

MELBOURNE CITYMISSION FOUNDATION PAPER

Social in/exclusion:

Mere words, or a key framework for understanding
and addressing disadvantage?

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Executive Summary

SCOPE

In broad terms, this paper:

- a. summarises the conceptual shifts which have led to the emergence of ‘social inclusion’ and ‘social exclusion’ as key metaphors for understanding disadvantage.
- b. examines how the Federal Government has appropriated and interpreted these terms and used them to shape a social inclusion policy agenda.

PURPOSE

The **purpose of the paper** is to reflect on the opportunities and risks that a social inclusion/exclusion framework represents for community sector organisations such as Melbourne Citymission. The following key questions inform this analysis:

1. Does social in/exclusion provide a useful framework for understanding and addressing social disadvantage?
2. What is needed to reduce or prevent social exclusion and to promote social inclusion?
3. What are the key elements of the Federal Government’s Social Inclusion Agenda, and how might these intersect with the priorities, agendas and values of organisations that work with disadvantaged populations and/or communities?
4. In light of these assessments, what should community organisations prioritize? For example, what are the implications for the *nature*, *scope*, and *method* of our work? In this context, *nature* means the type of work we do (eg. pre-employment programs with adults with a disability); *scope* means how the service or program is conceptualised (eg. a wrap-around service may seek to address both housing affordability and income stability); and *method* refers to different ways of working (eg. case management).

KEY POINTS

The following key points are highlighted in the paper:

1. The **concepts** of ‘social inclusion’ and ‘social exclusion’ have emerged in the past ten to fifteen years as influential metaphors for understanding disadvantage. Unlike ‘income poverty’, they illuminate the multidimensional nature of disadvantage. Starting with Townsend’s work in the late 1970s, ‘deprivation’ expanded understandings of poverty to encompass how inadequate resources affect people’s access to goods, activities and services. The concept of social in/exclusion, on the other hand, shifts the focus onto the processes that give rise to exclusion, and the relational dynamics that sustain it. These include the role of community networks and connectedness, social capacity, individual rights, and the contours of inequality, which promote or prevent inclusion in both social and economic spheres.
2. Both ‘social inclusion’ and ‘social exclusion’ have been defined in various ways and used to justify a wide array of political agendas. Analysis of EU and UK usage of the terms suggests that in both cases there has been a shift over time from an emphasis on redistribution of resources to excluded groups, towards discourses and policies which stigmatise ‘problem groups’ in society, and emphasise workforce participation.
3. The paper briefly presents ideas around ‘capabilities’ and ‘**valued recognition**’. ‘Valued recognition’ is concerned with valuing difference and uniqueness, and draws attention to the ways in which social, economic, and political arrangements can undermine social solidarity by devaluing certain people and groups. Social inclusion agendas have not focused on this set of issues. We recommend further exploration of how this concept relates to organisations’ own values.

4. The paper also considers questions of **scale and focus** for initiatives to address social exclusion. 'Scale' may be area, region, state, or national. 'Focus' refers to who (or what) the initiative is aimed at. There is a dearth of quality evidence, but it is clear that questions of 'what works' should not be reduced to simplistic oppositions such as 'people or place', 'local or national', and 'universal or targeted'. (Universal services include schools, hospitals, childcare centres, community centres, while targeted services include youth refuges, case management services for people with an acquired brain injury, tutoring programs for socially excluded young people, etc.) Different social issues require different types of response, depending on the goal of policy, and it is also necessary to connect approaches across different scales. For example, employment initiatives at the local level need to be connected to the wider labour market.
5. Two recent studies of the **nature and extent of social disadvantage in Australia** are profiled in the paper. The Social Policy Research Centre's *Towards new indicators of disadvantage: deprivation and social exclusion in Australia* explores the extent of poverty, deprivation and social exclusion amongst people accessing support from welfare agencies, and the general population. They conclude that despite economic progress and rising living standards many Australians still experience severe deprivation and exclusion in many dimensions.
6. The **global financial crisis** will have consequences for the extent of social exclusion, and the effectiveness of policy to reduce it. The recent study by the University of Newcastle's Centre for Full Employment and Equity (CofFEE) on the impacts of rising unemployment in different localities, suggests that some currently disadvantaged suburbs will become further dislocated from mainstream economic activities, and that some 'mortgage belt' suburbs will experience rising levels of disadvantage.
7. The **Federal Social Inclusion Agenda** is the Government's response to continuing disadvantage experienced by some Australians despite national economic growth. The six priority areas for action are:
 - addressing the incidence and needs of jobless families with children;
 - delivering effective support to children at greatest risk of long term disadvantage;
 - addressing the incidence of homelessness;
 - focusing on particular locations, neighbourhoods and communities to ensure programs and services are getting to the right places;
 - employment for people living with a disability or mental illness; and
 - closing the gap for indigenous Australians.
8. There are indications that the Federal Government, while stating that it intends to restore advocacy as a key role for the community sector, defines this in fairly limited terms and will expect the sector to deliver according to the outcome measures it establishes.
9. Labor's strategy to address exclusion emphasises **workforce participation**. In the current economic context this would require substantially increased investment in education and training for currently excluded groups. Providers of specialist pre-employment support in the new Jobs Services Australia, such as Melbourne Citymission, will be well placed to research these issues further.
10. An **alternative viewpoint** is provided by Anglicare Australia, which has called for 'a reassertion of the primary role of ethics in public policy'. This would involve the development of more rounded perspectives on workforce participation, to include non-market based activities, and on housing, to reassert its primacy as shelter rather than investment. Anglicare Australia's perspective on the Social Inclusion Agenda accords well with Melbourne Citymission's own experience and values, particularly in respect of people who remain excluded from the workforce.

1. Background: the significance of social in/exclusion

Melbourne Citymission aims to build inclusive communities by facilitating equitable access to opportunities and resources for people who are living with disadvantage.¹ To advance this agenda, the agency has engaged as a leader or partner in programmatic initiatives which promote social inclusion for particular populations of people who experience exclusion. Additionally, Melbourne Citymission has used community development approaches to address social exclusion in under-resourced places or communities. Over the past decade, these complementary ‘people’ and ‘place’-focussed approaches have also been emphasised as critical to policy and service reform to address social exclusion or promote social inclusion in the UK, the EU, and several Australian states, such as South Australia.

More recently, the Federal Labour Government’s Social Inclusion Agenda has promoted these concepts and related approaches for understanding and addressing social in/exclusion in Australia. These concepts and approaches have been underpinned by an ever expanding national and international academic literature which examines the concepts of ‘social inclusion’ and ‘social exclusion’ and assesses the effectiveness of policy.

This paper critically reflects on these concepts and policies, and the key debates surrounding them. For an agency such as Melbourne Citymission which provides services to over 4,000 people each week experiencing some form of disadvantage or exclusion, this analysis is not merely a theoretical exercise. How governments, community sector organisations and communities understand disadvantage is crucial in determining what interventions are developed, how they are prioritised, and whether they will be effective.

For these reasons community organisations need to articulate their own perspective on whether and how the concept of social in/exclusion can strengthen understandings of disadvantage, and to define their points of agreement and

difference with Government around how it has framed ‘social inclusion’ and how it proposes to promote it.

This paper has informed the articulation of Melbourne Citymission’s value-based position on reducing social exclusion.² The paper:

- Identifies how the concept of ‘social in/exclusion’ has emerged as a way of understanding disadvantage;
- Describes the key debates on social in/exclusion;
- Locates the Federal Labor Government’s Social Inclusion Agenda in the context of initiatives in other countries, and the critical literature on this experience;
- Considers questions of scale for particular policies to promote social inclusion and address exclusion, in the light of available evidence;
- Reflects on the opportunities and risks for community organizations in this field; and
- Identifies priority issues and concerns for community organisations.

Within each section, key questions for community organisations to consider are highlighted in the text.

The paper aims to resource discussion and decision making regarding the following issues:

1. Does social in/exclusion provide a useful framework for understanding and addressing social disadvantage?
2. What is needed to reduce or prevent social exclusion and to promote social inclusion?
3. What are the key elements of the Federal Government’s Social Inclusion Agenda, and how might these intersect with the priorities, agendas and values of organisations that work with disadvantaged populations and/or communities?

2. *Melbourne Citymission Position Paper: Social inclusion/exclusion* available at www.melbournecitymission.org.au

1. *Strategic Directions 2006–10*, Melbourne Citymission, 2006

4. In light of these assessments, what should community organisations prioritize? For example, what are the implications for the *nature*, *scope*, and *method* of our work? In this context, *nature* means the type of work we do (eg. pre-employment programs with adults with a disability); *scope* means how the service or program is conceptualised (eg. a wrap-around service may seek to address both housing affordability and income stability); and *method* refers to different ways of working (eg. case management).

Subsequent Melbourne Citymission papers will consider the priority areas named in the Agenda which are of particular relevance to the organisation. For example, a further Foundation Paper will examine policies and programs to address locational disadvantage in the context of the Social Inclusion Agenda.

2. Key concepts and debates

It is evident from the literature that understanding and measuring disadvantage is complex, and that approaches are continually evolving.³ This section traces the emergence of the concept of social in/exclusion as a means of understanding and framing a response to disadvantage. How social in/exclusion builds on and differs from the earlier concepts of poverty and deprivation is also examined. Two questions frame this section:

- How has the concept of social in/exclusion developed, and how does it differ from previous approaches to understanding disadvantage?
- In what ways does this concept add to our understanding of disadvantage? What are the limitations of the approach both conceptually and in practice?

2.1 FROM INCOME POVERTY, TO DEPRIVATION, TO SOCIAL IN/EXCLUSION

Research and policy to understand and address social disadvantage has undergone a series of conceptual shifts during recent decades from a focus on income poverty, to deprivation, and more recently to social in/exclusion. It is crucial to understand the differences and overlaps between

3 This discussion draws on two major recent Australian studies which exemplify different approaches. They are: Peter Saunders, Yuvisthi Naidoo, and Megan Griffiths, *Towards new indicators of disadvantage: deprivation and social exclusion in Australia*, Social Policy Research Centre, November 2007; and Bruce Headey, *A Framework for Assessing Poverty, Disadvantage and Low Capabilities in Australia*, based on the Melbourne Institute 40th Anniversary Project, 2005. The Saunders study trials indicators of disadvantage developed based on the concepts of deprivation and social exclusion and on the experiences and attitudes of members of the general community and community sector clients. Headey's research profiles a framework for assessing disadvantage which is informed by Sen's 'capabilities' and 'functionings' approach. Both studies are presented in more detail in Section 4.

these concepts in order to trace the emergence of 'social in/exclusion' as an influential metaphor for understanding and responding to disadvantage.

The following definitions of these key terms are generally accepted:

Poverty is a situation in which someone's income is so inadequate as to preclude them from having an acceptable standard of living. It exists when people's actual income is below a poverty line.

Deprivation exists when a lack of resources prevents people from accessing the goods and activities (items) that are consensually regarded as essential in a particular society. It is generally defined in terms of an enforced lack of these socially perceived essentials.

Social exclusion exists when people do not participate in key activities in society. Whereas deprivation focuses on what people cannot afford, what matters for exclusion is what people do not do.⁴ Crucially, the concept draws attention to the relational aspects of a process whereby people are excluded by the acts of others.⁵ Researchers are increasingly attentive to the processes which lead to people becoming excluded, and which prevent their escape.

Social inclusion is the other end of the same dimension as social exclusion, and has been variously defined. For example, Julia Gillard recently referred to 'meaningful participation in the mainstream economic and social life of the country'.⁶

Whichever approach is used to understand disadvantage, it must be conceptually robust, capable of being operationalized (converted into something which can be measured), and, ideally, measurable through existing datasets.

4 Saunders et al, *Towards new indicators of disadvantage*, p. viii

5 *Ibid.*, p. 11

6 The Hon Julia Gillard MP, Speech to ACOSS National Conference 10th April 2008, p.4

2.1.1 POVERTY

There are a number of conceptual and practical limitations of relying on *income poverty* to define and measure disadvantage. For many years, poverty research in Australia and in other Western countries has been based on defining relative poverty by setting a poverty line relative to median or mean household disposable income. Limitations of the focus on income poverty include:

- The concept of poverty used in poverty line studies has not been grounded in the conditions faced by those who are on low incomes.⁷
- The setting of poverty lines is essentially arbitrary and has resulted in sterile debates that have failed to reach consensus on what line should be used.⁸
- Low incomes do not necessarily translate into low consumption of goods and services.⁹
- Income is not the only resource available to people—accumulated wealth, access to credit, and support from family and social networks are important resources which can protect people in times of need.¹⁰
- Even if the income approach could identify those with a low material standard of living, it does not tell us why they are poor, and therefore cannot point to possible policy interventions.¹¹
- People at the low end of the income distribution are under-represented in social surveys.

As a result of these issues, researchers and policy makers are increasingly abandoning the relative income approach in favour of multidimensional approaches in which income is only one dimension of concern. The first move towards this is outlined below.

2.1.2 DEPRIVATION

The deprivation approach is an extension of the income poverty approach, but focuses on consumption as well as on resources.¹² In the late 1970s, British researcher Peter Townsend pioneered ‘deprivation indicators’ which act as proxy measures of low consumption or material deprivation. People are considered deprived if they are unable to afford particular

‘items’ (goods, services or activities) that are consensually regarded as essential to ordinary living patterns and activities in a particular society.

The concept of deprivation has been interpreted and explained in a variety of ways. Saunders comments that deprivation may exist because of factors other than a lack of income, including poor working conditions, inadequate neighbourhood facilities, and lack of access to appropriate health services.¹³ Further, it is possible to experience deprivation in one or more dimensions without necessarily being income poor. It is also possible to be poor in terms of income without necessarily being deprived, partly because of the delay which may occur between loss of income and the experience of deprivation, for example when people are protected by savings or help from family. Thus although deprivation and poverty are closely related, they are not synonymous concepts.

Saunders argues that the deprivation approach can be used to help set an income poverty line, if assumptions are made about what constitutes deprivation, adding that ‘it is conceptually valid and practically feasible to draw a dividing line between where deprivation constitutes poverty and where it does not’.¹⁴ In other words, he believes it is possible to be deprived without being in poverty.

In contrast, Headey uses the narrower term ‘material deprivation’ and argues that a household should only be classified as deprived if it has both a low income and symptoms of financial stress. The use of both relative income poverty and deprivation indicators is described by Headey as a combined approach, and has been adopted by the Irish Government. When Headey applied this approach to his analysis of HILDA panel survey and other data, he found that for Australia it ‘yields plausible results and also indicates a decline in poverty and deprivation in recent years.’¹⁵

Saunders’ and Headey’s different uses of the term ‘deprivation’, suggests that how the concept is defined will affect the conclusions reached about its prevalence.

2.1.3 SOCIAL EXCLUSION

HOW SOCIAL EXCLUSION DIFFERS FROM POVERTY AND DEPRIVATION

Social exclusion is a broader concept than either income poverty or the more sophisticated concept of deprivation. According to Saunders, while deprivation has been used to better define poverty, social exclusion ‘has been seen as offering an alternative,

7 *Ibid.*, p.7

8 Bruce Headey, *A Framework for Assessing Poverty, Disadvantage and Low Capabilities in Australia*, p.7

9 *Ibid.*, p.6

10 Saunders et al, *Towards new indicators of disadvantage*, p.7

11 Bruce Headey, *A Framework for Assessing Poverty, Disadvantage and Low Capabilities in Australia*, p.7

12 *Ibid.*, p.14

13 Saunders et al, *Towards new indicators of disadvantage*, p.10

14 *Ibid.*, pp.10–11

15 Bruce Headey, *A Framework for Assessing Poverty, Disadvantage and Low Capabilities in Australia*, p.15

broader approach that opens up issues associated with the role of institutional structures and processes'.¹⁶

Reflecting on the overlaps between the concepts, Saunders argues that it is possible to be socially excluded without being in poverty.¹⁷ He also notes that although deprivation approaches are concerned with the ability to take part in 'ordinary living patterns and activities' as well as with the ability to obtain material items, social exclusion is not simply a sub-set of deprivation.¹⁸ Indeed, the literature on social exclusion has paid less attention to the role of inadequate resources in affecting the affordability of goods, activities and services (deprivation), than to the processes that give rise to exclusion, the relational dynamics that sustain it, and the consequences for people's ability to exert control over their lives.

Saunders comments that social exclusion 'shifts the focus away from the role of income in constraining people's ability to purchase essential items, onto the role of community networks and connectedness, social capacity, individual rights and the contours of inequality in promoting or preventing inclusion in different spheres of social and economic activity'.¹⁹

Social exclusion embraces issues of denial of rights to particular groups and can itself cause poverty and deprivation, for example through the exclusion of particular groups from the labour market.²⁰

SOCIAL INCLUSION OR SOCIAL EXCLUSION?

Discussion of social exclusion invariably leads to discussion of social inclusion, because they are viewed as two ends of a single dimension which can only be understood and defined in relation to each other.²¹

The difference between creating inclusion and preventing exclusion is significant, however, in that implicit in each are assumptions about who is required to adjust. Is the goal of policy to address failures in existing social and economic structures that fail to create inclusive conditions for all citizens? Or is the task of policy to integrate marginalized people into fundamentally just and sound structures?²²

It is interesting to note that whereas the UK government and the EU have preferred the term 'social exclusion', the Australian government has used the term 'social inclusion'. What this means for the content of policy remains to be seen. 'Social inclusion' suggests that broader issues of relationship and connection may be given more prominence in discourse and policy (see below). However the early indications are that the Australian Social Inclusion Agenda borrows heavily from the UK model despite the different terms used.

The following discussion focuses mainly on social exclusion, but we recognise the relationships between the two concepts.

DEFINITIONS OF SOCIAL INCLUSION

The Laidlaw Foundation in Canada has produced some interesting work on the theme of social inclusion and how it can be promoted. Their definition of social inclusion states that it is 'about making sure that all children and adults are able to participate as valued, respected and contributing members of society. It is, therefore, a normative (value based) concept—a way of raising the bar and understanding where we want to be and how to get there.'²³ In their view, social inclusion is not just a response to social exclusion, but has value in itself as both a process and a goal.

This definition of social inclusion implies a proactive approach to social wellbeing that invests in the conditions for inclusion, as well as removing barriers or risks. A central dimension of social inclusion is valued recognition (conferring recognition and respect on individuals and groups). This concept is discussed further in section 2.3 below.

DEFINITIONS OF SOCIAL EXCLUSION

Multiple definitions of social exclusion—and of social inclusion—exist, many informed by experience in the UK and the EU. A recent Australian Institute of Family Studies report for the Federal Labor Government acknowledges that the scope and parameters of both concepts are contested. It also provides some insight into the particular way the Government has interpreted these concepts.²⁴

16 Saunders et al, *Towards new indicators of disadvantage*, p. 9

17 *Ibid.*, p. 11

18 *Ibid.*, p. 9

19 *Ibid.*, p. 65

20 *Ibid.*, p. 12

21 Alan Hayes, Matthew Gray and Ben Edwards, *Social Inclusion*, AIFS paper for the Social Inclusion Unit, Department of the Prime Minister and Cabinet, October 2008, p.4

22 Marvyn Novick, *Prospects for Children: Life Chances & Civic Society*. Discussion paper for the Children at Risk Symposium, Laidlaw Foundation, Toronto, cited in Andrew Mitchell and Richard

Shillington, *Poverty, Inequality and Social Inclusion*, Working Paper Series: Perspectives on Social Inclusion, for the Laidlaw Foundation, December 2002, p. 13

23 Michael Bach, *Social Inclusion as Solidarity: Rethinking the Child Rights Agenda*, Working Paper Series: Perspectives on Social Inclusion, for the Laidlaw Foundation, June 2002, p. viii

24 Hayes, Gray and Edwards, *Social Inclusion*, AIFS paper for the Social Inclusion Unit, October 2008

Most definitions of social exclusion have the following common aspects:

- Social exclusion involves restriction of access to opportunities, and limited capabilities to capitalize on these opportunities;
- Social exclusion has both social and economic dimensions;
- Social exclusion is multi-dimensional, and caused by inter-related factors; and
- Social exclusion is a process rather than an outcome at a particular point in time.²⁵

The *Centre for the Analysis of Social Exclusion* (CASE) identifies four dimensions of exclusion: consumption exclusion, production exclusion, exclusion from political engagement, and exclusion from social interaction. This framework has been influential in shaping the UK social exclusion research agenda, but one of its limitations is that it fails to illuminate whether exclusion is due to choice or to lack of opportunity. This reflects the dataset used (the British Household Panel Survey), which does not show the reasons for non-participation across the four dimensions. However as Saunders points out, it is also difficult to disentangle questions of choice and opportunity, since ‘current choices are shaped by past influences which may themselves result from previous acts of exclusion’.²⁶

A second framework used to explore social exclusion in the UK was developed by researchers on the *Poverty and Social Exclusion Survey* (PSE). This approach also identifies four main dimensions of social exclusion: impoverishment, labour market exclusion, service exclusion, and exclusion from social relations. The listing is more complex than that proposed by CASE, but again there are difficulties distinguishing between the roles of choice and constraint in determining observed outcomes. In addition, assumptions have to be made in relation to each dimension about what constitutes exclusion. For example, service exclusion is defined as missing out on three or more services, whilst lack of social participation is defined as not being involved in five or more social activities.

²⁵ *Ibid.*, pp.7–9

²⁶ Saunders et al, *Towards new indicators of disadvantage*, p.66

THE SCOPE OF SOCIAL EXCLUSION: WHO OR WHAT IS EXCLUDED?

Among the definitions of social exclusion, the UK Social Exclusion Unit’s definition has been highly influential:

A shorthand 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.

Notably, this definition highlights the idea that social exclusion can be a condition or characteristic of communities or areas as well as of individuals. Many social exclusion definitions and related policies and programs do not allow for this possibility, describing it as either a condition of individuals or of places. As several commentators have noted, however, the UK Social Exclusion Unit definition fails to describe what actually does ‘happen’.²⁷ While it encompasses some of the dimensions or parameters of social exclusion (unemployment, poor housing, etc.), the definition fails to describe the processes that lead to exclusion. This is problematic because it provides no coherent basis for preventing or reducing social exclusion.

Saunders observes that this lack of clarity ‘can create problems when identifying and analyzing social exclusion, although as long as there is awareness of these dangers, they do not present an insuperable problem’.²⁸ Others are less sanguine. Authors from the Centre for Independent Studies represent the most cynical with their description of social exclusion as ‘a chaotic concept that is now almost devoid of any agreed meaning’.²⁹

Some definitions attempt to clarify the scope and degree of social exclusion by identifying types or categories of social exclusion. For example, the Rt. Hon. David Miliband, then UK Minister of Communities and Local Government, has described the following forms of social exclusion:

- **Wide exclusion** refers to a large number of people excluded on a single or small number of indicators. An example would be working families in low paid or insecure work. An example of policy to reduce this would be making changes to the income support system to reduce financial disincentives to paid employment or to reduce child poverty.

²⁷ *Ibid.*, p.12

²⁸ *Ibid.*, p.12

²⁹ Peter Saunders and K. Tsumori, *Poverty in Australia. Beyond the Rhetoric*, Policy Monograph No. 57, Centre for Independent Studies, Sydney, pp.60–61

- **Deep exclusion** refers to being excluded on multiple or overlapping dimensions. Deep exclusion is more entrenched and deep-seated than wide exclusion. An example of a group experiencing deep exclusion is long-term homeless young people. An example of policy to address this would be policy to help 'rough sleepers'.
- **Concentrated exclusion** refers to a geographic concentration of problems and to area exclusion. An example of policy to reduce concentrated exclusion is place-based intervention targeted at the most disadvantaged communities.

If we delve more deeply into the concept of 'social inclusion' by examining international experience, it is apparent that the term has been used to justify quite different political-philosophical positions, and has resulted in quite different policies and programs. The very fluidity of the concept may explain its wide appeal across the political spectrum. As Levitas points out, the concept of 'social inclusion' is a metaphor. The question is not 'what does it mean', but 'how is this metaphor used, by whom, and for what purpose?'.³⁰ The implications of this insight are discussed further below.

2.2 DISCOURSES OF SOCIAL EXCLUSION: THE DOMINANCE OF THE SOCIAL INTEGRATION APPROACH IN UK AND EU POLICY FRAMEWORKS

Levitas identifies three different discourses of social exclusion in her analysis of European Union documents in the mid 1990s and public debate in the UK, and demonstrates that it is not always understood in terms of a redistributive agenda. The discourses are the redistributive discourse, the moral underclass discourse, and the social integration discourse:

- **Redistributive discourse**—social exclusion is seen as a consequence of poverty, although it is understood to mean something more complex, relational, multi-dimensional, and dynamic than is colloquially understood by poverty. The right to full social, economic and political participation is achieved through redistribution to ensure that all can exercise their rights as citizens.
- **Moral underclass discourse**—social exclusion is viewed as a moral failing, and the concern is with the moral hazard of 'dependency'. This discourse tends to focus on the consequences of social exclusion for social order, and to target particular groups such as lone parents, and unemployed young men. The goal of policy is to reinforce traditional norms by dealing with problem groups.

- **Social integration or cohesion discourse**—the opposite of social exclusion is seen as social integration, with paid work represented as the primary or only legitimate means of integrating individuals of working age into society.

To simplify, Levitas labels these discourses RED, MUD, and SID respectively, and says that they differ in what the poor or excluded are seen to lack: 'in RED, they have no money; in MUD they have no morals; and in SID they have no (paid) work'.³¹ Clearly, these discourses are embedded in very different paradigms and political ideologies.³²

Levitas detects a decisive shift away from the redistributive discourse towards the social integration discourse by the late 1990s in both the UK and the EU. She argues that in the UK most New Labour rhetoric and policy has been based on the social integration understanding of social exclusion, in which the key element is labour force attachment. As discussed in Section 5, the Australian Federal government has adopted this approach to social exclusion.

Levitas also describes New Labour's approach as ideological (legitimizing rather than challenging the status quo), in that social inclusion is seen as the opposite of exclusion, and exclusion is seen as resulting from moral failure or lack of paid work. Structural inequalities are not addressed; it is assumed that the excluded must change. Other inequalities such as those between the super-rich and others are regarded as irrelevant and are legitimized.³³

Another implication of such discourse is that it reduces community difference by constructing society as a binary of two seemingly homogenous groups – an included majority and excluded minority. The excluded individual needs to cross a dividing line to become an insider, usually through getting a job.³⁴ Some alternative, more positive, constructions of social inclusion are discussed below.

31 *Ibid.*, pp.2–3

32 Andrew Mitchell and Richard Shillington, *Poverty, Inequality and Social Inclusion*, Working Paper Series: Perspectives on Social Inclusion, for the Laidlaw Foundation, December 2002, p.13

33 *Ibid.*, pp.3–4

34 Dr Zoe Morrison, *Place, social inclusion and 'cultural justice': Reflections on the British experience—a place-based social exclusion policy case study*, Brotherhood of St Laurence and the Department of Planning and Community Development Social Inclusion and Place Based Disadvantage Workshop Proceedings, 13th June 2008, p.7

30 Ruth Levitas, *The Idea of Social Inclusion*, Paper to 2003 Social Inclusion Research Conference, p.1

2.3 TOWARDS A MORE POSITIVE CONSTRUCTION OF SOCIAL INCLUSION

HOW RADICAL IS SOCIAL INCLUSION?

Some 'social inclusion' policies have been criticised for simply rebranding existing programs, leaving the social divisions of gender, ethnicity and class unchallenged. A strong or utopian program for social inclusion, on the other hand, starts from the question of what kind of society would we like to build. Policies and programs are then assessed in terms of how they contribute to this end, and the yardstick of an imagined good society is explicit and open to debate.³⁵

Understood in this way, Levitas argues, social inclusion could be a transformative idea that opens up the debate on global futures. She concludes that social policy as traditionally conceived is too limited a vehicle for delivering social inclusion, as it is generally piecemeal, ameliorative, and constrained by evidence generated within a particular social environment and by solutions that 'work' within these same constraints. In contrast, if social inclusion becomes the catalyst for envisaging a good society, all government policy, and policy beyond the nation state, has a bearing on its delivery.³⁶

Levitas argues that whilst the EU and the Blair government have constructed social inclusion primarily in terms of 'the role of paid work as a vehicle for social integration and the primary means of distributing the social product', it is possible to construct social inclusion in more positive terms. She refers here to a range of issues including addressing discrimination; questions of rights and recognition; inclusion in decision-making processes; and issues of social participation, such as participation in common social activities with family or friends. Together, this broader agenda constitutes what Levitas terms a 'more comprehensive approach to the 'social' in social inclusion'.³⁷

THE CAPABILITIES APPROACH: SEN AND NUSSBAUM

Amartya Sen's insights on capabilities, which have been expanded by Martha Nussbaum, make a potentially fruitful contribution to such discussions of social participation. For the purposes of this paper, only a brief overview of a complex and expanding debate is provided.

Sen's capabilities approach concentrates on the tools and capacities available to people that allow them to shape their own lives.³⁸ More significant than income (although influenced

by it) are individuals' capabilities to meet social conventions, participate in social activities, and retain self-respect.

Sen describes inter-related achieved functionings such as being adequately nourished and being in good health, which constitute a person's wellbeing. Capabilities, on the other hand, may or may not be acted upon, and constitute real freedom or real opportunities to have wellbeing. In this analysis, poverty exists when there is 'a failure of basic capabilities to reach certain minimally accepted levels'. Freedom—freedom to choose a valued way of living—is central to Sen's approach. Also central is the idea that relative deprivation in terms of income can become absolute deprivation in terms of capabilities.

As many commentators have observed, Sen's understanding of relative deprivation in terms of capabilities is closely related to the concept of social exclusion.³⁹ For example, Headey states that, when measured, low capabilities and low functionings constitute barriers to participation in the social exclusion approach. Headey's application of Sen's ideas to Australian poverty research is described in 4.2 below.

Sen believes that there cannot be a 'canonical' list of capabilities, preferring to leave the selection and weighting of capabilities to the particular people and groups involved, depending on the purpose of the evaluative exercise. He emphasises the constructive role of democracy and the importance of public participation and discussion in debating the role, reach and significance of particular capabilities.

Nussbaum, on the other hand, has proposed the following ten 'central human capabilities': life; bodily health; bodily integrity; senses, imagination and thought; emotions; practical reason; affiliation; other species (being able to live with concern for and in relation to animals, plants, and the world of nature); play; and political and material control over one's environment.⁴⁰ Nussbaum argues that this list 'isolates those human capabilities that can be convincingly argued to be of central importance in any human life, whatever else the person pursues or chooses.' Accordingly, the list can be viewed as providing basic political principles that should be embodied in constitutional guarantees, human rights legislation, and public policy.

Critically, Nussbaum argues that the institutional framework of any society must reflect the universal experiences of dependency and interdependency.⁴¹ Public policy has

35 Ruth Levitas, *The Idea of Social Inclusion*, pp. 4–5

36 *Ibid.*, p. 5

37 *Ibid.*, p. 4

38 Mitchell and Shillington, *Poverty, Inequality and Social Inclusion*, Laidlaw Foundation, December 2002, pp. 3–5

39 *Ibid.*, p. 5

40 David A. Clark, *The Capability Approach: Its Development, Critiques and Recent Advances*, Global Poverty Research Group, pp. 5–7

41 Background Paper for the Values and Public Policy: Fairness, Diversity and Social Change Conference held by the Centre for Public Policy, University of Melbourne, 26th–27th February 2009, pp. 2–3

traditionally compartmentalised dependency into an issue that can be dealt with peripherally to other issues of justice and relationships. Her analysis supports a re-conceptualisation of caring as a public good, since ‘any real society is a care giving and care-receiving society and must therefore discover ways of coping with these facts of human neediness and dependency that are compatible with the self-respect of the recipients and do not exploit the caregivers’.⁴²

IMPLICATIONS FOR POLICY

The implications of Sen’s and Nussbaum’s ideas for policy are neatly summarized by Mitchell, who argues that we need policies to promote people’s capacities to act as citizens with equal freedom to conduct a life they have reason to value.⁴³ This implies a focus on capabilities and achieved outcomes rather than foundation conditions such as income. As a result, welfare to work policies which promote a narrow form of inclusion to the detriment of other aspects of life such as family life, should be viewed with considerable scepticism.

‘VALUED RECOGNITION’ AND ‘SOLIDARITY’

The concept of ‘valued recognition’, achieved through ‘acts of solidarity’, provides a deeper way of thinking about social inclusion. Again, only a brief discussion is included here, but we recommend further consideration of the synergies between this concept and Melbourne Citymission’s strategic directions and values.

A key theorist in this field is Honneth, who argues that human dignity depends upon intersubjective, mutual recognition at interpersonal, institutional and societal levels.⁴⁴ Recognition involves different patterns of mutual recognition at each level: love at the level of intimate relations; rights at the level of institutional arrangements; and ‘solidarity’ at the level of cultural and social forces. Solidarity involves valuing people’s difference and uniqueness.

Applying these ideas to an analysis of the child rights agenda in Canada, Michael Bach argues that social inclusion should be understood in terms of the reorganization of societal institutions to provide valued recognition to diverse groups.⁴⁵ Policy analysis should reveal the ways in which social, economic and political arrangements systematically undermine social solidarity by devaluing certain people and groups.

Extending human rights (the institutional level) is a condition for valued recognition, but is not sufficient to achieve it. Bach does not deny the importance of fostering capacities and conditions for positive intimate relationships, or of strengthening legal rights. However, he argues that social inclusion agendas need to focus more than they have so far done on the third level of recognition: ‘building a social solidarity that can bring value and recognition across differences of gender, language, communication, culture, age, ability etc.’⁴⁶

In practical terms, a social inclusion as solidarity agenda focuses on building a wider recognition of the realities of life for people who are disadvantaged, and making these realities matter to others in society, so that a commitment for public policies and practices to address exclusion will follow.⁴⁷ Values-based approaches to social inclusion are discussed further in the following sections:

Section 3.2 describes Fincher’s model of the social values of redistribution, recognition, and encounter

Section 6 describes an approach to social inclusion developed by Anglicare Australia which moves beyond a focus on participation in the form of paid work, and emphasizes a broader set of moral values.

42 Martha Nussbaum, ‘The Future of Feminist Liberalism’ in eds. E. Kittay and E. Feder, *The Subject of Care*, Lanham: Rowman and Littlefield Publishers, 2003, cited in Values and Public Policy Conference Background Paper, p.3

43 *Ibid.*, p.22

44 Axel Honneth’s theories are summarised in Michael Bach, *Social Inclusion as Solidarity: Rethinking the Child Rights Agenda*, Working Paper Series: Perspectives on Social Inclusion, for the Laidlaw Foundation, June 2002, p.9–11

45 *Ibid.*, p.2

46 *Ibid.*, p.10

47 *Ibid.*, p.21

3. Policy frameworks to address social exclusion or promote inclusion

This section provides a brief description of social inclusion or exclusion agendas prior to the Federal Labor Government's Social Inclusion Agenda.

Framing questions for this section are:

- How have other jurisdictions both overseas and in Australia implemented social inclusion or exclusion agendas?
- How effective have these agendas been?
- What can we learn from this experience about how policies and interventions to prevent or reduce exclusion should be directed, in terms of their scale and focus?
- How can these insights inform community organisations' analysis of the Social Inclusion Agenda and development of their own strategic directions?

3.1 POLICY INITIATIVES IN THE UK AND IN SOUTH AUSTRALIA

THE UK SOCIAL EXCLUSION AGENDA

A summary of key events and policies is provided on the next page.

The Joseph Rowntree Foundation has published annual reports monitoring progress in reducing social exclusion in the UK. In 2008, they found that for some key indicators such as the number of children in low-income or workless households, earlier improvements had stalled. Overall, from 1997 to 2002/3, 30 of the 56 statistics monitored improved, whereas from 2003 to the latest available data, only 14 statistics improved.⁴⁸

A paper to the Brotherhood of St. Laurence Social Inclusion Down Under symposium in 2008, noted that there has been a slight increase in overall inequality since 1997, but that without tax and benefit reforms the rise in inequality would have been much higher.⁴⁹ The government would need to reduce child

poverty by around 300,000 children each year between now and 2010/11 to meet its target of a 50% reduction, but has only reduced child poverty rates by 70,000 children each year over the past eight years.

SOCIAL EXCLUSION AGENDA IN THE UK: KEY EVENTS ⁵⁰

1997 The Social Exclusion Unit was established by the Blair Labour Government in the UK (covering England only), based in the Cabinet Office, to develop "joined-up policies for joined-up problems".

The Prime Minister, in agreement with ministers, decided the direction of the unit's work and specific projects, after consultation with officials and interested groups. The unit made recommendations, with policy and program responsibilities resting with government departments or cross-departmental units. The SEU initially focused on: rough sleepers; truancy and school exclusion; teenage pregnancy; and young people not in education, employment or training.

SEU moved to the Department of Communities & Local Government in 2002.

2006 The Social Exclusion Unit was disbanded and transferred to a smaller taskforce in the Cabinet Office. Emphasis shifted to the most severely excluded. 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.

—paper to Brotherhood of St Laurence's symposium, Social Inclusion Down Under, held on 26th June 2008 at the University of Melbourne

48 Guy Palmer, Tom MacInnes and Peter Kenway, Monitoring poverty and social exclusion 2008, report for the Joseph Rowntree Foundation, December 2008, accessed at www.jrf.org.au

49 Tony Fitzpatrick *Social inclusion: Policy lessons from the UK*

50 Hayes, Gray and Edwards, *Social Inclusion: Origins, concepts and key themes* Australian Institute of Family Studies paper for the Social Inclusion Unit, October 2008, pp. 12–13

A refined policy framework was developed with the following five elements:

- 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.

2008 The Social Exclusion Taskforce released the report *Think Family: Improving the Life Chances of Families at Risk*. 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)⁵¹

SOUTH AUSTRALIA’S SOCIAL INCLUSION INITIATIVE

The Social Inclusion Initiative was established in South Australia in 2002 and has an independent Social Inclusion Board which reports directly to the Head of Government and associated department.⁵² Monsignor David Cappo (AO), the Chair of the Social Inclusion Board in South Australia, is also the Vice Chair of the Federal Government Social Inclusion Board.

The South Australian Social Inclusion Initiative sits within the broader context of the South Australian strategic plan developed in 2004 ‘to drive the State towards becoming a healthy, socially inclusive and economically prosperous society’. An explicit policy decision in South Australia was to reframe social exclusion in terms of social inclusion, in order to focus ‘more on the solution of what can be done to increase social inclusion’.

The Social Inclusion Initiative in South Australia aims to:

- Facilitate joined up implementation of programs across government departments;

51 For information on current UK initiatives to address social exclusion including the Think Family program, refer to http://www.cabinetoffice.gov.uk/social_exclusion_task_force.aspx and <http://www.communities.gov.uk/communities/> Historical information on Neighbourhood Renewal is located at <http://www.neighbourhood.gov.uk>

52 Material for this section is sourced from a report for the National Ethnic Disability Alliance (NEDA) by Carrie Hayter, *Cultural and Linguistic Inclusion?: Literature Review on Social Inclusion, Cohesion and Culture*, February 2009, pp. 27–28

- Sponsor or employ innovative approaches;
- Develop partnerships and relationships with stakeholders and focus on outcomes.

The South Australian Social Inclusion Initiative has three broad areas that it seeks to change:

- Improve the level of social inclusion in the lives of individuals and groups, particularly those who are socially excluded, disadvantaged and unable to gain access to participation in productive life (this can include people from specific population groups as well as people with particular issues);
- Encourage systematic change in the way that government agencies and non government agencies address social issues; and
- Bring broader benefits to the community.

Priorities for the Social Inclusion Initiative are set through reviewing potential programs and interventions, and broad consultation across the community and relevant government sectors to gather evidence. The setting of targets and public reporting on outcomes are a clear focus on the South Australian Initiatives.⁵³

In an address to the Catholic Social Services National Conference in 2008, Monsignor Cappo observed that profiling done by the South Australian Social Inclusion Initiative has confirmed that people who are vulnerable in one sphere tend to be vulnerable in others, and that ‘the population of homeless people, people with serious mental illness problems and people with serious drug and alcohol problems significantly overlap’.⁵⁴ Similar overlaps have been observed between the populations of young people who leave school before completing Year 12, young people who grow up in jobless households, and young people who have experienced significant trauma or neglect early in life.

Monsignor Cappo highlighted the importance of educational completion as ‘the single most significant factor in a person having good life outcomes’, and argued for a policy focus on educational participation, skills training, work experience, and health. Furthermore, the most marginalised people in our society require ‘assertive, multi-disciplinary responses that place the citizen at the centre of the equation’.⁵⁵

53 *Ibid.*, p. 27

54 Monsignor David Cappo AO, *Social Inclusion: An Agenda for all Australians*, McCosker Oration to Catholic Social Services National Conference 2008, pp. 2–3

55 *Ibid.*, p. 8

In a recent South Australian Government report describing the Social Inclusion Initiative, the following results are identified:

- A 5% reduction in rough sleeping across the state from 2001-2006, compared with a 19% increase nationally during the same period. In the inner city of Adelaide, there was a 45% reduction from June 2007 to August 2008.
- Systems reform to address serious repeat offending for young people.
- ‘Whole-system’ reform of mental health services.
- Increased investment in Aboriginal health and education.
- Increased school retention rates for young people at risk.⁵⁶

The Victorian Government’s social policy framework, *A Fairer Victoria*, is now being reframed in terms of social inclusion.⁵⁷

3.2 QUESTIONS OF SCALE AND FOCUS IN ADDRESSING SOCIAL EXCLUSION

It is becoming increasingly clear that addressing social exclusion is complex. This is unsurprising given that people who are socially excluded often experience multiple institutional and structural barriers to participation.⁵⁸ Off the shelf solutions generally do not work: a key lesson from overseas experience is that interventions must be developed to respond specifically to the needs of particular groups or populations.⁵⁹

The challenge for governments is to identify critical intervention points to prevent or address exclusion. There is growing debate about the appropriate scale for particular interventions to address social exclusion, and about the interactions between local and broader scale policies and programs. These concerns are often expressed in terms of fairly crude binaries, such as people or place, local or national, and universal or targeted. An example of the way the debates are framed is the question of whether people or place-based interventions are more effective. We will argue that this is a false dichotomy in that both kinds of intervention are needed, but that links must be made between interventions at all levels of government.

56 Government of South Australia *People and Community at the Heart of Systems and Bureaucracy: South Australia’s Social Inclusion Initiative*, February 2009

57 Victorian Government, Department of Planning and Community Development, *Social Inclusion: a Victorian Approach*, December 2008

58 Bruce Headey, *A Framework for Assessing Poverty, Disadvantage and Low Capabilities in Australia*, p.10

59 Alan Hayes, Matthew Gray and Ben Edwards, *Social Inclusion: Origins, concepts and key themes*, p.20

The concept of place has been significant in efforts to address social exclusion, with the most deprived neighbourhoods identified as sites for an array of social exclusion policies.⁶⁰ However, despite great enthusiasm for place-based initiatives and a fairly lengthy history of government interest in these approaches both overseas and in some Australian states, the evidence for their effectiveness is limited. For example, in his review of the evidence surrounding place-based initiatives in disadvantaged communities in the UK, Taylor concluded that ‘such interventions have not done enough to turn around the disadvantages deprived areas suffer in terms of weak economies, high levels of worklessness, low skills levels, and insufficient enterprise’.⁶¹ Furthermore, according to Taylor there is no universal model for successful regeneration of areas affected by economic decline.

This section takes the binaries mentioned above as starting points for discussion of some of the thorny questions regarding the scale and focus of interventions to reduce exclusion. Throughout, it will be apparent that there is a dearth of quality evidence to enable some of these issues to be resolved. The unrealistic timeframes set for many projects, and the poor quality of much available evidence, means that it is often difficult to assess the effectiveness of particular interventions.

LOCAL OR NATIONAL?

Fincher asks ‘is ‘local’ the appropriate scale at which to analyse and act upon social disadvantage, inclusion and exclusion?’⁶² She argues that instead of assuming that it is, we should start by thinking about what social principles or values we wish to use to reduce disadvantage, and then consider the scales of operation of processes causing the disadvantage we are trying to redress. For each value there will be different scales at which policy approaches should operate. Her summary of the three key values of redistribution, recognition, and encounter, and the interventions needed to secure them, provides some indication of the need for both local and national responses, and of the ways these responses might intersect:

Redistribution The goal here is to confer equal rights to opportunities in places on the poor and the rich, or at least to reduce the disparity between these opportunities to a specified level.

60 Dr Zoe Morrison, *Place, social inclusion and ‘cultural justice’*, Social Inclusion and Place Based Disadvantage Workshop Proceedings, 13th June 2008, p. 6

61 Martin Taylor, *Transforming disadvantaged places: effective strategies for places and people*, Joseph Rowntree Foundation Round-up, July 2008, p. 9

62 *Ibid.*, p. 6

Achieving redistribution involves broad-scale infrastructural investment as well as partnerships with locals on initiatives to revive neighbourhoods. Therefore, Fincher suggests that Vinson's data on disadvantage in postcode areas, should be supplemented by maps and rankings of infrastructural investments on a broader than local scale.

Recognition This value seeks equal respect for people with a range of different needs and identities. Social groups identified in social policy as having special needs may be spatially clustered (such as recent immigrants who may cluster in areas already settled by others of their background), or not (for example, older women or children).

Achieving recognition requires both infrastructural investment by senior levels of government at greater-than-local scales (to ensure equality of access across space to facilities required by social groups) and local commitment.

Encounter This value moves beyond seeing people as members of particular income groups (redistribution) or groups (recognition), and emphasizes the importance of cordial and supportive social relations between people ... 'places are the sites of social relations, not merely the sites of the presence of people in their similarity or diversity'.⁶³

Since encounter can be transnational, internet-based, and interest-based, as well as occurring in local places, interventions at all these levels are needed in order to maximize encounter.

Fincher cautions that place-sensitive policies for reducing social disadvantage should not be discursively relegated to the scale of the local, as if national and State policy-making at broader scales is not about the reduction of social disadvantage in places.⁶⁴ She adds that ... 'perhaps one major lesson from recent British social exclusion / inclusion thinking is that this is a national matter even though it is about places in their specificity.'

Organisations which operate at the local level have suggested that the language of social inclusion is permissive, in that they are able to develop appropriate local policies and legitimize them in terms of social inclusion, whatever the intentions of central government.⁶⁵ For example, Levitas describes how some local authorities in the UK have developed anti-poverty strategies as part of 'social inclusion' agendas, rebalancing central government's focus. However, Levitas comments that the powers of local

authorities to promote inclusion are constrained by funding, and that there is a danger that the emphasis on the local passes the buck of responsibility, while the necessary attention to redistributive and other policies at the centre is absent.

PEOPLE OR PLACES?

A report for the Joseph Rowntree Foundation attempted without much success to assess whether person- or place-based policies around education, employment and income are more effective at addressing disadvantage in the UK.⁶⁶ Most employment policies were person-based, although some were area-based, usually with a focus on worklessness either as a single issue or as part of a range of priorities. Income policies tended to be focused on people and delivered nationally. Education policies, on the other hand, were a mix of person and place-based policies.

Despite the interconnection of people- and place-based issues, the authors found that most individual policies were either place or person based.⁶⁷ Person- and place-based policies have developed separately within specific domains, despite the reality that 'poverty and disadvantage are mediated by place, and places are affected by the poverty or otherwise of their inhabitants'.⁶⁸ The authors comment that it is reasonable to assume that policies that dissociate people from places and vice versa may perform poorly.⁶⁹

Only a few initiatives—the New Deal for Communities program and the Working Neighbourhoods Pilot—sought to exploit the logical synergies between people and place.⁷⁰ Referring to this research, Smyth speculates that in Australia we would find a similar dearth of initiatives which exploit the logical synergies between people and place.⁷¹

Overall, the researchers found that effect sizes of both kinds of intervention, whether person or place focussed, are generally small, and indeed that policies can have detrimental effects on participants. Furthermore, methodological issues which compromised the available evidence meant that the researchers were unable to draw any conclusions about the relative effectiveness of person- and place-based interventions.

63 Professor Ruth Fincher, *Issues of scale*, Brotherhood of St Laurence and the Department of Planning and Community Development Social Inclusion and Place Based Disadvantage Workshop Proceedings, 13th June 2008, pp.6-9

64 *Ibid.*, p.9

65 Ruth Levitas, *The idea of social inclusion*, p.4

66 Julia Griggs, Adam Whitworth, Robert Walker, David McLennan and Michael Noble, *Person- or place-based policies to tackle disadvantage? Not knowing what works*, Joseph Rowntree Foundation 2008

67 *Ibid.*, p.54

68 *Ibid.*, p.xii

69 *Ibid.*, p.1

70 *Ibid.*, p.xix

71 Professor Paul Smyth, *Social Inclusion and Place Based Disadvantage* BSL / DPCD Workshop Proceedings June 2008, p.11

UNIVERSAL OR TARGETED APPROACHES?

Summarising the lessons from overseas experience about how social inclusion can be achieved in Australia, Paul Smyth from the Brotherhood of St Laurence has argued in favour of a policy of 'progressive universalism', where all receive help, but those in greatest need receive the most support.⁷² Smyth locates this idea within the social integration model advanced in the UK, whereby tackling social exclusion increasingly became not about special initiatives outside the mainstream to alleviate poverty, but about reform of mainstream services. He argues that in the face of 'unequivocal' evidence that the poor are worse off in targeted regimes, 'a key objective for Australia's social inclusion agenda ought to be winding back narrow targeting and beefing up mainstream services'.

It is unclear how the right balance between meeting particular and meeting universal needs would be struck. A number of questions arise. Is the evidence on targeting really so unequivocal? What would be the threshold for access to the highest levels of support? Is there a risk that some populations would be left to flounder within mainstream services that would fail to meet their needs?

It is apparent that the most disadvantaged can suffer when resources are directed to whole communities (whether the entire Australian population of pre-school age children, or particular geographic areas) rather than to at-risk groups.⁷³ For example, early evidence from the UK Sure Start program suggested that it had an adverse effect on the most disadvantaged families within particular communities.⁷⁴

Summarizing policy on early childhood development in Australia, Anglicare Australia argues that Australian policy makers have misinterpreted evidence from overseas ... 'As a result, public funding is being directed to universal early childhood programs which may have little or no lasting effect, rather than to intensive programs where most need exists.'⁷⁵

The balance between universal and targeted approaches will become an even more critical issue during the current economic crisis. As resources become more limited, and needs increase, it remains to be seen what principles will guide redistributive agendas.

72 Professor Paul Smyth, 'Social inclusion down under', *Brotherhood Comment*, Brotherhood of St Laurence, April 2008, p. 2

73 Anglicare Australia, *Creative Tension: Australia's Social Inclusion Agenda*, State of the Family 2008, p. 73 onwards

74 Griggs et al, *Person- or place-based policies to tackle disadvantage?*, xvi-ii

75 Anglicare Australia, *Creative Tension*, pp. 73-4

INTERLINKED APPROACHES ACROSS DIFFERENT SCALES?

As Fincher observes, in every social policy endeavour varied scales of operation are intertwined and co-dependent.⁷⁶ For example, evidence on the effectiveness of employment policies in the UK shows that 'locally tailored interventions with individually tailored support, sustained over time, are important factors in success, as long as there are strong connections with the wider labour market'.⁷⁷

Paul Smyth has suggested that in Australia the Federal government's involvement in the social inclusion agenda means that a new strategy will be needed to integrate localised community action with the bigger scale interventions necessary to address the wider sources of localised exclusion.⁷⁸ He believes that while locally based policy making has had real success in strengthening social connectedness and overcoming social and civic deficits, it cannot substitute for action by government in 'people' rather than 'place' based policy arenas such as income support, education and employment.

Although we might agree that coordinated action is needed at both local and national scales, it is clear that for Smyth 'action by government in people based arenas' is about addressing mainstream services and economic development.⁷⁹ If the social inclusion discourse in Australia is constructed in this way, there is a risk that the specific needs of groups which are significantly disadvantaged, may be overlooked.

In conclusion, it is unhelpful to construct debates about the scale and focus of interventions to reduce exclusion in binary terms. We would agree with Taylor's observation, for example, that debates about the relative effectiveness of people or place based policies and programs impose a false divide, since 'the social equity principles of sustainable development require effective, interlinked approaches across social, environmental and economic domains at all spatial tiers of governance.'⁸⁰ This will be an important criterion for evaluating existing and proposed initiatives to reduce social exclusion in Australia.

76 Ruth Fincher, *Issues of scale*, p. 9

77 Martin Taylor, *Transforming disadvantaged places*, p. 5

78 Professor Paul Smyth, *Place based policy at the crossroads: A summary report of the social inclusion and place based disadvantage workshop*, August 2008, p. 4

79 Professor Paul Smyth, *Social Inclusion and Place Based Disadvantage* BSL / DPCD Workshop Proceedings June 2008, p. 4

80 Martin Taylor, *Transforming disadvantaged places*, p. 1

4. Social disadvantage in Australia

This section describes two significant attempts to describe the extent and nature of social disadvantage in Australia. Framing questions for this section are:

- What do we know about the extent and nature of disadvantage in Australia today?
- Which approaches to defining and measuring disadvantage show most promise?
- How might we assess the appropriateness and effectiveness of the Social Inclusion Agenda?

As Paul Smyth has observed, developing new measures of disadvantage which are grounded in the realities of the experience of social exclusion will be a prerequisite for any shift to policy responses based on social inclusion. The two studies profiled here have been selected in part because they are significant recent studies, and also because they take different approaches to the definition and measurement of disadvantage.

4.1 TOWARDS NEW INDICATORS OF DISADVANTAGE: DEPRIVATION AND SOCIAL EXCLUSION IN AUSTRALIA – SOCIAL POLICY RESEARCH CENTRE

The Social Policy Research Centre and community organisations including Anglicare and the Brotherhood of St Laurence recently collaborated in a project that explored the relationships between the concepts of poverty, deprivation and social exclusion in depth. The imperative for undertaking the research was the recognition that previous Australian research into poverty ‘has failed to connect with the actual living standards experienced by those in poverty’.⁸¹ The researchers aimed to identify new indicators of disadvantage that are more closely connected than simple income measurement with the lives and experiences of people living in poverty. Melbourne Citymission was involved in the update to this research published in July 2009.⁸²

81 Saunders et al, *Towards new indicators of disadvantage*, p.vii

82 Peter Saunders and Melissa Wong, *Still doing it tough: an update*

The first stage of the research therefore involved surveying members of the broader community and clients and staff of community sector agencies to identify the essentials of life.⁸³ The researchers then developed indicators based on the factors that restrict people’s ability to acquire the items (deprivation) and participate in the activities (exclusion) that are widely regarded as essential for full membership of society.⁸⁴ In the second stage of the research, community members and clients of community sector agencies were surveyed regarding their experiences of poverty, deprivation and social exclusion.

In relation to *deprivation*, key findings of interest for community organisations working with disadvantaged people are:

- There was a *high level of consensus among different population sub-groups on the identification of essentials*. Interestingly, items relating to access to basic services, different forms of participation, indicators of security, and those that contribute to one’s sense of status or identity were ranked as more important than items representing ‘things’ such as consumer durables.⁸⁵
- As expected, *deprivation was higher (on average, four times as high across all 26 items) among the client sample than among the community sample*, but the researchers were surprised by the high absolute level of deprivation

on deprivation and social exclusion among welfare service clients, Social Policy Research Centre, July 2009

83 Peter Saunders and Kelly Sutherland with Peter Davidson, Anne Hampshire, Susan King and Janet Taylor, *Experiencing poverty: the voices of low-income Australians—Towards new indicators of disadvantage project Stage 1: Focus group outcomes*, Social Policy Research Centre, March 2006

84 Saunders et al, *Towards new indicators of disadvantage*, p.2

85 *Ibid.*, p.36 Saunders cites the work of Swedish sociologist Erik Allardt who distinguishes between ‘having’, ‘doing’ and ‘being’ and suggests that the ranking of essentials indicates that ‘having’ is viewed as less important than ‘being’ and ‘doing’

among members of the client sample.

- Around half the members of the client sample were deprived in relation to: access to \$500 savings for use in an emergency; a week's holiday away; home contents insurance; and dental treatment if needed.
- *Deprivation is highest* among Indigenous Australians, sole parent families, people renting public housing, and people who are unemployed.
- *Multiple deprivation* is widespread. In the community sample, more than one quarter experience two or more forms of deprivation, and one tenth miss out on at least five essential items simultaneously.
- In the client sample, more than two-thirds experience two or more forms of deprivation, close to half are deprived of five or more items, and nearly one-third miss out in eight or more areas.

The authors comment that the findings on deprivation provide clear evidence that 'the benefits of economic progress and rising living standards have not been shared amongst all Australians, with many still experiencing severe deprivation in many dimensions, even after accessing support from a welfare service'.⁸⁶

The report is somewhat less detailed in its analysis and assessment of social exclusion, perhaps reflecting the biases of its authors who have a long history of research into income poverty and deprivation, and the lack of clarity around the conceptualization and measurement of the newer concept of social exclusion.

Saunders et al grouped the indicators used to identify social exclusion within three forms of exclusion derived from the literature: disengagement, service exclusion, and economic exclusion. While noting that other forms of exclusion are identified in the literature, they state that these were the only ones which could be examined using the data collected in the study.⁸⁷

Key findings in relation to *social exclusion* are:

- *Disengagement* (which includes indicators relating to regular social contact, and participation in community activities such as arts or sports) is most pronounced in both client and community samples in four areas: no annual holiday away from home; no participation in community activities; no hobby or leisure activity for children; and 'could not go out with friends and pay one's way'.
- *Service exclusion* (which relates to access to key services such as doctors, dental treatment, banks, and utilities) is widespread in the Australian community, with a large proportion of both samples who need them being excluded from child care, disability or dental services.

- *Economic exclusion* (which relates to limited access to economic resources and restricted capacity to generate them, and does not include income poverty as an indicator) is much higher among the client sample than the community sample. Exclusion rates exceeded 50% for four of the eight 'economic exclusion' indicators and are above 70% for three of the indicators.
- *Social exclusion* overall is most common among the same groups that were shown to be most deprived, particularly public renters, unemployed people, and Indigenous Australians.
- *Multiple exclusion* is far more widespread than multiple deprivation. The authors suggest that the incidence of multiple deprivation may be a better basis on which to assess the severity of disadvantage (for example, when targeting assistance where the need is greatest) than the incidence of multiple exclusion.⁸⁸

The authors concluded that poverty, deprivation, and exclusion are distinct though overlapping concepts that all need to be included in any analysis of the extent and nature of social disadvantage.⁸⁹

In an analysis of hardship among low-income Australians based on Saunders' data, ACOSS observed that many of those at greatest risk of hardship (unemployed people, sole parents, young people, and people with disabilities) receive the lowest social security payments. This suggests that the current social security system is poorly designed to reduce poverty.⁹⁰

4.2 A FRAMEWORK FOR ASSESSING POVERTY, DISADVANTAGE AND LOW CAPABILITIES IN AUSTRALIA—MELBOURNE INSTITUTE

The Melbourne Institute is engaged in a significant project to review and implement multi-dimensional approaches to poverty and disadvantage, specifically, applying a modified version of Sen's capabilities approach to HILDA panel data. The author, Bruce Headey, comments that a new framework for assessing disadvantage is needed both for academic reasons, and on the grounds of political feasibility. The Institute hopes that this framework will provide a way of differentiating between causes and consequences of disadvantage.⁹¹

⁸⁸ *Ibid.*, p. 79

⁸⁹ *Ibid.*, p. xi

⁹⁰ ACOSS, *Who is missing out? Hardship among low income Australians*, December 2008, pp. 1–2

⁹¹ Bruce Headey, *A Framework for Assessing Poverty, Disadvantage and Low Capabilities in Australia*, p. 16

⁸⁶ *Ibid.*, p. 51

⁸⁷ *Ibid.*, p. 69

According to Headey, HILDA panel data allows the persistence of poverty and disadvantage to be measured for the first time, providing a better basis for targeting interventions on those experiencing medium and long term disadvantage as opposed to those experiencing short term disadvantage.

Low capabilities are explored as possible causes of negative social and economic functionings and outcomes, with consequences for wellbeing. Headey describes capabilities as stocks, functionings as current flows, and wellbeing indicators as psychological outcomes. He argues that the goal of policy intervention should be to improve capabilities and functionings.⁹²

Each set of capabilities, functionings and outcomes includes measures within four life domains: financial, employment, health and family / social. For example, within the financial domain, low capabilities include being asset poor; low functionings include being income poor; and low wellbeing includes experiencing financial stress.⁹³

The research also proposes a life cycle approach to capabilities and functionings, recognizing that particular capabilities and functionings are more or less important at different stages in the life cycle. So, for example, in childhood the main priority for individuals and for public policy is to develop human capital and some social skills.⁹⁴

The framework was applied to the first three years of HILDA panel data for the whole population. The researchers then selected four groups regarded as at risk of poverty and disadvantage, and explored their capabilities, and the consequences of these for functionings and wellbeing.⁹⁵ The groups were single mothers, non-partnered people, people with disabilities, and people born in non English-speaking countries.

Examples of the research findings are:

- **Capabilities:** Across the whole population, the groups with the lowest levels of assets are single mothers, non-partnered people, and people with disabilities.
- **Functionings:** 21% of the population experienced *income poverty* (assessed as having a financial year income below the 50% poverty line) in at least one year of the three years of HILDA data. However, there is considerable income mobility at the bottom end of the distribution: only 3% experience poverty for all three years.
 - Factors which can push people into and back out of poverty include: changes in household composition

which affect income (eg. divorce and repartnering), changes in health, and changes in employment status.

- *Low social functioning* (measured in terms of infrequent contact with relatives and friends) was most persistent amongst people with a disability.

- **Wellbeing:** Measures used included financial stress, low financial satisfaction, high job insecurity, low job satisfaction, low self-rated health, low health satisfaction, high work-family stress, and low life satisfaction. The selected at risk groups all tended to have lower than average wellbeing on at least some of these indicators.

Overall, the research indicated that low capabilities are strongly related to low social and economic functionings and to low levels of wellbeing. However, Headey comments that whilst low capabilities are treated as potential causes of low functionings and low wellbeing outcomes, it is important to recognize that issues of cause and effect are difficult to sort out. As a result, the research task is to try to understand the 'dynamic chains' or 'damaging sequences / vicious circles' which lead to poor outcomes. He believes that this exploratory research indicates that there is a reasonable chance that damaging sequences, and effective interventions, can be identified.

There are concerns that the sampling methodology for the HILDA Panel Survey may exclude significant numbers of those most likely to be experiencing poverty, and that high levels of attrition over successive waves of the survey compounds this bias.⁹⁶ As a result, the dataset may have limited value in measuring the level of poverty in the community at a particular time, or its persistence.

Despite these limitations, the approach described by Headey appears to offer a promising avenue for examining who falls into poverty, and what capabilities correlate with duration of poverty and with pathways out of poverty over the longer term.⁹⁷

4.3 THE CURRENT ECONOMIC CLIMATE

Of particular concern at present is the impact of the global economic downturn on the extent of social exclusion and on the effectiveness of policy to reduce it. In its recommendations for the Federal Budget 2009–10, ACOSS argues that swift action is needed to address the expected increases in unemployment and in long-term unemployment, and the inadequacy of

92 *Ibid.*, p. 23

93 *Ibid.*, p. 18

94 *Ibid.*, p. 61

95 *Ibid.*, p. 24

96 Michael Horn, *Measuring Poverty—Appropriateness of using HILDA as a point in time indicator of the prevalence of poverty or to monitor the persistence of poverty*, Internal Paper for Melbourne Citymission, 2005, p. 8

97 *Ibid.*, p. 8

current social security payment levels.⁹⁸ People who were already unemployed before the downturn, and those who become newly unemployed and have barriers to work, will be pushed to the end of the jobs queue. Past experience suggests that long term unemployment can take many years to come down once economic recovery starts.

In this context, ACOSS recommends measures to ease hardship for those on government allowances and pensions; restore jobs growth and support the community services sector to cushion the social effects of job losses; reduce long term unemployment; and restore the Budget to balance as the economy recovers. ACOSS also points out that immediate additional assistance to the community services sector should be made permanent as more investment is needed to reduce social exclusion in the long term.⁹⁹

Recent data from the University of Newcastle's Centre of Full Employment and Equity (CofFEE) and Griffith University's Urban Research Program, suggests that unemployment will increase both in currently disadvantaged areas and in 'mortgage belt' suburbs.¹⁰⁰ The Director of CofFEE stated that 'for some of Australia's most disadvantaged suburbs the inevitability of increased levels of unemployment will mean further dislocation of these communities from mainstream economic activities leading to deepening levels of concentrated disadvantage'.

It remains to be seen how the Federal Government will respond to the challenges ahead, and whether resources will be directed into education and training to prepare people who are already unemployed, and those destined to join them, for entry into the workforce.

98 ACOSS, *Social Inclusion and Economic Security: Recommendations for the Federal Budget*, Budget Priority Statement 2009-10, January 2009

99 *Ibid.*, p.4

100 Job Loss Suburbs Exposed' Press Release from the Centre of Full Employment and Equity, University of Newcastle, accessed at <http://e1.newcastle.edu.au/coffee/indicators> on 18th March 2009

5. The Australian Social Inclusion Agenda

Key framing questions for this section are:

- What are the core components of the Federal Government's approach to social inclusion?
- How does this approach compare with policies overseas and what are its potential strengths and weaknesses?
- What is the Government's view of the role of the community sector in addressing social exclusion, and what are the risks and opportunities for community organisations working with disadvantaged populations and places?

5.1 FOCUS OF POLICY

While in opposition the Labor Party indicated that a national social inclusion agenda would be at the heart of its social and economic policy in government, describing such an agenda as 'long overdue'.¹⁰¹ The imperative for this action is the continuing disadvantage experienced by some Australians despite national economic growth. These include people who live in areas which lack services and a sense of community, Indigenous Australians, people with a disability, and children living in jobless families.¹⁰² The focus of the Labor social inclusion agenda is therefore on policies aimed at 'creating prosperity with fairness', with long-term prosperity secured by 'the full social and economic participation of all Australians'.¹⁰³

Both in opposition and in government, Labor has defined social inclusion in terms of having the opportunity to:

- Secure a job
- Access services
- Connect with others in life through family, friends, work, personal interests and local community

- Deal with personal crisis such as ill health, bereavement or the loss of a job
- Be heard.¹⁰⁴

Three aspirational social inclusion principles for Australia are identified: reducing disadvantage; increasing social, civil and economic participation; and a greater voice combined with greater responsibility. Initial priority areas for action are:

- Addressing the incidence and needs of jobless families with children
- Delivering effective support to children at greatest risk of long term disadvantage
- Addressing the incidence of homelessness
- Focusing on particular locations, neighbourhoods and communities to ensure programs and services are getting to the right places
- Employment for people living with a disability or mental illness
- Closing the gap for Indigenous Australians.

It is apparent that a range of people and place based issues are included in this list. Indeed, it is incoherent, mixing household types, population groups, and locational disadvantage.

To achieve its goals, the Government has so far established performance targets relating to educational opportunity, reduction of homelessness, and addressing the multifaceted aspects of Indigenous disadvantage.¹⁰⁵

Increasing workforce participation is a key plank of Labor's strategy to address social exclusion. It is apparent that this has been driven in part by economic imperatives due to the ageing workforce and under-utilisation of labour ... 'Labor believes

101 Julia Gillard MP and Senator Penny Wong, *An Australian Social Inclusion Agenda*, Election 2007 Policy Document by the Australian Labor Party, p. 12 and p. 4

102 *Ibid.*, pp. 1–3

103 The Hon Julia Gillard MP, Speech to ACOSS National Conference 10th April 2008, p. 3

104 *Ibid.*, pp. 1–2, and Speech by Julia Gillard on *Social innovation, social impact: A new Australian agenda*, Canberra, 28th February 2008

105 Hayes, Gray and Edwards, *Social Inclusion: Origins, concepts and key themes*, Australian Institute of Family Studies paper prepared for the Social Inclusion Unit, Commonwealth of Australia 2008, p. 9

that as well as being good for individuals, increasing workforce participation benefits local communities, regions and the broader economy.¹⁰⁶ As Julia Gillard recently stated in a speech to ACOSS, 'our long-term prosperity depends on securing the full social and economic participation of all Australians.'¹⁰⁷

However, the goal of full economic participation was articulated at a time of strong economic growth. Similarly, the COAG National Reform Agenda 2006 stated that Australia's third wave of productivity improvement depended on improving its human capital.¹⁰⁸ At a time when low-skilled jobs are disappearing, it is difficult to see how full participation will be achieved unless investment in education and training, particularly for currently excluded groups, is substantially increased.

5.2 DELIVERING THE SOCIAL INCLUSION AGENDA

On its Social Inclusion website, the Government describes its Social Inclusion Agenda as launching a 'new era of governance to mainstream the task of building social inclusion'. This requires rethinking how policy and programs across portfolios and levels of government can work together. There is a danger that this approach fails to take into account the evidence which suggests that people who have multiple needs require a more complex service system response.

To progress its agenda, the government has established a Social Inclusion Committee of Cabinet, chaired by the Prime Minister and Deputy Prime Minister, to build 'whole of government' capacity.¹⁰⁹ A Social Inclusion Unit in the Department of the Prime Minister and Cabinet has also been created.

Work on homelessness and indigenous Australians is being led by the Department of Families, Housing, Community Services and Indigenous Affairs, while the Department of Education, Employment and Workplace Relations is leading the strategy on employment for people living with a disability or mental illness. The other priorities will be coordinated by the Social Inclusion Unit.

In order to involve those outside government, the Social Inclusion Board has been established to provide advice 'on what works and what doesn't; on what the priorities should be; and on how to connect with the concerns of wider communities.'¹¹⁰ Membership of the Board comprises leaders from the private, public and not-for-profit sectors who will 'build evidence based

policy and use networks to create innovative solutions'.¹¹¹

Another key mechanism through which the Social Inclusion Agenda will be driven is COAG, since State as well as Federal government action is needed to tackle social exclusion.¹¹² New National Partnership agreements have been introduced to fund priority reforms.

Within the 'Social Inclusion Principles for Australia' the Government has defined its key approaches, including building partnerships, giving a high priority to early intervention and prevention, building joined-up services and whole-of-government solutions, and using locational approaches.

5.3 'LOCATION' IN THE SOCIAL INCLUSION AGENDA

The Federal Government does not believe that locational disadvantage should be the sole focus of the social inclusion agenda. For example, in the Social Inclusion Agenda Policy Document before the 2007 Election, Julia Gillard and Penny Wong argued that 'the social inclusion agenda doesn't start or end with postcodes'¹¹³ Nevertheless, addressing locational disadvantage is a significant component of the broader social inclusion agenda, and one which is of particular interest to Melbourne Citymission.

Professor Paul Smyth has argued that Gillard's social inclusion framework points the way to a new integration of place based initiatives to do with social connectedness with people based mainstream services, access to which is viewed by the Government as central to social inclusion.¹¹⁴ Smyth suggests that 'the royal road to place based reform would look to integrating local community development work with three key policy areas vital to promoting an inclusive society: mainstream social services, urban planning, and employment'.¹¹⁵ This would require area mapping of social infrastructure and real redistributive effort to address gaps and inequalities.

5.4 THE ROLE OF THE COMMUNITY SECTOR IN ADDRESSING SOCIAL EXCLUSION

Federal Government language about the community sector's role in addressing social exclusion is heartening and discouraging in turns. In a speech to community organisations at the ACOSS

106 Julia Gillard MP and Senator Penny Wong, *An Australian Social Inclusion Agenda*, p. 3

107 The Hon Julia Gillard MP, Speech to ACOSS 2008, p. 3

108 Professor Paul Smyth, *Social inclusion and place based disadvantage: the Australian context*, BSL / DPCD Workshop Proceedings, June 2008, p. 8

109 The Hon Julia Gillard MP, Speech to ACOSS 2008, p. 7

110 *Ibid.*, p. 7

111 www.socialinclusion.gov.au

112 The Hon Julia Gillard MP, Speech to ACOSS 2008, p. 7

113 Julia Gillard MP and Senator Penny Wong, *An Australian Social Inclusion Agenda*, p. 2

114 Professor Paul Smyth, *Social Inclusion and Place Based Disadvantage: The Australian Context*, BSL / DPCD Workshop Proceedings, June 2008, p. 10

115 Professor Paul Smyth, *Place based policy at the crossroads: a summary report of the social inclusion and place based disadvantage workshop*, BSL / DPCD Workshop Proceedings, August 2008, p. 5

National Conference in 2008, Julia Gillard emphasized the need for a nationwide effort ‘involving you as leaders in the community, giving advice and running key programs’.¹¹⁶ She contrasted Labor’s approach with that of the previous government which ‘took steps to silence your voice’, and argued that ‘the continued existence of poverty alongside plenty’ was one of the results of this failure to listen to the sector’s experience and understanding of the nature of entrenched disadvantage.¹¹⁷

In similar vein, at the same conference Ursula Stephens reiterated the government’s belief in a ‘strong and independent not-for-profit sector’.¹¹⁸ She added that the government ‘is keen to hear the view of those organisations who know more than it does about the situation on the ground and about what interventions are working and which are not in improving circumstances for disadvantaged Australians.’ In particular, she stated that the sector has a role in ‘identifying gaps or policy shortfalls’.

At the same time, there are indications of a tough approach to community sector organisations. Stephens stated that although the government is concerned about the health of the sector ‘to be honest, this is a secondary driver’.¹¹⁹ The government’s main goal is improved services and outcomes. At the end of the day ‘if the results aren’t there, then we will try something else’.¹²⁰

However, the sector will need to be resourced to achieve improved services and outcomes. In the absence of this, the government’s approach is tantamount to a shifting of responsibility. Furthermore, the overall tenor of the Federal Government’s statements about the role of the community sector suggests that we risk having a curtailed role, reduced to delivering services on behalf of government, and to weighing evidence, rather than critiquing the fundamental goals of policy.

The proposed National Compact will be a critical mechanism for defining the agenda for the Australian Government’s relationship with not-for-profit organisations. The Compact will aim to agree a set of joint goals.¹²¹ However, some commentators are doubtful that this and other agreements between government and the community sector will empower the sector. For example, shortly after the 2007 election Joan Staples cautioned that ‘there is a likelihood these agreements will be linked to the economic / productivity value of the sector, not its social / democratic value’.¹²²

To develop the Compact, the Federal government has released a discussion paper and commissioned ACOSS to consult and canvass initial views with its members and other organisations. ACOSS provided an overview of its initial consultation to the second meeting of the Expert Panel which was established to provide advice. The consultations indicated cautious support for the development of a National Compact but emphasized the need to undertake a broader consultation to ensure it is actively embraced.¹²³

Overall, while the government states that it intends to restore advocacy as a key role of the sector, it remains to be seen how open it will be to divergent voices, especially around what social inclusion might mean for particular groups and what resources and levers are needed to make it a reality. It is noticeable that only two community sector organisations—St Vincent de Paul’s and the Brotherhood of St. Laurence—are represented on the Social Inclusion Board. The latter organization has a relatively limited service delivery arm.

A missing element of the government’s approach to social inclusion is real change to equip business to partner with community organisations. In the UK, for example, reforms to the regulatory framework have facilitated corporate flexibility, equipping community organisations and business to partner with each other to provide employment pathways and create social businesses. Despite the rhetoric around the role of business in partnering with the community sector and government to deliver social inclusion, Australian Federal Governments, including the present one, have not undertaken the necessary reforms. In their absence, there is a risk that the community sector, lacking sufficient resources, will be left carrying the can for the failures of both the state and the market.

To sum up, some key unresolved questions for community organisations in relation to the Social Inclusion Agenda are:

- Will government commit to resourcing the sector adequately to achieve its policy goals, especially in a context of increased needs due to the economic downturn?
- To what extent will fundamental priorities and policies be shaped by our experience and knowledge?
- How will State-led activities to address locational disadvantage be integrated with the Social Inclusion Agenda?
- Will community organisations be able to translate any flexibility that exists in shaping programs and priorities at the local level into an effective platform for advocacy?¹²⁴

116 The Hon Julia Gillard MP, Speech to ACOSS 2008, p.8

117 *Ibid.*, p.2

118 Senator the Hon Ursula Stephens, Speech to ACOSS Conference 9th April 2008, p.2

119 *Ibid.*, p.3

120 *Ibid.*, p.5

121 *Ibid.*, p.4

122 Staples, Joan, ‘Why we do what we do: the democratic role of the sector in society’, Community Futures Task Group, November

2007, cited in Anglicare Australia *Creative Tension*, p.87

123 National Compact Expert Panel Communique, released Monday 10th November 2008, accessed at www.socialinclusion.gov.au/A_National_Compact

124 Ruth Levitas, *The Idea of Social Inclusion*, paper to 2003 Social Inclusion Research Conference, p.4

6. Assessments of the Australian Social Inclusion Agenda

Many commentators have noted that the Labor Federal Government has opted for Levitas' third version of social inclusion, the social integration or cohesion approach.¹²⁵ Social inclusion is to be achieved through participation in the paid workforce. Increasing employment—even in poorly paid jobs—becomes the goal. It has been argued that over time this can lead to blaming the excluded for their misfortune, as happened in the UK.¹²⁶

Labor's emphasis on the economic returns of investing in social inclusion contrasts with early iterations of social inclusion which sought to elevate social objectives to parity with economic objectives on the grounds of social morality rather than economic rationality.¹²⁷

Furthermore, the focus on 'mainstreaming' approaches to disadvantaged groups is of concern, since it reduces the distinction between the most disadvantaged in the population and others, and may lead to an inadequate response. For example, if employment services are restructured along the lines proposed, those who face multiple barriers—including people with a disability, and young people who are homeless—may receive insufficient support.

Community organisations are engaging with the Social Inclusion Agenda in a variety of ways. The sector does not speak with one voice, and many agencies are playing catch up as they seek to respond to new policy directions and funding opportunities. Two contrasting perspectives on the Social Inclusion Agenda are presented here, for reflection within other community organisations.

6.1 THE BROTHERHOOD OF ST. LAURENCE

The Brotherhood has positioned itself as an 'an agency at the forefront of knowledge development and practice of a genuinely Australian approach to social inclusion'.¹²⁸ Executive Director Tony Nicholson is a member of the Social Inclusion Board, and the organization recently co-hosted the workshop *Social Inclusion and Place Based Disadvantage: The Australian Context* with the Victorian Government Department of Planning and Community Development.

Speaking at the Social Inclusion Down Under symposium at Melbourne University, Tony Nicholson described the Brotherhood's working definition of social inclusion as follows:

'A social inclusion approach involves the building of personal capacities and material resources, in order to fulfil one's potential for economic and social participation, and thereby a life of common dignity'.¹²⁹

This definition is highly focused on the individual and does not acknowledge that social, economic, and political structures can create barriers to inclusion and reinforce exclusion.

To achieve 'an authentic Australian approach' to social inclusion, Nicholson proposes a number of key principles including that economic and social participation will be at the top of the hierarchy of desired outcomes. He explicitly states that this means that other outcomes such as housing will be shaped by the participation objective.¹³⁰

125 See for example, Christopher Scanlon, 21/01/08, Canberra Times

126 Ruth Levitas, *The Idea of Social Inclusion*, p. 3

127 Professor Paul Smyth, *Social Inclusion and Place Based Disadvantage: The Australian Context*, BSL/DPCD Workshop Proceedings, p. 8

128 Joint Media Release with the Deputy Prime Minister, the Hon Julia Gillard MP—Australian Social Inclusion Board, 21st May 2008, p. 3, accessed at www.pm.gov.au/media/Release/2008/media_release_0256cfm

129 Tony Nicholson, *The way ahead to an authentically Australian approach to social inclusion*, speaking notes from the Brotherhood of St. Laurence's Social Inclusion Down Under symposium held at the University of Melbourne on 26th June 2008

130 *Ibid.*, p. 3

The belief that participation shapes other objectives has already been influential in the development of policy on homelessness. Tony Nicholson chaired the expert steering group appointed by the Prime Minister to oversee the development of the Homelessness Green Paper. The White Paper appears to be influenced by the Brotherhood's view that the best route out of homelessness is participation in paid work and that employment support for homeless people should be provided through the mainstream service system.

Nicholson suggests that a number of fundamental, long term issues need to be resolved if Australia is to develop its approach to social inclusion. In his view, these include improving our understanding of the relationship between investing in disadvantaged people's health, education and housing, and the economic returns this can produce. He adds that 'where the return on investment is a moral one and not an economic one, we need to be transparent about it. Many have adopted the rhetoric of investment without truly understanding the critical metrics to the investment necessary to bring the disadvantaged into the mainstream economic and social life of the nation.'¹³¹

6.2 ANGLICARE AUSTRALIA

Anglicare Australia is more critical of the Federal Government's underlying approach to social inclusion than the Brotherhood, as several recent reports indicate.¹³²

For example, in *Creative Tension* Anglicare Australia highlights the debate over the effectiveness of the Blair Government 'Third Way', of which the Australian Federal government's market democracy is an acknowledged offspring.¹³³ An advisor to Tony Blair is quoted as saying 'the Third Way was not the silver bullet that many thought it would be'. Disillusionment with the Third Way in the UK is described as being almost complete.¹³⁴

In the authors' view, the concentration on economic development as the source of and precondition for social participation suggests the limits of the UK and Australian Governments' approach to social inclusion. They speculate that if a choice had to be made between social and economic objectives, economic interests could predominate.¹³⁵ This observation seems particularly pertinent in the current global economic slowdown, where there is a risk that the most disadvantaged in society will be further marginalized, and that responsibility will be shifted to individuals and the community sector.

To counteract the narrow focus of the Social Inclusion Agenda on economic returns, Anglicare Australia argues for a reassertion of the primary role of ethics in public policy. This would involve the development of more rounded perspectives on workforce participation (to include non-market based activities) and on housing (to reassert its primacy as shelter rather than investment), for example. They suggest that rather than focusing on prosperity as a national goal, we should be focusing on 'prospering'.¹³⁶

Anglicare Australia favours Sen's approach, which focuses on rectifying capability deprivation and views social participation as justifiable in its own terms – an end in itself and a condition for being a member of society.¹³⁷ In *Creative Tension*, the authors argue that:

*'The view that morality derives solely from self-interest demonstrates an impoverished view of human dignity and potential. We must go beyond such a narrow, economic position to one that embraces something we might term, cautiously, the self-interest of morality.'*¹³⁸

¹³¹ *Ibid.*, pp. 3–4

¹³² Anglicare Australia, *Creative Tension: Australia's Social Inclusion Agenda*, and Anglicare Australia, Discussion Paper: Social Inclusion, http://www.anglicare.asn.au/documents/discussion_paper_social_inclusion.pdf

¹³³ Anglicare Australia, *Creative Tension*, p. 9

¹³⁴ *Ibid.*, p. 87

¹³⁵ *Ibid.*, pp. 7–9

¹³⁶ Anglicare Australia, *Discussion Paper: Social Inclusion*, p. 7

¹³⁷ *Ibid.*, p. 7

¹³⁸ Anglicare Australia, *Creative Tension*, p. 89

7. Implications for community organisations

In this section, we consider more directly the implications of the Social Inclusion Agenda for community organisations such as Melbourne Citymission. The aim is to ask critical questions to aid the formulation of organisational positions on the Agenda as well as on the value of social in/exclusion as an approach to disadvantage.

As stated in the Introduction, this paper will resource discussion and decision making within community organisations regarding the following:

1. Does social in/exclusion provide a useful framework for understanding and addressing social disadvantage?
2. What is needed to reduce or prevent social exclusion and to promote social inclusion?
3. What are the key elements of the Federal Government's Social Inclusion Agenda, and how might these intersect with the priorities, agendas and values of organisations that work with disadvantaged populations and/or communities?
4. In light of these assessments, what should community organisations prioritize? For example, what are the implications for the *nature*, *scope*, and *method* of our work? In this context, *nature* means the type of work we do (eg. pre-employment programs with adults with a disability); *scope* means how the service or program is conceptualised (eg. a wrap-around service may seek to address both housing affordability and income stability); and *method* refers to different ways of working (eg. case management).

Some key unresolved questions for community organisations in relation to the Social Inclusion Agenda are:

- Will government commit to resourcing the sector adequately to achieve its policy goals, especially in a context of increased needs due to the economic downturn?
- To what extent will fundamental priorities and policies be shaped by our experience and knowledge?

- How will State-led activities to address locational disadvantage be integrated with the Social Inclusion Agenda?
- Will community organisations be able to translate any flexibility that exists in shaping programs and priorities at the local level into an effective platform for advocacy?¹³⁹

Melbourne Citymission has considered the implications of the Social Inclusion Agenda for our strategic directions, our service delivery, and our research and advocacy. In our forthcoming Position Paper we describe our position on the Agenda and on the usefulness of social in/exclusion as an approach to disadvantage. A few key points are summarised in 7.1 and 7.2 below.

7.1 IMPLICATIONS OF USING A SOCIAL IN/EXCLUSION APPROACH TO DISADVANTAGE

Understanding and addressing disadvantage in terms of social in/exclusion has the following implications:

- Disadvantage is understood as having *multiple dimensions*, including exclusion from the labour market, access to services, and social relationships. While income is often a cause of social exclusion, it is not the only dimension of concern.
- Social exclusion is a *process which involves restricted access to opportunities, and limitations of the capabilities to capitalize on these opportunities*. As such, the impacts of exclusion can be compounded over time. Generational effects are also important, as children growing up in jobless households, for example, may experience limited opportunities in the education system.

139 Ruth Levitas, *The Idea of Social Inclusion*, paper to 2003 Social Inclusion Research Conference, p.4

7.2 IMPLICATIONS OF THE SOCIAL INCLUSION AGENDA

- While some specific focus areas have been identified, the Social Inclusion Agenda is seen as *the framework for all policy and programs*. How it is implemented will therefore have wide ranging effects on community organisations' work with disadvantaged populations and communities.
- Early signs are that the Government views *employment* as a key means of promoting inclusion. However, it remains to be seen whether the most deeply excluded people will receive sufficient support in a range of areas to enable them to transition to sustainable employment. This is particularly unclear at a time of economic crisis.
- There are indications that the Government, whilst stating that it intends to restore advocacy as a key *role for the not-for-profit sector*, will expect the sector to deliver according to the outcome measures established under the Agenda. Much of the language used by ministers to describe the sector's role —'identifying gaps or policy shortfalls' and 'giving advice and running key programs'—suggests a limited degree of influence over fundamental underlying philosophies and aims.
- There is a risk that policies developed under the umbrella of the Agenda will fail to take into account the need for high levels of resources, and innovative approaches, for the most disadvantaged Australians.

7.3 USEFUL STRATEGIC QUESTIONS FOR COMMUNITY ORGANISATIONS

The following questions are designed to support organisational reflection on overall strategic directions:

1. With which population groups and places does the organisation currently work?
2. What is needed to reduce or prevent exclusion and promote social inclusion for these people and places?
3. Should activities be redirected away from some areas of current work?
4. Should there be increased investment in particular areas and with particular populations?
5. What is the right balance between population and place based approaches? How does the agency conceptualise these approaches and the relationships between them?
6. What criteria should be used to inform decisions about future opportunities?
7. Are there differences between the organisation's vision and the direction of Government policy? If so, which of these needs to change?
8. What are the implications of the emphasis on paid employment in the Federal Social Inclusion Agenda for the people with whom we work? Are there structural and systemic limits to this route out of exclusion for some groups? How will people who remain excluded from the workforce be supported to live meaningful and valued lives? How should these considerations affect the organisation's response to the Agenda and its work to bring about cultural change?
9. Can the organisation demonstrate that it is making a difference—promoting social inclusion, and preventing or reducing social exclusion? Are sufficient resources directed into the development of organizational capacity to demonstrate outcomes?
10. What is required to resource inclusion for the people with whom the agency works? What opportunities are there within the Agenda policy areas to secure ongoing funding for existing or new programs which provide genuine opportunities to address existing barriers or to prevent deep exclusion?

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