

**Guy Palmer**

**Social exclusion**

# My credentials

---

**In 1996, I co-founded a UK think tank (New Policy Institute) which focused on issues of social justice**

**We became best known for our work on poverty and social exclusion**

**You can still buy some of my books on Amazon (search “Guy Palmer poverty”)**

**But:**

- **I retired 10 years ago**
- **My work was in the UK**

# A caution

---

**20 years ago, we sometimes disagreed about values but:**

- **We mostly agreed about the facts**
- **We mostly agreed about the meaning of words**
- **We debated the issues reasonably seriously**

**Nowadays:**

- **Politics seems more about platitudes than a debate of ideas**
- **People seem to feel free to ignore facts, or even invent their own**

# 'Social exclusion'

---

- A lack of the **opportunities** for social interaction that are **available to most people** in contemporary society
- Aka disadvantage
- Aka the opposite of social inclusion
- A term that can be applied to a wide variety of people in a wide variety of circumstances
- The value of the term comes from the idea that 'we' (society) are failing 'them' (the excluded) and should do something about it

# **Why 'social exclusion' became topical**

**Two, almost opposite, reasons why 'social exclusion' became a topical phrase during the last UK Labour government (starting late 1990s)**

- 1. Making the point that some people have greater problems than 'lack of money'**
- 2. Making the point that 'lack of money' is more than just 'lack of money'**

# Why 'poverty and social exclusion' became topical

---

- **Some people took a narrow view of the word 'poverty', which limits it to solely a lack of money**
- **Other people took an expansive view of the word 'poverty' which also encompasses much of 'social exclusion'**
- **Both groups of people took a similar view of the phrase 'poverty and social exclusion'**
- **Hence the use of the phrase**

# **‘Poverty and social exclusion’**

---

- **Collectively, ‘poverty and social exclusion’ is about people not being able to have lifestyles that considered normal/essential in contemporary society, whether the reasons are lack of money or something else**

# **My previous (2020) talk on poverty**

**Some philosophical issues:**

- 1. Relative vs absolute comparisons**
- 2. Comparisons with whom?**
- 3. Equality of opportunity vs equality of outcome**
- 4. The deserving vs un-deserving poor**
- 5. Perceptions vs actuality**
- 6. Universalism vs means-testing**
- 7. Expenditures vs transfers**

<https://nilumbiku3a.org.au/wp-content/uploads/2019/11/poverty.pdf>

# My previous (2020) talk on poverty

**Some philosophical issues:**

- 1. Relative vs absolute comparisons**
- 2. Comparisons with whom?**
- 3. Equality of opportunity vs equality of outcome**
- 4. The deserving vs un-deserving poor**
- 5. Perceptions vs actuality**
- 6. Universalism vs means-testing**
- 7. Expenditures vs transfers**

<https://nillumbiku3a.org.au/wp-content/uploads/2019/11/poverty.pdf>

# **My previous (2020) talk on poverty**

---

## **1. Relative vs absolute comparisons:**

- **As far as I am aware, Australia is the only country in the developed world that does not have a commonly used threshold of income poverty or, indeed, an agreed concept of income poverty**

---

**Consider a child who doesn't have a mobile phone (or pair of trainers, or whatever):**

- **When you were growing up**
- **Nowadays**

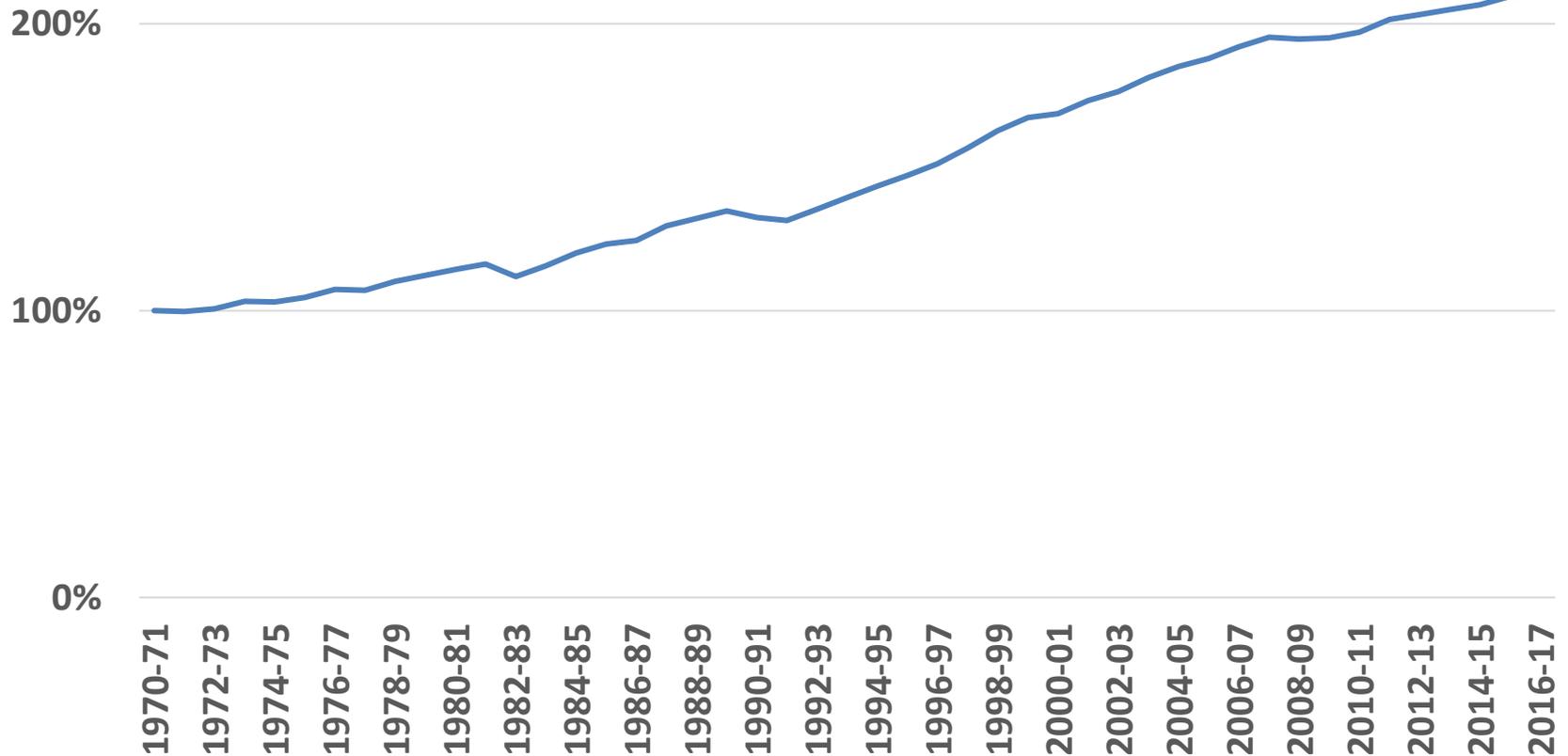
**Also:**

- **At Eltham High School**
- **At a school in Broadmeadows**

# On average, we are twice as rich as 40 years ago

---

Real GDP per capita (1970-71 = 1)



# The United States perspective

---

- **Essentially absolutists**
- **Low income thresholds that are fixed over time**
- **Numbers in low income that decrease over time (notwithstanding increasing inequality)**
- **Poverty isn't a big issue**
- **No need to bother much about minimum wages; no need to raise benefits levels above inflation**

# The European perspective

---

- **Relativists**
- **Everyone should share in our increasing prosperity**
- **Low income thresholds that rise over time in line with overall income trends**
- **Numbers in low income that are substantial and remain so over time**
- **Poverty is a big issue**
- **Continual need to review benefit levels, minimum wages, etc**

# The Australian perspective

---

???

# **One way Australia is more like Europe than USA**

---

- **Per OECD, Australia has the highest, real minimum wage in the world!**
- **In 2020, per hour in US dollars at purchasing power parity:**
  - **Australia: \$12.40 (\$AUD 19.84)**
  - **Germany: \$11.80**
  - **UK: \$10.90**
  - **USA: \$7.30**

# **My previous (2020) talk on poverty**

---

## **1. Relative vs absolute comparisons:**

- **As far as I am aware, Australia is the only country in the developed world that does not have a commonly used threshold of income poverty or, indeed, an agreed concept of income poverty**

## **2. Universalism vs means testing:**

- **As far as I am aware, Australia's benefits system is the most means-tested in the developed world**

# Universalism vs means-testing

---

|            |                     | Person 1 | Person 2 |
|------------|---------------------|----------|----------|
|            | Gross income        | 10       | 0        |
| Scenario 1 | Take (e.g. tax)     | 1        | 0        |
|            | Give (e.g. benefit) | 0        | 1        |
| Scenario 2 | Take (e.g. tax)     | 2        | 0        |
|            | Give (e.g. benefit) | 1        | 1        |

*“Australia targets income support to the poorest groups in the population to a much greater extent than any other rich economy.”* From the Australian Treasury website.

# Universalism vs means-testing

---

| Universalism   | Means-tested  |
|--|---|
| Everyone is a recipient  | Targeted recipients   |
| Higher marginal tax rates  | Lower marginal tax rates  |
| Monies are considered transfers  | Monies are considered expenditures  |
| Key words: <ul style="list-style-type: none"><li>• Rights</li><li>• Us</li><li>• Dignity</li></ul> | Key words: <ul style="list-style-type: none"><li>• Handouts</li><li>• Us and them</li><li>• Shame</li></ul> |

**Universalism has gone out of fashion and/or been forgotten and/or is now not widely understood**

# The Welfare State

---

- **At least in Europe, started out as insurance schemes:**
  - **You contribute while working**
  - **If and when not working, you receive**
- **In other words:**
  - **Transfers over time and between people**
  - **Pooling of risk**
- **Now the Welfare State is more viewed as:**
  - **Expenditure**
  - **From 'us' to 'them'**

# **Home contents (or flood?) insurance**

---

**People without home contents insurance are 4 times as likely to be burgled as those without such insurance**

**i.e. the people most at risk of being burgled are also the people least likely to have insurance**

**People in the poorest fifth are 4 times as likely to be without home contents insurance as those with such insurance**

**i.e. many poor people do not have home contents insurance**

# Insurance (cont)

---

- The concept of insurance is pooling of risk
- Differential pricing of insurance is about aligning premiums with risk
- ‘Aligning premiums with risk’ is almost the opposite principle than ‘pooling of risk’
- If you can easily afford to replace goods then, insurance is not mandatory for you
- But if you can’t afford to pay to replace burgled goods, then you do need insurance
- So, regardless of risk, it is poorer people who need insurance the most

# 'Social exclusion'

---

- A lack of the **opportunities** for social interaction that are **available to most people** in contemporary society
- Aka disadvantage
- Aka the opposite of social inclusion
- A term that can be applied to a wide variety of people in a wide variety of circumstances
- The value of the term comes from the idea that 'we' (society) are failing 'them' (the excluded) and should do something about it

# **Trends in poverty and social exclusion**

---

## **Re income poverty:**

- **Over time, Western societies have got much richer (albeit, in recent decades, less equal)**
- **Income poverty is now largely a relative phenomenon**

## **Re social exclusion:**

- **It is not at all clear that, over time, Western societies have become more communal**
- **Is social exclusion now more of a problem than in the past?**

# Some (old) UK health stats

---

- 1. Infant deaths are 35% more common among those from manual backgrounds than among those from non-manual backgrounds**
- 2. Children from routine and manual backgrounds have, on average, one more tooth with obvious tooth decay than other children**
- 3. Adults from routine or manual backgrounds are twice as likely to die prematurely as those from managerial or professional backgrounds**
- 4. Adults in the poorest fifth are almost twice as likely to be at risk of developing a mental illness as those on average incomes**

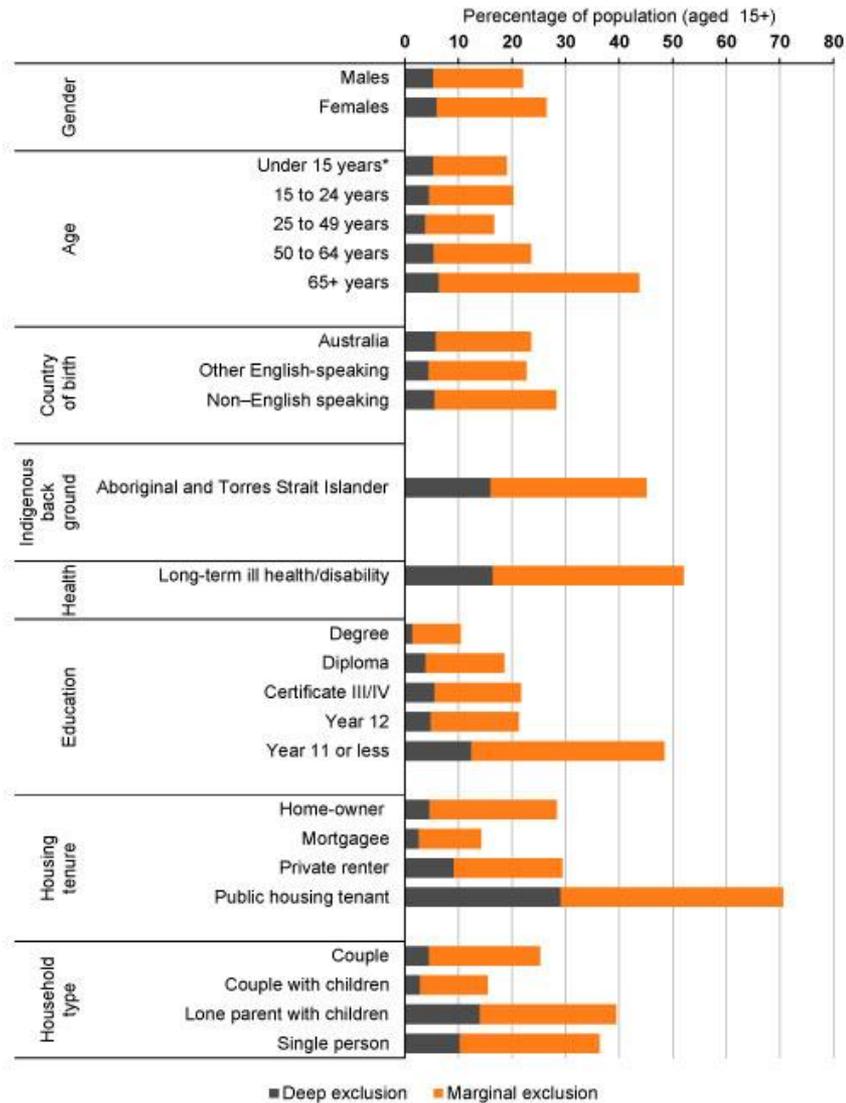
# Some other (old) UK stats

---

- 1. Teenage motherhood is 7 times as common amongst those from manual social backgrounds as for those from professional backgrounds**
- 2. 50% of looked-after children fail to obtain five GCSEs or equivalent. This compares to 7% of all children.**
- 3. Among those aged 60+, 25% of women feel very unsafe out at night, 4 times the proportion for men**
- 4. 10 million adults who are neither in paid work nor in full-time education do not participate in any social, cultural or community organisations**

# Proportion in 'social exclusion' (AUS)

Social exclusion among selected groups in Australia, 2017



# Some possible socially excluded groups

## **1. Stigmatised groups:**

- **Trans (and gay) people**
- **Aboriginals (and ethnic minority) people**

## **2. Groups with multiple disadvantages:**

- **Drug addicts**
- **Homeless people**
- **People with mental health problems**

## **3. People who are socially isolated or lonely:**

- **Lone parents**
- **Single, disabled people**
- **Single, older people**

## **4. People who lack money**

# Loneliness and social isolation

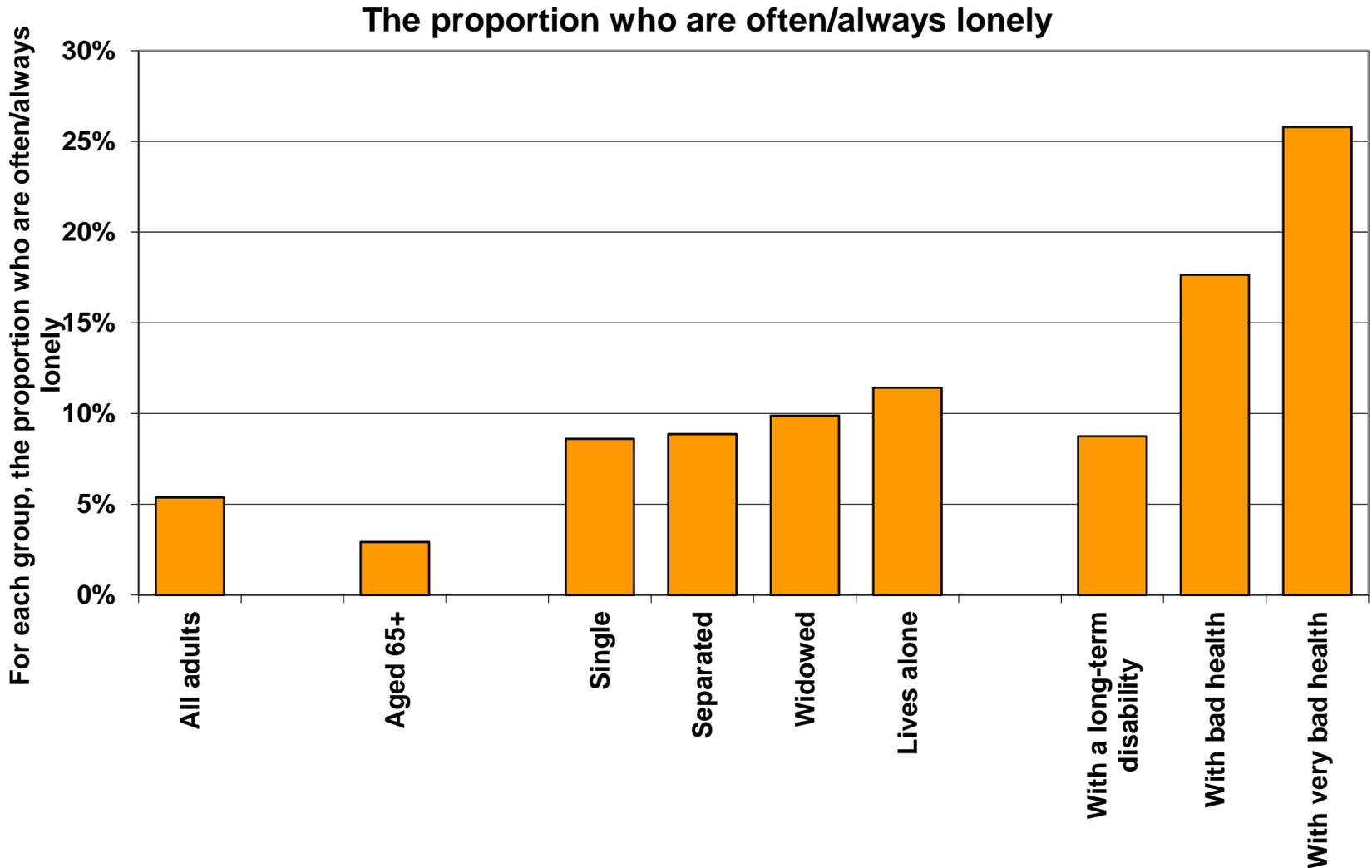
---

- **Loneliness**: the perceived quality of a person's relationships. Concerns quality.
- **Social isolation**: the number of contacts a person has. Concerns quantity.

I have always assumed that:

- Such issues are prevalent among single, older people
- They are made worse by a lack of money (cf. theatre tickets, cars)
- And are made more prevalent by ever decreasing household sizes
- Plus they are a *raison d'être* for Nillumbik U3A

# Loneliness and social isolation



# Perceptions vs actuality

---

**Advantaged people tend to meet lots of other advantaged people and not many disadvantaged people**

**So, advantaged people may think that there aren't many disadvantaged people**

\*\*\*\*\*

**Disadvantaged people tend to meet lots of other disadvantaged people and not many advantaged people**

**So, disadvantaged people may think that it is normal/common to be disadvantaged**

\*\*\*\*\*

**So, both advantaged and disadvantaged people may under-estimate the issues of disadvantage**

# Perceptions vs actuality - corollary

---

- In England, disadvantaged is less prevalent in rural areas than in urban areas
- But, if you are disadvantaged in a rural area then you might well be worse off than your urban equivalent because:
  - There are fewer services
  - There are fewer people who relate to you
  - You are more out of place

Is Eltham somewhat analogous to rural England?

# **Is there a need locally? Food shares, etc**

- **In Abbotsford, there is a voluntary organisation (FareShare) that cooks and gives away 1.3 million meals a year**
- **In Greensborough, pre-Covid, there was a voluntary organisation (Diamond Valley FoodShare) that gave away 50,000 meals a year to Banyule residents**

# Local advice and food

---

**healthAbility in Eltham used to:**

- **Give away food to people in need**
- **Provide an advisory service**

**(Diamond Valley Community Support (DVCS) in Greensborough:**

- **Gives away food to people in need**
- **Provides an advisory service**

**How would someone in trouble know who to turn to?**

# **Local community interaction**

---

- **There are 4 (or 5) neighbourhood houses in Nillumbik. Are they similar to neighbourhood houses elsewhere?**
- **Eltham has a community centre. How often do you go there?**
- **There are lots of clubs around here that older people can join. But they are all clubs.**

# Conclusions

---

- **‘Social exclusion’ is a catchall terms for many groups and many causes**
- **Its value comes from the inference that society can do something to help**
- **But there are no easy solutions (otherwise they would have been implemented)**
- **How much social exclusion exists in Nillumbik?**
- **What can we do about it?**