PERSPECTIVES ON SOCIAL INCLUSION

Poverty, Inequality and Social Inclusion

Andrew Mitchell
Richard Shillington

Poverty, Inequality and Social Inclusion

Andrew Mitchell
Richard Shillington

Laidlaw
Foundation

Andrew Mitchell is a program director with the Community Social Planning
Council of Toronto, currently on leave at the University of Toronto working on a Social Science and Humanities
Research Council (SSHRC) project titled "Social Assistance in the New Economy".

Richard Shillington is self-employed and conducts social policy research.

Table of Contents

About the Laidlaw Foundation

The Laidlaw Foundation is a private, public-interest foundation that uses its human and financial resources in innovative ways to strengthen civic engagement and social cohesion. The Foundation uses its capital to better the environments and fulfill the capacities of children and youth, to enhance the opportunities for human development and creativity and to sustain healthy communities and ecosystems.

The Foundation supports a diverse portfolio of innovative and often unconventional projects in three program areas: in the arts, in the environment and improving the life prospects for children, youth and families.

Working for social inclusion is a theme that underlies much of the Foundation's activities. The key words in the Foundation's mission — human development, sustainable communities and ecosystems — imply that achievement will rely on the enhancement of capacity and capability. Not only is social inclusion being developed as an emerging funding stream, it is an embedded Laidlaw Foundation value, both structurally and programmatically.

Nathan Gilbert
Executive Director

For more information about the Laidlaw Foundation please contact us at:

The Laidlaw Foundation
Tel: 416 964-3614
Fax: 416 975-1428
Email: mail@laidlawfdn.org
www.laidlawfdn.org

Foreword:

The Laidlaw Foundation's Perspective on Social Inclusion

The context for social inclusion

Children have risen to the top of government agendas at various times over the past decade, only to fall again whenever there is an economic downturn, a budget deficit, a federal-provincial relations crisis or, most recently, a concern over terrorism and national security. While there have been important achievements in public policy in the past 5 to 10 years, there has not been a sustained government commitment to children nor a significant improvement in the well-being of children and families. In fact, in many areas, children and families have lost ground and social exclusion is emerging as a major issue in Canada. Examples abound and include these facts.

- the over-representation of racial minority families and children among those living in poverty in large cities, and the denial of access to many services by immigrant and refugee families;

- the 43% increase in the number of children in poverty in Canada since 1989, the 130% increase in the number of children in homeless shelters in Toronto, as well as the persistence of one of the highest youth incarceration rates among Commonwealth countries;

- the exclusion of children with disabilities from public policy frameworks (e.g. the National Children's Agenda), from definitions of 'healthy' child development and, all too often, from community life.

These situations provide the context for the Laidlaw Foundation's interest in social inclusion. The Foundation's Children's Agenda program first began exploring social inclusion in 2000 as a way to re-focus child and family policy by:

- re-framing the debate about poverty, vulnerability and the well-being of children in order to highlight the social dimensions of poverty (i.e. the inability to participate fully in the community)

- linking poverty and economic vulnerability with other sources of exclusion such as racism, disability, rejection of difference and historic oppression

- finding common ground among those concerned about the well-being of families with children to help generate greater public and political will to act.

The Foundation commissioned a series of working papers to examine social inclusion from a number of perspectives. Although the authors approach the topic from different starting points and emphasize different aspects of exclusion and inclusion, there are important common threads and conclusions. The working papers draw attention to the new realities and new understandings that must be brought to bear on the development of social policy and the creation of a just and healthy society.

These are:

- Whether the source of exclusion is poverty, racism, fear of differences or lack of political clout, the consequences are the same: a lack of recognition and acceptance; powerlessness and 'voicelessness'; economic vulnerability; and, diminished life experiences and limited life prospects. For society as a whole, the social exclusion of individuals and groups can become a major threat to social cohesion and economic prosperity.

- A rights-based approach is inadequate to address the personal and systemic exclusions experienced by children and adults. People with disabilities are leading the way in calling for approaches based on social inclusion and valued recognition to deliver what human rights claims alone cannot.

- Diversity and difference, whether on the basis of race, disability, religion, culture or gender, must be recognized and valued.

The 'one size fits all approach' is no longer acceptable and has never been effective in advancing the well-being of children and families.

- Public policy must be more closely linked to the lived experiences of children and families, both in terms of the actual programs and in terms of the process for arriving at those policies and programs. This is one of the reasons for the growing focus on cities and communities, as places where inclusion and exclusion happen.

- Universal programs and policies that serve all children and families generally provide a stronger foundation for improving well-being than residual, targeted or segregated approaches. The research and anecdotal evidence for this claim is mounting from the education, child development and population health sectors.

Understanding social inclusion

Social exclusion emerged as an important policy concept in Europe in the 1980s in response to the growing social divides that resulted from new labour market conditions and the inadequacy of existing social welfare provisions to meet the changing needs of more diverse populations. Social inclusion is not, however, just a response to exclusion.

Although many of the working papers use social exclusion as the starting point for their discussions, they share with us the view that social inclusion has value on its own as both a process and a goal. Social inclusion is about making sure that all children and adults are able to participate as valued, respected and

contributing members of society. It is, therefore, a normative (value based) concept - a way of raising the bar and understanding where we want to be and how to get there.

Social inclusion reflects a proactive, human development approach to social well-being that calls for more than the removal of barriers or risks. It requires investments and action to bring about the conditions for inclusion, as the population health and international human development movements have taught us.

Recognizing the importance of difference and diversity has become central to new under-

standings of identity at both a national and community level. Social inclusion goes one step further: it calls for a validation and recognition of diversity as well as a recognition of the commonality of lived experiences and the shared aspirations among people, particularly evident among families with children.

This strongly suggests that social inclusion extends beyond bringing the 'outsiders' in, or notions of the periphery versus the centre. It is about closing physical, social and economic distances separating people, rather than only about eliminating boundaries or barriers between *us* and *them.*

The cornerstones of social inclusion

The working papers process revealed that social inclusion is a complex and challenging concept that cannot be reduced to only one dimension or meaning. The working papers, together with several other initiatives the Foundation sponsored as part of its exploration of social inclusion , have helped us to identify five critical dimensions, or cornerstones, of social inclusion:

Valued recognition– Conferring recognition and respect on individuals and groups. This includes recognizing the differences in children's development and, therefore, not equating disability with pathology; supporting community schools that are sensitive to cultural and gender differences; and extending the notion to recognizing common worth through universal programs such as health care.

Human development – Nurturing the talents, skills, capacities and choices of children and adults to live a life they value and to make a contribution both they and others find worthwhile. Examples include: learning and developmental opportunities for all children and adults; community child care and recreation programs for children that are growth-promoting and challenging rather than merely custodial.

Involvement and engagement – Having the right and the necessary support to make/be involved in decisions affecting oneself, family and community, and to be engaged in community life. Examples include: youth engagement and control of services for youth; parental input into school curriculum or placement decisions affecting their child; citizen engagement in municipal policy decisions; and political participation.

Proximity – Sharing physical and social spaces to provide opportunities for interactions, if desired, and to reduce social distances between people. This includes shared public spaces such as parks and libraries; mixed income neighbourhoods and housing; and integrated schools and classrooms.

Material well being – Having the material resources to allow children and their parents to participate fully in community life. This includes being safely and securely housed and having an adequate income.

Next steps: Building inclusive cities and communities

Over the next three years, the Children's Agenda program of the Laidlaw Foundation will focus on *Building inclusive cities and communities*. The importance of cities and communities is becoming increasingly recognized because the well-being of children and families is closely tied to where they live, the quality of their neighbourhoods and cities, and the 'social commons' where people interact and share experiences.

The Laidlaw Foundation's vision of a socially inclusive society is grounded in an international movement that aims to advance the well-being of people by improving the health of cities and communities. Realizing this vision is a long-term project to ensure that all members of society participate as equally valued and respected citizens. It is an agenda based on the premise that for our society to be just, healthy and secure, it requires the inclusion of all.

Christa Freiler
Children's Agenda Program Coordinator
Laidlaw Foundation

Paul Zarnke
President and Former Chair,
Children's Agenda Advisory Committee
Laidlaw Foundation

Acknowledgements

*This series is dedicated to the memory of
Dr. Jennifer Keck who died on June 12, 2002
after a long battle with cancer.*

*Jennifer was a key member of the editorial committee,
an insightful and passionate reviewer of the working papers,
and an unwavering advocate for
social justice and the social inclusion of all people.*

Poverty, Inequality and Social Inclusion

Poverty, Inequality and Social Inclusion

Introduction

Canada may set a limited social goal of poverty elimination that might narrowly imply providing sufficient funds to meet basic needs. A broader social goal would be 'equality of opportunity' which would be tracked based on income inequality, or relative poverty. Even more ambitious would be a policy objective that advanced social inclusion. This goal has implications for citizen participation, capacity and agency for citizens encouraging the tools (economic, social, health, educational and legal) which make autonomy possible.

The opportunity provided by the concepts of exclusion and inclusion comes with some risks. Social inclusion, like poverty, is a contested concept. The meanings of social inclusion span the range from narrow labour market insertion policy; policies which have questionable impact on broad notions of inclusion, to broader notions of capability and participation. However, it may be riskier still to ignore a discourse that is encroaching on the social policy domain in North America, after coming to dominate discussions in Europe.

This paper explores the relationship among the related concepts of poverty, inequality and social exclusion/inclusion. Although there are similarities and overlaps among them, and they are occasionally used interchangeably, they are distinct. Each has an impact on welfare and indeed, they are interdependent. Poverty reduction is necessary for survival. Inequality affects self-esteem but also autonomy, freedom and social inclusion, which are prerequisites for well-being. Our choice of definition rests in part on the purposes for which we seek social inclusion – individual well-being versus broader social cohesion as the focus of our concerns.

This paper is based on a number of contentions that are key to an understanding of social inclusion and exclusion and to their application to public policies and practices:

1. Income sufficient first for basic needs, and second for decency is but a stepping stone to well-being. This is demonstrated by the notion of poverty as 'capability deprivation', as developed by Amartya Sen (1992). His broader conception, focusing on capacity instead of poverty, has strong parallels with the notions of exclusion/inclusion.[1]

   Social inclusion encourages a focus on capabilities broader than income.[2] These can include limited access to basic health and basic education. As well, the impediments to capacity include the denial of human rights (UN covenants include basic income, shelter, health and education as a human right).

2. Social inclusion and exclusion are multi-dimensional since there are many different domains of potential deprivation that come into play singly or in combination

to create exclusion, and many different ways to promote inclusion. The concepts of income poverty and inequality are central, but inclusion is broader than these, encompassing physical and economic dimensions, human assets, social assets and political abilities.

3. Social and political actors and institutions create exclusion, and the focus on these actors and processes is one of the advantages of examining social exclusion. Policy and practice can ameliorate or reinforce disadvantages emanating from other sources, transforming original disadvantage into exclusion. The recognition of disadvantage, however defined, does not automatically lead to a strategy for its elimination.

4. Social inclusion provides a comprehensive perspective that tests the limitations of prevalent forms of anti-exclusion policy. In particular, social inclusion highlights the deficiencies of anti-exclusion policies that seek to promote inclusion solely by integrating the marginalized through labour market attachment. Such limited perspectives ignore gender and other inequalities in the labour market, the value of caring responsibilities and the limits to inclusion through work implied by wage polarization and the flexibility of the labour market.

5. Social exclusion directs attention to the actors and processes that create exclusion, not just to the fact of exclusion, or to the consequences of exclusion.   It begins with the thing we really care about – individual well being – and then asks who is affected, and how.

Opposing social exclusion and advancing inclusion are not necessarily synonymous. The term social inclusion carries policy tensions that social exclusion may not. The former suggests the existence of a marginalized group, in need of rehabilitation to return to the mainstream. The latter suggests that it is society that must adapt to ensure that all are included.

Poverty, Inequality, Capacity and Social Inclusion

Society has an interest in monitoring the well-being of its citizens. We employ a variety of indicators that capture our conception of disadvantage and well-being for this purpose. High on this list of indicators is our interest in knowing how many people are 'poor'. Such indicators can range from a narrow focus on the income needed to meet physical needs, to a broader indicator including the individual's position in relation to his or her community.

This section reviews the contemporary debate over the meaning of poverty in Canada. We argue that all concepts of poverty are inescapably relative and that the choice of measure is really a choice among policy objectives. Particularly when we take an intergenerational perspective, it is difficult if not impossible to distinguish between equality of <u>opportunity</u> and equality of <u>outcome</u>. The outcomes of one generation shape the opportunities of the next.

Poverty in Canada

Poverty is an intensely contested term in Canada. For some commentators poverty has meaning only in terms of the minimum necessary for physical survival – "the capacity to buy

food and all the goods necessary for the fulfilment of basic physical needs" (Bourgignon: 2), although it can relate to something more than mere subsistence. Others, following Townsend, argue that poverty can only be understood as a relative concept, and therefore closely related to, if not synonymous with too much income inequality.

These varying approaches have yielded an assortment of definitions. In Canada, operationalizing the idea of relative poverty has usually meant drawing an income line that is some fraction of the average income in the society as a whole. At the other end of the spectrum, the standard that comes closest to the absolutist ideal of poverty as mere physical survival are the poverty lines established by the Fraser Institute. In the view of the Fraser Institute, what we consider poverty should not be affected by the living standards that exist in the rest of society, or by changes in those living standards. In between are a variety of hybrid definitions incorporating elements of both.

Although space does not allow for a full exploration of the concepts of absolute versus relative poverty, it may at least be stated that the distinction between absolute and relative poverty is perhaps more tenuous than is currently acknowledged. There is accumulating evidence that inequality itself has effects on outcomes and basic capabilities such as health and education, quite apart from the absolute level of income (Raphael: 2000).

Moreover, when children are the subjects, we are explicitly taking an intergenerational perspective. Equality of opportunity is difficult to disentangle from equality of outcome when an intergenerational perspective is taken, and the outcomes of one generation shape the opportunities of the next.

Poverty and policy objectives

The choice of poverty measure implies a choice among policy objectives. What is the outcome we seek? To begin with what we should measure before knowing what outcomes we are seeking is to put the cart before the horse. What is the public policy objective to which poverty statistics are addressed? Is it 'sufficient resources to meet the physical needs for health'? Is it equality of opportunity or equality of outcome?

It is worthwhile to consider the implications, particularly regarding social inclusion, of an absolute approach to poverty. In a scenario in which the living standards of low-income Canadians remain constant, but are falling behind the norm, absolute rates of poverty will be constant but relative rates will increase. The policy implication is that the living standards set for low-income Canadians need not be related to the 'norm' – that of middle-income families – and in turn, that increasing societal wealth need not be shared with those who are worst-off. The prospect would be an ever-widening 'social distance' in society, even as our indicators of poverty signal that there is no issue requiring a policy response.

Thus, for those whose policy objective is simply to meet people's basic physical needs, an absolute measure of poverty will suffice. For those more interested in equality of opportunity and the civic participation of otherwise excluded populations, income inequality will also be of interest. The debate about social inclusion further broadens our sphere of interest.

Sen's critique – capabilities, functionings and well-being

Regardless of their other disagreements, virtually all commentators have defined poverty as a

concept focused on income inadequacy. A more fundamental re-thinking of the meaning of poverty is provided by Amartya Sen, who argues that deprivation is not determined by what people *possess*, but by what it enables them to *do*. In other words, Sen distinguishes between the mere possession of certain goods, or the *income* that can command them and that which is truly significant – individual capabilities to meet social conventions, participate in social activities and maintain self-respect. Sen's capability approach concentrates on the tools and capacities available to people that allow them to shape their own lives.

These capabilities include having the resources necessary to make one's life something one has reason to value. They go beyond income to include health and the capacity and freedom (economic and political) to influence one's environment. This, in turn, draws our attention to the rights to those goods and the command families have over them, using various economic, political and social opportunities (de Haan, 1998: 14-15).

Sen sees life as consisting of a set of inter-related 'functionings'. These 'funtionings' vary from such basic ones such as being adequately nourished, being in good health and avoiding escapable morbidity and premature mortality, to more complex achievements such as being happy, having self-respect, taking part in the life of the community, and so on. "The claim is that functionings are constitutive of a person's being, and an evaluation of well-being has to take the form of an assessment of these constituent elements" (Sen: 39).

'Capabilities' consist of sets of possible functionings, and reflect a person's freedom to lead one type of life or another. The 'capability set' reflects the person's freedom to choose from possible livings (Sen: 40).

Sen argues that achieved functionings constitute a person's well-being and that the capability to achieve functionings constitutes the person's real freedom – the real opportunities – to have well-being. It is equal freedom in this sense that Sen is arguing for – the equality of capability to achieve valuable functionings that make up our lives. This freedom is good for *instrumental* reasons (judging how good a 'deal' an individual has), but also for *intrinsic* reasons – a society of freedom is also a good society. *Choosing* is itself a valuable part of living.

Sen therefore understands poverty as "… the failure of basic capabilities to reach certain minimally acceptable levels. The functionings relevant to this analysis can vary from elementary physical ones such as being well-nourished, being adequately clothed and sheltered, avoiding preventable morbidity, etc., to more complex social achievements such as taking part in the life of the community, being able to appear in public without shame, and so on" (Sen: 110).

The social exclusion consequences of income inequality can be mitigated with broad-based basic health care and education services. Income, health and education inequalities are all basic since these are not only building blocks for capacities for basic survival, but also for capacities to live in good health and provide for oneself and one's family. Sen argues that income is not irrelevant, but insufficient to a proper understanding of deprivation: "If we want to identify poverty in terms of income, it cannot be adequate to look only at incomes… independently of the capability to function derivable from those incomes. Income adequacy to escape poverty varies with personal characteristics and circumstances" (Sen: 110-11).

Sen reminds us that "resources are important for freedom, and income is crucial for avoiding poverty. But if our concern is ultimately with freedom, we cannot – given human diversity – treat resources as the same thing as freedom. Similarly, if our concern is with the failure of certain minimal capabilities because of a lack of economic means, we cannot identify poverty simply as low income, dissociated from the interpersonally-variable connection between income and capability"… "The idea of 'income inadequacy'… goes well beyond that of 'low income' as such, since the former is sensitive to the conversion of income into capability in a way that the size of income cannot be" (Sen: 112).

This notion of poverty is inescapably relative. Relative poverty "arises any time an individual cannot afford doing, or 'functioning' in the words of Sen as 'most' people do in the society he/she is living in" (Bourgignon: 2). In a market-based society, income, and the command over resources it provides, is central to key capabilities: "Relative deprivation in terms of income e.g. the inability to buy certain commodities, can become absolute deprivation in terms of capabilities. It can lead to the impossibility of certain social functions, for example appearing in public without shame (Sen, 1992:115, Abbey: 2).

This also provides a critique of the idea of "equality of opportunity" which is particularly relevant for children. Because the outcomes of one generation shape the opportunities of the next, it is meaningless to try to separate equality of opportunity from substantive equality of outcomes.

Sen's work has been influential in shaping the United Nations' approach to poverty. To gauge human development, that is, realized capacities, the UN utilizes a set of indicators intended to assess foundation conditions, as well as achieved functionings. The widely-quoted Human Development Index (HDI) includes four indicators: life expectancy, adult literacy, gross enrolment ratio and per capita income – indicators that represent foundation conditions such as achieved standard of living, and achieved functionings in health and education. Since no single indicator, or even group of indicators can satisfactorily describe national achievements in human development, the UN also publishes a Human Poverty Index for developing and developed countries (HPI-1 and HPI-2), and a Gender Development Index (GDI).

While the HDI measures average national achievements in the various dimensions, the Human Poverty Index looks at specific deprivations in those categories, measuring the probability of not surviving to age 60, the adult illiteracy rate, the incidence of poverty and the long-term unemployment rate. The Gender Development Index looks at the same dimension of well- being as the HDI, but focuses on gender inequality by taking into account the differential achievements between men and women. A Gender Empowerment Measure further supplements this with measures of gender differences in economic and political opportunities.

As we shall argue in subsequent sections, relative deprivation in the sense of capabilities as defined by Sen is closely related to the concept of social exclusion.

Exploring Social Inclusion and Exclusion

Multi-dimensionality

A common element in many of the definitions of exclusion and inclusion is that they are multi-dimensional. That is, there are many different domains of potential deprivation that come into play singly or in combination to create exclusion. This is not entirely unique to the social inclusion literature. Many authors have pointed out that disadvantage and marginalization can take place in a variety of domains apart from the economic (Jenson, 2000, Chambers, 1983).

> *While an absence of economic resources may, to be sure, characterize a marginalized group, lack of knowledge, political rights and capacity, recognition and power are also factors of marginalization (Jenson, 2000: 1).*

One example of an attempt to operationalize the concept of exclusion is provided by de Haan (1998) who provides a framework of dimensions of inclusion and exclusion that includes the physical, economic, human capital, social capital and political. An adapted version of de Haan's framework is presented in Table 1 and has been modified in two ways: we focused on Canada rather than on India, and secondly we attempted to adapt it to focus on children. In some cases this involves changing the focus of traditional indicators to make the child the unit of analysis, in others it involves the development of new indicators and data sources. At this point it is important not to be limited by existing data.

The number of possible indicators is almost unlimited. Good indicators should satisfy a range of criteria (Bradshaw: 20). These criteria might include the following:

- The indicators should cover the different dimensions of well-being;

- Indicators should focus on outcomes – the actual results of exclusion;

- Indicators should not be subject to administrative manipulation. For example, the number of households receiving social assistance is certainly an indicator of households seriously marginalized and distanced from the mainstream, but since eligibility rules and administrative procedures can have as large an impact on the size of the caseload as economic conditions or initiative in other policy areas, it is inadequate as an indicator;

- Data should be national, but also capture major distinctions relevant to the Canadian context – regional, urban/rural, age and immigration periods and racial divisions;

- Indicators should be comparable cross-nationally;

- As we are concerned with exclusion and inclusion among children, indicators should capture both current conditions of exclusion, as well as factors that are future and opportunity oriented – that affect the risk of exclusion in the future. Indicators should also reflect major life-cycle transitions among children (Endean, 2001: 51).

The dimensions of exclusion

Table 1 on page 9 attempts to concretize the notion of exclusion along the major dimensions of well-being for children. In it, exclusion can take place in a number of dimensions: physical, economic, human assets, social assets (these last two terms are used in preference to

the more commonly used 'human capital' and 'social capital' which imply a reduction of human life to economic purposes) and lastly political.

Physical and economic dimensions are foundation conditions for the inclusion of children. That is, they are necessary, if not sufficient conditions for maximizing the capabilities of children. Economic aspects include an indicator of inequality based on the argument that inequality itself matters in key areas of well-being and Sen's argument that relative deprivation in terms of incomes can lead to absolute deprivation in capabilities. The physical dimensions will include spatial aspects of inclusion, such as the housing and transportation infrastructure that are critical to both social and physical distance among people.

Human assets consist of outcome indicators such as the health indicators, which are also instrumental in enabling future capabilities. The education indicators are a mix of outcomes (attainment) and indicators of the quality of the environment in which we expect children to thrive.

Social assets also reflect individual characteristics (race and gender) which will play a role in shaping a child's opportunities as well as measures that reflect the degree of engagement with the rest of the community (opportunities for participation in organized groups).

Political – Children are traditionally excluded from politics in the limited sense of voting. But this is only a limited understanding of political inclusion in any event. In the case of children, political inclusion might be understood in a broader sense, where inclusion implies "an opportunity to participate in the public decision-making procedure which circumscribes his/her life chance" (Suzumara, 1999, quoted in Freiler, 2001). This dimension of inclusion reflects the value placed on

the capacity to choose as an element of well-being in Sen's capability framework.

At least some definitions suggest that exclusion implies multiple and overlapping sources of deprivation. Empirically, apart from a small and severely disadvantaged minority, most people do not appear to suffer from multiple disadvantages (Phipps, 2000, Brandolini, 2000). However, while many forms of deprivation do not necessarily overlap, poverty and inequality are intimately linked with many, if not most dimensions of exclusion – health, discrimination, housing and neighbourhoods, political participation and voice.

The framework presented in Table 1 makes clear that exclusion is not simply co-extensive with poverty, at least in the conventional sense of income and assets. (Atkinson, 1998, Klasen, 1998). Atkinson, for example, has argued that poverty, unemployment and exclusion are related, but distinct concepts. They often coincide, but need not. "People may be poor without being socially excluded… People may be socially excluded without being poor" (Atkinson, 1998: 9). In the former case, in a society where poverty is widespread one wouldn't necessarily be socially excluded. Similarly, if poverty is a temporary phenomenon it needn't lead to exclusion. In this case, policy will have much to do with the risks of short-term poverty leading to exclusion. In the latter case, people can be the victims of discrimination without necessarily being poor, although, again, the two often go together.

UN reports make it clear that the link between affluence and human development is not automatic. Income is important, but only part of what is required; a means, with human development the end (UNDP, 1997:14). Countries with comparable levels of income per capita can, and often do, have very different levels of human development – that is, very different achievements in converting

income into capabilities (UNDP, 2000: 148). Similarly, employment can increase capacity and autonomy, but may not if it is low-wage, contingent, incompatible with parenting or saps employees of their self-respect. With these thoughts in mind, one can examine government policies to assess whether they enhance or inhibit the capacity and autonomy of marginalized Canadians.

However, at least in market-based societies income and well-being are inextricably tied, as a means of acquiring the goods and services which are necessary, as part of "the good life", and as a measure of status in and of itself. "People may be excluded if they are unable to participate in the customary consumption activities of the society in which they live" (Atkinson: 10).

Employment is an important source of well-being, quite apart from the income it generates. Unemployment may lead to poverty and social exclusion, but importantly *it need not*, depending on the duration of the experience, the social security system, family arrangements and culture (Saraceno, 2001: 6). The rate of poverty among the unemployed varies dramatically from country to county (Saraceno, 2001: 12). The increase in unemployment in Europe has not been accompanied by an increase in poverty like that experienced by North Americans because of stronger income protection. Similarly, labour market policy can seek high employment, and therefore high likelihood of the unemployed being reabsorbed. This is a reflection of Klasen's point that exclusion can be the result of direct sources of disadvantage, but may also be the result of policy responses to those original sources of disadvantage (Klasen: 9).

Atkinson (1998) points out that *exclusion* is necessarily relative, that people can only be excluded *in relation* to something else. Atkinson also adds a dynamic, future-oriented element to the analysis, arguing that people are excluded not just because they are currently without a job or income, but because they have few prospects for the future.

To make a point that will be taken up in greater detail later, low unemployment, like adequate income, is probably a necessary, but not a sufficient condition for *inclusion*. Although unemployment can lead to social exclusion, employment is not a guarantee of inclusion. Marginal forms of work and "flexibility" of the labour market are potential routes to exclusion *through* employment.

Table 1 – Operationalizing exclusion for children

Dimension	Aspect	Indicators
Physical	Location	• Geographic isolation • Access to public parks (clean, safe)
	Infrastructure	• Access to public transit • Availability of public library
	Housing	• Children in 'core housing need' • Children in shelters or temporary accommodation • Tenure • Shelter costs
Economic	Income	• Child and family poverty • Duration of poverty • Intra-family distribution of income • Gini index of income inequality
	Labour market	• Parental employment • Job quality • Youth unemployment
	Assets	• Non-pension financial assets per family member
Human assets	Health	• Low birth weight • Infant mortality • Child mortality • Disability • Access to health services – coverage by supplementary health care insurance
	Education	• Quality of school environment (including teaching resources, extracurricular activities) • Educational attainment
Social assets	Social background	• Gender • Race
	Civic engagement	• Opportunities for participation in organized sports and/or other organized activities
	Psychological	• Self-esteem • Teen suicide
Political	Power	• Formal legal rights • Procedural access
	Participation	• Consultation versus power
	Agency	• Effective political participation
	Citizenship	• Immigrants, non-citizens

Adapted from de Haan (1998b: 15), Freiler (2001)

Process and agency

A second advantage of the concept of exclusion/inclusion is that it focuses on exclusionary forces. Exclusion and inclusion are active terms and suggest that they are the result of processes, and acts by identifiable institutions and individual actors. That is, they directly address who and what is responsible for impoverishment and marginalization – the institutions and individuals responsible for excluding or including. Although it is common in traditional poverty analysis to go beyond simply presenting the numbers of people who fall below a poverty threshold, to focus on the structures and policies that have created that deprivation, a focus on inclusion makes these central questions.

The concept goes beyond the description of deprivation to focus on the social relations and the processes and institutions that underlie it. This can represent a shift away from looking at deprivation in terms of individual attributes, and towards a focus on mechanisms, institutions and actors that are responsible for deprivation. That is, it explicitly makes possible a discussion of power and inequality.

Social and political actors and institutions create exclusion, and the focus on these actors and processes is one of the advantages of examining social exclusion. Klasen and others have made the point that government policy plays a role in exclusion. Policy can create exclusion, and it can reinforce disadvantages emanating from other sources, transforming original disadvantage into exclusion. Job loss or marital breakdown can create instability and result in a loss of income and status. How policy responds to these conditions can further entrench people in poverty and/or compound these disadvantages and misfortunes to create exclusion. As Saraceno (2001: 25) puts it: "… many rules concerning entitlement to social and political rights act effectively to exclude groups who cannot fulfil the set requirements: e.g. time rules concerning residence, or definitions of what counts as work…"

Again adapting from de Haan (1998b), Table 2 attempts to operationalise the institutions and processes responsible for exclusion. Note that the examples are hypothetical only to illustrate how these ideas might be put into practice. However, it is apparent from Table 2 that the identification of institutions and actors, and the processes through which exclusion or inclusion occur are not fixed or predetermined, but reflect the ideological preferences and social, political context.

Table 2: The institutions and processes of exclusion

Aspect	Indicator	Institutions/agents	Processes
Location	• Geographic isolation • Access to public parks and spaces	• Local government planners • Neighbourhood and ratepayer associations	• Municipal zoning practices and planning process. • NIMBYism
Infrastructure	• Access to public transit • Availability of public library	• Transportation planners/government officials	• Local and senior government budget processes
Housing	• Children in 'core housing need' • Children in shelters or temporary accommodation • Tenure • Shelter costs	• Landlords • Politicians • Administrative restrictions; by-laws, lease, restrictions associated with social housing	• Discrimination • Evasion of tenancy laws • Budget priority-setting process
Income	• Child and family poverty • Duration of poverty • Gini index of income inequality • Intra-family distribution of income	• Labour market • Government authorities • Culture and custom • Men	• Macroeconomic policy • Income security policy • Local economic policy (i.e. labour matching, training policy) • Gender discrimination
Labour market	• Parental unemployment • Youth unemployment	• Labour market • Government authorities • Employers	• Macroeconomic policy. • Local economic policy (i.e. labour matching, training policy) • Discrimination
Assets	• Wealth, home ownership		• Security against financial mishaps
Health	• Low birth weight • Infant mortality • Child mortality • Disability • Access to health services – coverage by supplementary health care insurance	• Public health system • Private/public health insurance	• Access to needed health care services, devices, drugs etc.
Education	• Educational attainment • Drop-out • Educational streaming • Integration of children with special needs	• Public educational system	• Tuition, user fees for education, access to student loans and child care
Social background	• Gender • Race	• Systemic sexism and racism	• Sexism and racism
Civic Engagement	• Participation – sports groups, clubs, other organized groups	• Community and school based sports, volunteer and community groups	
Psychological	• Self-esteem		
Agency	• Economic, civic and personal autonomy	• Multitude of public and private institutions	• Capacity (including legal protections, voting, economic and social autonomy)

The weakening of a strong primary tier of income support such as unemployment insurance, as has been the case in Canada repeatedly in the 1990s, can mean that the unemployed are forced to rely more on their individual resources or social assistance as a means of support. The former implies exhausting assets intended for other purposes. The latter implies subjecting oneself to the highly stigmatizing social assistance system in which recipients have been demonized to the public as "dependants", drug addicts or illiterates (Mitchell, 2001). The stigma of social assistance is so great that the recipients frequently hide their status from friends, neighbours, family and even their own children. Typically benefits are so low that recipients are not merely impoverished but precluded from participating in many of the typical activities of the wider society. This can result in a profound social isolation that can prevent people from interacting with the rest of the community, even in activities that do not require money.

Also housing policies can create marginalized ghettos, or ensure economically and socially diverse neighbourhoods – tackling the potential for exclusion in the "location" and "housing" areas identified in Table 2. Lack of a housing program – effectively rationing housing according to market outcomes – means that for low-income families this original source of market disadvantage is compounded when they are forced into poorer housing, concentrated in low-income neighbourhoods where they are physically and socially distanced from other members of the community. This result clearly exacerbates economic and social differences, undermining the work that institutions such as public education can achieve in bridging social distance. There is evidence of this process of "economic spatial segregation" in major cities across Canada (Myles, Picot and Pyper, 2000).

In a similar fashion, policies in the fields of health, education and housing often accentuate social exclusion. For instance, while health and education programs targeted at marginalized populations do provide assistance, they also exaggerate the sense of separateness experienced by members of these populations.

With reference to Table 2, we can also talk about how policy is formed as an aspect of creating inclusion. The process of creating policy has characteristics that can create exclusion or promote inclusion. Citizens can experience a lack of 'voice' – the absence of excluded individuals from policy debates that directly affect them. This exclusion and lack of effective voice is not experienced similarly across the population – low-income Canadians are more profoundly excluded from policy debates that affect them than high-income Canadians, who have greater access to the political and policy process. This is a form of social exclusion – low-income Canadians are disenfranchised to the extent that they have no effective impact on the design of programs that are significant for their well-being.

Public officials under political direction design programs. That is, government programs that support low-income Canadians are designed and administered by individuals who are not low-income. The interests of the low-income beneficiaries are presented only through benevolence. Politicians and public officials will respond to a perceived issue of concern, while recognizing that their political masters can succeed without the support of low-income Canadians. This leaves the way open for poor design, arbitrary exclusions and contradictory and capricious regulations.

The professional scrutiny that protects the interests of the affluent is largely absent. There is little analysis or study of low-income support programs. In contrast, consider the scrutiny that the income tax system is subject

to. A highly educated and well-endowed analytical community – referred to as 'Bay Street' – studies the legislation in detail, and can articulate and promote the changes needed from their perspective. Using the press and political connections, they can advocate for changes to legislation to correct features that do not serve their clients' interests.

Contrast this with programs such as welfare, subsidized housing and subsidized child care. No organization analyzes the combined effect of the various programs that benefit low-income Canadians. So, there is little well-informed and documented research of the impact of the programs. There is no source of information that low-income people can access which will indicate how they can organize their finances to maximize their benefits. The financial community that provides this service for middle- and high-income Canadians does not have the information or motivation to provide this service for low-income Canadians. There is no political interest or broader social interest in improving program design for low-income Canadians.

Policy Implications: Promoting inclusion or preventing exclusion?

Perspectives on social inclusion and exclusion

Multi-dimensionality, the importance of actors and processes and the centrality of inequality are all important aspects of inclusion. However, this recognition does not take us very far in terms of policy.

According to Novick (2001), the central question confronting an agenda of social inclusion is the same question confronting social policy throughout its history: Should policy address failures in existing social and economic structures that fail to create inclusive conditions for all citizens, or is it the task of policy to integrate the marginalized into fundamentally just and sound structures? The distinction between the two is the difference between creating inclusion and preventing exclusion – that is, who is required to adjust.

The different answers to that question illustrate the different ideological preferences and perspectives on what constitutes exclusion and therefore form the backdrop to policies intended to promote inclusion.

Perspectives on social inclusion reflect differing assumptions about its root causes, and therefore its solutions. Silver (1994) and Levitas (1998) have attempted to identify distinguishable threads among varying uses of the term. Both identify three distinct approaches to social exclusion, and both are clear that the different uses of the term "are embedded in conflicting social science paradigms and political ideologies" (Silver, 1994: 6).

Silver labels her categories the solidarity, specialization and monopoly paradigms, which correspond to the French, British and Nordic traditions respectively and are grounded in the different political philosophies that have shaped each tradition's understanding of disadvantage. In a similar way, Levitas labels her 'three discourses' of exclusion: social integrationist, redistributionist and moral underclass. The three approaches differ in how they identify the boundary between insiders and outsiders, and therefore how to achieve inclusion (Levitas: 7).

Under the social integration view of social exclusion, which Levitas labels *SID (for Social Integration Discourse)*, unemployment is seen as

the main cause of exclusion. Paid employment is seen as a critical component of identity and self-esteem, and therefore necessarily the principal means of inclusion.

Typically, for those following this approach the principal concern is *social cohesion* built on the norm of employment. The problem of exclusion is seen in terms of its effect on the wider society – exclusion undermines cohesion, and in doing so, imposes costs on society.

Indicators of success in fighting exclusion from this perspective would be an increase in the participation rate, particularly among target groups such as youth, or long-term unemployed. Inclusion through work is not addressed through employment, but instead is reduced to *employability* as the goal of policy. Reducing overall patterns of inequality is not the goal of fighting exclusion, but rather, merely to lift the excluded over the minimal threshold of inclusion through paid work. It is the marginalized whose exclusion is to be addressed by incorporating them into existing norms through employment.

The focus on the paid labour market results in ignoring the role and value of unpaid work and caring responsibilities. It also obscures gender, race and other inequalities in the labour market.

In the *moral underclass* (MUD) variant of social exclusion, the focus is on the moral and behavioural deficiencies of the excluded themselves, which defines the boundary between the included and the excluded.

The central concern of this approach is the avoidance of dependence, which is thought to be one of the side effects of income support. Income support is thought to destroy initiative, independence and self-respect. Work is a moral necessity to avoid dependence, and coercion in this regard is justified. Reducing the

number of people on unemployment insurance and social assistance would be a key indicator of success in fighting exclusion. However, as Saraceno (2001: 16) points out, the reason why receipt of social assistance might lead to exclusion might have less to do with its corrupting influence than its programmatic stigmatizing design – social assistance may foster exclusion because it is designed that way.

In the *redistributionist or RED* variant of exclusion, the central concerns are poverty and inequality, and the impacts of exclusion on the lives of the excluded themselves. Unemployment is thought to be a prime cause of poverty, and the realization of equal opportunity is recognized as resting on a degree of substantive equality. In this variant there is greater emphasis on the responsibility of the larger society to create inclusive conditions.

Where jobs are available, compulsion is thought to be unnecessary, and possibly destructive to self-esteem and a route to further exclusion, when they are not.

For RED therefore, a key indicator in the fight against exclusion would be the absolute and relative living standards of the poor – the extent and depth of poverty and a measure of income inequality like the Gini index.

For SID and MUD, and also to a lesser extent RED, paid work is seen as a key element in inclusion. The redistributionist variant would add the caveat that the quality of the work is also important, and must reduce poverty. However, there is the possibility that inclusion in paid work may interfere with inclusion in other respects, due to long hours and the impact on family life and an increase in women's workload. The negatives of employment – stress, lack of parenting time and the inability to participate in a child's schooling – are not seen as contributing to exclusion. This illustrates how narrow policy responses to

exclusion are, as well as their failure to address key dimensions of exclusion. In our view, these failures prevent such policy from being a sound basis for inclusion in anything other than the narrowest terms.

The limits to inclusion through work

Many writers have emphasized the centrality of work to social inclusion and the importance of the income, self-esteem, social links and integration that are thought to occur through employment. The European Commission stated that "employment is the key route to integration and social inclusion; unemployment is the major factor of exclusion, particularly long-term unemployment and the increasing concentration of unemployment in households with no one in work" (Commission of the European Communities, 2000: 6).

Of course, this is in no small way socially and policy-constructed. If employment creates inclusion, and non-work is socially unacceptable, it is in part because we have constructed social and economic arrangements this way, and fashioned policy to reinforce these preferences.

The moral crusade against dependence, which is the overriding concern of MUD, typically manifests itself in a highly restrictive approach to income support benefits and eligibility. Programs that owe their inspiration more to SID add to these strategies to quickly integrate people into the workforce through labour force attachment programs.

In brief, our contention is that the narrow focus of such policy responses ignores key dimensions of inclusion and therefore cannot serve as a credible basis for inclusive policy. Moreover, policies that purport to promote inclusion through work and employability are not even very successful on these limited terms. Poverty and inequality, not to mention

the many other facets of full inclusion must be key components of a strategy of inclusion in order to be faithful to a multi-dimensional conception of inclusion.

The limits to inclusion through work are evident enough. In 1998, in the midst of a robust economic recovery when the official rate of unemployment had fallen to 8.3 per cent from over 11 per cent at the trough of the recession,[3] the rate of poverty in Canada remained close to the levels experienced in the worst part of the recession. In fact, for the first time since incomes and poverty have been regularly reported in Canada, a recovery has not been accompanied by a significant decline in poverty (Figure 1).

It is a commonplace observation, but significant in this context, that work itself does not guarantee freedom from poverty. In 1998, 18 per cent of two-parent families with a single earner were poor. Adding a second earner reduced the risk of poverty to 3.7 per cent. Among sole-support parents, 27.2 per cent of those with earnings (three-quarters of all such families) remained poor. Among unattached individuals, 20.5 per cent of non-elderly male earners were poor in 1998, as were 25.9 per cent of non-elderly female earners (Statistics Canada 2000b).

In fact, in 1996, 5 per cent of families with a head who was a full-time, full-year worker were still poor, as were 10.4 per cent of unattached individuals who were full-time, full-year workers. Put yet another way, 19.6 per cent of poor families were headed by a full-time, full-year worker, and 9.5 per cent of poor individuals also worked full-time, full-year (Statistics Canada, 1997).

Figure 1: Unemployment rate versus poverty/Canada 1980-2000
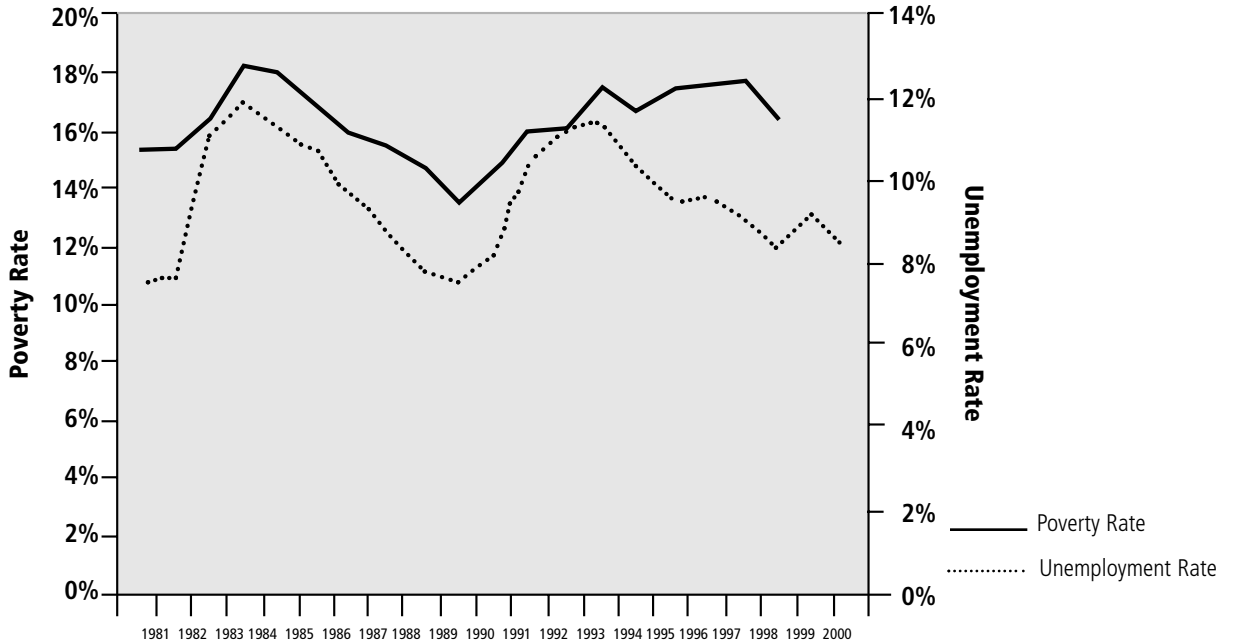
Figure 2: Distribution by market income groups, all families and unattached individuals, Canada, 1980-1998
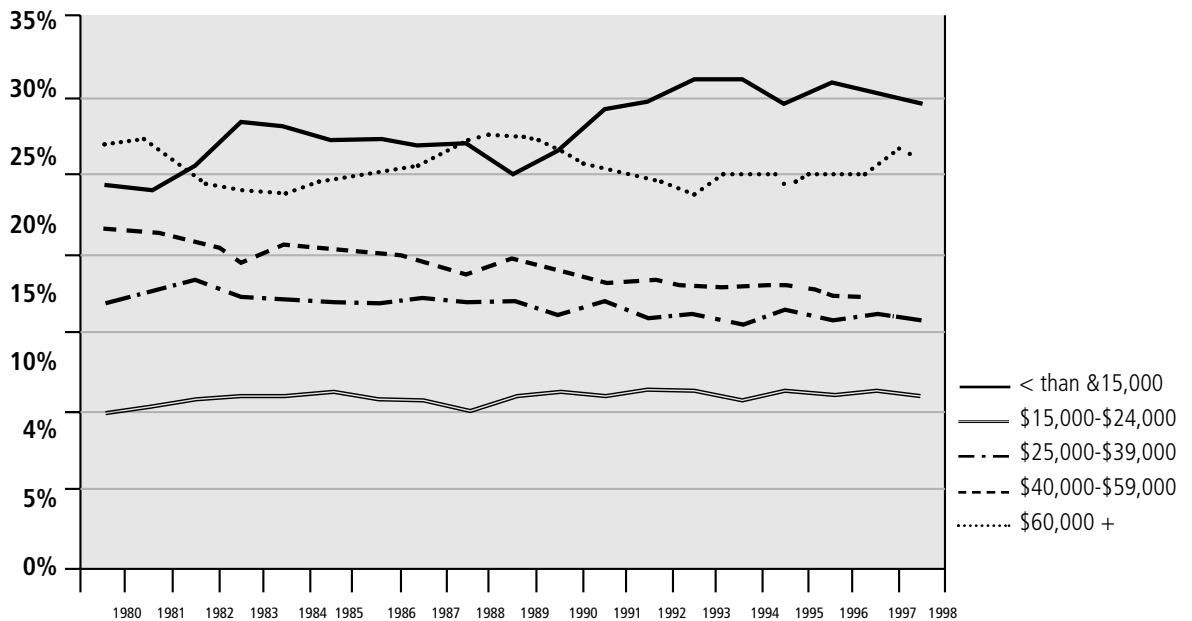
Moreover, low-wage and precarious employment is becoming an entrenched feature of the economy. Not only is the incidence of low-wage employment increasing, but it is also becoming more difficult to move up and out of bad jobs (Finnie, 1997). While there is significant mobility upwards and out of poverty, those who leave poverty tend not to rise very far (Finnie, 2000). The number of families whose market income fell below $15,000

annually has grown over the past two decades, while the number with middle-level incomes has shrunk (Figure 2). A growing proportion of jobs are either part-time or contingent/temporary.

Of course there is another side to the polarization of the labour market. The number of people working long hours is increasing and there is evidence that this too can be harmful to health and linked to other forms of exclusion, what Jackson and Scott (2001) have termed "hyper-inclusion" in the labour market:

> *An increasing number of workers report they experience more fatigue, time pressure, speedup and inability to achieve a desired balance in their lives between paid work and their family, personal and civic time (Golden and Figart, 2000).*

Discrimination will also limit the inclusion of many people through the labour market. Ornstein (2000) finds evidence of substantial occupational segregation (to low-skill jobs) and higher rates of part-time work among racially identified groups in the City of Toronto. What are termed "ethnic economies" exist to some extent in cities with high levels of immigration, in which immigrant groups find employment in certain segments and niches, but which can limit their access to the broader labour market. Mere inclusion in the labour market will do nothing to address the exclusionary forces of discrimination.

Policies to combat exclusion internationally

Space does not permit anything other than a few observations regarding policy agendas implemented internationally to combat exclusion. However, a review of three significant strands of policy in Great Britain, France and North America highlights some of the major points of departure for policy.

Great Britain

British usage of the term has its origins in liberal individualism, and is highly influenced

Table 3: Great Britain's 'New Deal'

Target group	Programming
1. Aged 18 – 25 and unemployed more than six months	• Subsidized job with an employer (£60 per week subsidy for six months; also £750 per person training allowance); • Full-time education and training; • Voluntary sector job; • Environmental Task Force.
2. Unemployed for two years or more	• Wage subsidy of £75 pounds for six months
3. Lone parents whose youngest child is in the 2nd term of full-time schooling	• Lone parents on income support will be 'invited' to a JobCentre to develop an action plan. Participation is voluntary. • Participants are fast-tracked for Family Credit and child maintenance.
4. Disabled in receipt of disability and incapacity benefits	

Source: Peck, 2001: 304-305.

by social policy developments imported from the United States, redefining citizenship in terms of duties and obligations rather than the Marshallian notion of political, civil and social rights (Abbey: 2).

The Social Exclusion Unit of the Cabinet Office has a wide-ranging research agenda on a variety of topics related to social exclusion, focused particularly on severely and multiply-deprived populations: truants, rough sleepers (homeless), poor neighbourhoods; teenagers not in education employment or training; and pregnant teenagers. However, these are mostly for rhetorical show. The centrepiece is clearly New Labour's 'New Deal' welfare-to-work program. It is the only one to date that has actually been translated into policy with substantial budgetary backing. Table 3 outlines the major elements of the New Deal.

New Labour's 'New Deal' has a clear emphasis on employability and promoting labour market attachment, reducing the problem of exclusion to exclusion from the paid labour market, and then to individual attributes and attitudes. "There will be no fifth option – to stay at home on full benefit" according to the oft-repeated refrain of the chancellor, employing North American anti-welfare dependency rhetoric and redolent of Levitas's moral underclass discourse of exclusion.

No consideration is given to the quality of employment, or to other aspects of exclusion that may in fact be exacerbated through promoting labour market attachment among some groups, such as lone parents, and attention to barriers such as the need for additional education and training and other supports is limited.

If SID and MUD-inspired anti-exclusion policies in fact reinforce exclusion by re-casting their subjects as somehow separate and differ-

ent from the rest of the 'hard-working population'; defective, in skills or other personal attributes, even the financing of the New Deal program reinforces this exclusionary message. Money for the program came from a special one-time tax on privatized utilities that communicated the message that financing the New Deal would not require a contribution from other taxpayers, now or in the future (Peck, 2001: 301).

France

In contrast to the narrowness of the New Deal there is the breadth of policy that is wielded to combat exclusion in France.[4] The 1998 *Loi de prévention et de lutte contre les exclusions* of the Jospin government contained policies in a number of areas: employment and training, on both the supply and demand side, income support, housing and homelessness, health care, education, social services, citizenship and political rights, culture and citizenship. "Just as exclusion is conceived as having many economic and social dimensions, so the anti-exclusion law has a number of parts" (Silver, 1998: 46).

The employment aspect of the French law is especially noteworthy for going well beyond the narrow supply-side focus of British policy. It includes not just the expected supply and matching policies, but also policies to enhance the demand side of the labour market, to promote equality in the labour market and policies for helping to balance family and work.

In this breadth one can recognize an attempt to address both of Saraceno's levels of exclusion: the macro issues that create exclusion, as well as the micro experiences which create a lack of belonging for individuals.

Table 4: Loi de prévention et de lutte contre les exclusions, Jospin Government, 1998

Aspect	Policies
Employment and training	• Capacity building for insertion of young and adult job seekers and prevention of long-term unemployment; • Training policies; • Business programs; • Labour market regulation.
Hiring and other incentives for business	• For example, short-term exemptions from social charges to create business.
Third sector	• Double number of entreprises d'insertion; • PLIE (pactes territoriaux pour l'emploi – local partnerships for employment); • Bourses solidarité vacances, especially in public interest grouping of charitable and unemployment associations.
Changes to social minima	• Work incentives for RMI, ASS and API allowing a declining portion of part-time, minimum-wage earnings to be kept over the first year of employment; • ASS, API benefits raised and indexed to prices; • Minimum income at RMI level guaranteed in other programs; • Program to allow over-indebted and bankrupt people to extend re-payments and so earn income and keep homes; • Reduced gap between CES and social minima.
Housing and homelessness policies (subsequently ruled unconstitutional)	• Housing solidarity funds; • Tax on vacant property; • Protection from eviction; • Policy to encourage geographic and social mixing.
Health	• Universalize coverage; • Regional access to hospitals and general medicine.
Education	• Relaunch ZEP.
Social services	• Mobile emergency units to prevent family breakups and utility cut-offs
Citizenship	• Help homeless to vote, to get legal assistance, a bank account and national identification.
Culture	• Access to artistic and cultural practices; cultural establishments combat exclusion; mediator jobs.

Source: Silver, 1998: 48-48.

Welfare-to-what in North America?

Social inclusion, or exclusion as a focus of policy, is still in its infancy in North America so it is in some ways premature to characterize it. While policy exists to address some dimensions of inclusion, others are ignored, and none are part of a coordinated inclusion agenda. Of course, Canada does enjoy universal public health care and education. However, it has been noted above how the benefits of one policy – public education – can be undermined by a failure to address the exclusion created by another policy – housing. In the absence of any comprehensive view of inclusion it appears that policy in Canada is drifting towards an understanding of exclusion and inclusion firmly rooted in the moral underclass (MUD) and social integration approaches (SID)[5]. Federal and provincial housing programs have been terminated or gutted, child benefits have been revamped to encourage paid work and social assistance programs have become ever more fixated on promoting work, to the exclusion of protecting the well-being of recipients.

If there is a policy direction that most clearly reflects the underlying social exclusion philosophy of SID and MUD it would have to be the welfare-to-work programs that are epidemic in North America, and have now migrated to Europe. Such programs are the very manifestation of attempts to integrate the excluded through employment. It is important to understand, review and critique welfare-to-work programs from an inclusion perspective because this is the policy mechanism through which the promotion of inclusion through work is most likely to manifest itself in Canada.

Such programs are typically narrowly focused on immediate employability and involve only minimal investments in skills.

Their goal is rapid employment at low cost. It is here that the limitations of promoting inclusion for disadvantaged groups through labour market attachment are most evident.

The outcomes of such programs are at best modest, even by their own narrow employment and earnings objectives, never mind any broader standard such as those implied by social inclusion. Jobs held by former welfare recipients tend to be low-skilled, low-paid and unstable. Upward mobility is limited. Few provide any benefits. Unemployment and welfare recidivism are high. This has been shown to be the case in such divergent jurisdictions as the United States (Friedlander and Burtless, 1995, Loprest, 2001, Boushey and Gundersen, 2001), Ontario (Mitchell, 1998, Ontario, 1998), Alberta (Shillington, 1998; Elton, Sieppert, Azmier and Roach, 1997), New Brunswick and British Columbia (Card and Robbins, 1996) and Quebec (Reynolds, 1995).

Research in both Canada and the U.S. has shown that a large proportion of those leaving assistance experience critical hardships, even when employed after leaving welfare (Loprest, 2001, Boushey and Gundersen, 2001, Elton, Sieppert, Azmier and Roach, 1997). Large numbers of former recipients *who were working* report critical hardships such as going without food, being unable to pay housing or utility bills or losing their housing altogether (Loprest, 2001). Large numbers also report serious hardships such as worries about basic needs and inadequate supports and services such as health care and child care (Boushey and Gundersen, 2001).

What is less well-documented is the impact of welfare reform on dimensions of child and family well-being other than the nar-

rowly economic. There is, in policy circles, a presumption of the virtuous impact of parental employment for the family, regardless of its quality, elevating paid work above all other functions, if not completely ignoring any possible valued role that a parent might play. However, there is a growing number of anecdotal and journalistic accounts of the increased stress of combining low-paid work and parenting as a result of welfare reform. The few studies that included measures of child and family well-being have found that, as with the economic outcomes, improvements in child and family well-being were mixed, with some indicators showing improvements on average, with others showing negative or no change.[6] The outcomes were also mixed in terms of relationships with children and friends (Knox et al., 2000, Bancroft and Currie, 1995: 14, Morris and Michalopoulos, 2000).

What of the broader inclusive effects of such policies? Clearly these limited investments address few of the potential dimensions of child well-being, or the processes of exclusion and inclusion outlined earlier, apart from that which flows from parental employment.

If concerns about social cohesion have emerged in the wake of widespread economic dislocation, then one way of understanding such policies is as a partial attempt to restore cohesion, in a context where the traditional tools of governments are being undermined or removed. Such policies may allow the marginalized at least some contact with the wider society and the social norm of employment, if intermittently and in the lower tier of the labour market. From a policy maker's perspective this may prevent complete exclusion, with wider social consequences that may accompany a breakdown in social cohesion. If such policies do not promote full inclusion they may at least prevent total exclusion and the perceived threat to cohesion that may accompany it.

Policy agendas that focus simply on inclusion through the labour market and employability fail to address issues of poverty and inequality that are necessary, if not sufficient, to promote social inclusion. They fail to address the quality of employment, and the possible role that low-wage employment may have in *reinforcing* economic exclusion, not to mention the many other dimensions of possible exclusion. Perhaps still worse, it is possible, if not indeed likely, that a policy-created low-wage labour supply will help to reshape the contingent labour market, expanding the supply of such jobs as employers readjust their employment to take advantage of the labour supply (Peck, 1998).

Such policies may well reduce the numbers on assistance, but in-work poverty and inequality may increase, as the social distance between social assistance recipients, the working poor and the rest of society widens. As such one would have to conclude that they promote one narrow and incomplete dimension of inclusion while sacrificing many others.

Conclusions and implications for practice

The concept of social inclusion, particularly as described using Sen's concept of capacity, is a more complete model for tracking social well-being than simple income or employment. While these are important foundation conditions for family and child well-being, they are insufficient mechanisms for full inclusion on their own. The difference being spoken of is the difference between being a consumer and being a citizen. What is needed are policies that promote people's capacities to act as citizens with equal freedom to conduct a life they have reason to value.

For those who wish to promote an agenda of inclusion this implies further changes in focus that are subtle, but important. It implies a focus on capabilities and achieved outcomes rather than simply foundation conditions such as income. This also implies that supports should provide not only the income necessary to purchase necessities, but also should facilitate employment (effective access to child care), education (including secondary and post-secondary) and regulations that do not punish economic behaviour such as saving.

Second, as a frame for social policy this concept requires that we take a more holistic view of child and family well-being. This in turn requires that we recognize the interrelationship of various forms of exclusion.

Third, it suggests a greater priority be given to looking at the potential, and limitations of local governments, for promoting inclusion. While senior levels of government can have greater influence over foundation conditions, cities can do much to lessen other aspects of social and physical distance among people (Andrew, 2001). And citizens have great confidence in their ability to understand and respond to the social needs of communities (Community Social Planning Council of Toronto, 2001).

Fourth, the focus on the actors and processes through which inclusion can be created suggests that we need to look beyond the *content* of policy, to also scrutinize the *way* in which policy is made. This would offer some check against poor design, arbitrary exclusions, contradictory and capricious regulations.

One subtle form of social exclusion comes from the political process. This leads to exclusion from policy development. As a consequence, income and social support programs are developed by upper- and middle-income professionals "on behalf of" lower-income populations. This not only undermines the effectiveness of the programs, but also underlines the social exclusion of vulnerable populations as they are alienated from the development of policies and programs that affect their lives.

The growing number of national governments that identify social exclusion as a priority problem to be addressed, as well as a focus for policy provides an opportunity. Although there is a wide difference in understanding of what promoting inclusion might mean, it is no broader than the different points of view on what it means to fight poverty. The challenge is to do this without losing the significance of poverty and inequality, violations of the foundation conditions necessary to pursue valued lives.

However, if social inclusion doesn't come equipped with all of the answers, it may encourage us to better ask the right questions, and provide an opportunity for additional points of discussion and debate.

Endnotes

[1] Indeed, it appears that the major distinction Sen draws between the two concepts is based upon the difference between 'active' versus 'passive' exclusion and the consequent policy implications (Das Gupta, 1999: 2).

[2] The concentration on income is understandable. It is clearly significant but it is also possible that it has been given more weight simply because income is easier to measure than health, literacy, social development and political engagement.

[3] The unemployment rate has since fallen to around 7 per cent (Statistics Canada, 2000a).

[4] One can admire the breadth of policy thinking, while remaining critical of the underlying social integrationist and cohesion objectives of the program.

[5] See for example, Michael Hatfield's presentation to the Laidlaw Foundation conference (Hatfield 2001), in which the problem of exclusion is defined as persistent low income, then reduced to exclusion from paid work.

[6] Impacts on family life were measured in terms of marriage rates, home ownership, quality of home environment, depression, domestic violence, child behaviour, self-perceived health, school performance and school engagement. Slightly more than half of the indicators had positive changes that were statistically significant, the others were either negative, or not significant. Marginal positive improvements on average suggest that many respondents would have experienced negative outcomes.

References

Abbey, J.L.S. 1999. Inclusion, Justice and Poverty Reduction: Seminar Notes and Impressions. Villa Borsig Workshop Series, Inclusion, Justice and Poverty Reduction. *www.dse.de/ef/poverty/abbey.htm.*

Andrew, Caroline. 2001. What has space got to do with social inclusion? Presentation to the Laidlaw Foundation/CCSD conference, Social inclusion: a new way of thinking? November 2001.

Atkinson, A.B. January 1998. Social Exclusion, Poverty and Unemployment. In *Exclusion, Employment and Opportunity*, CASEpaper number 4, edited by A.B. Atkinson, and John Hills. London: Centre for Analysis of Social Exclusion, London School of Economics.

Baker-Collins, Stephanie. 2000. Poverty: Concepts Measures and Policy Responses. Unpublished comprehensive paper, Faculty of Social Work, University of Toronto.

Bancroft, Wendy, and Sheila Currie Vernon. 1995. The *Struggle for Self-Sufficiency: Participants in the Self-Sufficiency Project Talk About Work, Welfare and Their Futures.* Vancouver: Social Demonstration and Research Corporation.

Bourgignon, Francois. 1999. Absolute poverty, relative deprivation and social exclusion. Villa Borsig Workshop Series, Inclusion, Justice and Poverty Reduction. *www.dse.de/ef/poverty/bourgign.htm.*

Boushey, Heather, and Bethney Gundersen. 2001. *When Work Just Isn't Enough: Measuring hardships faced by families after moving from welfare to work.* Washington, D.C.: Economic Policy Institute.

Bradshaw, Jonathan. 2000. Wider Aspects of Poverty and Social Exclusion. In Indicators of Progress, *A discussion of approaches to monitor the Government's strategy to tackle poverty and social exclusion*, CASEreport 13. London: Centre for Analysis of Social Exclusion, London School of Economics.

Brandolini, Andrea, and Giovanni D'Allessio. 2000. Measuring Well-being in the functioning space. Paper prepared for the International Association for Research in Income and Wealth, Cracow, Poland. *www.econ.nyu.edu/dept/iariw.*

Brock, Thomas, David Butler, and David Long. 1993. *Unpaid Work Experience For Welfare Recipients: Findings and Lessons from MDRC Research.* MDRC Working Papers, New York: Manpower Demonstration Research Corporation.

Byrne, D.S. 1999. *Social Exclusion.* Issues in Society, Buckingham, U.K. Philadelphia: Open University Press.

Canadian Council on Social Development. 1999. The *Progress of Canada's Children Into the Millennium*, 1999-2000. Ottawa: Canadian Council on Social Development.

Cannan, Cressy. 1997. The Struggle Against Social Exclusion: Urban Social Development in France. *IDS Bulletin* 28, no. 2: 77-85.

Card, David, and Philip K. Robbins. 1996. *Do financial incentives encourage welfare recipients to work? Initial 18-month findings from the Self-Sufficiency Project.* Vancouver: Social Research Demonstration Corporation.

Chambers, Robert. 1983. *Rural Development: Putting the Last First.* New York: Longman Scientific & Technical.

Commission of European Communities. 2000. *Building an Inclusive Europe.* Communication from the Commission, Brussels.

Community Social Planning Council of Toronto. April 2001. *Preserving our Civic Legacy.* Toronto: Community Consultation on Social Development.

Das Gupta, Monica. 1999. Social Exclusion and Poverty: Preliminary thoughts for the World Development Report 2001. Villa Borsig Workshop Series, Inclusion, Justice and Poverty Reduction. *www.dse.de/ef/poverty/dasgupta.htm.*

de Haan, Arjan. 1998. 'Social Exclusion': An Alternative Concept for the Study of Deprivation? In *Poverty and Social Exclusion in North and South*, edited by Arjan de Haan, and Simon Maxwell. *Institute for Development Studies Bulletin* 29, no. 1: 10-19.

———. 1998b. Social exclusion in policy and research: Operationalizing the concept. In *Social exclusion: An ILO perspective*, edited by Jose B. Figueiredo, and Arjan de Haan. Geneva: International Labor Organization.

Duffy, K. 1995. *Social Exclusion and Human Dignity in Europe.*

Endean, Rebecca. 2001. Opportunity for All: Monitoring the Government's Strategy to Tackle Poverty and Social Exclusion. In *Indicators of Progress, A discussion of approaches to monitor the Government's strategy to tackle poverty and social exclusion*, CASEreport 13. London: Centre for Analysis of Social Exclusion, London School of Economics.

Elton, David, Jackie Sieppert, Jason Azmier, and Robert Roach. 1997. *Where Are They Now? Assessing the Impact of Welfare Reform on former Recipients.* Calgary: Canada West Foundation.

Evans, Martin. 1998. Behind the Rhetoric: The Institutional Basis of Social Exclusion and Poverty. In *Poverty and Social Exclusion in North and South*, edited by Arjan de Haan, and Simon Maxwell. *Institute for Development Studies Bulletin* 29, no. 1: 42-9.

Evans, Peter, with Suzanne Bronheim, John Bynner, Stephan Klasen, Phyllis Magrab, and Stewart Ransom. 2000. *Social Exclusion and Children – Creating Identity Capital: Some Conceptual Issues and Practical Solutions.* Geneva: Organization for Economic Co-operation and Development.

Figueiredo, Jose B., and Arjan de Haan, eds. 1998. *Social exclusion: An ILO perspective.* Geneva: International Labor Organization.

Finnie, Ross. 1997. The earnings mobility of Canadians, 1982-1992. Working Paper W-97-3Ea, Human Resources Development Canada, Applied Research Branch, Ottawa.

———. 2000. *The Dynamics of Poverty in Canada: What We Know, What We Can Do.* Toronto: The C.D. Howe Institute.

Friedlander, Daniel, and Gary Burtless. 1995. *Five years after: The long-term effects of welfare-to-work programs.* New York: Russell Sage Foundation.

Freiler, Christa. 2000. *Social inclusion as a focus of well being for children and families.* Toronto: Laidlaw Foundation.

———. 2001. *Toward a Vision of Social Inclusion for All Children.* Toronto: Laidlaw Foundation.

Golden, Lonnie, and Deborah Figart. 2000. Doing something about long hours. *Challenge* 43, no. 6 (November-December).

Hatfield, Michael. 2001. The Causes of Persistent Low Income: A Key Barrier to Social Inclusion. Presentation to the Laidlaw Foundation/CCSD conference, Social Inclusion: A New Way of Thinking?.

Hertzman, Clyde. 1995. *Child Development and Long-term Outcomes: A Population Health Perspective and Summary of Successful Interventions.* Toronto: Canadian Institute for Advanced Research.

Holden, Chris. 2000. Globalization, Social exclusion and Labour's new work ethic. *Critical Social Policy* 19, no. 4: 529-38.

Human Resources Development Canada (HRDC). 2000. High Risk Factors Behind Poverty and Exclusion. *Applied Research Bulletin* 6, no. 1 (winter-spring).

Jackson, Andrew, and Katherine Scott. 2000. *Labour Markets and the Social Inclusion/Exclusion of Children.* Ottawa: Canadian Council on Social Development.

Jenson, Jane. 1998. *Mapping Social Cohesion: The State of Canadian Research*, CPRN Study No. F|03. Ottawa: Canadian Policy Research Networks.

———. 2000. Backgrounder: *Thinking About Marginalisation: What, Who and Why?* Ottawa: Canadian Policy Research Networks.

Klasen, Stephan. 1998. *Social Exclusion and Children in OECD Countries: Some Conceptual Issues.* Paris: Organization for Economic Co-operation and Development (OECD).

Knox, Virginia, Cynthia Miller, and Lisa A. Gennetian. 2000. *Reforming Welfare and Rewarding Work: A Summary of the Final Report on the Minnesota Family Investment Program.* New York: Manpower Demonstration Research Corporation.

Le Grand, Julian. Social Exclusion in Britain Today. Unpublished speaking notes.

Levitas, Ruth. 1998. *The Inclusive Society? Social Exclusion and New Labour.* London: Macmillan Press.

Lipton, Michael. 1998. Selected notes of the concept of social exclusion. In *Social exclusion: An ILO perspective*, edited by Jose B. Figueiredo, and Arjan de Haan. Geneva: International Labor Organization.

Loprest, Pamela. April 2001. *How Are Families That Left Welfare Doing? A Comparison of Early and Recent Welfare Leavers*, Series B, No. B-36. Washington, D.C.: The Urban Institute.

Mitchell, Andrew. November 1998. *Leaving Welfare for Work?* Workfare Watch Bulletin #8. Toronto: The Community Social Planning Council and the Ontario Social Safety Network. *www.welfarewatch.toronto.on.ca/wrkfrw/bul8.htm.*

———. May 2001. *Mandatory Drug and Literacy Testing,* Workfare Watch Bulletin #12. Toronto: The Community Social Planning Council and the Ontario Social Safety Network. *www.welfare-watch.toronto.on.ca/wrkfrw/PDF/Bulletin%2012.pdf*

Morris, Pamela, and Charles Michalopoulos. June 2000. *The Self-Sufficiency Project at 36 Months: Effects on Children of a Program that Increased Parental Employment and Income.* Vancouver: Social Demonstration Research Corporation.

Myles, John, Garnet Picot, and Wendy Pyper. 2000. Neighbourhood Inequality in Canadian Cities. Paper presented at the Canadian Economics Association meetings and CERF conference.

National Council of Welfare. Winter 1998-1999. *A New Poverty Line: Yes, No or Maybe?* Ottawa: National Council of Welfare.

———. 2000. *Poverty Profile* 1998. Ottawa: National Council of Welfare.

Navarro, Vincente. 2000. Development and Quality of Life: A Critique of Amartya Sen's *Development and Freedom. International Journal of Health Services* 40, no. 3: 661-74.

Novick, Marvyn. 1997. Prospects for Children: Life Chances & Civic Society. Discussion paper for the Children at Risk Symposium, Laidlaw Foundation, Toronto. Revised, February 1999.

———. 2001. Social Inclusion: The Foundation of a National Policy Agenda. Presentation to Laidlaw/CCSD conference, A New Way of Thinking? Towards A Vision of Social Inclusion.

Offord, D. 1997. *Bridging Development, Prevention and Policy.* Toronto: Canadian Institute for Advanced Research.

Ontario Ministry of Community and Social Services. 1998. *Survey of Individuals Who Left Social Assistance.* Toronto: Ontario Ministry of Community and Social Services.

Organization for Economic Co-operation and Development. 1997. *Societal Cohesion and the Globalising Economy.* Paris: OECD.

Peck, Jamie. 1998. Help and Hassle: means, motive and method in local workfare strategies. Paper presented at the conference, Model USA: social justice through growing employment?, Frei Universität, Berlin.

———. 2001. *Workfare States.* New York: The Guilford Press.

Raphael, Dennis. 2000. Health Inequalities in Canada: Current Discourses and Implications for Public Health Action. *Critical Public Health* 10: 193-216.

Rector, Robert. 1997. Wisconsin's Welfare Miracle. *Policy Review* (March-April): 20-6.

Reynolds, Elizabeth B. 1995. Subsidized Employment Programs: The Quebec Experience. In *Workfare: Does It Work? Is It Fair?*, edited by Adil Sayeed. Montreal: Institute for Research on Public Policy.

Riccio, James, Daniel Friedlander, and Stephen Freedmam. 1994. *GAIN: Benefits, Costs, and Three-Year Impacts of a Welfare-to-work Program.* New York: Manpower Demonstration Research Corporation.

Room, G. 1995. *Beyond the Threshold: The Measurement and Analysis of Social Exclusion.* Bristol: Polity Press.

Ross, David. *Child Poverty in Canada: Recasting the Issue.* Ottawa: Canadian Council on Social Development. http://www.ccsd.ca/pubs/recastin.

Sarlo, Christopher. 1992. *Poverty in Canada.* Vancouver: The Fraser Institute.

Sen, Amartya. 1992. *Inequality Reexamined.* New York: Russell Sage Foundation.

———. 1999. *Development as Freedom*: New York: Alfred A. Knopf.

Serageldin, Ishmail. 1999. Poverty and Inclusion: Reflections on a Social Agenda for the New Millennium. Villa Borsig Workshop Series, Inclusion, Justice and Poverty Reduction. *www.dse.de/ef/poverty/serageld.htm.*

Shillington, E. Richard. 1998. Social Assistance and Paid Employment in Alberta, 1993 – 1996. A report prepared for the Population Research Laboratory, Department of Sociology, University of Alberta.

Silver, Hilary. 1994. Social exclusion and social solidarity: Three paradigms. *International Labour Review* 133, no. 5-6: 531.

———. 1998. Policies to reinforce social cohesion in Europe. In *Social exclusion: An ILO perspective*, edited by Jose B. Figueiredo, and Arjan de Haan. Geneva: International Labor Organization.

Social Exclusion Unit, Prime Minister's Office, United Kingdom. www.cabinet-office.gov.uk/seu/index.

Statistics Canada. 1997. *Income Distributions by Size in Canada, 1996*, Catalogue no. 13-207-XPB. Ottawa: Ministry of Industry.

———. 2000a. *Labour Force Historical Review, 1999*, Catalogue no. 71F0004XCB. Ottawa: Ministry of Industry.

———. 2000b. *Income in Canada, 1998*, Catalogue no. 75-202-XIE. Ottawa: Ministry of Industry.

Teague, Paul, and Robin Wilson. 1995. Towards an inclusive society. In *Social Exclusion, Social Inclusion*, Report No. 2. Belfast: Democratic Dialogue.

Townsend, Peter. 1979. *Poverty in the United Kingdom.* Harmondsworth: Penguin.

United Nations Development Program. 1997. *Human Development Report* 1997. New York: Oxford University Press.

———. 2000. *Human Development Report 2000.* New York: Oxford University Press.

Zaslow, M., et al. 1995. *The Family Support Act and Children: Potential Pathways of Influence.* Washington DC: Child Trends.

PERSPECTIVES ON SOCIAL INCLUSION

WORKING PAPER SERIES

Clyde Hertzman — **Leave No Child Behind! Social Exclusion and Child Development**

Dow Marmur — **Ethical Reflections on Social Inclusion**

Andrew Jackson and Katherine Scott — **Does Work Include Children? The Effects of the Labour Market on Family Income, Time, and Stress**

Michael Bach — **Social Inclusion as Solidarity: Re-thinking the Child Rights Agenda**

Martha Friendly and Donna Lero — **Social inclusion for Canadian Children through Early Childhood Education and Care**

Meg Luxton — **Feminist Perspectives on Social Inclusion and Children's Well-Being**

Terry Wotherspoon — **The Dynamics of Social Inclusion: Public Education and Aboriginal People in Canada**

Peter Donnelly and Jay Coakley — **The Role of Recreation in Promoting Social Inclusion**

Andrew Mitchell and Richard Shillington — **Poverty, Inequality, and Social Inclusion**

Catherine Frazee — **Thumbs Up! Inclusion, Rights and Equality as Experienced by Youth with Disabilities**

Anver Saloojee — **Social Inclusion, Anti-Racism and Democratic Citizenship**

Ratna Omidvar and Ted Richmond — **Immigrant Settlement and Social Inclusion in Canada**

Laidlaw Foundation

The full papers (in English only) and the summaries in French and English can be downloaded from the Laidlaw Foundation's web site at **www.laidlawfdn.org** under Children's Agenda/ Working Paper Series on Social Inclusion

or

ordered from **workingpapers@laidlawfdn.org**
Price: $11.00 full paper; $6.00 Summaries
(Taxes do not apply and shipment included).