The Social Inclusion Agenda

Where it came from, what it means, and why it matters

January 2010
Table of Contents

2 About Catholic Social Services Australia
3 Executive Summary
4 Introduction
7 PART 1 – WHERE DID THE SOCIAL INCLUSION AGENDA COME FROM?
7 Re-branding the underclass – the Blair government’s approach to social exclusion
9 The UK government’s concept of social exclusion
14 Combating social exclusion
14 Addressing causes rather than treating symptoms
15 Getting more for less
15 Key principles
16 Reinventing the wheel?
16 The dysfunctional family
16 Reforming the poor law
18 Multiproblem families and joined-up services
19 The birth of the underclass
19 The new poverty
22 Myrdal and the underclass
23 The Other America
25 Promoting inclusion
26 Les Exclus – the French underclass
27 Insiders and outsiders in the French welfare state
28 A European underclass?
29 From tragedy to farce
29 The limits of the human capital approach
31 The Australian government’s social inclusion agenda
31 After the golden age
32 Social inclusion and the productivity agenda
34 PART 2 – WHAT IS THE SOCIAL INCLUSION AGENDA?
34 Problems and agendas
35 Windows of opportunity
36 The structure of public problems
39 Social exclusion is not a new problem
40 Researchers and the honeypot effect
40 An agenda, not a program
41 The social services sector and the social inclusion agenda
34 PART 3 – WHY THE SOCIAL INCLUSION AGENDA MATTERS
43 A four letter word
45 Beyond social justice
46 A Catholic response to the social inclusion agenda
46 Advocacy
48 Love in action – relationships and service delivery
48 Social pain
49 Social exclusion and social functioning
50 Self efficacy and neighbourhood effects
51 Implications for service delivery
52 Final thoughts
53 References

Contact: Frank Quinlan, Executive Director
Catholic Social Services Australia, PO Box 326, Curtin ACT 2605
t: (02) 6285 1366  m: 0409 655 460
About Catholic Social Services Australia

Representing 66 member organisations, Catholic Social Services Australia is the Catholic Church's peak national body for social services. It advises the Australian Catholic Bishops Conference and Catholic Religious Australia on social policy issues as well as supporting the delivery of a wide range of social service programs.

For over 50 years, Catholic Social Services Australia has assisted and promoted better social policy and programs for some of the most disadvantaged people in Australian society. This continues a much longer tradition of such engagement by the Catholic Church in Australia. Service to the Australian Community is provided regardless of race or religion.

Catholic Social Services Australia has the mission of promoting a fairer, more inclusive society that gives preference to helping people most in need. It is committed to an Australian society that reflects and supports the dignity, equality and participation of all people. To this end, Catholic Social Services Australia works with Catholic organisations, governments, other churches and all people of goodwill to develop social welfare policies and programs and other strategic responses that work towards the economic, social and spiritual wellbeing of the Australian community.

Our members employ around 10,000 people and provide 500 different services to over a million people each year from sites in metropolitan, regional and rural Australia.

Catholic Social Services Australia’s 66 member organisations deliver a vast array of social services and program. Some of these services are commissioned by governments, some fill gaps in services that ought to be provided by governments, and some express the fundamental mission of the Church. These services include (although not exhaustively):

- Aged care
- Children’s Services
- Drug, alcohol and/or other addiction Services
- Disability services
- Emergency relief
- Employment services
- Employee assistance programs
- Family services
- Financial counselling
- Housing and homelessness services
- Indigenous services
- Mental health programs
- Migrant and refugee services
- Pregnancy counselling and support
- Pastoral ministries
- Policy and research
- Youth services
Our largest member organisation has an annual turnover of over $100 million; our smallest organisations have little or no annual turnover as direct community services are provided by volunteers.

These organisations draw funding from a vast range of sources, including:

- Government contracts for services delivery at Commonwealth, state and local levels
- The Church (provided both directly as cash grants and indirectly as “in kind contributions” peppercorn rents, use of capital infrastructure, use of administrative and support systems and personnel etc)
- Fundraising, both within the Church community and amongst the broader population
- Corporate bodies and philanthropic institutions
- International organisations

Executive Summary

- The Australian government’s social inclusion agenda confronts many issues Catholic Social Services Australia has been grappling with for decades.
- Catholic Social Services Australia and Jesuit Social Services commissioned the *Dropping off the Edge* study authored by Professor Tony Vinson in 2007. This study examined locational disadvantage and has had a significant impact on the government’s social policy agenda.
- There are many causes of entrenched disadvantage and no single solution. To succeed, the social inclusion agenda must embrace a wide range of initiatives including; adequate income support, community strengthening projects, early childhood interventions, employment and education programs and more flexible and innovative ways of administering and funding programs and services.
- Just as important as the programs and services is the spirit of social inclusion – the willingness to reach out to disadvantaged Australians in love and friendship rather than in fear, pity or contempt. We can never fully achieve inclusion if we divide society into a burdensome and threatening them, and a burdened and threatened us.
- The major risk associated with the social inclusion agenda is that supporters raise unrealistic expectations by portraying the approach as radically different to the approaches of the past.
- The social inclusion agenda shares much in common with previous efforts to reduce entrenched disadvantage. Many of its key insights have informed the reforms of the past.
- One of the lessons of the past is that promises to intervene early in the cycle of disadvantage and invest in ‘active’ rather than ‘passive’ forms of assistance do not eliminate or substitute for the need for adequate income support and other forms of direct material and social assistance.
Introduction

A “rising tide lifts all the boats” said John F Kennedy. By the end of the 1950s many Americans hoped that the long post-war boom would finally eliminate economic disadvantage.1 But faith in economic growth was short lived. Americans would soon rediscover disadvantage and Kennedy’s successor, Lyndon Johnson, would declare “unconditional war” on poverty.

Economic booms are often disappointing. In Australia Catholic Social Services Australia’s and Jesuit Social Service’s study, Dropping Off the Edge showed how many of those living in Australia’s most disadvantaged areas had been left behind. Seventeen years of economic growth had not lifted them up.

Drawing on the results of this study, Julia Gillard and Penny Wong argued that “aggregate economic growth does not guarantee a significant number of Australians will not be socially excluded” (Gillard & Wong, 2007). While still in opposition they set out an agenda for social inclusion.

Not surprisingly, Catholic Social Services Australia (CSSA) has welcomed the social inclusion agenda. The author of Dropping Off the Edge, Professor Tony Vinson has joined the government’s Social Inclusion Board along with Monsignor David Cappo, the former head of Catholic Social Services Australia’s predecessor, the Australian Catholic Social Welfare Commission.

But there are reasons for caution as well as optimism. We are at the beginning of a journey rather than at its end. At the launch of Dropping Off the Edge Tony Vinson warned that:

Disadvantage entrenched over decades cannot be turned around in a few short years. In fact our evidence to date indicates that when this happens you get a ‘boomerang’ effect – a rebound to previous levels of disadvantage (Vinson, 2007b).

Vinson argued that governments need to commit to community strengthening initiatives for an extended period rather than for the more typical two or three years. The same is true for other initiatives. Success is unlikely to come quickly.

1 For example, see Reisman and Glazer’s. ‘The Intellectuals and the Discontented Classes’ (Reisman & Glazer, 1963: 90).

Kennedy used the phrase “a rising tide lifts all the boats” several times during the 1960 campaign. Here is one example:

Many opportunities lie before us, but New Hampshire and New England cannot move ahead unless the Nation, itself, is moving ahead. Everything that we make here, which we sell throughout the country, depends upon a rising economy. There is an old saying of the New England Council, a rising tide lifts all the boats, and I believe that the boats of New Hampshire can only be raised when the boats are being raised in the rest of the country, so that markets can be developed for our goods, so that ranges and other sections of the United States will equal ours, so that the country and us can move together (Kennedy, 1960b).

Kennedy did not use the phrase in a way that implied economic growth was the solution to all localised problems of disadvantage. In fact in some speeches he used it to justify special measures for depressed areas. Instead, the phrase was a way of rhetorically defusing envy or rivalry. It was a way of reassuring voters that government assistance for one part of the country could be good for everyone. As he put it in another speech:

Every governmental action affects our lives for good or for bad. Every movement forward moves us all forward. A rising tide lifts all the boats. I hope a new Democratic Administration can lift all the boats and all the states and all the people therein (Kennedy, 1960a).
We are now at a risky point in the policy cycle. With the agenda entering its second year, the gloss has worn off and the initial excitement has subsided. People who expected quick results will now be disappointed. And there may be pressure to move on to something new. That would be a mistake.

There is no simple formula for abolishing entrenched disadvantage. Australian policy makers cannot simply copy what has been done overseas. The only formula that exists, is a rhetorical formula for launching an assault on disadvantage. And that is a formula for promises rather than results.

This formula begins with a pledge to attack the causes of disadvantage rather than the symptoms. “The days of the dole in our country are numbered”, declared President Lyndon Johnson in 1964. “We are not content to accept the endless growth of relief rolls or welfare rolls”, he said. “We want to offer the forgotten fifth of our people opportunity and not doles” (Johnson, 1964b). So instead of handouts, Johnson promised investments:

> Very often a lack of jobs and money is not the cause of poverty, but the symptom. The cause may lie deeper in our failure to give our fellow citizens a fair chance to develop their own capacities, in a lack of education and training, in a lack of medical care and housing, in a lack of decent communities in which to live and bring up their children (Johnson, 1964a).

By building up the capabilities of disadvantaged Americans, Johnson hoped to reduce the need for welfare. But the bigger-than-Texas promises outstripped the ability of his three year program to deliver. By the 1980s and 90s Johnson’s successors had given up on poverty and were attacking welfare instead.

In the 1990s, Tony Blair’s New Labour government launched an attack on “the greatest social crisis of our times” – social exclusion. And like Johnson’s War on Poverty it too promised to deal with the causes of disadvantage rather than just the symptoms.

When New Labour’s Peter Mandelson launched the Social Exclusion Unit in 1997 he followed Johnson’s lead and insisted that the problem was not simply a lack of money:

> Let us be crystal clear on this point. The people we are concerned about, those in danger of dropping off the end of the ladder of opportunity and becoming disengaged from society, will not have their long-term problems addressed by an extra pound a week on their benefits (Mandelson, 1997).

But ironically, a large part of the gains for the UK’s disadvantaged were the result of a combination of economic growth and redistribution to families with children. Critics dubbed this “redistribution by stealth” (for example, see Lister, 2006; Piachaud, 1999).

Reflecting on his decade-long experience as the UK’s Prime Minister, Tony Blair acknowledged that economic growth was not enough to deal with entrenched disadvantage. He wrote about a “tail of underachievers” who had not benefited from a rising tide of prosperity. For these socially excluded citizens, “The rising tide does not lift their ships” (Blair, 2007).

In the end, Blair acknowledged that redistribution was an essential part of dealing with social exclusion. But after almost a decade in office he was clearly frustrated by the government’s lack of progress with the deepest forms of disadvantage. In 2006 he wrote: “The problem is not that we are not trying, nor that the money is not being committed” he said, “It is that we need a radical revision of our methods” (Blair, 2006).
A recent report by the UK government’s National Equality Panel found that while there had been improvements for some economically disadvantaged groups, others were still being left behind. For example, employment rates for men with a disability and no qualifications remain far lower than they were 25 years ago. And the government’s 2001 vision that “within 10 to 20 years, no-one should be seriously disadvantaged by where they live” still remains more vision than reality (Hills et al., 2010).

Before the 2007 election in Australia Julia Gillard and Penny Wong vowed to “take the lessons learnt from other prosperous economies to ensure that Australia is actively addressing social disadvantage ...” Perhaps one of the most important lessons to learn is that there are no short cuts or quick fixes.

There are many causes of disadvantage and no one solution. As Monsignor David Cappo says: “to ameliorate difficult social problems, multiple solutions are required” (Cappo, 2002). The social inclusion agenda needs to embrace a wide range of initiatives including adequate income support, community strengthening projects, early childhood interventions, employment and education programs and more flexible and innovative ways of administering and funding programs and services.

Most importantly of all, Australians and their leaders must embrace the spirit of social inclusion – the willingness to reach out to others in love and friendship rather than in fear, pity or contempt. We can never fully achieve inclusion if we divide society into a burdensome and threatening them, and a burdened and threatened us. The whole point of social inclusion is to move from ‘them’ to ‘us’.
Part 1

Where did the social inclusion agenda come from?

The major themes of Australia’s social inclusion agenda are not new. Policy makers and social reformers of the past have repeatedly drawn attention to the way problems are linked, the way these linked problems can become entrenched and intergenerational, and the way they can become concentrated in certain neighbourhoods.

A review of social policy history shows that the solutions to these problems are also familiar. Reformers have long called for early intervention and prevention, stressed the importance of education, attempted to replace ‘passive’ welfare with more ‘active’ forms of assistance and insisted that rights must be balanced with responsibilities.

While these problems and responses have been widely recognised in the past, disadvantage has persisted. It is tempting to think that terms like ‘social exclusion’ or ‘social inclusion’ bring with them a deeper, more insightful understanding of social problems – one that will enable policy makers to hack through the Gordian Knot that confounded their predecessors. But claims of superior insight can easily turn into rationalisations for under investment in programs and services that help disadvantaged people live better lives. When it comes to entrenched disadvantage, it’s difficult to do more with less, although burdensome and inefficient administration and red-tape is wasteful regardless of policy settings.

According to the orthodox narrative, the term social exclusion first appeared in France during the 1970s where it goes on to influence the European Commission’s agenda on disadvantage. Then in the UK the new Blair government suddenly discovers the idea and creates the Social Exclusion Unit.

In this narrative, social exclusion arrives from Europe displacing nasty American terms like ‘the underclass’. Social exclusion champions structural explanations for disadvantage while ‘the underclass’ drags the debate back to 19th century ideas about the undeserving poor.

As it turns out, however, this orthodox narrative is misleading.

Re-branding the underclass — the Blair government’s approach to social exclusion

Peter Mandelson called social exclusion “the greatest social crisis of our times” but, as New Labour’s campaign director, he paid little attention to it during the campaign. Before 1997 when the Blair government was elected and the Social Exclusion Unit created, there are relatively few references to social exclusion from the UK.

On the rare occasions when social exclusion was mentioned in the early 1990s, it was usually in connection with the work of the European Commission. The Commission had adopted the term as a way of talking about poverty and deprivation while at the same time emphasising that the problem was not simply one of inadequate resources (Council of the European Communities, 1989: 67).
As with many things related to Europe or the problem of poverty, the Conservative government resisted many of the European Commission’s efforts to combat social exclusion.\(^2\) And while Labour MPs used the term, it was infrequently.\(^3\) As sociologist Ruth Levitas writes, ‘social exclusion’ “played almost no part in Labour’s pre-election lexicon” (Levitas, 1999).

But months after the Labour party took office in 1997 the government embraced the term. As a minister without a portfolio Peter Mandelson announced that a new Social Exclusion Unit (SEU) would coordinate government initiatives to attack the problem. “It is the most important innovation in government we have made since coming to office”, he said. “It will harness the full power of government to take on the greatest social crisis of our times” (Mandelson, 1997).

So after the creation of the unit, everyone was talking about social exclusion. And this sudden shift raises an obvious question – if social exclusion really was “the greatest social crisis of our times” why had Labour said almost nothing about it until they won office?

The truth was, they had – they just hadn’t called it ‘social exclusion’.

When Tony Blair spoke at the launch of the party’s Commission on Social Justice report\(^4\) in 1994 he said:

> There is a significant minority of people cut off, set apart from the mainstream of society. Their lives are often characterised by long-term unemployment, poverty or lack of educational opportunity, and at times family instability, drug abuse and crime. This problem has got worse, not better (Blair, 1996: 141).

Blair often referred to this group as an ‘underclass’ (for example, Blair, 1996: 116, 142, 218, 293, 300; 2004b: 62).\(^5\) When US President Bill Clinton visited shortly after the 1997 election, Prime Minister Blair declared: “we cannot prosper as a country unless we prosper together, with no underclass of the excluded shut out from society’s future” (Blair, 1997b).

‘Underclass’ is now a loaded term – one often associated with right wing American thinkers like Charles Murray. And it may be that this was why Blair eventually dropped the term in favour of ‘social exclusion’\(^6\). But while the labels might have changed, the concepts did not. The creation of the Social Exclusion Unit was not a turning point in New Labour thinking.

---

2 For example, in January 1996 the Independent reported:

> London (PA) - Prostitutes are to receive cash grants from the European Commission to help them get out of “the game” and find a better way of life. The scheme is part of a £4.8m EU Commission plan approved yesterday to end “social exclusion” with dozens of projects from helping the prostitutes of Vienna to supporting London’s homeless to rejoin mainstream society (The Independent, 1996).

Britain’s Conservative government opposed the initiative. Weeks later the paper reported:

> Britain is threatening to ask the European Court of Justice to stop the Brussels Commission spending money on projects aimed at helping the poor, such as a controversial scheme for the rehabilitation of prostitutes.

Stephen Wall, Britain’s permanent representative to the European Union, has written to the Commission accusing it of spending money on combating “social exclusion” without any “legal base.” Unless the Commission justifies its action by the end of February, the letter strongly implies that the Government would take the Commission to the European Court (Helm, 1996).

3 An online search of Hansard between 01/01/1988 and 31/12/1996 returns 36 results for the phrase “social exclusion”. A search for 1997 returns 141.

4 The commission was established in 1992 by the then leader of the Labour Party, John Smith. It was an independent body created under auspices of the Institute for Public Policy Research (IPPR). Smith died unexpectedly in 1994 and was succeeded by Tony Blair. By the time the report was completed, Blair was leader.

While the report did refer to social exclusion and inclusion (Commission on Social Justice, 1994: 82, 170) the terms did not feature prominently. Unlike Blair, the report’s authors rejected the term ‘underclass’ (Commission on Social Justice, 1994: 82).

5 These references are to speeches and writings produced before the election of the Blair government in 1997.

6 Media reports of the creation of the Social Exclusion Unit often made reference to ‘the underclass’ (for example, Hoge, 1997; Macintyre, 1997; The Economist, 1997).
The conventional view is that the concept of social exclusion originated in France with René Lenoir’s 1974 book *Les Exclus* (Lenoir, 1974). The concept was then adopted by the institutions of the European Union and was finally picked up by the Blair Labour government in 1997. According to this view the concept of social exclusion can be contrasted with the more pejorative concept of the underclass – a concept that focuses on the dysfunctional and antisocial behaviour of disadvantaged groups and holds them responsible for their own marginalisation.

But the conventional view is wrong. American writers were referring to social exclusion (and social inclusion) in the late 1960s and early 1970s. In the US the idea of exclusion was linked to the idea of the underclass – a group excluded from social participation and the paid employment market by structural change in the economy. In the 60s and 70s, the term underclass was more strongly associated with the political left rather than the political right.

The origins of the concepts of social exclusion and inclusion can be traced back to President Johnson’s War on Poverty and the literature that inspired it. And to a large extent it was US debates about the underclass that originally informed New Labour’s thinking about social exclusion.

The European Commission’s adoption of the term ‘social exclusion’ (*exclusion sociale*) determined the name of the Social Exclusion Unit. Once the unit was established, UK debates over exclusion were closely linked to European debates. But European thinking wasn’t completely divorced from US thinking. For example, even René Lenoir referred to the disordered state of New York’s ghettos and warned that something similar might happen in France if nothing was done about those who were excluded.

The conventional view glosses over the continuities in US and UK thinking about poverty, social exclusion and the underclass. And by treating the concept of social exclusion as something new, European and sophisticated, it ignores a long history of efforts to understand and respond to deep-seated disadvantage.

**The UK government’s concept of social exclusion**

Before examining its history, it’s worth being clear about the way the new Labour government used the term ‘social exclusion’. Prime Minister Blair vividly illustrated what he meant by social exclusion when he launched the Social Exclusion Unit in December 1997:

> My political philosophy is simple. Individuals prosper in a strong and active community of citizens. But Britain cannot be a strong community, cannot be one nation, when there are so many families experiencing a third generation of unemployment, when so many pensioners live on crime-ridden housing estates and are afraid to go out, when thousands of truant children spend their days hanging round on street corners.

> The public knows only too well the dangers of a society that is falling apart. They know that worsening inequality, hopelessness, crime and poverty undermine the decency on which any good society rests. They know how easily shared values and rules can unravel.

> Social exclusion is about income but it is about more. It is about prospects and networks and life-chances. It’s a very modern problem, and one that is more harmful to the individual, more damaging to self-esteem, more corrosive for society as a whole, more likely to be passed down from generation to generation, than material poverty (Blair, 1997a).

---

6 As the Social Exclusion Unit’s Geoff Mulgan told Radio National in 1999: “We don’t use the term ‘the underclass’ partly because it has I think some very misleading implications about moral failure” (ABC, 1999).
In the parliament he went on to offer a brief definition:

Social exclusion is a shorthand label 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 (Hansard HC, 1997).

Sociologist Ruth Levitas calls this definition “spectacularly vague” pointing out that it fails to specify what “happens” or what causal processes are involved (Levitas, 2004). That’s true, but it’s clear from government statements that social exclusion was understood as having a number of distinctive features:

- **Linked problems**: Individuals, families and areas experiencing social exclusion, suffer from a number of linked problems. These include “unemployment, poor skills, low incomes, poor housing, high crime environments, bad health and family breakdown” (Hansard HC, 1997).

- **Persistent or entrenched disadvantage**: The accumulation of problems and the way that they are causally linked (e.g., truancy leading to low skills, low skills leading to unemployment, unemployment leading to poverty) means that disadvantage can become entrenched. Because of the way problems reinforce each other, it is no longer possible to tackle them individually or resolve them quickly.

- **Intergenerational transmission of disadvantage**: According to Blair, social exclusion is “more likely to be passed down from generation to generation, than material poverty” (Blair, 1997a). According to this view, disadvantage can get passed from generation to generation when parents fail to send their children to school, when low expectations are reinforced by parents and community members and when families lack social networks that would connect school leavers to future employment opportunities.

- **Geographically and ethnically concentrated disadvantage**: The government often described areas or neighbourhoods as socially excluded. The most commonly used examples were housing estates where most residents did not work and depended on income support payments (Blair, 1997a). Some ethnic and minority groups were also thought to be more vulnerable to exclusion than others (The Scottish Office, 1999).

Social exclusion has never been an easy term to define. According to some official UK definitions it is a process while according to others it is the consequence of a process or processes. And it’s been applied to a huge range of different cases which often appear to have little in common.

But even if the term can’t be rigorously defined, it’s clear that some cases are better examples of social exclusion than others. Social exclusion is what linguist George Lakoff calls a ‘radial category’. In his book *Moral Politics* he writes that radial categories are “not definable in terms of some list of properties shared by every member of the category. Instead they are characterized by variations on a central model” (Lakoff, 2002: 7-8).

The central model that animated the UK government’s early statements on social exclusion involved crime-ridden housing estates filled with single mothers and long-term unemployed men whose children failed to attend school. The children would enter the labour market without skills and without appropriate adult role models. And unless something was done, they were destined to continue the pattern. The cycle of welfare dependence, worklessness and self-defeating behaviour would continue.
Over time, this central model would be extended to new groups. Researchers and advocates were quick to clothe their issues in the new language of exclusion and inclusion (often in the hope of receiving funding from the UK government and the European Commission). But the central model always involved working age people without jobs – people who were able to work, but didn’t.

New Labour politicians argued that the Thatcher and Major governments had drastically restructured the economy and destroyed thousands of jobs, but had failed to provided displaced workers, their families and their communities with the resources they needed to take advantage of the new opportunities. The inevitable result was social disintegration - joblessness, crime, truancy, substance abuse, and family breakdown.

According to New Labour, the major obstacle to dealing with these problems was behaviour. Dysfunctional behaviour might have its roots in changes in the demand for unskilled labour and perverse incentives created by the welfare state, but if government offered people the help they needed to adapt to the post-Thatcher world, then exclusion was the result of choice.

In the lead up to the election and in the government’s early years, the social exclusion/underclass agenda was closely tied to the law and order agenda. From a New Labour perspective this made sense. Increases in crime had their roots in disadvantage, so attacking disadvantage would reduce crime. Clearly, it was in the interests of the better off to help those left behind.

In a 1993 piece for the *New Statesman*, Blair declared: “We should be tough on crime and tough on the underlying causes of crimes” (Blair, 2004a: 56). He argued that:

> ... any sensible society acting in its own interests as well as those of its citizens will understand and recognise that poor education and housing, inadequate or cruel family backgrounds, low employment prospects and drug abuse will affect the likelihood of young people turning to crime. If they are placed outside mainstream culture, offered no hope or opportunity, shown no respect by others and are unable to develop respect for themselves, there is a greater chance of their going wrong. This cannot be challenged other than through active community intervention (Blair, 2004a: 55-56).

Blair warned readers that the UK “could end up like parts of the US” – like the worst areas of New York and Chicago where high rates of homicide created an environment of fear. In France René Lenoir warned of the same thing.8

---

7 The phrase would be adapted for the Labour Party’s 1997 election manifesto: “We will be tough on crime and tough on the causes of crime” (Labour Party, 1997).

8 In *Les Exclus* he warns that areas with high North African populations could become like New York’s black ghettos. He argues that children of North African migrants arrived at school unable to speak French and left school as adolescents aware of their marginalised status and unable to fit in. He writes:

> Ainsi donc, au départ, des enfants parfaitement sains sur le plan physique comme sur le plan mental seront devenus des inadaptés et provoqueront eux-mêmes des réactions en chaîne. Si des mesures de très grande ampleur ne sont pas prises rapidement, la France connaîtra, dans dix ou quinze ans, des ghettos, équivalents à ceux de New York, qui poseront des problèmes sociaux, politiques et financiers tels qu’on se demande comment ils pourront être résolus (Lenoir, 1974: 36).

An approximate translation is:

> Thus, children who start out perfectly healthy physically as well as mentally end up becoming inadequate, setting up a chain reaction. If very large scale measures are not taken quickly, in ten or fifteen years France will know ghettos, equivalent to those of New York, and social, political and financial problems that seem impossible to solve.
‘Down and out’: metaphors of poverty and exclusion

Social policy thinking is structured by spatial metaphors. Sometimes people are related to each other horizontally as in a city where people can be in the centre or on the fringe. The socially excluded are on the ‘margins’ of society or on the ‘outside’.

Those ‘outside’ society are sometimes described as ‘cut off’ or ‘shut out’. At other times, exclusion is described in terms of a ‘rupture’ of social ‘bonds’, a loss of ‘cohesion’ or the ‘breakdown’ of society. When the ‘social fabric’ is damaged in this way, the policy response is to ‘reintegrate’ or ‘reinsert’ those who are excluded.

Conservative MP Iain Duncan Smith wrote:

... the welfare society has been breaking down on the margins, and the social fabric of many communities is being stripped away (SJPG, 2006).

Relationships can also be depicted as arranged in a vertical dimension. Social groups or classes sit ‘above’ and ‘below’ each other. This draws attention to differences of power and status within society In Challenge to Affluence Gunnar Myrdal writes:

Less often observed and commented upon is the tendency of the changes under way to trap an ‘underclass’ of unemployed and, gradually, unemployable persons and families of the bottom of a society ...

In France writers sometimes refer to the ‘subproletariat’ (sous-proléariat) – a class that sits ‘below’ the working class. For example, Joseph Wresinski writes:

Those workers who were less skilled in the productive tasks of the period became the residue of industrialization – they were the ‘subproletariat’ (Wresinski, 1994: 43).

Social inclusion can be understood in terms of social mobility, the ability to ‘climb the ladder’ of opportunity and move ‘up’ the income scale. In contrast to talk about hierarchies of class, the ‘ladder’ metaphor stresses individual agency.

Society can also be imagined as an organism or ecosystem which can be ‘healthy’ or ‘sick’, ‘functional’ or ‘dysfunctional’. Those parts of society that become ‘sick’ or ‘decayed’ can threaten to contaminate the rest (as in “one bad apple”). Sometimes disadvantaged populations are seen as a kind of ‘waste’ or ‘residue’.

The term subproletariat is a synonym of Marx’s term ‘lumpenproletariat’. In the Communist Manifesto Marx and Engels invoke both metaphors of ‘up’ and ‘down’ as well as the metaphor of ‘rot’ or ‘decay’:

The ‘dangerous class’, [lumpenproletariat] the social scum, that passively rotting mass thrown off by the lowest layers of the old society, may, here and there, be swept into the movement by a proletarian revolution; its conditions of life, however, prepare it far more for the part of a bribed tool of reactionary intrigue (Marx & Engels, 2004).
American writer Charles Murray uses the metaphor of ‘contamination’ in his description of the ‘underclass’:

Britain has a growing population of working-aged, healthy people who live in a different world from other Britons, who are raising their children to live in it, and whose values are now contaminating the life of entire neighbourhoods – which is one of the most insidious aspects of the phenomenon, for neighbours who don’t share those values cannot isolate themselves (Murray, 1996: 26).

The metaphor of social disadvantage as ‘illness’ is often associated with the idea that social policy can create a more ‘hygienic’ or ‘healthy’ environment in order to prevent the development of ‘social pathology.’ For example, the Fabian thinkers Beatrice and Sidney Webb advocated both prevention and ‘curative treatment’ for poverty (S. Webb & Webb, 1910).

The metaphors we use to describe and explain social issues, shape the way we think about them. They lead us to focus on some aspects of a problem rather than others, and shape policy responses.

Metaphors of ‘up’ and ‘down’ draw attention to status and highlight differences in how people respond to it. For example, conservatives tend to think that hierarchies of wealth, power and status are morally justified and socially functional. As a result, they will argue that the key to inclusion is for people to know and accept their rightful place.

Egalitarians are more likely to see these differences as illegitimate. As a result, they will see conservative efforts to promote ‘cohesion’ or ‘reintegrate’ those at the bottom of society as efforts at domination or oppression. An example of this is the debate over the assimilation or integration of Indigenous Australians.

One of the risks with disease metaphors is that they can stigmatise or dehumanise the people who are seen as a source of contamination. Those who use the metaphor are assuming a particular theory of how disadvantage is reproduced (often without any evidence) and encouraging policy makers to think that the problem can be solved by excising or quarantining the source of the contamination (for example, incarceration, close supervision through case management) or attempting a ‘cure’. If the causes of disadvantage lie outside the individuals affected, these approaches will fail.

Metaphors are unavoidable. They are part of how language is structured. The important thing is to be aware of how we are using them and not get trapped into thinking that one set of metaphors is the only way to understand the world.
Combating social exclusion

The Blair government promised to address the causes of social exclusion through targeted early intervention, investments in education, welfare-to-work policies, mutual obligation and joined-up government.

Addressing causes rather than treating symptoms

If social exclusion was a “very modern problem” then clearly it required a modern solution. As with crime, the new approach was to address the causes of social exclusion rather than treating symptoms like low income.

As Geoff Mulgan argued in 1999:

A lot of the policies which used to work in tackling poverty: more generous benefits for example, simply don’t get to the root causes, and this is particularly the case in those parts of the country where 15, 20 years ago de-industrialisation destroyed a lot of the traditional jobs base, particularly for men, and left a residue of high unemployment. But over the last 20 years, what started off as just an economic problem has become multi-dimensional; it’s become as much about crime, or about the rise of a drugs economy, or about family breakdown, about much lower aspirations for education or for life in general. And the social exclusion agenda is really about how do you tackle all of these different things in tandem, rather than believing that one or two policy levers like the benefit system, or like traditional economic measures, will actually make a difference (ABC, 1999).

Peter Mandelson made a similar point when he announced the Social Exclusion Unit in 1997:

Let us be crystal clear on this point. The people we are concerned about, those in danger of dropping off the end of the ladder of opportunity and becoming disengaged from society, will not have their long-term problems addressed by an extra pound a week on their benefits (Mandelson, 1997).

Mandelson went on to say that he’d “like to see the badly off have more money in their pockets and purses” but it was clear that the government did not intend to address the problem of low incomes directly. In a tight fiscal environment, the priority was to address the underlying causes rather than to treat the symptoms.

As academic Ruth Lister observed in 1998, “counter-arguments that tackling poverty and social exclusion cannot simply be about extra money for those on benefit have shifted subtly to a position that it is not about better benefits period” (Lister, 1998).

Obviously part of the motivation for this approach is political. A recent study by the Joseph Rowntree Foundation found UK focus group participants had trouble imagining that there were people in poverty who were willing and able to work. Poverty was seen as the result of bad choices, personal flaws (for example, drug addiction) or problems like chronic illness. As a result, participants feared that more generous hand outs to the unemployed would end up in the pockets of ‘scroungers’ (Castell & Thompson, 2007).
While there is considerable public support for policies that promote child development, improve educational attainment and help people move from welfare to work, there appears to be less public support for more generous unemployment benefits.9

**Getting more for less**

According to Tony Blair, the old way of dealing with social problems was inefficient because it responded to the consequences of social decay rather than addressing the causes. As a result, by shifting to a new more modern approach, it was possible to get better outcomes without spending more (Blair, 1996: 150). As Peter Mandelson put it:

The Prime Minister believes that the Government’s efforts, for all their fine intentions, are insufficiently directed. That we spend a great deal of money and energy but too much of it goes to alleviating the effects of social exclusion rather than preventing it from happening. There is a proliferation of programmes with insufficient collaboration between the different agencies involved at national, local and area level. As a result we are spending vast sums of money, often over and over again on the same people through different programmes, without improving their ability to participate in the economy and society (Mandelson, 1997).

Seen in this way, there didn’t need to be any tension between fiscal conservatism and commitment to social justice.

**Key principles**

The Blair government’s response to social policy relied on five key principles:

- **Prevention through targeted early intervention:** Where possible, programs should address the root causes of disadvantage. An example is Sure Start, a program that integrates early education, childcare, health and family support and offers additional support to disadvantaged groups.

- **Education:** Human capital was seen as increasingly important in the modern economy. Unskilled blue collar jobs were disappearing and workers needed higher levels of education and skills to remain employable. At the same time, human capital was seen as a source of international competitiveness and a driver of economic growth.

- **Welfare to work:** Rather than spending money on ‘passive’ measures like income support and subsidised housing, it made more sense to use ‘active’ measures that helped jobless people prepare for and search for work. The ‘New Deals’ adopted this approach and offered training and other supports.

---

9 There is some reason to think that support for increased income support payments to the unemployed is even lower in Australia than it is in the UK. A survey conducted in Australia by the Social Policy Research Centre (SPRC) in 1999 found that only a minority of respondents thought that payments to unemployed people were ‘not enough’. The only exception to this were payments to the older unemployed (recipients aged over 50) where 58% said that payments were not enough.

In a study of public support for cuts in levels of unemployment benefits across OECD countries Marta Fraile and Mariona Ferrer reported that Australian respondents were less likely to support increased spending on unemployment benefits and more likely to support cuts than respondents from other countries (with the exception of New Zealand). The source of this data was the International Social Survey, 1996-97 (Fraile & Ferrer, 2004).

Judgements about whether payments are ‘too much’, ‘about right’ or ‘not enough’ seem to depend on perceptions of deservingness rather than judgements about the cost of living.
• **Rights and responsibilities:** According to the government, the old approach was to create new rights to benefits and assistance but make few if any demands on recipients. The modern approach was to combine rights with responsibilities. This principle was embodied in the ‘mutual’ or ‘reciprocal’ obligation approach to income support. The government would offer extra help to income support recipients, but in return they had a responsibility to use that help to become less reliant on government support.

• **Joined up government:** The Social Exclusion Unit’s most important job was to work with government departments and help them to overcome the problem of fragmented service delivery. This approach became known as ‘joined-up’ government.

These principles, like the problem of social exclusion, were seen as something new – a part of the government’s modern approach to policy. And because the government understood its job in a new, more insightful way, it would be able to succeed where its predecessors had failed.

In reality, much of this represented the recovery and development of well established ideas about social problems and how to solve them. And it would take more than insight to succeed.

**Reinventing the wheel?**

Policy makers have long dreamed of being able to replace ‘negative’ welfare with ‘positive’ welfare – of finding a way to engage everyone in production as well as in consumption. Through measures like early intervention in childhood and ongoing education training during adulthood reformers have argued that it would be possible to eliminate the need for long-term reliance on income support and social services. Only the aged and those with severe disabilities would remain as a ‘drain on the community’.

What is surprising is how little ideas about how to achieve this have changed.

**The dysfunctional family**

The idea that intervening early with dysfunctional families can prevent the transmission disadvantaged is not new. And the realisation that many of these families suffer from multiple problems need joined-up solutions dates back at least to the 1950s.

**Reforming the poor law**

In one of his last public statements on social exclusion as Prime Minister, Tony Blair declared that rights needed to be combined with responsibilities. Dysfunctional homes with multiple problems such as drug abuse or criminal offending needed help. And where it was obvious that children were going to have problems, parents had a responsibility to accept help when it was offered. He said:

This is not about “blaming” anyone for what has happened. It is just about coupling social rights with social responsibilities. This distinction is as old as the debate about poverty itself. It is essentially a replay of the dispute between Helen Bosanquet and Beatrice Webb over the report of the Royal Commission on the Poor Laws in 1909. The Majority Report stressed individual agency: the Minority Report emphasised structural causes. Actually there was no need for two reports – both are true (Blair, 2006).
What’s interesting about this is that Beatrice Webb did not overlook the individual causes of poverty — her view was strikingly similar to Blair’s. The idea that socialists rejected individual causes was fostered by conservative politicians and free market think tanks, particularly during the 1980s and 90s. By the mid 1990s it had become part of the conventional wisdom.

Where the New Labour leader spoke about “coupling social rights with social responsibilities”, Webb spoke about a “doctrine of a mutual obligation between the individual and the community”. Like Blair she accepted that poverty had both individual and structural causes. And she objected strongly to the idea that income support should be offered to the poor or unemployed without conditions attached (B. Webb, 1948: 417).

Beatrice Webb and her husband Sidney were more than willing to explain poverty in terms of individual behaviour. While they believed it was necessary to replace capitalism with socialism (a structural change), they also believed that disadvantaged children needed protection from their parents’ dysfunctional behaviour:

Even if each generation of babies inherited nothing of the physical degeneration of its parents, of which we can by no means feel confident, there is certainly a very potent family tradition and “class atmosphere” of slovenliness, physical self-indulgence, and irresponsibility – it may be actually of “parasitism” – which is quite unmistakably transmitted from one generation to the next. To put the case more generally, we cannot afford to leave unchecked the influences that produce, not death alone, but even more widely slums and disease, physical starvation, mental perversion, demoralisation of character, and actual crime, however convinced we may be that the evil characters acquired in such an environment are not and will not be physically transmitted from parent to child (S. Webb & Webb, 1911: 49).

Beatrice Webb and her husband Sidney were social activists. As leading members of the Fabian society and founders of the London School of Economics (LSE), the Webbs promoted socialism by fighting a protracted ‘war of ideas’ in order to capture the minds of policy makers and the people who influenced them. And like the thinkers who inspired Blair’s New Labour, they saw themselves as bringing new, more up to date ideas to policy making.

Like Mandelson and Blair, the Webbs argued that the existing system did too little to prevent problems occurring:

Thus, the twenty millions sterling now spent annually in the United Kingdom on the mere relief of destitution do practically nothing to prevent the creation, year by year, of new masses of destitution. Even the educational work which the Poor Law Authorities do for the Poor Law children is largely vitiated by their inherent disability to exercise any supervision over the life of the child before and after the crisis of destitution (S. Webb & Webb, 1910).

They wanted government to invest more resources in preventing problems from occurring, ‘curative treatment’ once problems had emerged, and for it to insist that income support should be conditional on accepting assistance and supervision.
Multiproblem families and joined-up services

In the 1950s US health and social services agencies began to talk about ‘multiproblem families’. A study in St Paul Minnesota found that agencies addressing different problems were all seeing people from the same families. Problems like mental illness, antisocial behaviour and dependency seemed to be clustered together. Researchers argued that these problems shared the same underlying causes and reinforced each other.

Allowing agencies to continue working in isolation would leave the underlying problems untreated. After three years of research, the experts asked the obvious question: “since these problems are interrelated, why should the services not follow suit?” (Buck, 1951).

The researchers found that a relatively small number of families were consuming a large proportion of agency budgets:

> The most dramatic evidence of this compounding of problems came with the discovery that a group of 6,600 families, about 6 per cent of St. Paul’s families, were suffering from such a multiplicity of serious problems that they were absorbing 46 per cent of the community’s organized health services, 55 per cent of its adjustment services, and 68 per cent of its dependency services. These were designated the “multiproblem families,” becoming the living symbol of that source of social infection which exists in every community, absorbing a high proportion of the time and energy of skilled practitioners, and constantly frustrating community efforts in the direction of prevention (Buck, 1951).

Part of the argument for coordinating services was that individual agencies were unable to solve the underlying problems on their own. The problems were linked together and could not be solved in isolation:

> There is evidence … that the various behavior disorders with which these systems deal react on each other in the family setting. It follows‘ that failure on the part of one agency to check a disorder helps to swell the flow of cases toward terminal agencies such as the state correctional institutions and state mental health institutions and the residual load of the public welfare department. Thus, in principle it would seem that these three systems have a joint responsibility to design a local service pattern which will make best use of available resources in preventing and reducing this flow.

In practice, the need for joint thinking and planning would seem to be compelling (Buck, 1951).

Joining-up services has been a recurring theme in the US literature. In the 1990s there was an upsurge in interest in ‘Comprehensive Community Initiatives’ – initiatives which attempted to integrate services to families and neighbourhoods. As one US government study explained:

> For many years, experts in the field of child and family services have encouraged the development of comprehensive support strategies. This approach reflects the understanding that the needs of children and families vary greatly - individually, as a family unit, and over time - and that a number of children and families have a multiple set of needs that must be met in order to move toward self-sufficiency. No one service or support can be expected to yield significant results if a child or family is overwhelmed by unaddressed problems. In recent years, many experts in the field of child and family services have broadened their vision to include a stronger focus on community development and employment as crucial to achieving their goals (Gray, Duran, & Segal, 1997).
The difficulty of coordinating services is one of the most persistent and intractable problems in social policy.

The birth of the underclass

In the late 1950s and early 60s, America rediscovered poverty and, with it, the ‘underclass’. It was Swedish economist Gunnar Myrdal who coined the term. In *Challenge to Affluence* he used it to describe a group of Americans who were excluded from the labour market and at risk of passing their disadvantage on to their children (Myrdal, 1963).

By the 1960s there was a sense that American poverty had changed. It wasn’t the mass poverty of the Great Depression where a shattered economic system had thrown millions of people out of work. The economy was intact and growing – but some people were getting left behind. The crucial question was why.

A number of economists like Myrdal argued that technological change was behind the growth of poverty. New methods of production in agriculture, manufacturing, wholesale and retail were reducing the demand for unskilled labour. Skilled and educated workers were working overtime while many less educated, less skilled workers were unemployed (Myrdal, 1963: 23-24).

A string of books and articles documented the new poverty and goaded the government into taking action. President Lyndon Johnson declared “unconditional war on poverty” in 1964.10

Initially the president was uncomfortable about the word ‘poverty’ – “it’s not poverty”, he told his advisers, “It’s a wastage of resources and human lives” (Evans & Novak, 1966: 358). But in the end nobody could think of a better word, so he stuck with ‘poverty’.

While Johnson was eager to move against poverty, he had few concrete ideas about how to solve the problem. The one thing he was clear about was that it shouldn’t be solved by simply handing out money. “We are not content to accept the endless growth of relief rolls or welfare rolls”, he said. “We want to offer the forgotten fifth of our people opportunity and not doles” (Johnson, 1964b).

As he explained in his 1964 State of the Union address, Johnson saw the causes of poverty as going deeper than a simple lack of income:

> Very often a lack of jobs and money is not the cause of poverty, but the symptom. The cause may lie deeper in our failure to give our fellow citizens a fair chance to develop their own capacities, in a lack of education and training, in a lack of medical care and housing, in a lack of decent communities in which to live and bring up their children (Johnson, 1964a).

---

10 To an extent, the War on Poverty can be seen as an extension of the Cold War. By the late 1950s America’s rising standard of living had almost become a national security issue. When Vice President Richard Nixon confronted Soviet Premier Nikita Khrushchev in the ‘kitchen debate’ of 1959, he suggested that the competition should be over better washing machines rather than better rockets (Nixon, 1960). By undermining the image of affluence and open opportunity, poverty undermined America’s propaganda war with the Soviet Union.

US governments have been less interested in attacking poverty since the end of the Cold War and the collapse of socialism as a realistic alternative to capitalism.
The War on Poverty was launched with the same kind of rhetoric as the Blair government’s attack on social exclusion. There was a strong focus on education and early childhood interventions as preventative measures and an awareness that poor families often suffered from multiple problems. Johnson argued that “the causes and the conditions of poverty are too deep, too various, too subtle, and too firmly interlocked for simple remedies” (Johnson, 1966).

Even in the mid sixties this approach was not new. As historian Gareth Davies notes, promises like these were made before Johnson became president and continued to be made after he left office (Davies, 1996: 41). Johnson’s emphasis was on attacking the causes of poverty – causes that had become deeply entrenched and interlinked. Like President Franklin Roosevelt in the 30s, he argued that income support was not the answer.11 And like President Clinton and Prime Minister Blair in the 90s, he insisted that rights should be balanced by responsibilities.12

By the early 1970s, however, most commentators felt that the War on Poverty had been no more successful than Johnson’s other war in Vietnam. The president had no idea of how to wage a War on Poverty and his advisers often disagreed – both with him and with each other. There was little coordination between government departments and a great deal of conflict between the federal government and local government.

Views about the causes of poverty and how to deal with it became more polarised in the 70s. Many liberals rejected the idea that poverty could be overcome with government funded services and campaigned for a direct transfer of income from the rich to the poor. Conservatives and libertarians rejected both services and redistribution. They argued that dysfunctional behaviour was the cause of poverty and that responsibility for ending it lay with the poor themselves.

Riots in Watts and other places undermined public sympathy for low income Afro-Americans. And through the 70s and 80s law and order became a more dominant issue. And in the shift from poverty to social disorder, the idea of the underclass was transformed.

In the 1960s and early 1970s the attitudes and behaviour of underclass groups was seen as an adaptation to a structural lack of opportunity – a ‘culture of poverty’ as socialist writer Michael Harrington put it.

11 During the Great Depression, Roosevelt condemned the practice of handing out relief payments to the unemployed. He said:

The lessons of history, confirmed by the evidence immediately before me, show conclusively that continued dependence upon relief induces a spiritual and moral disintegration fundamentally destructive to the national fibre. To dole out relief in this way is to administer a narcotic, a subtle destroyer of the human spirit. It is inimical to the dictates of sound policy. It is in violation of the traditions of America. Work must be found for able-bodied but destitute workers.

The Federal Government must and shall quit this business of relief.

I am not willing that the vitality of our people be further sapped by the giving of cash, of market baskets, of a few hours of weekly work cutting grass, raking leaves or picking up papers in the public parks. We must preserve not only the bodies of the unemployed from destitution but also their self-respect, their self-reliance and courage and determination (Roosevelt, 1935).

12 According to Gareth Davies, Johnson:

... ordered cabinet members to draft a “Bill of Rights and Responsibilities” in defense of the proposition that entitlement was a contingent concept (Davies, 1996: 129).
The idea of a culture of poverty even spread to Australia. In 1969 the Brotherhood of St Laurence’s Janet Paterson said: “let’s face it, the behaviour of poverty is often anti-social, substandard, and unintelligent - the secret lies in understanding why” (Paterson, 1969: 108).

For many anti-poverty activists the cause of poverty was no secret at all - the poor were structurally cut off from opportunity. Attitudes and behaviours were symptoms of social and economic exclusion. As Lee Rainwater explained:

   The special ways of adapting by the poor suggest only that effective poverty strategies have to change their income situation before requiring changes in their behavior and attitudes. The major reason for the failure of most anti-poverty programs so far is that they require the poor to change their behavior before they have gained the resources that would change their situation (Rainwater, 1970: 403).

But by the 1990s the welfare system had replaced the labour market as an explanation for dysfunctional attitudes and behaviour. Thanks to the work of thinkers like Charles Murray, the market was no longer seen as the root of the problem.

**The new poverty**

The idea that some Americans had become excluded from the labour market – and, as a result, society — became common during the 1950s and 60s. The terms ‘social exclusion’ and ‘social inclusion’ also appear in some of literature of the 60s and early 1970s. But a more common term was ‘underclass’. It is worth looking more closely at how American thinking about poverty and exclusion developed over this period.

By the mid 1950s, many people believed that the post-war boom had almost entirely solved the problem of poverty in the United States. As a result, there was no longer any purpose to anti-poverty activism. For example, in 1955 David Reisman and Nathan Glazer wrote:

   During the New Deal days a group of intellectuals led and played lawyer for classes of discontented people who had tasted prosperity and lost it, and for a mass of underprivileged people who had been promised prosperity and seen enough mobility around them to believe in it. Today, both sources of discontent have virtually disappeared as a result of fifteen years of prosperity (Reisman & Glazer, 1963: 90).

In his 1958 book *The Affluent Society*, economist John Kenneth Galbraith argued that America’s social problems could no longer be solved by economic growth. While poverty still existed in the United States, it was no longer the old poverty of mass unemployment or a general lack of prosperity.

According to Galbraith, Americans lived in “an atmosphere of private opulence and public squalor” (Galbraith, 1969: 212). The nation was flooded with cars and television sets but lacked adequate schools, low income housing and public services.

Much like Australia’s Clive Hamilton today (Hamilton, 2003), Galbraith argued against consumerism and continuing economic growth. Instead, he argued that governments should invest more in public goods and place less emphasis on paid work.
Swedish economist Gunnar Myrdal disagreed with Galbraith’s conclusions. He argued that around one in five Americans lived in poverty, and a significant proportion of those were destitute. And with that level of unmet need, economic growth remained an important objective (Myrdal, 1963: 60-61).

But, according to Myrdal, economic growth wasn’t enough on its own. Technological change was eroding demand for less educated, less skilled workers. It was now possible for unemployment to coexist with strong economic growth.

Workers displaced by this shift in demand were unable to re-educate or re-train themselves (Myrdal, 1963: 42-43). As a result, they were excluded from employment and opportunities for social mobility:

Less often observed and commented upon is the tendency of the changes under way to trap an “underclass”13 of unemployed and, gradually, unemployable persons and families of the bottom of a society in which, for the majority of people above that level, the increasingly democratic structure of the educational system creates more and more liberty – real liberty – and equality of opportunity, at least over the course of two generations (Myrdal, 1963: 40).

Myrdal argued that this exclusion was likely to be passed on from parents to children. And the tendency of workless families to concentrate in certain neighbourhoods would exacerbate the problem:

Such people will become disheartened and apathetic. As parents they will be unable to make the necessary contribution to their children’s education. They will be prompted, rather, to take them away from school prematurely if any employment offers, however low the wages and however slender the prospect of future security. The home environment of the unemployed, in a word, will conduce little to the education and training of children and young people for good jobs.

The unemployed will be forced to live in slums or, more probably, will always have done so: and whatever the official regulations may be, schools in slum areas will be as bad as those that serve the backwoods farmer. The whole way of life in the crowded slum areas of cities, or in the rural slum districts, will be destructive of the will and ability to advance (Myrdal, 1963: 47).

Not only would chronic joblessness lead to apathy and counter-productive behaviour, Myrdal argued, it would also lead to crime and disorder:

Unemployment is a damaging way of life, particularly for the young, and above all when their educational and cultural level is low. Crime, prostitution, and all sorts of shady methods of passing the time will thrive as they did in the slums during the depression of the thirties: they are beginning to do so already, and the trend is increasing (Myrdal, 1963: 45-46).

---

13 Myrdal inserted the following footnote:
The word “underclass” does not seem to be used in English. In America where, as opinion polls over several decades show, the great majority reckon themselves as “middle class”, this is particularly understandable on ideological grounds. Nevertheless, the term will be used in this book as the only one adequate to the reality discussed (Myrdal, 1963: 40).

‘Underclass’ was the English translation of the Swedish word ‘underklass’.
Apart from promoting economic growth and creating employment, Myrdal’s solution to poverty was for the government to provide education and training – for children, young people and unemployed adults.

Myrdal’s underclass was a product of structural change in the economy. But like many later thinkers, he was wary of solving the poverty problem with cash transfers:

> The well-meaning proposals put forward by progressive writers for paying greatly increased unemployment benefits, or sometimes even full wages without time limit, to people who have been thrown out of work through no fault of their own have, of course, little chance of being accepted by Congress. But apart from their lack of political realism, such proposals underestimate how unhealthy and destructive it is for anybody, and particularly for young people without much share in the national culture, to go idle and live more or less permanently on doles ... (Myrdal, 1963-46).

Myrdal’s solution to the underclass problem was to persuade US policy makers to embrace the kind of social democratic policies the Swedish government was pursuing.

**The Other America**

Like Myrdal, socialist writer Michael Harrington believed that Galbraith had underestimated the scale of poverty in America. In his 1959 article, ‘Our Fifty Million Poor’ he used official statistics on income to argue that poverty remained a significant problem. And he combined the statistics with a theory about the causes of poverty to argue that the problem would not go away without government action (Harrington, 1959).

In 1962 the article was followed by a book – *The Other America* (Harrington, 1963). It’s a book often credited with inspiring President Johnson’s War on Poverty. Harrington argued that the new poor were “immune to progress” – they were excluded from the opportunities opened up by a growing economy and from the benefits of the welfare state. But perhaps more importantly, they were excluded from hope.

To understand the persistence of poverty Harrington turned to anthropologist Oscar Lewis’ theory of the ‘culture of poverty’. Lewis argued that poverty wasn’t just about a lack of resources, but had its own culture – it could become a way of life passed down from generation to generation.

According to Lewis, the poor did not participate in society’s major institutions, poor communities lacked any kind of organisation beyond individual family groups, those family groups were often headed by women, and poor individuals felt marginal and helpless (Lewis, 1970: 70-73).

Lewis argued that the culture of poverty emerged from lack of opportunity. It was the way poor people adapted to a hostile environment they could not control.

---

14 Lewis first outlined his theory in a 1959 book *Five Families: Mexican Case Studies in the Culture of Poverty*. He later wrote that Harrington had “used it in a somewhat broader and less technical sense than I had intended” (Lewis, 1970).
Like Myrdal, Harrington argued that technological change excluded poor Americans from the labour market:

As the society became more technological, more skilled, those who learn to work the machines, get the expanding education, move up. Those who miss out at the very start find themselves at a new disadvantage. A generation ago in American life, the majority of the working people did not have high-school educations. But at that time industry was organized on a lower level of skill and competence. And there was a sort of continuum in the shop: the youth who left school at sixteen could begin as a laborer, and gradually pick up skill as he went along.

Today the situation is quite different. The good jobs require much more academic preparation, much more skill from the very outset. Those who lack a high-school education tend to be condemned to the economic underworld – to low-paying service industries, to backward factories, to sweeping and janitorial duties. If the fathers and mothers of the contemporary poor were penalized a generation ago for their lack of schooling, their children will suffer all the more. The very rise in productivity that created more money and better working conditions for the rest of the society can be a menace to the poor (Harrington, 1963: 19-20).

This was an explanation for the lack of opportunity poor individuals and communities experienced in the America of the 50s and 60s. And according to Harrington, this lack of opportunity created a “sense of exclusion” and feelings of pessimism and defeatism (Harrington, 1963: 174). And this explained why the new poor often failed to take advantage of opportunity:

Like the Asian peasant, the impoverished American tends to see life as a fate, an endless cycle from which there is no deliverance. Lacking hope (and he is realistic to feel this way in many cases), that famous solution to all problems – let us educate the poor – becomes less and less meaningful. A person has to feel that education will do something for him if he is to gain from it. Placing a magnificent school with a fine faculty in the middle of a slum is, I suppose, better than having a run-down building staffed by incompetents. But it will not really make a difference so long as the environment of the tenement, the family, and the street counsels the children to leave as soon as they can to disregard schooling (Harrington, 1963: 158).

For Harrington, poverty was a psychological as well as a material condition. He described them as “internal exiles” who had lost any hope of a better life:

If statistics and sociology can measure a feeling as delicate as loneliness . . . , the other America is becoming increasingly populated by those who do not belong to anybody or anything. They are no longer participants in an ethnic culture from the old country; they are less and less religious; they do not belong to unions or clubs. They are not seen, and because of that they themselves cannot see. Their horizon has become more and more restricted; they see one another, and that means they see little reason to hope (Harrington, 1963: 18).

The result was a web of interconnected problems. “These are people who lack education and skill, who have bad health, poor housing, low levels of aspiration and high levels of mental distress”, wrote Harrington. “They are, in the language of sociology, “multiproblem” families” (Harrington, 1963: 158-159).
When Harrington was summoned to Washington to help come up with policies for the War on Poverty, he helped draft a memo that argued for public works projects on a massive scale. Unfortunately, the president had not only promised to wage War on Poverty, but to deliver tax cuts and reductions in government spending. The jobs programs Harrington and fellow socialist Paul Jacobs advocated would have cost three to five billion dollars (Isserman, 2000: 212-214).

As committed socialists, Harrington and Jacobs were looking for a much more radical shift in policy than Johnson’s administration was likely to deliver. According to Harrington’s biographer Maurice Isserman, the two liked to end their memos with a half-joking injunction: “Of course, there is no real solution to the problem of poverty until we abolish the capitalist system” (Isserman, 2000: 212).

**Promoting inclusion**

By the late 1960s poverty had declined significantly. But like many others on the American left, Harrington believed that the nation was still heading in the wrong direction. “It may well be”, he wrote, “that we are now witnessing the emergence of a hereditary underclass in which a black caste will be assigned a special portion of despair” (Harrington, 1969: 52).

Harrington argued that the War on Poverty had been totally inadequate. Technological change was destroying low skilled jobs and little was being done to prevent the culture of poverty being transferred the next generation. Even if economic growth continued, it would not benefit those without the skills needed to take advantage jobs in the new economy. Much more needed to be done to dismantle slums, create jobs and educate children from poor families (Harrington, 1969: 52-76).

Like Harrington, S M Miller and Frank Riessman saw the problem as one of exclusion. While much of the discussion about poverty focused on lack of income, they argued that this approach was inadequate. In their 1968 book *Social Class and Social Policy* they focused on “the broadest issues of inclusion or participation: economic, service, political, psychological, and social” (Miller & Riessman, 1968).

Miller and Riessman stressed the importance of education:

> In today’s society, a person is socially and economically excluded if he does not have at least a high-school diploma (Miller & Riessman, 1968: 11).

Education was not just important for paid employment, but also for other forms of participation. For example, they wrote that “people are culturally excluded in this nation if they do not have a fairly high level of literacy” (Miller & Riessman, 1968: 12).

Under the heading of ‘social inclusion’ they argued that the welfare system stigmatised recipients. While an adequate income support system would extend support to a greater proportion of America’s poor, this would not be enough on its own. They wrote:

> … the core principle should always be clear: to provide adequate income in ways that are not demeaning to the individual.

> To do this may mean reassessing what is a contribution to society. Instead of thinking of usual employment situations as the only ones which “contribute” to society, we should begin to revalue the activity of the husbandless mother who brings up children, the indigent aged, and others (Miller & Riessman, 1968: 19).
Other writers also connected the idea of the underclass with the language of social exclusion and inclusion. For example, John Romanyshyn in a 1971 book published by the Council on Social Work Education put Gunnar Myrdal's work into this context:

Those now left behind, with only a marginal attachment to the labor force or excluded entirely, cannot benefit from continuing economic progress since they have no way of acquiring the occupational positions that command the disproportionate share of rewards. Depressed economic conditions, social exclusion, and the assault on self-respect that is generated by an ideology of self-reliance and self-blame create a “... vicious circle tending to create ... an underprivileged class of unemployed, unemployables and underemployed who are more and more hopelessly set apart from the nation” (Romanyshyn & Romanyshyn, 1971: 195).15

Like many of those who would follow, Romanyshyn stressed the importance of the early years of life. He argued that low-income parents were aware of the importance of education, but were not always able to help their children benefit from it. He wrote:

It appears that children may be socialized in ways that tend to perpetuate a lower-class style of life. Crucial variables seem to be not only economic and social deprivation but a style of verbal communication that affects cognitive development, restricts educability, and sets in process a series of failures in school and at work, which ultimately leads to a high vulnerability to public assistance (Romanyshyn & Romanyshyn, 1971: 188-189).

American writers were using the rhetoric of social inclusion and exclusion long before the terms became popular in Europe and writers like Miller, Riessman and Romanyshyn used the terms alongside the term ‘underclass’.16

But ‘social inclusion’ and ‘social exclusion’ never became popular terms in the US. And the connotations of ‘underclass’ have changed over time as conservatives adapted the idea of a culture of poverty to argue for a reduction in the size of the welfare state.17

Les Exclus – the French underclass

In contrast to the US, the 1960s saw little interest in poverty in France. And of the limited interest there was, some was probably inspired by the American literature. For example, it’s likely that Paul-Marie de la Gorce’s 1965 book La France Pauvre (Poor France) was influenced by Michael Harrington’s The Other America (Sinfield, 1980).

It is French writing on ‘exclusion sociale’ (social exclusion) that has had most influence in Europe and the rest of the world. The term is usually attributed to René Lenoir whose 1974 book Les Exclus (The Excluded) had an impact in France similar to Harrington’s book in America (Ullman, 1998: 164-165).

Lenoir’s excluded were drawn from the welfare state’s outsiders – people who lacked access to France’s system of social insurance. As sociologist Hilary Silver writes, they were: “the mentally and the physically handicapped, suicidal people, aged invalids, abused children, drug addicts, delinquents, single parents, multi-problem households, marginal, asocial persons, and other ‘social misfits’” (Silver, 1994).

15 The quote is from Myrdal’s book, Challenge to Affluence.
16 Another American writer who wrote about social exclusion and the underclass was Douglas Glasgow (Glasgow, 1980).
17 See William Julius Wilson’s discussion in chapter 1 of The Truly Disadvantaged (Wilson, 1987).
Anti-poverty activists in English speaking countries like England and Australia found the term ‘social exclusion’ attractive, in part because they hoped it might bring French attitudes about the causes poverty along with it.

Surveys of public opinion show that the French are far less likely to blame poverty on individual causes than those in the US or the UK. As in Sweden and Norway, the French public tend to explain poverty in terms of social causes (Oorschot & Halman, 2000).

_Insiders and outsiders in the French welfare state_

In the industrialised world, persistent poverty is usually associated with countries that have small, underdeveloped welfare states. But even though France has one of the largest, most costly welfare states in the world, it is one that distinguishes sharply between insiders and outsiders. According to historian Timothy Smith, the benefits flow mostly to the richest half of society (T. B. Smith, 2004: 5).

For most of those in France, access to social insurance depends on access to permanent employment. The increase in unemployment during the 1970s and 80s meant that increasing numbers of immigrants, young unemployed and long-term unemployed people were not only excluded from work but also from unemployment insurance. As a result, during the 1980s the government created new payments and programs for those excluded from the insurance-based system.

The major new payment was the Revenu Minimum d’Insertion (RMI) a payment for unemployed adults over 25. The RMI is linked to ‘insertion’ programs designed to prevent people becoming trapped on assistance (Enjolras, Laville, Fraisse, & Trickey, 2001).18

The welfare state outsiders picked up by the RMI were not a homogenous group. According to French historian Pierre Rosanvallon:

> ... the RMI emerged because the state and the social workers realized that a growing number of individuals in precarious situations did not fit any of the traditional social categories. A whole group of persons living below a certain income level were not even identified because there were no homogeneous statistics, but also because statistics cannot encompass the nonmonetary criteria that are critical: environment, family status, family solidarity. Thus, many beneficiaries of the RMI never before benefited from social aid. They might be called the impoverished “without cause”: neither laid-off, nor handicapped, nor elderly, nor caring for dependent children, they were not reached by the category specific social policies. Moreover, studies have shown that RMI recipients do not stand out in terms of any classic variables (age, qualification, sex) (Rosanvallon, 2000: 99).

Excluding young people from the RMI was meant to prevent fostering a ‘culture of dependency’ among people who had never worked. Instead of the RMI young people are expected to access employment programs (Enjolras et al., 2001).

Another form of institutionalised exclusion is housing. At the end of the Second World War, France’s cities were suffering from an acute housing shortage. As a result, many poor residents, particularly immigrants, were living in shanty towns (_bidonvilles_).

---

18 The French government has recently introduced a new payment, the _revenu de Solidarité active_ (rSa) that will replace the RMI and the _allocation de parent isolé_ (single-parent allowance - API) (République Française, 2009). The new payment is designed to encourage recipients to participate in part time and low paid work.
The government responded by building thousands of high rise housing complexes on the fringes of cities (banlieue).19 These complexes were often physically isolated from jobs and services and came to be increasingly populated by North African immigrants (T. B. Smith, 2004: 180-181).

A European underclass?

In Les Exclus Lenoir warned that areas with large North African populations could become like New York’s African American ghettos (Lenoir, 1974: 36). And as French sociologist Loïc Wacquant writes, such comparisons became increasingly common in France (Wacquant, 1993, 1999).

Like those in the US and Britain, French commentators and academics have struggled over how to describe the new poverty. Some write about the ‘sub-proletariat’ (sous-proletariat), a term that is sometimes translated into English as ‘underclass’ (for example, see ATD Fourth world, 2007: 98-100).

In English speaking countries, much of the debate focuses on the causes of poverty and attributions of responsibility. Some terms suggest structural causes while others individual causes.20 Writing about how the meaning of Myrdal’s term ‘underclass’ has shifted, Pierre Bourdieu and Loïc Wacquant say:

One can see here how profoundly the detour through America can transform an idea: from a structural concept aiming to question the dominant representation of society emerges a behavioural category perfectly suited to reinforcing that representation by imputing to the “anti-social” conduct of the most disadvantaged responsibility for their own dispossession (Bourdieu & Wacquant, 1999).

For similar reasons Bourdieu and Wacquant also object to the term ‘social exclusion’. Interestingly, the term predates Lenoir’s book and has not always carried the implication that exclusion is imposed on people by unjust social structures.21

The European concept of social exclusion is not radically different from the concept of the underclass as it was used in the US during the 1960s. While European writers tend to stress the structural causes of exclusion, they also argue that structural disadvantage leads to dysfunctional or antisocial behaviour.

---

19 The word ‘banlieue’ is often translated as ‘suburb’. But as Loïc Wacquant writes, it has acquired quite different connotations: The eighties witnessed the rise of urban inequalities, xenophobia, and protest movements of youths from the working or lower class “banlieues”. The term banlieue itself, which originally designated a peripheral urban district, has thus come to refer to a declining working-class neighbourhood plagued with the social conditions whose intersection is said to define the new “urban question”: joblessness, housing degradation, violence, isolation, and immigration, but also the proliferation of a new type of discourse on “ghettoization” that suggested an abrupt convergence between dispossessed neighborhoods of the French and American city (Wacquant, 1999).

20 Much of the rhetoric about the causes of poverty is more about politics than social science. In many cases it is possible to explain the existence and scale of poverty by reference to structural causes (eg the effect of the recent financial crisis on the demand for employment) while at the same time explaining why some individuals and groups bear the brunt poverty rather than others (eg lack of skills or disability).

Conservatives tend to focus on the second issue while ignoring the first, while those on the left do the opposite. In France, as a number of other European countries, one of the major structural issues is whether the labour market regulation and social insurance system that protects insiders leads to higher levels of unemployment (for example, see: van Parijs, 2000).

21 For example, Jules Kalnier’s L’Exclusion Sociale: Étude de la Marginalité dans les Sociétés Occidentales (Social exclusion: The Study of Marginality in Western Societies) used the term to describe people who are unable to benefit from economic growth because of their irresponsible behaviour (Beland, 2007).
A 1992 European Commission document argues that social exclusion is affected by factors such as industrial restructuring that reduces demand for unskilled workers, family breakdown and changes in migration patterns. This has led to:

...growing resentment on the part of those excluded de facto from sharing in wealth with the risk of their being driven to desperate or disruptive or behaviour such as violence or drugs. Precarity generates fear of the future, often leading in turn to introversion, and sometimes to susceptibility to racist ideologies, xenophobic behaviour and various forms of extremism (European Commission, 1992).

Similarly, Bourdieu observes that insecurity of employment disproportionately affects young people and writes that “in Britain, where the distress of young people has reached very high levels, with consequences such as delinquency and other very costly phenomena” (Bourdieu, 1998).

People who believe that there is no realistic alternative to the economic changes at the root of these problems will see this as an argument for social control of the adult excluded and greater investment in the education and socialisation of their children (or perhaps an argument for discouraging less educated women from having children — particularly outside of marriage).

From tragedy to farce

Tony Blair’s Third Way approach abandoned ‘old Labour’ ideas about intervention in the labour market and the broader economy. In their view, the government’s role was to provide education and training, infrastructure and a low inflation, moderate taxation environment that fostered investment and growth (Blair, 1996: 111-117). And this meant that the Blair government accepted that many of the economic drivers of social exclusion were beyond its control.

The Third Way solution was to help people adapt to economic change. The government would not try to intervene in the labour market to create more secure jobs for workers who had been left behind. And it would not increase income support entitlements or spending on services to support working age people outside of the labour market. Those without jobs would need to acquire new skills or become flexible about the kinds of jobs and the level of pay they were willing to accept.

When the government shifted to the rhetoric of social exclusion, it created the impression that it was now working in entirely new territory – a place where the lessons of the past no longer applied. But in reality, the problem of exclusion was just a new name for the more familiar problem of the underclass. The shift in language had far less significance than it seemed.

The limits of the human capital approach

The risk for any government that attempts to solve poverty by helping people adapt to the labour market is that it will end up where the Johnson administration ended up. Johnson wanted to treat poverty as if it were an acute problem that could be solved in a short term burst of activity. But for many disadvantaged Americans, it turned out to be a chronic problem that required ongoing management. As wars went, it turned out to be more like Vietnam than World War II.
The Johnson administration rejected the idea of attacking poverty through redistribution of cash or resources. Direct job creation by government was also off the table. As a result, many of the War on Poverty’s programs focused on investments in human capital. By the late 1960s, the limitations of this approach were becoming obvious. Thomas Gladwin outlined the dilemma, writing:

The strategy of social competence ... depends not only on effective training programs, which are in fact being brought into being in increasing numbers, but also on permanent job opportunities with at least minimum career potential being available at the time training is completed. The difficulty seems to be that training programs must either be so sweeping their results that an almost Pygmalion-like transformation takes place, or else the occupational structure must provide a growing number of openings for precisely the kinds of minimally skilled people whom labor economists say are being squeezed out of the job market by automation and related phenomena. In other words, this alternative seems to require sweeping and revolutionary changes in our society, yet it does not incorporate mechanisms for achieving the necessary revolution (Gladwin, 1967: 46).

In the UK, those who were aware of the history of programs designed to radically transform the lives have been pessimistic. Few were as blunt as Ralf Dahrendorf. Before the election of the Blair government, he said:

Perhaps the existing underclass problem cannot be resolved at all. It is all the more important to do everything in our power to prevent the recruitment of another generation to a condition of economic and social exclusion (Hansard HL, 1994).

Once a Third Way government gives up hope of preparing socially excluded adults for the labour market it has few options left. The two most obvious options are social control for adults and preventative programs for children.

After almost a decade in office, Blair was quoting economist James Heckman on the importance of early childhood interventions. Heckman argues that education and training programs targeted at adults are poor investments. “The track records for criminal rehabilitation, adult literacy, and public job training programs for disadvantaged young adults are remarkably poor”, he writes (J. J. Heckman, 2006). Instead, he advocates investment in early childhood.

In a 2006 speech on social exclusion, Blair said:

The Nobel economist James Heckman famously showed that the return on human capital was very high in the early years of life and diminished rapidly thereafter. And yet the emphasis in spending in British social policy had always been the opposite. Investment was negligible in the early years. It then began to grow at just about the age that diminishing returns were setting in. If policies had been devised expressly to defy the evidence they could hardly have been better. We have responded to the evidence and begun to correct the anomaly (Blair, 2006).
The unspoken implication here is that the government has been spending too much on education and training for disadvantaged adults – that money spent on these programs should be redirected towards investments in children.22

There is a dark side to the early childhood agenda – the belief that there are few if any decent jobs for today’s socially excluded adults and no way to create them. Low levels of skill combined with their accumulated health and social problems condemn excluded adults to a cycle of insecure low paid work and unemployment. And with such bleak and unrewarding career opportunities, only punitive mutual obligation policies can ensure labour market ‘inclusion’.

The Australian government’s social inclusion agenda

Before the 2007 election, the Shadow Minister for Social Inclusion, Julia Gillard argued that the Australian labour market was changing. Demand for unskilled blue collar workers was falling while the demand for skilled workers, particularly in the services sector, was rising. She noted Tony Vinson’s work on geographically concentrated disadvantage and cautioned that economic growth was not enough to deal with the problem of social exclusion (Gillard, 2007b).

As in the UK and US, structural change in the economy is seen as driving problems of chronic joblessness and geographically concentrated disadvantage. And again, the policy response has focused on helping people adapt to economic change.

However the Australian government’s social inclusion agenda has become far broader than this. It includes measures to help people such as the elderly homeless who are unlikely to enter or reenter the labour market.

After the golden age

Michael Harrington fear in the early 1960s that rising productivity could be a menace to the poor has reemerged in recent decades. In the US William Julius Wilson argues that structural changes in the economy have reduced the demand for low skilled workers – a shift that has disproportionately affected already disadvantaged inner city neighbourhoods. Poor neighbourhoods are now jobless neighbourhoods. And chronic joblessness has led to a breakdown in residents’ ability to maintain social control and realise common goals (Wilson, 1996).

In a 1995 paper, Australian economists Bob Gregory and Boyd Hunter showed how economic disadvantage in Australia was becoming concentrated in particular neighbourhoods. They warned that “these neighbourhoods may be developing their own pathologies which generate more poverty and produce further increases in inequality through time” (Gregory & Hunter, 1995).

22 In a paper on human capital policy Pedro Carneiro and James Heckman write:

Based on the best available evidence, the most economically justified strategy for improving the incomes of low-ability, low-skill adults is to invest more in the highly skilled, tax them, and then redistribute the tax revenues to the poor.

They go on to argue that people may value work for reasons other than economic efficiency. Given this, it may make sense for governments to subsidise “inefficient jobs”. They stress that:

Job subsidies, however, are not the same as investment subsidies. The evidence points strongly to the inefficiency of subsidizing the human capital investment of low-skilled, disadvantaged workers. (Carneiro & Heckman, 2003).
Gregory and Hunter argued that Australia’s most disadvantaged neighbourhoods were losing touch with the world of paid employment. The economy had failed to create enough jobs.

In 2006, Gregory, along with Paul Frijters argued that the divide between the economic winners and losers was created by a shift in the demand for skills. The “marginal productivity of the high-skilled has gone up whilst that of the low-skilled has gone down”, they wrote. Since the supply of low skilled workers has not fallen as quickly as demand, the result has been an increase in joblessness and underemployment:

Employment has begun to increase during the last two years of the current boom, but we would need decades of such a boom, without any significant downturn, to return to 1970 employment levels. To all intents and purposes, therefore, the increased welfare dependency is a long-term phenomenon from which there is no easy return. Australia seems to have found a new labour market equilibrium in which 1 million, mainly low-skilled, men are without full-time employment and on long-term state support. The loss of male jobs also seems to be spilling over into female employment, witness the 1.2 million increase in welfare support among women (Frijters & Gregory, 2006).

If structural changes in the labour market have increased demand for high skilled workers and decreased demand for those with lower levels of skill, then it makes sense for policy makers to focus on educating and training the young. On an optimistic note Frijters and Gregory write: “it may well prove eminently possible to educate the next generation of Australians out of the current situation” (Frijters & Gregory, 2006).

But this leaves the problem of less skilled adults – people who in the 50s and 60s would have found employment relatively easily but who today are increasingly likely to be jobless and reliant on income support.

This was a problem the Keating government grappled with in the 1990s and the Working Nation initiative was created to deal with the problem of entrenched long-term unemployment (Commonwealth of Australia, 1994). And in a 1995 speech Paul Keating invoked the rhetoric of inclusion:

The first principle of Australian government policy is inclusion. We believe that our country’s success is best measured – and best achieved – by policies which enable all to share in the bounty of the nation (Keating, 1995).

He went on to argue that economic growth alone would not solve the problem and outlined how Working Nation would bring long-term unemployed people back into the labour market.23

Social inclusion and the productivity agenda

Julia Gillard, the current Minister for Social Inclusion, presents the social inclusion agenda as an element of the government’s productivity agenda – a strategy that reaches out to people excluded from the labour market, investing in their human capital and including them as producers. She says:

---

23 Keating’s speechwriter Don Watson notes that ‘inclusive’ had become a catchword for both sides of politics. In Recollections of a Bleeding Heart he writes:

A Sydney newspaper reported that while many of the Prime Minister’s words and phrases began with his speechwriter, the word ‘inclusive’ was all his own. He was welcome to it. If there is one word of which I am ashamed it is ‘inclusive’. It is like being the author of ‘enhance’, or ‘commitment’ or the rabbit plague (Watson, 2002: 370).
The concept of social inclusion in essence means replacing a welfarist approach to helping the underprivileged with one of investing in them and their communities to bring them into the mainstream market economy.

It’s a modern and fresh approach that views everyone as a potential wealth creator and invests in their human capital (Gillard, 2007a).

On Gillard’s account social inclusion is an integral park of her broader portfolio responsibilities. In a speech to the Australian Industry Group she said:

In today’s world, the areas covered by my portfolios – early childhood education and childcare, schooling, training, universities, social inclusion, employment participation and workplace cooperation – are all ultimately about the same thing: Productivity.

So while my portfolios can be a mouthful, I’ll be happy to be referred to simply as ‘the Minister for Productivity’ (Gillard, 2007c).

But the social inclusion agenda also extends beyond the government’s productivity agenda to include the needs of people who are unlikely to enter the mainstream market economy as employees, contractors or business owners.

Senator Ursula Stephens, the Parliamentary Secretary for Social Inclusion and the Voluntary Sector, focuses on this aspect of the social inclusion agenda. As she points out, homelessness is a key priority of the agenda and the elderly homeless “represent around 17 per cent of the homeless population” (Stephens, 2008b). Obviously, the government is not planning to move those on age pensions from welfare to work. For this group social inclusion policies focus on providing more housing and support services. The government has also argued that “Ageing and aged care programs funded through the Department of Health and Ageing make a significant contribution to enabling and supporting the opportunities that older people need to be socially included” (Ludwig, 2009).

According to the Australian government’s social inclusion web site, the social inclusion agenda includes the following priorities:

- Supporting children at greatest risk of long-term disadvantage by providing health, education and family relationships services
- Helping jobless families with children by helping the unemployed into sustainable employment and their children into a good start in life
- Focusing on the locations of greatest disadvantage by tailoring place-based approaches in partnership with the community
- Assisting in the employment of people with disability or mental illness by creating employment opportunities and building community support
- Addressing the incidence of homelessness by providing more housing and support services
- Closing the gap for Indigenous Australians with respect to life expectancy, child mortality, access to early childhood education, educational achievement and employment outcomes (Commonwealth of Australia, 2009a).

Social inclusion has become an umbrella term. Underneath it sit a variety of objectives (eg improve the self-sufficiency of working age welfare recipients), individual programs and services (eg provide more support services to people experiencing homelessness) and broad administrative principles (eg a greater emphasis on joined-up or whole of government solutions). It is a mistake to look for a single principle that links these elements together.
Part 2

What is the social inclusion agenda?

‘Social inclusion’ is not an activity or process that solves deep seated social problems. Instead, it is an agenda – “a list or outline of things to be considered or done”.\(^{24}\) While all related, there is no reason why the items on the social inclusion agenda need to share a particular defining feature.

Similarly, there is no single state or process that can be called ‘social exclusion’. For governments, it too is a list or outline – a list of problems. As the Social Policy Research Centre’s Ilan Katz puts it, the Australian government’s approach is to “identify a number of severe social policy problems that are known to require a multi-departmental approach and to set up processes to deal with these issues” (Katz, 2008).

Because the social inclusion agenda does not represent the discovery of a new way of preventing or solving social problems such as unemployment, it does not on its own remove the need for adequate income support payments or other supports to people who are unable to find or maintain paid work.

Exclusion from employment might receive the most attention from policy makers, but it is not the only kind of exclusion on the agenda. According to the Australian government’s statement on social inclusion A Stronger Fairer Australia:

Social inclusion means building a nation in which all Australians have the opportunity and support they need to participate fully in the nation’s economic and community life, develop their own potential and be treated with dignity and respect. (Commonwealth of Australia, 2009b).

The statement stresses the importance of paid employment, but also includes measures to promote community participation and deal with problems of social isolation.

Problems and agendas

The social inclusion agenda does not mark a sharp break from the past. As Julia Gillard, the Minister for Social Inclusion told delegates to the Social Inclusion Conference: “the core value behind the words is as old as our community. It is that in a strong and fair nation, nobody is left behind” (Gillard, 2010).

The social inclusion agenda emphasises a number of social problems and issues that non-government agencies like Catholic Social Services Australia and researchers like Bob Gregory, Boyd Hunter and Tony Vinson have been struggling with well before the change of government. This is why agencies like ours have welcomed the social inclusion agenda and worked closely with government to work out what it means in practice.

\(^{24}\) As defined by Merriam-Webster Online Dictionary (Merriam-Webster, 2010)
Windows of opportunity

Every so often a problem emerges from the shadows and rises onto the government’s agenda. Then, with their attention focused, policy makers begin looking for solutions. As political scientist John Kingdon put it, a ‘policy window’ opens creating an opportunity for advocates to have their ideas heard and their proposals considered (Kingdon, 1984).

An open window creates opportunities for researchers as well. Problems need to be defined and measured. Their causes need to be explained. There will be arguments about why the problem matters and who should be held responsible for it. An open window can generate a great deal of excitement and activity.

Examples of these kinds of open windows include US President Lyndon Johnson’s War on Poverty in the 1960s and the Keating government’s Working Nation initiative on long-term unemployment in the 1990s.

One way policy windows open is when statistical indicators show that something has changed – for example, that long-term unemployment is rising. Or sometimes it is because something that should have changed didn’t – for example, despite years of economic growth and increasing affluence, poverty failed to disappear. At other times, a single dramatic event like a terrorist bombing will focus public attention on a problem and spur governments to action.

Poverty and unemployment are familiar problems. And in normal circumstances, well understood problems cycle on and off the government’s agenda. But every now and then an entirely new problem appears on the agenda. This can lead to major changes in policy.

One example is the emergence of the idea of unemployment in the late 19th century. Of course the problem existed before politicians, unionists and economists began talking about it, but it was usually understood as something else – a kind of poverty associated with idleness and demoralisation.

The shift in perception had implications for policy. Before the recognition of unemployment as a distinct problem, policy makers focused their attention on the behaviour and character of ‘sturdy beggars’ and the ‘idle poor’ – working age people who sought relief through the poor law. At the time, the questions seemed obvious enough. If most labourers had paid work, then what was different about those who did not? Surely, if they were not ‘impotent’ or disabled then it must be that they lacked the will to work. So by threatening them with the choice of destitution or the workhouse, the problem could be solved (and if it wasn’t the fault lay with the poor man himself).25

Policy makers gradually began to realise that the economy was prone to cycles of boom and bust. The demand for labour fluctuated independently of the changes in the moral character of the labouring classes. From this perspective being unemployed meant being unable to find work despite being willing and able and despite actively searching for it.

25 As an editorial in The Times put it in 1888:

... in no case is it possible in this country for a poor man to starve except by his own choice. There is provision for him under the amended Poor Law, and if he declines to avail himself of it because it is not offered on his own terms, the blame for the result rests not with the law but with himself (The Times, 1888).
The recognition of the problem of unemployment led to a revolution in public policy. Unemployment was now seen as an insurable risk like fire, flood or illness. And since economic depressions were seen as temporary aberrations, job creation schemes could help tide workers over until employing industries returned to health. Where skills were a problem, governments could help with education and training.

For more than a century, the policy community has argued over how best to deal with unemployment. And the Great Depression of the 1930s saw a surge of interest in the structural causes of the problem. Some radicals argued that it could be prevented by abolishing the capitalist system and replacing it with a system of state socialism. Others like John Maynard Keynes argued that governments could smooth out fluctuations in the economy through policies of demand management. And others still argued that economic fluctuations and entrenched unemployment were the result of markets not being free enough.

But despite big picture visions about how to abolish the problem at a structural level, unemployment continued to be a problem and governments continued to respond to it by providing income support and insurance, by creating jobs, and by offering programs to help workers search for work and develop new skills. For much of the post-war period these policies attracted little attention, but with a sharp rise in joblessness in the 1970s unemployment was back at the top of the agenda.

By the second half of the 20th century, most people had a clear idea of what unemployment was and how to argue about it. There were official statistics, competing theories about its effects and causes, and well rehearsed controversies about who ought to take responsibility for fixing the problem.

The structure of public problems

The creation of a new problem is a significant event. As the history of unemployment shows, it can change the way policy makers define issues, how they measure them, how they explain their causes, why they think they are worth attending to and how they assign responsibility for solving them.

A well formed problem like this is structured by both factual information about the problem and by the values that prompt people to be interested in it. Often these facts and values are subject to intense debate.
As the diagram above illustrates, there are a number of steps involved in giving a problem a clear structure – five things that need to be argued and settled to produce a well supported policy response.

1. **Define the problem**: The problem needs to be defined in a way that clearly distinguishes it from other problems. Until this is done, the problem is too vague to measure, explain or respond to in a coherent and deliberate way.

2. **Explain why we should care**: Explaining what is wrong (in a normative sense) makes it easier to recognise what counts as a solution. For example, abolishing minimum wages and income support may reduce unemployment but if the reason we cared about unemployment was that it exacerbated income inequality and led to material hardship then this would not be an acceptable solution (it would be like trying to lose weight by cutting off your leg).

3. **Measure**: It is difficult to know whether a problem is getting better or worse if there is no way to measure it. Similarly, it is easier to target policy responses if policy makers can see whether the problem is concentrated among particular groups of people or in particular places.

4. **Explain causes**: Most problems are easier to solve when policy makers understand what causes them. For example, if unemployment is caused by a mismatch between the skills employers demand and the skills unemployed people possess, then training programs may be worth considering. No responsible doctor would attempt to treat chest pain without trying to find out what was causing it. The same principle applies to policy making.

5. **Assign responsibility**: Policy makers must decide who should take responsibility for changing their behaviour or bearing the cost of a policy solution. Often the debate over this will be related to the debates over who is morally responsible for causing the problem. For example, with the problem of climate change some people argue that people living in developed nations should make the greatest sacrifices because they have benefited most from the activities that have caused the problem.
Very often not all of these steps will be considered during debate over a problem. When there is a broad consensus within the policy community about how to understand a problem a debate can move rapidly from a shift in the problem indicators (eg an increase in the unemployment rate) to debate over how much to spend on an established menu of solutions (eg wage subsidies, job search and training programs).

But in the field of social policy some of these debates have become deeply entrenched. A site of seemingly intractable controversy is over the causation of problems like chronic poverty. Debates over causation become heated because of the way they are connected to debates over moral responsibility.

When governments implement policies that require poor individuals to change their behaviour, some advocates and academics interpret this as blaming the victim (see Ryan, 1976). The policy response is taken as evidence that policy makers believe (or want the public to believe) that poverty is caused by the behaviour of poor people. For those who believe the causes lie elsewhere, this is seen as unfairly stigmatising a vulnerable group of people without doing anything to address the underlying causes of the problem.

It is difficult to move forward with these debates until we understand what is behind the controversy — only then can we know whether the debate can be settled with data or analysis. For example, in the United States there has been a long running debate over welfare to work policy. Some people have argued that welfare recipients remain on income support because they have become pessimistic and demotivated. As political scientist Lawrence Mead puts it, they suffer from irrational defeatism (Bane & Mead, 2003; Mead, 1992). These policy advocates argued that the best way to increase work participation was to demand it with tough ‘work first’ policies. On the other side of the debate were those who argued that welfare recipients faced barriers to work such as low levels of skill. As a result, they favoured programs designed to develop ‘human capital’.

When evidence emerged that the most effective programs were neither strict work first nor human capital development but a combination of the two, the debate shifted.26 When it came to advocating effective policies, it turned out that neither side understood the problem as well as they claimed to. What was generating most of the heat in this debate was a perception about who was being blamed for the problem. It was a dispute over morality dressed up as a debate over social science.

A well formed problem can stimulate constructive debate and generate powerful new policy ideas. But not everything that shows up on the government’s agenda has the potential to develop into a well formed problem.

---

26 Evidence of the effectiveness of work first, human capital development, and mixed approaches to welfare to work is presented in a 2001 report by MDRC to the US department of Health and Human Services, and the Department of Education (Michalopoulos & Schwartz, 2001).
Social exclusion is not a new problem

At first it seemed as though the appearance of social exclusion and social inclusion signaled the emergence of a new problem. It seemed as if a window of opportunity had opened. But social exclusion is not a well formed new problem – in fact it is not a single problem at all. What governments have done is signal an intention to focus on a collection of existing social problems and address them through better coordinated service delivery (a ‘joined up government’ or ‘whole-of-government’ response).

The creation of the Australian government’s social inclusion agenda marks an important shift in policy direction and one that has the potential to significantly improve the lives of disadvantaged Australians. But it should not be mistaken for the arrival of a new problem on the government’s agenda. What social inclusion does is puts existing problems like homelessness, entrenched joblessness and locational disadvantage higher up the policy agenda than they have been in the past. While that makes it more likely that the government will do something about these problems, it doesn’t necessarily determine what they will do.

Unfortunately, politicians have sometimes courted misunderstanding by talking about social exclusion as if it were itself a cause of disadvantage. For example, in 1997 Tony Blair said:

Social exclusion is about income but it is about more. It is about prospects and networks and life-chances. It’s a very modern problem, and one that is more harmful to the individual, more damaging to self-esteem, more corrosive for society as a whole, more likely to be passed down from generation to generation, than material poverty (Blair, 1997a).

In another speech social exclusion reappears, not as a cause of social problems, but as a consequence of them:

Social exclusion is a shorthand label 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 (Hansard HC, 1997).

Some critics cried out in frustration at this definition. They objected because it refused to spell out exactly what could happen when people suffered from this seemingly arbitrary list of problems. But the general point Tony Blair was trying to get across is the way social problems can feed off each other in areas of high disadvantage. He understood that the question of which problem came first had become a ‘chicken or the egg’ question – one that was no longer helpful from a practical policy perspective.

Vagueness is not a problem as long as people understand that social inclusion and exclusion are agendas rather than specific problems. There is nothing wrong with political leaders placing a list of social problems on the government’s agenda – in fact this is something that non-government social services agencies should welcome.
Researchers and the honeypot effect

Confusion about the nature social exclusion and inclusion agendas has been most damaging in research organisations. Norwegian academic Else Øyen, has written about the confused way European researchers responded to the emergence of social exclusion on the European Commission’s Targeted Socio-Economic Research (TSER) programme.

According to Øyen, politicians felt that the concept of poverty was too loaded, so they asked for a replacement. And in the end they settled on social exclusion/inclusion. But for researchers these concepts are not particularly useful or productive for research into the causes of disadvantage. When researchers embraced social exclusion they turned their attention away from better defined, more productive concepts.

Øyen’s criticism is directed at social scientists rather than politicians:

The politicians’ choice is legitimate. They point their fingers at an important social process, and ask the researchers to find the necessary screws and bolts to stop or reverse the process. The researchers’ response may be less legitimate. They pick up the concept and are now running all over the place arranging seminars and conferences to find a researchable content in an umbrella concept for which there is limited theoretical underpinning. The original document they react to is a mixed bag of moral, political and academic statements and good wishes for an enormous amount of uncoordinated research questions, to be provided with minimal funding (Øyen, 1997).

Øyen rightly points out that the problems that sit under the umbrellas of social exclusion are unlikely to share a common cause or respond to a single set of interventions. Social exclusion refers to a number of separate problems, some of them causally linked and some of them not.

An agenda, not a program

In Australia, the Social Policy Research Centre’s Ilan Katz writes that social researchers are enthusiastic about things like social inclusion because they create opportunities for books, papers and conferences where the new concept can be defined, operationalised and debated.

But Katz warns that researchers should avoid allowing discussion of social inclusion to become bogged down in disputes over definitions. As with its predecessor social capital, there are too many ways to define the concept and little hope of definitional debates leading to anything productive. Katz suggests that there is an alternative approach that avoids these intractable disputes:

That approach is based on the model set by the Social Exclusion Unit in the UK and followed by the Social Inclusion Board in South Australia. It is to identify a number of severe social policy problems that are known to require a multi-departmental approach and to set up processes to deal with these issues. Typically these problems include homelessness, substance abuse, mental illness, and young people not in education or employment.
This approach has the advantage of not having to address the definitional complexities of social inclusion. Instead it can narrow the focus on specific and hopefully achievable objectives rather than promoting social inclusion as a positive-sounding but fairly meaningless goal. On the other hand this approach is very programmatic and narrowly focused. It presumes that complex problems can be addressed relatively easily by short-term interventions. The UK experience with this approach has been mixed. Homelessness seems to have genuinely fallen, but other problems such as youth crime and drug abuse have been much less successfully addressed (Katz, 2008).

While less harsh Øyen’s critique, Katz’s response is similar. Researchers should not allow themselves to get distracted from productive work on existing problems. Because social inclusion is an umbrella label for a large number of related and unrelated problems, these can get picked up as part of a social inclusion agenda without researchers having to radically change direction.

The social services sector and the social inclusion agenda

The arrival of a new problem on the agenda usually signals an opportunity for new programs and services. For example, the arrival of unemployment saw the creation of unemployment insurance and labour exchanges. But because social exclusion is umbrella for a range of already identified problems, most of the programs and services already exist.

As a result, there is little to be gained by non-government social services organisations generating elaborate position statements about social inclusion or putting bids in for new programs specifically designed to address the problem of social exclusion. The pragmatic response for these organisations is to insert the language of inclusion into speeches, media releases and funding submissions but keep advocating for action on existing problems. This isn’t cynicism. It’s a recognition that social exclusion is not a problem in its own right and that there is no single process of inclusion that could be incorporated into a program.

As with researchers, there is the potential to waste a great deal of effort on fruitless arguments about the definition of social exclusion and inclusion and attempting to produce new social inclusion indicators. Most of the necessary indicators already exist and refer to specific problems such as unemployment, poverty and child maltreatment. The real task is to do what Tony Vinson did with Catholic Social Services Australia’s and Jesuit Social Service’s Dropping Off the Edge report, bring those indicators together in a way that helps policy makers identify unmet need.
Part 3

Why the social inclusion agenda matters

Today’s social inclusion agenda returns to the issues identified by anti-poverty activists like Michael Harrington during the 1950s and 60s. When Harrington described America’s poor as “people who lack education and skill, who have bad health, poor housing, low levels of aspiration and high levels of mental distress”, he could just as easily be describing those who live in the areas identified in Dropping Off the Edge.

Many people know Harrington as a socialist anti-poverty activist, but few remember that he was also a Catholic anti-poverty activist. It was his Catholicism that set him apart. In a 1954 article for the Catholic Worker he warned about dehumanising people in poverty. He wrote:

The reaction to this poverty should be partly one of calculation, of how can it be eradicated, but it must also be of the Beatitudes, of hunger and thirst for Justice, of love and grief for what goes on before our eyes (quoted in Isserman, 2000: 79).

Harrington was not prepared to wait for a socialist utopia to arrive. He demanded that Americans take action now. In the same way, Australians should not wait for the government’s human capital agenda to abolish poverty at some distant future date. We must help people in need now.

The Australian government’s broad social inclusion agenda represents a recognition of issues Catholic Social Services Australia and its predecessor, the Australian Catholic Social Welfare Commission (ACSWC) have been advocating (along with a broad cross section of community organisations) for decades. This is why governments have turned to advocates like Monsignor David Cappo and researchers like Professor Tony Vinson.

Monsignor David Cappo once headed up the predecessor organisation to Catholic Social Services Australia – the Australian Catholic Social Welfare Commission (ACSWC). As a result of his long-term advocacy on social issues, the South Australian government appointed him as Chair of the state’s Social Inclusion Board and later as Commissioner for Social Inclusion.

The ACSWC embraced the language of social exclusion in the early 1990s. For example, in a 1994 paper ‘Reworking Citizenship and Social Protection: Australia in the 1990s’ David Cappo and Bettina Cass wrote that the debate about the future of social security and labour market institutions:

... must be done within a moral discourse which recognises the equality of dignity and social interdependence which our shared humanity requires, and the overwhelming imperative to achieve social integration and inclusion, rather than social exclusion, in the institutions of the labour market and civil society (Cappo & Cass, 1994).

Dropping off the Edge study was commissioned by Catholic Social Services Australia and Jesuit Social Services. It has had a significant impact on the government’s social policy agenda. Catholic Social Services Australia’s advocacy on social inclusion represents a continuation of work the organisation has been pursuing for decades.

As Michael Harrington realised, the Catholic tradition of advocacy on poverty and exclusion fills a gap. It is easy to get caught up in the mechanics and calculation of responding to these problems and forget about why they matter.
A four letter word

There's a single word that sums up the Catholic tradition of advocacy for disadvantaged Australians but oddly, public servants and researchers never use it. They assiduously avoid using it when they talk about issues like social inclusion. But privately they, like almost everyone else recognises that it is essential for well-being.

No one can lead a truly fulfilling life without love. Human beings have an inbuilt need to belong – to have close, ongoing relationships with people they care about and who care about them in return (Baumeister & Leary, 1995).

The call to love is just one element of Catholic social teaching. But it is one with special significance for a broader social inclusion agenda.

The experience of love is what makes life meaningful. And the capacity to love is what makes us human. Love shapes how we relate to others, and not just with our family, friends and lovers. Love (or its absence) shapes our institutions and the policies of government. It is why we want governments to reach to those who are alone and in pain. Who can look at a suffering or neglected child and do nothing?

But perversely, talk of love is taboo in the serious world of economic and social policy. A 50 page literature review on the concept of social inclusion prepared for the Department of Prime Minister and Cabinet doesn't mention the word even once (Hayes, Gray, & Edwards, 2008).

And when the Australian Treasury writes about “well-being” they briefly consider “personal relationships” but file them under the heading of “level of consumption possibilities” – as if love and friendship were products to be consumed.

Part of the problem is that, as an emotion, love should be excluded from the decision making process in public policy. Love is seen as a disruptive force – a powerful and irrational emotion that blinds people to reason and evidence. And the loyalties which are forged through emotional ties to lovers, friends and family are seen as fostering nepotism and corruption if allowed to intrude into public life. From this perspective, public life should be regulated by the norms of justice, reason and evidence. Love – like its less attractive siblings, hatred, envy and jealousy – must not be allowed to intrude on cool and rational deliberation.

But as the philosopher Martha Nussbaum explains, this is a confused way to think about the relationship between emotion and cognition. Emotions like love and anger are inseparable from cognition. Emotions are ways of perceiving, argues Nussbaum. For example: “Being angry seems to require the belief that I, or something or someone important to me, have been wronged or harmed by another person’s intentional action” (Nussbaum, 1995: 61). If the beliefs change, then so to will the emotion.

27 Some economists suggest treating children as ‘durable consumer goods’ so that decisions about the ‘demand’ for children and investments in the ‘quality of children’ can be assimilated into economic theory and analysis. For example, Chicago economist and Nobel prize winner Gary Becker writes:

For most parents, children are a source of psychic income or satisfaction, and, in the economist’s terminology, children would be considered a consumption good. Children may sometimes provide money income and are then a production good as well. Moreover, neither the outlays on children nor the income yielded by them are fixed but vary in amount with the child’s age, making children a durable consumption and production good. It may seem strained, artificial, and perhaps even immoral to classify children with cars, houses, and machinery. This classification does not imply, however, that the satisfactions or costs associated with children are morally the same as those associated with other durables (Becker, 1976: 172).
According to psychologist Jonathan Haidt, human societies depend on moral emotions like compassion, shame and contempt in order to function. We are able to live together peacefully and cooperatively only because of the way emotions regulate our behaviour (Haidt, 2003). It’s unlikely that we could make decisions about how to act – or that we would act at all – if we didn’t have some emotional investment in the consequences of our choices. Logic and statistics are not intrinsically motivating. To be motivated to act, we need to care.

The Church and politicians are more likely to talk about love than bureaucrats and academic policy analysts.

In his encyclical Caritas in Veritate (Love in Truth), Pope Benedict XVI argues that nothing of Catholic social teaching would remain if love or ‘charity’ was lost and that love cannot be limited to the private spheres of family, friendship or civil society:

Charity is at the heart of the Church’s social doctrine. Every responsibility and every commitment spelt out by that doctrine is derived from charity which, according to the teaching of Jesus, is the synthesis of the entire Law (cf. Mt 22:36-40). It gives real substance to the personal relationship with God and with neighbour; it is the principle not only of micro-relationships (with friends, with family members or within small groups) but also of macro-relationships (social, economic and political ones) (Benedict XVI, 2009).

Political leaders on various sides of politics have acknowledged the legitimacy of loving concern for others in policy making. For example, explaining the meaning of social exclusion, Senator Ursula Stephens draws on these words attributed to Mother Teresa: “The biggest disease in the world today is the feeling of being unwanted and uncared for. The greatest evil in the world is lack of love, the terrible indifference towards one’s neighbour...” (Stephens, 2008a).

Similarly, Tony Abbott, the current leader of the Liberal Party and someone who could hardly be called a ‘bleeding heart’ has said:

The foundation of the western world’s ethical system “do to others as you would have them do to you” is a practical version of Jesus’ injunction to “love your neighbour as you love yourself” (Abbott, 2006).

The Australian Treasury sees its mission as improving the well-being of the Australian people (Treasury, 2004). But it is nonsensical to talk about improving people’s well-being without mentioning love.

If Mother Teresa and Ursula Stevens are right – if people’s well-being is most threatened when people can be treated as inconvenient, burdensome and disposable, then public policy must be tempered by love.

This kind of love – the kind embodied in the Biblical exhortation to “love your neighbor as yourself”28 – is often referred to using the ancient Greek word agape. It is a recognition of shared humanity. It is our ability to look at another person and understand that they matter just as much as we do – not just in an intellectual way but in an emotional way that motivates us to do something.
Love is not something that necessarily clouds our judgement about justice, it’s why we care about justice in the first place. It gives the strong a reason to live by the same laws they impose on the weak. It motivates those who have to give to those who have not – even when they know that this giving will never be reciprocated. Without love – without genuine concern for well-being of others, there would be no reason to reach out and include people when doing so doesn’t serve our self-interest.

Children with severe disabilities, people who are elderly and frail, people who persistently commit crimes – all these people might be dispensable if we chose not to see them as human beings like ourselves and respond to them with the empathic concern of love. If we applied the cool calculus of material self-interest some people would appear only as poor investment opportunities.

When love is excluded from public debate the idea of social justice becomes hollow. We might call for a fairer distribution of income and wealth but we will forget to ask why this matters. Instead of thinking about how people experience joblessness and poverty – about feelings of shame, frustration, anger or apathy – we ask how much money it will take to shift the Gini coefficient to a more acceptable level.

**Beyond social justice**

Catholic social teaching is commonly associated with demands for social justice. These demands typically focus on reducing inequalities of wealth and income, and ensuring that all people have access to health care, education, housing and other services and opportunities.

But as Mother Teresa insisted, human well-being depends on more than exchanges in the marketplace and entitlements from government. Individuals need to relate to each other in friendship.

Human life takes place within different spheres of society. As consumers and producers individuals abide by norms of exchange. As citizens they have rights and duties. And as spouses, parents and children they have roles within the family. There is also the sphere of friendship and community.

Friendship is not based on the principle of exchange or on principles of rights and justice. It cannot be purchased or claimed as a right. As a relationship of love, friendship must be entered into freely. As St Thomas Aquinas wrote:

> Friendship is needed by all men in whatsoever occupations they engage. In prosperity it does not thrust itself unwanted upon us, nor does it desert us in adversity. It is what brings with it the greatest delight, to such an extent that all that pleases is changed to weariness when friends are absent, and all difficult things are made easy and as nothing by love (Aquinas, 1949).

An inclusive society makes space for friendship and love – for relationships founded on shared concern rather than on self regard or duty. It is a society where the individualism of the market and the collectivism of state institutions do not dominate.

---

Friendship and love can have a negative aspect that leads to social exclusion. By fostering a dense network of loyalties it can shut others out. One of the most challenging ideas in Catholic social teaching is the idea of ‘civil friendship’ or fraternity. Fraternity infuses all relationships with the loving concern that animates friendship. It is the concern of the Good Samaritan, a concern that includes everyone as a neighbour.

So while it first seems that friendship and love have nothing to do with governments or public policy, Catholic social teaching challenges this idea. It suggests that concern for the freedom, dignity and well-being of others should permeate all society’s institutions. It should temper the enforcement of laws and regulations, guide the administration of government programs and animate thinking about social and political reform.

According to the Compendium of the Social Doctrine of the Church “No legislation, no system of rules or negotiation will ever succeed in persuading men to live in unity, brotherhood and peace; no line of reasoning will ever be able to surpass the appeal of love” (Pontifical Council for Justice & Peace, 2005: 106).

A Catholic response to the social inclusion agenda

Catholic social service agencies have two roles. One is to advocate on behalf of people in our community who are disadvantaged – with both governments and the community at large. The other is to reach out to people directly, meeting their needs with goods and services, but also their needs as human beings. Catholic social service attempts to be love in action and although it has sometimes failed (even dreadfully so) it frequently succeeds.

Advocacy

Catholic social service agencies sometimes feel overwhelmed when confronted by large government departments and their agendas. The financial resources of governments are vast compared with what individual agencies can raise through donations and social enterprises. We forget that the authentic experience of service delivery means governments are often influenced by our advocacy.

What governments need from our agencies is not just cost effective service delivery, they also need the knowledge and human concern that goes along with being an integral part of local communities around Australia. In this context, Catholic social welfare agencies do more than simply respond to the priorities governments set. We do more than just rebadge our services and projects with whatever labels are fashionable at the time – poverty, human capital, social capital or social inclusion. We have a legitimate role in setting the agenda.
In a series of papers and submissions, Catholic Social Services Australia, drawing on the rich experience of its members has argued for new approaches and priorities to meet the needs of disadvantaged Australians. These include:

- **An independent Entitlements Commission:** Too often, income support payments are inadequate to meet the needs of those who lack opportunities for paid work. And Entitlements Commission would set and adjust standards of adequacy for social security payments (Catholic Social Services Australia, 2008).

- **Incentives rather than sanctions:** In *The Obligation is Mutual* Catholic Social Services Australia argued for a less punitive approach to conditionality in income support policy (Catholic Social Services Australia, 2007). Rather than threatening to deprive recipients with no record of irresponsibility or neglect of already inadequate income support payments, governments should offer incentives for increased participation. These could include trialing a conditional cash transfer program modeled after the US program Opportunity NYC and creating intermediate labour market programs that offer jobless income support recipients actual employment rather than just training and job search assistance (Catholic Social Services Australia, 2009).

- **Strengthening communities:** *Dropping Off the Edge* argued that strengthening the social bonds between residents of highly disadvantaged communities “can be an important first step in minimising the harmful effects of disadvantageous social and economic conditions” (Vinson, 2007a). This means advocating for programs and services that go beyond education, training for work, and job placement. It means finding ways to foster trust and participation.

- **Early childhood:** In *Dropping Off the Edge* and other research, Tony Vinson has stressed the importance of intervening early to help children in vulnerable households and communities to reach their potential (Vinson, 1999, 2004, 2007a). Government is focusing on this issue and there is a need for new approaches and better evidence about what works.

- **A social inclusion innovation fund:** Innovative approaches to the social inclusion agenda are limited by a lack of funding opportunities outside of existing departmental silos and programs. A social inclusion innovation fund would pool resources from a number of portfolios and make them available for innovative approaches that don’t fit within the current program structure. Flexible funding could be combined with rigorous evaluation requirements (Catholic Social Services Australia, 2009).

- **Alternatives to program-based funding models:** Governments should trial flexible funding pools and place-based funding agreements which combine funding from a number of separate departments without requiring separate reporting to each funding agency. This would be particularly useful for initiatives aimed at strengthening individual communities and help service providers tailor projects to local needs (Catholic Social Services Australia, 2009).
Love in action — relationships and service delivery

The bureaucratic rhetoric of service delivery is becoming more and more dehumanising. The human beings who are meant to benefit from government spending often become lost in a bureaucratic jungle of numerical targets and performance indicators. The Department of Finance encourages public service managers to think of themselves as ‘purchasers’ searching for the best deal on ‘outcomes’ and ‘outputs’ (Department of Finance & Administration, 2000). It is up to ‘providers’ to ‘deliver’ these commodities by processing people through programs and services.

The staff of Catholic social services agencies deal face to face with people in need. While the rhetoric of ‘purchasing’ and ‘providing’ can make a social service agency sound like a factory that manufactures clients into ‘outcomes’, the reality is something much more human and complex.

While people need tangible things like jobs and housing, they also need things like respect, dignity and genuine human concern. As Pope Benedict XVI writes in his encyclical Deus Caritas Est:

> Individuals who care for those in need must first be professionally competent: they should be properly trained in what to do and how to do it, and committed to continuing care. Yet, while professional competence is a primary, fundamental requirement, it is not of itself sufficient. We are dealing with human beings, and human beings always need something more than technically proper care. They need humanity. They need heartfelt concern. Those who work for the Church’s charitable organizations must be distinguished by the fact that they do not merely meet the needs of the moment, but they dedicate themselves to others with heartfelt concern, enabling them to experience the richness of their humanity (Benedict XVI, 2005).

For some clients, dealing with a social services agency will be like dealing with a bank or a real estate agency. They need something specific and the service provides it. But other clients will have far more complex and deep-seated needs – and these are the people most likely to be referred to as socially excluded. For these people, the quality of the relationship they have with agency staff and people in the broader community may matter a great deal, especially if they are socially isolated or have been rejected by others.

Social inclusion policies often focus on tangible things like jobs and housing. But at the most basic level, inclusion is about relationships – about whether people feel understood, valued and accepted by others. This isn’t something governments can easily translate into the language of ‘outcomes’ and ‘outputs’ and set off to purchase in the market place. And relationships don’t translate easily into the rhetoric of economics – the lingua franca of the policy community.

But if well-being is an objective of government policy, then relationships matter. There is some evidence emerging from research in social psychology that forms of exclusion such as rejection, loss and isolation can have powerful negative effects on people’s well-being and their ability to function.

**Social pain**

Relationships have an obvious instrumental value. For example, job seekers often find out about vacancies through their social networks. But relationships also contribute directly to well-being. As human beings we are sensitive to how we are perceived and valued by others. And we are extraordinarily sensitive to rejection and the loss of people we care about.
This hasn't gone unnoticed by economists. Adam Smith writes:

Nature, when she formed man for society, endowed him with an original desire to please, and an original aversion to offend his brethren. She taught him to feel pleasure in their favourable, and pain in their unfavourable regard. She rendered their approbation most flattering and most agreeable to him for its own sake; and their disapprobation most mortifying and most offensive (A. Smith, 1982).

More recently, psychologists Geoff MacDonald and Mark Leary have taken a similar position. They argue that human beings have evolved to suffer when they are excluded from valued relationships or are devalued by relationship partners or groups. They call this experience, ‘social pain’. According to the psychologists: “extreme social pain may be experienced as the deep aching of homesickness, grief, abandonment, or longing for a loved one (MacDonald & Leary, 2005).

MacDonald and Leary argue that this suffering is literally a kind of pain:

... referring to these responses to social exclusion, rejection, or loss as pain is more than just a metaphor. Because inclusion in social groups has been a key to survival for social animals deep into the past, we propose threats to one’s social connections are processed at a basic level as a severe threat to one’s safety. In fact, we argue that such threats are partly mediated by the same system that processes physical pain because the pain system was already in place when social animals evolved adaptations for responding to social exclusion.

Recent research on the neural systems associated with physical and social pain lends support to this hypothesis (Eisenberger, 2006; Eisenberger & Lieberman, 2005; Eisenberger, Lieberman, & Williams, 2003).

There is also strong evidence that social inclusion is important for health (Laverty, 2009). People who are socially isolated are less healthy physically as well as mentally and more likely to die (House, Landis, & Umberson, 1988). Social relationships are clearly an important determinant of well-being and, to a large extent, the role they perform can’t be replaced by money or material goods.

**Social exclusion and social functioning**

There is also evidence that exclusion from relationships can lead people into a downward spiral where rejection by others reduces a person’s ability to regulate their own behaviour. This, in turn, makes it more difficult to build and maintain relationships.

Psychologist Roy Baumeister and his colleagues argue that human beings have a powerful need to belong (Baumeister & Dewall, 2005; Baumeister & Leary, 1995). In contrast to the research on social pain, Baumeister’s research focuses on the behavioural effects of rejection.

Through a series of experiments, Baumeister and his colleagues find that when people are excluded or rejected they become more aggressive (J. Twenge, Baumeister, Tice, & Stucke, 2001), engage in more self-defeating behaviour (J. M. Twenge, Catanese, & Baumeister, 2002), are less cooperative (J. Twenge, Baumeister, DeWall, Ciarocco, & Bartels, 2007) and are less likely to engage in effortful thought (Baumeister & Twenge, 2002).

Self-defeating behaviours include such things as giving up too soon on initially frustrating tasks and overeating.
People who behave aggressively, who don’t cooperate with others and who give up on jobs when they don’t succeed immediately are likely to experience further exclusion. From a common sense perspective you might expect that they would respond to exclusion by changing their behaviour. But the most intriguing finding from this research is that they don’t.

Baumeister’s theory is that social exclusion impairs the ability to self-regulate. In a 2005 paper, he and his colleagues write:

> At the societal level, and at multiple points in history, groups and categories of people who have felt excluded by the dominant culture have shown sadly similar patterns as reflected in high crime rates, underperformance in schools and intellectual life, withdrawal from positive contributions to the general societal good, and elevated rates of substance abuse, suicide, and other self-destructive patterns. The present findings suggest what may be a common underlying process. Effective self-regulation allows individuals to control and alter their behavior so as to resist temptations, stifle socially undesirable impulses, follow rules, pursue enlightened self-interest despite short-term costs, and make positive contributions to society. As such, individual self regulation is essential to one’s own well-being as well as that of others. Messages of rejection or exclusion can cause people to be less willing to make the exertions and sacrifices needed for effective self-regulation, with potentially tragic results for both themselves and others (Baumeister, DeWall, Ciarocco, & Twenge, 2005).

This suggests that punitive and stigmatising policies towards excluded groups may be less effective than policies that begin with acceptance. Reducing feelings of rejection and exclusion may help rebuild the individual’s ability to take control of their own life.

**Self efficacy and neighbourhood effects**

In a paper on markedly disadvantaged areas, Tony Vinson argues that some neighbourhoods suffer from a disabling social climate over and above the disadvantages suffered by individuals and households. He writes that:

> ... when people feel that their lives are dominated by external influences, living for the day and consuming whatever comes their way are possible responses to the help that is offered. Hence it is vital to do more than simply provide tangible assistance. Rather, the challenge is to make such assistance a medium for strengthening the capacities required by a self-managing, problem solving community whose members are capable of ‘pulling together’ to achieve common goals.

There is some empirical evidence that living in an area where a high proportion of residents are unemployed and dependent on public assistance reduces self-efficacy (Boardman & Robert, 2000). If a person rarely sees anyone lifting themselves out of joblessness and reliance on government support through their own effort, then they may come to feel such efforts are pointless.

If policy makers try to compel effort with sanctions (for example enforcing job search through income support breaches or quarantining) individuals may perceive this as persecution or punishment. Active and self directed pursuit of goals such as paid employment depends on individuals being convinced that their efforts will be rewarded. Policy makers need to ensure that effort is rewarded with success. This may involve creating opportunities where these are not readily available (for example, funding direct job creation in areas of low employment opportunities).
Implications for service delivery

In areas of concentrated disadvantage, social service agencies need to pay attention to relationships. They need to foster an environment of respect and fraternal love, providing services to disadvantaged individuals in a way that does not exacerbate feelings of rejection. They also need to foster a sense of self-efficacy by ensuring that individual effort does not go unrewarded. Ideally, agencies will also work at the community level providing opportunities for community members to work together in a way that fosters collective efficacy, self reliance and independence. Agencies need to think of themselves as active participants in neighbourhoods – as partners with the people governments and donors fund them to help.

To help local agencies do this, governments need to re-conceptualise their relationship with non-government agencies. Instead of seeing them as providers of outputs and outcomes, they need to think of them as partners.

Working in partnership with local agencies would mean

- focusing on high level goals rather than narrow program specific objectives;
- moving away from the rigid separation of policy and service delivery and devolving responsibility for low level objectives and performance indicators to those closest the problem;
- extending the length of contracts and funding agreements to help agency staff form and maintain long-term relationships in the community, though always as a pathway to independence; and
- eliminating red tape (the unnecessary administrative burden placed on community sector partners). This means adopting a more joined-up approach to funding and performance management that allows partners to provide integrated services by ‘blending’ and ‘braiding’ funding from multiple programs and agencies.

The Compact with the not-for-profit sector that the government is currently developing will attempt to give life to this renewed sense of partnership. Its success cannot yet be tested or judged.

29 See Robert Sampson’s work on collective efficacy (Sampson, 2004).
Final thoughts

Everyone likes a story with a happy ending. And the narratives of social reform often end in a utopia where intractable problems are finally solved and our heroes are free to move on to their next adventure. But in the real world, social policy stubbornly refuses to be governed by the logic of myth.

The great risk with the rhetoric of social inclusion is that people will interpret it as some kind of magic amulet or treasure map that will enable the current government and social service agencies to succeed where their predecessors have failed.

There are many aspects to entrenched disadvantage. No single cause can explain them all, and no one solution will make things right. The social inclusion agenda promises to add to our knowledge of disadvantage, renew our commitment to dealing with it and better coordinate programs and services. But it does not offer something radically new. Progress will come, but chances are, it will be incremental.

While dramatic narratives of reform can help build support, the downside is that they set the stage for disappointment. When success fails to come easily or quickly, the direction of the story can shift abruptly. Hubris not quickly followed by stunning success invites critics to shift the genre to tragedy. President Johnson’s opponents now depict his War on Poverty as a costly failure. But these critics generally fail to mention that many of the programs they support have their origins in the War on Poverty. For example, the early childhood intervention program Head Start was a key part of the War on Poverty. Economist James Heckman, a prominent supporter of early childhood interventions sometimes writes about the War on Poverty as if it was about little more than more generous income support (J. Heckman & Masterov, 2005).

In the UK, the social exclusion agenda may suffer the same fate. A new government may declare it to be a failure while at the same time picking up many of its key programs and services. Conservative Party leader David Cameron has pledged to retain the early childhood Sure Start program but argues that his opponent’s overall approach has failed (Cameron, 2008, 2010). If the government changes, the heyday of ‘social exclusion’ may pass and researchers, activists and politicians may move on to some new discourse.

In Australia, policy makers may eventually find a new label for programs focused on entrenched disadvantage. ‘Social inclusion’ may lose its shine and fall from use in the same way that ‘social justice’ did in the 1990s. But nevertheless many of the entrenched problems the government is now addressing will persist (in a less severe form, we hope).

But whatever labels governments choose, disadvantaged or vulnerable Australians will always need programs and service to assist them. More than that, they will need a hand that reaches to them in love, not because of their potential, but simply because they are a fellow traveler.
References


• U.S. Department of Health and Human Services.


