PART 2

A social exclusion strategy

> No society can surely be flourishing and happy, of which the far greater part of the members are poor and miserable.
>
> Adam Smith (1776) The Wealth of Nations

(1) Introduction

1. The overall aim of social policy is to improve the well-being of all New Zealanders – and in particular to ensure that all are valued, and are able to achieve their potential and aspirations. This paper argues that reducing social exclusion is a key strategy to achieve these overall goals.

2. Social exclusion occurs where a person's well-being is such that they are unable to participate in society.

3. In the previous paper we argued that well-being had a number of dimensions, and in this paper we argue that people suffer social exclusion where they involuntarily experience poor outcomes across one or more of these dimensions of well-being. Social exclusion occurs where there is:

   - child abuse and neglect;
   - educational failure and illiteracy
   - poverty;
   - involuntary unemployment;
   - marginal and insecure employment;
   - sickness and ill health;
   - barriers to participation for people with disabilities;
   - criminal victimisation;
   - social isolation;
   - alienation from political participation; and
   - discrimination.

4. These forms of adverse outcomes and events are referred to as social exclusion, as singularly or in combination, they inhibit people, families and communities, from both effectively participating in, and belonging to, society.

5. For some people, the experience may only be brief and related to only one aspect of social exclusion, such as being temporarily unemployed. However, for other people,

the experience of social exclusion is likely to be severe and persistent. Persistent social exclusion occurs where individuals experience a combination of problems such as illiteracy, poverty, unemployment, discrimination and poor health on an ongoing basis.

6.   There are two major reasons for policy to focus on reducing social exclusion.

7.   First, policies that reduce the extent of social exclusion are desirable as they improve fairness and distribution of well-being across the population.   In other words, they meet the goal of ensuring that all individuals can participate in society. Reducing social exclusion is also a key policy to promote equality of opportunity.

8.   Second, there are important 'efficiency' reasons for policy to focus on reducing social exclusion. For example, if reducing poverty will improve health outcomes – this may increase the productive potential of the economy through increasing participation in work, and also reduce government expenditure on healthcare. Similarly, a focus on improving educational outcomes for those most at risk of failure will also have important economic benefits in the future through improved economic growth.

9.   The paper also highlights a number of policy areas that should be investigated as part of an integrated social exclusion strategy. These include:

   • prevention or tackling the causes of social exclusion. This may involve an increased focus on active policies that reduce the risk of social exclusion through early childhood education, basic literacy education, primary health care, improved work incentives, active employment policies, and economic development; and

   • protection or providing security for those who suffer social exclusion. This may focusing on the provision of social assistance to ensure income protection for families suffering unemployment, ill health or separation.

10. This paper highlights those collective actions that are undertaken by the state, both in the form of direct intervention, as well as those things that can be done to promote and enable other forms of collective action by communities and individuals (such as policies that strengthen capacity, build strong communities and support healthy families).

11. The remainder of this paper is structured as follows. Section 2 briefly discusses the context for our reassessment of the welfare state and our focus on social exclusion. Section 3 describes the concept of social exclusion. Section 4 discusses the extent of social exclusion in New Zealand. Section 5 discusses the causes of social exclusion. Section 6 provides a number of arguments for why a focus on social exclusion is important. Section 7 discusses the range of possible policies that would form part of an integrated strategy to reduce social exclusion.

(2) The context

12. In the last decades the political landscape has been dominated by a narrowly conceived version of economic policy. This preoccupation has sometimes been to the detriment of concerns about the quality of our society, and the structure of social protection. Indeed, in some cases the pursuit of a strict economic orthodoxy has left various sections of the community marginalised and alienated.

13. In the coming decades, New Zealand society will also confront a number of challenges that will be as profound as the economic changes of the past. In particular:

- the processes of globalisation and technical change will influence our economy and society in complex ways including raising expectations of consumption and remuneration for skilled knowledge workers, creating greater demand for some information skills and services, causing unemployment amongst those with few qualifications, and destabilizing some traditional ways of life;

- existing traditions, norms and symbols of our society will be questioned and evaluated by younger generations and by people from different ethnic and religious backgrounds;

- the structure of families and the relationship between caregivers, income earners and dependants will continue to change, often in unpredictable ways;

- the relationship between the Crown and Maori under the Treaty of Waitangi will become clearer as more iwi gain redress for historical injustices; and

- New Zealand will increasingly identify as a South Pacific nation as the composition of the population changes.

14. The many challenges we face in the future require an increased commitment to the goals of social policy. This requires a recognition of interdependence – and the corresponding need to ensure that welfare state, communities, families and individuals are able to achieve social policy goals (Giddens, 1994).


(3) Defining social exclusion

15. Traditionally analysis has often only focused on single dimensions of disadvantage such as poverty, ill health or unemployment. However, in recent times the academic literature has begun to use the concept of social exclusion as a means of understanding the commonality of a number of different threats to the well-being of individuals. While it is often used in a variety of ways, for our purposes we understand social exclusion as occurring where individuals and groups are involuntarily deprived of the opportunity to participate and belong to, various aspects

of society (Atkinson, 1998; Abrahamson, 1997; De Haan, 1998; Peace, 1999; Rogers, *et. al.*, 1995).

16. Social exclusion occurs where a person's wellbeing is such that they are unable to participate fully in the wider society. This situation is represented graphically in figure 1.

Figure 1: Hypothetical distribution of well-being amongst the population
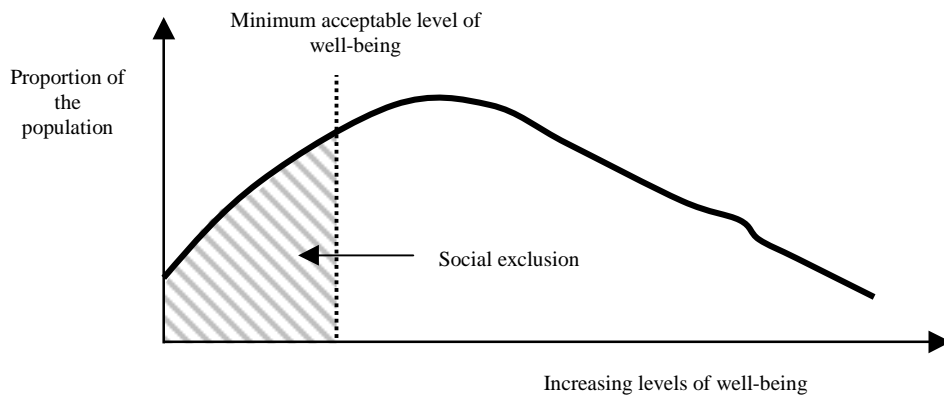
17. As indicated, there are a range of dimensions to social exclusion, and those who face exclusion may experience only one or many of these poor social outcomes. Important dimensions include:

- abuse and neglect of children - such experiences deny children the opportunity for safe and fulfilling lives as children, and also create a considerable risk of hampering their ability to fully participate in society as adults;

- educational failure and adult illiteracy - people without basic qualifications or literacy skills may be unable to fully participate both in the wider community and society, as well as in the workplace;

- poverty and deprivation – adults and children suffering poverty face social exclusion, as they are deprived of the basic necessities to develop and function in society. They will often have insufficient income for basic requirements such as food, housing, health, bank accounts, telephones, transport and educational expenditures;

- unemployment – people suffering unemployment and joblessness also suffer social exclusion in that they are denied the opportunity to participate in the workplace. Lack of access to employment is corrosive, both in terms of contributing to poverty and also harming a person's self esteem and sense of belonging.

- marginal and insecure employment – people in employment may also be excluded where their earnings are insufficient to provide them with an adequate income, or

where the quality of their employment is tenuous and insecure. This is particularly relevant to women and people with poorly recognized skills and qualifications;

- chronic sickness, ill health and barriers to participation for people with disabilities – individuals facing poor health outcomes or barriers to participation do not have the same opportunities as others in society;

- criminal victimisation – individuals suffering criminal victimisation face social exclusion because the experience often inhibits their ability to participate and have a sense of belonging to their family, local communities and the wider society;

- social isolation – individuals who are emotionally and physically estranged from their immediate family, friends and the community suffer social exclusion in a very real sense. An important element of this dimension of exclusion may involve non-participation in social and community groups;

- alienation from political participation – individuals who are alienated from participation in both local and national process also suffer social exclusion, as such alienation deprives these individuals of a degree of control over their own lives; and

- discrimination - people experiencing different forms of discrimination face social exclusion. This discrimination may be on the basis of an individual's lifestyle, age, ethnicity, gender, religious beliefs, sexual orientation, or economic status. Such discrimination may occur directly (as in being discriminated against when applying for a job), in more subtle indirect ways (such as the national media failing to adequately reflect the diversity of cultures in New Zealand), or through institutional and hegemonic practices that deny some groups opportunities to fully participate.

18. Social exclusion can be experienced in a variety of different ways. For some people, social exclusion may be a singular and relatively brief experience, such as may be experienced when an otherwise prosperous individual becomes temporarily unemployed, sick or the victim of a serious criminal offence. This is temporary social exclusion.

19. For other individuals, families and communities, social exclusion is a more permanent feature. In such instances there is often a complex combination of adverse social outcomes that occur on an ongoing manner. This situation is persistent social exclusion.

(4) Empirical evidence on social exclusion in New Zealand

20. The paucity of social statistics means that there is only a limited ability to estimate the number of people in New Zealand who face social exclusion, the overall trends in the incidence of social exclusion, and the characteristics of those most at risk. Nevertheless, in this section we attempt to provide such an analysis to catalogue the nature of social exclusion in this country.

The incidence of social exclusion in New Zealand

21. Appendix 1 sets out a range of data on the extent of each of the different identified dimensions of social exclusion. These indicators are similar to those developed in the United Kingdom (Rowntree Foundation, 1988).

22. The indicators reveal that at any point in time social exclusion affects an important minority of the adult population. For example, the indicators reveal that, depending on how it is measured, poverty and deprivation might affect between 3% (living in over crowded accommodation) and 15% (living in a family with less than 60% of median income) of the population.

23. Moreover, using poverty again as an example, our analysis of indicators of social exclusion indicates that the incidence is higher among children than the rest of the population. Depending on how it is measured, a significant minority of children are living in low income households (The Social Report 2001, forthcoming).

24. The severity of social exclusion partly depends on the overall length of time people experience any particular aspect of social exclusion. For example, those in poverty for a short period of time are likely to be able to rely on savings. However, where poverty is prolonged or repeated, the effects are likely to be particularly severe.

25. While there is only limited information on the overall length of time people experience particular aspects of social exclusion, our analysis points to the fact that there is quite a diversity of experience. Focussing once again on poverty, overseas evidence indicates that:

- a significant proportion of the population have some experience of poverty at some point in their lifetimes. In many cases this is only a brief experience;

- there are a small proportion of individuals who are persistently or chronically poor (Oxely, 1998).

26. The severity of social exclusion also depends on the extent to which individuals experience multiple aspects of exclusion. For example, social exclusion will be more severe if individuals who are in poverty, are at the same time unemployed, or lacking basic literacy skills, or facing ill health, or isolated from the community.

27. There is increasing evidence that some proportion of individuals suffering poor outcomes within one sector are the same as those experiencing other dimensions of social exclusion. For example:

- a substantial proportion of individuals subject to care and protection notifications are the children of beneficiaries;

- a substantial proportion of adults with low levels of literacy are low paid or unemployed; and

- the unemployed are over-represented amongst individuals suffering chronic health problems.

28. The analysis set out in appendix 1 suggests that there is a considerable diversity of overall experiences of social exclusion. For some people, the experience may only be brief and related to only one aspect of social exclusion, such as being temporarily unemployed. Social exclusion of this form may be a relatively common experience for a large proportion of the population. However, for a small core of the population, the experience of social exclusion is likely to be severe and persistent. Such individuals and families will often experience a combination of problems such as poverty, unemployment, discrimination and poor health – and these problems may be ongoing. For such people, the experience of social exclusion occurs over the life cycle, with child poverty and neglect leading to chronic multiple social problems later in life.

Is the incidence of social exclusion increasing?

29. There is no overall pattern apparent amongst those indicators that contain a time series. For example:

- the proportion of the population on low incomes is higher than in the mid 1980s, although the incidence of poverty reached its height in the early 1990s, and has been declining since then;

- the proportion of the labour force who are unemployed is greater now than in the mid 1980s, although these rates have been declining since the early 1990s;

- over the past decade strong gains have been made in participation in education at early childhood and tertiary levels. There has also been a significant increase in the percentage of school leavers well placed to participate in tertiary education. However, importantly, since the early 1990s there has been little reduction in the proportion of school leavers without upper secondary school qualifications; and

- a range of health indicators such as life expectancy have improved significantly in recent decades. However, in the past 20 years, overall life expectancy of New Zealanders has not improved as quickly as in other OECD countries.

Who is mostly likely to experience social exclusion?

30. As would be expected, the risk of experiencing social exclusion is not randomly distributed amongst the population. Certain groups have a disproportionately high incidence or risk of the poor outcomes identified in the preceding section. Those groups most likely to be affected by social exclusion include:

    - children, young people and mature age people;
    - Maori, Pacific peoples and individuals of Other ethnicity;
    - individuals with few educational qualifications;
    - individuals living in disadvantaged regions and communities such as the East Coast and Northland;
    - members of sole parent families;
    - individuals with disabilities; and
    - members of families with low incomes.

31. However, it is also important to note that even though some groups are more at risk than others, this does not necessarily imply that all individuals who can be characterised as 'socially excluded' have these characteristics. Indeed, the reverse is often the case. For example, because of the large relative size of the Pakeha population, most people in poverty or unemployed or possessing no qualifications are Pakeha.

(5) What are the causes of social exclusion?

32. The underlying causes of social exclusion focus attention on the structure of the different institutions of society, and in particular those features of society that create barriers to full participation. The structure of families and whanau, communities, cultural groups, attitudes and norms, the activities of state agencies, and the functioning of the economy are all important areas for investigation.

33. The key issues are the factors that heighten the risk of social exclusion. However, it is also useful to identify the converse, those 'resilience' factors that protect against social exclusion.

34. The underlying causes of social exclusion are complex, but can be grouped into a number of broad categories. These include:

    - lack of access to resources and various types of capital;
    - lack of opportunities;
    - adverse random events; and
    - previous experience of social exclusion.

35. Individuals, groups and communities who possess few resources or capital are at risk of many aspects of social exclusion. By resources we mean financial capital (for example lack of parental wealth), human capital (for example skills, attitudes and experience that are relevant to the workplace), cultural capital, and social capital (social networks, trust and leadership within communities).

36. Lack of opportunities provides another important cause of social exclusion. Individuals and communities are most at risk of social exclusion where there are only limited opportunities in the local labour market and wider community.

37. Life is also inherently risky and for some people, various forms of social exclusion are simply the product of adverse random events. In some cases being a victim of criminal offending, being seriously injured in an accident, or becoming unemployed, can affect any member of the community.

38. Lastly, and most importantly, people are most at risk of social exclusion where they have previously experienced such outcomes. That the experience of social exclusion is in itself, a key cause of poor outcomes is an insight that recent research has only just begun to uncover. This insight is particularly valuable from the perspective of the development of individuals over their life cycle. For example:

    • poverty, deprivation, criminality, violence and substance abuse by parents are important factors associated with child maltreatment (Saville-Smith, 1999);

    • childhood poverty, neglect and abuse, low levels of qualifications, unemployment and marginal employment leads to poor health outcomes and mental illness. Individuals further down the social ladder usually run at least twice the risk of serious illness and premature death of those near the top (Wilkinson and Marmot, 1998);

    • family poverty, parental unemployment and poor maternal educational attainment increase the risk of educational failure amongst children;

    • children growing up in poverty or with unemployed parents, are more likely to become unemployed themselves as adults (Caspi et al., 1996). Moreover, low levels of qualifications, ill health, discrimination and prior experiences of unemployment are important factors in increasing the chance of future unemployment; and

    • educational failure, poor health, and unemployment and discrimination are important determinants of poverty.

39. The fact that social exclusion is in itself an important cause of future experiences of social exclusion means that some individuals, families and communities become trapped in a cycle of poor outcomes. For some, the experience of poverty,

unemployment, and ill health reinforce each other – to the extent that social exclusion and disadvantage become entrenched within families and communities.

40. This analysis may explain some aspects of the intergenerational transmission of disadvantage amongst families, the persistence of deprived communities, and the low socio-economic attainment amongst different demographic groups. Moreover, the analysis points to the importance of history and the dynamics of social exclusion. For example, in the case of Maori, the historical experience of colonization and the alienation of land may have provided the initial impetus behind the persistent experience of social exclusion amongst some communities.

(6) The benefits of a social exclusion strategy

41. Policy focussed on reducing social exclusion has the capacity to simultaneously improve both 'equity' and efficiency' goals for social policy.

42. From an equity perspective, reducing social exclusion is an important goal, as most people want to live within communities where all people have some sort of fair chance to achieve their potential.

43. The 1972 Royal Commission on Social Security provided an important and influential statement of these equity concerns in relation to income adequacy and economic well-being. The Commission argued that all individuals and families should have a level of spending power that allowed them:

> *'to belong and participate – no-one is to be so poor that they cannot eat the sort of food that New Zealanders usually eat, wear the same sort of clothes, take a moderate part in those activities which the ordinary New Zealander takes part in as a matter of course. The goal is to enable any citizen to meet and mix with other New Zealanders as one of them, as a full members of the community-in brief to belong' (1972:62).*

44. The Royal Commission on Social Policy (1988) reaffirmed the principle discussed above, but also pointed to a number of other goals for social policy. The standards of a fair society included:

> *Genuine opportunity for all people, of whatever age, race, gender, social and economic position or abilities to develop their own potential…….. acceptance of the identity and cultures of different peoples within the community, and an understanding and respect for diversity (1988:10-15)*

45. Taken together, these principles and foundations indicate a concern for securing a basic minimum level of social well-being for all citizens, as well as ensuring that all have a fair opportunity to achieve their potential and aspirations.

46. A focus on reducing social exclusion is also good economic policy as there are important efficiency gains from reducing disadvantage. This occurs because:

- involuntary unemployment and educational failure represent a waste of the talents and skills of people. Interventions that increase employment and education will improve the overall quantity and quality of labour in the economy;

- aspects of exclusion such as parental unemployment and child poverty impose future social and economic costs on the children affected. Reducing disadvantage amongst children will enhance future economic outcomes, often through improving educational success (Hobcraft, 1998; Gregg and Machin, 1998);

- dimensions of social exclusion such as crime, poor health and unemployment impose non market costs on third parties. Less crime means lower levels of expenditure on private security, less fear of crime, as well as reduced fiscal costs from the criminal justice system; and

- large numbers of people who are socially excluded increases the degree of social distance, reduces trust, and reduces the number of socially beneficial market and non-market interactions.

(7) What might a social exclusion strategy look like

47. Figure 2 sets out the components of a social exclusion strategy. Reducing social exclusion requires the government to aim at both protection and prevention. In other words, the modern social welfare state should be concerned about both the symptoms, as well as the causes of social exclusion. This means:

- protecting those individuals who suffer social exclusion, through, for example, income support or public health services; and

- reducing the risk of future social exclusion by tackling the causes of disadvantage. This requires building capacity, creating opportunities, and tackling existing areas of social exclusion. Examples of such policies include measures to reduce child poverty, literacy, early childhood education, primary health care, economic development, active employment policy, and improving work incentives and making work pay.

48. Traditionally, the welfare state has been based around the imperative to separately tackle individual aspects of social exclusion such as ill health. The fragmented approach of traditional policy has often meant that the inter-connections between different aspects of social exclusion have been ignored. This has meant that, for example, policies designed to improve health have focused on the health system,

rather than the social determinants of ill health such as unemployment, overcrowding and other aspects of poverty.

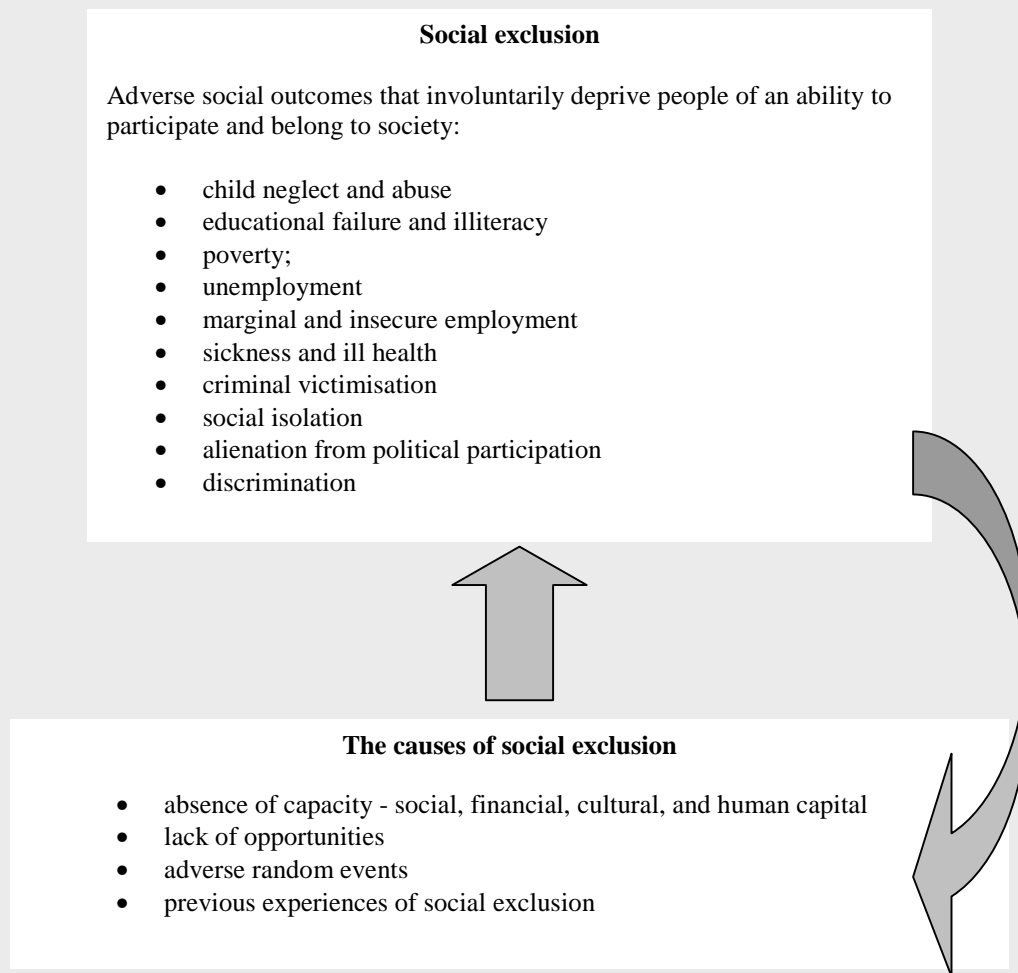**FIGURE 2: THE ROLE OF GOVERNMENT IN ADDRESSING SOCIAL EXCLUSION**

Aims

A modern welfare state needs to address social exclusion by:

- reducing the risk of people becoming socially excluded – eg preventative policies such as primary health care; and
- insuring and providing security for those people who are socially excluded – eg policies such a public health care and income support for individuals who are sick

Tools

Tools to address social exclusion include:

- direct government intervention – eg income support, child protection services and education;
- providing the pre-conditions for other collective actors to address social exclusion – eg supporting families and building strong communities

Social exclusion

Adverse social outcomes that involuntarily deprive people of an ability to participate and belong to society:

- child neglect and abuse
- educational failure and illiteracy
- poverty;
- unemployment
- marginal and insecure employment
- sickness and ill health
- criminal victimisation
- social isolation
- alienation from political participation
- discrimination

The causes of social exclusion

- absence of capacity - social, financial, cultural, and human capital
- lack of opportunities
- adverse random events
- previous experiences of social exclusion

49. Recognition of the interconnected nature of social problems requires different approaches. At a policy level, these require a greater understanding of the inter-connected nature of many aspects of social exclusion. Similarly, at the level of delivery of services, this new approach requires increased coordination, often at the local level, to address the inter-connected nature of social exclusion.

50. Figure 2 discusses the tools of government policy to address social exclusion. We argue that the government should both:

- directly intervene and provide services to address social exclusion. An example is through directly providing an effective system of social assistance or child protection services; and

- provide the pre-conditions so that individuals, families and communities may be motivated to participate in creating and sustaining well-being for themselves and for others. This may occur through, for example, policies that aim to strengthen families, build community capacity, encourage socially responsible business, and provide local control of services to communities.

51. There are new approaches for the welfare state in this area as well.

52. First of all, the traditional approach to the direct provision of government services may have perpetuated social exclusion. Giving communities greater control over the nature and means of delivery of government services, and ensuring that welfare promotes social and economic participation, is an important innovation. However, such devolution must be balanced against the economies of scale and scope that arise from more centralised provision.

53. Secondly, the traditional approach has also been overly focused on the tools of direct government intervention, often at the expense of the role of communities, iwi, voluntary groups, families and individuals. Harnessing these groups to reduce social exclusion requires quite different strategies, and will often require changes in the manner in which government directly intervenes. Importantly, this will often mean focusing on building community capacity, ensuring there are local solution for local problems, and recognizing the role of social capital in sustaining good economic and social outcomes.

Appendix 1

Social exclusion in New Zealand

Abuse and neglect of children

Children suffering abuse and neglect are denied the opportunity for safe and fulfilling lives as children, and there is also considerable risk that such experiences will hamper their ability to fully participate in society as adults. Table 1 sets out a number of key indicators of this aspect of social exclusion.

Table 1: Abuse, neglect and the well-being of children	
Under-five mortality rate (per 1000 live births)	8.3 in 1995
Mortality among children under 15 years from injuries inflicted by others	Over the period 1992-1997 there were approximately 9 deaths per annum
Children admitted to hospital with injuries inflicted by other persons	193 children in 1998
Number of substantiated abuse, neglect and problem behaviour notifications for children and young people under 17 years of age	10,800 cases in 1998/99

Source: Ministries of Education, Health and Social Policy (1999) Strengthening families strategy: Report on outcome measures and targets

There is also evidence that some children and young people experience repeated forms of abuse and neglect. According to administrative records maintained by the Department of Child Youth and Family, approximately 8% of children with substantiated notifications have had a similar notification in the last 12 months.

Low levels of qualifications and adult illiteracy

Educational failure and adult illiteracy provide another dimension of social exclusion. People without sufficient literacy skills may be unable to participate fully, in the wider community and society, as well as in the workplace.

Table 2 sets out two key dimensions of under achievement and low levels of qualifications within the New Zealand population. As can be seen, in 1998 roughly a third of school leavers had less than 6th form qualifications. This indicates a sizeable number of young people entering the workforce and wider society without a reasonable standard of schooling.

Similarly, table 2 reveals that roughly 20% of the adult population have very poor literacy skills. These individuals face social exclusion, as they do not have the basic skills necessary to understand much of the printed material encountered in everyday life.

Table 2: Educational failure and adult illiteracy	
	Proportion
School leavers without upper secondary school qualifications (i.e. less than 6th Form Certificate)	34% in 1998
Adults with very poor literacy skills (level 1 literacy)	20% in 1996

Source: Ministry of Education (1999) Post election brief. Ministry of Education (1988) Adult literacy in New Zealand

Poverty and deprivation

Access to an adequate standard of living is a fundamental precondition for people to be able to participate and feel like they belong to their community and the wider society. Poverty and deprivation provide means of measuring the extent to which this occurs.

Poverty can be defined as a lack of material resources, particularly income, either in relation to some fixed standard (absolute poverty), or to the general standard of living of the community (relative poverty).

Deprivation is somewhat broader in scope, referring to a lack of material standards (such as diet, clothing, housing) as well as services and amenities (recreational, educational, environmental, social). While there are also other causes, material and social deprivation often stem from inadequate income.

There are currently no official measures of poverty or deprivation in New Zealand. However, the Ministry of Social Policy is currently conducting research that aims to identify an index of living standards that will provide a means by which the government may be able to determine various income or expenditure based measures of poverty and deprivation.

Despite the fact that there are no official measures of poverty or deprivation in New Zealand, there has been considerable work by researchers to identify and monitor different measures of poverty and deprivation (Krishnan, 1995; Stephens et. al, 2000).

Table 3 sets out some of this research, identifying three arbitrary thresholds of income poverty, and two measures of deprivation – food insecurity and over-crowded housing. These measures reveal that:

- between almost 5% and 15% of individuals, and up to 20% of children are living in circumstances that can be characterised as income poverty;

- roughly 13% of individuals aged over 15 years indicate that they can afford to eat properly only sometime, and

- 3.4% of all individuals and 5% of children are living in over-crowded housing.

Table 3: Measures of the extent of poverty and deprivation			
	Households	Individuals	Children
Percent of households, individuals and children with household equivalent disposable income less than 50% median (revised Jensen Scale), 1998	4.1%	4.7%	-
Percent of households and individuals with household equivalent disposable income less than 60% median (revised Jensen Scale), 1998	15.4%	14.7%	20.4%
Household incomes less than the revised 1972 Benefit Datum Line threshold, 1998	12.7%	-	-
Individuals living in over-crowded accommodation (as defined by the Canadian National occupancy standard)	-	3.4%	5% (under 18 years)
Food insecurity - households who can only afford to eat properly *sometimes,* 1997	13% of adult 15 years and above		

Source: Stephens et al., (2000) Below the line: An analysis of income poverty in New Zealand, Paper presented to Economist Conference, Wellington. Ministries of Education, Health and Social Policy (1999) Strengthening families strategy: Report on outcome measures and target, Ministry of Health (1999) NZ food: NZ people. Mowbray, M. (forthcoming) Incomes Monitoring into the 1990s, Ministry of Social Policy, Wellington

An important issue is whether the individuals identified in the statistics above experience poverty only briefly or for prolonged periods of time. Our concern with poverty or deprivation is most acute where individuals and families experience low incomes for long periods of time, as this is more likely to be associated with insufficient living standards.

While there is little New Zealand research on this question, the international evidence indicates that:

- many people have a brief experience of poverty at some point in their lives;

- a small proportion of the population remain poor for long periods of time or experience recurrent bouts of poverty; and

- in many countries, individuals experiencing persistent poverty are often different from those experiencing shorter spells. The former group include women, lone parents, elderly, sick and disabled (Oxley, 1998)

New Zealand information on benefit receipt provides additional insights into the extent to which some individuals experience low incomes. Analysis of typical experiences of benefit receipt reveals that at some point in their lives, a large minority of people require the income protection that benefits provide. For example, 1.1 million adults received a working age benefit at least once over the 6 years from 1993. This is an estimated 4 in every 10 people in the working aged population over that period (Wilson 1999). For many, the amount of time spent on benefit was relatively brief. However, in contrast to this, there was a small proportion of people who experienced chronic and often repeated benefit receipt.

Unemployment

Unemployment is an important aspect of social exclusion. This is because individuals who are unemployed often face considerable financial hardship, as well as suffering considerable psychological stress as they are denied the self-esteem and belonging associated with participation in the workplace.

People who are unemployed are seeking employment, but not able to find a job and actively participate in the economy. Table 4 sets out a number of measures of the current scale of unemployment. These measures differ for a variety of reasons, one of them being the extent to which individuals are defined as 'active' and 'available' for employment.

Table 4: Unemployment and joblessness, March 2000		
	Number of individuals	Proportion of the working age population
Official unemployment	126,500	4.4%
Jobless	205,200	7.1%
Registered unemployment	232,677	8.1%

Source: Statistics New Zealand (2000), Household Labour Force Survey. Department of Work and Income (2000) Registered unemployment series.

For some people who are unemployed, the experience is only transitory and may indeed lead to a better job. However for others, unemployment and joblessness may lead to considerable harm as it stretches from months into years. This last group of individuals are of most concern in relation to social exclusion.

There is considerable New Zealand evidence regarding the extent to which individuals experience persistent unemployment. One approach is to look at the number of individuals who have long durations of unemployment at a point in time. For example, in March 2000 roughly 39,100 individuals (1.4% of the working age population) had been unemployed for longer than six months according to the HLFS.

Another approach is to follow individuals over a period of time so as to record the length of time they typically experience unemployment. Analysis of registered unemployment using this approach reveals the following about how individuals typically experience unemployment:

- at least one spell of unemployment is relatively common. For example, over the nine years after 1988, roughly a third of the working age population had some experience of being unemployed;

- slightly more than half of all jobs seekers seem to have repeated spells of unemployment. As a result, the cumulative experience of unemployment is often quite severe. For example, typically around 60% of job seekers experience more than six months of unemployment in a typical four year window;

- there is also evidence that a small core of job seekers experience chronic forms of unemployment.   For example, there were roughly 60,000 people who spent almost five years unemployed over the nine year period to December 1997 (Gobbi and Rea, 2000).

Non-participation in work is also of concern where it impacts upon children. This is partly because lack of earnings may contribute to child poverty, but also because it may limit the future aspirations of children. The 1996 census indicates that approximately 23.4% of children are in families where there is no parent in paid work.

Marginal and insecure employment

Even where people are employed, the nature of their employment may deny them the opportunity to fully play a part in society. This is likely to occur where people would like to work in jobs providing longer hours and better conditions, but have to settle for low paid, casualised and insecure employment.

There is only limited New Zealand evidence on this issue. However, the evidence that exists, is suggestive of a problem. For example:

- the Household Labour Force Survey indicates that under-employment is an issue for many workers. For example, in 1999 approximately 30% of part time workers would like to work longer hours, and almost 7% would like to work full time (Carroll, 2000);

- a small survey of workplaces in 1995 found a small core of atypical employment practices. The survey found that approximately 3% of the workforce were on fixed term contracts, 3% of the workforce were temporary workers, and 5% of the workforce were casual workers (Brosnan *et al*., 1996). As with part time workers described above, it is likely that a proportion of individuals in atypical employment would rather have more permanent and secure jobs.

The New Zealand evidence tends to confirm overseas research indicating that varying proportions of the labour market are employed in jobs that can be described as marginal (Millward *et al*., 1992). Such jobs tend to offer poor wages, little job security and other conditions, and few prospects for entry into higher level occupations.

Although some of this low paid and insecure employment may be a convenient or useful first step into a skilled career for some workers, it may also be a trap for others. This later phenomenon can occur where employers are reluctant to employee individuals who, through no fault of their own, are viewed as unreliable because they have experienced a series of short-term low paid jobs.

There is, unfortunately, very little New Zealand evidence of the extent to which this occurs within the labour market. However, there is some international evidence of a cycle of low pay and no pay. For example, according to Stewart (1998), low paid workers in the UK are more likely to be out of work in the future, those out of work are more likely to be low paid on re-entry, and even more so if they have previously been low paid.

Sickness, ill health and barriers to participation

People experiencing ill health, chronic sickness and barriers to full economic and social participation face social exclusion. Table 7 sets out a number of key indicators of sickness and ill health based in part on some of the priority areas for population health set out in the consultation document on the New Zealand Health Strategy.

Table 7: Chronic sickness, ill health, and injury		
Diabetes mellitus	Proportion of the population with the condition	3.7%
	Age-standardised mortality rates of diabetes – per hundred thousand of the total population	10.3
	Age-standardised mortality rates of diabetes – per hundred thousand of the Maori population	47.4
Asthma	Proportion of those aged between 15-44 years with the condition	15.5%
Injuries or poisonings	Proportion of the population per year	25%
Suicide	Mortality rate of suicides among 15-24 year old males per hundred thousand of the total population	37.8
	Mortality rate of suicides among 15-24 year old females per hundred thousand of the total population	13.9
Cancer	Age-standardised incidence of cervical cancer per hundred thousand of the total population	10.4
	Age-standardised incidence of melanoma per hundred thousand of the total population	5.9
	Age-specific mortality rate of breast cancer – 55-69 years of age per hundred thousand of the total population	80
Heart disease	Age-standardised mortality rates of heart disease – males - per hundred thousand of the total population	150
	Age-standardised mortality rates of heart disease – females - per hundred thousand of the total population.	69
Mental health	Proportion of the adult population with some form of mental health issue	20%

Source: Minister of Health (2000) The New Zealand Health Strategy Discussion Document, Ministry of Health (1999) Our Health, Our Future: Hauora Pakari, Koiora Roa. Wellington. Ministry of Health and Statistics New Zealand (1997) Taking the pulse – the 1996/97 New Zealand Health Survey.

Criminal victimisation

Individuals who are victims of crime, or for whom fear of crime leads them to eschew fuller participation in the community, also face social exclusion. Table 8 provides evidence on the extent of violent criminal offending each year. In 1995 there were slightly more than 1.2 million violent offences – the vast majority of which were threats and minors assaults. Almost a quarter of all these violent offences occurred in the home.

Importantly, offences were not evenly distributed across the population, as many individuals were repeatedly victimised. Thus, not all individuals are equally at risk, as 68% of all violent offences were committed against only 0.5% of all individuals. In other words, there is a small minority of people who suffer by far the majority of all criminal victimisation.

Table 8: Proportion of surveyed violent offences in 1995	
N=1,263,702	Proportion
Sexual violation of women	13.6
Sexual violation of men	0.0
Indecent assault	3.3
Grievous assault	0.6
Other assault	38.4
Threats	43.8
Abductions/kidnapping	0.3

Source: Young, et al., (1997) New Zealand National Survey of Crime Victim, Wellington, Victimisation Survey Committee.

Social isolation

People who are isolated or estranged from their friends, family, community are socially excluded in a tangible and real sense. Moreover, individuals who are not connected to wider society through sports clubs or voluntary groups may also face isolation.

One measurable aspect of social isolation is those individuals who face barriers to communication with other individuals. For example, living in a household with no access to a telephone puts people at risk of social isolation as it reduces their capacity to maintain contact with family and friends, and to seek employment. The extent of this problem is revealed by the 1996 Census which showed that 5% of all households had no access to a telephone.

Lack of access to the internet is an emerging dimension of this aspect of social exclusion. Increasingly, such access is important for full participation in modern society. Recent research indicates that roughly 68% of the New Zealand population do not have access to the internet (Nielson//NetRatings, 2000).

Political alienation

Alienation from political involvement is an additional dimension of social exclusion. This may involve individuals not participating in national and local elections, but also in school boards, health administration, and the workplace.

An important feature of individuals gaining effective control over their lives is having an opportunity to participate directly in decision-making, particularly in their immediate locality. If this is to be meaningful, their involvement should not be restricted to traditional institutions of government but should include direct involvement in all social institutions that affect people's lives. People need an opportunity to have their say on how policies may affect them in every aspect of their lives.

Table 9 describes voter turnout as an example of the extent of disengagement from political processes.

Table 9: Voter turnout	
	Proportion of registered voters who vote (%)
National election, 2000	91
Regional council elections, 1998	53
City council elections, 1998	51
District council elections, 1998	61
Community Board election, 1998	51

Source: Department of Internal Affairs (1999) Local authority election statistics, Wellington.

Discrimination

Discrimination and a lack of tolerance for the co-existence of diverse populations and cultural expressions in New Zealand society leads to some groups becoming marginalised in a multiplicity of ways.

Discrimination may be direct, in the form of people personally experiencing discrimination when applying for finance, employment, or training. Moreover, discrimination may also be indirect and institutionalised, where for example, schooling is conducted without reference to an individuals language and culture.

Discrimination is particularly important in causing minority groups to lack trust in mainstream social institutions including their processes particularly if the discrimination is ongoing over a sustained period of an individual's life. The impact can be more severe if the outcome of this means that some individuals or groups choose to exclude themselves from their own cultural and ethnic identity, cultural affiliations, cultural knowledge and information.

REFERENCES

Abrahamson, P. (1997) Combating poverty and social exclusion in Europe. In Beck, W., van der Maesen, L., and Walker, A [eds] The social quality of Europe, The Policy Press, Bristol.

Atkinson, T. (1997) Social exclusion, poverty and unemployment. Presidential address to Section F of the British Association for the Advancement of Science, University of Leeds, September 1997.

Brosnan, P., Horowitz, F., and Walsh, P. (1996) Non-standard employment in Australia, New Zealand and South Africa: results from a workplace survey. Paper presented at the Globalisation of Production and regulation of Labour Conference at the University of Warwick, England.

Carroll, N (2000) Recent trends in non-standard employment, Labour Market Bulletin, forthcoming.

Caspi, A., B. R. Enter Wright, T. E Moffitt and P. A. Silva (1998) "Early Failure in the Labor Market: Childhood and Adolescent Predictors of Unemployment in the Transition to Adulthood", American Sociological Review, 63: 424-451.

De Haan, A. (1998) Social exclusion: an alternative concept for the study of deprivation? International Bulletin of Development Studies, 29(1) 10-19.

Department of Internal Affairs (1999) Local authority election statistics, Wellington.

Giddens, A. (1994) Beyond left and right: The future of radical politics, Polity press Cambridge.

Gobbi, M. and Rea, D (2000) 'Unemployment dynamics' Unpublished Department of Labour paper.

Gregg, P. and Machin, S. (1998) 'Child development and success or failure in the youth labour market' Centre for Economic Performance Discussion paper 397 July.

Hobcraft, J (1988) 'Intergenerational transmission and life course transmission of social exclusion: influences of childhood poverty, family disruption and contact with the police'. CASE paper 15.

Hyslop, D. (1999) 'A dynamic analysis of individual's market and disposable incomes' Unpublished Treasury report.

Krishnan, V. (1995) 'Modest but adequate: An appraisal of changing household income circumstances in New Zealand' Social Policy Journal 4:76-97.

Millward, N., Stevens, M., Smart, D. and Hawes, W.R. (1992). *Workplace Industrial Relations in Transition*. Aldershot: Dartmouth.

Minister of Health (2000) The New Zealand Health Strategy Discussion Document, Wellington.

Ministry of Health (1999) 'NZ Food: NZ People: Key results of the 1997 National Nutrition Survey'.

Ministry of Health (1999) Our Health, Our Future: Hauora Pakari, Koiora Roa. Wellington.

Ministry of Health and Statistics New Zealand (1997) Taking the pulse – the 1996/97 New Zealand Health Survey, Wellington.

Mowbray, M. (forthcoming) Incomes Monitoring into the 1990s, Ministry of Social Policy, Wellington.

Nielson//NetRatings (2000) http://eRatings.com/news/20000504.htm

Oxley, H. (1998) 'Poverty dynamics in four OECD countries' in persistent poverty and lifetime inequality: the evidence. Proceedings from a workshop held at H M Treasury.

Peace, R. (1999) Surface tension: place/poverty/policy. From 'poverty' to 'social exclusion': implications of discursive shifts in European Union Policy 1975-1999. Ph.D thesis Department of Geography, University of Waikato.

Rogers, G., Gore, C. and Figueiredo, J. (1995) Social exclusion: Rhetoric and Reality, Responses, International Labour Organisation, Geneva.

Rowntree Foundation (1998) Indicators of social exclusion, Joseph Rowntree Foundation, York.

Royal Commission on Social Policy (1988) 'The April Report', Government Print, Wellington.

Royal Commission on Social Security in New Zealand (1972) 'Social Security in New Zealand', Government Print, Wellington.

Saville-Smith, K. (1999) The determinants of child abuse and neglect: a findings synthesis of research-based literature.

Stephens, R., Waldegrave, C., and Frater, P (1995) Measuring Poverty in New Zealand, Social Policy Journal 5:88-112.

Stewart, M. (1998) 'Low pay, no pay dynamics' in persistent poverty and lifetime inequality: the evidence. Proceedings from a workshop held at HM Treasury.

Wilkinson, R. and Marmot, M. [eds] (1998) Social determinants of health: The solid facts, World Health Organisation.

Wilson, M. (1999) 'The duration of benefit receipt: new findings from the benefit dynamics dataset', Social Policy Journal of New Zealand 13:59-82.

Young, W., Morris, A., Cameron, N. and Haslett, S. (1997) New Zealand National Survey of Crime Victims 1996, Wellington, Victimisation Survey Committee.