

Working Paper Number 72**Social Exclusion: the Concept and Application to Developing Countries**

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The feasibility of operationalisation of the 'social exclusion' concept in developing countries is investigated in this paper. The origins of the approach in relation to the welfare state and unemployment status and its spread in Western Europe and developing countries are discussed briefly. Some studies operationalising the concept in Western Europe and developing countries are presented. The differences in the social security arrangements between industrialised and developing countries that require the concept to be altered to allow implementation in local contexts are discussed. Such attempts however appear to largely result in a repetition of research that has already been conducted within frameworks that have developed in developing countries (basic needs, capabilities, sustainable livelihoods, risk and vulnerability, participatory approaches) in parallel to the 'social exclusion' concept in industrialised countries. While most features of the 'social exclusion' concept (attention to multiple dimensions, social relationships, assessing the poverty of individuals relative to others in society and concern with dynamics of poverty) are shared by concepts implemented in developing countries, these frameworks, could benefit by taking from social exclusion its emphasis on investigating the processes that lead to poverty. It would however be sufficient to incorporate an emphasis on looking at processes within pre-existing frameworks in developing countries, rather than re-doing poverty analyses under the rubric of 'social exclusion'.

May 2001

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Acknowledgements

This paper has been written for the project 'Alternative realities? An empirical investigation into alternative concepts of poverty', funded by a grant from the Department for International Development, U.K. The project is based at Queen Elizabeth House, University of Oxford and involves collaboration with the National Council of Applied Economic Research, Delhi, India and the Universidad del Pacifico, Lima, Peru. Thanks are due to Professor Frances Stewart, Professor Barbara Harriss-White, Caterina Ruggeri Laderchi and Susana Franco for comments and discussions, which contributed immensely to the improvement of the paper. Arjan de Haan and Tania Burchardt have been most helpful and their input as well as that of our collaborators Dr Enrique Vasquez and Dr Abusaleh Shariff as well as other participants at the workshop held at Queen Elizabeth House, University of Oxford (October 27-28, 2000), has been very valuable.

1. INTRODUCTION	3
1.1 ORIGIN	3
2. DESCRIPTION OF THE APPROACH.....	3
2.1 DEFINITION	4
2.2 RESEARCH STUDIES IN INDUSTRIALISED COUNTRIES	4
2.3 APPLICATION TO DEVELOPING COUNTRIES	6
2.3.1 <i>Exclusion from the welfare State</i>	6
2.3.2 <i>Exclusion from promotive social security</i>	7
2.3.3 <i>Exclusion as defined in relation to employment.</i>	8
2.3.4 <i>Concepts paralleling 'social exclusion'</i>	8
3. SOCIAL EXCLUSION AND PARALLEL CONCEPTS: MAIN FEATURES.....	10
3.1 MULTIDIMENSIONAL	10
3.2 RELATIONAL.....	11
3.3 RELATIVE	12
3.4 DYNAMIC	12
3.5 EMPHASIS ON PROCESS	13
4. CONCLUSION.....	13

1. Introduction

The term ‘social exclusion’ was first used in the early seventies, in relation to exclusion from the ‘norm’ as defined by industrial societies. The origins of the concept in France and its extension to policy discourses in other countries within the European Union as well as in developing countries is traced briefly in this paper. Definitions of the approach and core features are presented. The emphasis however is on exploring the possibility of application of the concept to developing countries.

1.1 Origin

In the nineteenth century, modernisation and industrialisation resulted in a new type of poverty that affected the working class. Social tensions were threatening the social order. Various measures like the enforcement of factory legislation, social insurance and institutionalisation of industrial relations were introduced in industrialised countries to counter these social tensions. These measures constituted the origins of the modern welfare state (Bhalla and Lapeyre, 99). The first use of the term ‘social exclusion’ (attributed to Richard Lenoir, 1974) referred to those who were not protected by the welfare state and were considered social misfits. The ‘socially excluded’ included the mentally and physically handicapped, the aged and invalid, drug users, delinquents, suicidal people and so on. In the seventies and eighties globalisation and the new trend to privatisation, deregulation, reduction of public services, a shift towards targeted assistance and deregulation of the labour market were accompanied by rising unemployment in Europe, and precariousness affecting those who formerly enjoyed secure jobs and associated social networks (Bhalla and Lapeyre). The term ‘exclusion’ was now extended beyond the earlier French definition to include the rise in long term and recurrent unemployment, as well as the growing instability of social relations. It was recognised that employment was not just about income, but also about social networks, and a sense of self-worth and that the unemployed were ‘excluded’ from participation in the normal activities of society. The approach gradually became popular in other countries in Europe and was adapted by the European Community (later Union).

The term social exclusion is not used that frequently in the U.S. where the term ‘underclass’ in essence refers to the same phenomenon. In this paper, the use of the term ‘social exclusion’ is restricted to the definition adopted in Western Europe i.e. in relation to formal employment and the welfare state. Further, only the use of the concept in academic research is explored. For details on the use of the terms amongst development agencies and non-governmental organisations, see Clert, 1999.

2. Description of the approach

No attempt is made to develop a new definition of ‘social exclusion’. Rather some definitions that have been proposed are presented in Section 2.1. The manner in which the concept has been operationalised in Western Europe is demonstrated through a presentation of some research studies in Section 2.2. Possible approaches to and attempts to apply the concept in developing countries are discussed in Section 2.3.

2.1 Definition

Social exclusion has been defined in European documents such as the 1992 Second Annual Report of the European Commissions Observatory on National Policies to Combat Social Exclusion, “in relation to the social rights of citizens...to a certain basic standard of living and to participation in the major social and occupational opportunities of the society” (Gore, Figueiredo and Rodgers, 1995, p2).

A definition suggested by Julian le Grand at the Centre for Analysis of Social Exclusion, U.K. takes into consideration the difference between voluntary and non-voluntary exclusion (Burchardt *et al*, 1999). An individual is defined as being socially excluded, if (a) he or she is geographically resident in a society but (b) for reasons beyond his or her control he or she cannot participate in the normal activities of citizens in that society and (c) he or she would like to so participate. A refinement of Le Grand’s definition has been attempted by Barry, 1998 who discusses the fact that often although people supposedly voluntarily decide not to participate, this decision may in fact be the result of their perceiving that their participation is not desired in the first place e.g. in South Africa during the apartheid regime, blacks not wanting to go to ‘whites only’ clubs. Barry thus suggests that groups be considered socially excluded if they are denied the opportunity of participation, whether they actually desire to participate or not.

While appearing quite broad, such definitions implicitly relate to activities and standards considered the norm in industrial societies, like participation in the welfare state or being part of the organised employment force. An examination in Section 2.2 of some of the studies that investigate ‘social exclusion’ in industrial societies makes this apparent.

2.2 Research studies in industrialised countries

Most empirical studies analysing ‘social exclusion’ in Western European countries, take the employment status as a starting point. Correlations between employment or unemployment status and exclusion along a number of dimensions are then investigated.

- Whelan and Whelan (1995), distinguish between 3 classes: middle class, non-marginalised working class and the marginalised working class and focus on the marginalisation of the working class. They look at correlations between belonging to a particular class and income, savings, house value, deprivation of basic items like food, clothes and heat, secondary deprivation involving absence of items like car, telephone, or participation in leisure activities and housing deprivation involving absence of items relating to housing quality and facilities. They also examine the relationship between belonging to one of these classes (thus labour market, marginalisation), basic deprivation and some aspects of physical and mental health.
- Paugam (1995) conducted an analysis on data for France, to try and identify the group with the highest accumulation of handicaps and most likely to spiral into ‘social exclusion’. Again as its starting point, this study used five groups based on employment status and looked at the relationship between individuals in each group and their conjugal relationship, income and social life. A further analysis suggests that even amongst those with stable jobs, there are small percentages

(about three percent) of individuals who are in poverty with regard to income and social relationships. Such individuals would thus be vulnerable to becoming 'socially excluded' on losing their jobs. The percentage increases to around twenty two percent amongst those who are unemployed. Even this group however has people who are not in monetary poverty or poverty of social relationships, despite not having a job.

- Paugam (1996), in a comparative research project covering seven Western European countries, similarly looks at the relationship between precariousness in the labour market and a range of indicators that reflect social links, material poverty and other forms of social handicap (like welfare dependence, health, youth problems). There was a convergence in some findings between countries, in that precariousness in the labour market defined as unemployment or lack of job security was correlated with marital problems, low incomes, poor housing conditions, increased dependence on state welfare benefits and increased risk of health problems. There was divergence as well with precariousness being associated with impoverished social relationships in France, Germany and Great Britain (the 3 largest industrialised countries), but not significantly correlated with weak family connections and non availability of private support network in Spain, Netherlands and Denmark. In fact in Italy social relationships were found to be stronger. The author suggest that perhaps in Mediterranean countries, the unemployed (especially in south Italy) participate in the black market and are thus able to remain fully integrated within the social system.
- Burchardt *et al*, 1999 in their empirical study using data for Great Britain, specify that they are defining exclusion in relation to lack of participation in what would be considered 'normal activities' for the society under study (Britain) for that particular time period (1991 - 1995). They go on to identify five dimensions which they consider to represent the normal activities in which it is most important that individuals participate. These are (a) consumption activity (being able to consume at least up to some minimum level goods and services considered normal for that society); (b) savings activity (accumulating savings, pension entitlements or owning property); (c) production activity (engaging in economically or socially valued activities like paid work, education or training, retirement if over state pension age or looking after a family); (d) political activity (including voting, membership of political parties and of national or local campaigning groups) and (e) social activity (social interaction with family or friends and identifying with a cultural group or community). Exclusion from each dimension is assessed separately and the authors point to the absence of a distinct group of 'socially excluded' individuals. Few individuals were found to be excluded on all dimensions in any one year and even fewer were identified as having experienced multiple exclusion for the whole period under study.
- Jonsson (1999) explores implications of the 'social exclusion' concept for gender. The author argues that if state benefits are linked to the labour market (e.g. as in Germany or France) or linked to means testing (e.g. as in the U.S. or U.K.) rather than being linked to citizenship (as in Scandinavian countries), then women by virtue of the gendered divisions of labour (being more involved in unpaid work at home, more part time work, etc) would be more likely to be socially excluded.

2.3 Application to developing countries

The concept gradually diffused from the North to the South mainly through the efforts of United Nations agencies like the ILO, UNDP, UNESCO, UNRISD, WHO and UNHCS. Clert (1999) gives details of these initiatives. Most active was the International Institute of Labour Studies, attached to the International Labour Office, which carried out a lot of conceptual and empirical background work on the concept in relation to developing countries, in preparation for the World Social Summit held in Copenhagen, in 1995.

In the North, patterns of social integration are institutionalised and fairly clearly defined and 'social exclusion' applies to those outside accepted norms. Exclusion from participation in society is associated, for example, with loss of rights associated with work and the welfare state, long-term unemployment, and breakdown of social ties and disaffiliation (Gore and Figueiredo, 1997). The excluded are minorities. In many developing countries however, due to structural heterogeneity, defining what is 'normal' may not be that simple. It is questionable whether the concept of 'social exclusion' as developed originally in industrialised countries can be applied in developing countries. Possible ways of operationalising the concept are investigated below.

2.3.1 *Exclusion from the welfare State*

There are many differences in the political histories, magnitude of insecurity, administrative resources and budget constraints in developing countries, compared to industrial countries. Given these differences, very few social security measures exist comparable to those in industrial countries. Consider the provision of income support of the kind given through the social security system in developed countries if attempted in developing countries. It would have to be given to over half the population as compared to about ten to fifteen percent of the population in industrialised countries. This would require "an incomparably higher level of fiscal commitment in relation to resources" (Osmani, 1991, p305). Further, the structure of the economy in developing countries differs. Social insurance for example is largely predicated on employment under conditions where employment and earnings are recorded with an arms-length relationship between employees and their employers (Atkinson and Hills, 1991). In rural and informal/unorganised sectors in developing countries however formalised employment relationships do not exist. Further, in situations where poor food and hygiene predispose people to frequent illness, sickness insurance schemes may well "turn out to be an actuarial disaster." (Osmani, 1991 p305).

Of the social security schemes that exist, coverage is very low: state support for the infirm and disabled is negligible; education support is limited and does not usually extend beyond primary school; state pensions cover a minority and health care which although subsidised is spread very thinly and haphazardly (Burgess and Stern, 1991). People identified in developing countries as being 'socially excluded' on the basis of exclusion from social security measures would thus include the majority of the population. Given the lack of a well formed welfare state, applying the concept of 'social exclusion' as it was developed originally therefore does not appear practically feasible.

2.3.2 *Exclusion from promotive social security*

Given the lack of a well developed welfare state, a second option is to explore ‘social exclusion’ in the context of social security schemes as they have developed in developing countries in response to the specific circumstances and particular problems that exist there.

In developed countries, social security is generally seen in terms of specific programmes (Burgess and Stern, 1991 and Atkinson and Hills, 1991). These involve social assistance (designed to relieve poverty), social insurance (concerned with providing security and spreading income over the life cycle) and categorical transfers (directed to redistribution). Social security relies on two key assumptions viz. “a legitimated state and a pervasive labour market as the basis for most people’s livelihoods” (Wood, 2001, p1). Supporting assumptions are the existence of sophisticated and regulated financial markets which enable strong links to be established between the state and the market to support sectors concerned with savings, pensions and insurance, (Wood, 2001). Dreze and Sen, 1991 suggest that social security in developing countries in contrast, is not just a matter of State activity but includes activism of the public, non-governmental organisations, social political and humanitarian institutions. They distinguish between protective and promotive security. The former is taken to include measures concerned with the protection of living standards from serious decline e.g. by prevention of famines. The latter includes measures concerned with the promotion and enhancing of normal living conditions. These deal e.g. with regular and persistent deprivation like endemic hunger or rampant morbidity. Promotive social security could thus be seen as being in spirit similar to social security schemes that exist in industrialised countries. Given the broad definition of social security in developing countries, it would however be quite difficult to identify individuals who do or do not benefit. Dreze and Sen suggest judging the efficacy of social security not based on the means, but in terms of its effect on the lives that people are able to lead. They propose assessing this effect by looking at the fulfilment of ‘capabilities’ of people (for details on the capabilities approach see Sen 1985). Similarly, Burgess and Stern, 1991 argue that in developing countries, a definition of social security based on state programmes would be too narrow and needs to include contributions of the household and community. They thus suggest the desirability of a broader approach to looking at social security centred on objectives rather than just government means. They define the objective of social security as being “the prevention, by social means, of very low standards of living irrespective of whether these are the results of chronic deprivation or temporary adversity” (p43). While it is not their intention to suggest that means are unimportant, they propose placing emphasis, in the analysis, on outcomes instead.

Under such a broad interpretation of social security, individuals who do not achieve certain minimal standards of functionings related to health, nutrition, education as suggested by Dreze and Sen and Burgess and Stern, could thus be considered ‘socially excluded’. Such studies assessing indicators of health, nutrition, education have in fact been carried out frequently in a number of developing countries, though not under the rubric of ‘social exclusion’

2.3.3 Exclusion as defined in relation to employment.

Another possibility is to define 'exclusion' in relation to the employment status. As mentioned earlier, although the unemployed in industrial countries received social security benefits and were not excluded from the welfare state as such, they began being considered as socially excluded. It was increasingly recognised that employment was not just about income, but also about social networks, and a sense of self-worth and that the unemployed were 'excluded' from participation in the normal activities of society.

Using the employment status to classify individuals as 'socially excluded' in developing countries is however fraught with problems. Here the percentage of population engaged in the organised sector is a minority. In India e.g. according to the NSSO data for 1987-88 of all those classified as employed, only 14% were regular employees with a regular salary and various perks and privileges. Others were either casual labourers or self-employed, with all the "attendant uncertainties it would entail on their livelihoods" (Nayak, 1994). Citing more recent data for India, Sinha, Sangeeta and Siddiqui (1999) mention that the working lives of some 83% of the population in India are covered by the informal sector; 92% if female and 80% if male. Using the Western criterion of employment would thus result in the majority of the population being classified as unemployed and 'socially excluded'.

More fundamentally in rural economies, seasonally determined irregular employment as well as casual employment may well be considered the norm. It is not clear that such individuals although classified by Western standards, as unemployed or underemployed, could be considered as being excluded from the usual activities of the society they live in and therefore, as being 'socially excluded'.

2.3.4 Concepts paralleling 'social exclusion'

Given the obvious difficulties in transplanting the concept of 'social exclusion' to developing countries, attempts have been made to modify it to suit particular contexts. The criteria that some studies exploring 'social exclusion' in the developing country context investigate are outlined below.

- Appasamy *et al*, 1996 in an ILO study in India, define social exclusion in terms of exclusion from a few basic welfare rights. They concentrate on the dimensions of health, education, housing, water supply, sanitation and social security. Attempts are made to identify percentages of individuals with no access/inadequate access to each of these rights. Analysis is disaggregated by State, location (urban and rural), gender, age, income level, asset-base, religion and caste.
- Nayak, 1994 focuses in India on a) exclusion from basic goods due to (income) poverty; b) exclusion from employment – including a discussion of the difficulties in conceptualising employment as in the West; c) exclusion from rights – particularly the right to a secure childhood in the context of child labour and d) exclusion on the basis of caste which the author recognises as an exclusionary dimension of central importance in India.
- Cartaya *et al*, 1997 in the ILO study based in Venezuela, map out the main social and political rights and the institutional framework from which these rights have developed. Based on this map, they attempt to identify individuals and groups

most likely to be excluded from these rights and describe the processes through which the exclusion occurs.

- Figueroa, Altamirano and Sulmont, 1996 in an ILO study, explore economic, political and cultural exclusion in Peru – identifying groups that suffer exclusion and the process of exclusion. Economic exclusion is explored in terms of exclusion from non-Walrasian markets like labour, credit and insurance which are fundamental for livelihood. Political exclusion looks at exclusion from rights like property rights, social protection rights and basic public services (health, education, and justice). Cultural exclusion is mainly do with the membership of some social networks.
- The ILO study for Tunisia used the perceptions of certain groups of people (like unemployed persons, housewives and working women) to define who they considered as socially excluded. They concluded that diversified indicators were required to identify exclusion. Further exclusion appeared to be defined differently by different people depending on their social status and living conditions. E.g. housewives considered employment the basic factor for integration; working women identified ‘social exclusion’ taking into consideration literacy, illness, perversion and disability; while most unemployed individuals defined exclusion as lack of income and unemployment although a significant proportion did not consider being unemployed as being excluded. The responses led the authors to conclude that both employment and a guaranteed income source were important indicators of integration (Bedoui and Gouia, 1995).
- In a World Bank study, Mearns and Sinha, 1999 explore the issue of social exclusion and land administration on Orissa in India. They look at a number of factors (from the point of view of transaction costs) that constrain access to land for the poor and for women.
- In most other ILO country studies, the group that is known to be in danger of ‘social exclusion’ is identified *a priori*. Examples of some studies are: a) rural residents, salaried middle strata and long term unemployed in Russia; b) six urban and three rural groups in Tanzania. The former include beggars, stone-crushers, peddlers and street traders, open-air food vendors, casual labourers and fresh fish dressers. The rural groups include the landless, near-landless and those without access to fertiliser; c) day labourers, a group called the Akhadam, the returned emigrants of the Gulf war and inhabitants of remote rural villages in Yemen; d) groups based on ethnicity in Cameroon and e) women and ethnic minorities as well as hill people and poorly educated farmers, workers in the informal sector and homeless people living under bridges in Bangkok, in Thailand.

The focus of these studies is on a description of the *a priori* defined group, an investigation of the extent to which these groups are actually experiencing multiple deprivations, and an analysis into the processes involved in such deprivations.

While all these studies are explicitly looking at exclusion from something, given the absence of the concept of the welfare state and formal employment in developing country contexts, the original sense in which the concept was developed is not applied. Most studies although labelled as ‘social exclusion’ are thus quite similar to earlier multidimensional poverty studies performed in the respective countries. Poverty research that earlier looked at landlessness now looks at exclusion from land; those

that looked at gender, caste or race based discrimination now look at exclusion on the basis of gender, caste or race; those that looked at access to health, nutrition, education now look at exclusion from basic rights or basic capabilities; studies on child labour are recast as looking at exclusion from a secure childhood; earlier studies on income or monetary poverty are recast as exclusion due to poverty. Thus the concept of 'social exclusion' as it originated in Western Europe, seems to have played a role in the re-opening of old debates and discussions in developing countries under new terminology.

3. Social exclusion and parallel concepts: main features

At the European level, the concept of 'social exclusion' has had great value in that it has resulted in a real improvement to a conceptual framework which earlier concentrated on a static description of income shortages. The concept has prompted the enlargement of the research field in two directions - namely (i) the encompassing of a multidimensional set of living conditions and (ii) the dynamics and processes leading to poverty or deprivation (Berghman, 1995). Around the same time, in developing countries given the absence of the welfare state and a pervasive formalised labour market concepts different from 'social exclusion' like basic needs, entitlements, capabilities, vulnerability and human development emerged. These have had the impact of widening the scope of assessment of poverty and poverty alleviation policies in developing countries beyond a static approach and a narrow monetary base. In effect the rejection of the narrow monetary notion of poverty by the EU, and adoption of the 'social exclusion' approach, could be seen as an adoption of the broader dynamic notion of investigation into poverty that evolved around the same time in the context of developing countries. This becomes even more obvious if parallel developments in poverty analysis are traced for industrialised and developing countries. Consider developments along the following features that are discussed in the literature as characterising 'social exclusion':

3.1 Multidimensional

In the seventies, extensive dissatisfaction was expressed with the monetary approach to poverty in industrialised as well as developing countries. Apart from political reasons, in industrialised countries this seems to have been prompted by the realisation that the problems of people excluded from the social welfare system or secure employment could not be addressed just by monetary compensation. Atkinson, 1998 investigating the relationship between income poverty and unemployment in eight European countries in the late 1970's and the 80's showed that although there had been a rise in unemployment, it had been accompanied by a rise in income poverty, except in the UK. It would therefore appear that there was no cause for concern from an income perspective. Governments in Europe were however gravely concerned with rising unemployment. Even if income lost is replaced completely by benefits, unemployment costs are seen to go beyond the loss of income. Together with any income losses, it is these losses in other dimensions that 'social exclusion' has been concerned with. Using the term 'social exclusion', as synonymous with income poor discounts situations where non-income aspects cause deprivation (e.g. disability) as well as those where restricted resources do not necessarily cause isolation. 'Social exclusion' is thus clearly broader than income poverty. Further, the multidimensional aspect of 'social

exclusion' is not just about looking at a number of dimensions individually, but looking at the links between them (Clert, 1999). The broader concept of 'social exclusion' thus began adding to and sometimes replacing the narrow monetary approach to poverty assessment. Formulation of poverty alleviation policies was similarly influenced.

Around the same time, the 'dethronement' of GNP as the sole objective of development began gaining popularity in the literature on developing countries. The theoretical as well as empirical limitations of the utilitarian justification of the money metric approach contributed to the origin of alternative approaches for assessment of well being. Additional support was provided by evidence from countries, which although not performing well on the scale of the GDP seemed to have better development in indicators like those of health education etc. (Stewart, 1995). Thus emphasis began to shift from 'income' poverty to broader multidimensional (including social, political and cultural dimensions in addition to the monetary dimension) approaches to poverty. Approaches like the 'basic needs' approach and later the 'entitlements' 'capabilities', human development', 'sustainable livelihoods' approaches contributed greatly to this. The rise and subsequent spread of the participatory approaches also contributed to extending attention from economic and political to cultural aspects of poverty – and also directing attention to community and common property resources accessible by individuals.

3.2 Relational

Income poverty has traditionally focused primarily on households as a unit in isolation from one another, and on distributional issues, looking at the lack of resources at the disposal of the individual or the household. The 'social exclusion' concept is argued to have shifted the focus in industrialised countries to social relationships. The vulnerability of an individual or household to 'social exclusion' is seen to depend not just on their own resources but also on the local community resources that they can draw on (Room, 1999)- e.g. ties with family members, local traditions of mutual aid, self - help organisations and the state. This is attributed by Room, 1999 and de Haan, 1999 to the different intellectual traditions underlying the two approaches . Research in poverty having its roots in Anglo-Saxon - specifically British - thought in the 19th century (Booth, 1887; Rowntree, 1902 more recently Townsend, 1979) was associated with a liberal view of society. The individualistic approach was thus central in that the market consists of free individuals entering voluntarily into contracts and poverty therefore becomes an individual problem (de Haan, 1999). The goal of social policy was to ensure that each person had sufficient resources to be able to survive in such a competitive arena. The notion of 'social exclusion' on the other hand, is rooted in continental - particularly French - discourse. Here society is seen as a status hierarchy or a number of collectives, bound together by sets of mutual rights and obligations, which are rooted in some broad moral order. In this context 'social exclusion' is viewed as the process of becoming detached from the moral order, the task of social policy being to reintegrate people into society.

In developing countries the capabilities approach shifted the focus of poverty from goods to people. Unlike the 'social exclusion' approach however, the fact that the capabilities approach offered a way of assessing at the level of the individual rather than the household, was seen as one of the major headways into poverty research in

developing countries. This allowed investigation and identification of intrahousehold discrimination (e.g. age and gender). This has also been accompanied by a rise in participatory approaches to poverty assessment in developing countries which like 'social exclusion' do stress the importance of relationships between individuals and the community they live in.

3.3 Relative

The analytical focus of poverty in traditional poverty assessments using absolute lines has been at the individual or household level. 'Social exclusion' however involves the 'exclusion' of people from a particular society. One cannot look at them in isolation but have to look at their circumstances in the context of the rest of the society they live in, to judge whether a person is excluded or not (Atkinson, 1998). 'Social exclusion' thus incorporates a relative element. In practice however, income poverty analysis has progressed beyond absolute measurements. Relative income poverty lines are regularly used in Europe (usually 50% below the average income). Further, it could be argued that, even in its conceptualisation, the income approach does incorporate a relative element. Ruggeri Laderchi (2000) discussing the work of Rowntree (1902) says although he made a conceptual distinction between primary and secondary poverty, he suggested that both were of relative nature. According to him the point at which primary poverty passed into secondary largely depended on the standard of well-being considered necessary and secondary poverty depended on the opinion of investigators as to the standard of a acceptable lifestyle.

Unlike the stress of 'social exclusion' on the relative aspect in industrialised countries, given the stark levels of poverty in developing countries, the thrust of new approaches there has been towards fulfilling minimal absolute levels. This began with the 'basic needs' approach and has continued with the capabilities approach, with the emphasis in developing countries on 'basic capabilities' towards trying to justify lifting individuals above certain 'absolute' levels of poverty¹. Thus given the differences in the levels of poverty, the problems and different institutions in developed and developing countries, the trajectories followed in progress in poverty research have sometimes been divergent.

3.4 Dynamic

Earlier, both in industrialised countries and in developing countries most poverty studies were static, relating to 'outcomes'. In parallel with a move to the multidimensional nature of poverty however, the importance of the time dimension increasingly became obvious. In industrialised countries such a change in the focus of poverty studies seems to have been prompted by studies looking at unemployment, and prospects over longer time frames. The concerns of 'social exclusion', when operationalised in Europe, have been with long term unemployment which then leads to multiple disadvantage and exclusion from society. People are considered

¹ The Capabilities approach of Sen has wide applications in developed and developing countries and is not restricted to basic capabilities. In developing countries however, as discussed by Saith, 2001, the operationalisation of the approach has largely concentrated on 'basic capabilities'.

‘excluded’, not just because they do not have a current job or income, but because they have few prospects for the future (Atkinson, 1998).

In developing countries, with the availability of panel data, studies differentiating between chronic and transient poverty and investigating vulnerability and shocks caused a shift in the emphasis from the static to the dynamic aspect of poverty. These studies have progressed beyond just looking at the statistical likelihood of falling into poverty to looking at insecurity, defencelessness, as well as exposure to risk and shocks. A brief discussion of such papers and a detailed bibliography is provided by Yaqub, 2000.

3.5 Emphasis on process

Lastly in the case of the monetary approach to poverty, a large number of studies exploring the causes and correlates of poverty do exist, especially in developing countries. These have however not fed into political change and remained in the background as the emphasis has traditionally neglected processes and focused on the identification of the ‘poor’. Poverty alleviation policies based on the monetary approach have generally concentrated on the uplifting of targeted groups, rather than on rectifying the processes that have resulted in the poverty. In industrialised countries, the ‘social exclusion’ approach originated in relation to concerns regarding the welfare state. The approach therefore from the start was concerned with institutions and their role in the processes leading to poverty, causing a shift in emphasis from outcomes to processes. It is suggested in the literature that adopting the concept of social exclusion shifts the emphasis from outcomes to that of processes and ‘causal analysis of various paths into and out of poverty, getting beyond the unhelpful lumping together of diverse categories of people as “the poor”’ (Gore and Figueiredo, 1997, p10). In the case of income poverty studies, on the other hand, the emphasis has been on outcomes and identification of the poor, although studies investigating processes, causes and correlates of income poverty do exist.

With regard to the frameworks developed in developing countries e.g. capabilities, vulnerability studies, analysis of outcomes rather than processes has been predominant. Taking note of such an emphasis in the ‘social exclusion’ approach, might well help bring the extensive research that has been conducted in developing countries into causes, correlates and processes of poverty to the fore.

4. Conclusion

In conclusion, it is apparent from the discussion in the previous sections that poverty analyses in industrialised and developing countries have progressed beyond monetary poverty. “The poverty studies (in developing countries) seem to be moving in the same direction as poverty studies in the West: from rather economic conceptualisations towards more complex “human” concepts, including social and political rights and people’s capabilities” (de Haan, 1994 p 7). Given the differences in the nature of problems faced however, approaches to poverty have progressed to some extent in directions specific to developed and developing countries. Thus in industrialised countries, the concept of ‘social exclusion’ related to the welfare state and formal employment has developed. While in developing countries, concepts related to ‘basic capabilities’, risk aversion, vulnerability and sustainable livelihoods have developed.

Since it is difficult to apply the ‘social exclusion’ concept to developing countries in the context of the welfare state and formal employment, attempts to modify and apply it have largely resulted in a repetition and relabelling of poverty studies (broader in scope than monetary poverty) that have already been carried out in developing countries. It appears therefore that rather than trying to transplant the concept, it might be worth concentrating on incorporating the advantages of ‘social exclusion’ like its emphasis on process into existing frameworks in developing countries.

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