

Promoting Social Integration:

Economic, Social and Political Dimensions with a focus on Latin America
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Introduction

Social integration is a highly desirable outcome that reflects the existence of social cohesion, a strong institutional foundation and a culture of acceptance. Societies are better off if they promote social integration through inclusive policies that reduce economic inequality and poverty, and promote sustainable and equitable development. The concept of development used in this paper is best defined by Amartya Sen (1999, p.36), “the process of expanding human freedoms,” i.e., freedoms associated with avoiding deprivations, being literate, enjoying political participation, uncensored speech and so on. Because of its qualitative nature, social integration can be proxied by using variables that capture and measure how much social integration exists in a community at any given time. Identifying these indicators can be tricky and it may entail using quantitative and qualitative data. Many development practitioners and policy makers center attention on the creation of economic opportunities as the material basis for social integration. In this way, there is often a tendency to underscore economic goals and make them uniquely critical.

In developed countries, the goals of stable, productive and decent employment and poverty elimination have been firmly grounded in social contracts and have therefore influenced labor and welfare policies in meaningful ways. European social democracies have been engaged in attaining socio-economic goals that bring stability and social cohesion both within each individual nation and within the European Union. In contrast, the developing world has faced persistent obstacles in its efforts to attain these twin goals despite its recent economic expansion. In Latin America, average growth rates of three per cent in the last fifteen years have not contributed to a substantial increase in productive employment or the substantial reduction of poverty.

While social integration is more viable when societies move toward sound economic goals, there are key non-economic elements that are part of building integrated and cohesive societies.

In this paper I will review critical links that exist between economic, social and political variables in the quest to reach societies that are more just and fair for all citizens. I will refer to the case of Latin America to discuss the roles played by policies and programs that build communities, increase participation and representation, and promote leadership opportunities among families, the youth, and local communities. The goal of promoting social inclusion through actions that eliminate discrimination and other forms of intolerance and rejection is as important as the creation of economic opportunities. These actions can be organized in four categories: economic, social, political and cultural. Using these categories, I suggest a framework (scorecard) that can be used to assess social integration goals. The paper's main findings and recommendations are presented at the end.

What is social integration?

Social integration is the process of creating unity, inclusion and participation at all levels of society within the diversity of personal attributes so that every person is free to be the person she wants to be. Personal attributes include socio-economic class, age, gender - sexual preference and expression, political ideas, ethnicity and cultural traits, religion, citizenship (national origin) and geographical region of origin and so on. Social integration enables persons, regardless of their attributes, to enjoy equal opportunities, rights and services that are available to the so-called mainstream group. Social integration can be considered to be antonym to social exclusion, which is broader than poverty and deprivation, and which neglects people's rights.

Social exclusion is produced by systematic and institutional discrimination and other forms of rejection that leave out persons or groups from the mainstream system of economic, social, and political relationships. Access to these relationships enables the privileged to be active participants in society benefiting from cultural, economic, social and political exchanges. Excluded persons and groups do not partake in the benefits of social capital with identical sense of belonging. And in worse situations, the intensity of rejection and intolerance can create emotional and physical harm to excluded persons. To protect themselves, victims of discrimination and intolerance form smaller and tightly connected networks of solidarity and support among themselves and their allies in safe places.

The elimination of social exclusion through programs and actions that integrate vulnerable persons into mainstream society is a required condition for the creation of economic opportunities for these populations. Evidence shows that in many countries failure to reduce marginalization and vulnerability of populations at risk can be explained by policies that considered economic goals as key determinants and social aspects as secondary elements. Cultural sensitive programs, however, that have built bridges and developed capabilities to support people in need have been effective in reducing poverty and building stronger communities.

In a nutshell, social integration:

- eradicates stereotypes and (“mainstream”) privilege,

- increases the voice of persons or groups that are vulnerable and have been marginalized,
- creates opportunities for their political participation,
- creates stable and decent job opportunities for traditionally underrepresented persons and groups, and
- promotes the development of capabilities among vulnerable populations so that they can overcome poverty and deprivation.

Non-economic causes of social exclusion

Persons who have not socialized in multi-cultural environments lack the competence to relate to people who look different or are different although they may look alike. This lack of knowledge about persons who either look or act differently and feelings of insecurity and apprehension lead to prejudice, stereotyping, discrimination, racism, xenophobia, paternalism, classism, homophobia and other forms of rejection of people's identities and rights. Discrimination is a rampant form of social exclusion that has many forms from subtle jokes to outright violence.

Discrimination and other forms of intolerance have been widely researched and documented and will not be further discussed in this paper. What is important for the analysis of social integration is the clear realization that inclusion (=removal of all forms of discrimination and intolerance), creation of stable and productive employment, and reduction of poverty should be considered simultaneously. Understanding that there is a close connection between the socio-political and economic spheres is easier than actually affecting cultural change. It does take political will and a renewed educational vision for younger generations to eradicate fear and prejudice.

Below is a brief description of some non-economic attributes that generate exclusion and discrimination:

Age

Age discrimination in the labor market reduces a person's ability to find a job or induces employers to lay off senior workers and replace them with entry level ones. Being "old" is associated with "weak," "unproductive," "uninformed," "dependent," and other adjectives that reflect a complete lack of understanding of work throughout the life span. When treated as a "burden" older persons are deprived of their dignity and their rights, and they become invisible and irrelevant.

Ethnicity and cultural traits

In multi-ethnic societies where ethnic groups are also minority groups they are often marginalized because their traditions, biological, linguistic, and cultural traits differ from the mainstream population. Generally, their presence is perceived as a threat or as an "unknown" to members of the dominant group who resist associating with them.

Gender

Patriarchal relationships of power are widely extended in the world. They resist the emergence of women as a competing dominant force. Women are discriminated in the

labor force, in politics, in academia, in senior staff administration and in general, in positions of influence. This situation is slowly changing thanks to the activism and collective action of the women's global movement. Sexism and discrimination against women is, however, a serious obstacle to human development in rural areas of the developing world.

The sexual orientation of persons can become another inhibitor of social integration especially for gender variants and for non-straight individuals. Again, as has happened with women and some ethnicities, the gay movement has accomplished recognition of civil rights in many countries such as the right to form a formal family.

Migrants

Migrants, from rural to urban areas, and international migrants are among the most vulnerable because they lack social connections and they are in need of finding income generating activities at their new homes. They are easily recognized by local people and their rights are not protected. They endure social discrimination in their hopes to assimilate to their host communities.

Political views

Discrimination on the basis of political ideas continues to divide people globally and in many instances it leads to assassinations and civil wars. Democracies in the developing world have been frail and have struggled with the political representation of opposing views and the threat of military coups.

Religious beliefs

Since 9/11 the animosity between the Judeo-Christian and the Muslim worldviews has increased. Religious beliefs have set apart people for centuries dividing the world into religious zones of influence that fight against each other.

National/geographic origin

There are perceptions about the social behavior, attitudes, skills and aptitudes of persons that are shaped by where they come from. These perceptions can help or hinder a person's ability to find a productive job.

Latin America: economic, social and political links

In the ECLAC tradition, development has been understood holistically as a process that should combine improvements in well-being and happiness with sustainable and equitable economic growth. Historically, the ECLAC perspective has been one that uses a classical political economy framework in which power relationships and the goal of development "from within" have been central. From the 1940s until the mid 1960s, the main policy recommendation of the *Dependencia Theory* was the use of activist economic policies to break away from the financial, political and technological dependency of the periphery vis-à-vis the center. ECLAC promoted policies that attempted to change power relations through import substitution, modernization and urbanization policies. The regional economic integration was also an important recommendation leading to various sub-regional attempts to create common markets such

as the Andean Pact and Mercosur. ECLAC policy recommendations were expected to increase the size of domestic markets, empower urban and middle-sectors, create a national class of leaders, and support social integration of a deeply fragmented population along class and ethnicity lines. The development strategies in the region produced growth in manufacturing, rural to urban immigration, enormous state apparatus, fiscal deficits, chronic inflation, and did not alleviate economic inequalities. The external debt crisis in the early 1980s catapulted import substitution, populist experiences and oversized states. During the 1980s and 1990s, as is well known, the region adopted adjustment and stabilization policies, market oriented policies and completed major institutional changes. Programs were developed to create so-called safety-nets for the poor and to put a band-aid on the economic and social exclusion of vulnerable people.

ECLAC was critical of the adjustment policies and their social cost. It did welcome institutional changes that brought more transparency, economic efficiency, fiscal discipline, market regulation, and reforms in social areas. It developed the notion of the necessary marriage between economic growth and equity which affirmed the need to alleviate the social cost of structural reforms. It also advanced language on the urgency to implement “second generation” reforms that would increase access and quality of services, especially in education and health care, to vulnerable persons.

More recently, ECLAC’s research has explored the impact of trade and foreign investment, the demographic transition, climate change, labor productivity, pension systems, economic growth and economic inequality in the region. Most notably, it has put together another substantive initiative that seeks to promote social integration. In this new framework, ECLAC (2007) underscores the need to build communities that are cohesive and that provide a sense of belonging to all persons. For a region that has been traditionally characterized by social fragmentation and exclusion, implementation of this initiative will require enormous impetus. In this call for social cohesion, ECLAC places attention on a number of key aspects. First, there is an emphasis on productive opportunities that should address informal and precarious employment and transform it into secure and stable employment. A strong relationship between development of competencies for the performance of productive jobs and job creation is essential and should be fostered. Children and young persons should have access to high quality education and to training, internships, apprenticeships and other forms of early insertion in the job market. The likelihood of finding secure and stable jobs increases the sooner a person is capable of developing her human capital. Second, another fundamental relationship is between employment and social protection. It is through an effective social protection system that secures universal access that persons can cover short term and long term contingencies and protect themselves from vulnerability. Greater secure employment makes the funding of such systems run more efficiently through contribution payments. The demographic transition, however, can affect the intergenerational funding of benefits and thus, increasing funding out of public revenues will be needed. This idea brings to the third aspect of the social cohesion contract. Governments should review their sources of funding (taxation policies) and social spending so that expenditures are timely, provide a sense of equity, and have maximum impact over time.

The interconnections between the economic, social and political spheres have been made explicit in ECLAC's work. They are dialectic and systemic rather than linear. In other words, ECLAC has been critical of models that believe in the automatic forces of the "trickle down effect" of economic growth and its alleged spill-over positive consequences in social areas.

Justification for an integrated approach to social integration

Because of its colonial heritage, social stratification in Latin America and the Caribbean has been acute and has segregated people into rich and poor. The region continues to have the most severe economic inequality in the world showing that efforts to redistribute income and assets have made small progress. Redistribution was a main goal of populism during the second half of the twentieth century. But, it failed to alter the status-quo in favor of the majority of the population (mostly urban workers and their families), redistribute assets and income, and reactivate economic activities along an autonomous (nationalistic) path. It did succeed, however, in ending populist cycles with fiscal crises and hyperinflation.

Economic inequality did not improve after adoption of liberalization policies and the Washington Consensus paradigm in the 1990s. Although socio-economic indicators have improved as documented in ECLAC (2006), the disparities in the distribution of income are consistently high. Economic growth on its own has neither generated productive employment nor a reduction of the sizable informal sector. There is the expectation that this situation will be changing in the 2010s due to the record high levels of investment flows into the region that may increase labor productivity. Public budgets in education and health services increased somewhat but they continue to face enormous challenges in terms of coverage and quality of services.

Institutional characteristics of Latin American's market economies and the actions of organized interest groups seeking to maximize benefits have led to different types of market failures of which poverty and exclusion are important ones. Addressing this market failure by redistributive policies and promoting greater representation has been part of recent efforts funded by the World Bank's fight against poverty, implementation of policies to reach the Millennium Development Goals, and supportive strategies by multilateral and non-governmental organizations.

The scope of the problem, however, is too large for it to be resolved with redistribution only and with a participatory discourse that fails to translate into political votes people's aspirations and wishes to affect how public revenues are allocated. Promoting social integration should imply the design of policies that represent the voice and interests and direct participation of affected vulnerable persons, groups and stake holders locally, regionally and nationally.

Social integration: goals and objectives

Sen (1999, p.10) proposes five instrumental freedoms (=capability development=poverty elimination) that complement each other and that help advance the general capability of a person. They are listed here: political freedoms, economic facilities, social opportunities, transparency guarantees, and protective security. These freedoms are consistent with social integration goals that should also create economic, social, political and cultural capabilities. The matrix presented below describes specific goals that aim at the promotion of social inclusion, the eradication of neglect and discrimination, and the creation of communities that are politically and culturally active.

Figure 1
Social Integration: main goals and objectives

Goals	Specific objectives	Programs/Actions Stakeholders	Time - frame	Scores (1-5)	Observations
Economic	Create secure and productive employment Reduce poverty Review public finances Ensure sustainable social protection systems				
Social	Acknowledge difference Welcome diverse experiences Affirm diverse identities Improve communication systems Build communities Develop inter-group conflict management Review educational programs Renew leadership Secure access to high quality services				
Political	Create spaces for voice Promote dialogues Instill sense of ownership Participate in decision making Exercise democratic rights				
Cultural	Recognize diverse cultural and traditional values Respect and celebrate difference				

How to use the score card of social integration

The first column in figure 1 describes the main goals of social integration. As can be easily seen, they reflect an integrated and multidimensional approach. The second

column lists specific objectives. They are presented mostly as illustrations and they can be reformulated and edited according to specific context and policy making needs. But, development practitioners and policy makers should keep in mind that the general purpose of these objectives is to ensure the outcomes of social inclusion and eradication of discrimination and neglect of persons' rights. Therefore, changes in the formulation of objectives should make sure that the intention of programs and actions are kept untouched. The third column will list selected programs or actions (the "what" and "how") and the stakeholders (the "who") who will be responsible or focal points for the implementation of said programs or actions. The next column will give a score to each component of the program or action with regard to the specific objective, going from low (1) to high (5). Observations can be recorded in the last column.

The idea of this scorecard is that programs and actions that have the highest scores in most of the rows are best. There will be certainly programs or actions that speak to only one or two of these specific objectives. For these strategies to be effective they should be accompanied by other programs and actions that are complementary and that attain high scores in the remainder objectives. The scorecard encourages practitioners and policy makers to think holistically and using a systems approach to initiatives that seek to promote social integration.

A microfinance illustration: Pro Mujer International

Pro Mujer International (PM, at <https://promujer.org/>) is a not-for-profit microfinance organization that assists poor women and their families in Latin America (Argentina, Bolivia, Mexico, Nicaragua and Peru). PM provides to its clients microcredit programs and micro-loans and other non-financial services such as business training, technical assistance, savings programs, and health care services. These services enable the region's poorest women to build livelihoods for themselves through income generating activities and the establishment of networks of support and joint liability. This strategy, analogous to the work of the Grameen Bank, provides women with means that empower them, help them build their self-esteem and dignity, supports their connection to existing resources and services in their communities, supports their health and the health of their families, and trains them to become active citizens in their communities as they learn to stand for their rights. The majority of PM clients is of indigenous (peasant) descent and belongs to ethnicities that have been historically marginalized. PM has carefully adapted its practices and products to each country's economic and cultural characteristics. Since its creation in 1990, PM has disbursed more than \$330 million in small loans to hundreds of thousands of women and their families. Although still small, PM has reached 170,000 clients and their 865,000 children with an average loan of \$190 and with less than 1 per cent of delinquency.

Figure 2 presents the scores for this example and brief observations are included. PM is in fact a program that promotes social integration and attains all four goals. It has perfect scores in some social, political and cultural specific objectives. One would expect that as PM clients acquire stronger social capabilities through educational programs,

development of their entrepreneurship skills, better health status, and less vulnerability, that they will be able to score five's in the economic goals.

Figure 2
Social Integration: the case of Pro Mujer

Goals	Specific objectives	Scores (1-5)	Observations
Economic	Create secure and productive employment Reduce poverty Review public finances Ensure sustainable social protection systems	3 3 n.a. 1	It depends on the business Clients are coming out of indigence Governments do not fund the program Provides health prevention/promotion
Social	Acknowledge difference Welcome diverse experiences Affirm diverse identities Improve communication systems Build communities Develop inter-group conflict management Review educational programs Renew leadership Secure access to high quality services	2 3 5 5 5 3 3 4 2	PM's focus is on poorest excluded women Mostly for women within the same culture The program is strongly affirming Facilitates communication Increases self-esteem of clients This is a learning curve Within PM training programs Creates entrepreneurs PM services only
Political	Create spaces for voice Promote dialogues Instill sense of ownership Participate in decision making Exercise democratic rights	4 4 5 5 3	Clients must meet and discuss their issues Promotes engagement due to frequency of meetings; clients own 100% of their businesses The expectation is that this will follow
Cultural	Recognize diverse cultural and traditional values Respect and celebrate difference	5 5	PM becomes a magnet that attracts clients to celebrate accomplishments, values, local festivities, family accomplishments. Limited to clients.

Conclusions

The main argument of this paper is that a focus on employment creation and poverty reduction alone does not create social integration. In turn, an integrated approach that considers economic, social, political and cultural goals was developed and a scorecard to appraise programs and actions is presented.

Certain programs, such as microfinance and employment training for the youth can have initially an important social impact and less of an economic direct effect. In the long-term, however, the acquisition of capabilities and sense of belonging (to use ECLAC's

conceptualization) empowers persons to be more effective in finding secure and stable jobs and income flows.

By acquiring an adequate education and enhancing one's human capital persons can exit the poverty trap. But this process requires the joint work of communities and stakeholders. Most importantly, barriers to the active citizenship of vulnerable people are often levied by discrimination, neglect, and other forms of social exclusion. It is imperative that communities learn to recognize difference, accept attributes that are different than the ones they have. Persons from any background should welcome diversity, affirm identities, and help build communities that are cohesive and inclusive.

Recommendations

Member states should consider the following recommendations:

- The education ministry should coordinate programs and actions with the labor ministry so that there is good coordination between current and future required skills and curricular development at all levels of the educational system, such as primary through secondary school, vocational training schools, technical institutes, and in the promotion of internships, apprenticeships, and training opportunities.
- The social ministries and the economics/finance ministry should review the actual coverage of social protection systems including contributory and non-contributory schemes, coverage through informal arrangements, coverage by non-governmental organizations so that the public sector can fill in gaps of coverage and plan its funding accordingly.
- The economics/finance ministry should review its public finances to reassess the structure of taxation and make sure that the allocation of resources is such that it creates capabilities among vulnerable populations so that it can overcome the trap of poverty with a sense of equity.
- Member states should enter into partnerships with stakeholders to implement programs and actions that eradicate discrimination and other forms of intolerance and neglect of people's rights.
- Ministries, practitioners and stake holders should adopt integrated frameworks for social integration. These should include economic, social, political and cultural goals without subordinating any of these to economic opportunities.