SOCIAL EXCLUSION AND POVERTY REDUCTION IN LATIN AMERICAN AND THE CARIBBEAN
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INDEX

ACKNOWLEDGEMENTS ........................................... 7

PROLOGUE TO WORKSHOP PROCEEDINGS ON POVERTY AND SOCIAL EXCLUSION IN THE LATIN AMERICA ........ 9

Guillermo Perry

INTRODUCTION: POVERTY AND SOCIAL EXCLUSION IN LATIN AMERICA AND THE CARIBBEAN .................. 13

Estanislao Gacitúa
with Shelton H. Davis

SOCIAL EXCLUSION AS A DISTRIBUTION THEORY .......... 23

Adolfo Figueroa

THE SOCIO-POLITICAL AND CULTURAL DYNAMICS OF SOCIAL EXCLUSION ........................................... 49

Carlos Sojo

BASIC RIGHTS AS A REFERENCE FOR EXPLAINING THE PARADIGM OF CITIZENSHIP AND DEFINING THE BOUNDARIES OF SOCIAL EXCLUSION .......................... 79

Jaime Ordoñez

SOCIAL EXCLUSION IN THE CARIBBEAN ...................... 103

Michel-Rolph Trouillot

RACE, POVERTY, AND SOCIAL EXCLUSION IN BRAZIL ................................................................. 143

Nelson Do Valle Silva

YOUTH AND SOCIAL EXCLUSION IN CHILE ................. 181

Carolina Tobá Morales
The papers included in this volume help define with greater precision what is understood by social exclusion and its conceptual and analytical relevance. In this regard, the first point that must be emphasized is that social exclusion should not be understood merely as a category or a state in which certain social groups are found or into which they may fall. Rather, the papers show that social exclusion should be conceptualized as a process. The value of the social exclusion approach is that it explains how diverse risk factors (economic, political-institutional, and socio-cultural) interact and result in a situation of clear social disadvantage and inequality for certain social groups, thereby allowing a more integrated evaluation and design of instruments of social policy.

A second element inferred from the above is the necessary differentiation between the concepts of "marginalization," "poverty," and "social exclusion." Conventionally, poverty has been defined as a lack of income. Marginalization, on the other hand, refers to a situation in which a social

1. Individuals are considered poor when the income received does not allow them to reach a level of consumption that would satisfy basic nutritional requirements, goods, and minimum services. For further discussion of poverty and extreme poverty lines and other indicators which can be used to estimate poverty levels see Martin Ravallion (1992), *Poverty Comparisons, A Guide to Concepts and Methods*, The World Bank LSMS Working Paper 88, Jesko Hentschel and Peter Lanjouw (1996) *Constructing an Indicator of Consumption for the Analysis of Poverty*, The World Bank LSMS Working Paper 124. For a more ample discussion about this topic, see The World Bank (1993) *Poverty Reduction Handbook*. 
group, due to historical structural conditions, cannot participate as expected according to the prevalent norms and/or values in that society. That is to say, a social group is marginal when it does not have access to certain areas of social, economic, cultural or political action. Nevertheless, marginalization does not necessarily involve the accumulation of these phenomena. That is, a social group can be marginal without necessarily being poor (or becoming poor).

The notion of social exclusion, as we have already seen, is broader than the concept of poverty, because it refers to a process that includes not only an economic dimension (access to markets and levels of income). Nevertheless, the results presented here indicate that, more important that understanding the distinction between the these concepts, is to recognize the cognitive utility of the social exclusion approach which allows the development of a dynamic, multi-dimensional model for explaining the interactions of multiple factors that may result, among other things, in poverty, inequality, and marginalization. It also provides a screen through which the evaluation and design of state policies can be filtered to ensure that they lead to greater social inclusion.

CONCEPTUAL AND METHODOLOGICAL ASPECTS

To summarize, from the conceptual point of view, one advantage of utilizing social exclusion as an analytical tool is that it help us to understand how risks are accumulated. That is, it allows mapping the social, economic, cultural and political-institutional processes that lead into or prevent from getting out of a condition of poverty and marginalization.

Social exclusion brings into the analysis the notion of vulnerability, or the capability that a social group has for handling a set of risks and suffering certain negative impacts. In this context, the concept of risk indicates a known danger, which therefore can be controlled and measured within certain limits, indicating that there exists an institutional structure designed to control the danger or reduce its impacts. Social exclusion analysis aims

2. In this regard, see the concept of marginalization developed initially by Gino Germani (1979) in Marginalization: New Brunswick, Nj Transactions Books.

3. It is important to note that some extend the concept of poverty and consider it a multi-dimensional phenomenon. One example of this is the Index of Human Poverty (IHP) utilized by the PNUD. To see other cases where the concept of poverty is used in ample form, see the works of Ian Gough and Gunner Olofson (Editors), Capitalism and Social Cohesion: Essays on Exclusion and Integration, (1999) and A.S Bhalla and Frederic Lapeye (Editors), Poverty and Exclusion in a Global World, (1999).
at identifying the structures and factors that can expose a social group to suffering negative impacts as well as the areas of intervention in which decisions must be made in order to prevent the manifestation of the risk factor or mitigate the occurrence of its impacts.

Regarding the definition of models, the authors highlight that the exclusion approach is based on circular causality, meaning that the interaction of the distinct dimensions is more significant than the primacy of any one dimension. This implies that any model should deal with the distinct dimensions of social exclusion as exogenous variables whose interactions cannot be broken down into independent factors. Thus, when formulating models it is essential to clearly identify which are external variables and, on that basis, begin to think about the distinct interactions that could occur, and the path or chain reaction of these factors with other variables that contribute to explain the situation of poverty and marginalization of any social group.⁴

Nonetheless, the authors also illustrate some of the difficulties that go along with the development and utilization of a model such as the one proposed. In the first place, there is a serious problem with the operational definition of the variables and indicators of the different dimensions of exclusion. On one hand, it is difficult to define the exogenous/endogenous variables in each of the dimensions. On the other, once the variables have been identified and defined, we confront the problem that they may be multiple and complex, which may require the construction of indexes summarizing and weighting the distinct indicators.

The works presented here demonstrate that the social exclusion approach requires the utilization of quantitative as well as qualitative methods. Until now, a large portion of the literature on social exclusion in the region has concentrated on the conceptual definition of the phenomenon and not on analysis of the situation, either through secondary information or with case studies in which qualitative analysis is predominant. One of the challenges put forth by the authors is the definition of models based on case studies and tested through quantitative analyses measuring the impact of the different variables, and interpreted in the light of the subjects' perceptions. Only in that way, the authors suggest, would be possible to identify policy instruments and intervention strategies sensible to social exclusion issues.

⁴ As will be discussed later on, this has a very important consequence at the moment of thinking or evaluating policy instruments. If from the conceptual and analytical point of view the effects of distinct dimensions of social exclusion cannot be broken down, then it is also not possible nor effective, from the social policy (intervention) perspective, to think of isolated policy instruments that are very narrowly defined form the sectoral point of view.
POLICY OPTIONS

The results presented by the authors indicate that the region is experiencing an increase in social and economic disparity, even in those cases where there has been a decrease in poverty. This is particularly clear when we analyze the situation of vulnerable groups, such as youth or women in lower income brackets. At the same time, the cases analyzed suggest that, from a social exclusion perspective, just as important as the economic position or income level of the affected groups are the repercussions of the perception they have in terms of their capacity to mobilize an attempt modifying the conditions that generate the current situation.

There are four major processes that summarize the findings in the distinct dimensions that have been analyzed. First, from the economic perspective, the results corroborate the existing poverty levels and indicate toward the structural barriers that impede equal participation and access of some social groups to productive assets and the markets. The results indicate that is this lack of access what excludes these groups from attaining the minimum standards of living set by society.

Second, the results show that existing institutional mechanisms are not functioning, as they should to prevent or mitigate the impacts of events that have a negative effect on vulnerable groups. In fact, existing institutional arrangements have build in limitations that increase the exposure to risk and the vulnerability of certain social groups.

Third, the prevalent mechanisms of cultural (re)production make it difficult for certain minority groups to articulate and assert their identity within the dominant society. Consequently, these groups are marginalized and society as a whole suffers a loss of social capital.

Related to the above, the results demonstrate that traditional mechanisms of social participation often fail to represent the interests of vulnerable groups. In general, traditional membership organizations (corporative and political parties) tend not to reflect the heterogeneity (in terms of vulnerability and interests) of the actors they seek to represent. This calls for the strengthening of social organizations, group identity resource mobilization, particularly of vulnerable or excluded groups.

The results point toward three general conclusions regarding social policy instruments and the options that may exist for the region.

First, a central conclusion is regarding the role of the State as guarantor of fundamental rights that ensure meeting certain thresholds of well being (resources, services, participation, representation). The results indicate that the exclusion experienced by some groups is the result of institutions and mechanisms that get in the way or erode the satisfaction of certain basic
rights. In general, the state has not been sufficiently active in leveling the field and compensating for the inequalities that certain groups face trying to participate in the market. This has resulted in the inability of some to attain their economic rights. Similarly, at the level of representation and cultural expression, the state has not equally provided for all groups the possibility of developing and ensuring a place for their identities, culture and political and economic interests in the development of the nation-state.

From the institutional perspective, surmounting social exclusion requires the participation of the State as a facilitator, financier, regulator and enforcer of certain rights (civil, political, economical, social and cultural). That is, the state must ensure the satisfaction of a threshold of basic rights as well as that procedures are in place for citizens to demand their enforcement (justiciability) and verification of attainment of such rights (access to material and symbolic resources).

Second, from the analytical point of view, the application of the social exclusion approach allows us to observe how distinct risk regimes operate and the impact that different policy instruments may have. That is, it facilitates the analysis of distinct factors (economic, political-institutional, cultural, social, territorial) and their interactions and the results of policy interventions, specifically in reference to their institutional and social sustainability. Specific policy instruments could be analyzed in relation to the impacts they have on the vulnerability of a specific social group, that is on the accumulation of risks, as well as in relation to other policy instruments. At the same time, the social exclusion approach helps to visualize and assess the impact that the subjects' perceptions and actions have on the implementation of different policy instruments and the provision of services. The conclusion from the above is that in the design and implementations of policy instruments the policy makers needs to consider at the same time the interactions between different factors that generate exclusion as well as the perception the potential beneficiaries may have, giving priority to those instruments that aim at diminishing the exposure of vulnerable groups to multiple risk factors. The design of inclusive social policies requires to take into consideration three basic elements: (i) the inter-connectedness of risks and, thus, the need of cross-sectoral policy objectives and instruments; (ii) the role of perception and human agency in the selection of the type of activities; and finally, (iii) the spatial dimension of exclusion and, therefore,.

5. An example of the application of this model of analysis of social policies appears in the work of CERFE/SIEMPRO, Análisis y Medición de la Exclusión Social a Nivel Municipal. Argentina. Buenos Aires, December of 1998. This work proposes a model of analysis of social policies and programs that comprise the development of a network of factors of social risk, from which the impact of interventions is evaluated.
the importance of local institutions in the design, organization and delivery of services.

Meeting Social Thresholds and Targeting Policy

The preceding chapters show that throughout the region social policies have tended to focus only on bridging those social groups that have not managed to cope with economic crises or those that have not been able to capture the benefits of growth, without addressing the structural causes that explain why certain groups cannot participate in the system under equal conditions. Although, sectoral policies and targeted instruments have been perfected over time, this approach has not resolved two major problems. First, targeted social policies tend to address symptoms and ignore in their design the structural factors that generate the very symptoms they propose to alleviate. Second, as indicated earlier, targeted social policies start from a premise that do not allow them to address the issue of social thresholds and rights.

In recent years, most targeted social policies instruments have left out those individuals who are not at maximum risk. This could be acceptable if social policies were used only as a mechanism of compensation to ensure that the most vulnerable could attain the minimum standard of satisfaction of their rights. Nonetheless, that would presuppose the existence of universal institutional mechanisms to guarantee the satisfaction of rights to all of the population (particularly those at risk). Notwithstanding, as the distinct cases analyzed have shown, these mechanisms are not present or are not operating satisfactorily. Therefore, the challenge for society is to ensure that social policies would contribute to generate the conditions for meeting the social thresholds and rights and at the same time targeted policy instruments would be in place to ensure the inclusion of those groups that cannot reach these standards on their own.

6. In this volume, Ordóñez establishes that the earlier challenge means that there should be a proposal of what the said thresholds should be and which indicators should be used for the operationalization and evaluation. In regard to this the Fundación Nacional para la Superación de la Pobreza (FNSP), in Chile, has elaborated a proposal in which they indicate certain social minimums in housing, health, education and income (monetary subsidies) for the case of Chile. See the document Una propuesta para la Futura Política Social prepared by the FNSP (1999).
Inclusive and Integrated Social Policies

The evidence presented here indicates that, in spite of economic growth, social and economic policies have not been sufficient to surmount exclusion for significant social groups. This could be partly explained by the narrowness of the poverty alleviation strategy favored (mainly access to income), which does not consider or recognize the complexity of the social exclusion processes that generate poverty. At the same time sectoral social policy instruments designed to assist the “needy” have overlooked cross-sectoral factors (and their interactions). The emphasis on single-issue policies has resulted in less effective tools, missing the opportunity to look for synergies and to articulate cross-sectoral policy interventions.

Social policies should not only aim at mitigating social impacts and anticipating or neutralizing the factors and processes that generate social exclusion, but to promote social development and ensuring the achievement and expansion of social thresholds. This objective involves designing and implementing integrated social programs that would not only provide a specific service but would also generate the institutional conditions that would allow the excluded to curve their vulnerability. In this regard, it is important to emphasize that social policies should contribute to the generation of social capacities, that is to the development of citizenship and the achievement of the social thresholds already mentioned.

Territoriality and Participation

From the point of view of the execution of social policies, the evidence shows that in the past the spatial dimension has only been conceived of as a political administrative unit, in the best of cases decentralized, with the responsibility of compiling information and targeting the delivery of certain services. The approach taken by the authors here, goes beyond that, assigning to the spatial dimension a central role in the design, articulation and implementation of social policies.

Social exclusion has a spatial dimension that needs to be taken into account. Exposure to risks and vulnerability to them changes according to the spatial location of a social group. There are spatial characteristics that increase the danger of exposure to certain phenomena (for example, human settlements in areas of high environmental risk, such as slopes and river banks; or in lands with little productive potential, as in the case of many indigenous groups that live in areas of highly degraded soils). At the same
time, the spatial dimension has institutional repercussions (as signaled by unequal distribution of infrastructure and public and private services). In summary, territory can modify the vulnerability of certain groups and dictate the form in which these groups can interact among themselves and with the institutions of the State.

The above has consequences for the design of policy instruments and the institutional arrangements for their implementation. Regarding policy formulation, the spatial dimension needs to be considered as a unit of analysis. That is the design of social programs should start from the specific characteristics of the territory and the identification of the interaction between space and the most relevant risk factors to which the vulnerable groups in that area are exposed. It is important to keep in mind that the unit of analysis we refer does not necessarily correspond to or is not limited to a political-administrative unit, as could be district, municipal or departmental governments. While these political-administrative units may overlap or coincide, from the policy design and program implementation standpoint it is necessary to ensure that homogeneous territorial units are not divided into administrative units which contain heterogeneous social groups, distinct priorities and differentiated access to resources.

Finally, the cases presented suggest that still social programs tend to be executed in a vertical and paternalistic way giving communities and local governments little responsibility in their implementation. However, in order to implement inclusive social policies, the authors highlight that social agency at a local level is essential. Inclusive social policies should work toward assuring citizens participation not only as far as their potential contribution in work and/or capital for the execution of programs, but rather in terms of their participation in the management, monitoring and evaluation of social programs. That is, making use of their potential to transform institutions and to manage risks. To the authors, this would be the best way for developing inclusive social policies that would provide national social thresholds and at the same time would strengthen the capacity of the agents (local governments and communities) to define and implement social policies.

7. At the macro level, an example of the above is given by the inter-regional differences that are observed in the levels of poverty, access to services between distinct regions of Chile (In respect to this see the recent study of the World Bank Chile – "Poverty and income distribution in a high-growth economy: 1987-1995"). At the micro level, the examples provided by Chert in this volume in relation to place of origin of a job candidate affects his/her possibilities of obtaining the position, show the importance of the spatial consideration in the analysis.

8. Keep in mind that instruments may exist that, temporarily, due to the urgency or depth of the social problem, may be assistential in their final execution but not in their design.