

Social policy requires a fresh focus

To avoid deeper problems, smarter solutions are required to help the most disadvantaged in society, writes ANDREW LEIGH.

AT A TIME when Australia is wealthier than ever, when government spends a greater proportion of that wealth than at any time since World War II, and when we can draw on more good ideas than ever before, our policy-makers should be bold about tackling one of the hardest policy problems of recent times — social exclusion.

The challenge is undoubtedly vast. Rapid technological changes, combined with increased economic openness, have placed new burdens on the most disadvantaged in our society.

We should address the problems for compassionate reasons and because it is in the long-term interest of those who are already socially "included". If the stagnation of our national skills base is allowed to continue, the growth of new industries will be impaired.

If early intervention programs are not promoted, crime rates will be higher in later years. And if the benefits of economic openness are not shared, we risk a backlash against globalisation. The serious economic reformers of the 2000s will be those who are as innovative about social reform as they were about microeconomic restructuring in the '80s and '90s.

What is meant by "social exclusion"? It is a concept that originated in Europe several decades ago and is now becoming increasingly prominent in social-policy debates,

as policy-makers seek to move beyond asking whether an individual's income places him or her above or below the poverty line, to address broader measures of well-being. In particular, social exclusion has encouraged a focus on how unemployment, geography and social networks can affect an individual's life chances.

Of these three factors, unemployment is perhaps the most difficult. More than many other developed nations, unemployment and poverty in Australia are inextricably linked. The long-term unemployed, and those who find themselves drifting in and out of the labour market, merit special attention if they are not to be left behind by the rest of society.

JOB TRAINING is only part of the answer, since many long-term unemployed people do not have the literacy skills to benefit from such programs. A fully integrated strategy requires smarter interventions — earlier and better targeted.

Much recent research indicates that social exclusion is increasingly being concentrated geographically. Inner-city poverty, while not as prevalent as it once was, still remains a problem in some parts of our major cities.

Additionally, the highest concentrations of poverty are now found on the urban fringe — where low incomes are compounded by the difficulty such residents have in accessing basic services. Outside the metropolitan centres,

more attention needs to be paid to social exclusion in towns that are now struggling as a result of falling commodity prices or the closure of manufacturing plants.

Other countries, facing the same problems, are exploring innovative ways of focusing policies on a geographic basis. In Britain, Health Action Zones, Employment Zones and Education Action Zones have been used as a basis for targeting government assistance where it is most needed. In the United States, mobility programs have been used to reduce "hard-core" poverty. Such initiatives are not a panacea, but they represent a novel means of redressing societal inequality.

Recognising the geographic nature of poverty means accepting that problems stem from a lack of human capital (education) and also from an absence of social capital (interpersonal networks) that makes a community function effectively. Social networks may not figure in our national accounts, yet they make a dramatic difference to almost everything we care about — from employment opportunities and health outcomes to the quality of our government and the safety of our streets.

Beyond the existing problems, social exclusion also risks expanding in the years to come. As a society, we need to think of how we will deal with the digital divide, genetic discrimination and credit redlining before they begin to hurt those who are already

disadvantaged. In each case, answers can be found — if only the questions are asked in time.

An effective means of addressing the problem would be for the Federal Government to create a Social Exclusion Unit — with a mandate of researching the problems, and devising whole-of-government solutions. Its mission would be to draw on as many sources as possible — consulting academics, practitioners and community bodies, and devising policies

that work across departments and between different tiers of government. Just as the problem of social exclusion crosses these boundaries, so should the solutions.

For the sake of those who are excluded from participating fully in society, Australian social policy must be constantly looking to produce fresh, innovative solutions. Moreover, we should be confident about our chances. Since Federation, Australia has solved problems that once seemed

equally intractable — the disease epidemics of the 1920s, family homelessness of the 1940s, and high inflation of the 1970s. Might the next decade be the time when we finally tackle social exclusion?

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