

Where is Platform 9 ¾?

Understanding Income Security and Social Exclusion:

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Thank you for inviting me to speak on income security in the context of social inclusion. At the previous conference on social inclusion hosted by the Laidlaw Foundation and CCSD, we explored the feasibility of applying a social inclusion lens to policy-making. I regard this conference as a continuation of the previous conference; we need evidence-based research to develop policies to build an inclusive society. Over the past day and a half, we have heard much about how research can inform policy development. As a researcher, I couldn't agree more, especially when more and more people are joining the social inclusion bandwagon.

At the opening session, Jean-Pierre Voyer addressed to the need for a strategic framework that would allow all interested parties to have a common terminology, to have a common frame of reference. You have all heard Jean-Pierre on the project PRI just launched: New Approaches to Poverty and Social Exclusion. Today, I will share with you some of my thoughts on the project, especially in terms of income security. I will begin by giving an overview of the relation between poverty and social exclusion, and end with a framework to examine the intersections of low income and social exclusion.

What do we mean by poverty? If you look at the literature, it includes three words: money, money, money. Poverty in essence has often been synonymous to a lack of financial resources at one point in time or over a number of years. There has been a great deal of literature devoted to the measurement of poverty, in terms of the disparity between the rich and the poor, the plight of those who have difficulties making ends meet, and more recently, the length of time one stays poor. A common approach is to equate poverty with a lack of financial resources either in absolute terms such as the

poverty line used by the United States or in relative terms as reflected in the low-income cut-off (LICO) used in the Canadian context. Another approach, as in the market basket measure, is to define poverty in terms of the ability to purchase the basic necessities in life.

Empirically, several topics have been the mainstay in the literature on poverty: number of people living in low-income situations, as well as the depth and duration of poverty. Those at the bottom quintile (20%) of the income scale are considered less well off than those who are at the other end of the scale. Individuals or families with income below a defined threshold are considered poor. The low-income cut-off and poverty line are determined based upon a set of criteria such as 50% below the median income, or the basic costs required to maintaining a decent standard of living. As to the meaning of 'decent', it is often open to debate. Even with the forthcoming market basket measure, what goes into the basket may still be the subject of debate.

Unlike poverty, the definition of social exclusion usually includes financial security, but goes beyond that. It is about who are on the outside of the mainstream society. Implicit in the notion is that some people are on the outside of their society in which they live. Exclusion is distinct from poverty and economic inequality (Barry, 2002)ⁱ although being poor could lead to displacement. "An individual is socially excluded if he or she does not participate in key activities of the society in which he or she lives."ⁱⁱ

Similar to poverty, social exclusion is a dynamic process. Individuals can be excluded from time to time, only a few are persistently excluded. It is the persistently excluded that form an important constituency in the policy context (Hills, Le Grand, and Piachaud, 2002).

Income and social exclusion overlap but not always intersect. Individuals can be outside of their society's mainstream voluntarily or involuntarily. The lack of income may exclude individuals from access to institutions and communities so long as membership is based on income. Alternatively, individuals and groups may voluntarily retreat from the

mainstream society for reasons of wealth, ethnicity and religion. Members of ethnic or religious groups may choose to shun mainstream values and practices.

An Illustration of Income and Social Exclusion			
	Excluded		Not Excluded
	Voluntary	Involuntary	
Poor	Members of some religious order	<i>Those in (persistent) low income due to factors beyond their control</i>	Students
Not poor	Social recluse	Retirees who have little social contact Wealthy non-white immigrants	Mainstream

Research and policies on poverty and social exclusion have traditionally been moving on parallel tracks. On the one hand, studies on poverty have generally focused on income security and income mobility. Out of this information came income support measures to ameliorate the plight of those who are financially worse off than the general population. On the other hand, studies on social exclusion center primarily on individuals who are displaced to the margin of the society due to circumstances, financial or otherwise, largely beyond their control. Out of this body of research, human resources development and equity policies are in place to bring the displaced to the mainstream.

It is not until the last decade that research begins to examine poverty and social exclusion in tandem. Consequently, the focus has shifted from describing the poor or the socially excluded, to understanding the process and consequences of poverty (Øyen, 2003).ⁱⁱⁱ More importantly, the move is towards identifying the common characteristics of poverty and their intersections with social exclusion. An analytical framework is needed to reflect this new way of thinking. Our interest lies in the intersections of low income and exclusion; those who are poor due to circumstance beyond their control and consequently are involuntarily excluded from the mainstream society.

To understand the intersection of low income and social exclusion, we must address three questions: 1) what are the determinants of social exclusion? 2) from what are individuals excluded? 3) who are excluded? and 4) who are the excluders?

What are the determinants of social exclusion?

The next table shows the determinants of social exclusion. The extent to which individuals are able to participate in the society depends on the amount of any of these capitals that he or she possesses.

Determinants of Social Exclusion			
Financial Capital	Human Capital	Social Capital	Physical Capital
Earnings	Education	Family and friends	Housing
Wealth	Skills	Community life	Infrastructure
Income sharing	Credential recognition	Political empowerment	Geographic location

Financial capital: At the individual level, it refers to a person’s income from various sources at one point in time as well as over a longer period. In a market-oriented economy, money opens doors for those who have an abundance of it. Income inequality is often reflected in neighbourhood quality, housing, nutrition and so on. Income support measures could level the playing field for those in need of financial assistance.

Those living in low-income often cannot afford the necessities in life. In a society where goods and services are partially subsidized, the impact of low income would be less felt than one solely based on market forces. Universal health care, for example, enables access to health services for all individuals regardless of income, whereas private health insurance would remain the privilege of those who can afford it. Low income can also hinder individuals from maintaining a healthy lifestyle as health clubs and health food often come at a premium.

Human capital: Employment is an important aspect of economic participation. It has several aspects including being employed, job security, and having a job commensurate with one's qualifications. Education is arguably the most recognized factor in earnings and economic opportunities. In a highly knowledge-based economy, those with the right skills are rewarded with favourable job prospects and earnings. Those with the right skills are often rewarded with economic security and well-being. Further, on-the-job training improves one's career prospects. That said, not all degrees are treated equally. Those whose skills are recognized, would have better labour market outcomes than those whose credentials are not recognized.

Social capital: It includes family and kinship networks, as well as participation in community activities. It also involves political and civic participation. Family status, living arrangements obviously have bearing on one's economic and social participation. Those who live with family would have more financial support than those who live alone. Family members who pool their income together fare better than those who do not share. Kinship ties also provide tangible support such as childcare as well as intangible support through encouragement. Networks provide leads to jobs and other social opportunities. For example, a single mother is more likely to work or study if her family can look after her children even though she cannot afford paid childcare.

In addition to individual networks, engaging in the political and civic lives of society empowers individuals. Groups who are able to influence decision-makers have better chances of achieving their objectives than those whose voices are not heard.

Physical capital: Refers to housing, neighbourhood and infrastructure. Individuals may be deprived of education and employment opportunities due to geographic distances. Neighbourhood effects and regional differences have impacts on access to schools, health services, as well as the quality of services received. Those living in remote areas face more barriers to education than those who live in large urban centers. Community services, public space are also important aspects of social participation. Equally important is private space, such as housing. Poor housing, cramped space also have negative impact on social interactions.

Two of the determinants--financial and physical--are tangible and material based. Human capital is less tangible but can be easily measured. The least tangible is the social determinant that is embedded in interpersonal relations. All these determinants are related, influencing each other.

From what are individuals excluded?

‘An individual is socially excluded if (a) he or she is geographically resident in a society but (b) for reasons beyond his or her control, he or she cannot participate in the normal activities of citizens in that society, and (c) he or she would like to so participate.’

(Burchardt, Le Grand, and Piachaud, 1999, cited in Barry, 2002: 14-15)

These exclusions are due to a lack of key types of capitals.

Broadly speaking, individuals can be excluded from access to goods and services, from participating fully in the society and economy, and from civic and political engagement and from social interactions.

Social Exclusion: Dimensions, Definitions, and Determinants		
<i>Dimensions</i>	<i>Definition</i>	<i>Determinants</i>
Access to goods and services	Being able to purchase goods and to use services	Financial Capital
Economic participation	Participation in economically valuable activities	Human Capital
Civic and political engagement	Involvement in local or national decision-making	Social Capital
Social interaction	Integration with family, friends, and community	Social Capital Physical Capital

Based upon Freiler (2001), Piachaud (2002).

Who are excluded?

Not all individuals are endowed with equal amount of the above-mentioned capital. Some have more on one but less on others. The experience of low income and social exclusion varies across one’s life course. Certain factors might be more relevant at one stage in life while less important in other times. Such variations should be taken into consideration in monitoring low income and social exclusion.

Characteristics of the Socially Excluded	
<i>Dimensions of Exclusion</i>	<i>Vulnerable Characteristics</i>
Access to goods and services	(Persistent) Low income Poor housing Poor health Single income No income sharing No private space
Economic participation	Being unemployed Having disadvantaged at work Lack of education Lack of skill
Civic and political engagement	Unable to participate in civic organizations Having no influence over social and political outcomes in one’s community
Social interaction	Living alone Living in a dysfunctional family Having no social support

Who are the excluders?

Who are the agents of exclusion? This is a question least addressed in the studies of poverty and social exclusion. Undeniably, this is a contentious issue likely to generate

debates. Nevertheless, this issue must be addressed because without understanding the ‘causes’ of poverty and social exclusion, policies would merely be band-aids or Aspirins. “The perpetrators need to be identified and dealt with whether they take form of individuals, groups, institutions or carriers of harmful social traditions. ...The research aim is identification in order to produce knowledge for policy intervention. The policy aim is abandonment of the destructive forces” (Øyen, 2003:7). As summarized in a different paper, social exclusion can be a consequence of poverty, institutional failure, or a lack of participation and access. Individual attitudes and institutional practices can all lead to exclusion. Agents of poverty and social exclusion therefore should be examined both at the individual and society level (Table 8).

Agents of Exclusion by Dimensions of Exclusion	
Dimensions of Exclusion	Excluding Agents
Access to goods and services	Inadequate or inappropriate income support measures Lack of affordable housing, public services
Economic participation	Lack of investment in skills and training Systemic discrimination
Civic and political engagement	Negative public attitude Lack of effective public education Lack of effective legislation
Social interaction	Dysfunctional families Community breakdown

How can we apply this framework?

The association between income disparity and social exclusion is mediated through the sharing of common institutions. While it is difficult to see which comes first, it is accurate to say that being poor precludes individuals from social and economic activities. As illustrated in the next table from findings in the UK, nearly half of those at the bottom income quintile do not participate in economic and social activities, compared to 6 percent among those at the top income quintile. This is not surprising given the close link between income and employment. What is noteworthy is the income gradient on political

engagement and social interactions. Twenty-eight percent of those excluded from political engagement and social participation are at the bottom income quintile.

Low Income and Social Exclusion Among Working Age Population			
Income quintile group	Production	Political engagement	Social interaction
Bottom	46%	28%	28%
2 nd	24	23	21
3 rd	15	18	19
4 th	9	17	17
Top	6	14	16
Total	100	100	100

Hill, Le Grand, Piachaud (2002).

In Canada, HRDC’s research also shown that those who are poor for a period of time have lower education and are more likely to be unemployed or working full-time. It has also been shown in HRDC’s research that those who experienced multiple disadvantages are even more vulnerable to persistent low income.

Further, the multiplicity of risk factors on determinants of exclusion need further research. Individuals who have multiples of these attributes are even more vulnerable to poverty and social exclusion. A number of interactions should be taken into consideration when examining low income and social exclusion, including immigration and race, gender and immigration, family status and disability status, as well as Aboriginal status and gender.

Also lacking in research is low income and exclusion among children. In the absence of complete empirical data, I will use one example to illustrate how this framework can be applied to examine low income and social exclusion among children: the story of Harry Potter.

Harry was an orphan with unique qualities. He was left to be raised by his aunt and uncle who barely tolerated him. It was not until he went to the Hogwarts School of Wizardry did he feel part of the community.

When he was with his relatives, among the ‘muggles’, he had little financial capital. His relatives did not provide him with an education. Living in the cramped attic, he was totally isolated from the community, not to be seen or heard.

Once he arrived at Hogwarts, his financial situation changed, thanks to his late parents. He got the opportunity to develop his talents. He also had a strong social network, close friends, and supportive professors. His living condition also improved.

You may ask this is the conference about social inclusion, not exclusion. Many would argue that by talking about exclusion, we are assuming that the mainstream is a benign entity. All people have to do is to conform. In other words, exclusion and inclusion are two sides of the same coin. To prescribe policy solutions, it is easier to approach the issue from the exclusion angle. Once we know from what individuals are excluded, we can then have remedies to address the phenomena. Personally, I argue that inclusion is the opposite of exclusion only when we broaden the concept of exclusion. We need to ask ourselves, into what do we expect the disadvantaged groups to be included? Very often, when we talk about inclusion, it mostly means better income support, bringing people above the LICO, building ramps and assistive technologies for the disabled, hiring of target groups, or cultural sensitivity training for managers and so on. These are all very useful, but true inclusion means that we change the mainstream rather than expecting the so-called marginalized groups to conform to it.

Harry Potter would never be included in the ‘muggle world’ no matter how much income support he gets. Because he will never be fully accepted. The only time he would be included is when he aboard the Hogwarts Express. To do so, he needs to find Platform 9 $\frac{3}{4}$. In a similar way, I have heard many people commenting that they do not feel part of the workplace, even though they have a good earning. Self-help books continue to advise

women how to succeed in a men's world. In my view, we are still searching for Platform 9 ¾ to come up with new ways of thinking social inclusion/exclusion. Harry Potter is well aware of the consequence of not able get to Platform 9 ¾. When he and Ron could not reach platform 9 ¾, they had to frantically keep up with the Hogart's Express by car. So, my conclusion: don't let this happen to you.

ⁱ Barry, Brian (2002). 'Social Exclusion, Social Isolation, and the Distribution of Income,' in *Understanding Social Exclusion* (J. Hills, J. Le Grand, and D. Piachaud ed). London: Oxford University Press, pp.13-29..

ⁱⁱ Hills, John, Julian Le Grand, and David Piachaud (2002). 'Degrees of Exclusion: Developing a Dynamic, Multidimensional Measure,' in *Understanding Social Exclusion* (J. Hills, J. Le Grand, and D. Piachaud ed). London: Oxford University Press, pp. 30-43.

ⁱⁱⁱ Øyen, Else (2003). *Poverty Production: A Different Approach to Poverty Understanding*. Comparative Research Programme on Poverty, International Social Science Council.