

5 *Social exclusion and social change: Insights in the African literature*

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This paper has two aims. The first is to examine how the literature on socio-economic change in Africa south of the Sahara can contribute to the formulation of a concept of social exclusion which is not Eurocentric, but rather capable of yielding analytical and policy insights globally, in a variety of country settings. The second is to consider how the concept of social exclusion can contribute to the analysis of socio-economic change in Africa, particularly processes of impoverishment.

Throughout the discussion, social exclusion will be treated as an analytical concept, rather than a description of an outcome of processes and practices; and the thrust of a social exclusion approach will be broadly defined as seeking to increase understanding of the factors causing individuals and groups to be excluded from the goods, services, rights and activities which, in any given society, form the basis of citizenship. The literature review on which the argument is based includes material from anglophone and francophone Africa, but is strongly biased towards the former. The extensive literature on apartheid South Africa is not covered.

1. Social exclusion in the African literature

In the North American and European literature, interest in social exclusion has grown along with rising rates of unemployment, the dismantling of welfare states, and increasing international migration. In that context, social exclusion refers, in broad terms, to a situation and a process which arises when individuals and groups are unable to achieve full membership in national society, in the sense that they cannot participate in the relationships and practices considered by that society to be customary and constitutive of membership. Social exclusion is seen to be the result of

¹ This paper is based on Gore [1994].

poverty and long-term unemployment and, in turn, to reinforce those problems, as social membership provides access to resources to counter those problems. Social exclusion is said to affect, in particular, those subject to the multiple deprivations of gender, ethnicity and age, as well as immigrants. A weak and non-universal system of social rights, and the linkage of those rights to employment, is identified as contributing to social exclusion and, conversely, policy against social exclusion is said to require the provision of social rights for the marginalized.

This perspective has not been incorporated in the literature on current socio-economic trends in Africa.² There are scattered references to the emergence of an "underclass". But in a situation where it is estimated that on average in the late 1980s, in good years and bad, one quarter of sub-Saharan Africa's population (about 100 million people) received less than 80 per cent of recommended requirements of daily calorie supply, and where indicative and optimistic scenarios project that between 1985 and 2020, only 22 million new jobs are likely to be created in the modern wage sector, whilst, even with a slow-down in population growth to 2.75 per cent a year, 380 million jobs must be created if unemployment is to stay below 10 per cent [World Bank, 1989, pp. 41 and 72], the value of this concept is unclear. There are also passing references to African States as "an under class of States in the global economic and political system", and to the continent as a globally excluded "underworld". But these labels have more rhetorical force than analytical purchase.

In practice, the dominant analytical concepts which have been used to understand what is happening in Africa have been diametrically opposed to the notion of exclusion from national society and economy. In the immediate post-colonial period, key concepts were national integration and commercial (capitalist) penetration. Some dualist models posited the existence of an excluded sector (traditional, subsistence). But historical research challenged this view effectively and the conventional wisdom which had emerged by the first half of the 1970s was that individuals and communities had been incorporated into the broader economy and society and that what was problematical was their *terms of incorporation*. Since the late 1970s, with spiralling crises, key concepts have been "disengagement" and "withdrawal". People are not suffering from poverty owing to exclusion. Rather they are excluding themselves from the wider economy and society, and from the burdensome and unequal obligations of citizenship, in order to survive.

² An exception is Gaidzwana [1993].

Yet, if the notion of citizenship is broadly defined as “social membership” and “participation in public life”, rather than simply as a strictly legal relationship between an individual and the national State, it is possible to find a range of literature which is concerned with exclusion from the goods, services, rights and activities which form the basis of citizenship.

Some of this literature focuses on exclusion in relation to national citizenship. Predating the recent interest in social exclusion, there is a small literature which focuses on the “stranger” in pre-colonial, colonial, and post-colonial African society and which examines, in particular, how this concept changed with the creation of the status of “national citizen” at independence. This literature developed in the immediate post-colonial period, and a central concern was to understand the dynamics behind the expulsion of “aliens”, African and Asian non-nationals, from a number of newly-independent countries. Also, at about the same time, there developed a literature on the dynamics of incorporation of different ethnic groups, which had been arbitrarily joined together in the territories of colonial States, into nation States. An important analytical concept in this literature was “structural pluralism”, which referred to a situation in which individuals were incorporated into a common political structure not on universalist and identical terms as citizens, but in particularistic terms, as members of corporate sections (basically ethnic and racial categories), and unequally. Such analysis posited a society in which an in-group assumed the right to exclude other groups, but the literature did not develop deeply because it did not correspond to the situation of most independent African States, describing more accurately multi-ethnic colonial States, apartheid South Africa, and the very few African States in which State power is in the hands of specific ethnic or ethno-regional communities, notably Burundi and Rwanda.

The main part of the literature focuses not on national citizenship, but rather on the ways in which access to resources is affected by membership of, and status within, groups and networks of various kinds. This literature examines a range of group memberships and social identities in terms of the ways they affect entitlements to a range of resources and social goods. The identities include: ethnicity, gender, livelihood, religion, age, language, place of origin, region, and nation. The resources and social goods examined include: land, labour, wage employment, informal sector employment, credit, inputs, education, health, social security, development projects, administrative positions, political representation, and political power.

The key motors in the literature, in terms of social identities, have been analyses of ethnicity, particularly in relation to the State, and analyses

of gender relations and the position of women, particularly in relation to access to land and the control of labour resources. Less important, though significant, foci of attention have been on: pastoralists, hunter-gatherers, migrant workers, "strangers", refugees, internally displaced people, and (of emerging interest) officially designated target groups.

The main thrust of the literature, in terms of resources and social goods, has been on access to, and control of, land resources; and access to State power. The literature on labour markets includes material on ethnic segmentation but in general the literature on rural labour markets is thin and dispersed, whilst that on urban labour markets has been over-focused on the formal-informal dichotomy, though recent work is overcoming this strait-jacket.

II. The value of the African literature for conceptualizing social exclusion

The African literature is very valuable for thinking about social exclusion as a process in a way which is both analytically sophisticated and applicable to a variety of country settings in the world. Four major types of insights can be obtained.

1. The nationality of social exclusion

First, the African literature raises questions about the nationality of social exclusion, that is to say, the significance of the nation State in the institutionalization of exclusionary practices. In Western Europe and North America, the nation State is a primary frame for analysing exclusion, but part of the recent interest in this phenomenon arises because of increasing global interdependence, which is rendering the social contract based on national citizenship rights problematical in various ways. The same global forces are at work in African society, but they are occurring in societies in which rights and obligations defining access to resources and other social goods have not been fully "nationalized", in the sense that the enforcement of legal rights is not fully effective, and a national culture of expectations and norms has not been in existence for a long time.

For example, if one examines access to land resources, customary law is still important and notions of local citizenship affect how social identities regulate access. The nationalization of land has served as a basis for localized appropriation of land and its allocation to a select few. If one examines access to employment, it is apparent that indigenization decrees and alien expulsion orders affect opportunities in labour markets, but the

main source of employment outside agriculture is not subject to legal regulation or even surveillance. If one considers the position of women it is apparent that, although statutory law does not formally discriminate against women, customary law, operating in tandem with statutory law, subordinates a woman within the extended traditional family placing her under the permanent guardianship of a male relative and severely restricting her ownership and inheritance of property. With regard to basic social rights, to take education, whose provision is closely related to national socialization, the gross enrolment ratio at the primary school level decreased from 80 to 75 per cent from 1980-87. A major mode of political representation is access to persons in State offices through clientelistic networks. These networks are quite extensive. But, according to one analyst, in the late 1980s, as access to patronage resources increasingly depended on relationships with external agencies and as patronage incentives in the countryside were reduced, rural areas "in such countries as Zaire, Uganda, and Chad" have been subject to "a kind of free-for-all system in which local officials, military men and security spoofs are given a blank check to use their prerogatives (and weapons) as they deem fit" [Lemarchand, 1988, p. 155].

Defining precisely the structure of exclusion in post-colonial Africa is difficult. It must be emphasized strongly that in no sense can it be regarded as "primitive" or "backward". African societies seem to be developing into post-national societies without going through a long period in which a national community has developed. Ethnicity is also important — but not in the way suggested by the dominant media image of Africa as a continent riven by ethnic strife and violence. Ethnic affiliation intertwines with national citizenship in complex ways in Africa, with the former acting as a realm of citizenship in which the morality of new forms of social inequality are tested.³

In a situation where rights and obligations are not "nationalized", there are multiple sites of exclusion and inclusion based on membership of a variety of shifting groups, categories and networks. The institutions in which the rules governing exclusionary and inclusionary practices are negotiated include: international regimes (for example, on food aid, refugees, and all aspects of public policy affected by structural adjustment policies); various corporate groups (such as villages) and networks of patron-client relations; and households — as well as national and local states.

³ This view is elaborated in Lonsdale [1992]; Ekeh [1975; 1990].

An important feature of the way these institutions interact in processes of exclusion in Africa is that hegemony has not been achieved in the national framework fixed by the colonizers and maintained after independence. Exclusionary practices are apparent in situations where civil order is maintained but relations between dominant groups are unstable, and also in situations where hegemonic vacancy is manifested in violent civil disorder ("warlordism").

2. *Social identity and rules of entitlement*

The African literature provides various insights into the ways in which social identity is implicated in the rules of entitlement (both legal and non-legal) which govern access to, and exclusion from, resources and other social goods. The most basic insight concerns the two faces of processes of exclusion: access to "goods" (broadly understood), and affiliation to groups. The literature shows how rules of access to resources and social goods depends on rules of admission to groups and networks (rules governing social affiliation, social membership). Moreover, it goes further to examine: (i) ways in which membership and status within various social groups and networks is related to social identity; and (ii) ways in which changes in the economy and polity (including increasing resource scarcity and increasing market relations) affect the content of the rules of membership and rules of resource allocation within groups and networks, and the ways in which identities and rules are negotiated. The literature also indicates the changing significance of poverty and social identity in regulating access to resources and social goods.

These points can be most clearly illustrated through the literature on access to land resources. Analysts have observed, for example, how personal identities are defined and redefined at times when disputes occur to stress various kinds of social affiliation to groups (bounded units whose members are aware of common membership and may act collectively, notably households and villages), networks (based in kinship, friendship, and patron-client ties, which may or may not be local), and categories (persons with a common characteristic, such as gender, age and stage in the life cycle). Power and influence over landholding mean "power to define types of land, types of persons, and the bonds between them" [Shipton & Goheen, 1992, p. 311]. Access to agricultural land is also articulated in a system of tiered access, with different categories of people defined as "primary" and "secondary" claimants. Primary claimants have direct rights to land resources, whilst secondary claimants only have rights to land resources indirectly through primary claimants. With increasing

scarcity of land and as farming becomes more profitable, there is a tendency for land to be reserved for primary claimants. There is increasing pressure to buy and sell land, and poverty begins to become more important in determining access to land.

Women are in a particularly bad position. In indigenous systems of land tenure they only gain access to land through household heads. Access is not completely associated with control over resources as the land which they are allocated is supposed to be used to grow food to support the family. Moreover, they are particularly vulnerable when people's access to land becomes more restricted as farming commercializes and populations grow.

With regard to access to labour markets, poverty is more important in affecting patterns of insertion, with educational qualifications permitting access to more remunerative sections of formal employment, and access to finance capital determining access to informal sector opportunities. However, ethnic identities are implicated in processes of exclusion and inclusion. Some analysts have observed how ethnic identities are mobilized as a weapon to ensure dominance in lucrative sections of informal trading, a process in which "who people are" is defined in a mutual relationship with "what they can get". Others have suggested that in the general conditions of extreme poverty, scarcity, insecurity and political uncertainty which prevail in Africa, everyone is engaged in a life-and-death struggle, to survive and if possible accumulate wealth and power, and in this situation the main strategy of the rich and the poor is to "wire" themselves into networks based on family, alliance and friendship. These networks are fluid and very variable. Family bonds and ethnic identity sometimes appear to correlate with these networks. But these ties are "above all instrumental arguments at the service of actors" [Bayart, 1993, p. 217], and part of a wider repertoire of politically legitimate discursive genres.

3. *The relationship between exclusionary and inclusionary practices*

An important insight in the African literature is the understanding that exclusionary practices are linked to the terms on which people are integrated into an economy and society. A classic example of this is the analysis of the relationships between the exclusion from the land resources by white settlers in colonial Rhodesia, and the increasing supply of labour as options and opportunities for making a reasonable livelihood within peasant agriculture were increasingly narrowed [Arrighi, 1970]. But, more generally, this underpins all analyses of clientelist networks.

Clientelist systems consist of chains and networks of patron-client relations, which typically split into factions as patrons compete for clients in the struggle to control key resources and offices. These systems are paradoxical with regard to their inclusionary/exclusionary nature. They integrate all participants in the network of exchange relations, but this form of inclusion of lower status groups is founded on, and reproduces, their exclusion. Clientelism is rational for the lower status groups in conditions where: (i) key resources, such as land or employment, are controlled by one group; (ii) the organization and cooperative mobilization of the client group to gain access to resources controlled by the patron group is inhibited; and (iii) universalistic criteria for allocating and exchanging resources are replaced by personalistic criteria [Clapham, 1982, p. 8]. The vulnerability and insecurity of individuals consequent on these exclusions creates the desire on the part of clients to seek patrons.

These relationships change over time, as suggested in the discussion of the relationship between social identity and rules of entitlement, and an interesting question is how they have changed with adjustment programmes. One thesis suggests economic stagnation and recession have, by increasing insecurity, strengthened the possibility of regulating clientelistic exchanges, and that the dismantling of public sectors associated with structural adjustment programmes have not condemned regimes in power by drying up patronage resources, but rather restored the position of presidents as "the principal distributor of sinecures" [Bayart, 1993, p. 225].

4. *Social exclusion and economic crisis*

The literature includes analyses of ways in which practices of exclusion and inclusion have contributed to the economic crisis in Africa, as well as the ways in which the crisis has affected these practices. Three important theses have been made with regard to the former relationship, and the last two are particularly interesting as they posit a link between *inclusionary* practices and economic crisis.

The first, which has been most influential, is Bates' analysis of the politics of agricultural policy, which argued that the immediate interests of the majority of farmers were not properly represented in the era before the structural adjustment programmes [Bates, 1981]. This contributed to economic crisis for, although farmers were politically excluded, they could accentuate or precipitate a fiscal crisis by reducing their marketed outputs of food and cash crops.

The second is based on the observation that many States have sought to govern through a "rule of inclusiveness", building multi-ethnic coali-

tions which include spokespersons from all major ethnic interests in key decision-making institutions.⁴ Whilst these coalitions have served to reduce ethnic conflict they have had negative economic consequence as they have involved the wide distribution of resources. The macro-economic costs, and the loss of micro-economic efficiency associated with the politics of inclusive coalitions, is seen as integral to the genesis of the economic crisis and the legacy of the colonial construction of multi-ethnic States.

The most interesting thesis is that of Berry who argues that agrarian crisis in Africa may have its roots in the fact that surpluses from agricultural production are invested in access rather than increasing production. As she puts it, "Where access to land and other productive resources depends partly on non-market criteria, accumulation of cash and of the fungible assets may not be a sufficient condition for securing access to the means of production. If access depends on social identity, producers will use resources to establish or reaffirm advantageous identities and connections for themselves" [Berry, 1988]. Drawing on data from Nigeria, she suggests that access to productive resources is regulated by a number of social identities based on multiple and overlapping criteria. In these circumstances, "people invest in meanings as well as the means of production — and struggles over meaning are as much part of the process of resource allocation as are struggles over the labour process" [ibid., p.66]. She suggests that labour management and recruitment tends to be inclusive, in the sense that "exploitation operates through the subordination of some people within access-defining groups" [ibid., p.63]. But the inclusive mode of labour management and recruitment tends to promote unproductive patterns of resource use — overemployment, overgrazing, inefficiency, inefficient labour effort, accumulation of claims and clients rather than fixed capital.

In summary, according to Berry, a key current problem is that "many Africans have become locked into multiple channels of access and strategies of resource management which perpetuate low productivity" [Berry, 1989].

This thesis is important in that it affirms the value of a multiple sites perspective on social exclusion in Africa; it points to another aspect of the interplay between social identity, rules of entitlement, and wider economic change; and it cautions against the reflex policy conclusion that inclusion is the solution to the problem of exclusion. In this thesis, the inclusivity of

⁴ Rothchild and Foley [1988]. For the basis of this in African nationalist thought, see Mazrui [1967].

African society is, on economic grounds, identified as problematical.

Whether the "nationalization" of rights and obligations (through more effective national citizenship) would rectify this situation, by redirecting energies away from investment in channels of access to production itself, is a critical issue. One of the vicious circles in the situation is that the crisis itself has undermined the capacity of the State to deliver civil, political and social rights. But important policy debates are going on, particularly with regard to democracy and land reform (the introduction of individual titles to land).

III. Social exclusion and the analysis of poverty

Whilst the African literature can usefully support the elaboration of an analytically sophisticated and non-Eurocentric concept of social exclusion, a more explicit social exclusion approach can also usefully inform analyses of socio-economic change in Africa, in particular processes of impoverishment. It does so, first, through directing more attention to the relationships between poverty and agency; and second, by providing a framework to draw together separate literatures on access to land, employment, organization and representation, and social services, and to inter-relate them in a way which illuminates trajectories of social change.

1. Poverty and agency

The African literature on access to resources and other social goods is characterized by a major divide. Some authors have focused on the practices by which privileged/powerful groups seek to maximize economic advantages by excluding others from resources and opportunities. Other authors have focused on the situation of marginalized/weak groups, indicating the negative consequences for them of exclusion from resources. In the literature on the informal sector, for example, most analyses are concerned with poverty, survival strategies and ways of increasing productivity and remuneration in marginal jobs. But since the 1980s, another strand of literature has emerged which focuses on informal activities such as smuggling, bribery, theft and speculation which offer major possibilities for capital accumulation for well-connected people.

An important conception of processes of exclusion which is used in the literature on the practices of rich groups is the Weberian notion of social closure, which may be defined as "the process by which social collectivities seek to maximize rewards by restricting access to a limited circle of eligibles" [Parkin, 1979, p. 44]. Model examples of this type of

work are the studies of Abner Cohen [1969, 1981]. The literature on marginalized/weak groups tends to see processes of exclusion in terms of constraints on access to key assets, resources, and other social goods. In analyses with an historical perspective, a pattern of social differentiation at a particular point in time may be analysed in terms of paths of upward mobility. Excluded groups are those "left behind", as others improve their position.

An explicit concern with exclusion might serve as a way of bridging this divide and thus linking poverty and agency. Exclusion is not something which "just happens". It is a practice of the more powerful. Moreover, being denied access to particular resources does not completely block any possibility of agency on the part of excluded groups. Rather, exclusion structures their field of action. From this perspective, social exclusion is precisely a practice of the more powerful which structures the possible field of action of the less powerful.⁵

2. *Understanding the poverty transition*

One of the most important analyses of poverty in Africa is the historical analysis of Iliffe [1987]. He argues that "two levels of want have existed in Africa for several centuries" — the poor ("the very large numbers — perhaps most Africans at most times — obliged to struggle continuously to preserve themselves and their dependents from physical want" [ibid., p. 2]), and the very poor or destitute ("smaller numbers who have permanently or temporarily failed in that struggle and have fallen into physical want"). Focusing on the latter group, he notes that with regard to "long-term poverty of individuals due to personal and social circumstances" (structural poverty), the continent is going through a transition. That transition, which has already taken place in Europe and many parts of Asia, is from "land-rich poverty to land-scarce poverty". These are distinguished as follows: "In land-rich societies the very poor are characteristically those who lack access to labour needed to exploit land — both their own labour (perhaps because they are incapacitated, elderly or young) and the labour of others (because they are bereft of family or other support). In land-scarce societies the very poor continue to include such people, but also include those among the able-bodied who lack access to land (or other resources) and are unable to sell their labour-power at a price sufficient to meet their needs [ibid., p. 4].

⁵ An example of the possibilities of such a synthesis in the African literature can be found in Elliott [1975].

According to Iliffe, southern Africa has, in the second half of the twentieth century, been making the transition from a land-rich to a land-scarce society, and the rest of Africa is likely to do so in the near future.

This notion of a poverty transition is useful from both an analytical and a policy point of view. A social exclusion perspective could elaborate it by providing a framework for synthesizing and inter-relating disparate debates on access to productive land and agricultural inputs, access to remunerative and secure urban jobs, and patterns of organization and political representation.

By putting Iliffe's notion of a poverty transition into a social exclusion framework, it is possible to analyse not simply changes in salience of different dimensions of exclusion (broadly from access and control over land to access to remunerative and secure positions in the labour market), but also: (i) changing inter-relationships between dimensions of exclusion from livelihood; (ii) changes in the relative importance of institutions (such as households, nation States, and international regimes) in regulating patterns of exclusion/inclusion; (iii) changes in the way in which social identities affect exclusion (such as increasing importance of national identities in the working of labour markets); and (iv) changes in the relative importance of, and relationship between, poverty and social identity in regulating access to resources and other social goods. Changes in civil, political, and social rights would be included in the frame of analysis as well, building policy implications directly into the analysis.

The adoption of such a framework is urgent. Although the literature on agricultural land, urban labour markets, political representation, and social rights is disarticulated, increasing interconnections between dimensions of exclusion are apparent, particularly in strategies of making a livelihood which involve "straddling", finding earning opportunities which bridge rural and urban locations, formal and informal activity, and the public and private sector. Access to remunerative off-farm income is a critical factor in determining agricultural incomes. Exclusion from livelihood based on direct agricultural production is a critical factor in determining the supply of labour, and the terms on which people enter labour markets, and access to remunerative positions in labour markets provides a basis for securing access to productive land and the inputs to maintain and increase its productivity.

By refining the thesis of a poverty transition from a social exclusion perspective, it may also be possible to gain a better view of the nature of the current economic crisis in Africa. Broadly, that crisis is defined by a temporal conjunction between a long-term structural trend in which access to remunerative livelihood through direct agricultural production is

becoming more and more restricted, and a downturn since the mid-1970s in which access to remunerative livelihood through formal and informal employment is *also* restricted. The downturn is related to trends in the global economy, and may be cyclical in nature. But the politics of scarcity are fostering actions which may exacerbate scarcity. These actions include the adoption of structural adjustment programmes based on misconceptions of the situation.

IV. Conclusion

The African literature offers an important source for elaborating a concept of social exclusion which is analytically sophisticated, of policy relevance, and capable of application in a wide variety of country settings, including those outside the industrialized and post-industrial societies of Europe and North America. A social exclusion framework can also add new dimensions to discussions of socio-economic change in Africa, particularly enhancing understanding of processes of impoverishment. The concept of social exclusion can be advantageous if "social exclusion" is not reified as a new social problem, adding to the catalogue of woes besetting the continent, but rather treated as an analytical approach to understanding existing socio-economic trends and problems.

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6 *Social exclusion and Latin American analyses of poverty and deprivation*

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The idea of social exclusion has not been widely used in discussions of Latin American economy and society except as a descriptive term. There is, however, a large literature which examines poverty, inequality, and deprivation. This paper examines the main dimensions of this material in relation to the concept of social exclusion, and considers the main insights which may be derived from the literature for conceptual understanding, theoretical explanation, and policy recommendations concerning social exclusion. It also assesses the usefulness of the concept of social exclusion for furthering understanding of the so-called “social question” in Latin America.

1. Dimensions of the Latin American literature

1. Conceptualization of social exclusion

There is an important literature in Latin American social science which provides a broad theoretical approach for conceptualizing and explaining the dynamics of poverty, deprivation, inequality and social exclusion. This literature grounds the structural processes generating poverty and deprivation upon the peripheral integration of Latin American economies into the world capitalist system. It also offers a critical assessment of the idea of exclusion as “lack of integration”. It provides theoretical support to the idea that poverty, deprivation, and exclusion result from the pattern of integration of classes, social groups, families, individuals and regions into the prevailing division of labour. It also supports and contributes to an approach which emphasizes that “poverty

¹ This paper is based on a long bibliographic review [Faria, 1994]. Regina M. B. Faria and D. Graber did the research for the bibliography and provided the author with valuable intellectual contributions.

is not a marginal or incidental phenomenon, but is structurally related to the way economic and social systems function" [Infante, 1995].

2. Dimensions of social exclusion

The Latin American literature on poverty has always dealt with lack of access to goods, assets and services, and this work directly addresses the question of *who* is excluded from *what*. Poverty defined as deficiency of income has received far more attention than lack of access to other assets, services and goods. The two main ways of assessing deprivation regarding income have been, on one hand, the so-called "poverty line" approach and, on the other hand, the usual studies on income distribution.

The literature also has frequently estimated deprivation based on the basic needs frame of reference. Starting with the pioneering work by Oscar Altimir [1982], the measurement of deprivation based on the satisfaction of basic needs in conjunction with the poverty line studies have been useful in evaluating the impact of the recent crisis on the impoverishment of lower-middle and upper-lower income groups (sometimes called the "new poor" or the "recent poor"), particularly in some countries such as Argentina, Uruguay and Brazil. Deprivation in terms of lack of adequate access to food has also received some attention. It has been measured either directly, in terms of food intake, or indirectly, in terms of the estimated income necessary to purchase a socially defined minimum basket of food. Recent Brazilian studies coordinated by Peliano [1993] are a good example of the last approach.

3. Main determinants and processes of social exclusion

The literature which addresses the mechanisms and processes which produce, maintain, and reproduce poverty and deprivation includes a variety of viewpoints. Different mechanisms are emphasized by different authors and in different countries. However, four aspects have been strongly emphasized.

First, the existence of poverty and deprivation is related to the rural and agricultural structures prevailing throughout the region and on the transformations taking place in these structures over the decades. Lack of access to land, to technical assistance, to credits and to markets as well as the pattern of land tenure (the *latifundio-minifundio* complex) and labour-saving agricultural modernization have been stressed as causing not only rural poverty but also rural to urban migration and, as a consequence, urban poverty.

Second, poverty is causally connected to employment trends and the structure of urban labour markets, with key issues being employment scarcity, job productivity, lack of protection, instability and vulnerability. More recently, the problems of the growing precariousness of employment and the dualization of the urban labour market have also been discussed in connection with the economic crisis of the 1980s, the resulting adjustment policies and the ongoing process of economic restructuring. In this regard, a large amount of good research has been generated throughout Latin America, but ECLAC (Economic Commission for Latin America and the Caribbean), ILO and PREALC (Regional Employment Programme for Latin America and the Caribbean) should be mentioned as institutions playing a leading role in research as well as in policy recommendations on employment questions.

Third, the literature stresses the fragility of democratic institutions, authoritarianism, the lack of political participation, and the exclusion from the rights of citizenship as main determinants of poverty and exclusion. Finally, some work emphasizes the lack of adequate education as a main determinant of poverty and deprivation.

Analyses discussing the mechanisms behind discrimination against specific social categories and groups based on such factors as ethnicity, race, gender, and migratory status, has been growing recently, particularly regarding gender and race (in Brazil). But the literature is still insufficient.

4. *Excluded groups: Size, characteristics and prospects*

Particular attention has been paid to the problem of estimating the size, describing the main traits, and assessing the future prospects of specific groups who live in poverty and suffer from discrimination or deprivation. The three main groups studied are: the urban poor; children and adolescents; and urban migrants and squatters.

The urban poor — defined either in terms of income or basic needs — is, by far, the most studied group. The quantitative importance of this group, the availability of good quantitative information (from both censuses and household surveys), the existence of standard and well-tested technical procedures to measure and describe this group, are some of the factors accounting for the prevalence of such studies. There are several good such studies of urban poor households, particularly for the 1980s, when the economic crisis severely hit the Latin American economies. However, similar analyses of the rural poor are, unfortunately, more difficult to find.

The second group receiving close attention is the age group of children and adolescents, in part as a result of the influence of UNICEF.

The age group over 60, which will be growing rapidly in the next decades, has not received adequate attention.

As a consequence of rapid, concentrated urbanization and the resulting housing problems across the region, migrants and squatters are the third highly studied group. In fact, the term "urban marginality" was originally coined to refer to this group and several studies were conducted under this theoretical perspective, particularly during the 1970s and early 1980s.

What is certainly lacking in the literature are good studies of minority groups (such as blacks in Brazil), households headed by women, and the physically handicapped population.

5. *Policies to combat social exclusion*

The state-led import substitution industrialization model which characterized the growth regime of most Latin American economies from the 1950s until the 1970s entailed an active — even if not very efficient — role for the State in the provision of basic goods and services. In the late 1970s and early 1980s, most of the Latin American social protection welfare systems showed signs of deterioration and even collapse. In addition, the crisis of the 1980s put further pressure upon these faltering systems. As a consequence, the need for reform entered the public agenda.

There is by now a fairly large number of studies on the policies and public services aimed at providing basic goods and services. Topics covered by these studies include: the financing and functioning of existing systems; access to and coverage of health, education, and social security systems; and the distributive impact of these social welfare provisions. There are also several studies dealing with policy recommendations to change the system of social protection, particularly regarding better targeting, non-regressive financing, accountability, decentralization and cost-efficiency, as well as evaluations both of overall changes in the social protection system — as in Chile — and innovative emergency programmes — as in Bolivia and Mexico.

6. *Social exclusion, land, and the agrarian question*

There is a long tradition of literature dealing with the lack of access to land, but one feature of *recent* work on poverty and deprivation, particularly over the last 15 years, is that only a relatively small fraction of it deals with issues such as agrarian and land reform and rural poverty as a contemporary issue. This apparent neglect of rural poverty is noteworthy in that it is well known that the rural areas of Latin America contain a higher incidence of poverty than the urban centres.

Three reasons could help explain this shortcoming. First, Latin America is by now an urban continent and, in absolute terms, poverty is an increasingly urban phenomenon. Second, the information required to undertake the general estimation and characterization of poverty is more difficult to obtain for the rural area. Furthermore, the measurement strategies under more widespread use — the poverty line and the basic needs approach — are better suited to the estimation of poverty in the urban areas. And finally, for reasons that deserve adequate explanation, the agrarian reform question seems absent from the public agenda.

In any event, it is in the area of rural poverty that more studies should be conducted in the near future if we are to understand social exclusion better. For this reason, it has been identified as a separate dimension of the literature in this review.

II. Main contributions of the Latin American literature

The Latin American literature provides a number of important contributions to the study of poverty, deprivation and inequality which can usefully inform understanding of patterns and processes of social exclusion, and policies against it.

1. Import substitution industrialization, dependency, and economic restructuring with equity

The main and outstanding theoretical contribution of analyses of poverty, deprivation and inequality has been, first, to connect these phenomena to the way “social systems function” and, second, to insist that they are the result of specific *modes of integration*, both of the Latin American economies and societies into a changing world system and of social groups, families, individuals and regions into these national economies. In this regard, the basic concepts providing a theoretical ground for the analysis of poverty and inequality are related, in a variety of ways, to theories of the social division of labour [Faria, 1976].

It is for this reason that, even recently, the idea of exclusion — if interpreted as lack of integration — has not been used very often, except for descriptive purposes. Even those analysts working with the concept of marginality — an important theoretical contribution of the Latin American literature to this question — have criticized the idea of marginality as lack of integration, pointing precisely in the opposite direction and arguing that situations of “urban marginality” correspond to a specific mode of integration into the prevailing social division of labour.

The literature which analytically connects poverty and deprivation to the place of Latin American economies into the international division of labour is founded upon notions of centre-periphery relationships and revolves around the idea of "peripheral capitalism". But over the last 40 years, it is possible to see three distinct and important approaches within this general frame of analysis.

First and foremost, there were the empirical and analytical contributions articulated by and around the work of the Economic Commission for Latin America-ECLA (now also including the Caribbean-ECLAC) in the late 1950s and the 1960s. In a nutshell, widespread poverty in Latin America — mainly rural poverty at that time — was seen as the historical result of the pattern of integration of these economies into the world economy as exporters of primary goods (mining and agricultural goods), the nature of technical progress and its differential incorporation into production structures, the persistent deterioration of the so-called "terms of trade" and of the socio-economic structure stemming from this integration. The hopes for changing this situation of persistent and widespread poverty were put on import substitution industrialization and on the modernization of agriculture. This approach is represented by the work of its leading author, Raul Prebisch [1950]. It was, of course, modified by the course of events, but is still inspiring poverty analyses in some countries and in some research and policy institutions.

By the late 1960s and early 1970s, import substitution industrialization had already progressed far in some Latin American countries (for instance in Argentina, Brazil, and Mexico), whilst in others (for instance, Central America) the recommendations following from the so-called Prebisch-Singer-ECLA approach would have been difficult to apply. In both cases, although urbanization had gained momentum, poverty was still rampant and the political conflict over distribution had led to widespread authoritarianism. In this context, the Latin American social science literature offered a new theoretical approach to ground the analyses of poverty. Relying upon the previous intellectual tradition, different authors contributed to the so-called "dependency approach", which further elaborated on the implications (for growth, income inequality, job generation and the dynamics of the socio-political organization) of the different connections taking place among economic actors, old and new, on both sides of the centre-periphery relationship. The development of capitalism at the periphery of the world system, particularly if accompanied by the further erosion of the democratic tradition in the area, was seen as insufficient to overcome poverty and inequality. Hopes shifted from import substitution capitalist industrialization and modernization of agriculture to one form or

another of socialism and democracy. This rather important contribution is represented by two of its leading authors, namely, Fernando H. Cardoso and Enzo Falleto [Cardoso & Faletto, 1970; Cardoso, 1973].

More recently, after the prolonged crisis of the 1980s and as an answer to the proposed hard-line neo-liberal adjustment policies, Latin American economists, social scientists and policy analysts have been generating still another general framework to deal with poverty and inequality questions, namely, the economic restructuring with equity approach. This approach provides a critical assessment of the state-led import substitution experience, analyses the impact of the recent crisis and the adjustment policies on Latin American societies, critically examines the transformations in the productive structures of the region necessary for a competitive integration into the international economy, and discusses a set of policies to face the perverse consequences of these transformations and to promote equity. This theoretical perspective is represented by recent ECLAC [1992] and PREALC [1992] works.

During the last 40 years, most of the contributions of the Latin American literature for the analysis of poverty and for policy recommendations have benefited from these comprehensive theoretical frameworks.

2. *Employment, occupational marginality and informal labour markets*

The second major contribution of the literature to the analysis of poverty which can potentially inform analyses of social exclusion is in the area of employment and labour market studies.

At the core of the comprehensive theoretical frameworks just outlined is the concern with how individuals, households, social groups, and regions participate in the prevailing social division of labour as a determinant of their life chances. Therefore, the employment question has been strategic to the understanding of poverty and thereby social exclusion over decades.

From the late 1950s until the early 1970s, with the population growing at very high rates, urbanization rates skyrocketing, and profound changes occurring in rural and urban productive structures, Latin American scholars turned their attention to the capacity of the modern urban industrial activities to provide adequate employment to the increasingly growing urban labour force. A large amount of work revolved around the concept of "urban marginality". The theoretical controversy over this issue within the Latin American intellectual tradition generated useful results for the understanding of urban labour markets at the periphery of world capitalism and for the discussion of social exclusion.

Two of these results deserve mention. First, critical evaluation pointed to the shortcomings of the approach which stressed a supposed *dualism* of Latin American labour markets by showing how the expansion of informal, service occupations with low productivity were connected to the expansion of the “modern” sector. Second, the idea that “marginality” should be understood as lack of integration of traditional migrants into the value orientations and behaviour patterns of the modern, urban society (which is found in the so-called culture of poverty approach) has also been severely criticized and undermined.

During the 1980s, under the intellectual influence of PREALC, attention turned again to the employment generation problem resulting, first, from the economic crisis, then from the adjustment policies implemented to face the crisis and, finally, from the economic restructuring taking place in the region as a result of new patterns of dynamic integration into the world economy. One of the main contributions of these studies has been to point out the growing *vulnerability* of several segments of the labour market (even some modern urban-industrial segments), the growing *precariousness* of work, and the increasing *dualization* of urban labour markets. Another contribution has been the discussion of the need to improve the qualifications and the skills of the labour force as a necessary step to overcome the crisis. Last but not least, this literature strongly supports the idea that, in the next two decades, the generation of productive jobs will continue to be one of the crucial issues regarding poverty and exclusion in the region.

3. *The lost decade: Economic crisis and adjustment policies*

Another important and more recent contribution found in the Latin American literature dealing with poverty and deprivation is related to the discussion of the impact of the world economic crisis upon the region and to a sharp critique of the neo-liberal policies that have been proposed by institutions such as the World Bank and the International Monetary Fund to deal with the crisis.

Such analyses recognize that the state-led import substitution growth regime is exhausted, and that to maintain it has entailed the perverse combination of inflation and stagnation, lack of competitiveness, inadequate incorporation of technical progress, growing public deficits and the presence of the state in productive endeavours marked by lack of dynamism and where corporativism prevails over the public interest. It is therefore imperative, according to these analyses, to eliminate the public deficit, to control inflation and to find a new growth regime for the

economies of the area by promoting a deep restructuring of their productive sectors.

However, the same literature has stressed that the neo-liberal policies adopted to deal with the crisis have had a strongly negative impact on the social situation throughout the region. Very low or even negative rates of growth, growing open unemployment, declining government social expenditures and disorganization of the public sector have been some of the consequences of this adjustment, entailing increasing impoverishment and the growth of the social debt. It is no wonder that the 1980s are described in this literature as the "lost decade".

Against this background, the most recent publications have discussed alternatives to this dilemma and a set of policy recommendations has emerged, known in the literature as "economic restructuring with equity". This growth strategy recommends a careful and planned opening of the economies of the region, an increase in their systemic competitive capacities, a planned and sustained development of the region's scientific and technological resources, adequate environment protection and a major effort to enhance the quality of the human resources in the area. All these efforts require an increase in the steering capacity of the government and therefore imply a deep reform in the State structures of Latin America.

Even a cursory overview of the material on "restructuring" and an examination of the controversial issues involved will show that there are no reasons for optimism: the prospects for a rapid and significant improvement in the social situation are discouraging. Nevertheless, it is necessary to strengthen the public space and the democratic mechanisms and institutions to negotiate long-term solutions.

4. *Social protection and welfare policies: A renewed challenge*

Finally, there is the contribution that the literature offers regarding the past performance, the present crisis and the challenges facing the provision of social protection and welfare services in the region.

A distinctive system of social protection developed in most Latin American countries, associated with the state-led import substitution growth regime. Although varying from country to country, these social protection systems differed markedly from the welfare systems typical of the Scandinavian countries and from those prevailing in the USA.

In the last decade, a growing amount of research has been conducted leading to a better understanding of the functioning of these social protection systems, their financing, and their distributive impact. These analyses,

associated with the impact of the economic crisis and with the processes of redemocratization occurring in the area, have also played a role — first, in the better understanding of the shortcomings of most of these social protection systems, particularly regarding their low or even regressive distributive impact and their low cost efficiency and, second, in the intense discussion around divergent policy recommendations for the urgent reform of these systems then taking place. The literature, contains evaluations of different initiatives taken to reform these systems, ranging from such deep reforms as the one taking place in Chile, to such cosmetic ones as those taking place so far in Brazil, and including new innovative emergency programmes such as the ones implemented in Bolivia and Mexico.

Except for the positive role that careful decentralization can play and for the need to improve cost efficiency, there is no widespread consensus on most questions such as targeting versus universalizing, privatizing versus increasing public control over services, or means-tested provisions versus universal citizenship entitlement to benefits. However, the literature is unanimous on two main conclusions. First, the region badly needs an efficient, publicly accountable social welfare safety net. Second, these systems, however efficient, universal or better targeted they may be, cannot carry all the burden of the fight against poverty. A higher per capita income, more and more productive jobs and a better primary income distribution are still necessary preconditions for the adequate functioning of welfare systems.

III. Conclusion: How useful is the notion of social exclusion for the analysis of poverty and deprivation in Latin America?

This paper has examined the main trends in the Latin American literature concerning questions of poverty and deprivation. It is apparent that the notion of social exclusion — except as a descriptive term lacking any major theoretical implication — has not been widely used. But at the same time, this literature could potentially be used to understand processes of social exclusion, and to inform policies designed to combat exclusion. It is worthwhile, therefore, as a conclusion, to say a word about the usefulness of the concept of exclusion for furthering the understanding of poverty and deprivation and as a more adequate basis upon which to ground policy recommendations.

In Western Europe, the concept of social exclusion refers, in its most recent version, to “the most characteristic mechanism of poverty in the

industrialized countries and of the emergence of the new poor" [Gaudier, 1993; Yépez, 1994]. Gaudier, for example, writes:

The concept implies that societies with a market economy have become *incapable of integrating a growing number of their members*. An extreme form of inequality, exclusion — described by the French sociologist Alain Touraine as the new social division, which set those on the outside against those in the inside, *in contrast to the older division, which set those above against those below* — would appear to sanction the "dualization" of society, the divorce between social demands and the organization, the rift between the actors and the system. Interpretations of this concept may differ, but they have one point in common. They [...] attribute [exclusion] primarily to socio-economic causes — exclusion is the direct consequence of the employment crisis — and to *political and cultural* causes — here it is the result of the failure of institutions, the State, the education system, the trade unions. Recently adopted into everyday language, the term embraces the sinister reality of a world of have-not: the homeless, jobless, powerless, penniless (p. 64; emphases added).

So understood, the notion of social exclusion seems to be rather context-specific, and of limited relevance to the Latin American context. It conveys ideas such as lack of integration, dualization, cultural distinctiveness, lack of formal civil and political rights and it refers to institutional determinants — as my emphasis in the quotation seeks to stress — that are not typical of the Latin American situation of poverty and deprivation. In fact, as we have seen in the previous section, one of the main contributions of the Latin American literature has been precisely a critique of these ideas. It may be that the term is useful to refer to situations either where international immigrants form a strong component of the poor population, or where there are strong ethnic, religious and cultural differences. But in contexts which are both politically and culturally homogeneous, the thesis that poverty and deprivation is the result of *a specific pattern of integration into the social division of labour*, which the Latin American literature argues, seems more adequate.

However, the usefulness of the concept of social exclusion can perhaps be claimed on other grounds. In brief, it offers a way of integrating loosely connected notions such as poverty, deprivation, lack of access to goods, services and assets, precariousness of social rights, and of providing a general framework.

If it is to be useful as such an integrating framework, the concept of social exclusion will have to have a far more strategic importance for articulating social theory than it seems to have thus far. The Latin American literature has up to now relied on concepts articulated around the notion of social division of labour to provide this grounding framework.

Most of the material included in this review provide examples of the usefulness of this approach. It will only be on the basis of fresh knowledge inspired by the notion of social exclusion that the usefulness of this alternative approach can be evaluated.

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Part II:
Country studies

7 *Patterns and processes of social exclusion in Russia*

Natalia Tchernina

1. The macro-economic context of social exclusion

1. The process of transition

Over the past three years of reforms, Russian society has experienced several massive shocks. First, there has been a process of mass impoverishment following the Gaidar Cabinet “shock treatment” for the economy. The share of the population in Russia which has an aggregate per capita income below the officially set subsistence minimum is about 30 per cent on average, and about 5 per cent of the population is starving.

Second, the threat of mass unemployment has become more and more real. With the sudden and almost unlimited opening of the national market to leading world companies, national manufacturers, and primarily the industrial giants, producing poor quality and ill-assorted goods, and having to cope with the effects of the break-up of former economic ties and a sharp rise in energy and transport prices, have lost markets and have had to cease production. Masses of industrial workers and professionals are undergoing financial difficulties and the moral discomfort associated with a feeling of uselessness, as they think that their skills are no longer necessary to anybody.

Third, the society is rapidly stratifying into the rich and the poor. The ratio of the average income of the richest 10 per cent of the population to the average income of the poorest 10 per cent is growing constantly: from 5:1 in 1989 to 11:1 in 1993. Within a large country involved in an economic crisis, the outline of a “country of the new rich”, with a population of some 10-16 million people at most, is thus appearing.

Finally, there has been a devaluation of the former Russian ideology and national mentality as ideas and values of Western culture spread. These ideas and values are not the result of the inner positive development of Soviet society but have accompanied rapid importation of the Western

model of development, with an emphasis on the values of the consumer society rather than the cultural and ecological components of the model. Most of the ideals and values persistently installed by the mass media are in conflict with old values (for example, the ideology of service to the people and the State is forced out by an egocentric ideology — selfish enrichment at any cost). The old values are maintained and reproduced by the growing poor strata of the intelligentsia. But they have become passive participants of the reform, not benefiting from the reform process but bearing the full burden of its social costs. Ironically, the active importation of ideas for transition to a market economy has taken place in conjunction with an obvious lack of social actors (managers, lawyers, economists specializing in market economy, etc.) who can realize them.

The concurrent influence of these types of shock reveals the state of Russian society. In brief, it is characterized by the break-up of old forms of social organization without their replacement with appropriate new forms. For example, the State system of public health has been destroyed while the system of medical insurance is still to be established; or private pension funds are set up without appropriate legal rules.

In general, there has been an evident and steady loss in the decision-making capacity of the nation State over the last three years. This is manifested in two main ways. First, the range of functions and activities under State control has been constantly and intentionally reduced. Second, there has been a transition from a unitary State, with a super-centralized system of planning and management, to a federal State in which the role of regional elites has been strengthened, with a corresponding loss of control by the centre and weakening of the ability for vertical and horizontal coordination. Regional elites pursuing their own political interests sharpen the conflict between executive and legislative power, and between the federal and regional authorities. The quest for “regionalization” and independence from the Federal Government is realized through the establishment of large regional associations (such as the Siberian Agreement, comprising the regions of Western and Eastern Siberia, or the Far-Eastern Association of Economic Cooperation), or even in the declaration of republics (e.g. the Ural Republic, 1993).

The federal and regional authorities are now bargaining over the distribution of tax burdens and government expenditure. Instead of rendering regular subsidy assistance to some needy regions and making more or less equal conditions of life for the poor strata of the population in all regions, the Government pursues a policy of allocating subsidies and tax privileges to those regions which support it. Such a policy of “region-splitting” undermines confidence in the exercise of State power and

decreases the level of execution of government decrees. There is a constant struggle for the redistribution of the burdens and benefits of the budget at federal and regional levels, which not only adds to the economic instability paralyzing decision-making, particularly in the crucial area of investment policy, but also alienates foreign capital.

2. *Economic trends*

The transition to a market economy is posing great problems for Russia. It is estimated that in 1993, the gross domestic product was 38-40 per cent lower than in 1989 and that the volume of industrial output was half that of 1990. Available statistics also suggest that during the first half of 1994, output fell by a further 27 per cent, an even steeper decrease than the 16 per cent drop recorded over the same period in 1993. The general reduction of the level of business has been accompanied by a hollowing-out of the economic structure. By the end of 1994, there is a real threat of irreversible destruction of many branches of mechanical engineering, chemical and light industries, which constituted the backbone of the national economy. It is estimated that, in the first half of 1994, the fall in their production amounted to 40-50 per cent. High technology industries, where the most skilled personnel are concentrated, are in a particularly difficult situation. Orders from the defence establishment, including orders for research and development work, have decreased alarmingly. This has brought about a sharp decrease in capacity utilization, large arrears of wages of the Ministry of Defence, and the delayed payment of wages to workers. It is estimated that 80 per cent of enterprises in the military-industrial complex will become bankrupt in the very near future, and there will be a mass reduction of the most skilled workers, approximately 1.5 million people. This number is almost one-and-a-half times larger than the total number officially registered as unemployed at the beginning of 1994.

Conversion of military production presupposes technological change, which is impossible without large investment. But State economic programmes have no investment policy, and a deep and protracted fall in the level of investment has taken place. Almost all productive capacities are out of date in the technological, physical, ecological and social senses.

Russian agriculture is also in a disastrous state. The area under crops, particularly grains, decreased dramatically in 1993 and the yield per hectare has also decreased. Experts foresee a complete destruction of home cattle-breeding and other problems include: a sharp decrease in soil

fertility; a worn-out fleet of agricultural machines; and severe social problems in rural areas.

There is a high probability that at the close of 1994 the Russian economy may assume a qualitatively new structure which will differ from the former structure. This transition is apparent in a sharp increase in the share of raw materials industries in total output and the disappearance of the greater part of high technology engineering industries. The new structure is typical of many low-income countries. The government policy of passive adaptation to the spontaneous processes hollowing out the economic structure has resulted in the country's entry into a regime of deindustrialization, though Russia still retains the greater part of its educational, scientific, cultural and industrial potential which had accumulated by the early 1990s. There is thus still the potential for overcoming the crisis and structural regress.

3. Unemployment, poverty and inequality¹

One curious feature of the transition period is the apparently low unemployment rate. An ILO official, G. Standing, points out that "no economy in the world had ever gone through such a serious recession as that in Russia without mass unemployment". But in the first half of 1994 the registered unemployment rate was at a level of 1 to 1.5 per cent of the total labour force (1.1 million people in April 1994).

The conjunction of serious recession and a low official rate of unemployment arises because there is widespread latent unemployment. Estimates for the early 1990s suggest that 25 per cent of the workforce were surplus to requirements and, with production falling by 40 per cent since then, one may estimate that one-half of all those employed in the economy are now superfluous. The low registered unemployment rate also reflects Russian employers' practice of not making surplus labour redundant at the present moment. There are grounds for believing that privatization of large and middle-size enterprises has blocked the mass release of workers, as managers have pursued a policy of maintaining "worker collectives", thus forming an alliance with workers against external shareholders during privatization.

This management strategy is a peculiar pay-off to workers for the opportunity for "managerial" privatization. It involves inherited stereotypes

¹ For a fuller discussion, see Natalia Tchernina: *Employment deprivation and poverty: The ways in which poverty is emerging in the course of economic reform in Russia*. Discussion Paper Series No. 60 (Geneva, ILS, 1993).

and also structures of social relations between workers and the management, formed over the course of decade, which are characterized by the "semi-feudal" dependence of workers upon the distribution system on the one hand, and by a certain paternalism of managers with regard to workers, on the other. Once a joint-stock company is registered, stocks — and hence control over an enterprise — will be gradually transferred to either a small group of managers, or to new owners "from the outside". This process may take from three to five years. But the transfer of production to private capital is incompatible with the keeping surplus workers in employment. In the long run it will be found that one-half of all those employed at present-day enterprises cannot be provided with a job. To put it another way, it will be necessary to double the number of effective workplaces in order to turn the bulk of able-bodied people into wage workers rather than lumpen-proletarians.

An inevitable process of rejection of unprofitable production and surplus workers calls for a consistent State policy of social security to be put into effect. The establishment of a reliable social security system is in fact on the agenda. It includes at least the following elements: (i) an acceptable level of unemployment benefits; (ii) organization of public works; (iii) development of a broad system of occupational retraining; and (iv) real possibilities for substantial migration of the workforce throughout the country. However, the current state of each of these elements of the social security system is unsatisfactory.

Of these elements the first is most easily quantified. Only the registered unemployed receive benefits, but it is well known that open unemployment is only one-fifth of the total number of unemployed. For most of those who receive a benefit, this is set at the level of a minimum wage, which was 14,620 roubles during the first half of 1994. This is much less than the official minimum subsistence level which, in the first quarter of 1994, averaged 53,945 roubles. Thus, in the first quarter of 1994, the minimum wage represented 27 per cent of the subsistence level. This ratio still persists.

Not only does a large proportion of the population have a per capita income below the official subsistence level, but many have lived in this situation for the last two or three years. This suggests that a poverty trap is appearing. The phenomenon of "irreversible poverty" reveals the Government's inability to exercise control over the social consequences of the reform. Provision of citizens, especially the least prosperous strata of the population, with major social guarantees for the stabilization of their standard of living, was declared the top priority orientation of social policy (7 July 1994). But the President's Decree "On preparation of the plan of

stabilization of living standards of the Russian Federation population" was issued too late.

During 1994, living standards of the population were decreasing, large enterprises were closed down one by one, the State delayed payments for its orders, and the tariff agreement was not fulfilled. In these circumstances, a number of leading trade unions decided to withdraw from the "Agreement of Civil Concord in Russia", signed in spring 1994. In so doing, they absolved themselves of the responsibility not to oppose the Government.

Social peace cannot be achieved in a society which is splitting into the poor and the rich. A stratum of new rich is emerging as some people derive profit from the transition. Defined as those with over 500,000 rubles per month, the size of this stratum is about 16 million people (9-10 per cent of the population), including, according to official statistics for the first four months of 1994, about 1.1 million people (less than one per cent of the total population) who had a per capita monthly income of 50 million roubles (US\$25,000). The fragile social concord is likely to break in a situation where a minority enriches itself whilst the greater part of the population experiences rapid pauperization.

There are clear indications that Russia is exhibiting features of the Latin-American model of development, in which a middle class is absent and society is starkly polarized between a rich minority and a very poor majority. The former middle class in Russia is degenerating, while a "new" one is being formed only slowly. This is because the quasi-market Russian economy has no need of the mass intelligentsia which was the heart of the old middle class.

At present a considerable part of the old middle class is in a state of latent unemployment, suffering material and moral losses. In this state, labour relations are maintained with employers who cannot provide their employees with the means of subsistence, whilst the latter search for gainful employment in the informal economy. All this is a certain form of adaptation to the new situation, or — more accurately — a pseudo-adaptation, combining outward adaptation to the situation with inner negative estimation of its rules and requirements. The egalitarianism of the former society has also contributed to the demise of the old middle class because skilled labour still receives low pay compared to many types of relatively unskilled labour. Representatives of the mass intelligentsia experience financial deprivation and strong psychological stress associated with the impossibility of being masters of their own lives, with a growing sense of hopelessness, and with the uncertainty about the very near future. They are prisoners of unpredictable circumstances. A distrust of the

socio-economic policy pursued by the State intensifies still further the obvious tendency for individuals to withdraw into their own problems and failures, and their own narrow social space.

II. Sociological investigation of social exclusion in Siberia

The micro-dynamics of social exclusion were examined through three in-depth case studies and surveys of social groups in Siberia: rural residents; the salaried middle strata (the mass intellectuals) now in a state of latent unemployment; and the long-term unemployed. The degree of social exclusion was assessed in terms of the exploitation, insecurity, and impoverishment of people in these categories.

1. Overall patterns and processes

The *rural residents* are the group worst affected in terms of exploitation, insecurity, and impoverishment. Their exploitation is realized in two ways. First, the non-equivalent urban-rural exchange, in favour of industrial products, has been taking place in both the Soviet and post-Soviet period. Secondly, *kolkhozniks* (people who used to work on State farms) working in the public sector of agriculture continue to be exploited by heavy work, long working hours and extremely low rewards. The situation of rural residents has been, and still is, made insecure by changing weather conditions, procurement prices, and State subsidies. In 1993-1994, insecurity was intensified by the deepening economic depression and the crisis of State social policy, which resulted in long delays in payments for agricultural products and therefore wage delays; and then delays in the payment of social benefits.

The overwhelming majority of rural residents has always been needy. They have become resigned to this condition and have developed their own survival strategies. But in the period of transition to a market economy, these minimal survival strategies have proved insufficient to keep great numbers of the rural population from "sliding down" to extreme deprivation. The signs of impoverishment are especially vivid among those categories of persons whose social conditions render them non-competitive: first and foremost, single mothers, and then families with a number of dependents, families with children of pre-school and younger school age.

The second excluded group are *workers of the military industrial complex and academic and research workers*, who were previously in a better position than other groups of the employed. They had a high social

status, but are now in a state of latent unemployment. Losing their privileged status, and feeling they are victimized by changed priorities in the State structural policy, these workers are more acutely affected by perceived exclusion than the groups which previously had fewer rights and privileges. Their lifestyle still retains the imprint of their former relative prosperity; and most of them keep to their accustomed culturally defined standards (CDS). But the salaried middle strata are beginning to feel an increasing sense of superfluity and they are becoming convinced that commercial, intermediary and financial activities are decisive in a market economy, rather than the production of material and intellectual values. The mass of intellectuals are thus newly excluded, mainly as a result of the reform process itself, particularly the very slow conversion of military production and the sharp decline of State expenditures on research and development.

The culturally-defined standards to which most people in this group continue to adhere reflect their fidelity to the values of the former socialist system. They are accustomed to, and continue to aspire to: free professional education and health services; housing subsidies; and the possibility of sustaining or exceeding their parents' social status. Strangely enough, abnormal working conditions (which are now becoming more common) are not viewed as conflicting with their right to work, i.e. this right is somewhere on the periphery of CDS. But the right to be regularly paid is somewhere near the centre of CDS. The level of remuneration for work, which is low in comparison to Europe, also seems to be included in CDS. With high inflation, however, it is becoming ever more difficult to subsist on low pay, and it is becoming almost impossible to do this when payments come late.

Latent unemployed workers seem to be less affected by exclusion than the open unemployed. The reason is that the former retain the illusion that they are still under the protection of their old organizations and they continue to benefit from some of their social privileges (which are denied to the open unemployed). Amongst the open unemployed, the *long-term unemployed*, who cannot integrate into the local labour market, are in the worst situation. Those who fail to find a job for a long period (over one year in the case studies) accumulate a "negative potential": poor health, loss of skills, dejection, self-isolation, etc. After many vain attempts to find a job, their social vigour declines and, as their family's situation worsens, even fewer efforts are made to improve the quality of their skills (by retraining, mastering new skills, undertaking a business activity), and more and more time is focused on a primitive survival strategy in the household economy.

A common feature discovered in all the three groups under study was their active improvising of minimal survival strategies, mostly in the sphere of household economy, and a lack of long-term strategies to deal with the setting which has excluded them. The case studies revealed no integrative processes through group action, either in the real life of these people, or in their intentions. Their survival strategies are focused on self-provisioning, and mainly on self-provisioning of food, usually in their place of residence, urban or rural, as the case may be. Whereas previously the middle class preferred to spend free time on intellectual activities, tourism and health improvement, at present the cultivation of an individual plot associated with manual labour is becoming a new culturally-defined standard. People are also becoming accustomed to the state of being unprotected, as expectations of the State social security system change and paternalistic illusions evaporate. A side-effect of the State shouldering its responsibility for the citizens in the past is their self-isolation, as they keep away from social settings and withdraw into private life.

The period of these transformations has as yet been too short to make any definite conclusions about the emergence of a new culturally-defined standard of living, and thus we can only ascertain the appearance of certain changes. But people are gradually beginning to realize that the former ways of earning a living will no longer provide them with their accustomed level of consumption and way of life. In the case studies, signs of this awareness were apparent in increased potential mobility of rural workers and the separation from agriculture of the economically most productive labour, i.e. men aged 30-40 with comparatively high skills. The side-effect of this separation is the influx of labour to the city, even stiffer competition on a labour market which is characterized by limited demand, and the expansion of the informal employment sector where the employer can use unlimited flexibility to economize on direct labour costs and social benefits.

2. *The marginality of rural residents*

The genesis of the objective exclusion of a population can be described as a chain of events in which people move from a state of vulnerability, to dependence and, finally, to marginality. Of the three groups studied, rural residents as a social group are at present marginal.

The exclusion of the rural population has a long history and is of a mass character. It is well-known that it was not until the early 1960s that Russian rural residents received passports, without which they could not freely move about the country, nor take up residence and get employment in a city. The system of residence permits still exists in Russia. Most of

the rural population are excluded from a modern way of life both in the sphere of domestic amenities and in the sphere of work. This is seen in the general absence of practically all modern facilities, except for electricity in homes; the scarcity of consumer establishments in the rural centres; excess working hours and lack of leisure; heavy and abnormal working conditions; and the burden of a double workload embracing both the public and household farming sector. Women bear most of the burden of this double load, and the more children there are in a family, the more important is the household economy in the survival strategy.

The pattern of exclusion described above was constantly reproduced through non-market factors, particularly because of the notion that peasants, as a class of small proprietors, were of second-rate quality (compared to the industrial proletariat), and the idea that the agrarian sector played an inferior role to industry and other urban branches of the economy. Primitive production techniques in agriculture, a narrow job choice and poor transport and communications in the vast spaces of Russia (which rendered commuting impractical in most rural settings), also contributed to the situation. But exclusion has intensified in the transition period.

Both agricultural production and the rural community were not prepared for the transition to a market economy. The former *kolkhozes* have been converted into peasant farm associations (PFA), joint stock companies and other new economic forms. But they are now in a deep crisis, having lost support from the State in the form of subsidies and rigid control over consumption of resources.

Before the transition, the rigid control of all activity in the village was exercised by the party-State system. It could not create economic efficiency, mainly due to the absence of relevant incentives for investment and for labour productivity. But it did manage to keep social distances between people within limits, not letting great differences in consumption and the living standards of different social groups emerge and keeping to the principle of equality. No new democratic institutions, which could regulate the social life in the village, have been created as substitutes for the dismantled party-State system so far. Moreover, new economic mechanisms which now regulate PFA activity have failed thus far to produce the relevant forms of control over the actions of the administration because the PFA members have no experience in using democratic and legal procedures to defend their interests.

These deficiencies, peculiar to the period of transition to a market economy, arouse in rural residents a sense of nostalgia for the old party's methods of management. Some of the respondents expressed regret about the dismantling of party committees in the early 1990s, because they had

been the only place to which they could turn with complaints against their managers if their rights were infringed. These committees were a kind of counterbalance to the often "omnipotent" power of the *kolkhoz* chairman. The residents, however, forget that party committees would not often take the side of rank-and-file *kolkhozniks*. At present the only agency that is left to defend them is the court. But there are very few people who bring their cases to court in situations of severe conflict (because of general legal illiteracy, lack of skills in normal forms of defending one's interests, and a tradition of enduring suffering). As a result, the rural population has accumulated sentiments of exclusion.

The low legal experience of rural residents makes them helpless against the power of local chiefs who have sought, in particular, to keep people in low-paid public agriculture and prevent them from taking more attractive and higher-paid jobs. The curtailment of public expenditure on social infrastructure in rural areas worsens the living conditions, has a negative impact on the raising of children, and narrows the sphere of female labour, leaving women with only two or three kinds of jobs on farms, all of which have heavy and harmful working conditions. Males often have illegal earnings on the side. As a result, the improvisation of survival strategies by rural residents is limited to a choice between household production and a heavy additional workload. The proportion of wages of agricultural workers in the total incomes of a typical rural family is less than 40 per cent. The absence of any means of mechanization in the individualized economy and the absence of money savings for the use of paid services make household production economically dependent on support from the collective farm, and more specifically on its Board, which is the only manager of the resources (allocation of fodder, garden ploughing, repair of buildings, etc.). The consumption cooperative society cannot integrate individual farm producers; and the State, in spite of its declarations, has left the private farming movement almost without support.

The State system of social security would be a great help for rural residents, especially because many families have more than two children. But the condition of the system is unsatisfactory at present. There are only cash benefits, and payments are small and paid irregularly.

Finally, common to all respondents in the surveys — rural and urban — is a feeling of poor protection against crime. But criminality is growing in society: an increasing number of acts of terrorism against successful businessmen, bankers and managers arouse in ordinary workers a sense of defencelessness. They have no confidence in the bodies responsible for keeping public order and fear for the safety of their families in the districts where they live, particularly in the city.

In this situation, people hope only for the support of their relatives and sometimes their friends. However, according to the data of the mass polls, these primary social relationships are being broken, as valuable human relations between kin and friends become weaker.

III. Regional and local agencies combating poverty and social exclusion

In Russia at the *oblast* and city level a number of social actors and institutions are concerned with eradicating poverty and social exclusion as part of the realization of a regional social policy. These include: social security bodies; employment centres; and trade unions. The functions of these agencies are mostly dictated by laws, President's decrees, and agreements at the federal level. Moreover, regional social policy is in a stage of formation. But the nature of the present efforts of these agencies indicates how little is being done to counteract the strong exclusionary tendencies which are apparent in the transitional period.

In Russia *social security bodies* give priority to rendering assistance to disabled people, primarily those receiving old-age and disability pensions. This is the only category of the population which receives support from the State in the form of pensions. Other categories of poverty-stricken people depend on local budget receipts, and the resolutions of the local administration concerned with the distribution of expenditures in different spheres.

The shortage of financial resources has restricted the identification of people among the low-income segment of population in need of support from Social Security Department (SSD). The data bank of people in need is obviously incomplete because it includes only those who apply to SSD on their own initiative. As a consequence, the targeting of social aid is limited in scope and many people in need have been left without any support. For example, amongst all members of large families (with three and more children), who as a rule are low-income families, only 13 per cent were registered by the SSD in the Novosibirsk *oblast*, and only 6.8 per cent received aid in one form or another.

The case study of the workers in the military-industrial complex and academic and research workers highlights people's expectations concerning the functioning of the social security system. The sample of respondents distinguished seven main forms of social support:

- (a) *Guarantees for work*: guarantees of the right to work as the source of subsistence; regular professional work; guaranteed employment up to pensionable age.
- (b) *Guarantees for pay*: a level of pay which guarantees normal living standards; pay which appreciates the true value of intellectual's work; stable pay; well-timed pay for work.
- (c) *Provision of housing*: improvement of family housing conditions; provision of housing for young professionals.
- (d) *Provision of medical services*: free or privileged medical service; spa treatment.
- (e) *Guarantees for education*: free education.
- (f) *Prevention of crime*: freedom from worry about the life and health of the family and safety of property.
- (g) *State financial support for other aspects of family life*: improvement of the financial position of large families; pay for holidays and journeys; defence against social cataclysms (inflation, unemployment, etc.).

It is clear from these answers that culturally-defined standards, which originated in the socialist period, have partly survived the first years of transition in the sample population. At the same time, the respondents, who are representative of the mass intelligentsia, were including a new standard. That is: guarantees of citizen rights and the provision of access to social services for all members of the society irrespective of the ability to earn, or of sources of income. Thus, the respondents formulated intuitively and exactly the essence of a new model which corresponds to the model of social security which used to exist in western welfare states.

Answers of the respondents also indicate their wish to use State support in the social security system to provide a guaranteed subsistence minimum.

The second social actor at the regional level — the *Employment Centre* — has existed in today's form since 1991. According to the data of the State Statistical Committee of the Russian Federation, 4.6 million people (6 per cent of the labour force) were out of work and counted as unemployed in August 1994. At the same time, the number of those officially registered as unemployed was 1.4 million people (1.9 per cent of the labour force). The functions of Employment Centres listed in the Employment Law include: manpower redistribution; workers' retraining

for the purpose of widening their professional potential; support for the entrepreneurship of the unemployed; and business loans. But in practice the Centres adopt a passive, rather than active, policy in the labour market. Most managers regard the Centre only as a body for manpower redistribution and they try to avoid the execution of the other functions listed above. The leaders of the Employment Centre also aim to economize on financial means, using the vagueness of criteria for allocation of the status of unemployed and relying on the fact that the unemployed are poorly informed about their rights.

By reducing retraining activity, the Centres can offer only manpower for which there is no demand and, being aware of this, the employers avoid reporting to the Employment Centres their good vacancies, preferring to resort to other mediators.

In the records of the Employment Centres, certain people with special needs are identified, namely: the disabled; job-seekers who are of pre-retirement age; and young job seekers (16-29 years of age). At the end of 1993 in Novosibirsk *oblast*, these categories made up 39 per cent of all persons registered at the employment offices. The latter seem to limit their activity to the registration function.

Trade unions exist in all State plants where the respondents to our surveys work. But in situations of violation of the labour law and collective agreements (delays in the payment of wages, the absence of payment for part-time employment, unpaid leave, etc.), not one of the respondents in the surveys appealed to the trade union to obtain justice, protection of rights, or for exerting influence on the management. As before, trade union committees are perceived as bodies which act together with the management and not as independent guardians of working people's interests. In the course of 1993-94, trade unions pursued a policy aimed at reducing conflicts both in the internal and external labour markets. They tried to avoid strikes; they persuaded people to take unpaid leave; they tried to prevent the mass release of workers in order to avoid an increase in the number of the unemployed. This activity of trade union committees contributed to the growth of latent unemployment and shifted the burdens of the economic crisis to working people. Working conditions deteriorated greatly and the rights of workers, primarily the right to receive pay for one's work, are now infringed on a massive scale. But, as before, trade unions render assistance in meeting workers' needs outside the sphere of labour: distribution of vouchers for sanatoriums, plots of land, housing, etc.

As for the social protection given by the trade unions, a national survey (1993) found that this role was negligible: 52 per cent of respond-

ents said it was insignificant and only 18 per cent assessed it as perceptible. Those employed in private firms also often report the absence of unionization.

Such things as strike committees, regional compliance committees and government-union agreements are absolutely new in Russia, and were unknown before the early 1990s. At present, the main way in which unions negotiate for workers' interests is through their participation in three-party meetings, commissions which also include regional officials and employers (who, as a rule, are directors of large State-owned enterprises). At the beginning of the year, such commissions try to agree upon decisions of a long-term nature in three basic spheres: employment and prevention of mass unemployment; social security; and property privatization. These efforts are mostly limited to the development of regional programmes, e.g. the employment programme. The system of social partnership for the purposes of social security obviously requires the development of mechanisms for the execution of the programmes adopted. In the absence of such mechanisms, the only vehicle which the unions can use in dealing with employers is, conventionally, collective bargaining.

According to the data of the All-Russian Poll of Workers (1993), trade unions, as institutions of collective management, have lost even the small influence on making important decisions which they formerly had. Only 23 per cent of those polled were of the opinion that unions at their plants are able to solve problems which arise under market conditions.

IV. Conclusion

A number of fundamental causes of exclusion are arising from the new system of socio-economic relations. New socio-economic processes have in general led to the intensification of preceding forms of exclusion rooted in the Soviet period, and to the appearance of new forms. The situation of economic crisis could be remedied by the restructuring of the economy, but this is progressing too slowly. The strategic course of action in the fight against exclusion is to prevent the formation of an underclass and "ghetto-ization" of cities.

8 *Patterns and processes of social exclusion in Thailand*

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1. Macro-economic change, poverty and social exclusion

Economic growth rates have been consistently high in Thailand for many years. From 1986 to 1994, the economy grew at a rate of around 8 per cent per annum and the same rate is expected to prevail for the next five years. This growth is founded on a process of industrialization which initially was oriented to import substitution but, since 1977, has been export oriented. The share of the GDP from industry rose from a mere 15 per cent in 1960 to 30 per cent in 1990, and now manufacturing goods, notably transport equipment, leather goods, electric and electronic appliances, garments, precious stones and jewels, comprise over 70 per cent of total exports.

Despite the achievement of rapid economic growth rates, Thai society still faces many problems. As a fast growing-economy there is little open unemployment. Indeed, the official unemployment rates were only around 4-5 per cent per annum for the early 1990s. However, there are various other forms of social exclusion and a sizeable number of people live below the poverty line. Income inequality is also increasing. In 1975-76 the richest 20 per cent of the total population received 49 per cent of the country's total income, whilst the poorest 20 per cent received only 6 per cent. By 1987-88, the difference in the income between these groups had increased from 8 to 12 times, and the richest 20 per cent increased their share of the national income to 54.9 per cent whilst the share of the poorest 20 per cent fell to 4.5 per cent.

The total number of people living below the poverty line in 1988 was 11.5 million. The majority of the poor, some 95 per cent, live in rural areas. The rural poor have inadequate public provision of basic amenities.

For instance in mid-1984, 55 per cent of rural households did not have toilets, and in 1989 one-fifth of rural households did not have access to safe drinking water. Poor rural households have to send their children to work as child labour in cities so that the households have fewer mouths to feed and receive additional cash from remittances from their children. This often happens after the completion of compulsory elementary education (six years), but many drop out earlier. In 1988, according to official statistics, the total number of working children between the ages of 11 and 14 was 1,230,000, representing 24.8 per cent of all children in the age group. Most worked in agriculture. Half of the total were female and studies of child labour show that most of the working children come from poor rural households. The poor rural sector is also the major source of migrant female labour, who each year enter low-paid wage employment, or informal employment opportunities, particularly the risky prostitution trade in the service sector of provincial towns or Bangkok.

The urban poor, who in 1988 were estimated to number 600,000, also face problems of inadequate public provisions. This is particularly evident in the slum areas of Bangkok and other towns, whose population comprises mainly rural migrants. While many studies show that slum-dwellers can usually get jobs and earn reasonably, their living conditions are often sub-standard. More importantly, their children do not receive adequate care and education and are thus among those who are subject to exclusion from good jobs. Further slum environmental conditions which are marked by gambling, prostitution, drug trafficking and crimes, complicate the upbringing of youngsters.

In recent years, rising urban land prices in the core city centre of Bangkok has caused owners of land occupied by squatters to evict them. Many densely-populated slum areas have been subject to disputes and many slum residents have been moved to the outskirts of the city. So the trend is for the population in traditional slum areas in the core city to remain stagnant or decline as space for new settlement becomes limited and as some slums are being moved out. Meanwhile, the city core remains the hub of labour demand for all kinds of lucrative service and vending jobs for poor people. Smaller slum areas continue to persist and new types of urban poor have emerged, such as street children and the homeless living under bridges in the city centres. Elsewhere, in other towns outside Bangkok, such as in the north-east and the north, the slum population has increased. The slum residents are increasingly subject to eviction as urban land prices soar.

Whether living in urban or rural areas, a particular feature of the poor population is their low level of education. In 1988, 80 per cent of the poor

had only elementary education and 16 per cent had no formal education whatsoever. Poorly educated people have to work in low-paid jobs because of lack of suitable skills and the higher educational levels required for better-paid jobs. Young women from rural areas with little education, if they get work as unskilled labour in factories, can receive at the most a minimum wage of 132 baht (US\$5) a day.

The pattern of poverty and processes of social exclusion reflect the bases of national economic growth and also Thailand's specific development path. Up to now, the macro-economic success of Thailand's industrialization has been predicated upon two major factors. First, Thailand has a surplus supply of labour. From the mid-1970s to the mid-1980s the agricultural sector has faced declining commodity prices in the world market. Rural incomes have consequently declined and the agricultural sector has had a large supply of underemployed labour. As the industrialization process picked up momentum in the second half of the 1980s (due to a large influx of direct foreign investment from Japan and Asian NIEs and successful export promotion measures), employers faced a "buyer's labour market". They have been able to employ rural migrant labour needing employment to supplement their farm income at relatively cheap wages. Second, low labour costs have been maintained through government policies towards labour which have resulted in fragmentation of industrial labour, weak trade unionism and casualization of labour. Thus, whilst the industrialization efforts so far record high growth rates and low open unemployment, employed workers face the problems of sweat shops, low wages, insecurity of employment, unequal pay between the sexes, inadequate recognition of rights to unionization and collective bargaining and lack of rights to settle redundancy payments and training.

Processes of social exclusion in Thailand take various forms, ranging from the active expulsion of people from the productive resources upon which their livelihood depends, to exclusion from rights based on subtle institutional arrangements.

In rural areas, processes of exclusion reflect a major change in the relationship between State and peasantry. Until the 1970s, agriculture provided the mainstay of the economy and the State played an active role in promoting peasant expansion. But with export-oriented industrialization, agricultural produce now plays a minor role in overall exports and in the supply of inputs to urban industry. The utility of the countryside for the city is now as a source of labour and the State has adopted an attitude to the peasantry which is indifferent or positively antagonistic. The share of public expenditure in rural investment has consistently declined over the

years to the extent that the share of the country's tax revenue remaining in, or being allocated to, the rural sector has become less than 10 per cent.

The changed relationship between the State and the peasantry affects government policies to the countryside in many ways, but it is most evident at the point where the old momentum of peasant expansion clashes with the new forces of expansive urban capitalism, which geographically is the forest fringe. Here there are peasant communities which were at the forefront of the century-long process of agricultural expansion at the time when State and city decreed the process should cease. Here, too, there are various city-based interests keen to gain access to land, including plantation businesses, real estate developers, State electricity generating authorities and many others.

For peasant farmers, land and forest resource entitlements are important as a means of livelihood, as a subsistence guarantee, and as a safety valve in times of economic and political difficulty. But recently, urban business has had the political leverage to push the government to make changes in land policy which benefit capital at the expense of the peasants. Peasants are thus being actively excluded from access to resources. The agents of exclusion include forest authorities, the military, and other officials, backed strongly by big conglomerates. The result has been increasing problems of displacement, rural poverty, and worsening income disparities between city and countryside. The process of economic exclusion from the natural resources on which peasants depend results in cultural exclusion from their traditional practices and communities, and also sometimes in political exclusion as they come to be labelled dissidents.

If industrialization in cities were to provide ample remunerative and secure employment for the rural people who become displaced, their plight would be somewhat improved. But industrial employment is growing relatively slowly due to the increasingly capital-intensive nature of present-day industrialization. In 1990, Thailand still had over 50 per cent of its total labour force employed in agriculture, and the manufacturing sector absorbed only about 12 per cent of the total labour force. About 60 per cent of those working in non-agricultural activities are in the informal sector.

Because of the limited absorptive capacity of the manufacturing sector, many poorly-educated young men and women from the countryside seek jobs in the service sector, including working as female/male prostitutes in towns. Those wanting to earn higher cash income seek work overseas — in Japan, Taiwan and elsewhere — and they tend to face a high risk of being under the control of labour agents and Mafia groups.

Official social security schemes (covered by the Social Security Act) are available only to formal sector workers in the civil service and those working in enterprises employing ten workers and more. Those working in the informal sector do not receive protection under the labour law, nor are they covered by social security provisions. Thus, while open unemployment is not a serious problem, the problems of low quality of work and insecurity in work are still serious.

Even for those in formal employment, there are subtle institutional arrangements with respect to the particular framework of labour relations which make it difficult for workers to realize their basic workers' right provided by the legal framework. Unionization is weak and there is inadequate enforcement of labour laws.

The existing law permits workers in the private sector to form enterprise unions. However, only a segment of workers in the big establishments have already achieved their rights of association and negotiation. The majority enjoys a lesser degree of workers' rights and most of the workers in small and medium-sized establishments are still not unionized. Union membership in the whole of the private sector in 1991 was such that only 1.64 per cent of total employees in the non-agricultural sector were unionized. In the public sector, unionization has been banned since 1991.

One of the major concerns of workers in Thailand has been the annual minimum wage negotiation at the national level, which has been set by tripartite bodies including five representatives each from government, national labour centres, and Employer's Councils of Thailand. Most unionized workers receive (at least) the official minimum wage, but this is insufficient to cover the whole of the necessary expenses of an individual or a family. Moreover, there is limited enforcement of labour law and a large number of employers do not pay the minimum wage. According to a surveys of the Office of the National Wage Committee, the percentage of workers not receiving minimum wage was estimated to be 44 per cent for the whole country in 1990, and 55 per cent in 1992.

With the present trend of globalization, Thailand has also been receiving illegal migrant workers from abroad, estimated to be around 700,000 in 1993. Most were unskilled workers willing to receive wages lower than the official minimum wage in Thailand. The inflow of illegal immigrants acts to offset the outflow of Thai workers going abroad, and the decline in the number of new entrants to the labour force resulting from the decline in natural population growth rate in the past two decades, thus sustaining, for employers, a "buyers' labour market".

II. *Specific excluded groups*

1. *Women*

One of the major issues in Thailand has been the widespread exploitation and trading of women in sex services and inadequate government action to prevent young girls with little education in poor families from being sold by their parents, or being lured into the trade by agents and *mamasans*. Although in Thai society there is no discrimination against women receiving education, working outside the home, entering professional work or running a business, the widespread exploitation of poor women in sex services runs counter to this general picture. Apart from the lucrative returns which provide economic incentives for the proliferation of the sex trade, closer analysis reveals the existence of deep-rooted cultural factors which provide legitimacy for trading in sex and for the exploitation of the female sex in particular.

There are built-in mechanisms in Thai society which exclude poor women from their entitlements as human beings. In short, there are unequal gender relations. There are cultural and religious factors which influence beliefs and attitudes, leading to formation of unequal gender relations and insensitivity to poor young women's rights as human beings.

Buddhism and male-dominated culture in *sakdina* ideology¹ are deeply implicated in the problems of exclusion of women. Several Buddhist practices, as adopted in Thailand, exclude women in various ways. First, while female monks were permitted in Buddha's time, in modern Thailand this is prohibited. Instead, Buddhist nuns, who are considered inferior to monks in all respects, function in practice as servants for monks in Buddhist temples. Second, women's presence is not allowed in certain Buddhist rites, such as in the ordination chamber. While this in fact reflects men's fear of women — novices may be tempted by the presence of women and obstruct the ordination — the practice leads to women being discriminated against. Instead of explaining the reasons for not allowing women's presence in a rational way, women are portrayed as inferior or as having an evil influence on men seeking higher goals in life.

Third, in Thai practice, men can save their parents from entering hell after death by being ordained, even if the parents have accumulated sin and no merits in their lifetime. Sermons in up-country areas concerning the power of ordination to elevate parents' life after death are living witness

¹ *Sakdina* refers to the social system in nineteenth-century Thailand, equivalent to the feudal system in Europe, but different in detail.

to this. The implication of this belief on attitudes towards gender and on gender relations is enormous. Young girls are inferior to men: to the parents, a male child is enough to save them. In Thailand, demonstrating gratitude to parents is one of the duties and virtues to follow. For males, gratitude towards parents can be achieved by being ordained as a monk for a short period of time. Sons do not have to do anything else. Being female is not valued in the same way, so the daughter must be prepared to do anything in the name of gratitude to parents, including selling herself as a prostitute and sacrificing her life. This culture, which has been developed through religious teachings, has the effect of making the people insensitive to women's rights.

Fourth, while in *Jataka* tales women's roles are portrayed as varied — as mother of Buddha, as monks, as mistresses, as prostitutes but appreciating Buddhist teachings, as patron of Buddhism, as saviour of Buddha against Mara (*Mae Thoranee bib muoy phom*, subduing Mara) — the emphasis in sermons in Buddhism as practised in Thailand is on portraying women as mother, as young wives with a duty to look after an older husband, and as temptresses. The sermons are all given by males and male monks play down the role of women as patrons of Buddhism, as mother of Buddha, as monks, or as equal partners in society.

Fifth, up-country Buddhism is intertwined with Hindu beliefs about pollution and it positions women as part of the pollution, especially with respect to menstruation. Lack of rational understanding on this biological aspect of motherhood makes people, even females and nuns, become prejudiced against menstruation and see it as pollution. This prejudice is manifested in attitudes that view women as inferior and polluted. They must be treated differently and may be excluded. Over time, this breeds an attitude of contempt and insensitivity towards women and has become part of the culture.

Central to the culture of old *sakdina* is the military culture, which emphasizes dominance and superiority of maleness. The power and privileges of the king, the prevalence of *droit de seigneur*, the power of the male king to demand complete subordination and obedience from women, become adopted and reinforced by the rest of men and are accepted by society. In gender relations, this means inequality and exclusion of women's participation and rights.

Thai Buddhism and the military culture of male dominance and superiority are two cultural belief systems which lead, as a matter of course, to unequal gender relations, insensitivity of males — especially male government officials — and to the denial of the rights of poor women as human beings. This raises complex issues of policy. Apart from trying

to enforce the law concerning child prostitutes and to encourage NGOs to help track down abuses, there is the wider question of how to change the attitudes of males, of civil servants and of society at large. This is a difficult task which must be done at different levels, starting from households, with education of teachers, and at school from elementary education onwards. There must also be campaigns at the national level to soften and change the attitude of people, civil servants and politicians.

2. *Ethnic minorities*

The problems of ethnic minorities and their exclusion are not so serious in Thailand compared to some other countries in the region, but they do exist. In the South, in the past, the leaders of the Muslim minority (5.8 million in 1993, out of the total population of about 60 million) resented the central government's attempt to incorporate and assimilate them into the "Thai national culture" and the Thai kingdom. The conflict resulted in a separatist movement which received assistance from abroad. At present, the movement has been contained and the conflicts reduced, as the central government has tried to bridge the gap between officials and people. The democratic political system has eased the situation, as members of the Muslim elites have been able to enter parliament as MPs and as cabinet members.

Other minority groups in the north and central regions include the hill people and the Karen (500,000-700,000 in 1993) who live in the hill and forest areas and are jealous of their remoteness and their traditional ways of living and culture. They increasingly face the problems of outside investors encroaching upon them, taking away their forests and land. Many of the hill people, including the Karen, live in areas now designated as national forest reserves or natural watershed areas. They are facing eviction as the government wants to conserve these places and move them out. Hill people have been accused of deforestation. Opium growing and drug trafficking are cited as additional problems caused by some hill people in the north to justify moving them out of their traditional homes. Researchers have argued that such accusations are inaccurate and unfair. Research studies have also shown that hill people are well aware of the environmental impact of swidden agriculture and, as their livelihood depends on balanced local ecology, their agricultural practice is sustainable. It is the outside loggers and corrupt officials who are to blame for destroying the forests. As for the question of opium growing and drug trafficking, it has been pointed out that problems on the demand side and

the complicated network of illicit trade, ridden with corruption within the high circles, must also be taken into account.

Many of these hill people are fighting against the government to defend their natural rights over their land and means of livelihood. Whilst the government does not believe that man and forest can coexist, the hill tribes are arguing that man and forests can live together in harmony, without destroying the forests and the environment. They also argue that they can protect the forest better than government officials whom past experience has shown to be more susceptible to offers of bribes from investors, resulting in rapid destruction of forest cover. The struggle of these hill tribes to protect their land continues. Without assistance from NGOs and the enlightened middle classes at home and abroad, it is very likely that many of these hill people will be on the losing side.

III. In-depth case studies

In the framework of the ILS/UNDP project, in-depth case studies were carried out to examine the micro-dynamics of exclusion in three different situations, namely: hill people and poorly educated farmers who have been displaced from their land by government policy; informal sector workers excluded from social security provisions; and the homeless living under bridges in Bangkok.

1. Displaced rural population

The first case study is an example of active exclusion measures carried out by the Government, or with government departments playing a role. It concerns some hill people and poorly educated farmers who have been moved away from their homes to distant resettlement sites which are less suitable for farming. These people were occupying land designated as "forest" by the authorities. Some were working the land before it was thus designated, whilst others moved into these areas. Because of the availability of land in the past, the Government wanted to encourage peasants to expand cultivation for export which, in turn, increased government revenue and the country's wealth. There thus emerged a traditional custom of allowing a new farm family to clear forest land of up to 4 hectares for their own use. The Government collected land taxes but refused to recognize legal ownership of the occupants. From the government point of view, farmers were given occupancy rights only, while the land still belonged to the State. From the point of view of the poor peasants, the land they

occupied became theirs by natural right, especially after they had paid the taxes on it.

The fact that the government has been reluctant to give legal land title deeds to poor peasants, occupying forest land according to the traditional custom, has become a major source of problems. With pressure from businessmen to make use of the land for lucrative investment in recent years, the government has proceeded with measures to evict poor peasants from degraded forest areas and allow businessmen to exploit the land on concession. The Government justified its policies in the name of forest conservation and protection of watershed areas. But this hides the real reason which was that "big business" and influential individuals in government aimed to make money from using the land to grow eucalyptus trees to supply the pulp and paper industry, or from turning the hill lands into resort and golf courses and other real-estate investment. This is really a case of active exclusion, with policy measures driven by the economic motives of the powerful which, as a consequence, further impoverishes poor farmers. The policy runs counter to the declarations in all of Thailand's Economic and Social Development Plans, which profess to reduce poverty.

The case study focuses in particular on villagers subject to the *Kho Jo Ko* programme, initiated in 1991, which aimed to move up to 5.8 million people under resettlement schemes. The programme was initiated by the National Security Council and its implementation was entrusted to military personnel. The study documents the escalating disputes between villagers and the forestry department granting concessions to companies to grow eucalyptus on peasants' land which preceded the programme, and also villagers' resistance to resettlement during implementation, before the final abandonment of the programme in 1992. Villages which successfully resisted exclusion from their traditional lands were characterized by effective leadership, strong kinship and cultural ties and strong village solidarity founded on common customs and a culture of mutual assistance. NGOs played an important role in supporting peasant resistance. Villages which were unable to resist tended to be poorer and were either forced out by soldiers or police or succumbed to financial promises. Contrasting these two experiences may lead to relevant policy considerations, as it highlights the importance of and the need for associational and solidarity processes and the skills necessary to activate and sustain them in an effective way.

2. Social security of informal sector workers

The Social Security Law for workers was enacted in 1990. In the beginning, the law covered only people working in establishments with over 20 workers. By the beginning of 1994, the scheme was extended to cover workers in establishments with ten workers and more. The provisions are applicable only to individual workers and cover the following branches: health insurance, maternity, invalidity and death benefits. The provisions do not cover family members of the worker (wife/husband and children) and the existing law does not yet cover unemployment benefits and pension schemes, which are at present being elaborated.

The case study was based on a sample survey of 100 workers in the informal sector who are not covered by social security. It shows that most workers receive less than the official minimum wage. Most are rural migrants. Half the sample were male and half female and 87 per cent were less than 40 years old. Most had received only elementary education or none at all (88 per cent). They worked as daily workers or on piece rates. Fifty-two per cent received no welfare from their employers, 23 per cent received some medical care, 9 per cent received annual bonuses during the Chinese New Year, 7 per cent received food free of charge, 4 per cent received shelter and only 2 per cent were entitled to sick leave. About a third of the workers in the sample had work accidents in 1993. They paid for medical care themselves. Sixty-nine per cent were not members of any group or association, while the remainder were members of various cooperatives. None joined any formal groups or associations other than cooperatives. The majority of them had heard of the government social security scheme, but they were not covered in the scheme. When they had problems, most of them relied on relatives and neighbours for assistance. Twenty-two per cent said they had received help from no-one and only 1 per cent had help from the Government.

Other studies of informal sector workers have highlighted other problems faced by workers, such as: bad working conditions; low pay; long working hours; vulnerability to health hazards due to bad lighting; bad posture due to unsuitable chairs and tables; ignorance about the negative effects of chemicals in the materials used; lack of access to training for further skills; and lack of bargaining strength with buyers or contractors because of lack of association among themselves.

In Thailand and elsewhere in South-east Asia, informal work arrangements are widespread, as part of firms' strategies to reduce costs of production in the face of intense competition. Any attempt to solve the

problems of labour exclusion cannot stop at labour protection and provisions of security for the formal sector alone. Informal sector workers must also receive protection and the Government must design policies for them, especially in areas of education, training, credit, technical and marketing assistance.

3. *The homeless in Bangkok*

The homeless in urban areas are also growing. The case study which was carried out to examine the situation of the homeless in Bangkok has concentrated on the families living under the bridges in the core areas of Bangkok. They are dispersed under 65 bridges in 21 districts. Settlement under bridges is part of the slum problem but the characteristics of these homeless are different from those of traditional slum dwellers. The size of the community settled under each bridge is small (the biggest being 66 households and the smallest being one household), leading to powerlessness in negotiation with the authority. Housing facilities and living conditions in the settlements under bridges are much worse than those in slums because, among other things, they have no direct access to electricity and water supply.

Unlike the slum dwellers, most of whom tend to be rural migrants from the north-east and the north of the country, more than half (54 per cent) of those settled under the bridges in Bangkok are people from the central region of the country, including Bangkok and neighbouring provinces, such as Prathumthani and Ayutthaya. The remainder came from the north-east, the north and other regions. Most have migrated at least once from another slum in Bangkok. They have lived under the bridges for five to ten years, and the longest time of settlement is about 40 years!

These people have poor education. Around 67 per cent finished only primary education and 23 per cent never registered in or attended school. Since they cannot read and write properly, the chance of entering the labour market with a reasonable job is low. Most of them earn income from hired labour, hawking and collecting garbage for resale. Their average income is 3000 baht (US\$ 150) per household per month, which is far below the poverty line in Bangkok.

Apart from trying to live on this low income, the facilities available to the communities are also poor: they rely on the electricity and water supply of neighbours; they use public toilets if they can. Some bathe in the dirty rivers or canal and they live on what they can find in the dustbin. Thirteen per cent of the households have no birth certificates; 11 per cent have no identity cards. This means they will have difficulties in registering

in public schools or availing themselves of government facilities, such as hospitals and public welfare offices.

In March 1993, the Government adopted a plan to improve the environment of Bangkok and Metropolitan areas. This project has threatened the people living under the bridges because the Government wants to move them out and settle them somewhere else. The Government also has plans to prevent new settlements, but the National Housing Authority, which is assigned the task of relocating and finding new homes for these people, still does not have a proper plan for their relocation. The families who settle under the bridges, with help from some NGOs, are negotiating for a solution.

One of their major problems is that they have very low educational levels and few skills. Therefore their chance of finding jobs, other than collecting garbage for sale, is remote. Their present jobs are possible because they live near densely-populated areas. If they are moved away to the outskirts of the city, the government will have to find them new jobs, but no clear policy and measures have been decided.

IV. Conclusion

Because of its fast-growing economy, social exclusion due to high rates and long duration of open unemployment is not as prevalent in Thailand as in the West at present. But Thailand does have problems of social exclusion due to uneven development and unfair institutional arrangements, such as inadequate provision of basic social goods — safe drinking water, toilets, basic education for poor and disadvantaged people in rural areas and in urban slums, lack of provision of at least minimum social security mechanisms for workers in the informal sector and inadequate respect of workers' right to unionization. The right to form labour associations is a basic worker's right whether in the formal or the informal sector. Labour association is considered necessary not as a business unionism or as a basis for political parties, but as a means to enable workers to cooperate or work in partnership with employers and government in enhancing productivity and building up a social market economy with quality employment and social justice.

As far as exclusion by gender is concerned, Thai women are still very much subject to male domination and the society's double standards, as seen in the prevalence of the exploitation of women in sex services. While economic factors are important in explaining the problems of women in Thailand, cultural factors which influence the attitudes of males and the

public in general, and in particular government officials, are also important in degrading women.

In addition, there are incidents of active exclusion due to government measures and policies, especially with respect to poor rural families living in degraded forests and minorities living in the hills in the north. These have occurred because the government itself is subject to pressure from businessmen to pursue policies which benefit their lucrative investments, but which result in excluding poor people from their means of livelihood. The solution is not only to focus on planning for social security, but also to change the attitudes of government officials. They must be persuaded to refrain from pursuing policies which exclude poor people and women in the process of rapid economic change.

Effective measures for reform of the bureaucracy in the face of the present-day globalization trends should be considered a part of the policy to combat exclusion. Exclusion problems result not only from the working of the markets but also from action of governments and cultural expectations. With respect to gender and exclusion, society as a whole must be re-educated in their attitudes towards gender so that they appreciate the equality of the sexes and so that poor rural women's right to education and good jobs in the labour markets is respected.

On the question of minorities, the problem really stems from insensitivity, lack of respect for cultural diversity and, more importantly, lack of respect for rights of minority communities over their natural resources and means of livelihood based on sustainable agriculture (which can be supported and promoted). The basic problem remains the political will of the central government to prevent businessmen and individuals both inside and outside the government from taking undue advantage of vulnerable ethnic minorities in the name of economic growth, but with no respect for human dignity.

9 *Patterns and processes of social exclusion in Tunisia*

Mongi Bédoui and Ridha Gouia

This paper focuses on three issues: the conceptualization of social exclusion in the specific situation of Tunisia; the structural and conjunctural causes of social exclusion; and policies to prevent social exclusion. The Tunisian case is particularly important because of the experience acquired in policies to fight exclusion, especially in the design and implementation of a social development policy as an integral, rather than supplementary, element of economic reform programmes.

1. The concept of social exclusion

The concept of social exclusion is broadly synonymous with the concept of marginalization and is related to a number of other concepts, notably poverty, unemployment and deprivation. It is a multidimensional concept, covering social, economic, cultural and political situations. Analyses of exclusion are concerned with the possibilities of participation in development in all its various aspects and with mechanisms of exclusion from active life and social action in general.

The importance of the concept lies in its depth, comprehensiveness and its ability to stimulate remedial action. The concept has depth because it encompasses both description of the actual conditions of life of marginalized people and analysis of the causes of these outcomes. It is comprehensive in that the analysis of causes can cover international relations; participation in development, deprivation and the distribution of gains from production within countries; the relationship between communities and national society; and even individuals' subjective sense of their isolation from society. And it stimulates counter-measures by directing attention both to policies of integration and to the seeds of marginalization and exclusion which can, paradoxically, be inherent within those policies. For example, the integration of women in economic life, with all their family

responsibilities and without providing the necessary social institutions to help cater for children, can lead to their marginalization and exclusion from social, cultural, and political life.

The concept of exclusion appeared in Western Europe in the 1970s and generally refers to the rupture of social cohesion caused by unemployment which has reached proportions never seen in contemporary history. The inability of societies to integrate a growing part of their labour force in productive activities is seen to set in train a process at the individual level in which: loss of employment leads to a loss of income, rights associated with employment, and the ability to satisfy basic needs with regard to housing, health, etc.; and a developing sense of hopelessness and need for assistance leads to the breakdown of relationships with family, friends and, in the end, with the community and society.

In Tunisia, the concept of exclusion was used incidentally as early as the 1940s with reference to the slums of Saida El Manoubia and Jebel Lahmar, which were pockets of poverty, deprivation and disease within Tunis. These slums were growing through the drift of population from rural areas to the capital, and only a limited number of their inhabitants were able to find a job. A social study carried out in 1956, which warned about the situation in these slums, defined a situation which came to be known as exclusion in the 1970s. Later, this concept was used explicitly in an analytical study on social marginalization in Arab countries published by the Social Studies Centre in Tunis in 1992.

In order to advance the conceptualization of social exclusion in the specific situation of Tunisia, the country study examined the perceptions of exclusion held by certain groups of people who, to outside observers, might in some sense be considered excluded. This is important in that the way in which exclusion is defined depends on who is defining it.

A survey of a sample of unemployed persons, housewives and working women showed that the concept of exclusion is defined in different ways by these groups. For the housewives, particularly those in urban centres, employment was considered the basic factor of integration into society. "Excluded persons" were also secondarily defined as those who do not fit into the society's laws and codes and who are, as a consequence, irremediably isolated from the community for a reason for which they are not responsible. The working women in the sample tended to define exclusion in terms which go beyond employment. They gave particular consideration to literacy as one of the elements of integration, as literacy enables the person to be up-to-date with events and to develop the feeling of belonging and indirect participation through following events. "Excluded persons" were primarily defined in relation to the factors of illness,

perversion and disability. For the unemployed in the sample, exclusion is defined as lack of income and unemployment but, interestingly enough, a significant proportion of the unemployed did *not* think that to be unemployed is to be excluded. The sense of marginalization amongst the unemployed was stronger for those who had been unemployed for a longer period, and also for those who felt poorly prepared for work due to limited instruction and training levels as well as the loss of family support. In general over two-thirds of the unemployed and housewives expressed a feeling of exclusion and isolation.

Three important findings can be deduced from this survey which can usefully inform the theoretical analysis of exclusion. First, it is necessary to use diversified indicators to identify exclusion. Second, exclusion is defined differently by different people according to their social status and living conditions. A person tends to feel excluded with regard to things he or she does not have. Thirdly, both employment and the guarantee of a source of income are important indicators of integration, and unemployment, poverty, and lack of resources play an important role in inducing a sense of exclusion.

Unemployment, in itself, is not exclusion. But it bears a relationship to exclusion in the sense that there is a process of exclusion associated with: (i) the increasing length of the unemployment period; (ii) the limited personal capabilities of the unemployed which hinder his/her easy integration; (iii) the loss of family support which may help a person to face his/her unemployment situation; and (iv) the growth of a feeling of isolation from public life. All these factors combine to make an unemployed person into an excluded and marginalized person. The key policy issue is how to prevent this shift from unemployment and poverty to exclusion.

II. The causes of the unemployment situation, poverty and social exclusion

Analysing the causes of social exclusion requires, as a first step, understanding of the situation of the unemployed and people with limited income, because it is through poverty and unemployment that the process of exclusion occurs. In Tunisia, contrasting trends are found. There have been very significant achievements in the fields of education, health and population growth, to the extent that the country is amongst the five most successful countries in the world in terms of the improvement of indicators of human resource development over the period 1962-92. Poverty is also diminishing, according to available statistics. In 1967, the proportion of the

population living below the poverty line was 33 per cent whilst in 1990 it was 6.7 per cent, according to the National Institute of Statistics. This consisted of 83,000 families and, of these, only 18 per cent had some qualifications which could enable their economic integration. But unemployment is rising. Between 1984 and 1989 the unemployment rate rose from 12.9 per cent to 15.3 per cent. At the latter date, the number of unemployed persons was 316,000, of whom 66 per cent are in a state of structural unemployment, having been unemployed for more than one year. Most of the unemployed do not have the necessary educational level to get jobs, nor vocational training, and 43 per cent of the unemployed (135,000) are young people looking for their first job.

The causes of the unemployment situation and pattern of poverty, which can lead to exclusion processes, can be classified into two types: first, the long-term structural framework of development in Tunisia, which is characterized by some disequilibria at the social and economic levels; and second, temporary and transitory causes, the most significant of which at the present moment is the social impact of the Structural Adjustment Programme implemented since 1986.

1. *Lack of structural equilibria*

There are four imbalances in the development path of Tunisia which underlie processes of social exclusion. The first is the lack of equilibrium between the modern economic sector and the traditional economic sector. This imbalance exists as a legacy of the colonial period (1881-1956) when a dual economy, consisting of two separate modes of production, emerged. The "modernizing" operations of the colonial power established activities such as modern mechanized agriculture and heavy industry but these were integrated with the economy of the metropole. They had no links with the local development fabric and they existed alongside a traditional mode of production based on peasant farming, handicrafts and some production of goods and services for the local market. Rural people lost land as a result of the expansion of the colonizers and the opposition between the two modes decreased income levels and precipitated the breakdown of the local economy, leading to an increase in the drift of the rural population to big towns and the formation of slums. Available statistics show that in the marginalized shanty towns around the capital, Tunis, more than 55 per cent of the population was living in poverty and the unemployment rate was about 40 per cent during the years 1945-47.

Second, there is a disequilibrium between the rate of population growth and the rate at which new jobs are being created. Despite the important

success of Tunisia in reducing annual population growth rates from 2.5 per cent for the period 1975-84 to 2.3 per cent for 1984-94 — this being the lowest rate in the Arab countries — the number of newcomers to the labour market remains higher than new jobs created. This means that unemployment primarily affects young people who, because of their lack of knowledge of practical life, are more prone to marginalization.

Third, there is a disequilibrium between development poles and their regional surroundings. After independence, the Tunisian government, like many other developing countries, adopted a development model which involved the promotion of heavy industries and the establishment of development poles in the south, centre and north of the country.¹ These poles were meant to be linked to each other and to integrate with their respective regional settings in a mutually stimulating, interactive growth dynamic. However, these development poles failed to promote significant subcontracting activities or to achieve significant inter-industry linkages. As a result, the development poles have become isolated from their environment. They clash with the traditional economy and thus bring into operation a new dynamic of exclusion.

Fourth, there is a disequilibrium between the limited qualifications of the unemployed in relation to the needs of economy. Despite the rapid spread of education, to the extent that the rate of school attendance for children at the age of schooling is currently situated at 98 per cent, a large proportion of the unemployed are illiterate or untrained. Recent figures suggest that about 70 per cent of the unemployed in Tunisia are either totally illiterate or their level of formal instruction does not go beyond primary education. This plays an extremely important role in the process through which unemployment leads to exclusion. Those people with poor qualifications tend to be unemployed for longer periods. Their situation tends to worsen from one year to the next as the number of educated and trained people increases on the labour market. The deterioration of their standard of living may further disqualify them from getting a job, magnifying their feeling of despair. The utter poverty experienced by the unemployed and the structure of the family may prevent them from moving to other places to look for employment. Active search for a job requires a minimum level of income and a situation of sheer poverty prevents this.

¹ The chemical industries in Gabes in the south-east of Tunisia; the phosphates industry in Gafsa in the south-west; the cellulose and paper compound in Kasserine in the western centre; the steel plant in the north, in addition to the textile compounds in the Sahel and various manufacturing industries in Tunis.

2. *Impact of structural adjustment programmes on the labour market*

The way that the long-term structural framework of development in Tunisia entrains processes of exclusion varies over time with transitory conjunctural changes. It also depends on the prevailing culture and the implementation of remedial measures. Currently, the most important conjunctural determinant of exclusion is the Structural Adjustment Programme (SAP) which has been implemented since August 1986. This programme has a significant social impact mainly on and through the labour market.

The main aims of Tunisia's SAP are: (i) to re-establish the country's financial equilibrium through public spending cuts, limiting imports, wage freezing, trimming subsidies and going back to market-based pricing; (ii) to redistribute the roles of the public and private sectors and to promote the private sector to enable it to play its full role in production and distribution on the basis of market forces; and (iii) to ensure the openness and the integration of the Tunisian economy in the international economy and to increase its ability to face the challenges of international competition through reducing costs, enhancing the quality of products and raising the productivity of capital, labour and equipment. This liberal economic policy has succeeded in bringing about a new dynamic to the Tunisian economy. In spite of adverse climatic conditions, economic growth rates averaged 4.5 per cent per annum from 1987 to 1993 and more than 50,000 jobs were created annually from 1991 to 1993. The current account balance has also experienced a noticeable improvement. But the negative social effects of the SAP have been considerable, particularly for vulnerable groups.

The liberalization of the economy and the spread of regulation of economic activity by the laws of supply and demand has led to a new structure of the labour market. New labour laws began to take shape. Programmes aimed at reforming and privatizing State enterprises came into existence and often led to redundancies for some workers and changing work routines for others. New types of unemployment appeared for those who lost their jobs, differing from the traditional unemployment which arises when young people first try to enter the labour market. Micro-enterprises and the family economy have also become increasingly important parts of the labour market.

The economic reforms in Tunisia have been accompanied by the curtailment of labour migration to Europe and Arab countries. In the 1970s, international migration played an important role as a regulator of the labour market and contributed to decreasing the negative social effects resulting from capital-intensive industrialization and the mechanization and

modernization of the agricultural sector. Nowadays, the country has to balance economic and social considerations without this form of support from the international economy.

The SAP has had three important social effects which are related to present processes of exclusion and marginalization. First, although the economic reforms have not adversely affected the *quantity* of jobs created, as the new jobs created actually increased from an average of 40,000 per year in 1980-87 to 47,000 per year in 1987-93, some deterioration in the *quality* of employment has occurred since the implementation of the economic reforms. This is best demonstrated by classifying types of jobs according to levels of skills needed, levels and continuity of income and levels of social security, rather than with a simple dichotomy between "good" formal sector employment and "bad" informal sector employment. Breaking the structure of employment into five groups, namely: (i) protected wage employment; (ii) first-class wage employment, non-protected and open to competition on the labour market; (iii) second-class (temporary) wage employment, non-protected; (iv) self-employment and employment in small production units; and (v) "marginal" activities,² it is apparent that the biggest share of newly created jobs in Tunisia during the period of the reforms has been in categories (iii) and (iv), and growth of activities of the marginal sector has also occurred. Employment in the textiles and food processing sectors has grown significantly, though this employment does not require high skills. And there has also been a significant growth in the number of micro-enterprises, particularly because of assistance provided by regional development programmes.

Second, although real wages have begun to rise since 1990, after the stabilization of the financial situation of the economy, real incomes fell during the 1983-90 period, particularly amongst the poorest workers. Research carried out by Hassine Dimassi³ shows that, between 1983 and 1990, the purchasing power of workers earning the minimum wage fell by 23.5 per cent for industrial workers and 18.5 per cent for agricultural labourers.

Third, the restructuring of the sectors which are big employers of women, notably textiles and food processing industries, has exacerbated the difficulties facing women in the labour market. Between 1984 and 1992,

² This classification follows J.-P. Lachaud: "Urban labour market analysis in Africa", in *Labour and Society* (Geneva, ILS), Vol. 14, No. 4, pp. 333-362, October 1989.

³ Dimassi, H. *Séminaire National sur les politiques de promotion sociale des catégories de population les plus défavorisées*. Ministry of Social Affairs, Kairouan, 1991.

the unemployment rate amongst women rose more quickly than amongst men, reaching a rate of 20.5 per cent for women as against 11 per cent for men at the latter date.

As far as the decrease in real incomes and the increase of women's unemployment are concerned, the sample survey of the unemployed shows that several members of the family are found to be looking for jobs on the labour market at the same time so that they can cope with the fall in the household income. Of the 31 married persons in the sample of unemployed, there are 22 cases looking for a job at the same time as their spouses. Moreover, two-thirds of the unemployed have one or more brothers looking for a job at the same time as them and 29 per cent have one or more sisters also looking for a job. In addition to the effect of the fall in income on the increase in the family search for jobs, unemployment is found to be closely related to the general situation of the family and its vulnerability. The survey shows that two-thirds of the unemployed belong to poor families.

III. Policies to prevent exclusion

The social effects of the SAP have prompted a response to meet the needs of various adversely affected groups, particularly young people entering the labour market for the first time, unskilled workers and women. From 1986-89, the measures adopted were meant to reduce the negative social effects of economic decisions and they were agreed through a tripartite dialogue between trade union representatives, the State and enterprise owners. Since 1989, the social element was included as an integral, rather than supplementary, part of development policy. The rate of social transfer payments has gone up, and they represent 18 per cent of the GDP despite the application of the economic reforms. Three-year pay rises, covering the periods 1990-92 and 1993-95, have also been agreed through collective bargaining.

The social development policies adopted in Tunisia along with the economic reform programmes are daring, innovative and original. They offer a policy experience for the design of measures to prevent exclusion which is instructive both in terms of principles and practices.

1. Principles

Amongst the principles which underlie the formulation of Tunisia's social development policy, there are four which are particularly important for overcoming exclusion. First, social policies are based on participation,

with important roles being played by trade associations such as the employers' board, trade unions, farmers' associations and NGOs. Regional development councils and local councils, which have been given a large number of prerogatives to run and manage programmes to prevent marginalization, have also adopted a participatory approach. The importance of improving local structures is emphasized by the survey results and is particularly important where people have limited ability to leave their geographical environment.

Second, the process of social inclusion is seen in combination with the integration of the individual into the economy (i.e. economic integration). This is apparent, for example, in a new approach to the various records concerned with categories of people who are marginalized or vulnerable to marginalization. In the past, attention used to be devoted to their social conditions and family situation. Today personal capabilities (such as qualifications and aptitudes) are also recorded in order to identify the possibilities of their integration and adopt a socio-economic approach.

Third, a gender approach is adopted giving attention to the specific problems facing women. There is a Ministry devoted to women and family affairs and various special programmes and specific institutions have been set up to deal with them.

Fourth, a geographical approach is adopted paying specific attention to marginal regions (which are known as "shadow areas").

2. Policies

The policy mechanisms which serve to prevent exclusion include:

- (a) measures to alleviate poverty, either directly or through improving the economic environment of "shadow areas";
- (b) measures to assist and integrate the unemployed;
- (c) income generation schemes and the promotion of micro-enterprises;
- (d) adjustment of job creation through enterprises;
- (e) structural reforms of the employment services.

A. Measures to alleviate poverty

The two main programmes to alleviate poverty are: the National Programme of Assistance to Poor Families, and the National Solidarity Fund. The *National Programme of Assistance to Poor Families* provides continuous cash grants and free medical and social security services to

families identified as "poor". The programme is evolving, in terms of its organization and the families who have access to its services. Thus far, more than 100,000 families have access to the grant which increased from 40 dinars in 1986 to 310 dinars per quarter in August 1994. The programme has played an important role in alleviating the negative impact of the SAP on the purchasing power of poor families. In managing the programme, important issues have been: first, the problem of integrating the family dimension of poverty with the individual dimension; and second, the differentiation of poor people into those in a temporary state of poverty and those in a permanent state. The former have some capabilities which permit inclusion and they need temporary assistance accompanied by mechanisms for training and for potential economic integration. The latter need permanent assistance, and their integration must be treated as a social issue. Mechanisms for identifying, assisting and following these different groups amongst the poor are important.

The *National Solidarity Fund*, to which all economic actors contribute, is in charge of elaborating a programme to eradicate "shadow areas", which suffer from poverty, a lack of facilities and no growth dynamic. This programme seeks to reduce poverty through intervention aimed at the economic environment in a whole geographical area. Interventions are focused on infrastructure investment to link the area to the rest of the country and the promotion of income sources for citizens. Intervention is decentralized and all enterprises and organizations contribute to the Fund. The Fund's activities have drawn great enthusiasm from citizens, as they rely not only on the vitality of a sense of solidarity, but also organize new channels for the practice of solidarity. But the programme has not been in operation long and therefore it is too early to evaluate its effectiveness and costs. In its preparation, design and implementation, it has, nevertheless, been original and innovative. Within the framework of this programme, there is a strategy aiming at integrating, by the year 2000, 850 zones which have been identified as being critical by the various surveys.

B. Measures to assist and integrate the unemployed

Assistance to the unemployed includes special programmes for young people who are entering the labour market for the first time and for illiterate job applicants. Youth employment promotion programmes have played an important role in providing young people with the opportunity to get to know the work environment and to increase their potential for integration into it. Through employment and training contracts, 18,671 young people had access to training between 1981 and 1993, and 88 per

cent were subsequently integrated into the work environment. From 1987 to August 1994, 16,501 university graduates received "Initiation for Professional Life" training and 73 per cent of these were integrated after finishing their training. From 1991 to 1993, 2,730 secondary school leavers completed preparatory vocational training and 50 per cent were subsequently integrated.

Illiterate job applicants or those whose level of instruction does not go beyond third-year secondary education, have access to the programmes of regional working sites. These sites, which generally involve public works, are meant to enable poor people to earn a minimum income and meet their living requirements, particularly during droughts and crises in the agricultural sector. They provide 50,000 jobs, repeated each year.

Evaluation of these programmes of assistance to the unemployed suggests that the youth employment programmes really promote the integration of young people into the workforce and they should be reinforced and their mechanisms diversified. But the regional working sites programme, which was first created in 1956, has unclear goals; over 70 per cent of those who have access to the services of the programme are over 50 years old; 20 per cent are working with public enterprises as a replacement for recruitment; and the costs of the programme are continuously rising, from 42.1 million dinars in 1987 to 75.5 million in 1991. This programme needs to be reviewed, to consolidate its role in providing a source of income for people but enhancing its ability to promote economic integration of the individuals who seek its services.

C. Income generation schemes

Programmes aiming at promoting income sources are one of the most important methods of integrating individuals into the economy. They have evolved particularly during the implementation of the economic reforms as the possibilities of securing wage employment diminished. The Regional Development Programmes and Integrated Rural Development Programmes include special funds for income generation, through creating micro-enterprises and supporting self-employment and the family economy. The funds allocated for this purpose increased in both of these programmes over the period 1987 to 1991: from 26.8 million to 28 million dinars in the former, and from 31 million to 70 million dinars in the latter. Special regulations have been developed to support the informal sector and to promote a transition of informal sector activities to the formal sector. The Handicraft and Small Trades Promotion Fund, created in 1981, provides a specific mechanism for financing persons promoting small projects. It has

created 64,000 jobs in 16,000 small projects since 1981. The capital of the Fund increased from 5 million dinars in 1987 to 8 million in 1991. Financial management is undertaken by banks, and this has reinforced the reimbursement of loans and helped to secure the cost-effectiveness of the projects. All evaluations recognize the importance of this Fund.

These income generation schemes have paid particular attention to the needs of women. Projects promoted by women with the help of the Handicraft and Small Trades Promotion Fund rose from 11 per cent in 1985 to 21 per cent in 1991. Women's participation in the regional development programmes amounts to more than 50 per cent.

D. Adjustment of job creation through enterprises

An important initiative affecting the working of the labour market, which has been adopted as part of the SAP, is the Insertion and Professional Training Fund. It includes five mechanisms: insertion training; training for persons promoting micro-enterprises; facilitation of geographical mobility; implementation of comprehensive in-service training to preserve jobs; and training through specialized organizations. This Fund is jointly financed by the Tunisian Government and the World Bank. Funds amount to 22 million dinars for three years. Evaluation of this programme shows that up to 31 August 1994, 33,812 people benefited from the Fund's services. Sixty-six per cent of the beneficiaries are female; 82 per cent are unemployed; 50 per cent have education at the primary school level and only 16 per cent have an education beyond the second year of secondary school. It is therefore apparent that, although the Fund's mechanisms are directed at enterprises, its interventions have served to meet the needs of categories of people who are prone to marginalization and exclusion, particularly women and the unemployed with limited education. This is a pioneering experience conducted jointly by the Tunisian Government and the World Bank with a view to enhancing the structural reform.

E. Structural reform of the employment services

A programme to reform employment services has also been initiated for the period 1994-96. This programme, called "Services", has the following functions: (i) improvement of professional guidance and information to provide equal opportunities for young people to take advantage of the State's programmes in training and employment; (ii) the extension of professional guidance to all regions to enable young people to have access to the available vocational training opportunities throughout the country; (iii) the reinforcement of the active processing of labour supply and

demand and improving services provided to enterprises and job applicants through specific intervention mechanisms; (iv) the improvement of employment services to help the creation of micro-enterprises and the promotion of family production and self-employment; and (v) the reinforcement of follow-up mechanisms in the labour market, monitoring, in particular, long-term unemployment and unemployment by sex, in order to break the exclusion process. This programme is characterized by the fact that it enhances partnership between the public and the private sectors. This makes it possible to assist the unemployed and liberalize the processing of job supply, offering an approach which is neither a completely private alternative nor a totally public one.

IV. Conclusions and suggestions

Five major lessons can be drawn from Tunisia's policy experience. First, a country's specific social, cultural and political conditions have to be taken into account in the implementation of structural adjustment programmes, and the room for manoeuvre in these programmes is strongly related to the long-term trends in development within a country (such as education, health, population, growth). Second, social policies which are accompanying appendages to economic reforms do not provide a basis for successful social development, and instead social development policies need to be at the core of development policy. Third, participation is a fundamental factor in the success of social programmes. The elaboration of programmes without participation does not promote responsibility, discourages self-reliance, and does not enable the discovery of personal abilities which can help in the inclusion process. Fourth, women need to be involved in all programmes on an equal footing with men in order to ensure the wider participation of women. The key to integration is the economic contribution which individuals make. Fifth, in the elaboration and evaluation of programmes, both economic efficiency and social goals should be considered.

These lessons provide a basis for making various prospective suggestions in elaborating policies to fight against exclusion:

- (a) Programmes to assist job applicants need to be carried out in conjunction with programmes rooted in the economic fabric which, for example, improve the working of labour markets.
- (b) Specific programmes aimed at the unemployed should take more account of the length of the unemployment period, the qualifications

of the unemployed and their living conditions, in order to break the process leading to exclusion.

- (c) Employment services should be preserved, though they may be usefully implemented through a combination of privatization and an administrative approach.
- (d) Participation should be emphasized in the elaboration and implementation of inclusion programmes.
- (e) The fight against exclusion requires measures at the family level, but these need to be supplemented by a policy of integrating the "shadow areas" and measures at the individual level which encourage self-reliance.
- (f) Policies to promote the creation of income sources through financing micro-enterprises, integrating this operation into the normal financial market and making funds available to promote the transition of enterprises from the informal to the formal sector. Employment services can play a role in this respect.
- (g) More attention needs to be paid to the most poverty-stricken categories of people and to those who have been in unemployment longest in order to draw a red line which must not be crossed if exclusion mechanisms in society are to be kept in check.
- (h) Specific programmes aimed at integrating women have a high value-added, though it is necessary to avoid women-only programmes which convey the impression that the remaining programmes are intended only for men.
- (i) It is important to introduce procedures for evaluating the various programmes and their impact on the surrounding environment.
- (j) It is important to elaborate a system of unemployment benefits which provides, on the one hand, financial support for short-term unemployment, based on an insurance scheme to which employees contribute, compulsorily up to a specific level of income and then voluntarily; and, on the other hand, the active processing of job applications through specific programmes, explicitly introducing the factors of sex and length of unemployment period in order to prevent further exclusion. The greater the threat of marginalization, the more developed should be the intervention mechanisms for integration and against exclusion.