

# TOWARDS NEW INDICATORS OF DISADVANTAGE PROJECT

## BULLETIN NO. 4

### SOCIAL EXCLUSION AND CHILDREN

BY PETER SAUNDERS AND YUVISTHI NAIDOO

#### INTRODUCTION

This Bulletin complements earlier reports in the series that have examined community views on the essentials of life (Bulletin No. 1), the scale and scope of deprivation in Australia (No. 2) and the profile of social exclusion (No. 3). All three Bulletins present aspects of the findings generated by the *Left Out and Missing Out: Towards New Indicators of Disadvantage* project. The project is funded by the Australian Research Council (ARC) and is based on collaboration between the SPRC and our Industry Partners Mission Australia, the Brotherhood of St Laurence, ACOSS and Anglicare, Diocese of Sydney. The project report *Towards New indicators of Disadvantage: Deprivation and Social Exclusion in Australia* was released in November 2007 (Saunders, Naidoo and Griffiths, 2007), and can be downloaded from the SPRC website at [www.sprc.unsw.edu.au](http://www.sprc.unsw.edu.au) or provided in hard copy free of charge on request.

The focus of this Bulletin is on social exclusion among Australian children, although it is based on data provided by those adults who participated in the two surveys that are an integral part of the project. In this regard, the results should be seen as being indicative only, since they need to be supplemented by other studies that examine more directly the nature and impact of social exclusion as they are experienced by children themselves. (This is the focus of a new ARC-funded SPRC project that is being conducted in partnership with a number of government and non-government agencies; the findings of the new project will be described in future issues of the *SPRC Newsletter*).

Research on social exclusion has been given a new impetus by the

election of the Rudd Government, which has placed the concept of inclusion at the centre of its social policy agenda. A new Social Inclusion Unit has been established in the Prime Minister's Department, nominations for membership of a Social Inclusion Board have been advertised, and the members will be appointed by the Prime Minister and the Deputy Prime Minister and Minister for Social Inclusion, Julia Gillard.

When she addressed the ACOSS National Annual Conference in the week before last November's federal election, Julia Gillard noted that: 'Too many individuals and communities remain caught in a spiral of low school attainment, high unemployment and under-employment, poor health, high imprisonment rates and child abuse. Too many Australians are socially excluded. But if we are going to solve the problem of social exclusion we have to develop a new agenda that can bring social and economic policy together to complement each other'. We will also need a suite of indicators that reveal the extent of the problem and its incidence among groups differentiated by a range of socio-economic characteristics, including family type, labour force status (and history), educational attainment and location. Many of these aspects have and are being addressed in the *Left Out and Missing Out* project, which will hopefully inform policy development and assist in the targeting of resources in ways that combat exclusion and promote inclusion.

#### DEFINING CHILD EXCLUSION

There are two ways in which to identify how social exclusion affects children. The first involves using indicators that are generally applicable and examining their

incidence among families with children. The second involves focusing on that sub-set of indicators that relate more specifically to exclusion among children. We have adopted the latter approach here, for two reasons: first, this method taps more directly into those indicators that have an impact on children; second, it is possible (indeed, likely) that parents and their children experience different forms of social exclusion and respond differently. We acknowledge that the two surveys from which we have derived our exclusion indicators were completed by adults (although some young people participated in the client survey) and the indicators will thus primarily capture an adult perspective on exclusion unless an explicit attempt is made to shift the focus onto children. We have moved in this direction, but we also agree that there is a long way to go before we can claim that our indicators reflect the experience of children, as reflected in their own views about inclusion and exclusion.

The project has developed 27 indicators of social exclusion, separated into the following three broad areas: disengagement; service exclusion; and economic exclusion (see Bulletin No. 3). Two of the indicators of disengagement relate specifically to children, and we have selected 7 other indicators that are most likely to have the greatest impact on children, giving the following 9 indicators, three from each of the three broad areas identified above:

1. No week's holiday away from home each year
2. Children do not participate in school activities and outings
3. No hobby or leisure activity for children

4. No medical treatment if needed
5. No access to a local doctor or hospital
6. No access to a bulk-billing doctor
7. Does not have \$500 in emergency savings
8. Could not raise \$2,000 in a week in an emergency
9. Lives in a jobless household

The first three indicators have a direct bearing on children's ability to engage with others in a school setting and to engage in the most common form of family inclusion, the annual family holiday. The last three are indicators of economic exclusion suggesting that children are growing up facing severe financial stress within the family. This is likely to act as a barrier to many of the forms of inclusion enjoyed by others and have a range of immediate and longer-term adverse effects on children.

Growing up in a jobless household in particular was recognised by the previous federal government as an issue that justifies taking action in order to improve the longer-term prospects for children. The interpretation of the middle three indicators is more problematic because the extent of their impact on children is less certain. Adults may feel that they have inadequate access to health and medical services but this does not necessarily translate into poor medical treatment for their children, whose needs may be given the highest priority, particularly when they are sick. The indicators are that – indicators – that act as signposts of exclusion but also need to be interpreted with care.

### SAMPLE SELECTION

In terms of our two samples, the first (community sample) is a representative sample of 2,704 adults drawn at random from the federal electoral roll. The client sample includes 673 people who were asked to complete the survey when they approached a community sector agency for welfare assistance. By design, the second sample is not representative of the general

population, nor is it a fully representative sample of all welfare service users, although it does provide a valuable insight into the problems confronting disadvantaged Australians. The community and client samples can also be compared in ways that provide useful insights into the extent of the adversity that disadvantaged people have to deal with.

For current purposes, we have restricted both samples to include only those households that contain dependent children (defined as those aged under 18). This results in a sub-set of 879 families in the community sample, disaggregated into 739 couples with children and 114 sole parent families, and a small number (26) of mixed family households. (This latter group has been included in the total figures shown below but not separately identified because of the small

sample size). The truncated client sample consists of 268 families, of which 130 are couples, 102 are sole parents and 36 are mixed family households.

### THE INCIDENCE OF EXCLUSION

The incidence rates for each of the 9 indicators of social exclusion are shown in Figures 1 and 2 for the community and client samples, respectively. In each case, the rates for couple families with children are shown in blue and those for sole parent families in red. All of the estimates have been derived from the raw (unweighted) survey data. Although there are important differences in the *overall* age structures of the two samples, this is less of a problem when it comes to comparing families with children because our sub-samples have been standardised by age.

Figure 1: The Incidence of Social Exclusion among the Community Sample

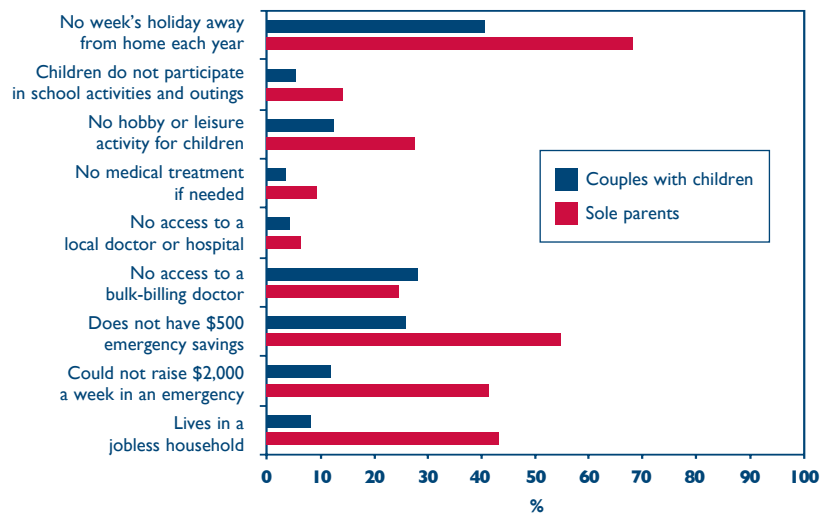
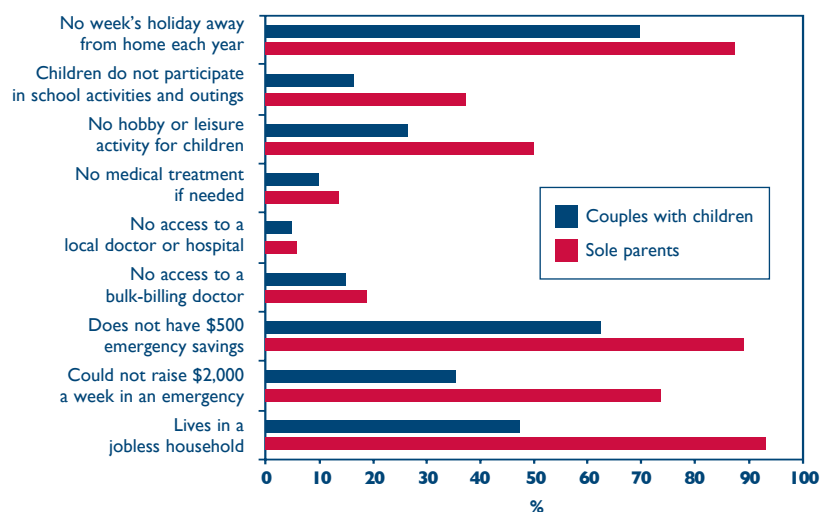


Figure 2: The Incidence of Social Exclusion among the Client Sample



Several features of these results are worthy of comment. First, child exclusion is much more widespread in the sample of welfare service clients than among the general community. This is particularly the case for economic exclusion, although this feeds into other forms of exclusion by restricting children's ability to participate in school activities and outings, for example. For all but one of the indicators, and across both samples, children are more at risk of exclusion if they live with only one parent than if they are living with two parents. The one exception is lack of access to a bulk-billing doctor, where the incidence rate is lower for sole parent families than for couple families in the community sample, and is only slightly above that for couple families in the client sample.

The relativity between the exclusion incidence rates for sole parents and couples tends to be highest in the area of economic exclusion. More than two-fifths of sole parent families in the community sample are jobless, as are a staggering 93 per cent of those in the client sample. The high proportions of both samples who do not have \$500 in emergency savings or are unable to raise \$2,000 in an emergency, highlight the precarious circumstances of many families with children. More than one-quarter of couple families in the community sample and over one-half of sole parent do not have \$500 in emergency savings, and the corresponding figures for the client sample are far higher. These results imply that many families (and their children) are likely to be exposed to severe risks of being seriously excluded if an emergency arises. And one of the undeniable features of modern life is that emergencies do arise – sometimes with alarming regularity.

In terms of the mean incidence of exclusion among children, derived by simply averaging the 9 separate incidence rates, the average incidence rates for couple and sole parent families in the community sample are 15.5 per cent and 32.2 per cent, respectively. The

corresponding figures for the client sample are again both substantially higher, at 32.0 per cent and 52.1 per cent, respectively. It is notable that the mean incidence of exclusion among couples in the client sample is the same as among sole parents in the community sample, and this is true for many of the individual indicators (as can be seen in Figures 1 and 2).

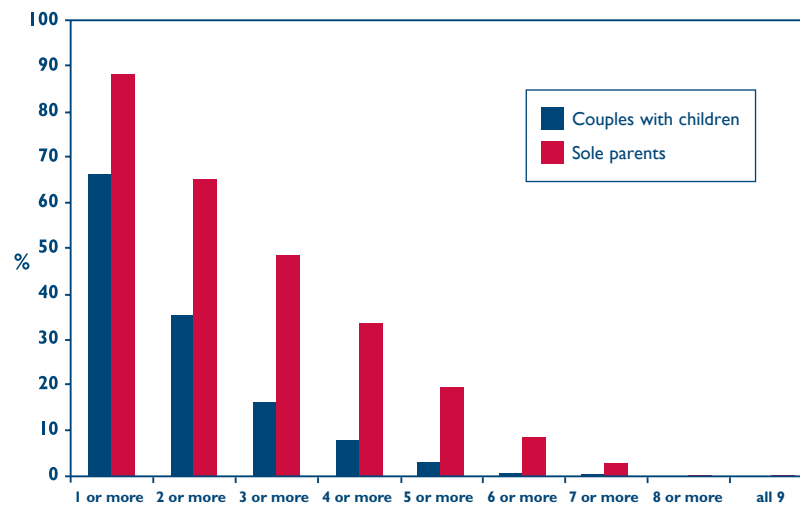
### MULTIPLE EXCLUSION

Many studies of exclusion prefer not to aggregate the incidence of specific forms of exclusion into an overall figure because they are each very different, making it difficult to interpret any total figure (Burchardt, Le Grand and Piachaud, 1999). Against this however, it is natural to try to put an overall measure of the extent of the problem so that those who have to deal with it have a better idea of

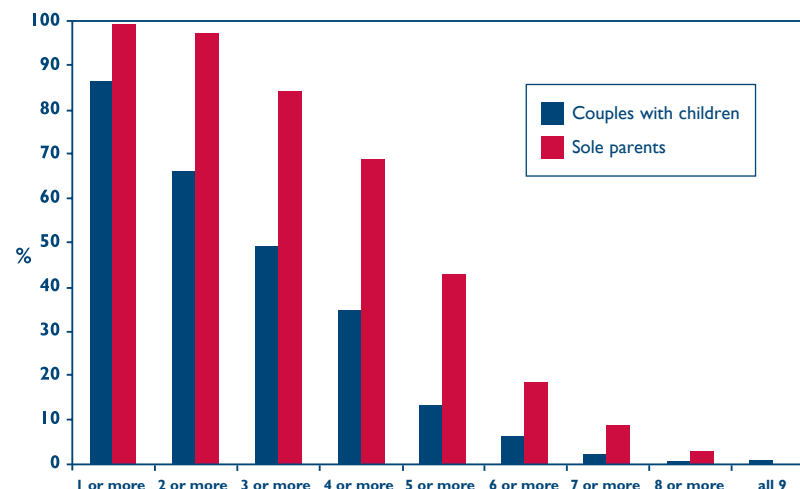
the magnitude of the task. While we have sympathy with those who resist calculating aggregate figures, we also think that it is useful to estimate the incidence of multiple exclusion, because this provides an indication of how many people are facing a combination of problems.


Figures 3 and 4 show the cumulative incidence of exclusion among families with children in the community and client samples respectively. As before, the rates for couple families are shown in blue and those for sole parent families in red. Two-thirds of couple families in the community sample face at least one form of exclusion and around one-in-twelve (8.5 per cent) face 4 or more forms of exclusion. The corresponding figures for sole parent families are 88.6 per cent and 34.2 per cent, respectively. The incidence of multiple

**Figure 3: The Incidence of Multiple Exclusion among the Community Sample**



**Figure 4: The Incidence of Multiple Exclusion among the Client Sample**





exclusion among the client sample is far higher, with more than one-third (34.6 per cent) of couple families and over two-thirds of sole parents (68.6 per cent) experiencing 4 or more forms of exclusion simultaneously. These figures again show that the severity of exclusion among couples in the client sample is the same as among sole parents in the community sample.

One of the challenges faced by those who conduct research on exclusion is to differentiate between those forms of exclusion that are imposed and those that are 'chosen', or between what Sen (2000) has referred to as active and passive exclusion. The word 'chosen' has been put in quotation marks to reflect the fact that such choices may themselves be a consequence of previous acts of exclusion and may thus be in part also imposed by past actions that restrict current capacities (Hills, Le Grand and Piachaud, 2002). But there may be other instances where what has been identified as exclusion here may be the outcome of a genuine choice not to engage in a particular activity. Where this is the case, agency has been exercised and the resulting non-participation cannot be validly described as an example of exclusion that reflects the absence of agency, seen by many as a defining feature of all forms of social exclusion (Atkinson, 1998).

To give an example, some families may prefer not to have an annual holiday away, or choose to forgo it at particular times because they have other, more urgent priorities. Is it legitimate to regard those who are missing out on a holiday on these grounds as excluded? The case can be argued both ways, with the balance probably favouring regarding the children as excluded, since they are unlikely to have participated in the original decision to give a higher priority to another item, but must face its consequences in terms of missing out on their annual holiday.

This discussion highlights the difficulties inherent in identifying the incidence of many forms of

social exclusion and drawing unambiguous conclusions from them. Ideally statistical studies of exclusion incidence need to be accompanied by other information that seeks to better understand the underlying motivations that affected the choices that end up being identified as exclusion. One thing that does, however, seem likely is that the more incidences of exclusion are present in any one family, the more likely it is that they have been imposed rather than chosen, and this insight provides another rationale for examining the incidence of multiple exclusion.

## IMPLICATIONS

Social exclusion in one form or another touches the vast majority of Australian children. Only 30 per cent of all families with children in the community sample experience none of the 9 indicators of child exclusion discussed here. The figure is slightly higher among couple families (33.3 per cent) but is much lower, at around 11 per cent for sole parent and mixed families. Less than one-in-twelve (7.8 per cent) of the sample of welfare service clients experienced no form of exclusion, with the figures again much lower among sole parent families (1.0 per cent) than among couple families (13.8 per cent).

What are the numbers involved? If, in order to derive a single figure, we define 'being excluded' as experiencing 4 or more of the 9 indicators listed earlier, then the overall incidence of exclusion among the community sample is 8.5 per cent among couple families and 34.2 per cent among sole parent families (we have omitted mixed family households because the data is likely to be somewhat less reliable). Using figures on the numbers of households and average number of children per household presented in the latest ABS income distribution report (ABS, 2007: Table S3), these percentages translate into just over 250 thousand excluded couple families with children and 184 thousand excluded sole parent families. There are just under 800

thousand children – around one in six of all children (the vast majority of them dependent children) - living in socially excluded households. And this was in 2006, when the economy was booming and economic prospects were at an all time peak.

We have not linked these aggregate figures back to the specific forms of exclusion experienced, although it is clear from the indicators themselves that they cover a broad range of issues and require a multi-faceted response. Above all, the response needs to recognise the inter-related nature of the underlying causes of exclusion and develop solutions that address this in a coordinated way. The work of the federal government in this area is long overdue. The actions of the newly elected Rudd government will be keenly watched as a barometer of its commitment to social policy based on the principles of social justice and opportunity.

## REFERENCES

- Atkinson, A.B. (1998), 'Social exclusion, poverty and unemployment', in A.B. Atkinson and J. Hills (eds.), *Exclusion, Employment and Opportunity*, CASE Paper 4, Centre for the Analysis of Social Exclusion, London School of Economics, 1-20.
- Australian Bureau of Statistics (2007), *Household Income and Income Distribution, 2005-06*, Catalogue No. 6523.0, ABS, Canberra
- Burchardt, T., J. Le Grand, and D. Piachaud (1999), 'Social exclusion in Britain 1991-1995', *Social Policy and Administration*, 33 (3), 227-44.
- Hills, J., J. Le Grand and D. Piachaud (eds.) (2002), *Understanding Social Exclusion*, Oxford University Press, Oxford.
- Saunders, P., Y. Naidoo and M. Griffiths (2007), *Towards New Indicators of Disadvantage: Deprivation and Social Exclusion in Australia*, Social Policy Research Centre, University of New South Wales.
- Sen, A. K. (2000), 'Social exclusion: concept, application and scrutiny', *Social Development Paper No. 1*, Asian Development Bank, Manila.