Building a more inclusive society requires a conversation about inequality

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Key note presentation to
“A More Inclusive New Zealand Forum”
Te Papa, Wellington New Zealand
July 27th, 2015
What does “inclusion” mean?

Inclusion is not “assimilation”, and it is based on “conversation”

1. If a society is “inclusive” it must, among other things, be a society in which all children can become all that they can be.
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1. If a society is “inclusive” it must, among other things, be a society in which all children can become all that they can be.
2. An “inclusive” society seeks to eliminate child poverty.
Higher Inequality (disposable income Gini in 1985)

Fraction of earnings inequality in the parent's generation passed on to the children's generation (%)

<table>
<thead>
<tr>
<th>Country</th>
<th>United States</th>
<th>France</th>
<th>Japan</th>
<th>Germany</th>
<th>New Zealand</th>
<th>Sweden</th>
<th>Australia</th>
<th>Canada</th>
<th>Finland</th>
<th>Norway</th>
<th>Denmark</th>
<th>United Kingdom</th>
<th>Italy</th>
<th>United States</th>
</tr>
</thead>
<tbody>
<tr>
<td>Higher Inequality</td>
<td>35</td>
<td>30</td>
<td>25</td>
<td>20</td>
<td>15</td>
<td>10</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
<td>30</td>
<td>40</td>
<td>50</td>
</tr>
</tbody>
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1. If a society is “inclusive” it must, among other things, be a society in which all children can become all that they can be.
2. An “inclusive” society seeks to eliminate child poverty.
3. Income inequality has the potential to erode inclusion.
What does “inclusion” mean?

1. Children can become all that they can be
2. An inclusive society seeks to eliminate child poverty
3. “Inequality” has the potential to erode inclusion
4. Public policy must address many dimensions of inequality

A “more” inclusive society

Three broad institutions determine life chances

the overlap and interaction between families, markets, and the state together determine social mobility – there is no “silver” bullet

1. Families with more Human Capital invest more in their children
2. Families with more children invest less in each child
3. An increase in the cost of Human Capital investment reduces the amount invested
4. A higher return to Human Capital encourages more investment
5. More “progressive” investment by the state promotes generational mobility

Building an inclusive society
Money matters ....
Families with more money invest more in their children enriching their lives outside of formal public schooling.

“Enrichment expenditures” in the United States: the amount of money families spend on books, computers, high-quality child care, summer camps, private schooling, and other things that promote the capabilities of their children. Source: Duncan and Murnane (2011).
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2. An “inclusive” society seeks to eliminate child poverty.

3. Income inequality has the potential to erode inclusion.

4. To build a more inclusive society public policy must address many dimensions of inequality.
It may well be the case that capricious inequalities are in some measure inevitable, in the sense that, like crime and disease, they are a malady which the most rigorous precautions cannot wholly overcome. But, when crime is known as crime, and disease as disease, the ravages of both are circumscribed by the mere fact that they are recognized for what they are, and described by their proper names, not by flattering euphemisms. And a society which is convinced that inequality is an evil need not be alarmed because the evil is one which cannot wholly be subdued. In recognizing the poison it will have armed itself with an antidote. It will have deprived inequality of its sting by stripping it of its esteem.


Corak, Miles (2013b). "Inequality from Generation to Generation: The United States in Comparison," in Robert Rycroft (editor), *The Economics of Inequality, Poverty, and Discrimination in the 21st Century*, ABC-CLIO.
