

# The Lethal Consequences of Poverty & Exclusion

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# Poverty & Exclusion Are Driven by Central Institutions of Today's Society

- Capitalism
  - Boundaries of profitability & solvency
- Family
  - Boundaries of childhood chances of development
- Nation
  - Boundaries of citizenship &/or ethnicity

# Tendencies of Aggravation

- Capitalism
  - Financialization
  - Post-industrial weakening of labour
    - Income of poorest decile in USA lower than in Greece (before the crisis), & lower than OECD average
- Family
  - Social polarization of family & parenthood instability
  - And of investment in children, in time, emotional energy, & money
  - Income inequality, urban segregation & exclusive school choices reinforce the tendency of exclusion
    - A Stockholm example: in 2014 only 61.%% of of low socioeconomic background qualified for secondary education, a decline of 8% since 2013, while children of high socioeconomic status increased their competence to 95.8 per cent.
- Nation
  - Ethnic tensions from migration
  - Breakdown of the full employment economies in the East

# Need for Inclusive Regulations

- Supporting decent employment
- Early compensation of all children for weak parents
- Prohibiting discrimination & compensation for group disadvantages

# Crises produce national divergences

- 1980s : Gap between the unemployment rate of the three highest & lowest unemployment countries in the OECD : from 5.9% in 1976 to 10.3 in 1982
- 2010s: EU28 gap, 6.1% in 2008, 18.2% in 2013
- EU crisis management has been extraordinarily diverging, or excluding



# Unfortunate E2020 exclusive focus on employment rate

- Employment rates depend also on, education systems & study finance, rules of parental leave, pension systems, family patterns
- Unemployment rates have also variable meanings, though usually less variation, due to eligibility rules for unemployment benefits, the size of the informal economy, and the frequency of small family enterprise
- Unemployment has very important effects of exclusion

# Poverty Kills

- The poor die first.
- Poor parents' children are more often sick, & have a twice higher risk of dying (Sweden 1990-2009)
- The lethal poverty gap is increasing.
  - In Finland, the lives of people of the poorest fifth of the nation were in 2007 12.5 years shorter than those in the highest fifth among men and 6.8 years among women, a gap widened over the latest 15 years by 5.1 and 2.9 years, respectively.
  - Among the London boroughs the life expectancy gap increased from 5 to 8.9 years between 1999-2001 and 2006-8
- National poverty is more lethal than (many) inter-national gaps of development
  - In Sweden, male life expectancy in the richest municipality and one of the poorest was 8.6 years in 2010, a distance slightly larger than that between Sweden and Egypt
  - The London gap is larger than that between the UK and Paraguay
  - The Finnish gap is larger than that between Finland and Guatemala

# The Lethal Effects of Unemployment

- Unemployment means exclusion from the labour market & from much social life.
- Its lethal effects are rarely direct (starvation) in developed countries, but mediated by stress hormones & various psycho-somatic illnesses
- A meta-study of 42 studies covering 15 countries & ca 20 million people found that on average unemployment increases the age-adjusted risk of premature death by 63 per cent.

# How many unemployed will die a premature death?

- Between the pre-crisis low, (2008Q1) and crisis peak, so far, (2013Q1) unemployment in the EU28 increased by 10.4 million.
- Assuming the EU labour force has an age-standardized mortality rate over a 10-15 year-period similar to the Swedish
- Assuming an average mortal hazard ratio of unemployed in comparison with employed
- Would yield ca 350,000 premature deaths by 2020/2023.

# Conclusions

- The dynamics of labour markets are remarkably nationally particular, and so far little understood
- Concerns with social exclusion should first of all focus on children's conditions of development
- The lethal, life-shortening effects of poverty and of unemployment have to be brought into the limelight.
  - They are massive, causing hundreds of thousands of premature deaths.

