



Forum on

Inclusive Growth and Poverty Reduction in the New Asia and Pacific

8-9 October 2007 • ADB, Manila, Philippines



Session 5 B: The Political Economy of Social Exclusion

WHY INCLUSION IS IMPORTANT FOR GROWTH, DEVELOPMENT AND PEACE¹

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1 THE IMPERATIVES OF AN INCLUSIVE SOCIETY

1. Inclusion is necessary in society because it leads to positive consequences for the entire citizenry. Exclusion, on the other hand, means that a society is failing its people by depriving them of the rights of citizenship and human security, and the capacity to participate and contribute their skills and energy, while generating problems of peace and order. Society as a whole loses when large numbers of its people are left out of its benefits. As long ago as 40 years in Medellin, Colombia, the first international conference on rapidly growing “squatter” colonies observed that if one-third to one-half of a city’s population is considered *de facto* illegal, then surely something is wrong with the law, not the people!

2. Excluded groups in Asia, or its most disadvantaged and vulnerable groups, are rural poor, urban poor, women, children, indigenous people, refugees, migrants, youth, disabled, and older persons. Social exclusion occurs at different levels: the household, community, and nation. Households experience exclusion in the distribution of resources, power, authority among the members, with women bearing the brunt. In communities, exclusion flourishes in social status distinctions, allocation of power and resources, access to basic services, and levels of participation in political and social events. For the nation, exclusion appears in biased state policies, cultural practices, and the mass media. Globally, the well-being of the poor across nations are overlooked (Guevara, Marita Concepcion Castro (2003): 49).

3. How can we understand the meaning of exclusion? Let us examine it from various perspectives.

1.1 Inclusion as citizenship

4. Inclusive citizenship here does not mean the perspective associated with a set of rights and responsibilities bestowed by the state, but implies a multi-dimensional concept which incorporates the agency, identities, and actions of people themselves (Gaventa 2005). Citizenship thus embraces a conception of rights. Again, these are not conceived primarily as the human rights derived from international covenants, but rather as rights evolved in practice, “shaped through actual struggles that have been informed by peoples’ own understandings of what they are justly entitled to” (Nyamu-Musembi 2002). While ADB gatherings like this need to discuss inclusion and understand how to accelerate its pace, it is the poor, the powerless, and the excluded themselves who can best describe how they become lesser citizens and what can be done to reverse that trend. Their efforts to redefine, extend and transform rights and duties into an inclusive citizenship mode thus merit particular attention.

¹ Presentation at Session 5B: The Political Economy of Social Exclusion – Too High a Price? Forum on Inclusive Growth and Poverty Reduction, Asian Development Bank, Metro Manila, October 8-9, 2007.

5. Studies examining inclusion from the perspectives of the excluded have identified four key principles which are intrinsic to an inclusive society (Kabeer 2005:3-8):

- Justice: understandings of when it is fair for people to be treated the same and when it is fair that they should be treated differently.
- Example: On the Tondo Foreshore in the 1960s, informal settlers insisted that all of them had a right to shelter. But after extensive consultation among the residents, they also agreed that those households who had lived there longest had the first claim to onsite residential land. In contrast, those whose shanties were in the path of a needed roadway, no matter how long they had been onsite, would have to agree to relocate to a nearby site in Navotas.
- Recognition – being regarded as full persons with “the right to have rights” (Hannah Arendt) and being treated with dignity and respect. Exclusion denies full personhood to certain groups and formalizes this in law or policy.
- Example: Indigenous people or ethnic minority groups are frequently pushed out of their ancestral domains by their lowland neighbors or even the government itself. With their cultures derided as “backward” and their children denied entrance to school, they have little recourse unless they organize. Those who have done so have often managed to reclaim their territory and redirected school curricula so as to embody both a “modern” agenda and “traditional” cultural concepts.
- Self-determination – the ability to exercise some degree of control over their lives.
- Example: Women have banded together at the community level to prevent abuse by their male partners, pursue their right to seek employment, to be promoted to higher management positions, and claim equal pay for equal work.
- Solidarity – the capacity to identify with others and to act in unity with them in their claims for justice and recognition.
- Farmers entitled to land under agrarian reform laws have fought and successfully established their right to acquire and cultivate that land.

1.2 Inclusion as Human Security

6. Seen from a human security perspective, inclusion means protection of “the vital core of all human lives in ways that enhance human freedoms and human fulfillment.” It entails “protecting people from critical and pervasive threats” and “empowering them to take charge of their own lives” (Jolly and Ray 2006). The freedom from fear and want to which people are entitled become unattainable, however, when they are faced with insecure access to food, health, water, sanitation, education, housing, information, personal safety, environmental amenities, and community benefits.

7. All too often, it is the State itself that aids and abets threats to people’s human security. This happens in several ways. One is through *military action* that creates large numbers of refugees and displaced persons, maims and kills innocent people, and relegates the survivors to hunger and misery when they are unable to cultivate their fields. Another is through *inefficient and corrupt governance*. By allowing mining firms to enter communities without sufficient regulation or appropriate monitoring, for example, leaves the environment unsuitable for human habitation and deprives hundreds of families of their livelihoods. Or by failing to construct enough classrooms to accommodate poor children, greedy bureaucrats leave them on city streets, prey to drug

or criminal gangs. Or, consider local officials who divert food distribution during emergencies to their private warehouses while people go hungry nearby. A third element in human insecurity is evident in affirming the *interests of elites*, as in the case of thousands of informal settler families summarily relocated to distant sites with no employment and inadequate social services because the in-city land they occupy is “too expensive” to allow onsite upgrading and is transformed into yet another mall.

8. The United Nations Commission on Human Security has emphasized that since protection and empowerment are mutually reinforcing, there is “need for comprehensive, integrated and people-centred solutions that together can help people develop the building blocks of survival, livelihood and dignity” (United Nations 2007).

1.3 Inclusion as People’s Participation and Resource Generation

9. The development literature is full of examples that affirm the importance of excluded groups participating in decisions affecting their lives. Thus, community-based forestry management means that once upland farmers build on their existing knowledge to cultivate their new and old crops while engaging in meaningful forest protection, forest denudation is significantly reduced. Fisherfolk who formerly competed with one another to claim the resources of the sea have banded together to protect and regenerate their ocean environment through responsible fishing methods and sharing systems. Urban poor groups have gotten local authorities to allocate funds for drainage construction, where the people determine which local contractors will be given the contract, participate in and supervise the work ensuring that specifications are followed, and negotiate how much they will pay for the system’s upkeep with the city recognizing that they are entitled to special rates since they have helped increase land prices for the city’s tax rolls.

10. Clearly, when excluded people with a stake in being included formulate plans, prioritize, implement and evaluate them, the experience of organizing themselves as engaged citizens and achieving project successes means the activities are more likely to be sustained than those prepared and carried out by outsiders with little involvement from the community.

11. Today’s development outlook calls for people themselves to be regarded as resources with the capacity to contribute significantly to their society. This comes in the formation of social capital “created when people form social connections and networks based on principles of mutual trust, reciprocity, and norms for action” (Racelis 1999). These act as informal safety nets that enable poor people to rely on one another in times of hardship, as well as get a boost through loans and donations to improve their economic situations or even enter the formal economy.

12. Nowhere is the power of participation more evident than in the workings of the informal economy where, largely unregulated by government, and with little or no help from it, thousands of men, women, and children generate and sustain their own livelihoods under often difficult circumstances. Some 65 per cent of Asia’s workforce is estimated to be in the informal economy, with its contribution to GDP estimated at 41 per cent (ILO 2002). By excluding poor people, most of whom operate through the informal economy, a society is in effect depriving itself of a veritable explosion of talent.

1.4 Inclusion as Expediency

13. One does not have to look far to conclude that excluded people, having fewer alternatives for improving their lives, may well be tempted to move into socially undesirable modes of behavior. The out-of-school youth unable to land a decent job

because he dropped out in third grade, is more easily tempted than his college-educated counterpart into becoming a drug courier, a numbers game messenger, or a second-storey thief. Young girls honed to street life by selling flower garlands early on, may readily graduate into prostitution. Adult men frustrated by their inability to land a regular job that enables them to feed their family and uphold their sense of dignity as a husband and father find themselves stymied at every turn. Demoralized, they respond by turning to drinking and wife- or child-beating to drown out both their failure and the society's failure. Further, the roots of people's support to terrorism may lie in part from mass deprivation.

2 POLITICAL AND SOCIO-CULTURAL CONTEXTS OF PRO-POOR GROWTH

14. Pro-poor growth is distinguished from ordinary growth in that the former "is explicitly biased in favor of the poor, so that they benefit more than proportionately relative to the nonpoor". The enabling conditions for pro-poor growth flourish in an environment where poor households can rapidly increase their production, income, and earnings. Given their limited asset base and considering that labor is the only real asset of poor people, labor intensive projects are recognized as inherently pro-poor. Land reform, credit and market support to micro-enterprises, and public employment programs all contribute a pro-poor cast to national policy. Basic services provision likewise goes far toward reducing poverty. A combination of pro-poor economic growth and direct poverty interventions is needed to make a difference for people and society (Deolalikar and Pernia 2003:18).

15. Democracy is another positive force that affects poverty alleviation in that poor stakeholders and civil society groups can take action in a free society and hold governments accountable for their actions or inaction. Performance linked to elections can be a powerful mechanism. Three elements of a pro-poor, democratic government have been identified: (1) coherent and stable leadership, (2) market-oriented economic policy coupled with good governance, and (3) a clear pro-lower-class ideology (Deolalikar and Pernia 2003: 23). Governing elites must genuinely believe that all people have rights, and that those most left out must be assisted first. Pro-governance is nurtured by organized coalitions of poor and excluded people to form pressure groups that can compete effectively with elite-oriented interest groups. Empowered community groups can better avoid, for example, program capture by the better off, whether in medium-rise housing "for the poor" taken over by small or medium wage-workers, or small-scale community irrigation systems encroached upon by larger landowners.

16. Finally, de Hahn (2007) has pointed out that in public policy-making, it is imperative to have both economic and social policies working in tandem. That in turn makes for more successful integration into global markets. Complementarity between the economic and the political is the key, with no trade-offs necessary. Political processes, too, must be recognized as part and parcel of public policy making, since they define nation-building and citizenship, affect accountability and spending, and balance the overly technocratic approaches currently in vogue. In this light, a rights-based approach to social policy is appropriate.

17. In conclusion, if inclusion and significant poverty reduction are to come about, public policy planners must integrate socio-cultural and political perspectives into their economic thinking. People live their lives in wholes, and planners do well to reflect that perspective in their own formulations. But to understand the world of the excluded, policy makers need to get closer to where people are. Academics like sociologists,

anthropologists, social psychologists, communications specialists can help, along with NGOs and organized community groups. Interaction with them promotes the pro-lower-class orientation identified as essential for successful poverty reduction. Only when we move from thinking of people simply as beneficiaries of development to people as claimants of rights and entitlements can we speak of inclusive citizenship in an inclusive society.

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