
Social Exclusion: Towards an Analytical and Operational Framework

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ABSTRACT

This article attempts to analyse the economic, social and political dimensions of social exclusion. After comparing the concept with the conventional notions of poverty and marginalization, we argue that social exclusion overlaps with poverty broadly defined, but goes beyond it by explicitly embracing the relational as well as distributional aspects of poverty. It is shown that the concept has universal validity although it has not gained much attention in developing countries. Indicators to measure different aspects of social exclusion are discussed; in this context, the article considers how appropriate it might be to use precariousness of employment as a measure. Finally, methodological problems involved in operationalizing the concept as a tool of policy formulation to fight exclusion are underlined.

INTRODUCTION

Several years ago, Dudley Seers wrote:

The questions to ask about a country's development are: What has been happening to poverty? What has been happening to unemployment? What has been happening to inequality? If all three of these have become less severe, then beyond doubt this has been a period of development for the country concerned. If one or two of these central problems have been growing worse, especially if all three have, it would be strange to call the result 'development', even if per capita income doubled. (Seers, 1969: 3)

More recently, the European debate on social exclusion and work undertaken at the International Institute of Labour Studies (Geneva) suggest that social cohesion should also be regarded as one of the main dimensions of development. Thus 'What has been happening to social exclusion' is a fundamental question that needs to be asked about development and its style and patterns. Yet, although the problems of marginalization, poverty and exclusion have been on the agenda in developing countries in Asia, Africa,

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Latin America and the Caribbean, the concept of social exclusion has gained little attention. It may therefore be relevant to ask why developing countries have not considered the concept of social exclusion. Does it have something to do with different levels of development, and different perceptions of the relative weight which should be attached to economic, social and political dimensions of poverty and deprivation? Or is it connected to the absence of a welfare state in developing countries, and the lack of political, civil or/and social rights?¹ As the concept of poverty has been redefined to include not only economic but also social dimensions (such as popular participation), can one say that social exclusion is simply an extension of the poverty concept?

In this article we argue that the economic aspects of exclusion are just as important as the sociological and the political. In broadening the poverty and exclusion concepts, one has to consider whether such a multi-dimensional approach might have a superior analytical power over the more conventional approaches to poverty and destitution. The article will pose a number of questions: What is the difference between poverty and social exclusion? Is social exclusion a European concept or does it have global relevance? Is it more a *distributional* than a *relational* issue? Or does it cover both aspects, even though they are distinct? How are the two interrelated? And finally, how can the concept be used as a tool for policy-making and implementation? This last question pertains to the issue of measurement, targets and indicators. In this context, the relevance of the precariousness of employment as an indicator of social exclusion is examined.

These questions are by no means easy to answer. The article therefore attempts only to provide some tentative pointers to what may be plausible elements of an analytical and operational framework for studying exclusion.

DEFINING SOCIAL EXCLUSION

The concept of social exclusion was originally developed in France by sociologists. In French Republican thought, it refers to a process of 'social disqualification' (Paugam, 1993) or 'social disaffiliation' (Castel, 1995) leading to a breakdown of the relationship between society and the individual. In this sense, social exclusion is deeply rooted in the Republican tradition of solidarity in which the State plays a major role. The French notion of social exclusion is linked to this tradition where integration is achieved by key state institutions (Ion, 1995: 67). Thus, social exclusion can be viewed as a failure of the Republican State in protecting the 'cohesion of the society'. Unlike French Republican thought, the Anglo-Saxon tradition

1. Indeed, since the crisis of the welfare state and major social integration systems in Western Europe (and in the former Soviet Union and Central and Eastern Europe for that matter), new forms of poverty and exclusion from social rights (formerly provided by the State) have occurred.

sees social integration in terms of freely chosen relationships between individuals rather than a relationship between the individual and society (Silver, 1994: 18). Anglo-Saxon thinking is rooted in the Liberal paradigm and views society as a mass of atomized individuals in competition within the market place. Therefore, exclusion may reflect voluntary individual choices, patterns of interests or a contractual relationship between actors or 'distortions' to the system, such as discrimination, market failures and unenforced rights.

The European Commission emphasizes the idea that each citizen has the right to a certain basic standard of living and a right to participate in the major social and occupational institutions of the society — employment, housing, health care, education, and so on. Social exclusion occurs when citizens suffer from disadvantage and are unable to secure these social rights. The Commission presents the challenge posed by social exclusion in the following way:

Looking beyond the diversity of national situations, the debate emphasises the structural nature of a phenomenon which is tending to establish within society a mechanism which excludes part of the population from economic and social life and from their share of the general prosperity . . . The problem now is not one of disparity between the top and bottom of the social scale (up/down), but also between those comfortably placed within society and those on the fringe (in/out) (European Commission, 1992: 7)

In recent years in particular, in the context of globalization and changing economic conditions, social exclusion is related to the deep economic restructuring necessitated by growing competition in the emerging global economy.

From the above it is clear that social exclusion is a complex and multi-faceted notion. It refers to both individuals and societies, and to disadvantage, alienation and lack of freedom. While the former case may refer to disadvantage which individuals may perceive, the latter refers more to the institutions that are necessary to minimize exclusion and bring about social integration (see Gore, 1996). It is, therefore, not surprising that many people have used the term rather loosely. Our first task is thus to give a theoretical content to the concept of social exclusion and to distinguish it from the more conventional notions of poverty and marginalization.

Social Exclusion vs. Poverty

The concept of social exclusion is close to that of poverty, broadly defined. It is a concept that has evolved over time to include economic, social and, to some extent, political aspects. Lipton and Maxwell (1992: 6, 10) clearly show how the new conceptualization of poverty also embraces such elements as the importance of civil society (besides NGOs) and security of livelihood:

there has been significant change . . . since the 1970s — less weight is put in the current literature on income and consumption and more on the complex, multi-dimensional concepts

of livelihood and livelihood security . . . the perceptions of poor people themselves are also prominent in this definition . . . This new perspective allows us to measure and evaluate the level of vulnerability — and freedom from bias by gender and age — of individual's access to privately and publicly provided goods and services and to common property.

Sen (1992) has also developed a comprehensive approach to poverty which goes beyond economics. At the heart of Sen's theory is the notion of individuals' 'capabilities', which are the opportunities to achieve valuable 'functionings' or 'states of being'. Thus, 'living may be seen as consisting of a set of interrelated "functionings", consisting of beings and doings' (Sen, 1992: 38). In addressing poverty issues, Sen focuses on valuable functionings which represent the different factors of well-being. Functionings may include both physical elements such as being adequately fed and sheltered and 'more complex social achievements such as taking part in the life of the community, being able to appear in public without shame, and so on' (ibid: 110). Taking women as a disadvantaged group, Sen (ibid: 113) adds that:

disadvantages may apply to the capability of being nourished (e.g. because of the demands of pregnancy and neonatal care), achieving security (e.g. in single parent families), having fulfilling work (e.g. because of stereotyping of women's jobs), establishing one's professional reputation early on in one's career (e.g. because of the asymmetric demands of family life).

As the capabilities set reflects the various combinations of functionings which individuals can achieve — and so their positive freedom to choose between different ways of living — it embraces the political and social dimensions of poverty. On this point Sen (1981: 6) has noted that:

In understanding general poverty, or regular starvation, or outbursts of famines, it is necessary to look at both ownership patterns and exchange entitlements, and at the forces that lie behind them. This requires a careful consideration of the nature of the modes of production and the structure of economic classes as well as their interrelations.

Dasgupta (1993) examines the influences of equal and unequal asset distributions on the functioning of the labour market and on those seeking employment. His concept of economic disenfranchisement is somewhat similar to Sen's concepts of entitlement and capabilities. The poor who have no actual labour power (or those without any ownership of assets) suffer from a failure of entitlements owing to lack of incomes, assets or employment. Their capabilities to command employment and access to resources can be enhanced only if their consumption levels are raised (particularly higher food intake) to a level at which they can satisfy their minimum nutritional requirements to enable them to convert their *potential* labour into *actual* labour power. The poor who have no assets (the landless poor) are likely to be excluded from the labour market. On the other hand, some people in agrarian societies (the analysis is mainly concerned with these) have some assets in the form of land and unearned income. These people enjoy a comparative advantage in the labour market because they can convert their

potential labour into actual labour power without having to work. Those with assets can undercut in the labour market those without any assets unless social norms prevent such undercutting. Thus, it is the assetless people, such as the landless wage labourers, who are particularly vulnerable.

In the context of industrialized countries (mainly the United Kingdom), Townsend (1993) defines poverty in terms of 'relative deprivation' as a state of observable and demonstrable disadvantage relative to the local community or the wider society or nation to which an individual, family or group belongs. He distinguishes between *material* deprivation (from food, clothing, housing, and so on) and *social* deprivation (family, recreational and educational). In the European Union, the concept of social exclusion was adopted for both political and conceptual reasons. On political grounds, Member States expressed reservation about the use of the term 'poverty'. The concept of social exclusion was considered less disparaging of the structural social problems being faced (Berghman, 1994). The concept of poverty was also deemed inadequate, given that the welfare states in Europe guarantee a minimum income and access to basic services, while an income-based notion of poverty was considered too static and narrow an approach to social problems. As noted above, however, this narrow approach has been replaced by a much broader one.

Relational and Distributional Aspects

The broad concept of poverty discussed above covers both the economic (distributional) and social (relational) aspects of deprivation. We argue that both these aspects are very relevant to the notion of social exclusion. We would therefore disagree with Room (1994, 1995) who argues that poverty is primarily focused on *distributional* issues (the lack of resources) while social exclusion focuses primarily on *relational* issues (the lack of social ties to the family, friends, local community, state services and institutions or more generally to the society to which an individual belongs). The social problems associated with exclusion (viz. infant mortality, education, literacy, and so on) are partly income-determined. In a market economy, the abundance of basic needs goods is not much consolation to those who do not have the means to buy them. Thus, the distributional dimension also reflects the opportunities to achieve valuable 'functionings' and should not be considered as uni-dimensional. Adequate levels of income are a *necessary* though not a *sufficient* means of ensuring access of people to basic human needs.

Furthermore, the notions of ownership, control, participation and access, which underlie the concept of exclusion, involve social relations embodying property rights. These social relations and structure of property rights determine the distribution of wealth and income assets in a given society. Social relations are influenced in turn by such economic factors as income inequalities. For Brazil, Paul Singer (1997) shows that a great majority of the

socially excluded is made up of people excluded from the main sources of income. He notes: 'people with the same skin colour may be classified socially as white, coloured or black according to their income and social status. The higher their economic and social standing, the whiter they become' (Singer, 1997: 14). The situation is somewhat similar in the United States where blacks with high incomes and education are more easily accepted and integrated into white neighbourhoods than poorer blacks.

There is another aspect of the relationship between *distributional* and *relational* issues. Relations between the state and individuals or social groups are influenced by the economic muscle that the latter enjoy *vis-à-vis* the state or governmental authority. By virtue of their incomes and assets, the rich are much more powerful and influential than the poor who, for lack of economic means, education, and so on, are poorly organized. Thus economic might enables the rich to extract from the State, civil and political rights and liberties. One may, therefore, argue that economic resources enable access not only to economic goods and services but also to political goods like freedom and the ability to influence economic policies.

A MULTI-DIMENSIONAL APPROACH

In order to demonstrate the multi-dimensionality of social exclusion, it is useful to discuss the economic and social aspects of poverty along with the political aspects such as civil and political rights and citizenship which outline a relationship between individuals and the State as well as between society and the individual.

The Economic Dimension

The economic approach to exclusion is concerned with questions of income and production and access to goods and services (or commodity bundles) from which some people are excluded and others are not. They may be excluded from income and livelihood, from employment and the labour market and from the satisfaction of such basic needs as housing/shelter, health and education. Sen (1975) defined the employment concept in terms of three aspects: income, production, and recognition. It was implicitly assumed that employment is a means of alleviating poverty. The economic approach to exclusion seems to cover mainly the first two aspects. The third refers to the idea that 'employment gives a person the recognition of being engaged in something worth his while' (Sen, 1975: 5). Thus, the recognition aspect of Sen's concept of employment can be interpreted as providing a social dimension to the concept of exclusion (see below).

Sen's concepts of entitlements and capabilities are primarily economic concepts which can, however, be extended to the study of social and other

non-economic aspects of exclusion such as social norms and moral values (see Gore, 1993). Dasgupta's concept of economic disenfranchisement (see above) more explicitly approximates an economic approach to exclusion from the labour market which, however, also incorporates such notions as malnutrition and ill health. Both these concepts emphasize ownership of assets (social structure and organization) and access to resources as important factors which can prevent or minimize exclusion.

The Social Dimension

An extension of Sen's concept of entitlement requires *inter alia*, the incorporation of a theory of social or group action which is needed (alongside changes in relative prices) to change the original distribution of incomes and assets or entitlements to commodities. Gore (1993) examines the concept of entitlements and extends it to a moral economy of provisioning in times of hunger and famine. He argues that socially enforced moral rules can constrain or expand entitlement to food and its distribution in conditions of famine.

Let us take a specific case of access to employment to overcome the exclusion of those who are not integrated into the labour market. Sen's concept of employment demonstrates that lack of employment not only denies income and output to those who are excluded; it also fails to recognize their productive role as human beings in society. In other words, employment provides social legitimacy and social status as well as access to income. Access to the labour market entitles individuals to awards and economic rights which are prerequisites for full citizenship. It brings with it human dignity which should alleviate the harmful effects of exclusion on human beings and increase the scope for social integration (Gorz, 1994).

Other social dimensions to be considered include participation in decision-making of certain social groups as well as marginalization of such disadvantaged categories as women and ethnic groups. Studies in India (see, for example, Tilak, 1987) show considerable gender and caste bias in access to education. For all educational levels, access to education for men and for higher castes is noted to be much higher than for women and for lower castes. This social phenomenon is explained by both economic and cultural factors.

One can think of three main categories of the social aspects of exclusion: (i) access to social services (such as health and education); (ii) access to the labour market (precariousness of employment as distinct from low pay); and (iii) the opportunity for social participation and its effects on the social fabric (greater crime, juvenile delinquency, homelessness, and so on). This last category captures relational aspects: relations among individuals as well as between citizens and the State (we will return to this later).

The Political Dimension

One of the advantages claimed for the concept of social exclusion is that it also embraces the political dimension. That is, it concerns the denial of particular human and political rights to certain groups of the population. The UNDP (1992: 29) notes these rights as: personal security, rule of law, freedom of expression, political participation and equality of opportunity. One can extend this list by including trade union rights (or freedom of association) and the process of democratization in general. After all, democracy provides conditions suitable for the fulfilment of political rights and freedoms. Following Marshall (1964), these rights can be grouped into three main categories of citizenship rights: *civil* (freedom of expression, rule of law, or right to justice); *political* (right to participate in the exercise of political power); and *socioeconomic* (personal security and equality of opportunity, right to minimum health care and to unemployment benefits, and so on). However, these three sets of rights may not be offered to all citizens. In some instances they may be assured of socioeconomic rights but not political rights (as seems to be the case in China). Thus, the progression from civil rights and liberties to political rights and social rights proposed by Marshall is not necessarily valid in practice.

Social exclusion can be interpreted in terms of the denial of the above rights or in terms of *incomplete* citizenship *à la* Marshall. Deficiencies in citizenship rights may be due to poor enforcement of these rights by the State and/or to the inability of individuals, social groups and organizations to defend their rights.² The political dimension of exclusion involves the notion that the State, which grants basic rights and civil liberties, is not a neutral agency but a vehicle of the dominant classes in a society. It may, therefore, discriminate between insiders and outsiders and may exclude some social groups and include others (see Rodgers, 1994).

GLOBAL RELEVANCE OF SOCIAL EXCLUSION

In Europe, specific innovative approaches to combat social exclusion are at the heart of new social policies which are no longer primarily based on the broad welfare policies of the 1980s. These new policies assign a key role to civil society because the mobilization and support of individual and group initiatives is crucial for reinforcing the social ties between the individual and society. Does it then imply that the developing countries, which have never adopted the types of social policies prevalent in Europe (particularly under the notion of the welfare state), should aim at such policies? Or are alternative options available that might be better suited to their particular socio-economic and cultural parameters?

2. For a discussion of citizenship rights in relation to social exclusion, see Gore (1995).

Perhaps for the first time since the 1930s the phenomena of unemployment and poverty have become common to both the developed and developing countries. Europe today is experiencing growing social problems and high rates of long-term unemployment. In North America, although long-term unemployment is not growing, poverty and exclusion are. The poverty situation in many developing countries has also become more acute than ever. Furthermore, the world economy is changing rapidly, which calls for major structural changes in both the North and the South. The two main worldwide phenomena today are: (a) the emergence of a global economy involving increasing interdependence between countries of the North and South; and (b) an acceleration of the process of democratization in most developing societies. There may indeed be tensions between these two phenomena in the sense that the social and political rights of citizens to participate in the process of political decision-making under democracy are being granted at the same time as the process of globalization is reducing the political autonomy of nation states and the opportunity to exercise these rights (see Gore et al., 1995).

A plea for making exclusion a global concept is based on the assumption that the analytical concepts and categories are universal even if their operationalization in specific social and cultural contexts may be different. The protagonists of this global approach to exclusion suggest that it helps in organizing different, loosely-connected notions such as poverty, the lack of access to goods and services and the absence of social and political rights into a general framework (Faria, 1994, 1995). They invoke the transfer of experiments tried in developing countries to situations in industrialized countries as an argument in favour of universality of the concept. Some of the innovative approaches applied in low-income countries for poverty alleviation — such as non-formal credit systems — are becoming more and more relevant for industrialized countries facing problems of unemployment, poverty and exclusion. An increase in unemployment — especially long-term unemployment — in Europe has led to a debate on the exclusion of individuals or groups from access to credit. In particular, in recent years, the idea of a ‘solidarity bank’ (broadly based on the successful experiences of low-income countries), which could stimulate and support initiatives for overcoming exclusion, has been spreading in Western Europe.

The distributional and relational aspects mentioned above are relevant to both industrialized and developing countries, although distributional equity may be particularly important for low-income countries with very unequal income distributions and little by way of welfare measures or social security systems. Relational issues have been dealt with in both groups of societies although the focus of relations has been different. For example, the relationships between individuals within families and extended households has received much more attention in developing countries, while the relationships between the citizen and the state or civil society and the state have been relatively neglected. This is the dimension of civil and political rights which

distinguishes the notion of exclusion from that of poverty. Thus, in principle, three main types of relations may be relevant, in different degrees:

- (i) *Relationships within families and extended households*: These are still important in many developing countries but have been replaced by nuclear or single-parent families in the industrialized world. Family ties and kinship and communal relationships have broken down at higher stages of development in the latter countries.
- (ii) *Communal relationships*: These are prevalent mainly in developing countries and in some socialist countries like China. They are governed by social norms as well as by modes of property rights and ownership. Some property, even if it is privately owned, may have its use restricted in some ways. For example, ownership of a house does not entitle its owner to make extensions to it without permission from the local authority. In pastoral societies, some property is generally owned collectively.
- (iii) *Relationships between the citizen and the state*: These are determined by a social contract regulated by civil and political rights and liberties. As Dasgupta (1993: 36) notes: ‘a social contract forms the basis of a claim on others in a contractually based State ... the ingredients forming the basis of collective action are, therefore, the rights and liberties of persons to pursue their own conception of the good’.

While relations (i) and (ii) are governed by social norms, religious guidelines or cultural factors, relation (iii) requires state action. Relation (i) need not call for any state action, although (ii) may be deliberately promoted through such action. Furthermore, while (i) and (ii) have become less important in the industrialized countries, (iii) is common and important in both developing and industrialized countries. Thus, even if social exclusion may be a worldwide phenomenon, its particular characteristics (and underlying processes) may vary between these groups of countries.

We argue that the *distributional* and *relational* aspects of exclusion are interrelated, irrespective of the stage of economic development of a country. This relationship is depicted in Figure 1 which measures, on the vertical axis, the level of economic development and, on the horizontal axis, the ratio of the two aspects. The lower part of the curve (representing the situation in the developing countries) shows that at the lowest level of economic development, a far greater weight is given to the *distributional* than to the *relational* aspects. The upper part of the curve, which is flat, depicts the situation in the industrialized countries. It shows almost equal weights given to distributional and relational aspects of exclusion. In general, a combination of the two aspects of exclusion may be present in differing mixes depending on economic and technological factors. In the context of scarce resources, overcoming material deprivation is perceived to be the main objective of low-income countries.

Figure 1. Relationship between Relational/Distributional Ratio and Levels of Economic Development

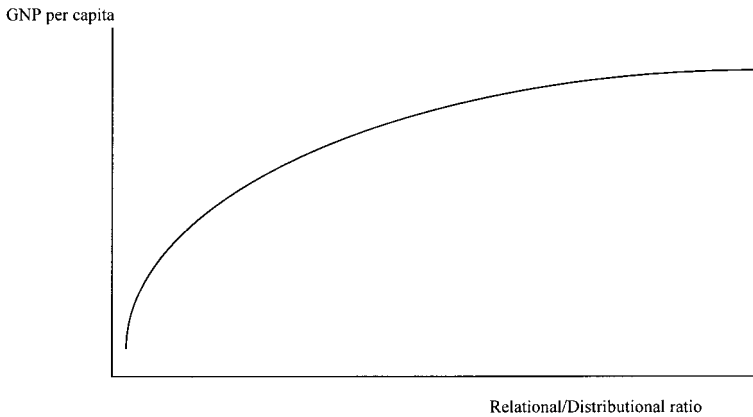


Figure 1 depicts mainly the distributional and relational aspects in respect of category (iii) of social relations (see above). As we have already noted, family and communal relationships and their importance is significant at low levels of incomes. This is because problems arising out of income inequalities in low-income developing countries are not taken care of by the State. There are no social welfare or formal security mechanisms as redistributive devices.³ The family, kinship relationships and religious groups therefore act as redistributive mechanisms, as well as means of promoting interpersonal relations and the social identity of individual members. Social security is generally provided through control over land, through employment and through public provision of basic needs (see Osmani, 1991). Since the implementation of structural adjustment programmes in developing countries, the State is increasingly deprived of resources for the implementation of social policies and programmes. Specific solidarity networks, extended families and social groups (which have almost disappeared in the industrialized countries) have become much more important as social safety nets.

Fighting social exclusion when a welfare state is in place to provide a minimum social safety net for individuals and their families as in the industrialized countries, is not the same thing as fighting it in situations when no such social safety net exists and when a majority of the population is excluded from adequate livelihoods. In the latter case, the distributional aspect becomes the most important, since one of the most fundamental rights of an individual is not to die of starvation (see Sen, 1990).

3. Kuwait is perhaps the only exception; the State provides welfare for all Kuwaiti citizens. However, non-Kuwaitis are excluded from this public provision.

The *relational* aspect may be more important in the case of the industrialized countries because people already enjoy access to a minimum of survival income. Here the quality of the relationship between the individual and society is at the heart of the phenomenon of social exclusion. In this case, Sen's recognition aspect is more important than the income aspect, even though the two are closely linked. With the development of the welfare state, a gradual shift has occurred from a 'collective' to an 'individualist' perception of exclusion. Indeed in Europe, exclusion results less from political or human rights restrictions or from limiting access to basic needs, than from criteria of personal achievement that are socially determined (Crompton and Brown, 1994). This reflects the symbolic recognition of the individual in society. In a recent European survey, 70 per cent of the people interviewed agreed that 'in order to have a decent life, it is absolutely necessary to be useful to others and to be recognized by society' (Eurobarometer, 1994: 7).

THE NEED FOR AN OPERATIONAL FRAMEWORK

To operationalize the concept of exclusion, one needs a yardstick against which progress can be measured and monitored. The impact of government policies, measures and programmes can be examined over time only if improvements can be measured and shortfalls identified and corrected. Moreover, policies and practical action to overcome exclusion and to promote social integration are much more likely to occur and to succeed if indicators can show shortfalls that may be embarrassing for the government. As Streeten (1994: 236) notes, 'there is considerable political appeal in a simple indicator that identifies important objectives and contrasts them with other indicators'.

The origins of the concept of exclusion are quite recent. It is, therefore, not surprising that no explicit attempts have yet been made to measure or quantify exclusion among social groups, countries or regions. To be part of social policy, the notion of social exclusion must be empirically identifiable by means of well-defined indicators which are still lacking.

Social Exclusion Indicators: Some Methodological Problems

There is a strong tendency to construct indexes where several factors are weighted together (see the intense debate on the Human Development Index constructed by UNDP). In the case of social exclusion, the preparation of a composite index calls for a choice of appropriate weights for economic, social and political components. The usefulness of such an index is questionable; it may not make sense to aggregate economic, social and political indicators, especially when they are not moving in the same direction. Moreover, the weights attached to different indicators will vary according to the different

stages of development in different countries. For guiding policy-makers in their fight against exclusion, a set of separate economic and social indicators will be more useful than a single composite index. Apart from the policy-makers, citizens could also evaluate whether policies implemented by their governments correspond to the priorities resulting from a consensus reached on a 'social project'.

The following set of indicators may give relevant information on the economic, social and political aspects of exclusion.

- (1) On the economic aspects, the GNP per capita is not an adequate indicator for evaluating the exclusion of individuals or social groups. As Sen (1983) argues, inhabitants of Harlem are much richer, in terms of income per capita, than people from Bangladesh; but the chances of a black living in Harlem reaching the age of 40 is lower than that of a starving Bangladeshi. Thus, to estimate the economic aspects of exclusion it may be more appropriate to give greater weight to the depth of poverty and income inequality. The Sen (1976) index or the Foster, Greer and Thorbecke (1984) index can be useful because they identify different degrees of poverty, and the distribution of households according to different degrees of poverty. The Gini index or household income shares per decile are also attractive as indicators since they give information on the unevenness in the distribution of economic assets which is one of the salient features of exclusion. Individuals or groups at the bottom of an income pyramid are usually excluded from benefits of growth and access to education, health and a decent livelihood, etc. Improvement in the well-being of the most disadvantaged groups is generally weakly correlated with growth performance in the absence of proactive State policies to overcome unequal income distribution. Large income inequalities and extreme poverty are major sources of exclusion not captured by an aggregate measure like GDP per capita.
- (2) On the social aspects, we would emphasize three types of indicators: (i) indicators of access to public goods and services (access to education and health can be evaluated through life expectancy at birth, infant mortality rate, adult literacy rate or secondary school enrolment, for example); (ii) indicators of access to the labour market and specially to the 'good' segment of the labour market (rate of unemployment and long-term unemployment, vulnerability or precariousness of employment measured by some yardstick of insecurity and risk, e.g. rates of job turnover, proportion of second jobs, assessment of people working in the informal sector, household income trends); (iii) indicators of social participation (defined, for instance, in terms of rates of membership of trade unions, local associations engaged in activities designed to integrate marginalized groups into the mainstream of civil society) or of the declining social fabric or

fragmentation of society (e.g. crime and delinquency rates). It is necessary to examine whether appropriate indicators are available or can be easily quantified with the existing data bases because too often the available data sources are inadequate for assessing these social aspects. A specific indicator need not necessarily be universally applicable; it may be more or less relevant depending on the stage of development and the socioeconomic system of the country studied. As Anand and Sen (1993) have suggested, countries can be divided into different groups corresponding to different levels of development. In the low-income group, a set of basic indicators can be used focusing principally on distributional aspects, whereas in the high-income group more complex indicators (pertaining to relational aspects) can be considered for evaluating the breakdown of the social fabric of society (homelessness, crime rates, drug addiction, and so on).

- (3) On the political aspects, Dasgupta's (1990, 1993) or UNDP's (1992) political freedom indexes (which are very similar) can be used. In 1992, UNDP estimated a political freedom index as well as a human development index for the first time, and discussed relationships between the two. A composite index of political freedom is based on its five ingredients, viz. personal security, rule of law, freedom of expression, political participation and equality of opportunity. UNDP data suggest a positive correlation between (a) the human development index and the political development index; and (b) income levels and political freedoms.⁴

An integration of the UNDP human development index (HDI) and the political freedom index (PFI) would seem to come close to a composite index of economic, social and political aspects of exclusion. However, UNDP (1992) preferred to keep the two indexes separate because of differences in time scales (the HDI is based on much less volatile factors than the PFI). There is a further problem in combining the two since the HDI is based on economic opportunities whereas the PFI is independent of these.

For purposes of illustration, we summarize the above discussion in a matrix in Table 1. The horizontal axis measures the elements of exclusion, and the vertical axis, different categories — individuals, social groups, regions (groups of countries) and countries (including regions within countries), for which the degree of exclusion and its outcome and impact are to be considered. Table 1 shows that the different components — economic, social and political — need not move in the same direction. For example, the socialist state, before its breakdown in Russia and Eastern and Central Europe, provided a safety net and social rights to the population

4. However, the UNDP methodology of constructing the political freedom index is not very clear. It is also not clear whether Dasgupta and UNDP use the same methodology and sources of data for estimating political and civil liberties.

despite its non-democratic political systems. Individuals were entitled to social rights without citizenship. In such a situation, the development pattern is unbalanced and the outcome is indeterminate as is shown in Table 1, column 4, which illustrates the pattern of development according to the nature of the processes of exclusion. A determinate situation would be when exclusion decreases in terms of all three aspects and balanced development *à la* Seers (see above) takes place.

According to this matrix, a country which is rich in terms of conventional economic indicators can have a low realization of well-being. Some studies have shown that people can be poor and not be excluded from certain basic needs (Dasgupta, 1993; Sen, 1983). Thus social change seems to be highly dependent on the pattern of development chosen (information could be given by column 4).

According to Holme and Sorenson (1995), the process of globalization is uneven. From a regional perspective, it can be seen as a dialectic process, increasing integration in the OECD countries and NICs, and marginalizing a large part of the African continent. ILO (1995) discusses the processes of marginalization of Africa in terms of total inflow of FDI, participation in world trade or percentage share of global GNP. Thus the matrix (Table 1) shows that economic exclusion has increased in Africa. During the 1980s, social exclusion and human insecurity also increased as is reflected in the process of de-industrialization in many countries, the withdrawal of the public sector, and drastic cuts in public expenditures as part of structural adjustment programmes. Finally, the case of political exclusion is more complex. While many African countries are democratizing, the spread of

Table 1. An Illustrative Matrix on Economic, Social and Political Aspects of Exclusion

	Economic (1)	Social (2)	Political (3)	Patterns of development (relational/distributional outcome) (4)
I. Individuals	–	–	–	Balanced
	–	–	+	Unbalanced
II. Social Groups women minorities ethnic groups				
III. Countries regions within countries				
IV. Regions Africa (Asia, Latin America, etc.)	+	+	–/+	Unbalanced

Key: + indicates increase in exclusion; – indicates decrease in exclusion.

liberal democratic political forms in Africa has not been associated with a real empowerment of the people. In most cases, democracy has been interpreted as free elections without changes in power relations which are at the heart of the idea of democracy.

Precarious Jobs and Social Exclusion

Precariousness of employment can reflect social exclusion because it emphasizes both distributional and relational aspects. The concept of precariousness involves a combination of different factors: instability, lack of protection, insecurity and social and economic vulnerability (Rodgers, 1989). As Paugham (1994) argues in a comparative study conducted within the framework of the 'Poverty 3' programme of the European Commission, economic vulnerability, social-relation deprivation, bad housing, health conditions and weak social participation are highly correlated with precarious employment. For example, short-term horizon or high risk of job loss leads to inability to plan for the future. This is one of the principal causes of a deterioration in psychological health and in housing, for example (Burchell, 1989).

In particular, the concept of precarious employment may be of greater value in explaining social exclusion than the more usual concept of unemployment. This is because it emphasizes shifts in the labour market structure resulting from (i) the process of informalization in developing countries and (ii) the development of atypical and precarious forms of work in developed countries. In a study of non-standard employment in Argentina, Marshall (1992) shows that almost 50 per cent of temporary workers interviewed in 1989 did not receive any of the social benefits and were not covered by the social security system. Moreover, only 10 per cent received the three important legal benefits: holiday pay, payment for the thirteenth month and sick pay.

The very competitive environment of the emerging global economy has compelled firms to implement technological and organizational innovations which promote flexibility within the production process. Flexible production often calls for greater labour market flexibility, which may conflict with the notion of 'secure' or 'good' jobs.

In Western Europe, permanent or long-term unemployment may reflect exclusion, at least in the welfare states. The deterioration or loss of skills over time, mean that the long-term unemployed are unemployable unless massive and costly (re-)training programmes are introduced for their reabsorption. In low-income developing countries — but also in such developed countries as the United States where social protection systems are relatively weak — this indicator may not be all that relevant. Lack of safety nets implies that individuals are forced to eke out a living through precarious jobs in both formal and informal sectors. For purposes of a comparison, therefore, it

would be more relevant to consider rates of long-term unemployment and other indicators such as the proportion of the population (i) working in the informal sector; (ii) trapped in the precarious segment of the labour market (short time horizon, bad working conditions, low earnings, partial or full exclusion from access to social security); or (iii) occupying a second job.

Nevertheless, the notion of precarious jobs raises several methodological problems. It is poorly defined in statistical, legal or economic terms (Rubery, 1989). Its boundaries with 'non-standard' or 'atypical' employment (such as temporary and short-term work and self-employment) are not clear. Indeed, part-time employment, which is the best studied of the atypical employment practices, is not, by itself, a good indicator of precariousness because in some cases it can be regarded as indicating options or personal preferences, as in the case of women's employment, for example.

The Centre d'Etude des Revenus et des Coûts in France has developed an interesting methodology for analysing the risks associated with different types of exclusion (CERC, 1993a, 1993b). First, a number of different employment, poverty and social vulnerability situations are classified: (a) five types of employment situation: secure standard jobs, insecure standard jobs, precarious jobs, unemployment for less than two years, unemployment for more than two years; (b) three situations which refer to distributional aspects: non-poor, poor and very poor; and (c) three degrees of social vulnerability: non-vulnerable, vulnerable and very vulnerable. Vulnerability is defined in terms of a combination of three elements: (i) social relations within the family; (ii) participation in associative activities; (iii) 'relational support' (possibility of help from friends and neighbour networks). *Non-vulnerable* people are defined as those who enjoy strong family relationships and relational support whatever their participation in associative activities. *Vulnerable people* are those who either have average family relationships and relational support whatever their participation in the associative activities, or those who have weak family relationships and relational support, but who participate actively in associative activities. *Very vulnerable people* suffer from social-relations deprivation. The CERC results show that precariousness is at the heart of economic poverty and social vulnerability.⁵ The risk of being excluded from the labour market has the potential of progressive disintegration of social ties.

The CERC survey required a complex questionnaire and a well-developed statistical apparatus which is not available in many low-income countries. The methodology used is also costly and difficult to implement. In particular,

5. A survey of underprivileged households by the Institut National de la Statistique et des Etudes Economique (INSEE, 1994) showed that in 1993–4 the number of heads of households looking for a job was three times higher for low-income households than for the total number of households (17.2 per cent as against 6 per cent) and that 39 per cent of the heads of households belonging to the first decile were part-time or temporary workers.

the lack of official registration and inherent difficulties in extracting information from respondents has in the past led to the exclusion of the informal sector from official statistics in low-income countries. Yet in order to analyse the growth of precariousness and exclusion from a decent livelihood, it would be essential to evaluate the size of the informal sector and particularly the proportion of marginal activities into which people are forced for survival.

Within the framework of stabilization programmes, measures to restrain domestic demand and reduce imports have led to massive reductions in public-sector expenditures, resulting in a decline in formal-sector employment. Particularly affected by this are the industrial labour force and salaried middle-management employees formerly engaged in a secure and well-paid segment of the labour market. Thus 'newly excluded', who previously participated in the development process, have joined the 'hitherto excluded' (Wolfe, 1995).

CONCLUSION

The concept of exclusion thus has economic, social and political dimensions which are often not explicitly stated, particularly in the vast literature on poverty in developing countries. An analytical framework should establish interrelationships between these dimensions. For example, it is useful to demonstrate that political freedom and civil rights and liberties can draw the best out of people and raise their productivity, thereby contributing to growth and overcoming economic exclusion. Are political liberties, then, a necessary condition for overcoming economic and social dimensions of exclusion? One can argue that these liberties *vis-à-vis* the State give bargaining strength to those excluded to claim recognition and integration.

In poor societies, economic exclusion is at the heart of the problem of exclusion. Any claim in these societies to income has a greater relative weight than a claim to political and civil rights. In a properly functioning democratic system, citizens need to devote some time and energy to 'la pratique démocratique'. When a large part of the population is struggling for survival, however, the democratic system may be more apparent than real, since it is likely to be controlled by vested interest groups. When people are excluded from the main sources of income, their first priority is survival and a basic livelihood.

Such notions as exclusion, well-being and welfare are society-specific and cannot be considered independently of the social and cultural norms and institutional context within which they are to be studied. Defining an operational framework for this purpose involves the identification of norms of integration (in terms of political and civil rights, social recognition, access to a decent livelihood, and so on), selection of meaningful indicators for specifying *relations* between the State and individuals as well as among individuals, and the establishment of priorities for fighting different aspects

of exclusion. This article has attempted such an analytical and operational approach to social exclusion in terms of both distributional and relational aspects.

Finally, in focusing on the 'operationalization' of the concept, it has been shown that appropriate indicators to capture the various dimensions of social exclusion do not exist. Research should therefore be undertaken to develop methodologies and indicators for the measurement of social exclusion, and national databases on social exclusion need to be established.

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