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The term *social exclusion*, which originally was coined in France to refer to those excluded from social insurance programs, is now used as an important analytical concept in understanding the interconnected social, cultural, political and economic processes that can lead to poverty. In an era of rapid globalization, the term takes on added importance as we seek to understand the impact of rapid economic change on the most vulnerable members of society, particularly in developing and transitional economies. In this introduction to a book prepared by the UNDP and the ILO for the 1995 World Summit for Social Development, the author draws on the book’s wide range of case studies -- on Mexico, Peru, Cameroon, Tanzania, Tunisia, Yemen, India, Thailand, Russia, and Kazakhstan -- to assess the value and policy implications of the concept of social exclusion in broadening and deepening our understanding of the impact of globalization on the development process.

Social Exclusion in a Global Context

While the concept of social exclusion emerged within a Eurocentric context, it has value in analyzing developing countries as well. The term goes beyond traditional income-based measures of poverty to assess the various processes that contribute to deprivation. In the European context, social exclusion has come to refer to the society’s failure to grant meaningful rights and entitlements to all residents. As such, it incorporates considerations of access to legal, political, cultural and social rights, into assessments of access to economic resources. At a time when globalization and neoliberal economic programs are adding to structural poverty, increasing the informalization of labor markets, and reducing social benefits, social exclusion offers a framework for developing alternatives to the European welfare state.

Some have argued that the social exclusion approach adds little more than a European framework to concepts better developed in Latin America, which have focused on structural marginalization. In this view, the problem is not a lack of integration, as the social exclusion concept would suggest, but the marginalization of large groups in society, a process inherent in the social division of labor and grounded in the peripheral integration of developing economies into the world capitalist economy.

The advantages of the social exclusion approach, highlighted in many of the case studies, are descriptive, analytical and normative. It has descriptive value in that it defines poverty as a state of relative deprivation, going beyond the simple income-based definitions. Analytically, it has value in highlighting the inter-relationships between poverty, productive employment, and social integration, all of which are important in understanding the processes associated with globalization. In particular, it helps address the rise in the number of those made permanently superfluous in the global economy; the problems created by increasingly blocked international migration; the backlash by some social groups trying to curb competition; and technologically driven skill polarization and the dualization of labor markets.

To give the concept of social exclusion global relevance, four modifications are worth considering. First, we need to incorporate international relations -- including trade, aid, migration, etc. -- and the nature and design of the international regimes that underpin them. Second, where the European focus has been on exclusion from labor markets, in the global context other factor markets are important as well, particularly access to land, credit, and other bases of livelihood. Third, while European analysis has focused on social rights, political and civil rights assume greater importance in societies without developed democratic state institutions or significant welfare provisions. Finally, it is important to go beyond national analyses of exclusion, particularly in societies in which national institutions and rights are not fully developed and in which globalization is creating post-national societies.

One example of the value of the social exclusion concept from the case studies is Partha Dasgupta's theory of labor market exclusion among landless peoples. Dasgupta argues that what those without assets own is not labor power but *potential* labor power, which they can only convert to actual labor power if they are in adequate health to work. Those with even a small amount of land can meet some of their minimum nutritional requirements from that asset, while the landless must depend entirely on their earnings, which they are less likely to get as they get weaker with declining food intake. Nutritional and health issues have also been shown to be important in situations of surplus labor where day-laborers are selected on the basis of their physical strength and productivity. Illiteracy has also been found to be an important cause of labor market exclusion.

The studies also confirmed the importance of civil and political rights. For example, the Peruvian case showed that 37 per cent of peasants lacked legal title to their land in 1984, while 43 per cent of shanty-town residents in 1991 had no legal title to their urban plots. In addition, "a common, though not surprising, finding of some of the studies is that programs of structural adjustment have undermined the capacity of states to provide health, education and social services." (23) The studies also found vulnerability among indigenous peoples due in part to their unrecognized property rights.

Some Conclusions

In analyzing situations of great inequality, the studies suggest an interplay between four underlying determinants:

1. The transnationalization of social and economic life, which is resulting in increasing impacts of developed country policies on less industrialized countries.
2. “The changing availability and distribution of assets in situations of increasing scarcity associated with population growth, radical economic transformation and, in recent years, widespread recession and even, in some regions, a disturbing trend of economic decline.” (29) These assets are economic (land, finances, skills), political (basic rights) and cultural (social values).
3. The social and political structures through which power is exercised and the status and balance of power of societal groups is determined.
4. “The nature of the development regime adopted by the national government, including the relative role of state and markets as allocation and accumulation mechanisms; the policies for growth, poverty reduction and structural transformation; and the short- and medium-run programs aimed at economic adjustment and stabilization.” (30)

Among the many dimensions of exclusion considered in the case studies, the most important exclusion mechanisms were: the organization of markets; the functioning (or non-functioning) of governmental institutions; and the presence of discrimination based on gender, caste, ethnicity and race. The studies also confirmed the particular vulnerabilities of certain groups to exclusion. Children and young people are vulnerable because pressures for early entry into labor markets can undermine future possibilities by limiting educational attainment. Migrants increasingly suffer exclusion, particularly international migrants who face exclusion on the basis of their lack of citizenship rights.

The social exclusion approach has implications for policy, and it highlights some of the limitations of the World Bank’s approach to poverty in the 1990s which was based on labor-intensive growth, increasing health and education services, and effective safety nets. Based on the case studies, one can identify several alternative policies:

1. Redistributing productive assets (e.g. land) and expanding employment opportunities, both of which receive too little attention.
2. Focusing on improving and developing social institutions, including markets, government institutions, and civil society organizations, all of which can be contributors to social exclusion or solutions to it.
3. Ensuring civil and political rights, which are critical to securing and sustaining livelihoods.
4. Replacing welfare-style targeting of casualties in economic restructuring with a more active attempt at economic integration.

Overall, the studies suggest that the social exclusion concept can contribute a great deal to our understanding of poverty in developing countries. One important research area will be a macro-

level analysis of the relationships between capital accumulation, productivity improvements, and social integration.