

Framing Social Inclusion Policies

By Frances Stewart

This note is in three parts. The first part discusses the meaning of social exclusion (SE) as this is an essential prerequisite for framing socially inclusive (SI) policies. The second part discusses approaches to framing policies for SI. The third part discusses types of policy that are relevant to promoting social inclusion.

I. What is social exclusion?

(Mickelwright 2002) 7) rightly points out that “exclusion is a concept that defies clear definition and measurement”. The concept of social exclusion (SE) was first advanced for industrialized countries to describe the processes of marginalization and deprivation that occurs even in rich countries and the concept now forms a central aspect of EU social policy. It points to the multiple faces of deprivation in an affluent society. The concept was extended to developing countries through the activities of various UN agencies (Clert 1999).

The EU defines SE as a: “process through which individuals or groups are wholly or partially excluded from full participation in the society in which they live” (European 1995). This echoes the earlier work of Townsend on poverty, who defined deprivation as referring to people who “are in effect excluded from ordinary living patterns, customs and activities” ((Townsend 1979), p. 31, *our italics*). More precisely, (Burchardt, Le Grand et al. 1999) defined SE as occurring if a person is: resident in society; for reasons beyond his/her control cannot participate in normal activities of citizens in that society and would like to do so. But others have argued that a person is excluded whether or not they actually desire to participate (Barry 1998).

(Atkinson 1998) identified three main characteristics of SE: relativity (i.e. exclusion relative to what is normal in a particular society); agency (i.e. people are excluded as a result of actions of an agent(s)); and dynamics (future prospects are relevant as well as current circumstances). (Room 1999) adds three important characteristics: that SE is multidimensional; that there is a neighbourhood dimension with deficient communal facilities; and that significant discontinuities occur, distinguishing the included and excluded.

A good summary definition has been put forward by Peace:

“Social exclusion is a set of processes, including within the labour market and the welfare system, by which individuals, households, communities or even whole social groups are pushed towards or kept to the margins of society. It encompasses not only material deprivation but also more broadly the denial of opportunities to participate fully in social and civil life.” (Peace 2001)

Important aspects of SE (and conversely of social inclusion) are then:

- SE is *relative* to what is ‘normal’ in a society.
- SE is *multidimensional* – that is there are economic, social, cultural and political dimensions of social exclusion.
- SE involves a *process*: dynamic forces cause (or alleviate). SE is “... a

dynamic process, best described as descending levels: some disadvantages lead to some exclusion, which in turn leads to more disadvantages and more exclusion and ends up with persistent multiple (deprivation) disadvantages” (Eurostat Taskforce, 1998, p. 25).

- SE often characterises *a group*, who are excluded because of their group (cultural/gender/age/citizenship) characteristics, which lead to multiple and cumulative disadvantage.
- SE is *relational*: SE occurs not only because of deprivation but because of the existence of richer groups with higher standards, who implicitly or explicitly, inadvertently or deliberately exclude poorer groups.

The precise characteristics of SI and SE tend to be society-specific, since they identify exclusion from normal activities in that society. Hence, in order to identify the extent and characteristics of SE in particular societies, these general statements about SE need to be interpreted to reflect societal conditions. In industrial countries the indicators adopted in empirical work typically include unemployment, inadequate access to housing, income below a poverty lines, lack of social insurance or welfare benefits, minimal social contacts, and lack of citizenship or democratic rights.

However, characteristics of SI and SE in developing countries are likely to differ from those in developed countries. On the one hand, the defining features elucidated above – involving process, relativity, and multidimensionality - are clearly highly relevant. On the other hand, it is difficult to identify appropriate norms to provide the benchmarks of inclusion and exclusion, since exclusion from formal sector employment or social insurance coverage often applies to the majority of the population. Lack of formal sector employment or social insurance coverage therefore does not imply exclusion from normal social patterns or relationships. However, since the normal may not be what is considered desirable, standards of normality may not be satisfactory in defining the benchmarks of inclusion or exclusion. But this makes it difficult to decide what would be appropriate SI/SE characteristics.

Nonetheless, an SE approach has the major advantage that it focuses intrinsically, rather than as an add-on, on the processes and dynamics that allow deprivation to arise and persist and therefore the conditions needed for SI. The analysis of exclusion lends itself to the study of structural characteristics of society and the situation of groups (e.g. ethnic minorities or the landless) who are excluded by most definitions, whereas a focus on poverty or on vertical inequality¹ is primarily concerned with individual characteristics and circumstances. SE, like horizontal inequality, leads to a focus on distributional issues—the situation of those deprived relative to the norm generally cannot improve without some *redistribution of opportunities and outcomes*—whereas

¹ In contrast to horizontal inequality, or group inequality. HI like SE is multidimensional, and, by definition, applies to groups. See Stewart 2004, ‘The Relationship between Horizontal Inequalities, Vertical Inequality and Social Exclusion,’ CRISE Newsletter, Winter, p 2.

absolute poverty, including multidimensional or capability poverty can be reduced through growth without redistribution.

In the light of these problems, various approaches have been adopted to the interpretation of SE in developing societies: one is to take norms from outside the society, for example, from developed countries; another is to derive the characteristics of SE through consultation in participatory approaches; a third is to derive the characteristics empirically, by exploring what structural characteristics of a population (such as race, or caste, or region) are empirically correlated with multiple deprivations. However, the most popular approach seems to be to identify certain groups as excluded, *a priori*, on the basis of some general knowledge of the society.

Most empirical work in developing countries adopts definitions that seem relevant to the reality being studied, without providing much justification for the particular choice and rarely making any explicit reference to what is actually normal in the society. For example:

(1) A study in India (Appasamy, Guhan et al. 1996) define SE as exclusion from health services, education, housing, water supply, sanitation and social security. This broad definition picks up very large numbers of people as being socially excluded.

(2) In Venezuela, (Cartaya, Magallanes et al. 1997) define SE as not having certain social and political rights which they select.

(3) A study of Tanzania identifies certain very poor urban occupations and the rural landless as excluded (Rodgers, Gore et al. 1995).

(4) An ILO study in Tunisia used the perceptions of various groups to define social exclusion—the different groups produced different characteristics: the authors concluded that social integration required employment and a guaranteed source of income (Bedoui and Gouia 1995).

(5) In Cameroon and Thailand, ethnic minorities were defined as being excluded. In Thailand, other categories also included were poorly educated farmers, informal sector workers and the homeless (Rodgers, Gore et al. 1995).

(6) For South S. Africa, Du Toit identifies two groups which are unable to participate fully in the formal economy -- the 'marginal working class' and 'the dispossessed jobless'. (Du Toit 2003)

II. Framing policy for SI

The appropriate policies towards SI must vary according to the nature of SE in the society. Hence the first requirement is to identify who is excluded and how. Yet the nature and the magnitude of SE will differ sharply according to the approach taken to defining exclusion. For example, if developed country standards are adopted the great majority in poor countries will count as excluded. And if particular characteristics of exclusion are adopted – such as unemployment or lack of social insurance – then policy requirements will be dictated by the characteristics chosen. In strong contrast, if consultative approaches are taken, very few people may be thought of as excluded. For example, in research taking this approach in an Indian village, no-one was defined as excluded, while the very small minority who were regarded as being excluded from normal life were described as being 'socially expelled' - the

socially expelled included lepers and those in cross-religious or caste marriages ((Saith 2007): 154).

Hence the slipperiness of the SE concept, especially in a developing country context, makes it difficult to frame policy in a coherent way.

A way out of this difficulty is to accept the rather pragmatic approach adopted in empirical work, as cited above, and to define those who are SE:

From a socio-economic perspective, as:

- In relative poverty – e.g. the bottom 20 or 40% in terms of monetary or multidimensional poverty;
- Those who do not have ‘decent jobs’, following the ILO definition.
- Those lacking a minimum set of basic services – including education, health services, access to clean water and sanitation.
- Those without shelter.

From a political perspective,

- Those without citizenship;
- Those whose group (ethnic/caste/racial/religious) has little or no representation in the political organs, especially at higher levels.

From a cultural perspective,

- Those whose language is not used in education or government;
- Those whose religious rights are not respected;
- Those whose dress, diet or other aspects of culture are constrained or banned.

III. Types of policy

SE is caused by deep structural factors. Policies towards SI can be directed at correcting these structures; alternatively, the policy approach can take the structures as given, and try to correct the situation within such a structurally unfavourable context. There is not a watertight division between these two options, but a spectrum going from one to the other.

Structural policies include a radical change in the ownership of capital – for example, through land reform, nationalization, swingeing and well enforced estate duties and wealth taxes and so on. It may include changes in the mode of production – for example, a shift from a capitalist to a cooperative mode. However, the political context is mostly unfavourable for an effective attack on structural causes of exclusion, though such changes can occur in revolutionary situations.

For more *pragmatic policies* towards SE, the first requirement is to identify the nature of SE – who is excluded; in what dimensions; and why. Secondly, since there are causal links between many of the dimensions of exclusion, it is helpful to identify these and locate the prime movers among them, so as to give priority to tackling these rather than the symptoms.

With this knowledge, policies can be differentiated in two ways:

1. Direct versus indirect.
2. Predistribution and redistribution.

1. Direct v. indirect policies:

Direct policies are those which target policies to the deprived groups. An example is positive discrimination, where members of a deprived group receive preference in e.g. educational access and scholarships, employment etc. These policies can be very effective, but may also arouse hostility (Brown, Langer et al. 2012). Means tested benefits are another direct policy aimed at people below a certain income, though experience suggests they are not effective as many of the poor are left out (Cornia and Stewart 1993, Mkandawire 2007, Tucker 2010). Direct policies are particularly appropriate when (i) visibility of effort is needed for political reasons, as after a conflict, for example; (ii) the deprived group is well defined; and (iii) the SE group is small in number relative to the whole population.

Indirect policies are universal policies, applicable to the whole population, but designed so that they will contribute to reducing SE. For example, a guarantee of full employment, or universal health services, would reach everyone, but would benefit the unemployed and those without health services most. Universal citizenship for all residents is another example. Others are anti-discrimination laws, and progressive taxation. Such policies are less likely, than direct policies, to leave some deprived people out, and, possibly, are may be more politically acceptable, but they not always be effective and may take time, or fail, to reach the most excluded. For example, the disabled are often socially excluded, but most of the universal policies just noted might not reach them, as they may lack the capability to make use of them.

2. Predistribution and redistribution

Predistribution policies are those directed at changing the distribution at the point when incomes are determined – for example, a minimum (or maximum) wage, a limitation on bonuses, support for trade unions to improve the wage bargain, improved competition to reduce excess profits etc.; education policies to improve the distribution of earnings. Many of the structural policies briefly discussed above would change the earned and unearned pre-tax distribution.

Redistribution policies are policies to change the distribution after incomes have been generated – via the tax, benefits and public expenditure.

The very large range of pre-tax and benefit distribution observed across countries, as well as the substantial difference between primary and secondary distribution in many countries (see attached charts 1 and 2), show that there is substantial scope for both types of policy.

The discussion so far has mostly concerned economic and social dimensions of SI and SE. But political and cultural exclusion also need to be addressed. Here too one can differentiate between direct and indirect policies. Direct policies towards political exclusion would include, for example, reserved political

positions (as in the Indian Panchayat system), while indirect policies include universal franchise, proportional representation etc. In general, the SE need both rights to participate politically and support in so doing.

As far as cultural exclusion is concerned, direct policies involve specific support for religious or cultural ceremonies, holidays, dress etc., while indirect policies include laws establishing free speech, freedom of worship, of dress etc.

Table 1 provides more examples of direct and indirect policies in socio-economic, political and cultural dimensions.

Beyond laws.

SE, however, goes beyond laws, to norms and social behavior. Those who are excluded often face social ostracism and general prejudice. For example, a Muslim girl of nine told the UK Equality Commission: 'I'm getting bullied at school. People in the neighbourhood are calling my family "terrorists" and say, "Go back to your own country." I'm worried they'll start saying these things at school. Muslim boys are getting beaten up at school.' Tackling social discrimination is another critical, but extremely complex, aspect of SI.

In general a comprehensive approach is needed – comprehensive across dimensions of deprivation; and comprehensive in terms of policy approaches.

Table 1: Examples of policies for dimensions of SI		
Dimension of exclusion	Direct	Indirect
Political	Group quotas; seat reservations; consociational constitution; 'list' PR	Voting system; human rights legislation and enforcement
Socioeconomic	Quotas for employment or education; special investment or credit programmes for particular groups	Anti-discrimination legislation; progressive taxation; regional development programmes; universal education/health etc
Cultural status	Minority language recognition/education; symbolic recognition in public holidays, at state functions	Freedom of religious observance; no state religion

Source: adapted from (Stewart 2008): 304.

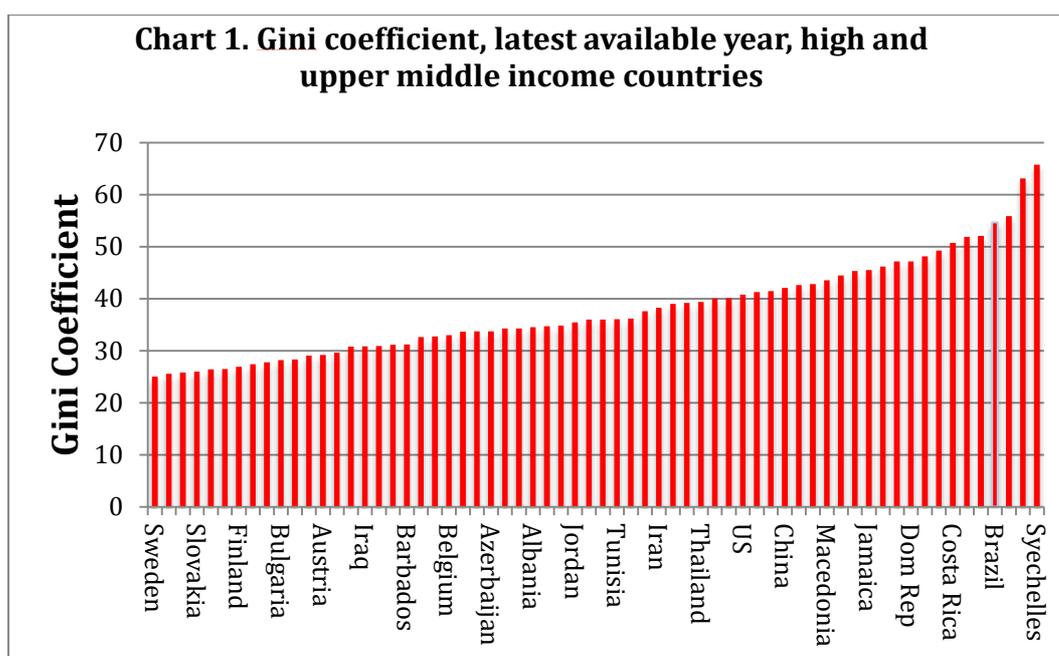
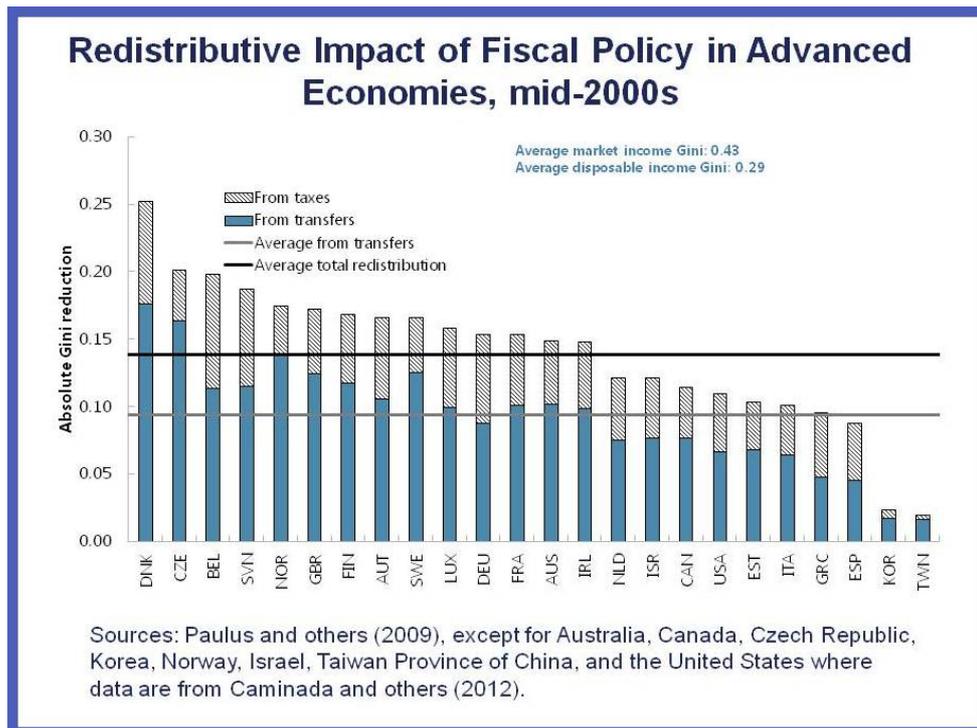


Chart 2.



Source:(Gupta and Keen 2014)

Appasamy, P., S. Guhan and R. Hema (1996). Social exclusion from a welfare perspective. Geneva, International Institute for Labour Studies: x, 133.

Atkinson, A. B. (1998). Social exclusion, poverty and unemployment. Exclusion, Employment and Opportunity. A. B. Atkinson and J. Hills. London, London School of Economics. **CASE Paper 4, Centre for Analysis of Social Exclusion**.

Barry, B. (1998). Social exclusion, social isolation and the distribution of income. CASE Paper 12. London, Centre for Analysis of Social Exclusion, London School of Economics.

Bedoui, M. and R. Gouia (1995). Patterns and processes of social exclusion in Tunisia. Social Exclusion: Rhetoric, Reality, Responses. G. Rodgers, C. Gore and J. Figueiredo. Geneva, Institute for Labour Studies.

Brown, G., A. Langer and F. Stewart, Eds. (2012). Affirmative Action in Plural Societies: International Experiences. London, Palgrave.

Burchardt, T., J. Le Grand and D. Piachaud (1999). "Social exclusion in Britain 1991-1995." Social Policy and Administration **33**(3): 227-244.

Cartaya, V., R. Magallanes and C. Dominiquez (1997). Venezuela: exclusion and integration, A synthesis in the building? Geneva, International Institute of Labour.

Clert, C. (1999). "Evaluating the concept of Social Exclusion in Development Discourse." European Journal of Development research **11**(2): 166-199.

Cornia, G. A. and F. Stewart (1993). "Two errors of targeting." Journal of International Development **5**: 459-496.

Du Toit, A. (2003). " Social Exclusion Discourse and Chronic Poverty: A South African Case Study." Development and Change **35**(5): 987-1010.

European, F. f. t. I. o. L. a. W. C. (1995). Public Welfare Services and Social Exclusion: the Development of Consumer Oriented Initiatives in the European Union. Dublin, The European Foundation.

Gupta, S. and M. Keen. (2014). "Meeting rising pressures to address income inequality -a user's guide." Economonitor Retrieved May 6th 2015.

Mickelwright, J. (2002). Social exclusion and children: a European view for US debate. Florence, UNICEF.

Mkandawire, T. (2007). Targeting and universalism in poverty reduction. Policy Matters: Economic and Social Policies to Sustain Equitable Development J. A. Ocampo and K. S. Jomo. Hyderabad, India, Zed Books.

Peace, R. (2001). "Social Exclusion: A Concept in Need of a Definition?" Social Policy Journal of New Zealand **16**: 17-28.

Rodgers, G., C. Gore and J. Figueiredo (1995). Social Exclusion: Rhetoric, Reality, Responses. Geneva, Institute for Labour Studies.

Room, G. (1999). "Social exclusion, solidarity and the challenge of globalisation." International Journal of Social Welfare **8**: 66-74.

Saith, R. (2007). Poverty in India. Defining Poverty in the Developing World. F. Stewart, R. Saith and B. Harriss-White. London Palgrave: 115-159.

Stewart, F., Ed. (2008). Horizontal Inequalities and Conflict: Understanding Group Violence in Multiethnic Societies London, Palgrave.

Townsend, P. (1979). Poverty in the United Kingdom. London, Harmondsworth, Penguin.

Tucker, J. (2010). "Are Mexico's conditional cash transfers missing the target? ." Polycymatters Journal [http://www.policymatters.net\(Spring\)](http://www.policymatters.net(Spring)).