1975: viii)

The Commission did not take up this issue in detail, nor did it attempt to elucidate what was meant by 'structural inequality within society', or explore its role in causing poverty. Instead, it focused on reforms that did not challenge the existing structures of inequality but redistributed resources within them. The implication, however, was that efforts to reduce poverty would have limited longer-run impact unless these structural inequalities were addressed, and it is ironic that the Commission's own recommendations were swept off the policy agenda by the economic restructuring brought about by the oil shocks and resulting stagflation (Manning 1998).

Social exclusion has provided a way of shifting the focus back onto these broader inequalities and the structures and processes that underpin them. Giddens (1998) has gone so far as to equate inequality with exclusion, emphasising that inequality must be interpreted in a broad sense to include all forms of political and social rights and obligations. This provides the context, but it is also necessary to examine what social exclusion involves at a more detailed level.

In this more specific context, Atkinson (1998) has argued that social exclusion embodies three main ideas: *relativity* — the idea that exclusion can only be judged by comparing the circumstances of individuals, groups or communities with others, in a given place and at a given time; *dynamics* — which emphasises that its effects need to be traced through time to be understood; and *agency* — the idea that people are excluded through choices of their own, or by the acts of others. The emphasis on the relational nature of exclusion is also seen as important by Sen, who argues that the key contribution of social exclusion 'lies in emphasising the role of relational features in the deprivation of capability and thus in the experience of poverty' (2000: 6).

Language has been an important factor behind the emerging importance of social exclusion, particularly among policy makers. The word 'poverty' carries with it the moral imperative for action, and this puts great strain on the methods used to define and measure it. Politicians have been wary of endorsing any single poverty measure, fearing that they will be morally obliged to implement the policies needed to address it — at least in terms of raising income transfers to the poverty line. In contrast, although social exclusion does not have the same moral connotations as poverty, it has proved to be more adaptable to a variety of policy settings. It can also be given a more positive connotation, by referring to social inclusion rather than social exclusion, as most of its more recent converts have done.

One of the leading earlier proponents of the use of the concept of social exclusion, Graham Room, has described the shifting language of disadvantage used in the European anti-poverty programmes spanning 1975 to 1994 in the following terms:

> 'Within this succession of programmes, there has been a varied vocabulary of disadvantage. 'Poverty' was at the heart of … the first and second programmes … The third programme, in contrast, was concerned with the integration of the 'least privileged' — we are all privileged but some are less privileged than others. By the time this programme was

actually launched, 'social exclusion' became fashionable terminology.' (Room 1995: 3)

Use of the word 'fashionable' suggests that these terminological shifts are temporary and social exclusion will eventually be replaced by another term, although recent developments suggest that the concept is sufficiently flexible to allow it to be re-defined to encompass new issues as they emerge onto the policy agenda.

This definitional flexibility — and the conceptual ambiguities that underlie it — has been seen as problematic by some (e.g. Bradshaw 2004), but others have been more pragmatic, agreeing with Ruth Lister's assessment that:

> '[P]rovided it is not used to camouflage poverty and inequality, social exclusion can usefully be understood and used as a lens that illuminates aspects of poverty … it is a way of looking at the concept of poverty rather than an alternative to it.' (Lister 2004: 74)

Although there is sense in this view, there is also the danger that the two concepts can become blurred, particularly if poverty measures (e.g. the proportion of the population with incomes below half the median) are included as indicators of exclusion, as is common in Europe. This has the effect of re-defining poverty as a form of exclusion rather than as an independent phenomenon that can be viewed through an exclusion lens. It also makes the task of examining the similarities and differences between poverty and exclusion (using overlap analysis — see below) virtually meaningless. It is tempting to conclude that poverty (and income inequality) have been included among the list of exclusion indicators in Europe for largely strategic reasons, designed to ensure that they do not slip off the policy radar screen in a policy climate that is seen as hostile to such issues (Gordon 2008). If so, this is a strategy that has proved to be remarkably successful, as the European social exclusion agenda has seen the reduction of poverty and inequality re-emerge as policy priorities. At the same time, however, it can be argued that poverty becomes less of a moral imperative when it is included as one among many indicators.

In the Australian context, Arthurson and Jacobs (2004) have warned against the dangers of using social exclusion to re-label poverty by using more 'acceptable' language. They were sceptical about the potential of social exclusion to contribute to Australian housing policy, arguing that:

> '… although the term social exclusion has political utility, as an academic concept it provides little advantage compared to other widely used concepts, such as poverty, other than to emphasise relational factors that shape material and cultural deprivation. … Social exclusion's potential appears to be at the level of policy implementation. In stressing the interconnected aspects of deprivation [it] can be used to endorse policies that seek to adopt a multi-agency or 'joined-up' government approach, for instance on housing estates.' (Arthurson and Jacobs 2004: 37)

This emphasis on the interconnected nature of exclusion has been noted by Bradshaw et al (2004), who caution against over-reliance on suites of indicators that can conceal the crucial connections that exist between them. With 'joined up government' the flavour of the day in contemporary public policy analysis, the success of a concept like exclusion that emphasises complexity and interconnectedness was virtually guaranteed.

The social exclusion paradigm reflects an underlying shift of focus, away from income onto other factors that contribute to different forms of disadvantage. The emphasis on multi-dimensionality as a key feature of contemporary disadvantage reflects studies showing that those affected often experience a number of mutually reinforcing problems that constrain their choices and block opportunities. It follows that policy must adopt an integrated ('whole of government') approach when conceptualising problems and developing solutions capable of dealing with the complex realities that shape people's lives. In an Australian context, this has implications for the role of the States and Territories in combating exclusion because of their involvement in many of the programs that can facilitate inclusion.

It is no accident that the notion of social exclusion has exerted its greatest influence in Europe but has had less impact in countries like Australia and the United States. The focus on poverty in these latter countries reflects their commitment to an Anglo-Saxon liberal tradition that emphasises individual autonomy within a market economy and sees social policy in largely residual terms (Room 1995). In contrast, the European conservative and democratic traditions highlighted in Esping-Andersen's work on welfare state regimes (Esping-Andersen 1990) is inspired by a very different vision, in which:

> 'Society is seen by intellectual and political elites as a status hierarchy or as a number of collectivities, bound by sets of mutual rights and obligations that are rooted in some broader moral order. Social exclusion is the process of becoming detached from this moral order.' (Room 1995: 6)

This insight provides an important link between the literature on social exclusion and that on welfare state regimes. It illustrates how the values and institutional structures that underpin welfare states influence the ways in which social problems are conceptualised and analysed. It explains why the re-negotiation of rights and responsibilities under welfare to work in Australia and the US has been driven by a narrow focus on employment participation rather than by the broader objective of social inclusion. At the same time, it highlights the impediments to adopting a social exclusion perspective in a country like Australia that has rejected the use of an extensive state welfare apparatus to promote egalitarian citizenship in the broad sense identified by Giddens (1998) and Marshall (1981).

The flexibility attributed to the concept of social exclusion in the above discussion is also reflected in the elasticity of its definition. Concern was initially expressed over the ambiguities of the definition proposed by the UK Social Exclusion Unit (SEU 1997), which identified social exclusion as:

> 'A short-hand term for what can happen when people or areas suffer from a combination of linked problems such as unemployment, poor skills, low incomes, poor housing, high crime environment, bad health and family breakdown'.

As Levitas (2000) has observed, this definition refers to 'what *can* happen' as a result of exclusion but does not specify what actually *does* happen. Against this, it reinforces the uncertainties that underlie the processes of exclusion, highlighting the fact that its consequences are conditional, not inevitable.

Despite these reservations, alternative definitions have evolved as new forms of exclusion have emerged and as new consequences of exclusion have been identified. A group of British researchers associated with analysing exclusion using the *Poverty and Social Exclusion* (PSE) survey (Pantazis, Gordon and Levitas 2006) have recently proposed the following 'working definition' after reviewing the 'wide range of definitions used in the literature':

> '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.' (Levitas et al 2007: 9)

This definition again makes explicit the idea that social exclusion is broader than poverty, embracing issues associated with the denial of rights and lack of participation, focusing on the short-run and longer-term consequences of social exclusion, for individuals and for society. It has many features in common with the concept of social disadvantage used by Vinson, which he defines as 'a range of difficulties that block life opportunities and which prevent people from participating fully in society' (2007: 1).

A more concise (and less prescriptive) definition of social exclusion has been proposed by researchers at the Centre for the Analysis of Social Exclusion (CASE):

> 'An individual is socially excluded if he or she does not participate in key activities in the society in which he or she lives.' (Burchardt, Le Grand and Piachaud 2002b: 30)

Although concise and non-prescriptive, the CASE definition does not give adequate attention to the role of agency in the exclusion process. This shortcoming can be addressed by inserting the phrase 'have the opportunity to' after 'does not' in the first line: it is not the *absence of participation* itself that constitutes exclusion, but the *lack of the opportunity to participate* that undermines people's agency. With this modification, the CASE approach, like that of the ESRC described earlier, focuses on a notion of social exclusion that emphasises a lack of connectedness that is multi-dimensional, and whose elements relate not only to the characteristics of individuals but also to the communities, social and physical environments in which people live. It implies that social exclu-

sion is experienced in degrees rather than in all-or-nothing terms, and for this reason, CASE researchers have argued that the different dimensions of social exclusion should be treated separately rather than 'amalgamated into a single category of the 'social excluded' (Burchardt, Le Grand and Piachaud 1999).

This discussion has highlighted some of the features that can explain the rise to prominence of social exclusion as a new organising concept for social policy. Its over-riding focus on understanding the processes that prevent people from realising their full potential is consistent with 'Third Way' ideas about the changing roles and obligations of the state and its citizens that are a consequence of an expanded and more integrated global trading system. Its flexibility has allowed researchers and policy makers to engage in a productive dialogue that draws together otherwise disparate themes, with the promise of developing practical solutions to policy problems. The policy interest has thus acted as a spur to researchers, and their interest and contributions have enriched the policy dialogue. Above all, the success of the concept has relied upon the willingness of government to acknowledge that social exclusion exists across a broad range of areas, accept responsibility for addressing the issue, and base its actions on the evidence generated by research.

Social Exclusion Forms and Indicators

Given its diverse nature, most studies of exclusion specify a number of different forms of exclusion, and within each, develop a series of indicators. The goal is to capture the many arenas where exclusionary practices operate, although few studies pay much attention to identifying the 'key activities' from which people are excluded. This can result in a lack of consistency in the indicators selected, which are often determined primarily by data availability, making the coverage somewhat arbitrary. In general, those studies that undertake specific surveys of social exclusion are able to generate more relevant data than those that rely on existing data, and this has important implications for future Australian work in the field. With some notable exceptions (e.g. the *General Social Survey* — see Australian Bureau of Statistics 2003), most existing Australian data are generally incapable of providing valuable insights into the nature and extent of social exclusion, and specifically tailored surveys of exclusion (or new modules inserted into existing surveys) are required.

The two frameworks that have been influential in shaping the UK social exclusion research agenda are associated with work undertaken by CASE (Hills, Le Grand and Piachaud 2002), and by researchers associated with the PSE survey (Bradshaw 2004; Pantazis, Gordon and Levitas 2006).

The CASE approach identifies the following four broad dimensions of exclusion:

- *Consumption exclusion* — having an income below one-half of median equivalised income;
- *Production exclusion* — not being either employed, self-employed, in education or training, or looking after a family member (i.e. being jobless

because of unemployment, long-term sickness or disability, or forced early retirement);

- *Political engagement* — not voting or being a member of a campaigning organisation (e.g. a political party, trade union or tenants/residents association); and
- *Social interaction* — lacking someone who will offer support in one of five areas (listen; comfort; help in crisis; relax with; or 'really appreciates you').

The incidence of each indicator is examined at a point in time and movements over time are tracked at the individual (or household) level using longitudinal data from the *British Household Panel Survey* (BHPS).

The second framework used to examine social exclusion in the UK is associated with work conducted on data collected by the PSE and related surveys. It also identifies four main dimensions of social exclusion:

- *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, etc.); 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.

This a more complex listing than that proposed by CASE, reflecting the fact that the data used to analyse social exclusion by the PSE team are derived from the PSE survey, which includes questions specifically designed to elicit the information required to provide a more sophisticated understanding of the topic.

The UK's latest (2006–08) National Action Plan identifies around 70 indicators of exclusion that relate to the general context and three levels within specified areas: primary, secondary and tertiary. The areas addressed by the indicators cover income levels, inequality, regional cohesion (measured by differences in employment rates), life expectancy at birth, poverty risks, unemployment, joblessness, poverty traps, employment gaps of immigrants, material deprivation, housing deprivation, unmet needs for medical care, child well-being, homelessness, education (literacy and numeracy), births to young mothers, smoking rates and fear of crime (Department for Work and Pensions 2006).

Although these studies have provided valuable new insights into social exclusion in Britain, they suffer from a number of limitations. The first is that the focus is on the incidence of different forms of exclusion, with little attempt to

identify the role of underlying processes in producing the observed outcomes. There is also a strong emphasis in both the CASE and PSE approaches on aspects of exclusion that relate to the labour market and economic aspects of exclusion (including poverty). This has resulted in the relative neglect of the social aspects of exclusion and consequently of the links between its different dimensions. As Levitas (2006: 155) has noted, 'without appropriate indicators, the complex relationships between different dimensions of social exclusion cannot be explored'. In general, this will involve using qualitative techniques to supplement quantitative surveys in ways that identify the underlying motivations and behaviour of those involved in all aspects of the exclusion process, not just observing the conditions faced by those at the receiving end.

Another limitation of the existing studies is their failure to adequately address the question of *agency* and its impact on the indicators used to identify and measure exclusion. As the CASE team has noted:

> 'Perhaps the most significant gap between the concept and measurement tools available is the question of agency. Social exclusion is almost invariably framed in terms of the *opportunity* to participate, yet existing indicators measure actual participation or non-participation. We neither know whether the (non) participation is regarded as problematic by the individual, nor whether he or she has other options.' (Burchardt, Le Grand and Piachaud 2002b: 41, italics in original)

This raises the more fundamental point that social exclusion relates to things that people do not (or cannot) do, whereas most of the data used to study exclusion describe what people actually do. There is thus a major methodological challenge associated with drawing inferences about the existence of exclusion from observations reported in social surveys about actions that are presumed to signify inclusion.

Finally, there are problems associated with differentiating between the risk of exclusion and its actual incidence, and in drawing conclusions about the presence of exclusion from observations about the incidence of indicators. People who live alone, for example, may be at risk of becoming excluded and it may thus be appropriate to include the variable 'lives alone' as a *risk factor* when analysing exclusion. However, it is not appropriate to include it as an *indicator* of exclusion unless it can also be demonstrated that those who live alone actually experience some degree of exclusion as a consequence. Similarly, low-income restricts people's ability to participate and is thus an exclusion risk factor, but it is also used (as noted earlier) as an indicator of exclusion, and may in addition be a consequence of other forms of exclusion such as exclusion from the labour market (joblessness). Low-income (poverty) is thus a cause and consequence of exclusion, as well as representing a form of exclusion in its own right.

It is important to differentiate between situations that represent externally imposed exclusion and those that reflect people's choices, or to distinguish between what Sen (2000) refers to as active and passive exclusion. Individuals must not be labelled as 'excluded' because they happen to prefer circumstances (e.g. to live by themselves) that others have decided are indicative of the condi-

tion. However, this raises difficulties associated with distinguishing between the roles of choice and constraint that are further complicated by the fact that today's 'constraints' are often the result of yesterday's 'choices' (Burchardt, Le Grand and Piachaud 2002a). Although it can be argued that the greater the number of identified instances of exclusion, the more likely it is that constraint is playing a role, even this proposition is difficult to establish with certainty. Some groups (e.g. migrants or ethnic minorities) who fit the criteria of being included on the indicators may engage in a broad set of interactions within their own communities but be excluded from the wider society. Finally, there is a need to establish that those who are identified as excluded on the basis of a set of indicators are experiencing adverse effects (as captured by independent measures of subjective well-being, for example) as a way of providing additional evidence that the exclusion is imposed, not chosen.

Social Exclusion in Australia: The Left Out and Missing Out Project

The *Left Out and Missing Out* project was undertaken by researchers at the Social Policy Research Centre in collaboration with Mission Australia, the Brotherhood of St Laurence, Anglicare, Sydney and the Australian Council of Social Service (ACOSS). The project was funded by the Australian Research Council (under ARC Linkage grant LP0560797) and one of its main goals was to provide comprehensive estimates of the extent and nature of deprivation (missing out) and social exclusion (left out) based on community perceptions of essential items and activities. In the first year of the project, a series of focus group discussions with welfare service clients and agency staff provided a better understanding of what low-income Australians miss out on, and their views on what is needed to achieve a decent standard of living (Saunders and Sutherland 2006).

The focus group findings influenced the design and content of the *Community Understanding of Poverty and Social Exclusion* (CUPSE) survey that was sent to 6,000 adults drawn at random from the federal electoral roll in April 2006. A shorter version was completed by around 670 welfare service clients when they accessed services. A total of 2,704 responses to the main community survey were received, representing a response rate of 46.9 per cent. Participants in both the community and client surveys were asked whether or not they thought that each of a list of items was essential, where essential was defined as 'things that no one should have to go without in Australia today'. They were also asked whether or not they had each item and, if not, whether this was because they could not afford it. The responses have been used to develop a series of non-monetary indicators of well-being (Saunders 2008) and to build a profile of deprivation and exclusion (Saunders, Naidoo and Griffiths 2007).

The list of potential essential items included a number of social activities (e.g. regular social contact with other people; a week's holiday away from home each year), access to services (e.g. dental treatment if needed; child care for working parents) and economic resources and capacities (e.g. does not have $500 in emergency savings; ability to speak and read English). These have been

used as indicators of exclusion only where at least 50 per cent of respondents to the community survey agreed that they were essential. The surveys also collected information on participation in a range of community activities (volunteering, sporting, cultural and political events) and a number of indicators of financial stress or hardship, including being unable to attend important events like a wedding or funeral because of a shortage of money, and not being able to raise $2,000 in a week in an emergency. Although people were not asked whether or not these latter items are essential, they were included as exclusion indicators, on the grounds that they are likely to meet most definitions of what constitutes a 'key activity' in Australia today.

The study identified 27 indicators of exclusion, spread across the following three broad areas:

- *Disengagement* — lack of participation in social and community activities;
- *Service exclusion* — lack of adequate access to key services when needed; and
- *Economic exclusion* — restricted access to economic resources and low economic capacity.

Disengagement refers to a lack of participation in the kinds of social activities and events that are customary and widely practiced by members of the community. Service exclusion focuses on exclusion from services used by a majority of the population, whether provided publicly and/or subsidised by government (health care; disability, mental health and aged care services), or predominantly provided privately and subject to extensive user charges (dental treatment; child care; basic household electricity, gas, water and other utilities). Economic exclusion covers situations characterised by a range of indicators of economic adversity, including inadequate access to savings, credit, assets and the labour market. Reflecting the earlier discussion, the poverty rate was not included as an indicator of economic exclusion, in order to maintain a clear demarcation between poverty (not having enough income to meet current needs) and economic exclusion (inadequate access to economic resources and capacities).

The full list of social exclusion indicators is presented in Table 1, which also shows the incidence of each form of exclusion in the community and client samples. The exclusion incidence rates are shown on both a raw (unweighted) basis and after the data have been re-weighted to conform to the age structure of the population (in the case of the community sample) and to conform to the age structure of the community sample (in the case of the client sample). The latter adjustment removes the substantial differences in the age structure of the two samples (which largely reflects the kinds of services that participated in the client survey) making the results more directly comparable. However, it should be noted that re-weighting either sample has relatively little impact on the broad pattern of results.

Since the main focus of this paper is on the concept of social exclusion and the challenges it presents for research and policy, not too much attention is paid to the detailed results shown in Table 1. However, what is most striking about them is the high incidence of a number of forms of exclusion among the general

population (as represented by the community sample) including a lack of accessibility of key services and high rates of non-participation in a number of social and community activities. Incidence rates are generally higher among the client sample, particularly in the area of economic exclusion, which is not surprising given how that sample was recruited. Service exclusion rates are similar across the two samples, and it is notable that the one case where exclusion is higher in the community sample than in the client sample is lack of access to a bulk-billing doctor under Medicare. Overall, the findings suggest that large numbers of Australians face exclusion in many areas of their lives and that a concerted and broad ranging campaign of action would be needed to address all of them.

Table 1: The Incidence of Different Forms of Exclusion (percentages)

Exclusion Indicator	Community sample (u/wtd)	Community sample (wtd) [a]	Client sample (u/wtd)	Client sample (wtd) [b]
Disengagement				
No regular social contact with other people	13.0	12.5	24.2	22.5
Did not participate in community activities	28.1	26.9	32.8	32.2
Does not have a social life	11.3	10.5	n/a	n/a
No week's holiday away from home each year	43.7	43.9	72.6	71.0
Children do not participate in school activities or outings	6.7	7.0	27.0	24.4
No hobby or leisure activity for children	14.2	15.3	37.4	37.6
Couldn't get to an event due to lack of transport	5.0	5.7	25.6	22.0
Could not go out with friends and pay their way	21.4	24.1	52.0	47.4
Unable to attend a wedding or funeral	3.2	3.1	11.7	11.5
Service Exclusion				
No medical treatment if needed	3.0	3.1	11.1	11.5
No access to a local doctor or hospital	4.5	4.4	8.7	8.3
No dental treatment if needed	18.7	19.2	57.0	53.8
No access to a bulk-billing doctor	26.4	25.8	14.3	13.1
No access to mental health services, if needed	24.9	25.0	38.8	39.5
No child care for working parents	52.7	51.3	60.0	60.1
No aged care for frail older people	47.8	46.7	12.5	12.7
No disability support services, when needed	50.2	50.2	60.2	55.0
No access to a bank or building society	7.0	7.0	10.9	9.8
Couldn't make electricity, water, gas or telephone payments	12.5	13.4	41.4	39.0
Economic Exclusion				
Does not have $500 in emergency savings	23.9	26.1	73.6	66.0
Had to pawn or sell something or borrow money	6.5	7.2	30.7	26.8
Could not raise $2,000 in a week	14.2	14.6	53.8	52.1
Does not have $50,000 worth of assets	27.2	27.7	72.4	76.1
Has not spent $100 on a special treat	9.1	8.6	25.3	29.3
Does not have enough to get by on	6.2	6.1	30.3	30.1
Currently unemployed or looking for work	3.9	4.2	38.9	30.7
Lives in a jobless household	20.8	19.9	75.3	76.0
Mean incidence of exclusion	18.7	19.3	37.0	35.5

Notes: (a) weighted by ABS population weights; (b) weighted by the age structure of the community sample; n/a = not available.

The different indicators raise a diverse range of questions about their interpretation, as well as in relation to their policy implications. For example, government is far more likely to be concerned about (and responsible for) joblessness and lack of access to health care services than about people not having a social life or having no or limited access to emergency savings. Although these latter factors can serve as important buffers in times of crisis that prevent people from falling into destitution and dependence on state support, questions arise about the relative weight to be attached to each indicator. For example, many would regard living in a jobless household as more serious than having to go without a special treat or perceiving oneself as not being able to manage on one's current income.

Nevertheless, the results in Table 1 provide an informative basis for debating the extent and nature of exclusion and discussing the policy implications of the findings. They raise issues about the adequacy and accessibility of a range of government services that facilitate people's economic and social participation, including basic medical services as well as child care, transportation and support for important leisure activities — at school or more generally. They also cast doubt on the view that most Australians have active social lives and engage with their communities, and it is clear that many people are on the margins of economic survival with few resources (broadly defined) to call on in an emergency. There also appear to be some important interconnections between the different indicators, with lack of transport preventing people from participating in social events and possibly also restricting their access to services when they are needed, although these linkages require further study.

The findings illustrate one of the main strengths of the social exclusion approach. The broad range of indicators generates a body of evidence that raises important questions about the impact and effectiveness of practices and policies in many areas of government and non-government activity. It is difficult to disagree with the claim that the results in Table 1 provide a platform on which to review social policy performance that is far richer than the findings generated by conventional poverty studies. This raises the question of the degree of overlap between those defined as excluded and those identified as poor on the basis of their income (Bradshaw and Finch 2003), and some evidence on this issue is now discussed.

The study examined the overlap between poverty — defined as having an income below one-half of the median, and social exclusion — defined as experiencing 8 or more of the 27 indicators shown in Table 1. This definition of exclusion was selected in order to produce an exclusion rate (17.9 per cent) that was as close as possible to the estimated poverty rate (17.7 per cent), making it easier to consider (and measure) the degree of overlap. The results indicate that the overlap is low, with less than two-fifths (36.6 per cent) of those in the community sample who are income-poor also excluded. This percentage was considerably higher (65.6 per cent) for the more disadvantaged client sample, but even here more than one-third of those with incomes below the poverty line did not show up as excluded on the measure adopted (See Saunders, et al 2007, Chapter 7 for further details).

These results thus show quite clearly that poverty (defined in terms of low-income) and exclusion (defined using the indicators shown in Table 1) are *different*. Different households are identified as disadvantaged using each of the indicators, and this reinforces the point that exclusion is not the same as poverty, in practice as well as in theory and conceptually. This is an important finding, because it implies that social exclusion has the capacity to shed new light on who is experiencing social disadvantage, as well as generating more information about the form that such disadvantage takes, the factors that contribute to it, and the actions required to combat it. These observations illustrate the point made earlier about measurement being the first step on the road towards identifying causation.

Implications for Research and Policy

Social exclusion has only just begun to feature prominently in the policy debate in Australia, although it is too early to know what its impact will be. There have been relatively few academic studies of exclusion in Australia and we therefore lack the evidence base to guide policy. The British and, increasingly, European experience has demonstrated that government support is absolutely critical to the success of exclusion studies. Governments must see a need for evidence before they will commit the resources needed to collect the data required to document and quantify the different dimensions of social exclusion. Most existing Australian data sets have a limited role to play in contributing to the social exclusion knowledge base because exclusion is concerned with relationships, processes, choices and the absence of the kinds of actions that are rarely captured in existing social statistics. We need new surveys that are specifically designed to identify and measure the different forms of exclusion drawing as exemplars on the British *Poverty and Social Exclusion* (PSE) survey and the new EU *Survey of Income and Living Conditions* (SILC) (Whelan and Maître 2007). This could involve building on existing surveys like the *General Social Survey* (ABS 2003) and the *Household, Income and Labour Dynamics in Australia* (HILDA) survey, but surveys devoted solely to exclusion are also needed.

Such surveys will help to set boundaries around the extent of exclusion and identify its different components, but large quantitative studies need to be accompanied by qualitative surveys that have the capacity to explore the processes, relationships and motivations that produce exclusion. We should not just seek to identify who is excluded, but also who or what is excluding them, and how these processes operate and are legitimised. Only then can we start to think about developing appropriate policy responses. The Brotherhood of St. Laurence is using an exclusion approach to examine the circumstances of refugees (Taylor 2004; Taylor and Stanovic 2005) and this illustrates how small-scale studies can illuminate how exclusionary processes evolve in specific circumstances.

These studies can turn the spotlight onto factors that have not been traditionally linked with research on social disadvantage (e.g. practices that lead to exclusion in a school setting, often introduced by education authorities for other reasons and condoned on other grounds). One of the factors that emerged as a

major barrier for many people who participated in the focus groups described earlier was the demeaning treatment they experienced when dealing with welfare administrators and frontline service providers. This lack of respect at the welfare state's client-provider interface appears to foster attitudes of resentment and mistrust that can contribute to both active and passive exclusion.

More research is also needed into the dynamics of exclusion, focusing on identifying the key pathways into and out of exclusion, and the triggers and barriers that influence such transitions. Some of these questions may be capable of being answered with HILDA and other longitudinal surveys, but others will require qualitative panel data that has the capacity to unearth the underlying motivations and processes. This kind of information has a crucial role to play in identifying how the effects of different forms of multiple exclusion cumulate and reinforce each other.

These examples illustrate the general point that we need a lot more information about the nature of social exclusion before we can decide how best to respond to it. Once we have a better idea of the extent of the problem, small-scale studies can be used to inform better policy *and* better practice. The fact that social exclusion covers such a myriad of events and processes — actions, inactions, decisions, relationships, motivations, choices and attitudes — should be seen as a strength, not a weakness. CASE Director John Hills's reflections on the UK experience are relevant here:

> '… in practice, the emergence of the language of exclusion and inclusion into the UK policy debate since the late 1990s, has, at least, not damaged more traditional concerns. In the most optimistic interpretation, embracing both an anti-poverty and anti-exclusion agenda has led to a much richer policy mix, with a much greater chance of long-run success.' (Hills 2002: 243)

Social policy has been in the doldrums for far too long in an Australia focused on promoting economic prosperity and developing 'practical' solutions to social problems (whatever that means). We have neglected putting serious effort into better understanding issues surrounding social exclusion, although the UK experience suggests that, in the right circumstances, ideas of exclusion and inclusion can enrich the policy debate.

Ideas like 'joined-up government', 'breaking down the policy silos' and even 'evidence-based policy' are an integral part of modern policy making, but they remain a distant goal in most areas of Australian social policy. Social exclusion can move us forward by opening up a constructive, problem-focussed dialogue between researchers and policy makers. It has the potential, in conjunction with research on other aspects of social disadvantage (including poverty studies), to serve as the basis for a new social policy reform agenda.

Notes

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