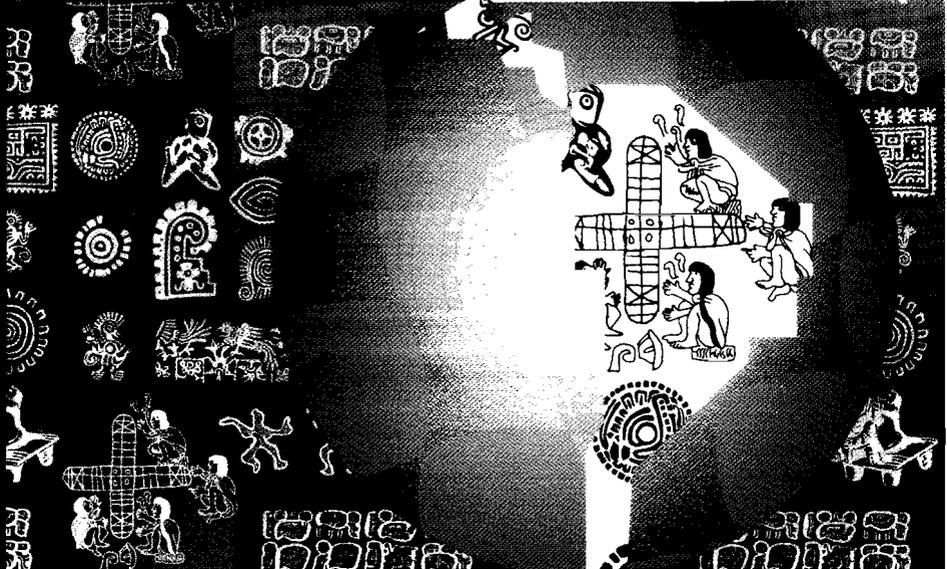
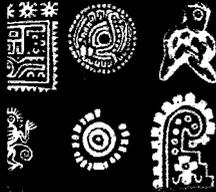


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# EXCLUSION AND POVERTY REDUCTION IN AMERICA AND CARIBBEAN

ESTANISLAO GACHUÁ  
CARLOS SOJO  
with SHELTON H. DAVIS

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SOCIAL EXCLUSION AND  
POVERTY REDUCTION IN  
LATIN AMERICAN AND  
THE CARIBBEAN

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THE WORLD BANK



Social Exclusion and Poverty Reduction in  
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PROLOGUE TO WORKSHOP  
PROCEEDINGS ON POVERTY  
AND SOCIAL EXCLUSION  
IN LATIN AMERICA

GUILLERMO PERRY

When I was asked to address you and give a few words about the subject of poverty and social exclusion in Latin America and the Caribbean, the first thought that occurred to me is that I have had ambivalent feelings about the topic.

Observing poverty in Latin America it seems obvious that the poor, especially the extreme poor, are suffering from something other than just low incomes. An apparent strong correlation exists among income distribution, poverty incidence and race, social organization and culture in our societies. Some form of causal relationship is observed between the characteristics that indicate who you are, such as your ethnic/racial group, and the position you hold in the income structure of the society.

Econometric analysis may help us to see that this is not a spurious correlation, but it is not clear how to integrate this evident fact in the kind of analysis that we normally do. The various papers in this book attempt to achieve this integration. I am especially pleased that the Bank is trying to come to terms with these two concepts by bringing together both economists who work on poverty issues and professionals in other disciplines in the social sciences – anthropology, sociology – to try to integrate these views in an operational way.

I am impressed by two things that result from these papers. The first one is that we have advanced in defining a concept of social exclusion – a

very powerful concept – that can be translated to the operational level. Social exclusion is a multi-dimensional concept that at least has four characteristics.

The first is the fact that certain groups are excluded through non-economic means from equal access to basic goods and services that determine their human capital. There are groups that have not the same kind of access to education, health and other services, even if one takes into account just purely economic differences of income. Clearly, there is a discrimination of access due to other factors which could be part of a definition of social exclusion.

The second characteristic is unequal access to labor markets and social protection mechanisms through both formal and informal institutions. Even for people with equal levels of human capital and skills, there appears to be an important element of discrimination that we should consider as part of what one would define as social exclusion beyond purely economic considerations.

The third characteristic is exclusion from participatory mechanisms, mechanisms that through the participation of diverse social groups affect the design, implementation, and evaluation of public sector programs or projects.

Finally, the fourth, and more general characteristic, is exclusion in the sense of unequal access in practice to the full exercise and protection of political rights and civil liberties, including the denial of basic human rights.

Obviously, these four characteristics are interrelated. Somehow the exclusion from the last two can help explain why some groups of people are excluded from the first two. If an individual does not participate on equal terms in the political process or does not have the opportunity to participate within a social group on equal footing in the design of programs, then it is not surprising he or she will encounter discrimination in access to the programs or to the institutions that dominate the working of labor markets.

The second issue that impresses me from these papers is that they reflect a significant advance in our understanding of who the excluded are in Latin America. Multiple groups or social sectors can be excluded, but two broad groups are observed in a very forceful way. One is the indigenous groups and the other, in some countries, are people of African descent-Afro-Latinos. This is not to say that there are not other lines of exclusion such as gender, age or religion in some countries. What it does seem to say is that ethnic and racial differences are among the most evident factors in social exclusion.

Poverty studies in the region indicate that poverty incidence among indigenous groups is about 80 per cent, that is some 32 million people, which is a tremendous percentage compared to the average for the region which is

about 30 per cent. In the paper by Adolfo Figueroa, an economist who has been actively trying to bridge the gap between the research of economists and other social scientists, there are startling figures from different studies that indicate that the poverty incidence among indigenous peoples in Guatemala is 87 per cent versus 54 per cent for the non-indigenous population; in Mexico, 81 per cent versus 18 per cent; in Peru, 79 per cent versus 50 per cent; and in Bolivia, 64 per cent versus 48 per cent. Similarly, a recent Poverty Assessment completed by the World Bank in Panama shows that nearly 95 per cent of the indigenous population that country is poor and 86 per cent is extremely poor. Finally, evidence from recent work on Peru suggests that in spite of recent high growth rates, the situation of the indigenous population has not improved in any significant way.

When one looks at the few existing figures regarding access to public services by ethnic origin, there are similar findings. Schooling is less than one-third for indigenous groups in Bolivia compared to non-indigenous groups. Similarly, differences in political participation of indigenous peoples throughout the region are obvious. The participation in elected bodies, not to say cabinets or the like, is dismal, if not non-existent, in most of the countries in the region.

These facts cannot be attributed to casual economic factors among an otherwise homogeneous population, a population that would be discriminated only through economic means. So it seems important to construct a coherent framework that may help to explain the persistence of high inequality and poverty indexes in countries that have excluded populations, such as the indigenous populations. Low access to schooling and health services by excluded groups, in part, explains lower future learning, lower earnings, and limited political participation. Low access to schooling, in turn, may also be explained by low political participation, poverty of the parents and outright discrimination in the labor market.

But what about other countries, countries where indigenous populations are not the only excluded groups? In this regard, I found especially interesting the paper done on Brazil by Nelson da Silva which presents very compelling evidence that something similar happens in Brazil with the black families. Here, poverty rates for blacks and mixed-race people are twice as high as those for white families. Illiteracy is about 5 percent in whites, but 14 percent in other races, while the difference in completed education is more than 11 years. Similarly, the papers on Chile provide an excellent discussion on how youth and gender interact with other socioeconomic and cultural factors to generate exclusion in a context of sustained economic growth.

I think it is encouraging to see this attempt to integrate in a rigorous way the social exclusion perspective with the traditional analysis of poverty, a traditional analysis of poverty that economists have been doing in the World Bank and in other places. However, I believe we still have a long way to go. I think there are three areas at least where further work is essential. One is developing more theoretical constructs, such as the one that is captured in Adolfo Figueroa's paper. It would be useful to further develop these kinds of models to show how these factors interact and determine social and economic outcomes. Perhaps even more important is the attempt to measure social exclusion. Good measures of social exclusion are important. And, finally, further analytical and empirical work needs to be carried out on the ways in which these factors interrelate with economic factors in the determination of poverty and income distribution.

For the World Bank, I believe this is a promising path that we really have to continue developing. I believe our main documents, like the Country Assistance Strategies as well as our work program in the region, need to recognize the issue of social exclusion, and we need to mainstream this concept. After all, our overarching objective in the World Bank is poverty reduction. So if these excluded groups are not only among the poorest, but are probably going to continue to remain poor because they are being excluded through mechanisms different from purely economic factors, then we would need to have a special focus and special programs designed to attend these issues.

Finally, I would like to congratulate my colleagues in both the Environmentally and Socially Sustainable Development and Poverty Reduction and Economic Management Departments, as well as our guest writers, for this initiative and I want to encourage you to continue on this very fruitful path.

# INTRODUCTION

## POVERTY AND SOCIAL EXCLUSION IN LATIN AMERICA AND THE CARIBBEAN

ESTANISLAO GACITÚA  
WITH SHELTON H. DAVIS

Initially, the concept of social exclusion was used in Europe – first in France, Italy, and the Nordic countries – to refer to the new social and economic problems associated with globalization, such as: precarious employment and underemployment; the social, economic, political and cultural insertion of immigrants; and social disintegration generated by ethnic differences. Specifically, social exclusion was defined as the mechanisms through which persons and groups were denied participation and social rights, or as a process that precludes certain social groups from accessing economic and social benefits.<sup>1</sup> In this context, social exclusion is broader than the concept of poverty, since it represents a phenomenon that relates to social, cultural as well as from economic institutions. Yet, at the same time, social exclusion does not replace the concept of poverty, but rather it allows the analysis of mechanisms leading to poverty that are not derived from a lack of income.<sup>2</sup>

Simultaneously, the International Labor Organization has been developing an ample research program on social exclusion. The ILO has utilized social exclusion as a multi-dimensional phenomenon of second order which

1. See the documents of the European Commission, *Vers une Europe des Solidarités: Intensifier la lutte contre l'exclusion sociale, promouvoir l'intégration* Bruxelles 1992; also the *livro Verde* (1993), the section about social politics.
2. Consult, in regard to this topic, the report to the European Commission, *Eurostat's work program on poverty and social exclusion- State of the Art*, document presented in Lisboa (1997) in the Seminar on Social Exclusion: Non-monetary issues.

involves three dimensions: (i) economic; (ii) political; and (iii) cultural which have a cumulative impact on social groups and individuals hampering their capacity to modify their position in society (in terms of income and social hierarchy).<sup>3</sup>

In Latin America, the concept of social exclusion has been utilized with some variations and in different contexts to explain the persisting marginalization and poverty experienced in the region. Nevertheless, numerous authors have signaled that there is neither a clear theoretical framework nor appropriate methodological instruments for analyzing social exclusion, particularly in the Latin American context. Rather, there exists a series of isolated explanations of each one of the dimensions or factors that contribute to generate marginalization, inequality and poverty.<sup>4</sup>

The concept of social exclusion refers to a series of processes that increase the vulnerability of social groups to risk factors which could lead them to a situation of poverty, extreme poverty and social vulnerability. Social exclusion impedes a subject or social group to effectively participate at the economic, social, cultural, political and institutional levels. The concept of social exclusion involves at least three dimensions: (i) economic, in terms of material deprivation and access to markets and services that guarantee the satisfaction of basic needs; (ii) political and institutional, as far as a lack of civil and political rights which guarantee citizen participation; and (iii) socio-cultural, referring to the denial of cultural rights and particular needs of social groups based on gender, age, ethnic identity, and religious beliefs.

In this book social exclusion refers to a cumulative process whereby different risk factors interact in time and space decreasing the capability of vulnerable social groups to control those risks and to fulfill certain rights (civil, economic, social, cultural and political). At one point in time, this process could result in increased social vulnerability and poverty or extreme poverty. The temporal dimension indicates that exclusion involves the accumulation of risk factors in particular historical circumstances. This necessarily leads us to the consideration of spatial and territorial dimensions,

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3. For a detailed vision of the work of the ILO about this, see the ILO/ILS report "Social Exclusion in Latin America " (1995) and "Social Exclusion and Anti-poverty strategies" (1996) International Institute for Labour Studies and United Nations Development Program, Geneva International Institute for Labour Studies.
  4. As indicated in the previous footnote, the ILO (*Op. cit.*) since the beginning of the 90s has been applying and adapting the concept of social exclusion to the regional context through case studies. On the other hand, FLACSO-Costa Rica collaborated with the University of Utrecht in a study and conference which culminated with the publication of the book *Poverty, Social and Political Exclusion*, (1997) Rafael Menjivar, Dirk Kruijff and Liette Van Vutch Tihssen (editors).

since the exclusion of certain groups manifests itself in a specific time and space. In this context, the territorial dimension not only refers to the expression of exclusion in space, but also that spatial phenomena are risk factors contributing to exclusion. The spatial distribution of the population at risk is the result of the interaction of multiple factors influenced by spatial variables (such as production systems, settlement patterns, markets and commodity chains, etc.) that come together in a specific territory.<sup>5</sup>

At the same time, the concept of social exclusion also involves an objective as well as a subjective dimension. It considers the subjects' actual conditions as well as the perceptions they have about this situation. On one hand, exclusion allows the identification of objective risk factors, such as spatial location, difficulties for accessing the job market, or the lack of adequate command of the language. On the other hand, social exclusion brings into the analysis the social constructions created by the subjects regarding those risk factors, as well as the specific actions the subjects undertake to control those risk factors.<sup>6</sup>

The social exclusion perspective is a multidimensional process-based model for understanding the factors contributing to the generation of poverty and social inequality. The social exclusion framework allows understanding the linkages and interactions between different risk factors (economic, social, cultural, political and institutional) in a given social formation and the impact these factors have on different social groups. From a methodological standpoint, the social exclusion framework focuses on the processes, not only on the outcomes or the specific situations of deprivation experienced by the subjects. The analysis emphasizes the understanding of the mecha-

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5. In respect to the discussion about risk regimes and territoriality, see Krinsky and Golding (eds.) *Social Theories of Risks*, Westport: Praeger, 1992. Another example of the territorial dimension of social exclusion is found in the analysis of catastrophic phenomena and spatial vulnerability of distinct social groups. In respect to this, consult Blaickie, Cannon, Davis and Wisner (1996) study about *Vulnerabilidad. El entorno Social, Político y Económico de los Desastres*. Bogotá, Colombia: La Red. Also see the work of Ruben Katzman (1999) about "Residential Segregation and Social Inequalities in Montevideo". Cuaderno No. 2. *Observatorio de la desigualdad y la exclusión social*. Buenos Aires SIEMPRO/ MOST INESCO.

6. See in this volume the work of Clert in which the importance of the physical appearance as a risk factor is discussed, the interpretation of the phenomenon made by the subjects and their reaction to said process of discrimination. As important as the incorporation of a new variable (the perception of the subjects) in the explanatory model, is the understanding the subjects have of the explanatory model. That is, bringing into the analysis the subjects' perceptions has: (i) an exploratory function in as much it helps the manifestation of meanings that would be absent from the perspective of the external observer; (ii) an analytical function since it permits the visualization of relationships and processes and finally and; (iii) an explanatory function each time that it helps to understand how subjects react when faced with certain phenomena.

nisms that generate deprivation. Therefore, social exclusion, more than representing a state or condition, reflects a process that can lead to distinct outcomes (including poverty, extreme poverty, inequality, marginalization).

Nonetheless, there are some methodological weaknesses in the approach that need to be considered. In the first place, it is difficult to clearly define the type of relationship between the different factors or dimensions of exclusion. Thus, it is necessary to further define the theoretical models, which would allow a better understanding of these relationships. Secondly, it is difficult to measure and assess the impact that each factor (dimension) could have on the final outcome, which is why it is crucial to advance an operational definition and a method for measuring the impact of the distinct factors involved.

From a policy-oriented perspective, the social exclusion approach is extremely valuable as it focuses on the institutional processes leading to poverty and inequity and not just the outcome. The strength of the social exclusion approach is that, by explaining the risk factors and institutional processes that generate and maintain a situation of vulnerability, it allows thinking in terms of a policy matrix to prioritize and articulate programs leading to social inclusion. At the same time, the social exclusion approach takes into account social agency, or the capacity of those experiencing exclusion to develop actions that would allow them to exert their rights.

To understand the persistence and heterogeneity of poverty in Latin American and The Caribbean region, social scientists as well as policy makers have begun to use the concept of social exclusion to explain the processes that generate poverty and inequalities in the region.<sup>7</sup> In that context, social scientist from the World Bank and a group of specialists from the region started working together. The Bank commissioned a series of position papers to an interdisciplinary team of renowned scholars from the region with the objective of advancing in the definition of a conceptual-methodological and operational framework for the analysis of social exclusion approach. The papers were presented in Washington D.C. on May 27, 1999,

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7. For specific cases of the application of the perspective of social exclusion in the diagnosis and design of policy instruments see: Bustelo, Eduardo, Minujin, Alberto (eds.), *Todos entran. Propuesta Para Sociedades Incluyentes*. UNICEF, Notebook Collection 30 Debate Colombia: Santillana, 1998. Carpio, Jorge e Irene Novacovsky (Comp.) *De igual a igual. El desafío del Estado ante los Nuevos Problemas Sociales*. Buenos Aires, Argentina: SIEMPRO-FLACSO, 1999; Figueroa Adolfo, Teofilo Altamirano and Dennis Sulmount. "Social exclusion and inequality in Perú." International Institute of Labour Studies. - United Nations Development Program, 1996; Fundacion Nacional para la superación de la Pobreza in Chile. Santiago, Chile, 1998. Clert, Carine "El enfoque de exclusión social: Elementos analíticos y aportes para la discusión sobre pobreza y el desarrollo social en América Latina". Pensamiento Iberoamericano, *Revista de Economía Política*, 31: 425-43, 1997.

in a technical workshop on "Social Exclusion and Poverty Reduction workshop in the Latin America and the Caribbean Region. The workshop, jointly organized by the Environmentally and Socially Sustainable Development (LCSES) and Poverty Reduction and Economic Management (LCSPR) units of The World Bank was attended by an interdisciplinary group of experts on poverty reduction and social exclusion issues from the region, The World Bank and other multilateral agencies.

This publication brings together the papers presented in the workshop and the discussion process that took place afterwards. This publication is the result of a long process of collaboration and dialogue between the authors and the World Bank team. This book contributes to the definition of a conceptual and methodological framework for understanding social exclusion and the processes that cause poverty as well as to the discussion of policy instruments to tackle exclusion.

The seven chapters that follow this introduction explore from different disciplines (economy, anthropology, sociology, political science, juridical science), the notion of social exclusion in Latin America and The Caribbean. All the studies stem from a common question regarding the validity of the social exclusion approach for understanding the poverty, inequality, and marginalization prevailing in the region. Starting from this basic question, each chapter contributes to the development of a common conceptual and methodological framework and discusses, either in terms of societal models or specific case studies the analytical and policy implications of applying a social exclusion perspective.

Although all authors conclude by emphasizing the relevance and necessity of adopting the social exclusion approach as an analytical-policy-making tool, they also highlight the need for further developing the conceptual and methodological (models, variables, instruments of measure, etc.) framework in order to be able to map with greater precision the relationships between the different dimensions of social exclusion, their interactions, and the specific weight that each one of them has in the generation of exclusionary processes. The authors emphasize that only in this way will it be possible to fully utilize the social exclusion framework as a valuable operational policy-oriented tool.

In the following chapter, Adolfo Figueroa proposes a model based on the concept of social exclusion for analyzing and understanding the persistence of inequality in the region. Figueroa begins by asking why inequalities exist in the region and how to explain their persistence throughout time. To answer this, he develops an analytical model in which individuals have an unequal endowment of: (i) economic; (ii) political; and (iii) cultural resources. This unequal endowment would result in a hierarchy of markets,

with the labor, credit and insurance markets playing an essential role in the generation and reproduction of inequality.

This basic hypothesis is confronted with the empirical data of Latin America, using the situation of the indigenous groups as an indicator of unequal access to goods and subordinate participation in the markets. Figueroa concludes that the Latin American evidence is consistent with the hypothesis indicating that social exclusion is a particular trait of the predominant model of society and development. From the methodological point of view, he points out that social exclusion refers to the mechanisms that generate poverty, this being the endogenous variable and exclusion being the exogenous variable. This is the reason, he concludes, why poverty must be analyzed as a function of social exclusion in order to explain its origins and design policies to reduce it.

Carlos Sojo leads us to analyze the characteristics of social exclusion in their political-institutional dimension. His starting point is a conceptual framework that links social exclusion to the denial of rights and the issue of citizenship to market participation and the institutional structures that would enable social integration. Sojo discusses the socio-political and cultural factors that in the Latin American context lead to social exclusion through the transformation of institutional regimes which limit or stimulate the possibility of exercising full citizenship and basic political and civil rights.

At the conceptual level, Sojo argues that social exclusion allows understanding social inequality and its socio-political implications because: (i) it facilitates the observation of symbolic and material needs; (ii) it reflects specific historical contexts and the dynamic of social antagonisms; and (iii) it generates a heterogeneous, not dualistic, vision of social inequality. Agreeing with Figueroa, Sojo also emphasizes that the social exclusion approach reveals a process and not just data that indicates a relative social disadvantage. Sojo concludes that the notion of exclusion – understood as the accumulation of institutional processes and practices which erode the satisfaction of certain rights – becomes essential for designing socially inclusive policy instruments. Even though inequalities may persist, for Sojo, the social exclusion framework facilitates the identification of the institutional arrangements that generate exclusion and it helps to develop policy instruments to tackle it.

Jaime Ordóñez's chapter continues developing at the conceptual level the relationship between rights (civil, political, economic, social and cultural), social exclusion, and the role of the State. Ordóñez argues that the lack of rights indicates a situation of exclusion and represents a parameter for setting the thresholds of citizenship and for defining the role of the State in assuring those rights. Ordóñez discusses indicators that would allow

monitoring the fulfillment of economic, social and cultural rights and concludes that, currently, the existing indicators are no fully satisfactory. Thus, it is necessary to continue working to achieve greater conceptual and methodological precision.

Ordóñez's work represents a proposal for advancing the definition of State policies and institutional mechanisms required for assuring the fulfillment of the thresholds of economic, social and cultural rights. The basic conclusion reached by Ordóñez's is the need to rethink of the role of the state as a political agent and guarantor of equality. He points out that, contrary to civil and political rights, in the case of economic, social and cultural rights, in most cases a decisive state intervention is required for their protection and development. In fact, this is the case of universal social investment programs. Of course, Ordoñez warns, country specific circumstances define the characteristics of these policies and how they are implemented. Nonetheless, Ordóñez advises, for the success of policies that guarantee rights as a form of expressing citizenship, it is essential to invest strongly on the development of civil society, that is, in the generation of citizens capable of demanding their rights.

The chapter prepared by Michel-Rolph Trouillot is about social exclusion in the Caribbean. It represents a transition from the conceptual models developed before to case studies using the framework of social exclusion. Trouillot utilizes the concept of social exclusion to explain the structural processes that keep certain social groups in the Caribbean societies in a disadvantaged position.

At the conceptual level, Trouillot distinguishes three dimensions of exclusion: (i) socio-economic; (ii) socio-cultural; and (iii) institutional. However, these dimensions are utilized more as heuristic devices than as independent domains. That is, they are used as an approach for viewing intermediary and cumulative processes. Along the same line set forth by Sojo, in this chapter, the elements that enter into the equation of exclusion are not linked through linear causality but rather in a complex process of reciprocal causation. The economic phenomenon plays a role in the other two dimensions and vice versa. Each one of the dimensions, as the process of social exclusion, is analyzed through the prism of circular causality. This means, as Figueroa also pointed out, that the economic, socio-cultural and political factors couldn't be analyzed separately. Given the above, Trouillot proposes that the state policies for reducing and even reversing exclusion should focus on the articulations or interactions that occur between the distinct factors or dimensions contributing to situations of social exclusion.

Analyzing the Caribbean experience, Trouillot exposes for each of the dimensions identified the mechanisms that have operated in different national

contexts, giving special emphasis to the institutional and political aspects. At the same time, he analyzes various policies implemented to demonstrate how (despite certain successes, for example, in education) the lack of an (articulated) institutional policy has reproduced the mechanisms of exclusion over time. Finally, the work concludes that, while policy instruments should focus on specific components, all of the interventions should consider, in their design, the potential interactions between the different factors that generate social exclusion.

The chapter by Nelson Do Valle Silva presents the case of racial exclusion in Brazil. Beginning with a detailed analysis of the phenomena of racial ascription and identification, Do Valle Silva analyzes the mechanisms of racial discrimination in Brazilian society from access to services, to participation in the labor market, to housing patterns, to interracial marriages. Contrary to what the predominant ideology of racial democracy in Brazil suggests, this chapter reveals the strong racial differences that exist and the mechanisms that generate them. On one hand, there are institutional mechanisms generating exclusion. On the other hand, at the level of interpersonal relationships, interaction between racial groups is intense and non-conflictive, involving a relatively high level of mixing.

A central element that comes out of the work of Do Valle Silva is that social exclusion cannot be equaled or reduced to instances of discrimination – in which case a new concept would not be required. Rather, exclusion based on racial identity is fluid, relational and socially determined by an institutional system that is legitimized by social class asymmetry. On this backdrop, Do Valle Silva finally discusses current policies for combating racism in Brazil. He concludes that both affirmative action and universal policy instruments are necessary and complementary since, in the case of Brazil, it is extremely complex, if not impossible, to define who is part of-and, above all, who is *not* part of-the targeted group. This is consistent with the idea that policies leading to the reaffirmation of economic, social and cultural rights are essential for attaining the situation of full citizenship described by Ordóñez as the frontier of exclusion.

The next two cases deal with Chile. Both draw on the social exclusion approach to explain how, in a context of sustained economic growth and significant poverty reduction, inequality between low and high-income sector has expanded.<sup>8</sup> These case studies illustrate what Guillermo Perry

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8. According to MIDEPLAN and World Bank data, income distribution between 1990 and 1998 has remained equally concentrated or has worsened (as is indicated by the Gini coefficient of 0.58), which places Chile among the countries with the greatest income inequality in the region. In that regard, see the results of the 1996 CASEN survey in the report about Income and Poverty (1998), from the Social Division of MIDEPLAN, as well as the report of the World

indicated in his Prologue to this book: that in spite of economic growth, there are barriers (beyond access to income) which prevent certain social sectors from accessing the existing mechanisms for achieving social integration.

Carolina Tohá presents a detailed study about youth and social exclusion in Chile. First, Tohá provides an exhaustive analysis of the educational, employment, political and cultural situation of the youth in Chile. Tohá maintains that, beyond not having access to certain rights (political, civil, social and cultural), social exclusion for the youth means being unable to move towards adulthood on all of these dimensions. As a consequence, Chilean youth do not share a common identity (as an age group) due to the great differences that exist between them in the aforementioned areas. Additionally, they have serious difficulties constructing social networks to facilitate their transition to adult life.

The author then provides a critical summary of the policies developed by the Chilean government in recent years to facilitate the social integration of youth, focusing specifically on barriers to education and labor market insertion. At this level, Tohá argues that the existing programs have attempted to develop a gradual process of insertion with mixed results since, even if they improved the delivery and quality of some services to certain groups of young people, the shallow scope of the programs has resulted in a limited impact as far as equity and social and institutional sustainability are concerned.

Tohá concludes presenting what she identifies as the principal causes of social exclusion of youth in Chile. Based on her findings she argues that public policies have not allowed the qualitative changes required to articulate a common strategy aimed at facilitating the (socio-economic, political and cultural) integration of the youth. Only through a coordinated and integral policy, she proposes, the youth would break through the threshold of full citizenship, which would allow them to take decisions regarding their lives and the society in which they live.

Next, the work of Carine Clert presents an interesting case study about social exclusion and gender in the community of *Huechuraba*, in a poor Municipality of northern Santiago. Clert's study analyzes how social exclusion mechanisms operate at the micro-social local level and the perceptions subjects have about their situation and the impact of some social policy instruments. At the conceptual level, Clert argues that the specific contribution of social exclusion refers to the dynamic analysis of institutions and agents. In other words, the social exclusion approach allows linking social

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Bank (1997) "Chile: Poverty and Income Distribution in a High Growth Economy 1987-1995 (Vols. 1 &2).

processes and actions that determine, enable, or restrict the differential access of social groups to diverse material and symbolic goods.

The fieldwork demonstrates how social exclusion mechanisms operate at the local level. This is how labor markets, human capital, civil rights, the judicial system and institutional resources interact in the generation of exclusion. Particularly interesting is Clert's combination of quantitative data with the subjects' perceptions regarding social exclusion and its political implications. In her conclusions, Clert suggests that the social policies implemented reveal a series of conceptual as well as operational problems. At the conceptual-methodological level, Clert indicates that the utilization of targeting instruments, by definition, leaves out other social sectors that are also excluded. From an operational point of view, Clert concurs with Tohá in arguing that targeting instruments and delivery mechanisms could lead to exclusionary practices, diminishing the pertinence and effectiveness of existing social policies.

Finally, in the conclusions the main lessons suggested by the authors regarding the analytical value of the social exclusion approach and its repercussions for the design and implementation of social policies are discussed. Regarding its validity and usefulness, the social exclusion approach offers an integrated view of the situation of a particular social group, making possible to deal with multiple dimensions and variables that other analytical tools do not contemplate. First, social exclusion establishes a benchmark – that of rights and societal thresholds, to measure and analyze social policy. Second, the exclusion prism contributes to place social subjects at the center of any policy intervention by emphasizing the processes leading to poverty and that impede social subjects from participating on an equal stand in society. Finally, from the policy design perspective, the social exclusion approach is of great utility because it looks at the articulation and interaction of the different dimensions or elements that impede social integration. Thus, it allows designing and prioritizing actions aimed at diminishing vulnerability and increasing participation of underprivileged groups.

# SOCIAL EXCLUSION AS A DISTRIBUTION THEORY\*

ADOLFO FIGUEROA

Why do countries differ in their degree of inequality? The answer to this question mostly has come from economic literature on growth and distribution. Some economists emphasize the link from output to distribution (Kuznets 1955), others from distribution to growth (Lewis 1954; Kaldor 1957). These links have a theoretical shortcoming, however; production and distribution are both endogenous variables in the standard general equilibrium theories (neoclassical, classical and Keynesian).

Even if these hypotheses could be generated from a theoretical system, the empirical evidence is statistically weak. A recent article by Furman and Stiglitz (1998) shows that there is very little evidence of the statistical relationship between inequality and growth (or income levels), and the existing data is from chronologies and cross-referenced information. Their conclusion is mainly based on a new international set of data compiled by the World Bank, which they call "the most comprehensive and carefully constructed" in existence (p. 226).

According to the same set of data, countries with similar levels of income show significant differences in their degrees of inequality. This is clearly the case in Third World countries. For instance, Latin America appears to be the region with the highest degree of income inequality in the world. The region has maintained this position since the 1950s (Deininger and Squire 1996).

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Why do Third World countries or regions differ in inequality? The aim of this paper is to develop a theoretical framework that attempts to explain such differences. The basic idea is to examine the role of the initial conditions in the process of growth and distribution. Some countries "were born" more unequal, more heterogeneous, than others. Standard theories have made this factor into an abstraction. These theories have assumed societies where all individuals are homogeneous in every respect, except in their endowments of economic assets. No other assets are allowed to exist in the economy. This assumption will be abandoned here. An abstract heterogeneous society, which I will call the Sigma economy, will be constructed here.

The paper is organized as follows. The theoretical construction is presented in sections one through three. Section four contains the empirical corroboration of some of the predictions of the theory—data from Latin American countries are utilized for this purpose. The paper ends with a section of conclusions.

## A HETEROGENEOUS SOCIETY

Sigma is a capitalist democracy. Individuals are endowed with three types of assets: economic, political and cultural. Economic assets include several forms of capital: physical, financial, and human. Physical and financial forms of capital are highly concentrated in one social group, the capitalists.

Political assets are defined as the capability of exercising rights. Citizenship is thus a political asset, which gives rise to rights and duties. Due to inequality in the distribution of political assets, a hierarchy of citizens is created in society. As a consequence, social groups lower in the hierarchy have relatively limited access to economic rights established by society. Economic rights take the form of public goods, such as education, health services and social protection systems.

Sigma is a multicultural society. Groups differ in culture. These distinct cultures, however, do not have the same social valuation. They are ordered into a social hierarchy according to a valuation that has been historically constructed. Therefore, social groups are endowed with different cultural assets which are valued according to a hierarchy that attributes different value to their culture. The characteristics defining valuation may include race, language, gender, religion, caste, regional origin and customs. Cultural assets provide individuals with either social prestige or social stigma, which leads to discrimination and segregation. This unequal valuation of

cultural assets implies the existence of groups with different social status in society. In synthesis, while economic assets indicate what a person has, political and cultural assets indicate who a person is.

Contrary to economic assets, political and cultural assets are intangible; they are not tradable, and therefore they have no market value. However, as in the case of economic assets, they can be accumulated. The struggle for civil rights is the mechanism by which political rights are accumulated. It is clear that cultural assets can also be accumulated by individuals and groups through education, migration, social organization and *intermarriage, among other methods*.

The characteristics of the Sigma economy can be summarized by the following set of assumptions:

*Institutional context.* Rules: There is private property of the economic assets, and individuals can exchange goods subject to the norms of market and non-market exchange. There also exist formal and informal norms of discrimination and segregation in access to political and cultural assets. Organizations include households, capitalist businesses, and the government. Government controls the supply of money and public goods.

*Rationality of agents.* Individuals conform to the notion of *Homo economicus*. They seek to maximize their own material well being. They act pursuing self-interest.

*Market relations.* The market system operates with Walrasian and non-Walrasian markets.<sup>1</sup> There is overpopulation in the labor market, which means that the Walrasian wage rate is below the worker's subsistence income. Thus, the labor market is non-Walrasian. There is no market for physical capital services; that is, owners do not rent out their physical capital and prefer profits to rents.

*Initial conditions.* Individuals are endowed with unequal quantities of economic, political and cultural assets. The richer groups have more of every asset or the more valuable assets.

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1. A market is Walrasian when the equilibrium price clears the market, eliminating any excess demand or excess supply (as in the potato market). Hence, market rationing of goods operates through prices. By contrast, a market is non-Walrasian when the equilibrium price does not clear the market. This market operates with quantitative rationing. Thus, in this market people are unable to realize the exchange of goods in the quantities they are willing to exchange at the prevailing market prices. This does not happen in a Walrasian market.

## A MODEL OF THE SIGMA ECONOMY

In order to derive empirically testable hypotheses from this theory, a model of the Sigma economy must now be established. There are five assets in the economy: physical capital, human capital (high skill and low skill), political assets and cultural assets. There are three social groups: the capitalists and two types of workers. Ownership of physical capital is concentrated among the capitalists. The high skill workers will be called 'y-workers' and the low skill will be called 'z-workers.' Capitalists and y-workers have the same endowments of political and cultural assets, but these endowments are lower for z-workers. Capitalist businesses employ y-workers to produce good B, the only commodity produced in this economy. There is an overpopulation of y-workers. The total capital stock is insufficient to employ the total labor supply.

The 'z-workers' are endowed with lower amounts of all assets. In particular, they are workers with low human capital for the technology being used in the capitalist sector. Thus, their human capital endowments are not suitable for wage employment. They are not employable. They are not part of the labor supply in the labor market; that is, they tend to be excluded from the labor market. Capitalist firms cannot make profits employing them, because they would need to invest much in their training. At the same time, y-workers are in plentiful supply. It is the lack of profitability that lies behind the total exclusion of z-workers from the labor market.

### THE LABOR MARKET

Capitalist firms seek profit maximization. In order to achieve this objective, firms need to apply incentives to extract the optimum work-intensity from y-workers (Shapiro and Stiglitz 1984, Bowles 1985). To make missing work costly for workers, the market wage rate must be higher than the opportunity cost of workers. In the Sigma economy, this opportunity cost is given by the income that workers can make as self-employed producers in the subsistence sector. The marginal productivity of labor in the subsistence sector is assumed to be subject to diminishing returns. The larger the quantity of self-employed workers the lower the marginal income in the sector; alternatively, the smaller the quantity of labor in the subsistence sector the higher the marginal income. Thus, when firms wish to employ

more y-workers, maintaining the same work intensity, they would need to pay higher wages, because the opportunity cost of workers increases.

On the wage-employment plane, there will be three curves now, instead of the traditional demand and supply curves of economics textbooks. The labor demand curve shows a downward slope, the supply curve (given by the curve of the marginal productivity of labor in the subsistence sector) an upward slope, and the effort extraction curve (which lies above the curve of the marginal productivity of labor in the y-subsistence sector), also an upward slope. The equilibrium wage is determined by the intersection of the demand and effort extraction curves. At this market wage rate there will be excess labor supply. This excess can not be eliminated automatically by a fall in the real wage rate. The labor market is not like the potato market; it is a non-Walrasian market.

As a "second best" solution, the workers who are excluded from wage employment will choose between unemployment and self-employment. The worker will evaluate the expected wage when engaged in the activity of job seeking (and being unemployed) against the sure income that can be made if self-employed in the subsistence sector. If the worker's expected wage rate is higher, he will choose to seek a job; if the expected wage rate is lower he will choose self-employment. Assume the expected wage is equal to the market wage rate multiplied by the probability of finding a job. Given this probability, the expected wage is a fraction of the market wage rate. Once the wage rate is known, the expected wage is also determined. Workers will seek jobs until the expected wage is equal to the opportunity cost in the subsistence sector, that is, until it is equal to the marginal productivity of labor in the subsistence sector. Thus, the allocation of workers to unemployment and self-employment is also determined. The incomes of the self-employed are lower than the market wage rate.

Z-workers are self-employed in small units of production, in which they produce good B with a traditional technology. Thus, z-workers produce good B with lower productivity compared to self-employed y-workers. In the Sigma economy, there are two subsistence sectors, one for each type of worker, with different levels of productivity.

## GENERAL EQUILIBRIUM

The model of the Sigma economy presented here has three sectors: the capitalist sector and two sub-sectors—the y-subsistence sector and the

z–subsistence sector-where workers can make income as self–employed producers. There are two markets: labor and commodity B.<sup>2</sup>

Given the technological (input-output) relationship between labor and production of commodity B, it is sufficient to establish the equilibrium conditions of the labor market to arrive at general equilibrium. These conditions were shown above. So, the labor market determines the wage rate, the level of employment, and the excess supply of y-labor. Given this solution in the labor market, the allocation of the surplus labor into unemployment and self-employment is also determined, as well as the mean income in the y-subsistence sector.

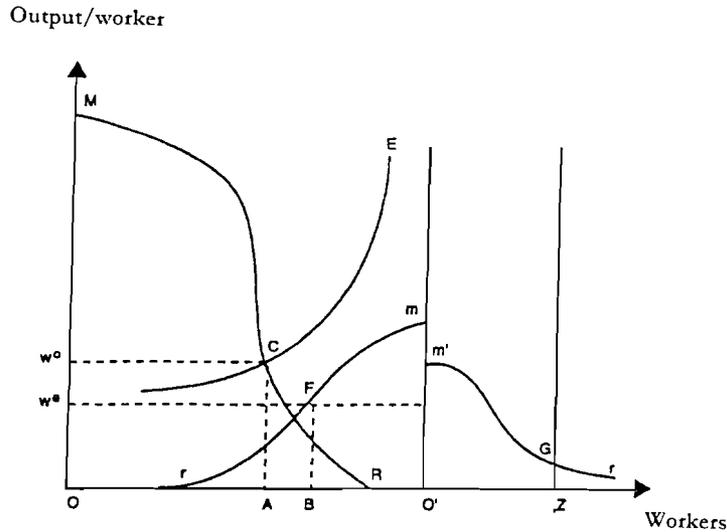
In the z-sector, workers seek to maximize total output with the use of their total labor supply, which is given. Because there is no interaction between the z-sector and the rest of the economy, the general equilibrium solution is separable in the z-subsistence sector in respect to the rest of the Sigma economy.

The general equilibrium is illustrated in Figure 1. Output per worker is measured on the vertical axis and the number of workers on the horizontal axis. The number of y-workers is equal to the segment  $OO'$ , and  $O'Z$  is the number of z-workers.  $MR$  represents the marginal productivity of labor in the capitalist sector,  $mr$  is the marginal productivity curve in the y-subsistence sector (measured from the origin  $O'$  and towards the origin  $O$ ), and  $m'r'$  is the marginal productivity curve in the z-subsistence sector. Curve  $E$  measures the effort extraction curve. The equilibrium wage rate ( $w^e$ ) is determined by the intersection of curve  $E$  and with curve  $MR$ , which is also the labor demand curve. The excess labor supply is equal to  $AO'$ . This wage rate determines the expected wage rate  $w_e$ , which in turn determines the allocation of the excess labor supply of labor to unemployment ( $AB$ ) and self-employment ( $BO'$ ). Total income in the capitalist sector is equal to the area under the curve  $MC$ , total income in the y–subsistence sector is equal to the area under curve  $mF$ , and total income in the z–subsistence sector is equal to the area under curve  $m'G$ . Their sum makes up equilibrium national income.

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2. In what follows the emphasis will be given to the relationships between the capitalist sector and the subsistence sectors through the labor market. So, we can safely ignore other markets that are needed to establish general equilibrium at large.

Figure 1



National income ( $Y$ ) of equilibrium and its distribution can be represented by the following equation:

$$\begin{aligned}
 Y &= P + W + V_y + V_z \\
 &= P + w D_y + v_y L_y + v_z L_z
 \end{aligned}$$

Profits ( $P$ ), wages ( $W$ ), and total income in the two subsistence sectors ( $V_y$  and  $V_z$ ) will make up national income. Labor incomes can be broken down into mean incomes ( $w$ ,  $v_y$ ,  $v_z$ ) and quantities of workers employed in each sector ( $D_y$ ,  $L_y$ ,  $L_z$ ). The condition of equilibrium in the labor market is  $w > v_y$  and social exclusion leads to  $w > v_y > v_z$ . The  $z$ -workers will constitute the poorest group in society. (See Appendix for a formal presentation of the general equilibrium solution).

The structure of national income tells us that in the Sigma economy there are different sources of income, which lead to inequality. There is inequality between capitalists and workers, but also amongst workers. Not all  $y$ -workers get the same income; not all  $z$ -workers get the same income.

The exogenous variables of the system include the stock of capital and technological knowledge, and the initial distribution of economic, political and cultural assets among individuals. State policies and external shocks to the economy are also exogenous. The endogenous variables include the level of national income and its distribution. If exogenous variables remain unchanged, the equilibrium values of the national income and its distribution

will repeat themselves period after period. Changes in the exogenous variables will modify the equilibrium values of the endogenous variables in particular directions, and empirical predictions can be logically derived from this theoretical model.

## EXCLUSION FROM CREDIT AND INSURANCE MARKETS

The labor market generates inequality among y-workers. The y-workers who are excluded from the labor market have the same skills as of those included; thus, why should they remain relatively poor? To set up a new business or to increase productivity in the existing units of the subsistence sector, financing is needed. Because owners do not rent out their capital, workers can not set up businesses by renting capital. They must buy capital. Workers do not have sufficient savings to finance capital accumulation, so bank credit is needed.

However, the logic of the banks excludes workers from this market. Banks seek a dual objective: maximize profits and minimize risk. Because the unit cost per dollar declines with the size of the loan, banks prefer to give large loans; moreover, because of incomplete information, banks minimize risk by requiring collateral, the value of which depends positively on the loan size. Hence, banks set minimums on loan size and wealth, which determine who their clients will be. The logic of banks will exclude potential borrowers that own capital in amounts below the threshold value or have no capital at all. The credit market is non-Walrasian; it is not like the potato market either.

There is also the risk of destruction of the capital stock. This risk can be insured through the insurance market, an instrument for spreading out risk. However, the insurance market is not Walrasian either. The reasons are similar to those of the credit market. Transaction costs are too high for insuring small businesses. Insurance companies prefer to do business with large firms. Thus, producers in the subsistence sector are subject to the risk of uninsured individuals. They are vulnerable to negative shocks to capital endowments.

In sum, as a result of the economic rationality of banks and insurance companies, and information costs, the y-workers who were excluded from the labor market are also excluded from the credit and insurance markets. They can not escape from relative poverty; self-employment and unemployment are their only viable, second best options. Z-workers are excluded from

credit and insurance markets as well. The factors that explain the exclusion of y-workers from these markets operate with even greater force in regard to z-workers. They can not escape from poverty either.<sup>3</sup>

## EXCHANGE RULES IN MICRO-SOCIETIES

Because z-workers are excluded from the insurance market, they seek individual ways to self-insure against risks and also collective ways to spread out risk. Because z-workers are excluded from the credit market, they seek peer loans. Thus, social networks are created as a mechanism that provides social protection and opportunity. As a result of their exclusion from financial and insurance markets, z-workers live in encapsulated communities or micro-societies.

Within a closed micro-society, economic exchange can not take the form of market exchange. In such a small society individual interdependence is very high and multiple exchange is predominant. Hence, exchange relations cannot be impersonal. The micro-society is composed of networks created to solve the problem of uninsured individual risks, a problem that cannot be solved through the market system. The rationality of self-interest cannot be the only motivation of individuals, for the economic consequences may be negative for all. Individual behavior based on this rationale may generate economic losses for the rest of the members of the community. The individual could then suffer a social sanction for that behavior. Given that multiple exchange prevails in the community, the individual could be excluded from other sorts of exchange as well and suffer additional economic losses.

What are the rules of non-market exchange? They can be summarized as follows. Non-market exchange is still voluntary and based on the logic of self-interest, yet it is not impersonal. Individuals are restricted by the norms of the social network in addition to the constraints imposed by their own resource endowments. These norms include reciprocity and redistribution. "I help you now that you are in need, with the understanding that you

3. The Sigma economy will have a segment of the labor force that is not wage earner. This segment includes part of the y-workers and all z-workers. They are excluded from the labor market and from the credit market, the two mechanisms under which workers can be exploited, as Roemer (1982) has shown. The wage earners-those y-workers who are fully integrated into the capitalist system-are the richest among all workers. The excluded are poorer, and because the degree of exclusion is higher for z-workers, these make up the poorest group. Joan Robinson's well-known dictum "The only thing that is worst than being exploited is not being exploited" applies very forcefully to Sigma society

will help me when I am in need" (*Hoy por ti mañana por mí.*) is a principle of exchange. The economic balance of the relationship is attained in the long run, not in every transaction. Therefore, the law of one price for each good does not hold. Money cannot buy everything within social networks.

The social network constructed by the poor is a survival strategy, not a development strategy. It allows each worker to reduce risk. It is a mechanism that provides a safety net. No individual goes hungry or homeless because of a negative external shock to endowments. At the same time, however, no individual can escape easily from the network – that is, from poverty – even if presented with external opportunity. The rules of reciprocity and redistribution set limits to one's options. This is the other side of the coin of social protection. Non-market exchange protects individuals against risk but condemns them to share the poverty of the entire group. By contrast, market exchange does not protect individuals collectively against risk, but allows them to escape poverty individually.

If micro-societies are open to the larger economic system, such as a capitalist economy, the rules of exchange will be dualistic. Individuals will have access to market exchange. Therefore, social norms within the community will not be as binding as in the closed case. The more developed the markets, the weaker the constraints determined by social norms. In the Sigma economy, z-workers will be assumed to live in a closed micro-society, where non-market exchange rules dominate all transactions. Market exchange will be ignored at this point. (This will not be the case of y-workers; they live in more open societies and participate in exchange under market rules.)

## SOCIAL REPRODUCTION

While the y-workers who are self-employed in the subsistence sector could adopt new technologies that are being developed in the capitalist sector, and thereby increase labor productivity, they do not. Given the differences in technology, and given that technological innovations cannot occur continuously but adoption can, the y-subsistence sector should be able to grow even faster than the capitalist sector. Given its technological lag, there is much room for the growth of productivity in the y-subsistence sector. The self-employed could not be limited by a lack of human resources in adopting new technologies, because labor is homogeneous. Under these circumstances, the main factor preventing the y-subsistence sector from growing is access to credit. The process of adopting new technology requires

financing. However, workers in this sector lack savings, and, as we have seen, are excluded from credit and insurance markets.

The z-workers also remain poor, even though their existence in a capitalist society should provide opportunity for adopting technological innovations and increasing productivity. Actually, the z-sector should also be able to grow faster than the modern sector, where innovations occur only intermittently. In this case, the limitation comes from z workers' endowments of human capital, which are very low for the present stage of technological development. Even if there were a subset of new technologies that they could adopt, they would not be able to do so because they would need external financing and means to spread out the risk. But, like the y-workers, they are also excluded from credit and insurance markets.

Why are z-workers unable to accumulate human capital? First, because they are poor. They lack the financing capacity needed to accumulate physical and human capital. Second, they are excluded (in quantity and quality) from access to economic rights in the form of public goods, such as education, health and social protection. This is a problem of political exclusion. Thirdly, they are segregated, which makes the acquisition of skills required for the modern technology very costly. This is a cultural exclusion problem.

Because z-workers have a cumulative disadvantage in society, their capacity to organize themselves and demand access to rights is limited. In this case, collective action is limited by the exclusion problem, not by the Olsonian problem – or the "free ride" problem. Olson intended to answer the question: why is there little class action in the real world? His theory is that collective action will not occur if the individuals that make up the group act guided by the logic of self-interest (Olson 1965). In micro-societies, however, free – riders will suffer social sanctions. The Olsonian problem will not appear. The limits to collective action come from the problem of exclusion. z-workers are too poorly endowed with economic, political and cultural assets to participate fully in the democratic process. The endogenous transformation of a heterogeneous society into a homogeneous one – the transformation of z-workers into y-workers – will proceed at a very slow pace.

z-workers will thus make up the "hard core" of exclusion. As a consequence, they will become the poorest group in society, and will remain so. In the Sigma society, the poorest groups are not only people with the lowest incomes, there are also different groups—people poorly endowed with non-economic assets.

Three markets play a crucial role in the reproduction of inequality in the Sigma economy: labor, credit, and insurance. These markets can be called

*basic markets*. Given the initial condition of unequal distribution of economic, political and cultural assets in the Sigma society, inequality will be reproduced in the process of capital accumulation in the capitalist sector. A segment of *y*-workers will be excluded from the basic markets. *Z*-workers are left behind in the process of economic growth, for they are excluded not only from the basic markets, but also from political and cultural assets. This latter exclusion-which will be called 'social exclusion,' as opposed to economic exclusion-puts even more constraints on *z*-workers for accumulating capital, particularly human capital. What is particular to Sigma society – as a capitalist democracy – is social exclusion.

Although the distribution of assets is individual, the mechanisms of exclusion do not operate on an individual basis. Individuals represent social groups. Exclusion is systematic regarding social groups, even though it may be a random process among the individuals that belong to a particular group. The concept of exclusion in this theory refers to *social* exclusion, as opposed to individual exclusion. Social exclusion is the result of a historical event, a fundamental shock to society. This set of assumptions may be called *social exclusion theory*. Hence, Sigma theory (the logical construction of Sigma Society) includes the social exclusion theory.

The Sigma society was born heterogeneous; it was born very unequal in terms of economic, political and cultural assets and will remain so or change slowly. This will be the characteristic of the long-run equilibrium. In the Sigma society the long-run degree of inequality will basically depend upon its initial distribution of assets. In this society, there is dependence on the historical path of society. To change this path significantly, another exogenous shock to change the initial conditions will have to occur. The other exogenous variables will have either minor effects or just short-run effects.

#### SOME EMPIRICAL EVIDENCE: THE LATIN AMERICAN COUNTRIES

Theories are constructed in order to be empirically tested, so is Sigma theory. What are the empirical predictions that can be derived from the Sigma theory? This paper gives greater emphasis to those empirical predictions of the theory that refer to the *z*-sector. These are the simplest to derive, and address the question of poverty more directly.

The effect of changes in the exogenous variables of the system on the *z*-sector can be summarized as follows:

- (a) Capital accumulation together with technological change in the capitalist sector (an upward shift of the labor demand curve) will have the effect of raising both the wage rate and the level of employment, reducing the level of self-employment of y-workers, while the change in unemployment is undetermined. There will be no effect on the z-subsistence sector. The capital accumulation process may eventually eliminate the excess supply of y-type labor, but z-type labor will remain untouched.
- (b) Increase in the z-population will have the effect of reducing the marginal productivity of labor in the z-sector, and then will reduce average income. Overall income inequality will rise.
- (c) Increase in the productivity of the z-sector will have no effects on the capitalist sector.
- (d) Among societies with similar capital endowments and technology, income inequality will be higher in Sigma societies than in more homogeneous societies.<sup>4</sup>

In social science, the empirical testing of a theory is done using statistical analysis. Any single observation can neither refute nor confirm a theory. The validity of a theory is understood in statistical terms, within the law of large numbers. Unfortunately, empirical data on the distribution of national income in developing countries are not abundant. Most data on inequality refer to labor income, not national income, because they come from household surveys; moreover, they show information for only a few years per country. Hence, the requirement for disproving the theory cannot be met.

In this study, I will pursue a more modest objective. I will make use of some pieces of evidence from Latin American countries to test the hypothesis that countries with a large proportion of indigenous populations function as if they were Sigma economies, where indigenous populations represent z-workers. It seems indisputable that this population is endowed with the lowest amount of economic, political and cultural assets (as valued by the dominant culture). The relative proportion of the indigenous population will

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4. Consider two other abstract societies that are defined as follows: *Omega society* where z-workers do not exist but there is overpopulation of y-workers, and *Epsilon society* where z-workers do not exist and there is no overpopulation of y-workers. Suppose the three societies are similar in technology and capital stock; in other words, suppose the three societies have the same labor demand curve. It is clear that these societies will show a certain order of inequality. Sigma society will be the most unequal, Omega will follow and Epsilon will be the less unequal society. In general, societies that are more overpopulated and more heterogeneous will show higher degrees of inequality.

be used as the indicator to determine "indigenous countries." The following propositions appear to be warranted by existing data and, thus, give empirical support to the hypothesis.

## COUNTRIES WHERE THE SHARE OF INDIGENOUS POPULATIONS IS HIGHER ARE MORE UNEQUAL

In Latin America, there exists a diversity of countries in terms of ethno-cultural traits. Two extreme groups can be distinguished. The more homogeneous group includes Argentina, Uruguay, Venezuela and Costa Rica. The more heterogeneous group includes Mexico, Guatemala, Colombia, Ecuador, Peru and Bolivia. The conquest may be considered the fundamental shock. Today indigenous populations constitute a significant proportion of the total population of these countries. Members of these populations still maintain part of their ancient culture and live mostly in rural peasant communities. The Caribbean and Brazil may also be included in this second group. The presence of blacks, who were brought in as slaves from Africa, in addition to the presence of indigenous communities, has created a society that is multi-ethnic and multi-cultural, which is also the case in the other countries of the group.

Studies made in the 1970s on the distribution of national income – not on labor income alone – showed that income inequality in the second group was consistently higher than in the first in the 1950s and 1960s. As shown in Table 1, the mean Gini coefficients for Costa Rica and Argentina were 0.37, 0.43; whereas for Peru, Brazil, Colombia and Mexico they were in the range of 0.54-0.62; and Chile's figure was 0.50. Chile appears to be an intermediate case, both in terms of social heterogeneity and inequality.

The most complete recent information on national income distribution, based on five or more observations in the period 1950-1993, is also shown in Table 1. This set of data contains only five countries. This statistical information also confirms the high positive correlation that seems to exist between social heterogeneity and inequality. The low value of the Pearson coefficient of variability for each country suggests that income distribution has not varied much within each country.

This long-run persistence both in the degree of inequality and in the order of inequality by countries is striking. In terms of the two groups of countries mentioned above, the second group was born more heterogeneous and more unequal than the first and has remained so. This empirical result is consistent with Sigma theory. The degree of income inequality seems to

Table 1

LATIN AMERICA: INEQUALITY IN EIGHT COUNTRIES IN  
SELECTED YEARS DURING 1950–1993

Country	Weisskoff–Figueroa 1950–1970		Altimir 1950–1993		Pearson c.v (%)
	Number of observations (years)	Gini coefficient Mean Value	Number of observations (years)	Gini coefficient Mean value	
Brazil	2	0.58	7	0.62	4.0
Peru	1	0.62	–	–	–
Mexico	3	0.54	8	0.55	4.0
Colombia	1	0.58	6	0.50	6.7
Chile	1	0.50	–	–	–
Argentina	3	0.43	–	–	–
Venezuela	–	–	5	0.42	9.8
Costa Rica	1	0.37	9	0.42	4.1

– Not available

Source: Weisskoff and Figueroa (1976), p. 91; Oscar Altimir's estimates appear in Thorp (1998), Appendix Table VIII.1, p. 352.

be a structural characteristic of a country. The German naturalist Alexander Humboldt wrote in his *Voyages* that economic and social inequality was the feature that most impressed him on his visit to the region now called Latin America. This was published around 1850. One hundred and fifty years later, inequality is still a key characteristic of this region.

It can be shown that the higher degree of inequality in the second group of countries is due in large part to their shares of indigenous populations. If we recalculated national income omitting the participation of the indigenous population, the result would be a slightly lower level of national income but a significantly more equal society. The reason is simple: a large number of people and a small amount of income would be deducted from the original national income.

Let us examine the case of Peru. In the mid-seventies, the top decile of the population received 50 percent of the national income, and the bottom third received only 5 percent (Webb, 1977). The indigenous population constituted the vast majority of this lower group. With the recalculation, the

ratio between the top decile and the bottom third decreases from 10 to 4 times. The mean income increases by 40 percent.

The indigenous populations are at the base of the income pyramid of each country in the region. In the 1980s, the incidence of poverty among the indigenous population in Bolivia was 64 percent (versus 48 percent for the non-indigenous), in Guatemala 87 percent (*versus* 54 percent), in Mexico 81 percent (versus 18 percent), and in Peru 79 percent (*versus* 50 percent) (Psacharopoulos and Patrinos 1994). The hard core of poverty is to be found among the indigenous populations.

It seems quite clear that the indigenous populations make up the poorest groups in Latin America. And because they are endowed with the lowest amounts of economic, political and cultural assets, the indigenous populations appear to possess the attributes of the category of z-workers.

## THE PERSISTENCE OF THE PEASANT ECONOMY IN INDIGENOUS COUNTRIES

As predicted by Sigma theory, economic growth in the capitalist sector has not eliminated the peasant economy in Latin America. Mostly indigenous populations constitute this economy. These populations have been subject to exclusion mechanisms during the process of economic growth that has taken place in the capitalist sector. Such exclusion could explain why the expansion of capitalism in Latin America has not managed to transform the peasantry into wage labor, as it did in Europe.<sup>5</sup>

The fact that there are peasants in non-indigenous countries also may be the result of a different process: such countries started overpopulated but not socially heterogeneous. In any event, this case does not disprove Sigma theory. This theory would be rejected if countries that started capitalist

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5. In the late seventies, the distinguished historian Eric Hobsbawm gave a lecture in my university and began by asking the audience the following question: why do we still observe the peasantry in the Andes of Peru? Nobody answered. He then explained to us the case of Scotland. In the XVIII century the mountains of Scotland were also populated by peasants. Less than one century of capitalist development was enough to transform that peasantry into wage labor. Today those mountains are empty, he concluded. After many years, I think I have the answer to his question. Peru (as well as the other Latin American countries with important ancient civilizations) was born as Sigma society, where the peasantry has been subject to mechanisms of social exclusion. This was not the case in Europe. The ancient European countries resemble the Omega society, that is, overpopulated but without z-workers. These countries developed much more easily to become Epsilon societies. Sigma societies must first become Omega societies before they can reach the level of Epsilon societies.

development as indigenous are non-indigenous now; or if they continue to be indigenous, the composition of social groups in the agricultural sector as peasants, wage earners and capitalists are not associated to ethnicity. The presence of ethnic groups in the social structure is distributed randomly. In this case, contrary to what Sigma theory predicts, initial conditions would not count.

A significant out-migration of the rural population has taken place in recent decades in Latin America. This is usually explained by the large difference in the mean incomes between urban and rural areas. While this process of rural out-migration is hardly surprising, what is less expected is that people still live in rural areas. Why are they still there if income differences with urban areas still persist? One possible explanation comes from the exclusion theory: most of the indigenous population is not part of the supply in the urban labor markets.

Under other forms of production in the past, the indigenous populations provided the basic labor force, and it was profitable for landlords to employ them. But that system of production (the hacienda system) did not function with labor markets. Furthermore, over time technology changed and capitalist production expanded, requiring particular kinds of skills, including proficiency in Spanish and new work ethics. Workers suitable for capitalist production, the y-workers, increased over time. But, as shown above, the indigenous populations have been left behind.

### THE MARKET SYSTEM IS LESS DEVELOPED IN AREAS WHERE INDIGENOUS POPULATIONS ARE PROMINENT

Most empirical studies have found that the peasant communities in Latin America carry out monetary exchange with the outside world. Economically, they are not isolated communities. However, such empirical evidence cannot be taken as an indication that they are fully integrated into the capitalist sector. Figueroa's detailed family budget study (1984) of indigenous peasant communities in the Peruvian Andes showed four findings:

- (a) Economic exchange of goods and labor was carried out through market and non-market exchange.
- (b) Economic exchange with other indigenous communities and with the self-employed producers in provincial towns was very significant.

- (c) As labor supply, peasants exchange part of their labor force with other peasants on a reciprocity basis, part is sold to local farms and households, and another part is sold as casual labor in formal labor markets.
- (d) In quantitative terms, the study calculated that, on average, peasant families exchange half of their total output, and that labor income accounts for 25 percent of total income.

The well-known argument developed by Schumpeter (1934) that "the peasant sells his calf just as cunningly and egotistically as the stock exchange member his portfolio of shares" (p. 80) does not seem to fit with what one observes in rural indigenous communities of Latin America. Such behavior refers to peasants selling their products in an urban market to buyers that they scarcely know. But this is not their usual form of exchange. Within their community and within their social network, peasants hardly behave like stock exchange brokers. Here non-market exchange dominates.

The high degree of integration between the rural and the urban self-employed (between the two subsectors within the subsistence sector) seems to be a perfect match of demand and supply. Given their endowments of economic assets, including human capital, these groups can produce only goods of low quality; and given their low incomes, these are the goods and services for which there is a high demand. This is consistent with the observation that the subsistence sectors produce mostly "inferior goods," as judged on a national scale of revealed preferences.

If these subsectors produce inferior goods and are poor, they are complementary economies. To show this, a theoretical model with more than one commodity would be needed. In a world with only one good, the z-sector and y-sector could not exchange that single good. In this simple world, therefore, these sectors could be considered as though they were separate economies, or two sectors with no interrelations. The latter is precisely the assumption made in this model of the Sigma economy. This exchange is ignored, as it is considered non-essential in the process of productivity growth of these subsistence sectors.

Because the peasantry participates in the market exchange of goods and casual labor, its real income would also depend upon relative prices in the market. But the theory ignores the effect of these relative prices: they are not considered essential in the process of productivity growth of the peasant economy. Although there is market exchange in the peasant economy, the theory makes an abstraction of this, *as if* there were no exchange. The theory assumes that changes in relative prices can have a *level* effect on income (a

jump), but not a *growth* effect (a continuous increase in labor productivity and income).<sup>6</sup>

What is quite clear in Latin America is the fact that the market system is less developed in the rural areas where indigenous populations are predominant. For the peasantry, transaction costs with the market seem to be higher than within their social networks. Public goods (transportation and communications systems) are needed for market development, but governments invest very little in the provision of these public goods in areas where indigenous populations are predominant. This is consistent with the hypothesis of political exclusion. And without developed markets it will be very costly for the peasantry to have economic growth.

### TECHNOLOGICAL INNOVATIONS ARE LIMITED IN AREAS WHERE THE INDIGENOUS POPULATIONS ARE PROMINENT

Empirical studies on the Latin American peasantry have found that there are demand and supply limitations with regard to the adoption of technological innovations. Only a small fraction of the peasantry has adopted new technologies. A study carried out within the ECIEL Program<sup>7</sup> surveyed thirteen micro-regions with peasant communities in four countries (Brazil, Mexico, Paraguay and Peru) in order to explain this low rate of adoption. The conclusion was that such adoptions require higher levels of working capital and human capital that peasants lack. New technologies are more intensive in working capital and human capital. Increasing productivity using modern technology requires a capacity for numerical calculation, literacy, and a command of Spanish. But it takes 6 to 7 years (more than complete primary schooling) to acquire such skills. Technological innovation, then, requires a level of education that most of the peasantry does not possess. Peasants with post primary education, offered mostly in urban areas, were able to adopt new technology (Figueroa, 1986).

The segregation of rural peasant communities makes learning at school very costly in terms of resources and time. Not only is rural education low

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6. Lucas makes similar assumptions (1988) in his development theory. For instance, he argues that trade liberalization – a change in relative prices originated by tariff reductions – would have a level effect but not a growth effect on national income.

7. ECIEL is an acronym for Estudios Conjuntos para la Integración Económica Latinoamericana. It was the most important research network of the region during the seventies and eighties.

quality, but the native cultural environment makes it more difficult to master the numerical and Spanish language skills needed to participate in the process of technological modernization. As a result, technological change in peasant communities proceeds at a very slow pace. The young try to escape segregation by moving to the city, accumulating human capital there, and becoming integrated into the formal labor market. The fact is that the quantity and quality of public schools are very low in areas predominantly populated by indigenous people. Thus, the lower level of schooling observed in these areas is consistent with the hypothesis of political and cultural exclusion. Hence, the social exclusion theory explains why it is so difficult to reduce the hard core of rural poverty in Latin America.

According to Sigma theory, what is essential for income growth in the rural subsistence sector of Latin America is growth in labor productivity, which requires investment in human capital and in the adoption of technological innovations. Relative market prices, including real wages, are not essential factors. Even though the indigenous populations partially participate in market exchange, this exchange has been ignored, except for exchange in the credit and insurance markets, which are very important for capital accumulation and technological innovations. What is crucial is the development of the market system in rural areas, rather than changes in relative prices. This is one of the assumptions made by the model of Sigma theory presented here. The empirical predictions derived from this model have proven to be consistent with the basic facts of the Latin American reality. There is no reason to reject this theoretical model at this point.

Is Latin America the region of the world where social heterogeneity is the most pronounced? If this were so, the fact that its degree of inequality is also the highest in the world would be consistent with Sigma theory. Could one say that the First World countries were born more equal and that is why they show the lowest degree of inequality today? More empirical work is needed to answer these questions.

## CONCLUSIONS

In this study a new theoretical approach has been developed by introducing two assumptions to standard economic theories:

- (a) Individuals participate in market exchange endowed not only with different quantities of economic assets-as standard theories say-but also with different quantities of political and cultural assets.

- (b) There is a hierarchy of markets, with labor, credit and insurance markets playing a vital role in the generation and reproduction of inequality. They have been called *basic markets*. Neither are all individuals homogenous, nor do all markets play the same role.

This set of assumptions constitutes what has been called *Sigma theory* in this study. Assumption (a) has been called *social exclusion theory*. Thus, Sigma theory includes social exclusion theory. Social exclusion is the particular trait of the Sigma society among other abstract capitalist societies. Sigma theory deals with the long-run determinants of inequality in a heterogeneous society. The initial inequality in the distribution of assets is the most significant exogenous variable in the determination of the future degree of inequality. In the Sigma society, history does matter. The society will have forces that tend to reproduce the initial conditions of social inequality. Sigma theory does not intend to explain the short-run variations of inequality, which may be attributed to other exogenous factors, such as external shocks and macroeconomic policies.

The pieces of evidence from Latin America that have been presented here seem to be consistent with a set of predictions of Sigma theory. Countries that are ethnically more heterogeneous are also more unequal. Within countries, areas where the indigenous populations are predominant show a significant peasant economy, less developed market system and slower rates of technological modernization. In every country, the indigenous population is placed among the poorest. These empirical results seem to suggest that the indigenous population conform to the notion of z-workers.

Given the initial endowments, today's assets held by individuals are the result of the economic and social process. The former is exogenous and the latter is endogenous. As with economic and political assets, today's distribution of cultural assets is endogenous. The existence of cultural and ethnic diversity shows that Latin American countries do not operate as a 'melting pot.' In fact, this cultural and ethnic diversity is not a problem *per se*; it is the hierarchy of diverse groups that is problematic. This hierarchy has become part of the mechanisms of segregation or social exclusion. Those with cultural assets not valued by the dominant culture were excluded in the past. As a result, they were unable to accumulate human capital, and for this reason they are excluded today, and will continue to be excluded in the future as long as the cultural hierarchy is maintained.<sup>8</sup> As prescribed by

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8. During my stay as Tinker Visiting Professor at the University of Texas at Austin, in the fall of 1997, I observed a heated national debate on U.S. racism initiated by a law professor of this university. He said, "Black-Americans and Mexican-Americans cannot compete with White-Americans in academic terms because their cultures do not condemn failure". I was surprised that no one tried to explain why this culture would be so. Social exclusion theory

Sigma theory, the transformation of heterogeneous societies into homogeneous ones has proceeded at a very slow pace in Latin America.

In general, inequality in a capitalist society is the result of both social integration and social exclusion. Inequality is generated not only by market exchange. Exclusion from basic markets is also an important mechanism for generating inequality. In some cases (as in the Sigma society), inequality may also reflect social exclusion, as a result of which the poor are scarcely integrated into market exchange. In this particular sense, inequality reflects market failure.

In the First World, as Okun (1975) argued, rights have been established to redistribute assets and set limits to inequality. Hence, government behavior is subject not only to budget constraints, but also to compliance with the protection of these rights. By contrast, in the Third World, government behavior appears to be conducive to the persistence of workers' exclusion. It is politically more profitable to govern through clientelistic relations than by establishing and securing rights. On the demand side, because the poor are fragmented and have weak organizations – due to their low endowments in economic, political and cultural assets – their voice is too weak to demand rights. In this particular sense, inequality also reflects the failure of the state.

In this study, social exclusion has been referred to as the mechanism for an economic process, whereas poverty is the result. Poverty is the endogenous variable; exclusion variables are exogenous. However, exclusion is usually presented in literature as a synonym for poverty. Some authors have even developed measures of exclusion indicators as part of their construction of poverty indicators. By doing this, they have mixed indicators of cause and effect, of exogenous and endogenous variables.

Poverty can only be understood in relation to the situation of the wealthy. As a social problem, poverty will exist as long as there is inequality. If the rich become richer and the poor remain in the same economic condition, poverty will increase. Social actors can see poverty mainly in relative terms. The use of the well-known "poverty line" as an instrument to measure poverty has validity only in the short run. As economic growth takes place and new goods are created and consumed by the rich, the social concept of poverty changes, and the poverty line needs to be raised.

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would say that this culture is endogenous, that is, a result of the process of segregation. At that time I read a book on multiculturalism in America by Glazer (1997) which implicitly gives great support to this view, a book that also showed me that the segregation of blacks in U.S. has many similarities with the case of indigenous populations in Latin America. Glazer uses intermarriage as an index of segregation and he finds that 97% of black women marry black men. The fact that the Gini coefficient of the U.S. is above the average of the First World is also consistent with exclusion theory.

When poverty is derived from inequality – as it is in capitalist societies – it cannot be analyzed in isolation to successfully explain its origins or to design policies to reduce it. As shown in this study, there are exclusion mechanisms in the generation of inequality. Changing these mechanisms can reduce inequality and poverty. The most important policy implication that can be derived from the social exclusion theory is that, in heterogeneous societies, political and cultural assets must be redistributed along with economic assets. In view of this conclusion, it is disturbing that poverty is usually discussed independently of inequality.

## APPENDIX

### NATIONAL INCOME DISTRIBUTION IN THE SIGMA ECONOMY

The determination of output, real wage rate, and employment in the capitalist sector is obtained from the following set of equations:

Production function in the capitalist and y-subsistence sectors:

$$\text{Capitalist sector} \quad Q = F(D_y, K), F_1 > 0, F_{11} < 0 \quad (1)$$

$$\text{Y-sector} \quad Q = G(L_y, K_y), G_1 > 0, G_{11} < 0 \quad (2)$$

The Labor market equilibrium is determined by the following equations:

$$\text{Labor demand} \quad D_y = f_1(w, K), f_1 < 0, f_2 > 0 \quad (3)$$

$$\text{Labor supply} \quad S_y = H(w, K_y), H_1 > 0, H_2 > 0 \quad (4)$$

$$\text{Effort extraction} \quad E_y = m H(w, K_y), m > 1 \quad (5)$$

The symbol  $w$  represents the real wage rate,  $K$  is the capital stock in the capitalist sector,  $K_y$  is the capital stock in the y-subsistence sector. Both capital stocks are exogenously given. Because capitalist firms seek to maximize profits, the marginal productivity of labor must be equal to the wage rate in a competitive market. Hence, the curve of the marginal productivity of labor in the capitalist sector is also the labor demand curve. The supply curve is the curve of the marginal productivity of labor in the y-subsistence sector, the opportunity cost of labor. The effort extraction

function is obtained by an upward shift of this marginal productivity curve, that is, of the supply curve. The equilibrium condition in the labor market is:

$$D_y = E_y \quad (6)$$

Call the equilibrium wage rate  $w^\circ$ , and the equilibrium quantity of labor demanded  $D_y^\circ$

The total amount of y-labor is  $L_y^* > D_y^\circ$ . Thus, the excess supply of labor is determined. Let  $\Pi$  (a positive number but smaller than one) represent the probability to find a job in the labor market. Then, the expected wage rate  $w^e$  is equal to

$$w^e = \Pi w^\circ \quad (7)$$

The allocation of the y-workers excluded from the labor market into unemployment ( $U_y$ ) and self-employment ( $L_y$ ) is determined from the following equation:

$$w^e = G_1(L_y, K_y) \quad (8)$$

Hence,

$$L_y^* = D_y^\circ + L_y^\circ + U_y^\circ \quad (9)$$

The production function in the z-subsistence sector is represented by

$$Q_z = N(L_z^*, K_z) \quad (10)$$

Total labor supply of z-workers ( $L_z^*$ ) is self-employed in the production process. This equation alone determines total output, as well as the average productivity of labor in this sector. Because of differences in technology and human capital, the average productivity in this sector is smaller than the corresponding value in the y-subsistence sector.

Hence, national income ( $Y$ ) is equal to

$$Y^\circ = O^\circ + O_y^\circ + O_z^\circ \quad (11)$$

The distribution of national income can be represented as follows:

$$Y^\circ = P^\circ + w^\circ D_y^\circ + v_y L_y^\circ + v_z L_z^* \quad (12)$$

Here  $P$  is total profits;  $v_y$  and  $v_z$  represent the mean income in the y-subsistence sector and z-subsistence sector. It follows that  $w > v_y, v_z$ . There is inequality between capitalists and workers, and also among workers.

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# THE SOCIO-POLITICAL AND CULTURAL DYNAMICS OF SOCIAL EXCLUSION

CARLOS SOJO

## INTRODUCTION

This chapter examines the issue of social exclusion as a social, political and cultural phenomenon related to citizenship rights. Reflecting on social exclusion involves both quantitative and qualitative issues because it refers to processes that produce inequalities (regarding material needs) that are clearly subject to numerical examination, as well as to institutional processes that result on power differences among social groups.

The social exclusion approach emphasizes the need to consider multiple dimensions, not just what is commonly considered "material satisfaction" (basic needs indicators and income), but institutional, cultural and political factors both at the public and private levels, that constraint the opportunities excluded social groups have for advancement. In this regard, following Sen (1995), it calls for a broader definition of the "evaluation space", to move towards a multi-dimensional approach.

The first section of this chapter discusses conceptual issues in order to relate social exclusion and poverty to a set of political, social and cultural factors. The objective is to illustrate the importance of using a multi-dimensional perspective for the analysis of social inequality. It also provides the background for linking the issue of citizenship to socio-political and cultural exclusion. The second section analyzes the political and socio-cultural dimensions of exclusion and proposes an analytical model to link the different variables in the system. The third section concludes with recommendations regarding the need for a multi-dimensional and participatory focus for the development of public social policy.

## CONCEPTUAL COORDINATES

### Social exclusion and poverty

Social exclusion means that while certain social groups have or enjoy full entitlements (as defined for that particular society), others do not. Included and excluded from what? Social groups coexist under diverse codes that shape their communities. Even for excluded groups there are norms and institutions that contribute to keep their members within certain norms of inclusion and to maintain the boundaries with other social groups. The diverse levels of integration to that social group initially indicate that social exclusion is a relative category: it is never absolute, a-historical, or detached from specific social conditions.<sup>1</sup>

If all societies have certain levels of integration, then social exclusion refers to the quality and intensity of that level of integration. Social exclusion indicates the existence of a poor link (or a partial link) between a social group and the larger society, its values, institutions and resources that would provide for an adequate quality of life for all its members. This includes economic, political, gender, ethnic, and environmental aspects, to mention the most common dimensions of contemporary social thought. Social exclusion refers to the existence of institutional barriers that impede the possibility of full participation in society (citizenship with its related entitlements) for some social groups. Therefore, the social exclusion approach is concerned with the institutional factors (opportunities) that allow a group to become a full member of the system, and not just the exclusion experienced by particular individuals.

In Latin America, the social exclusion approach started to be used as an analytical tool in the early 1990's. The focus of the regional debate was on the issues of social cohesion and the development of the institutional mechanisms for the democratization of the region (Figuroa, Altamirano, Sulmont 1996; ILO-ILS 1995). Basic to the establishment of democratic institutional arrangements was the notion of social cohesion and equal opportunities for all individuals and groups at the social, cultural, economic and political levels. In other words to the establishment of a community in

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1. The European Community Committee has an appropriate definition. It defined social exclusion as a process and concrete result. It pointed out that the "mechanisms by which persons or groups are rejected are the participation of exchanges and social rights practices that constitute the social integration elements, and therefore, constitute identity also. (FLACSO *et al.*) Also see Minujin, 1998.

which all social groups would have equal opportunities for participation at the material and symbolic levels.

Social exclusion – and its conceptual opposite, social integration – was first used in some European countries, specially those with important political traditions in social welfare, in which relative improvements in poverty levels and other dimensions of exclusion and social inequality are a priority. The main thrust of the idea was that social integration and exclusion made reference to a series of processes whereby social groups and individuals could be marginalized from the rights and entitlements that those societies had established (FLACSO, 1995).

Income deprivation is one component of social exclusion, but as far as it related to income and consumption at the individual level, it does not account for other dimensions that explain the underprivileged position in society of particular groups. Furthermore, an individual with an income below the poverty line could be in a situation of inclusion because of existing social networks, such as the family, that may provide for meeting the material needs. In contrast, a person with a higher income coming from informal activities could be excluded from the labor market because of individual characteristics, and thus, does not enjoy any of the collateral benefits associated with formal wage work.<sup>2</sup>

The idea of social exclusion involves moving along a historically defined continuum of exclusion and inclusion. In between these two polar situations there is an interregnum of vulnerability in which social groups face the risk of becoming more or less excluded/included. Thus, the concept of social exclusion is related to the interaction of historically and socially conditioned factors. Therefore, the classification of a situation as social inclusion or exclusion is based on the specific conditions of a concrete society, with its corresponding institutions. This led us to the issue of citizenship. Social exclusion then would be the indicator of the degree to which a society has effectively established citizens' rights for everyone to enjoy. Rights create community, and the community produces integration and social cohesion. There is a close relationship between the social condition of exclusion (or integration) and the concept of the definition of citizenship.

Social exclusion is a useful resource for analyzing problems of social integration in complex societies. It involves a multidimensional approach, encompassing both material and symbolic factors; it is sensitive to historical peculiarities; and it allows for a non-dual understanding of the social dynamic.

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2. This aspect has been developed by Minujin and Bustelo (1997) and Minujin (1998).

Cartalla, Magallanes, and Domínguez (1997) point out that the term exclusion is "evocative but imprecise." Following Silver,<sup>3</sup> they indicate that the concept evokes different approaches to the notion of citizenship. Three paradigms are identified: (i) the French tradition based on the idea of a "community of values" in which the concept of exclusion is related to issue of weakened social ties; (ii) the Anglo-Saxon tradition of citizenship, which concentrates on individual rights and duties to which individuals can voluntarily separate themselves or are excluded due to market distortions, discrimination, or lack of rights; (iii) finally, the "monopolizing" approach in which social groups are seen as closed environments competing among each other and defending themselves by "building obstacles and restricting access to work and occupation, cultural resources, goods and services." (Cartalla, Magallanes and Domínguez, 1997:5).

In this chapter the notion of citizenship integrates the three paradigms presented above. The model of citizenship used here recognizes the each of the three paradigms contribute to the notion of citizenship, as this is defined by the existence of values that are translated into rights in specific historical conditions in which different social groups have conflictive interests.

### **The question of citizenship as a paradigm for social exclusion**

The idea of the citizenship has evolved over time. However, it was not until the middle of the twentieth century that the definition proposed by T.H. Marshall provided a satisfactory framework for understanding the process of development of citizen's rights. T.H. Marshall revised the ideas of the economist Alfred Marshall regarding the equalizing potential of citizenship rights and the "architecture of legitimate social inequality" (1992:7). Based on the above, T.H. Marshall showed how the relationship between "status and contracts," or social inequality and citizenship affects and is affected by the development of rights. He concluded arguing that a strengthened citizenship status prevents further development of economic inequalities.

Marshall proposed a distinction amongst three levels of citizen rights: (i) civil; (ii) political and; (iii) social. While rejecting any historical determinism, he established a logical sequence in the development of citizen rights during the 18th, 19th and 20th centuries. Civil rights (freedom of speech, assembly, worship, right of ownership, entering into contracts and the administration of justice), were basic freedoms for the development and

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3. Refer to Haan and Maxwell (1998).

consolidation of capitalism. Political rights, related to political representation, came after as a basis for the establishment of democratic government systems. Finally, social rights – including the right to a minimum economic well being came later on as civil and political rights were consolidated.

In that context, the development of citizenship is understood to be an integral part of the advancement of western democracies. The development of civil rights contributed to the development of political rights, which progressed from being restricted to a minority of white males, to include women, and then other social groups. Once societies had advanced in expanding the scope of their civil and political rights, social rights became an issue.

Two caveats to Marshall's approach need to be highlighted. First, the process is neither linear nor cumulative. Second, the process is not isolated from the social context in which it takes place. The process of establishing citizenship rights is based on what it could be called rights achievement deficit. These deficits reflect situations in which certain social groups either because of their gender, ethnicity (or any other socio-cultural characteristic), or due to structural conditions is precluded from exercising their rights. Therefore, there are cases in which there have been significant achievements regarding the establishment of legal rights, but in which deficits exist. Such is the case for example of societies that have asserted the right to employment but that have high unemployment rates, or the case of societies in which social rights were more or less protected but civil and political rights were curtailed.

Defining what a society understands by rights has always been conflictive as it is the outcome of a social struggle. Rights are defined on the basis of social antagonism. That explains why the establishment of civil rights evolved out of the clash between the feudal system and the capitalist socio-economic order, which resulted in a new model of secularized politics and freedoms at that time. This broadened the arena in which democracy could develop and more groups progressively exercised their rights. Similarly, the social and political struggles of the early 20th century opened up the space for socialist/social-democrat regimes that expanded the notion of social rights. At the same time it is important to keep in mind that crosscutting issues such as gender-based antagonisms contributed to the expansion of civil and political rights.

While the notion of citizenship proposed by Marshall contributes to a better understanding of the development of citizenship, it needs to be expanded in light of the changes that have taken place in western democracies in recent years. Bottomore (1992) suggests distinguishing between formal

citizenship – defined as membership in a nation state and substantial citizenship, which refers to the disposition of rights and the capacity of citizens to exercise them in the public and private spheres. Formal citizenship is neither a prerequisite nor a condition for having substantial citizenship. Women and ethnic minorities are well aware of this, as they can have formal citizenship and at the same time be excluded from enjoying rights all members of society have. At the same time substantial citizenship can be enjoyed without having formal citizenship, as some migrants and refugees groups testify.

This is an important distinction because moves the debate of citizenship from a pure formal-legalistic approach to a more substantive level, defined by the social conditions that impede or propel the exercise of citizenship. According to Bottomore (1992), the formal dimension of citizenship is under increasing scrutiny due to three interrelated processes. First, the growing population mobility and immigration represent increasing demands on the states that they cannot simply ignore, even if those who demand the rights are not formal citizens. Associated to the above, the globalization of labor markets has forced upon the nation-states new transnational rules to facilitate the movement of workers. Finally, the increased population mobility, thus the dislocation of place of residence and work place has put in question the definition of the nation-state as the basis for granting rights.

The distinction between formal and substantive citizenship allows considering the rights' issue in an integral way that assumes equal conditions (civil, political and social) for all individuals, even if they do not have the formal condition of nationality or citizenship. This topic is particularly relevant for societies experiencing significant and constant immigration flows, which in the past were related to social and political instability and repression and, currently to the globalization of the economy and sociocultural patterns.

The empirical and methodological implications of the migrants issue are quite relevant. A recent comparative study between Costa Rica and Holland revealed a strong link between being immigrant and poverty in San José, Costa Rica, but not in Rotterdam, because migrants have more rights and access to state programs in Holland than in Costa Rica (Cardona, *et. al.* 1999). On other context, Rolph (1999) has observed that in the Caribbean region, where 12% of the population is immigrant, migrants are not among the poorest but, instead, face socio-cultural barriers. Immigrants are not homogeneous in their capacities or in their ability to enter the labor market. Nevertheless, immigrants tend to enter at the bottom of the ladder, while the local labor force occupies social positions and jobs of higher prestige and income (Held *et. al.* 1999). Apart from the significance that having an

immigrant *status* can have in relation to income, there are cultural issues that cannot be analyzed in terms of income. While the population can share certain conditions of substantial citizenship at the same time, some groups may experience discrimination due to the lack of formal citizenship. Or, contrarily, have formal citizenship but face discrimination based on social or ethnic conditions that represent a severe limitation to the full exercise of social rights. In his analysis of exclusion and race in Brazil, Nelson do Valle Silva finds statistical evidence of the existence of racial discrimination which is manifested throughout subtle mechanisms. He asserts that, in Brazil, racial discrimination (which is formally and institutionally denied) is disguised as class discrimination. In the Chilean case, Carolina Tohá shows that social exclusion among poor young people is reflected in high drop out rates, high unemployment rates and identity crisis. Tohá also indicates how the system clearly discriminates against young women entering the labor market because of the possibility of early pregnancies.

A final conceptual consideration to be made is that the substantial-formal citizenship distinction should be complemented by the notion of cultural citizenship. Turner (1994) considers citizenship in cultural terms as the capacity a society has of socially integrating citizens through communication and knowledge. Individual and group access to information is a function of the level of human capital and, second, of the social position of the individual and the group. This explains that small powerful groups have access and control over vast amounts of information and knowledge through relatively cheap electronic means, while at the same time the majority of the population do not have access or participation whatsoever in the generation of knowledge and they ignore the most general events within the larger national and transnational communities.

## SOCIO-POLITICAL AND CULTURAL DIMENSIONS OF SOCIAL EXCLUSION

Most studies on social inequality in Latin America concentrate on access to economic opportunities.<sup>4</sup> This paper examines inequality from a social exclusion perspective, focusing on civil rights. The objective is to analyze the social and political implications the exercise of these rights has on (public and private) institutions and their capacity to decrease social exclusion.<sup>5</sup> Social rights refer here to the achievement of social well being.

4. Refer to the last IDB report (1998) on the issue of social inequality according to distribution of income terms.
5. This is an important aspect because it is one of the strong points in the analysis of the social

Civil rights are essential for the development of economic activities, such as: establishing contracts, trading and commerce, working and accessing the judicial system. Civil rights create the conditions for future social integration, while the lack of these rights indicates social exclusion. In Western societies, the State through the constitution and subordinate legal regulations seeks to define basic rights that would ensure the proper functioning of institutions, including markets. However, these institutional arrangements do not necessarily guarantee an equal access of all citizens to these rights. For example property rights are highly concentrated, or access to adequate housing is not even a guaranteed right for a large part of the population. The right to work is not secure for a vast segment of the poor, who can only resort to self-employment or under-employment. Similarly, different surveys in Latin America suggest that citizens perceive there is a direct relationship between poverty and receiving fair treatment in the judicial system.

Political rights guarantee the exercise of active representation in politics and the possibility of electing government representatives and being elected. In Latin America, after the traumatic experience of authoritarian military regimes, democratic governments have developed once again. The democratization process opened up political participation for social groups that had been marginalized and created the opportunity to use political participation and good governance as mechanisms for social integration. Most recently, "third way" Latin American democracies have attempted to strengthen the exercise of political rights, however they have faced new challenges.

## **Political Exclusion**

Political exclusion refers to the restrictions imposed to the basic right to elect and be elected.<sup>6</sup> The absence of that possibility is what characterizes

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exclusion Clert (1997) pointed out that the exclusion concept generates interest for the capacity of understanding the social "disadvantage" as an of multiple processes included the socio-cultural and political aspects. But it should be noted that the multi dimensional condition could also be found in other concepts such as lacking material goods and vulnerability or groups, the concept of exclusion is useful complement as it emphases the studies of "the processes, the environment, the practices of exclusion."

6. In a more general aspect, political exclusion refers to "the exclusion of citizenship" (Figueroa, Altamirano and Sulmont 1996), which alludes to the absence of guarantee in the individual rights by a legitimate authority. This meaning requires of a specification, in our opinion referred to the citizen right of decision making, and the political citizenship rights in the marshalian sense

social exclusion in the political dimension. As electoral campaigns become more dependent on the media and marketing strategies, the high costs of these campaigns leave out individuals and social groups that do not have the capacity to raise the required resources to run a successful campaign. Lack of economic resources to sustain a campaign is the first line of exclusion a social group faces in the exercise of political rights. This socio-economic inequality leads to socio-political exclusion<sup>7</sup> and the barring from the political arena of certain political actors (ideas) that may not have the resources or the connections to raise the required financial contributions to support a political campaign.

At the same time, the growing social inequalities and stagnant socio-economic conditions for poor and vulnerable groups undermine citizens' confidence in the capacity of democratic governments to tackle social exclusion, which may eventually lead to the acceptance of authoritarian alternatives (as the cases of Venezuela and Perú illustrate). Even under democratic conditions recognizing the existence of exclusion conditions is problematic since it represents a severe questioning of the foundations of the political regime. A recent Inter American Development Bank (IDB) report on inequality indicates that, "income inequality may weaken the acceptance of institutions and democratic principles." In turn, this situation could lead to other phenomena such as lack of consensus building and increasing pressure from interests groups, corruption, and inefficiency. (1998: 26).<sup>8</sup>

There is a primary level of exclusion that derives from the inability to exercise political rights and direct democratic practices at the local, provincial or national levels. Not everybody can have access to elected positions, but more importantly, as indicated before, not everyone can be elected because they do not have the means to compete.

This type of political exclusion is legitimated by the discourse of representative democracy, where the individuals delegate (not relinquish) their power of decision in public affairs to elected representatives. The jusnaturalist state of the social contract recognizes the possibility of the individual to be represented by others in the exercise of political power. As

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7. Notice here that we made reference to a causal relationship. The idea of social exclusion certainly assumes a circular causality (Rolph 1999), where the relationship between and inside the variables that originate the analysis is multiple and multidirectional. Clert (1997) states that this is not related to an exhaustive classification of the exclusion ways or manners, but to an analysis of their interrelation and how this interrelation leads to a disadvantage.

8. Based on the information of the Latinbarometer, the report indicates that "Where the concentration of income is to a greater extent fair, as in Uruguay or Costa Rica, a high percent of the population considers that *democracy is for us better than any other type of government*. In other countries there is a broader tendency to accept authoritative governments, and many think that *a democratic government is the same as a non-democratic one*" (IDB, 1998:26).

such is a social integration principle. No one is excluded from political power, and nobody exercises total political power, but the "people" –often referred to as the "nation". In this way, the voluntary exclusion from the direct exercise of power resides in the foundations of the social integration strategy of the modern republic, which is contemporaneous in its evolution with the market society. In liberal democracies, as in the case of most Latin America countries, this form of representation acquires its ultimate degree of institutionalization through the development of competitive party systems, which exert in a regular and orderly fashion the ritual of daily competition through the delegation of sovereign popular power.

While voluntary exclusion appears to be a precondition for citizenship, several distortions of this formulation result in different levels of social exclusion. Some of these directly allude to decision-making procedures and mechanisms and others to socio-cultural dynamics. In Latin America there is a growing trend of electoral absenteeism, which means that potential voters exclude themselves voluntarily, leaving the power of decision making to those who exert their right to vote. It could be stated that this type of exclusion is self-inflicted, and thus, the State cannot be held responsible. However, even in this case when citizens choose not to vote they are sending a message regarding their perception of the quality of government they have and the futility of participating in a system that does not respond to their needs. Political abstinence can be an indicator of citizen disapproval of the options offered, or even the effectiveness of the electoral process as a mechanism for accomplishing a real improvement in their living conditions.<sup>9</sup>

The issue of political options depends on the existence of real alternatives, which is the possibility of power alternation between different political groups. However, the recent period of democratization in Latin America coincided with the adoption of sweeping economic reforms that transcended the different administrations which could not or did not want to detach themselves from the ideological contents of the dominant economic program. Even the "third way" democracies from the region, which accuse the "neoliberal" orientation of the economic policies, have not moved away from the main tenets of this program. After all this years, most people acknowledge the lack of political options, and some groups react either favoring

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9. Nohlen (1994) considers that citizen participation in the election processes in Latin America is very low. Besides, it is really uneven. In the eighties, Uruguay, Argentina and Costa Rica had the highest levels according to the percentage of voters with respect to the general population: 70%, 53% and 47%, respectively. The lowest levels were registered in Colombia (25%), Guatemala (25%) and Ecuador (22%). Another indicator of political exclusion related to the access to the election process is the population of legal age not registered to vote (Quintí, 1999). This problem can be easily noticed in societies which are experiencing recent democratization processes, such as Central America (Sojo 1999).

opposition movements with little option to gain power or withdrawing from the electoral process.

### **The Opacity of the Decision-Making Process**

Partly as a result of the absence of real political options, and in part as an expression of the persistence of political manipulations and "clientelism", or simply by an excess of bureaucratic zeal, the political decision-making process appears opaque. This problem is essential because social integration is not only based on the full exercise of political rights, but on the establishment of transparent decision-making processes and good governance.

#### *Political Elitism: From Oligarchy to Technocracy*

In most countries in the region, public management and policy making are controlled by minority interest groups, regardless of the nature of the political regime. In the past, the oligarchy and/or military groups had control over the political arena. Today, an essential part of the decision-making process for public matters lies on the technical competence of experts responsible for formulating macroeconomic and social policies.

In his analysis of the Argentine experience, Camou (1998) proposes that this "new union between technical and political knowledge" is manifested in the Latin-American scenario in three dimensions: a) mediation in the process of channeling interests and defining political "circuits of expertise" with relative autonomy in respect to the State and civil society; b) the fact that the entities which comprise the circuit perform their tasks in a "semi-public or semi-private" arena; and c) the fact that "direct action in economic policies" has been given to technical experts which do not necessarily respond to the voters. This approach to policy making implies not only restricting the options, but also choosing a specific course of action between the available options. The whole process of policy formulation and implementation, takes place within a specific doctrine and technocratic discourse that citizens can hardly understand, particularly in terms of implications and consequences of the policy options taken. Politics thus becomes "an expert thing" and a political option is disguised as a technical decision.

This process confronts the common citizens with decisions taken out of their scrutiny and without their participation and, it is in the center of a growing confrontation between the legislative and executive powers.<sup>10</sup> Increasingly legislative powers have less control over policy decision-making and become fora where policy decisions taken by technical bodies are discussed and legitimized. Extreme examples of this process were the cases of Fujimori in Peru and Guatemala with Serrano Elías. In other cases, the strengthening of a technocracy "without a party" has contributed to the consolidation of clearly partisan policies.

Silva (1999) claims that the consolidation of a technocratic elite in Latin America is the expression of a negative vision of the past, the role of populist governments,<sup>11</sup> and the progressive fading of left wing alternatives. To Silva this process has resulted in the definition of a new political culture in the region, and finally the consolidation of the technocratic model, which embraces neoliberal economic reforms since the 1980s.<sup>12</sup> All these elements restrict citizen participation in the political arena and turn policy decision-making processes unclear.

Confronting this new political culture, which threatens the stability of democratic processes, requires active citizen participation in the identification of problems and policy options. The challenge of good governance is to advance in the modernization and professionalization of political practices through decentralization (local action) and real citizen participation.

### *Ripping Public Goods: Political Patrimony and Corruption*

When just a few handle public matters without clear procedures or no accountability, there is an elevated risk of corruption. Citizens' perceptions of generalized corruption in the political arena discredit political action and contribute to the divorce between citizen participation and political action. Corruption refers to the misuse of resources or appropriation of public goods for interests or objectives others than those legally sanctioned.<sup>13</sup> A subtle

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10. The dispute has reactivated the discussion on the advantages of a parliament system over the presidential regimes in many countries of the region. Serrafiero 1998. As an example to the Ecuadorian case, refer to Pachano 1998; for Mexico, Béjar 1998, and Lanzaro (1998) for Uruguay.

11. For an analysis of the relationships between populism, neopopulism, bribery and economic reformation in Latin America, refer to the volume edited by Burbano de Lara (1998).

12. Silva reminds us and partially analyzes the typology of political leadership in Latin America which was proposed by Kalman Silvert (1977): political bosses, oligarchs, middle class professional, military fan *ad hoc*, conservative populist, left and right wing totalitarian.

and formally legal (although ethically debatable), dimension of this phenomenon is referred to as *patrimonial practices*. While these behaviors can take place in the private and public arenas, here they are analyzed in virtue of the implications they represent for socio-political exclusion.

The most common form of political patrimonial practices expresses itself in public action via kinship. Nepotism, lineage, and its derivations are the most common features of the patrimonial practices. There are several studies that show family dynasties have reign in the Latin American political scenario, especially at the parliamentary level but also in the executive power. These family networks are linked to economic interest groups creating close cliques between public and private capitals (Zeitlin 1984, 1989; Zeitlin and Ratcliff 1988). A recent study in Venezuela indicates that 57% of the parliament (Ramos 1997) have or have had a relative dedicated to politics.<sup>14</sup>

Other forms of patrimonial practices and corruption in public administration reflect the introduction of individual profit seeking behavior in political action. This phenomenon is the basis for the expansion of corruption in the public administration and threatens the stability of the institutional system, eroding the trust in public administration. Corruption delegitimizes political action and promotes social-political exclusion. A survey to Latin American elected representatives (Mateos and Rivas 1998) shows that increasing personal profits is a central motivation for pursuing a political career. A significant number (46%) of the congressmen and women interviewed indicated that a political career is a way to maximize personal profits.<sup>15</sup>

Rose Ackerman (1998:36-42) has summarized the economic rationality of corruption in market economies. Bribes fulfill a series of functions that include providing cash "incentives" to public officials to expedite certain transactions, ensure the achievement of expected outcomes and reducing transaction costs among others. However, beyond its economic rationale, corruption is essentially a political phenomenon. As Johnson (1998:72) suggests, entrenched institutionalized corruption appears when: a) the institutional arrangements to prevent and fight corruption are cumbersome and weak; b) when there is an organized network that assures the individual

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13. Johnston (1993) points out the danger of the rigid definition of corruption (in legal terms, for example) due to the existence of cultural norms which vary from country to country.

14. There is a great deal of information about familiar networks and political and economical power in Latin America. Among others, Casaus 1992; Stone 1974 and 1990; Vilas 1998 and Sojo 1995.

15. The investigation conducted by Manuel Alcántara from the University of Salamanca interviewed more than thousand parliament representatives in 18 countries in the region.

benefits of corruption are shared and; c) when there is no effective social-political opposition to the power elite. The author differentiates "political corruption" related to the existence of blackmail, electoral fraud, political patronage and browbeating and "bureaucratic corruption", which refers to the twisting of administrative procedures and function through bribes or other pressure mechanisms.

In summary citizenship rights are essential to explain and to control corruption. Credible economic guarantees such as property rights, clear regulatory frameworks for establishing contracts are essential. Basic civil liberties (freedom of speech and association and free press), political rights and a strong civil society as well as a functioning and accountable judiciary constitute the foundations for the development of any anti-corruption program.

### *The Limits of Active Citizenship: Deficit Control*

While exclusionary practices at the political level are widely generalized in the region, it would be a mistake to underestimate the progress and benefits created by the democratization process that has taken place over the past two decades. There is no doubt that citizenship rights have been strengthened in spite of significant institutional crisis such as in the cases of Collor de Melo in Brazil and Carlos Andrés Pérez in Venezuela, or the return to an institutional order in Peru and Guatemala.<sup>16</sup>

However, as societies affirm citizen rights, the threshold of citizenship rises, mainly because rights are social constructions that respond to historical processes, social antagonisms, and the capacities of social actors to demand from the state progressive levels of citizenship. The accomplishment of some rights creates new necessities and presents new horizons. Therefore, the idea of active citizenship does not invoke an ideal stage in which rights are fully realized. Rather, active citizenship refer to the citizens' capacity to access the resources needed to confront and resolve the social, economic, cultural and political inequities of that particular society.

Social integration does not imply the full (and final) attainment of all citizenship rights, or the end of social conflict. In a positive way, increasing social integration requires the progressive elimination of deficits through the development of institutional arrangements that would ensure citizens the

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16. For information about the ups and downs of the process of the consolidation of demand in Latin America, refer to Peeler (1998).

capacity to voice their demands, exert their rights and access the resources needed to tackle inequities in that particular society.

The table below summarizes based on the multidimensional proposal by Minujín and Bustelo (1997) the dynamics of social-political exclusion/inclusion. The first column depicts the inclusion/exclusion continuum. The second column indicates the main variables/indicators for that particular stage. Finally, the third column represents the policy orientations and institutional arrangements that allow the movement along the continuum.

**Socio-Political Dynamic Model**

Inclusion/exclusion Continuum	Variable/Indicator	Institutional arrangements
Inclusion	Active citizenship	Deficit Reduction
Vulnerability	Absenteeism (anomy) Elitism/technocracy Party rule	Participatory Democracy Expansion of citizenship
Exclusion	Corruption Patrimonialism Inequity Right violations	Civil, economic, social, cultural and political rights Transparency Accountability

Inclusiveness is a characteristic of stable societies with a high level of institutionalization and consolidated political systems. The condition of vulnerability can be interpreted either as the expression of social disintegration or as progression towards more inclusive institutional arrangements. At the other end, exclusion is associated with the lack of basic citizenship rights and political regimes entrenched in patrimonial networks and corrupt circles that lack legitimacy.

Active citizenship is an indicator of social-political integration. This presupposes an institutional framework that guarantees the attainment of established citizenship rights and the development of new rights. Vulnerability is expressed by the lack of civil engagement and participation. The other side of this situation is indicated by the emergence of political elitism and technocracy. These elements reflect social anomy and constraints to the attainment of formal citizenship. Finally, social-political exclusion is manifested by the lack of substantial citizenship, and this is indicated by lack or

violation of rights, inequitable social and economic structures, patrimonial practices and corruption.

The third column reflects on the general policy orientations that would allow the movement along the different scenarios. For example, to impede the deterioration of the level of social integration, the maintenance of active citizenship requires the development of policies and programs aimed at diminishing observed deficits and strengthening civil engagement in policy making. The paradigmatic case is affirmative action and other policy instruments, which guarantee rights (substantial citizenship) to minorities. In the case of vulnerability, the privileged policy formula has to do with the strengthening of democratic institutions and civil society participation. Finally, to avoid or decrease social and political exclusion, a clear regulatory framework defining citizenship rights and the mechanisms for monitoring them is required.

### *Cultural Exclusion*

Cultural exclusion is related to the differential access of social and groups to resources/assets based on the unequal valuation of non-structural characteristics and symbolic goods.<sup>17</sup> In this context, culture involves socially constructed institutions and goods as well as socially developed manifestations of the senses (Held *et al.* 1999). The predominance of certain cultural patterns assumes the displacement of other symbolic and material goods, which in turn may generate social stratification patterns, hierarchies and inequalities among different social groups.

Cultural integration is problematic due to the existence of multiethnic societies, strong social class divisions, and structural inequality. In such circumstances, the cultural uniformity, which tends to emerge in the process of nation building, results in the imposition and some cultural pattern that blurs or attempts to suppress the cultural particularities of the non-hegemonic groups. This problem becomes even more acute by the process of globalization that makes difficult the ascription of specific characteristics to a particular community.

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17. In a similar way, Figueroa, Altamirano and Sulmont (1996:4) give two meanings to cultural exclusion: "... the marginalization of certain social sectors that do not participate in the basic codes to communicate and interact with the mainstream community (language, alphabetization and school education, adherence to ethic and religious values; and second, the discrimination against certain people considered to be in an inferior category and, as a result, subject to differentiated and humiliating treatment in social relations."

The acceptance of different cultural patterns is at the core of cultural citizenship. The issue at stake is precisely the acknowledgment of diversity.<sup>18</sup> While globalization has facilitated the consolidation of cultural patterns shared across different societies by dominant groups, at the same time it has facilitated the development and resurgence of local group identities. Steenbergen (1994) indicates that there is tension between the globalization of cultural patterns and the recognition of citizenship rights, including cultural rights. Just as globalization creates the conditions for the development of a "universal culture", at the same time provides legitimacy to the development and strengthening of social subjects at the local level (Robinson 1997).

Cultural exclusion could be based on the specific characteristics of the subjects (social group) and/or on the differential access or control of symbolic goods by social groups. Regarding group/subject characteristics, the most obvious are based on gender differences, ethnic origin, age differences, and attribute/preference-based minority groups (such as religious groups, homosexuals, victims of AIDS). All these characteristics are not defined by the group economic conditions, however they may have an impact on the group's social and economic *status*.

In the case of gender, women are penalized based on the unequal distribution of productive and reproductive tasks within the family and society. However, gender discrimination is experienced differently across socio-economic groups and cultures. For example, Barriga (1998) points out that low-income women have even less options regarding the type and level of insertion in the labor market than high income women. In this context, understanding and stating those differences is essential for the definition of targeted policy instruments (Guzmán 1998). At the same time, analyzing women's discrimination in Venezuela, Friedman (1998) has pointed out the existence of specific problems related to democratization processes. While women played a key role in the restoration of democratic institutions, their participation afterwards has been limited and, thus has been excluded from the institutional policy decision-making process. However, this situation has created the conditions for the development of a multi-class women's movement that is addressing gender-based discrimination.

In multiethnic societies, exclusion based on ethnicity could take place either when a minority powerful group is capable of imposing a (dominant) cultural pattern to a vast majority, or when an homogeneous large group

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18. One of the central components of the strategy of incorporation of the social analysis and the participation in the Bank's operation labors (social assessment) is precisely the acknowledgment and the inclusion of the diversity of social conditions (Social Development Department 1998).

(independent from the degree of half-bred population), ignores the specific conditions of ethnic minorities, excluding them from all political, economic or social policy decision making. In Latin America both cases are found. Bolivia or Guatemala, are clear examples of the first type, while Chile or Argentina illustrate the latter.<sup>19</sup> Increasingly, indigenous groups are reasserting their identity, claiming full recognition of their social and cultural specificity and political and economic rights (Cárdenas 1998).

Age-based exclusion cannot be ignored. Until recently, citizenship was associated with adulthood. Childhood and adolescence have normally been conceived as developmental stages that would prepare individual for the future exercise of citizen rights. Children and adolescents live in a type of pre-citizen condition that, by definition is insufficient. However, children are exposed to multiple forms of discrimination and social risks that represent violations of basic human rights (such as infant labor) as indicated by UNICEF annual reports.<sup>20</sup> Similarly, the youth experiences multiple forms of social and political exclusion.<sup>21</sup> At the same time, the elderly (particularly the poor) while having formal citizenship status cannot exert substantial citizenship as they no longer participate in the labor market<sup>22</sup> and are marginal to policy decision making. This exclusion has become more evident with the state withdrawal from key regulatory activities and social services, such as the pension systems.

The last form of cultural exclusion based on the subjects' characteristics relates to cases where social groups are victims of social segregation based group preferences or attributes such as religious beliefs, physical limitations or socially penalized diseases (as AIDS) or by particular preferences (as in the case of the homosexual population), or by immigration. The case of immigrants is particularly relevant because of the increasing mobility of the labor force. Along with the growing number of legal immigrants that move to regional attraction poles,<sup>23</sup> there are scores of illegal immigrants that have

19. There are between 33 and 40 million indigenous people in Latin America, who are distributed in 400 towns with language and cultural identity. 70% of these tribes are composed of less than 5000 people. Most of them (90%) are located in Central America and the Andes; 6% in the Amazon region and 4% in the Caribbean and the Southern cone. In Guatemala and Bolivia, they comprise 60% of the population, and in Peru and Ecuador, 40%. (Cárdenas 1998).
20. For an analysis about the relation between infancy, poverty and delinquency in Mexico, refer to Azaola (1994). Also refer to Minujín, 1998.
21. About the possibilities for cultural integration of the youth in Chile, Tohá has observed in this volume that "there is a lack of referents and spaces that represent and comprise an ample youth identity and, also, a strong transversal influence of mass media and consumption."
22. Refer to Minujín, 1992 for Argentina; Renzi and Krujít (1997) for Nicaragua; Del Cid and Krujít (1997) for Honduras, and Sojo (1997) for Costa Rica.

no access to formal citizenship benefits. There are institutional barriers that impede illegal immigrants to claim basic rights. However, at the same time, there are cultural barriers that prevent both legal and illegal immigrants from exerting their rights.

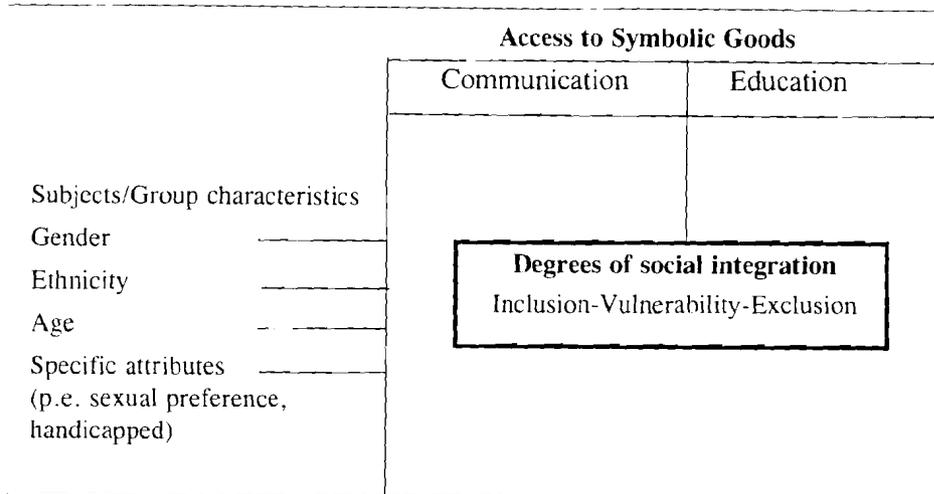
Unequal access to or control of symbolic goods represents another type cultural exclusion. Symbolic goods encompass the dominant discourse, information and knowledge, as well as the infrastructure required for their production, dissemination, and adoption. At the national level, differential access to the educational system is a key mechanism of social and cultural exclusion as high-income groups have access to better quality private education and consolidate a knowledge base. Similarly, control over the mass media allows the dissemination of certain type of information, shapes public discourse and generates cultural stereotypes that impede equal participation of all social groups. For example, gender biases in the educational system in the past contributed to keep women performing only certain functions as well as legitimized that labor division by generating a public discourse (and knowledge) that supported such differences.

At the same time, the globalization process, associated with the expansion of global communications (based on information technology and telecommunications), has allowed the incorporation of Latin American societies to the "modern world". No doubt the information era has created a virtual reality that integrates minority groups in every country. Television, for instance, has propitiated the circulation of local news from every country in the region. In the same way, access to Internet offers unlimited possibilities to access goods, services and information. However, while this process has increased access to information, most of the population has no control over the type of information they receive, the public discourse that is disseminated or the knowledge that is generated. The universe of the global information and knowledge is a prerogative of those that possess the know how, control the hardware, and manage the communication codes.

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23. Refer to Castillas (1992) for information about the situation of Central American immigrants in Mexico. For information about the situation of Nicaraguan immigrants to Costa Rica, refer to Morales and Castro (1999). Morales and Cranshaw (1998) present an interesting study about the problematic situation of adolescent immigrant women from Nicaragua to Costa Rica (which includes three aspects of inequality).

## CULTURAL INTEGRATION MATRIX



### EXCLUSION AND PUBLIC POLICIES

Tackling exclusion requires public policy and civil society engagement. The recognition and protection of citizenship rights appear as the starting point for the achievement of progressive social integration levels. That function is primarily a state responsibility. However, the development of social inclusive policies requires civil society participation to identify deficits and to monitor the attainment of rights.

Before discussing the state capacity and the role of civil society in developing socially inclusive policies, it is necessary to briefly address the question of the defense of citizenship rights, which is a rather old concern in the region due to the long history of political instability and arbitrariness. Initially, the only mechanisms were at the Interamerican (multilateral) level (Ayala Lasso 1998 and Ayala Corao 1998).<sup>24</sup> More recently, national government that have adopted specific citizens' defense mechanisms such as the Ombudsman. García Laguardia (1998:92) considers that in Latin America the figure of the Ombudsman has some singular characteristics compared with the European model. In addition to the traditional duty of

24. José Ayala Lasso (1998:16). Chancellor for Ecuador, has noted that the evolution of declarations oriented towards the protection of rights in Latin America started from the granting of guarantees to foreigners and then it continued with "matters of nationality, asylum, peace, and women rights."

lawful control of the State's administrative action, the Ombudsman in Latin America also has an explicit and priority role in the defense of human rights and competence to carry cases to the judiciary. These characteristics are essential for the establishment of a transparent self-regulated mechanism.

The relationship between public policy, state capacity and civil society participation refers to good governance. Good governance is the result of a permanent negotiation between the state and civil society in order to ensure proper representation of all social actors in policy making and transparency in the administration of the programs the state implement to attend the demands of the people. This implies a continuous process of administering demands and conflict of interests between various social groups, ensuring that citizenship rights are observed. Contrarily, bad governance occurs when there is a systematic failure to engage civil society and to take into consideration citizenship rights. To sum-up, governance involves a permanent process of redefinition of the threshold of citizenship rights and the role of government and civil society in attaining and guaranteeing those rights in changing social, economic and political contexts.

Regarding the state role, as Grindell (1996) correctly observed, the focus must be on its changing capacities. A "competent" State can establish and perform economic, technical, administrative, and political functions. Institutional capacity involves the ability to regulate political and economic societal exchanges based on a series of rules, which are known and understood. Technical capacity refers to the ability to define and execute appropriate sector policies. Administrative capacity is the efficient administration of social and economic services and infrastructure required to provide state services. Political capacity refers to the management of social participation and representation, social demands, conflict resolution and public accountability. In synthesis, good governance.<sup>25</sup>

The economic reforms that have taken place over the last decade have introduced distortions in the state capacity to perform all previously discussed function. However, more important than the state's withdrawal from certain functions performed in the past has been the lost of legitimacy and capacity to guarantee citizenship rights. This situation has favored the emergence of growing conflicts regarding the definition of institutional and political rules and the necessary integration of the various realms of state action. As indicated before, the technical competency of the state has been yielded to technocrats with little accountability to elected representatives and civil society in general. At the same time, the "privatization" of state functions is presented as the strengthening of civil society while in fact

25. For information about the relationship between development and Good Government, refer to World Bank, 1992.

represents the deregulation of the state responsibility of guaranteeing citizenship rights.

With respect to civil society, its main function consists in expanding the threshold of citizenship and representing before the state the growing demands of social groups that do not have access to the established political channels (Touraine 1996). For Marshall, the political element of citizenship refers to the right to participate either as an elected representative or as a member of the electorate in the exercise of state power. However, in the current situation, the citizens' capacity to exercise this power is limited because of the decreasing power that the legislative powers have in settling technical sector and macroeconomic policies vis-à-vis the dominant role that technocrats and economic interests (national and transnational) have in policy making.

Related to the above, the fiscal crisis faced by most Latin American countries has forced austerity policies that, in turn, have led to the transfer of former state responsibilities to the private sector. This has contributed to decrease delivery costs and to increase the net transfer to the targeted population. However, at the same time, it has forced to focus social services primarily on the extreme poor, overlooking other vulnerable groups that have been placed at greater risk of social exclusion.

Nevertheless, the increasing participation of the private sector (and civil society organizations) in the implementation of social policies provides opportunities for the development of new policy instruments to curve social exclusion. For example, Paz and Muguértgui (1998) point out that development and implementation of gender-inclusive social policies in Bolivia came about as the result of the collaboration between women NGO and state agencies, which culminated in the definition of an institutional framework for addressing gender issues in state policy and the establishment of a Subsecretariat of Gender Affairs.

For this collaboration between state and civil society to be effective, the definition and implementation of socially inclusive public policies requires a clear understanding of the processes that generate social exclusion and inclusion. To this end, in the first place is essential to have good indicators of the phenomena and a measurement system that would allow monitoring the impact of diverse policy instruments, the evolution of the indicators and the perception regarding the effectiveness of the measures by the people. For example, that women only represent about 12% percent of all elected representatives in Latin America indicates a clear deficit in the inclusion of women, particularly regarding their political rights. Similarly, the high ratio of presidential decrees in relation to bills approved by congress indicates there are important transparency and political participation issues that need

to be addressed for the establishment of accountable policy making procedures. Finally, the development of socially inclusive public policy requires clear participatory mechanisms. Social exclusion is not a uniform phenomenon. Effective targeting of social policy requires extensive consultation and participation of the affected social groups to avoid misrepresentation of specific dimensions of social exclusion.

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

JAIME ORDÓÑEZ<sup>1</sup>

## HYPOTHESIS AND THEORETICAL AND PRACTICAL PROBLEMS OF THE PROPOSAL

This work attempts to explain the development of civil and political rights as well as economic, social, and cultural rights over the past ten years by analyzing the normative formation of these legal rights and the existing procedures by which citizens can demand their right to adjudication. The purpose is to show the relationship between determined levels of confirmation of these rights and the concept of citizenship.

The hypothesis proposes the existence of a set of civil, political, economic, social and cultural rights (setting and defining minimum standards

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1. This paper is a summary of two technical and conceptual studies. It builds upon some of the results of a project called "The Equality of Modern Times," in which the author participated, under the direction of Dr. Antonio A. Cançado Trindade, as part of a group of specialists designated by the Inter-American Institute of Human Rights and the Economic Commission for Latin America, to conduct a study on the development of economic, social and cultural rights in Latin America. It also restates information from research completed by the Center for Strategic Studies in 1997 and 1998 on the topic of legal rights and adjudication by A. Torrealba Navas and the author of this paper within the context of the Project on State Reform and Decentralization. In the last version, we thank Vanessa Retana, a researcher at the Center for Strategic Studies, for her significant contributions. This paper also restates parts of the theories developed in both of the above-mentioned papers. Therefore, it is necessary to give credit where it is due. This study also proposes certain theoretical and practical elements used to explain the relationship between fact indexes, similarity indexes and legal processes, as compulsory bases for the advancement of economic, social and cultural rights and the development of the definition of citizenship in the region.

of confirmation) as a parameter for defining the question of citizenship. This set of minimum indexes helps establish a standard for measuring the effectiveness of basic citizen's rights, which serves as the basis for defining the terms: social inclusion and social exclusion.

The verification and exercise of this set of basic rights or human rights, which will be examined in the following pages, presents some difficulties and doubts about concepts and facts within the process of classifying possible transgressions as well as the legal scope they cover. These difficulties stem from the existing differences between civil and political rights, on one hand, and economic, social and cultural ones, on the other. According to the theory of human rights, which has been examined thoroughly, the aforementioned rights imply that the state has the *obligation of not acting*, whereas the economic, social and cultural rights imply the opposite: the state, and society as a whole, has the obligation of acting. Therefore, both groups of rights naturally possess their own distinct sets of similarities. Civil and political rights protect a state, a situation, and a whole concept, the verification and exercise of which does not allow for limits or doubts. For example, *freedom of assembly must be complete*, or there is no freedom at all. The same is true for the *freedom of expression and political liberty*. There is a similarity in the sense that the judicial norm (the article in the constitution which protects the freedom of speech, for example) does not allow any doubt regarding the content or the scope it covers or the actions that would be considered violations of the right.

This is not true of economic, cultural and social rights, because their essential characteristics are often mistaken, elusive, and indeterminate. In the case of the *right to education*, if we agree that participating in the educational process as a student is the manner in which that right is exercised, the boundary by which the right is protected is not well defined. This could imply elementary school, secondary school, or a university education – depending on the context or the economic possibilities of each country. Historically, this has been the means of measuring social evolution in many developed or developing societies during the last century. If, at the end of the nineteenth century, the "educational frontier" in many countries was elementary school, at the beginning of the twenty-first century the boundary is secondary school, or, in some countries, a university education. These are "changing frontiers" that are relative to the historical process of each country and their individual capacities, their socio-economic evolution, and their participation, or lack thereof, in the development process of the new economic world order. For example, the "educational frontier" in Sweden, at present, is very different from that of Haiti or Paraguay. These frontiers are closely related to the social advantages that these rights or benefits

generate within each specific society. This implies an almost obligatory relativism of these boundaries that verifies the extent to which people can exercise their rights and operate under prescribed norms in demanding that their rights be respected and exercised.

The objective of this previous digression is to methodologically point out the strengths and weaknesses of the theory of human rights (e.g. civil and political, economic, social and cultural) as an instrument for setting frontiers or boundaries for the phenomenon of social exclusion. These limitations are related to the different aspects or profiles that define the values of citizenship. Citizenship can be defined as the ability to enjoy a set of rights and values that include the individual's integration and participation in society, or it can also be defined as a sense of belonging to a community. Thus, the human rights theory seems to have developed a differentiated level in relation to the main profiles that define citizenship. There is the area of freedom (civil and political rights), the area of equality or material well-being, and the option of exchange (economic, social and cultural rights). The international community has developed a very well defined norm for boundaries of the protection of civil and political rights, even taking into account legal rights. However, there are no clear guidelines defining economic, social and cultural rights. The existing uncertainty about the definition of the boundaries of these rights constitutes a limitation that hinders the right to demand justice as well as the social right to an education, housing, health, and food.

#### HUMAN RIGHTS (OR FUNDAMENTAL CITIZEN'S RIGHTS) AS A STANDARD FOR THE DEFINITION OF CITIZENSHIP

Human rights are a constantly changing notion. The debate regarding the definition and concept of human rights has gone through an evolution characterized by endless defining and redefining of concepts. However, three aspects of human rights have remained constant in the analysis and are generally considered to be essential to the concept: human integrity, freedom and equality. The systems containing specific rights and responsibilities for the different states have developed a set of legal productions on the constitutional, administrative, civil and family, mercantile and corporate, a process which has strengthened the ways to protect the citizen. In general terms, the progress made in this area has been verified on the level of civil and political rights. The great ideological tradition of the French Constitution

and its Civil Code was borne from the ideology of political reform during the (Illustration/Post-Revolution) period. It should be seen as an ideological premise of a historical period that evolved from the republican reform of the eighteenth century and marked the nineteenth century and the beginning of the twentieth century.

For this reason, the traditional vision of human rights has been limited in dimension to civil and political rights. Included in this perspective are the following: the right to life, liberty and security; the right to be free of discrimination based on ethnicity, color, gender, language, religion, social class or political opinion; the right to vote; the right to free speech, and freedom of the press; the right to not suffer arbitrary invasion of privacy, family or home; and legal rights such as the right to due process and the presumption of innocence until guilt can be proven.

Aspects related to the economic and social dignity of the human being have been viewed as an appendage and, consequently, show very little development. While no distinction should be made between civil and political rights, on one hand, and economic, social, and cultural rights, on the other hand, the former are considered part of the classic concept of human rights, while the latter are mainly associated with doctrinal and normative developments which only recently gained importance at the beginning of this century.

## CIVIL AND POLITICAL RIGHTS (THE DIMENSION OF FREEDOM AS A STANDARD FOR THE DEFINITION OF CITIZENSHIP)

The Universal Declaration of Human Rights, adopted by the General Assembly of the United Nations in 1948, is the most important document related to the subject of Human Rights. Although it lacks legal character, since it's not a treaty, it has great moral and political value.<sup>2</sup>

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2. Máximo Pacheco says that despite limitations and imperfections in the Universal Human Rights Declaration, it has had a great influence. Its principles are considered ideals that all nations should try to attain. In many countries these rights are not exercised, but that does not mean that the Declaration is not valid. See "Los Derechos Fundamentales de la Persona Humana" in *Estudios Básicos de Derechos Humanos II*, San José, Inter American Human Rights Institute, 1995. p. 90. Héctor Gross Espiell states that it must be considered similar to an expression of international custom or as an interpretation of the Chart supported by the international community or as an expression of general principles that, because of their fundamental nature, has these characteristics.

While the Declaration was being drafted, the decision was made to create various texts of a conventional nature that would imply a legal obligation to respect human rights and to create international mechanisms for the promotion and protection of these rights. Because of the time lapse between the Declaration of 1948 and the two Pacts – one about Civil and Political Rights, and the other one about Economic, Social and Cultural Rights – both written in 1966, the concept of the subject matter to be addressed in these agreements also evolved. The result, a product of this process of evolution, was two texts containing rights that were originally excluded from the Declaration, such as the free will of nations, which is included in both Conventions. In the last stage of preparing the two Pacts, it was decided to include an Optional Protocol to the Civil and Political Rights Agreement, the main innovation of which was the inclusion of an individual communication mechanism for reporting human rights violations.<sup>3</sup>

Although both agreements are important to the field of human rights and have been approved by states of diverse regions and political, ideological and social systems, the number of participating states is very low. The system of implementing and controlling the Pact on Civil and Political Rights has not been efficient.<sup>4</sup> Even though there are differences between the civil and political rights and the economic social and cultural ones,<sup>5</sup> it should not be forgotten that these are just formal categories, since human rights are integral, interdependent and indivisible. This has been stipulated in numer-

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3. "The system for applying the Civil and Political Rights agreement depends on the obligatory presentation of reports to the Human Rights Commission, which was established in the Pact (Articles, 28-45). Through an independent declaration of ratification or adhesion to the Pact, states will acknowledge the Commission's competence to act whenever there is a violation of the Human Rights Agreement. Each state will report all violations of the Agreement (Articles 41-42). In relation to the participating states, the Commission will also exercise the function of an Optional Protocol through which it will receive violation reports and decide what type of communication will be used to report violations of the Agreement. (Articles 1-6, of the Protocol). The coexistence of various international, universal and regional procedures regarding these communications has led to complicated interpretation problems which have been remedied only in recent years by the international practice in applying these rights." Gross Espiell (Héctor). *Op. cit.* pp. 35-36.
  4. Contentious state interests foreseen in the Pact on the Civil and Political Rights (Article 41) – only sixteen states have recognized the authority of the Commission to act in these cases – has not worked, and it has not been applied in other universal and regional instruments as is the case of the International Convention on Eliminating All Forms of Racial Discrimination (Article 11) and the American Convention on Human Rights (Article 45). There are some exceptions resulting from the implementation of the system established by the European Commission (Article 24). Gross Espiell (Héctor). *Op. cit.* p. 37.
  5. To each classification, a set of third generation rights, or solidarity rights, has been added to cover items such as the right to peace, the right to development and the right to a safe and healthy environment.

ous international and regional texts on the subject.<sup>6</sup> Because of the nature of the subject matter, it is not acceptable to categorize human rights hierarchically.

Civil and political rights, considered first generation rights, are much more consolidated in relation to the protection and definition of their content.<sup>7</sup> It is affirmed that these rights generally imply a necessary abstention on the part of the state, and therefore they require passive action. It cannot be stated independently that the State must refrain from action. It should also be understood that it is the State's "task to guarantee an environment of public order in which these rights can be fully and freely exercised without discrimination, and it should also establish and maintain conditions in which order – needed to exercise freedom – really and effectively exists." Therefore, the principal responsibility of the state is to prevent the violation or injury, either by omission or by action, of civil and political rights and by either a governmental agency or representative or any other person responsible for governmental functions or administrative duties. There is an international regime that protects civil and political rights providing that all other internal defense resources have been exhausted, and after it has been proven that the State has in effect violated the rights of the citizen.

Each one of the Human Rights Agreements stipulates different mechanisms for implementing the protection of rights. In the case of the Civil and Political Rights Agreement, the Optional Protocol has been added to include procedures enabling individual citizens to present lawsuits in the event that their rights have been violated. The International Agreement on Civil and Political Rights has been drafted with greater legal precision and includes some rights that are not covered by the Universal Declaration of Human Rights. For example, it includes the protection of ethnic, religious and linguistic minorities, along with other members of their community, and the right of minorities to enjoy their own culture, practice their religion, and use their own language. Other relevant rights making this text innovative, since they are not mentioned within the Universal Declaration of Human Rights, include: protection from incarceration due to inability to fulfill a

6. Héctor Gross Espiell details that the holistic notion of human rights "is implicit in the Chart of the United Nations, is restated and classified in the Universal Declaration of Human Rights of 1948, and is definitely confirmed by the Universal Human Rights Agreements which were approved by the General Assembly in 1966 and have been in effect since 1975, as well as in the Tehran Proclamation of 1968, and the General Assembly Resolution, adopted on December 16, 1977, on the criteria used to improve the process of enjoying human rights." *Op. cit.*, p. 325.
7. For instance, in the American regional arena, the American Convention profusely declares civil and political rights, but not economic, social and cultural rights.

contractual obligation; the right of prisoners to receive humane treatment and respect based on their inherent condition as human beings; the right of children to have a nationality and to be protected as minors. Notwithstanding, the Universal Declaration does include some important rights that are not included in the Agreement. These include the right to own property, the right to seek and be granted asylum, and the right to have a nationality in general terms. The right to own property was not included in the Agreement because of ideological and political differences between the countries represented in the United Nations. They were not able to agree on the definition or the scope this right would entail.

In the Americas, civil and political rights protected regionally are, essentially, those covered by the following texts: The Reformed Charter of Organization of American States (OAS), the American Declaration of the Rights and Duties of Man and the American Convention on Human Rights. The three documents are related, however, it should be noted that the Declaration contains civil and political rights as well as economic, social and cultural rights, and it is the document with the greatest enumeration of rights. The American Convention fundamentally stipulates civil and political rights. The Reformed Charter, although it establishes few concrete rights, refers to "general economic, social, and cultural norms" which, it can be said, implies the existence of rights in these areas. The source for validating this is the American Declaration of Human Rights (Buergethal, Norris and Shelton, 1998).

This classic concept has been questioned. It is said to be very limited in scope, since human rights requires more multidimensional and holistic approach. In effect, economic, social and cultural rights (ESCR) are developed within the framework of civil and political rights which include the right of every human being to have an adequate standard of living, to be educated, to have work, and to receive equal compensation for equal work performed, and the right minorities to enjoy their own culture, religion and language. Minorities and those social groups that are at a disadvantage, such as women, children, and indigenous peoples, are gradually acquiring renewed importance. This evolution has been heightened by the celebration of three forums: the World Summit on Social Development, held in Copenhagen in March, 1995; the United Nations Conference on Human Settlements (Habitat II), held in Istanbul in 1996; and the World Summit on Nutrition, held in Rome in November, 1996. These events clearly emphasize the importance of economic, social and cultural rights.

## THE ECONOMIC, SOCIAL AND CULTURAL RIGHTS AS HUMAN RIGHTS (THE DIMENSION OF EQUALITY IN THE CITIZENSHIP PARADIGM)

The correlation between civil and political rights and economic, social and cultural rights (ESCR), as has been previously noted, does not allow for an easy comparative methodology from the perspective of the creation of norms and their protection. In addition to the substantial difference in emphasis placed on the classic civil rights in comparison to ESCR there is also a fundamental difference regarding the perceived role of the State. Civil rights, in order to be exercised, regularly demand non-interference on the part of the State, while ESCR frequently demand action on the part of the State for their development and protection. Therefore, we cannot categorically affirm that, in order to enjoy civil and political rights, only the passive role of abstention is desired from the State. Nor can it be said that ESCR explicitly require solely active measures on the part of the State.

Although there is some truth in the previous statement, a few things must be specified. For example, in some aspects of the right to receive an education, which constitutes a so-called social right, inhibition on the part of the state is highly convenient, particularly when there is a desire to preserve its ideological liberty. This also occurs in the case of cultural rights which were generally imposed by a cultural penetration process carried out by centralized governments with no respect for the particular ethnic, cultural, religious and ideological characteristics of many nations. There are instances during which the participation of the state is convenient and necessary for the development of civil and political rights. An example can be found in the election process, which needs to be organized and financed by the State so the process will effectively take place. This activity should never involve trying to influence citizens ideologically, but instead the State should offer the infrastructure and resources to permit electoral competition and equality, so that citizens can participate freely in elections without ideological interference. In synthesis, the specific nature of each right, in essence, commands a different type of role from the State.

On the other hand, there is the constant problem of legal enforcement of ESCR. Undeniably, it is necessary to overcome a series of ideological problems regarding the function of the State and society, particularly in relation to the objectives of redistribution of wealth and the search for social equality and human dignity. Dedication to this level essentially means that a serious commitment should be made to attaining social integration, solidarity and equality, including the always-conflicting debate concerning

distribution of income. Economic, social, and cultural rights are intended to foster the well being of the most vulnerable groups, such as the economically disadvantaged, so the decision to promote these rights lies within the responsibility of the economic and social policies of the governments. One problem is that the implementation of these rights relies heavily on the economic prospects and material resources of each state. This is believed to be the reason that, in many situations, the concept of progressively applying these rights implies not demanding them, but instead they automatically should be included gradually within the policies of the states.<sup>8</sup> According to the demands put forth in international instruments written on to this topic during the last decades, the state should guarantee a minimum threshold for ESCR, independent of the level of economic development. On the other hand, basic human rights have been constituted at a regional and national level, as an instrument for legitimizing the judicial organization of Western democracies. Almost every single constitution has at least a chapter or a set of norms making reference to ESCR as a substantial component of the rights of citizens.<sup>9</sup>

In some cases, there are problems of uncertainty not only in classification, but also in the instruments of protection. Trade union rights and propriety rights are constantly cited for the difficulty of classifying both. In the European system, the right to have an education is in the First Protocol of the European Committee about Human Rights and not in the European Social Charter. Notwithstanding, this problem clearly calls for urgent creative measures that will formulate more precise methods to allow the consolidation of ESCR. In light of the integrity of the human rights issue, a

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8. "The ESCR have been compared to civil and political rights because of certain characteristics that seem to differentiate them. Civil and political rights are considered immediately legally demandable. The state cannot condition their time of effectiveness on the lack of resources. Consequently, the right to life, to respect the personal integrity of the human being, to freedom, among others, should be respected and guaranteed completely." Rodríguez Pinzón (Diego), Martín (Claudia), Ojea Quintana (Tomás), *La Dimensión Internacional de los Derechos Humanos. Guías para la Aplicación de Normas Internacionales en el Derecho Interno*, IDB and American University, Washington, D.C., 1999, p. 340. Notwithstanding, as it was noted previously, this statement is not true at all times since there are ESCR that are immediately enforceable.

9. "The basic human rights, that Max Weber contemptuously ranked as 'rational fanaticism' are a key component in the judicial orders of the western democracies even if their epistemological value is not very clearly stated. They are actually becoming gradually strengthened. They are becoming the central pillars on which social and political balance is based. They maintain an awareness of the difference between civil society and the technocratic superstructure of power and keep the difference between what is public life and what is private life distinctly clear, concepts borne from the best liberal tradition." Robles Morchon (Gregorio), *Los Derechos Fundamentales en la Comunidad Europea*, Madrid, Editorial Ceura, 1988, p. 11.

decline in implementation of ESCR directly deteriorates the development of the civil and political rights. This situation definitely threatens the basic principles of the Economic, Social, and Cultural International Agreement.<sup>10</sup>

Then, there is the problem of whether or not it's possible to adjudicate these rights. The responsibilities assumed by States and by the international community in the international documents regarding these rights must be implemented in good faith by each country.<sup>11</sup> Even if this principle is applied to all present-day human rights systems, there are certain drawbacks for the effective application of the ESCR, especially the fact that the existence of these rights is ignored and excluded by many. Another drawback is that clarifying the scope, content and duties of these rights is a slow and difficult process. The basic principles that made the United Nations General Assembly approve two different agreements are the same ones used to justify the separation of these rights – civil and political rights and ESCR – as two different "categories" of rights. During the approval of these agreements, it was considered that the civil and political rights were immediate and absolute rights, whereas the ESCR depended on programming and should be strengthened gradually. Consequently, their identity as rights was justifiably questioned.

Also during that time, a similar presumption was pondered in relation to the issue of the adjudication of these rights.<sup>12</sup> It was determined that civil and political rights could be adjudicated, since they were easily applied in courts or by other judicial entities, while ESCR had a more political nature.

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10. In 1996 the 30th anniversary of the adoption of the Agreement and the 20th anniversary of when it went into was celebrated. One hundred and thirty-five States participated in the process of writing and adopting the Agreement. Refer to the *Plan for Improving the Implementation of the International Agreement on Economic, Social and Cultural Rights*, United Nations High Commission on Human Rights and the Committee on Economic, Social and Cultural Rights, at <http://www.unhchr.ch>.

11. This is a general clause added to article 26 of the Vienna Convention on the Rights of the Citizen, 1969.

12. "The effectiveness of the international protection of the ESCR are related to two basic dimensions: The international surveillance and supervision of the implementation of the ESCR in general, and the application of norms that recognize these rights in specific cases. The first ones are generally related to the legislative and budgetary policies of the states, and the second is related to the enforceability issue of certain specific ESCR in courts of justice or any other type of entity related to fighting for rights." Rodríguez Pinzón (Diego), Martín (Claudia), Ojea Quintana. (Tomás). *Op. cit.* p. 357. The enforceability issue – understood as the possibility to report in front of a judge or justice system tribunal to adhere to at least some of the obligation stated as the object of the law – is problematic in the case of the ESCR due to the concept of progressive development discussed. Today it is more generally recognized that some of these rights are immediately applicable, for example, union rights are of this nature, as is equal remuneration for equal work, and the right to free and mandatory primary education. In particular, see Cançado Trindade (1998: 578).

Additionally, it was agreed that civil and political rights were considered "free" and did not require any cost. It was further assumed that their essential content was related to the duty of the State to not interfere with the integrity and freedom of the citizen.

On the contrary, concerning the ESCR, its implementation was ranked as onerous, it is understood that the State should provide the social safety of the citizen, The arguments concentrated on the problem related to the different obligations the state has that result from the two sets of rights. As was expected, those states that did not want to take into account the responsibility of the obligations derived by the ESCR would at least commit to ratifying an instrument that only contained the civil and political rights. Notwithstanding, the predictions were wrong because almost all the countries that have signed the Civil and Political Agreement have also adopted the Economic, Social and Cultural Agreement.

Even though ESCR are recognized in many international agreements on human rights, it is necessary at the level of the United Nations to emphasize other documents relevant to this subject, such as the International Convention on the Elimination of All Forms of Racial Discrimination, the Convention on the Elimination of All Forms of Discrimination Against Women, and the Convention on the Rights of Children. At the regional level, the American Declaration of Rights and Duties of Man was enacted at the Ninth American International Conference in Bogotá, in 1948. The Additional Protocol to the American Convention on Matters of Economic, Social and Cultural Rights<sup>13</sup> was approved in San Salvador at the XVIII General Assembly of the Organization of American States on November 17, 1988 ("Protocol San Salvador"). These instruments clearly indicated that the region was becoming aware of the importance of ESCR.<sup>14</sup>

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13. The principles and norms of the regional system of the protection of human rights is found in the American Declaration of Rights and Duties of Man in the OAS Charter – the basis of the system both Protocols (the additional protocol concerning matters of Economic, Social, and Cultural Rights in 1988 and the Protocol related to the Abolition of the Capital Punishment in 1990), and the protection sectors of the Conventions (the Inter American Convention to Prevent and Penalize Torture in 1985, and the Inter American Convention about People Missing by force in 1994, and the Inter American Convention to Prevent, Penalize and Eradicate Violence against Women of 1994).

14. The American Declaration of Human Rights established in its foreword that "the principal objective is the protection of the basic human rights and the creation of circumstances that allow for the spiritual and material progress:" The Declaration has also progressively incorporated human rights in general. In much the same way, the articles 11, 12, 13, of the Protocol of San Salvador guarantees the right to health, a safe environment, nutrition and education. Refer to Rodríguez Pinzón (Diego), Martín (Claudia), Ojea Quintana (Tomás). *Op. cit.* p. 342.

Economic, Social, and Cultural Rights – which have been directly promoted in recent years by the international documents on human rights – coincide, in general, with public policies on social investment matters within the so-called Welfare State. In some of these cases, the problem lies in vague terminology, with terms like "the right to a dignified quality of life," or terms of a normative order, being used to define the scope of legal rights, as mentioned previously.

*The right to a dignified quality of life.* Basically, there are three international human rights documents that guarantee the right to health and an adequate level of life.<sup>15</sup> While the meaning of an "adequate level of life" has not been precisely defined, Article 25 of the Universal Declaration of Human Rights includes a valuable approximate meaning. This instrument indicates that having a dignified level of life means to have *food, clothing, housing, medical attention, and the necessary social services*. The Convention on the Rights of Children includes an integrated explanation about what a quality life entails. Without a doubt, human beings require fulfillment of more than just the basic needs to attain a satisfactory way of life. This involves a cultural value that cannot be precisely specified, since it depends upon the society of which an individual is a part. In material terms, an appropriate standard of living has been classified or explained as one that is above the poverty line. The essential components of this right include access to sufficient nutrition – probably the component considered most important – along with basic medical attention and an adequate control and prevention of diseases.

Adequate housing has been defined as that which offers adequate privacy, space, safety, lighting, ventilation, infrastructure, and location in relation to the work place and basic needs. In recent forums, it has been noted that there is a huge gap between the rights regarding housing and the actual conditions present in real life situations. Even in developed regions such as Europe, at least 5 million people are presently without housing, and housing policies do not meet the needs of the people that require assistance. Yet, there are many documents regarding human rights that include the right to adequate housing.<sup>16</sup>

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15. It is (i) the Universal Declaration of Human Rights, article 25(1) that proposes that every human being has the right to an adequate standard of living, and should have access to health and the well being of the person and the family. (ii) the International Economic, Social and Cultural Rights Agreement, in which article 11 establishes that the Participating States recognize the right to have an adequate standard of living for the every human being and for the family. And (iii) the Convention for the Rights of Children, in which in article 27, consecrates the right that every child has to an adequate standard of living for his or her physical, spiritual, moral and social development.

16. Among them is the Universal Declaration of Human Rights – article 25(1), the International

There are two groups of rights to which health is usually attributed. First, the protection of health could legitimately imply the limitation of other human rights, and the right to receive health services creates more rights for the citizen and correlative obligations for the government. Thus, many limitations on other rights have been generated due to the tradition of public health, but investigation of whether or not the right to health is adequately utilized is a relatively new field. Because the international community has acknowledged that provision of health programs is a right for every citizen, does not mean that every citizen will have the opportunity to be healthy. Neither the governments nor the nations can ensure a specific situation of health, since that depends on the influence of the environment and the genetics of the individuals.

Thus, there are various reasons why the right to health is not fully acknowledged by the international community. First, economically speaking, because it implies a considerable investment by the governments to guarantee public health services for all the citizens. The second reason is that the opportunity to acquire health services is closely linked to other factors (outside the area of health care), which either weaken or strengthen this right. According to the World Health Organization, those factors include other aspects of development of the society, since in some cases it could be more convenient for individuals to have access to jobs, income, housing, nutrition, drinking water to establish the well – being of the people. (Tomasevsky 1992).

The relationship between the right of ownership and economic and social rights is certainly polemic. There must be a redistribution of wealth and access to resources if there is to be an effective development of social rights. Among these rights is the right of ownership, which compliments and protects social rights. In the classic concept, the right to ownership is limited to protecting the institution of private ownership from arbitrary intervention. That the right to property, in a general sense, constitutes a link to an adequate quality of life for the individual does not conflict with social and economic rights. Article 17 of the Universal Declaration of Human Rights states that every human being has the right to have private property individually or in association with others. Notwithstanding, when the International Economic, Social and Cultural Rights Agreement and the Civil and Political Rights

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Convention on the Elimination of All Forms of Discrimination – article 5(e)(iii), the Convention on the Rights of the Child – article 27, the Convention on the Elimination of Discrimination Against Women–article 14(2), the Convention on the Protection of Migrant Workers and their Families – article 43. However, housing rights as applied to society as a whole were eliminated from the principal regional instruments on human rights such as the San Salvador Protocol.

Agreement were written, a considerable effort was made to include the right to ownership, but it was not successful. However, since the countries shared more legal and social conditions, regional documents did include the right to property. For example, the first article of the European Human Rights Committee guarantees that any physical or juridical person can peacefully enjoy their property and applies the necessary conditions to limit the interference in citizens' enjoyment of ownership.

There is also the right to have a job, which is considered a basic human right, but is also a socio-economic right – the common denominator for both is work. In its limited traditional definition, work has been considered merely as a form of economic survival. In the twentieth century, however, this concept has evolved to adapt to a more holistic vision. In effect, work is actually one dimension of an interdependent system of labor conditions, social justice, and universal peace. Additionally, the most modern perceptions include work as a human value, a social need, and a means for personal growth and the development of personality.<sup>17</sup> The international labor legislation was borne long before the establishment of a human rights framework, even though it was limited to certain labor categories and with fragmentary objectives in relation to the extent of protection provided. The International Labor Organization (ILO) has broadly developed this type of legislation. After the Second World War, efforts to legislate problems related to work at an international level were seen in the Civil Rights Law, both at a regional and universal level. Today, the right to work and labor laws are present in many documents published by the United Nations, Europe (under the European Commission), in America (Organization of American States, OAS) and Africa (Organization of African Unity, OAU).

Tentatively, it has been affirmed that the spectrum of human rights related to work can be divided into the following sub-categories: rights related to work (freedom to work without being enslaved, no forced or mandatory labor, freedom to work); rights derived from the job (work schedules, annual paid vacations, etc.); equal treatment and non-discrimination rights; and instrumental rights (freedom of association, freedom of organization, etc.). Because it is a current topic, it should be emphasized that one of the greatest difficulties faced by labor rights is that it (when the positive advantages have not been exploited) allegedly has caused the deterioration of healthy competition. This issue was vigorously discussed during the negotiations in connection with "dumping" and its social ramifications during the Uruguay Round and in the conversations concerning the General Agreement on Trade and Tariffs (GATT).

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17. Drzewicki (Krzysztof), "The Right to Work and Rights in Work," in *Economic, Social and Cultural Rights. A Textbook*. *Op. cit.* p. 169.

## ECONOMIC RIGHTS AS STANDARD FOR THE DEFINITION OF THE THRESHOLD OF CITIZENSHIP AS A MINIMUM INDICATOR FOR SOCIAL INCLUSION STANDARD

Human Rights constitute a reference for setting the boundaries or thresholds of citizenship. The paradigm of citizenship, or the process of exercising of basic essential rights, would set the scope or space in which people verify the values of integration, participation, or being a member of society which determine their social inclusion *versus* social exclusion (refer to Sojo, in this volume). Also assumed in this is the concept of boundaries of citizenship, defined as the threshold of actual enjoyment or non-enjoyment of civil and political rights, and also the economic, social and cultural rights that permit human civil rights and values.

The process of constructing these rights has been the result of an extensive consolidation of historical legal-ethical demands with universal characteristics. Recently, they have been developed<sup>18</sup> as a set of values to be put into effect in a systematic and interactive way, which means that their goals can only be reached when simultaneously put into effect with the values and objectives of other rights in system.

In the following table, columns A, B and C are the economic, social and cultural rights-values that constitute the pillars of the threshold of citizenship (it is the area of confluence and systemic interaction of the three variables).

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18. See CEPAL-IHR, *La igualdad de los modernos* (Reflections about the putting into effect of economic, social and cultural rights in Latin America) San José-Santiago, 1998. For an integral paper, refer to Cañado Trindade, Antonio, "La relación entre el desarrollo sustentable los derechos económicos, sociales y culturales: tendencias recientes." *Estudios Básicos de Derechos Humanos*, IHR, San José, Costa Rica, 1995.

Table 1

Set of Human Rights and Values Which Constitute  
the Threshold of Citizenship

<i>Threshold of Citizenship</i>		
ECONOMIC VALUE - RIGHTS	SOCIAL VALUE - RIGHTS	CULTURAL VALUE - RIGHTS
<ul style="list-style-type: none"> <li>•Right to Economic participation</li> <li>•Right to commerce</li> <li>•Right to have basic needs satisfied</li> <li>•Right to organize businesses</li> <li>•Right to be part of a trade union or any other similar organization</li> </ul>	<ul style="list-style-type: none"> <li>•Right to have an education</li> <li>•Right to health</li> <li>•Right to housing</li> <li>•Right to nutrition</li> <li>•Right to work</li> </ul>	<ul style="list-style-type: none"> <li>•Right to have a generic access to culture, provided as a service from the state</li> <li>•Right to develop cultural manifestations that respect ethnic identities (religion, language, etc.)</li> <li>•Right to freely express any aesthetic, ideological, ethical or philosophical manifestation.</li> </ul>

The correlation of the elements that comprise each group of value-rights also has multiple, interactive characteristics (Cañado 1992; Ordóñez y Vasquéz 1991). The elements of each of these sets of rights find relationships with each other in all possible combinations and functions, as constants that put into effect the value-right concept intersecting each other in the three different areas (economic, social and cultural), generating dynamics in which they all put into effect these rights simultaneously (Sosnowski 1999).<sup>19</sup> This characteristic is important because, from the point of view of the construction of the threshold of citizenship, there are no rights or values with a hierarchical priority in this area. This has a practical and direct implication for social development policies, since they include the putting into effect the essential consumption and participation of exchanges (Sen 1981). From what was said previously, it can be inferred that there are two operating factors. On one hand, there is the existence of the goods that allow

19. In this sense, refer to resolution No. 41-128 of the General Assembly of the UN, specially Article 6, Paragraph 2. "All the human rights and basic freedoms are indivisible and interdependent, equal attention and urgent consideration should be given to the application, consideration and protection of the civil, political, economic, social and cultural rights."

participation within the social exchange networks, which could be expressed at different levels or abilities. On the other hand, there are the goods that make consumption possible, which could also be considered securities.

## SECURITIES OR ESSENTIAL CONSUMPTION

On one hand, securities or essential consumption are classified individually or under a family category for practical and statistical effects; securities or essential consumption refers to those factors that satisfy the main biological needs. In general terms, these satisfying factors (and the indexes of fulfilling basic needs) have to do with the essential requirements for human economic support and for which satisfaction is (or should be) imperious, independently from social or historical context present at the time. Within this scope, minimum biological basic needs include issues like health, nutrition, clothing and housing. In this field, boundaries of minimum well-being situations are proposed by which the definition of a comparison standard will be made (based on established criteria) as a specific social reference, or a society with its own pattern of normalcy. Notwithstanding, there are any *legal rights in relation to essential consumption, neither at the national nor at the international level*. The non-existence of legal rights establishing obligations concerning this issue uncover the wide field of work still pending in international law and human rights, and constitutional rights and internal laws of countries.

## THE CREATION OF OPPORTUNITIES FOR PARTICIPATION WITHIN SOCIAL EXCHANGE

The so-called threshold of citizenship has to do with the establishment of minimum competition situations that allow for the creation of opportunities supported in the long term simultaneously with the securities or the essential consumption. Of course, the political situation should be balanced by the transitional circumstances in each country or state, which could eventually force great opportunity investments in securities or essential consumption.

To conclude, the following table summarizes a model of synthetic indicators, according to the proposal made by CEPAL-IHR

**Table 2**

**Synthetic Indicators of Essential Consumption,  
Creation of Capacities and Opportunities**

<p><i>Fulfillment of Essential Consumption</i> (Satisfaction of Minimum biological needs)</p>	<p><i>Creation of Opportunities for Participation</i> (Satisfaction of the threshold of citizenship)</p>
<ul style="list-style-type: none"> <li>• Nutrition</li> <li>• Housing</li> <li>• Health</li> <li>• Security (against life-threatening situations)</li> </ul>	<ul style="list-style-type: none"> <li>• Minimum Income</li> <li>• Education</li> <li>• Stable job</li> <li>• Access to information</li> <li>• Political Participation</li> </ul>
<p><b>Aid Investment</b></p>	<p><b>Potentiality Investment</b></p>

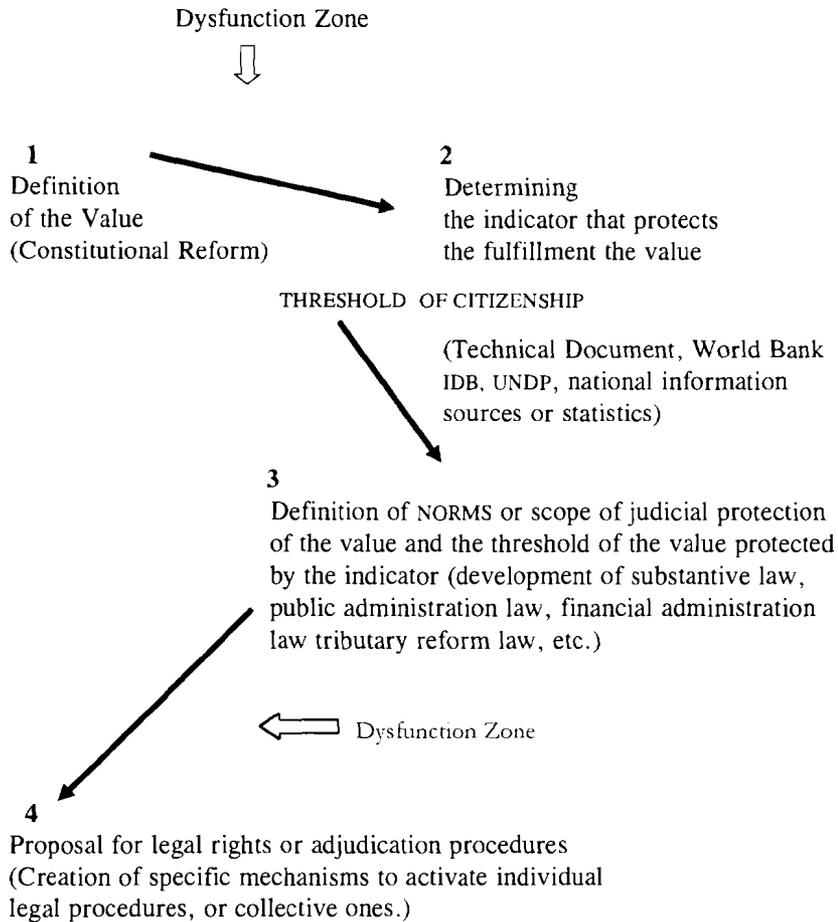
**THE PROBLEM OF THE LEGAL NORMS AND  
ADJUDICATION AN EXAMPLE FROM THE AREA OF  
INSTITUTIONAL REFORM**

It has been proposed by the scientific judicial community that the development of economic, social, and cultural rights will not be possible until – and the same is true for developing a model for synthetic indicators – the levels of legal rights and adjudication are clearly defined by norms. The process of defining a set of norms could be described as follows: once the threshold has been established in reference to the protected value (to be determined by a given indicator), immediately proceed to set a "judicial protection" for the threshold that has been defined by the indicator. This protection will only be possible once certain aspects are defined. These aspects are: what will be the threshold of legal protection (normative area), and it should be consistent with the legal rights process or the creation of judicial norms. Once this has been established, the process of judicial definition should be completed by the creation of an effective mechanism that will allow for the claiming of a right (in a court of justice), activating the adjudication mechanisms to put these rights into effect. This is the process that defines legal rights or adjudication.

These processes have cause, concept and time sequence characteristics. Defining the concept of legal rights (definition of the legal scope) is not possible without first defining the indicators and conducting a concrete analysis of the facts in question related to the indicator. In much the same way, the definition of these mechanisms and the instruments of adjudication are not possible without first defining how to set the norms or the legal boundaries of the value (refer to the scheme). Areas where a dysfunction or distortion is observed occur when the correlation among values and objectives is not clearly defined beforehand (technical, political, or economic), and the indicators could function as parameters for measuring the results or define the legal demanding procedures. Even when legal rights have been acceptably defined (when there is a law that defines the judicial scope covered by the right) there is no adequate solution in which legal procedures guarantee adjudication to put right into effect. The dysfunction could be explained from the analysis graph used as reference to define correlation among objectives, categories, concepts and indicators (refer to following scheme):

# Graph 1

## Determining the Functional Indicators as Standards for defining Legal Rights and Adjudication Concepts



## CONCLUSIONS: A CRITICAL EVALUATION

The fact that there are still no specific, internationally-accepted indicators to measure economic, social, and cultural rights makes it difficult to diagnose how the exercise of these rights should be processed. Therefore, they are generally related to the issues of social equity in relation to economic, social, and socially integrated aspects, which are part of cultural rights. Consequently, the traditional socio-economic indicators can present only a partial view, and they concentrate on those aspects strongly related to the right of citizens to economically support themselves and their families, e.g. work, safety, health, nutrition, education, and maintain an adequate standard of living with adequate housing conditions. In most cases there are indicators, with some exceptions, developed using certain instruments presented by the United Nations Development Program (UNDP) and its Annual Report for Human Development as an Index for Human Development (IHD). However, the process for defining these issues requires more conceptual, methodological and operational specification.

Even in the cases where advances were made with the legal rights procedure concept internationally defined, problems related to social exclusion and social inclusion can still be found. These problems are related to verifying the nationally defined indexes that act as correlative aspects and other internal elements defined by each independent nation. Social exclusion or social inclusion terms (enjoyment of complete citizenship rights) not only depend on the verification processes that analyze these standardized indexes. They also depend on the way different factors related to this, such as enjoyment of rights and capacity, affect each other. The way each nation has defined the concept of poverty should be analyzed. This definition should be related, not only to the fact of whether each citizen can obtain an adequate standard of living by being able to have their basic needs satisfied, but also to other environmental, cultural and political issues. The parameters are related to each nation and will be able to be determined using synthetic indicators, such as those proposed by CEPAL and IHRI (1997). In both cases (the standards related to the international indexes and the synthetic national ones), the theory and practice could play an important role in the process of formulating enforceable norms supporting legal rights and adjudication.<sup>20</sup>

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20. The index is intended as a reference to be compared with international standards. This will open the possibility for creating norms that set the international borders in order to define how citizens enjoy the rights and values protected by them and analyze violations or transgressions.

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# SOCIAL EXCLUSION IN THE CARIBBEAN

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## INTRODUCTION

The concept of social exclusion carries the advantages and challenges of all processual approaches.<sup>1</sup> Its multidimensionality is its richness; but that very richness leaves plenty of room for divergences among analysts on causes and directions of the processes under study. The particulars of specific social formations – not to mention analysts' assumptions – tilt the attribution of causality from markets to institutions to culture-history. To map out causes and directions multidimensionally even within the borders of a single national state is thus difficult. To map them out in a region as complex as the Caribbean is even more challenging. In the case of the Caribbean, two specific difficulties increase the challenge: the state of the existing research and the heterogeneity of the area.

Few writers have explicitly used a social exclusion framework – or associated concepts – to analyze either the Caribbean as a whole, or individual territories within it. To be sure, most Caribbeanists would agree that the region has been profoundly shaped by various forms of exclusion, which themselves have long been privileged objects of study. However, such studies have used a wide range of (sometimes incompatible) approaches. As the Caribbean remains a poor cousin within Latin American studies, the burgeoning literature on social exclusion in the Americas rarely takes into

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1. I extend my thanks to the workshop organizers and my profound gratitude to Clare Sammells of the University of Chicago for her research assistance. The comments of workshop participants and, especially, those of Estanislao Gacitúa-Mario on an earlier version of this paper kindly helped me to clarify many points.

account the area's characteristics (e.g. ILO 1995). Thus, we still lack an empirical bridge that would explicitly connect previous qualitative research on the Caribbean to changing formulations in the social exclusion literature at large. More important, the quantitative data rarely breaks down to the point where they could become meaningful to studies of social exclusion. On the contrary, their presentation most often suggests the homogeneity of Caribbean societies. For instance, beyond demography, it is rare to find figures that express the rural/urban divide, a key feature of most qualitative analyses.

Accordingly, this paper cannot evaluate the literature in a manner that would have been possible if any variant of the social exclusion framework had gained currency in Caribbean Studies, or if the appropriate quantitative data were available. Rather, the opportunity and the challenge here are to bring analytical coherence to an amalgam of data and studies and, beyond them, to the region itself. Thus, data and observations from diverse sources are organized here in an attempt to develop a coherent regional approach. Yet where do we find such coherence? Is not the Caribbean too complex to be enclosed as a single object of analysis?

To be sure, we are dealing with a relatively small number of people – about 36.5 million for the basin as a whole, and 20 million for islands (Baker 1997; World Fact Book 1999). Yet smallness here coexist with diversity. The region includes almost twenty distinguishable social formations, most of which occupy a single island. Further, six major colonial and neocolonial powers – Spain, Britain, France, the Netherlands, Denmark and the United States – have profoundly marked the region, creating social dynamics that have often clashed.

Caribbean diversity expresses itself linguistically, mainly through the four major linguistic blocs inherited from the colonial past – Spanish, English, French and Dutch – and numerous Creole languages. It expresses itself through a medley of phenotypes, human faces that recall sub-Saharan Africa, Europe, India, or China and all mixtures thereof. Caribbean diversity expresses itself also through a variety of institutions and through a range of national statistics that bear witness to distinct institutional processes. GNP per capita varies from under US\$300 in Haiti, to over US\$1,500 in Jamaica to US\$3,500 in Trinidad, which usually ranks ahead of Mexico or Brazil in international economic tables (World Bank 1997:214-5). Questionable as they may be sometimes, quantitative social estimates of health statistics, rural-urban poverty rates and literacy ratios, as broad indicators of complex mechanisms, verify this institutional diversity. Not surprisingly, social, linguistic, ethnic or religious distinctions affect particular Caribbean territories differently. Similarly, economic exclusion does not

take the same shape throughout the region. Likewise, political participation – in the broadest sense – is as firmly institutionalized in some territories as it remains shaky in others. Does it make sense, then, to treat the Caribbean as a single region for the purpose of studying social exclusion?

## A MODEL FOR A REGION

This challenge can be faced if we ground the analysis in two initial – and fairly simple – observations. The first, which is theoretical, concerns the conceptualization of social exclusion as a cumulative process. The second, which is historical, has to do with the particulars of the Caribbean region.

### **Social Exclusion as a Cumulative and Multidimensional Process**

I start with the widespread notion that social exclusion is "the process through which individuals or groups are wholly or partially excluded from full participation in the society in which they live" (European Foundation 1995:4). Yet, this phrasing should not hide the fact that social exclusion is ultimately both a cumulative and circular process. That is, unless we reduce social exclusion to instances of discrimination –in which case we do not need a new concept– it can only be seen as the culmination of intermingling of a number of other processes, not all of which inherently cause exclusion. In that sense, what could be call *the generalized process of social exclusion* is best seen as a flow with multiple sources and tributaries, crosscurrents and countercurrents.

A major theoretical issue, then, is how to rank the component processes that cross, contribute to, or stem from this flow. If social exclusion is both processual and multidimensional (de Hann 1998), how do we break it down. Indeed, should we break it down? Here, we face a number of choices. Most simplistically, we could give all contributory flows equal weight, at least at the onset, in which case we lose a lot in complexity and may ultimately dismiss the notion of a cumulative process. At the extreme of this approach, social exclusion would be a mere sum of indicators. Alternatively, we could set a hierarchy that ranks relative contributions according to one or another universal theory, in which case we may ultimately dismiss the notion of a multidimensional process. At that extreme, social exclusion would be like

a watered-down version of class analysis.<sup>2</sup> The choices between these extremes are many.

The solution proposed here is to emphasize both the multidimensional and cumulative character of social exclusion as a process. If social exclusion is a general cumulative process, part of the task may be to identify intermediate dimensions of accumulation within that generalized process. I mean by this dimensions along which we can already see a number of smaller processes coalesce to create widespread trends, which, in turn, will feed into the generalized process of exclusion. I see these dimensions as heuristic devices, not as naturally bounded units, that emphasize smaller yet already cumulative processes within the generalized process of exclusion. Obviously, the fleshing out of these dimensions is in part a theoretical exercise, but the concrete results of that exercise will vary according to the fundamental particulars of the populations under study. What are these fundamental particulars in the Caribbean seized as a single region? To answer that question, we must turn to the complexity of the Caribbean region.

## **A Region Shaped by Exclusion**

The Caribbean region as we know it was actually created by exclusion (Brathwaite 1971; Knight 1990; M. G. Smith 1965, 1984; R.T. Smith 1970, 1987, 1988). Indeed whether our approach to exclusion emphasizes the lack of solidarity, excessive specialization, monopolies of access, or combines these various paradigms (ILO 1996; de Haan and Maxwell 1998), we must incorporate an understanding of the fact that the modern profile of the Caribbean region is profoundly shaped by the exclusion of the majority of its inhabitants.

Here we must take into consideration not only to the decimation of native populations but the rise and maintenance of the plantation system both during and after slavery. For centuries, the plantation system was the dominant form of integration of the Caribbean into the world capitalist economy. That mode of global incorporation required, on the local scene, the exclusion of the majority. Global inclusion and internal exclusion combined to make most

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2. In the first case, our primary emphasis would be national indicators but we would lose sight of the mechanisms behind these indicators. The research agenda would be strongly marked by methodological individualism and policy responses could only target parts without assessing their relation to the whole. In the second case, our primary emphasis would be theoretically secured connections, but we would lose sight of the specific conditions under which exclusion takes form. The research agenda would stress comparative analyses and the extent to which societies fit a pre-set model. Policy responses would be universal without attention to the historical particulars of a society or region.

Caribbean societies surprisingly similar in many ways over time-even if not always in the same way at the same time.<sup>3</sup> The concept of social exclusion thus, it brings us closer to the Caribbean reality than alternative approaches that place an analytical emphasis on individual or group "poverty." One of the objectives of this paper is to indicate how much more understanding we are likely to gain by emphasizing the relations between exclusion and poverty. Caribbean societies were not born poor – indeed, the opposite can be argued. Rather, they were born deeply divided.

If Caribbean societies were at the outset based on exclusion and if the plantation was the original vehicle of that exclusion, it follows that a regional account of social exclusion and poverty must incorporate or address that historical baseline. This does not mean that Caribbean societies are doomed to face a present – or, worse, to inherit a future – preordained by their past trajectory. Nor does it mean that the facts and figures that demonstrate social exclusion today are impervious to more recent dynamics. Rather, possible futures can be envisioned if – and only if – we overcome in the present some of the limitations imposed by past trajectories. To understand current facts and figures as outcomes of processes, we need to look at social exclusion against the background of economic, social and cultural history – all of which include the history of the institutions that generate exclusion.

## **Dimensions of Social Exclusion**

While the plantation system itself now plays a minor role in the region, the processes unleashed by the transition out of the plantation system and the institutional directions shaped by that transition directly affects social structures at the present. Therefore, we need to investigate these processes and institutional directions along three overlapping dimensions: i) socioeconomic; ii) sociocultural and; iii) institutional.

These dimensions recall classical divisions of societies into economic, political and sociocultural spheres. They also echo those outlined elsewhere by other analysts who insist on the multidimensional and processual character of social exclusion (e.g. ILO 1995). Yet the emphasis here is not on economics, culture and institutions or politics as independent domains "out there." Rather, these dimensions are used here as heuristic devices, ways to look at intermediary yet cumulative processes. Economic phenomena play

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3. The insistence of the plantation system as factor of both global integration and local exclusion is what allows us to include mainland territories such as Suriname or Guyana within this analytical framework.

a role in the other two dimensions and vice versa. Indeed, each of these dimensions, as well as the generalized process of social exclusion is characterized in diverse degrees by circular causation. This means that causality crosses the heuristic boundaries used here, often in multiple directions. Indeed, the treatment of the institutional dimension in particular will demonstrate that one cannot clearly separate economic, sociocultural, and political factors of social exclusion.

## **Circular Causation**

In Caribbean Studies, the concept of circular causation has been applied by economist Mats Lundahl who uses the reciprocal influence of land erosion and population pressure to explain increased peasant poverty in Haiti (Lundahl 1979). More generally, in the many domains where it has been deployed (from economics to mathematics and cybernetics), circular causation generally refers to situations characterized by the reciprocal influence of factors, where cause-effect relationships take on multiple directions, where feedback from one area influences another. In abstract, within circular causation theory, not only is there no single or preordered sequence of events, nor any single and necessary direction of causality. It is the flexibility and richness of the notion that make it a useful one to apply both to the generalized process of social exclusion and to the dimensions within it.

Circular causation is key to the social exclusion approach developed here. It applies to the relations between the three dimensions. It applies also to relations within each of these three dimensions. The crux of the approach is that at each of these dimensions, we can see a number of smaller processes coalesce to create widespread trends, which, in turn, feed into the generation of specific exclusion process in Caribbean societies. Policies aimed at ending exclusion must therefore be: a) holistic in perspective; b) relational in scope; and c) specific in implementation, in order to modify the specific factors that are interacting in each case.

There are numerous advantages to this approach. First, in accordance with the theoretical literature on social exclusion, it is inherently multidimensional. Second, as it insists on processes rather than states of affairs, it facilitates the setting of policies that may revert the processes that provoke social exclusion. This approach also emphasizes how particular processes and institutional arrangements produce excluded groups, instead of considering social exclusion as an attribute of individuals (ILO 1996). As a consequence, policy instruments can be targeted to address those nodes.

Finally, and more relevant, this approach allows us to speak of the Caribbean as a whole without dismissing the particularities of single territories. It does not ignore intra-Caribbean differences. Yet it does set those differences within the context of a fundamental resemblance.<sup>4</sup>

## THE SOCIOECONOMIC DIMENSION

The socioeconomic dimension, as conceptualized here, addresses the transformations of the agrarian economy and the mechanisms unleashed by these transformations. In some countries, peasant-based agriculture now provides a substantial share of GDP or occupies a substantial proportion of the population. In others, urban-based economic activities such as tourism, light manufacture, and offshore finance have become predominant. In others the plantation economy still thrives in specialized enclaves. Yet in most countries where industry, mining, or services now contribute to increasing shares of GDP, the majority of the labor force tends to remain engaged in agriculture in the countryside. Further, at the level of the region as a whole, the vast majority of Caribbean citizens are rural. In only 6 countries of the region was the urban population higher than 50% in 1995.

The socioeconomic dimension outlined here reflects both this demographic reality and the economic trends sketched above as manifestations of ongoing processes and indicators of similarities and divergences within and between Caribbean societies. Key to the plotting of this dimension as a heuristic device is the proposition that the dominant processes of socioeconomic exclusion in the region coalesce into the marginalization of the rural populations. This is not to say that all individuals of rural origins are excluded or excluded to the same degree and in the same way. However, the transition out of the plantation economy have reinforced the links between social exclusion processes and the rural/urban divide.

Those links vary across and within societies. Indeed, the overall marginalization of rural populations does not mean that these populations are not integrated in the dominant system of their respective societies. Rather, the marginalization of most rural actors as a mode of insertion on

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4. To be sure, the model tends to analytically favor post-plantation societies more than say, Anguilla, the Bahamas or the Cayman Islands. This is not a weakness. First, territories that did not fully experience the plantation system can be said to have been integrated in the Caribbean as a sociocultural area only to the extent that they served that system. Second, as it will become clear later, social exclusion in the Caribbean reaches its peak in post-plantation societies of various kinds. Third, the vast majority of Caribbean peoples live in post-plantation societies.

the one hand requires their participation in the system and, on the other, guarantees their inability to participate fully in that system. The plantation economy, then and now, posits a rural/urban dichotomy in which both parts are intertwined yet unequal. The rise and fall of peasantry, then and now, only reconfigures that dichotomy. As the populations of the hinterlands (rural workers and independent peasant farmers) became increasingly marginalized, the processes leading to their marginalization as a mode of unequal insertion have solidified. Socioeconomic exclusion even in the urban sphere bears the weight of current and past marginalization of the populations living or born in the countryside. City dwellers of immediate rural origins are caught within mechanisms of exclusion that duplicate in the urban setting the exclusion they or their parents encountered in the rural areas.

If the plantation is everywhere, both by definition and in its historical reality a mechanism of exclusion (Thompson 1928, 1975), then the flow we are trying to outline here can be seen as originating there and in the urban/rural divide that it posits. We can even postulate a gradation along which we read Caribbean societies in relation to that point of departure in two ways: a) how far they have moved from it; b) by what mechanisms and in which directions. This means – and the point is quite important – that not all rural populations in the Caribbean experience or relate to their corresponding urban center(s) in the same way. The organization of agriculture (e.g. peasantry vs. plantations) and the resulting social, institutional and economic structures matter here.

Still, we can see the general resemblance between societies where the transition out of the plantation system led to the rise of an independent peasantry, such as Haiti and the Windward Islands. At the other end of the continuum stand countries where the plantation system never became dominant (such as the Bahamas or the British Virgin Islands) or was replaced with varying degrees of success by an urban-oriented economy (such as Antigua and Barbados), or by an extractive industry (such as Trinidad). Most other territories can be plotted between these two poles, including those where the plantation system retains some significance (such as Cuba, the Dominican Republic, or Guyana) or those where mining now contribute to an important share of GDP (such as Jamaica or, again, Guyana).

These broad country profiles do not invalidate important differences between various segments and classes within the rural population of every single Caribbean territory. Even in Haiti, "a proverbial peasant nation" (Lundahl 1995), there are important differences between kinds of peasants (Murray 1977; Oriol 1992). The Dominican Republic, next door, offers a more formal kind of differentiation between *latifundia* and *minifundia*, with a very strong pro-plantation and anti-peasant bias on the part of the state

(Vedovato 1986). Internal differentiation within the rural population takes other forms in other countries, not all of which can be discussed here.

Notwithstanding these major differences within or between countries a majority of Caribbean people are engaged in agriculture and live in the countryside, on the other side of an urban-rural divide whose disparities are often hidden by national statistics. Indeed, we can hypothesize that the reality behind these statistics is more alarming than the average figures suggest. For life expectancy to be as low as it is, say in Guyana or Haiti, on the national scale, it has to be in fact much lower in the countryside, given known disparities between town and country.<sup>5</sup>

## **Rural Areas**

Caribbean rural life is marked by differential access and differential depletion of resources. Socioeconomic exclusion takes the form of differential access to fixed assets (including capital and property), to markets (including labor and credit), and to services (including health and education). It also takes the form of differential depletion of resources (including land and human capital).

### *Differential Access to Assets*

Whether they are independent peasants, miners or plantation workers, Caribbean rural dwellers have limited access to property compared to their urban counterparts. In areas dominated by peasant farms, partition continues to reduce the size of holdings of most peasants. In areas dominated by mines or plantations, ownership of the major means of production is limited to the state or to transnational corporations. Further, in a number of countries, small rural properties are insecure, either because they started out as family land and cannot be formally divided (Besson 1987; Carnegie 1987; Maurer 1997) or simply because procedures set by the state discourage land title registration.

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5. Not to mention the impact of disparity itself on national averages. Evidence suggesting that average life expectancy in developed countries highest not in the richest societies but in those with smaller income differentials (Wilkinson 1996).

## *Differential Access to Markets*<sup>6</sup>

Most Caribbean rural populations also experience differential access to markets, notably labor and credit. On the labor front, there are virtually no competing employers in most Caribbean villages. In plantation areas, the seasonal demand for labor tends to be controlled by the dominant plantation of the locality and plantation management tends to favor workers who come from distant regions anyway (Lemoine 1981; Martínez 1995; Moya Pons 1986). In peasant-dominated areas, the possibility of steady work outside the family farm is nonexistent.

In peasant areas, at least, access to a credit market could alleviate the situation of the self-employed. Unfortunately, credit is extremely scarce throughout the rural Caribbean. Vargas-Lundius (1991) notes that unequal access to credit in the Dominican Republic plagues large and small farmers alike. While plantation management and more successful farmers do provide credit, most often in small amounts and almost always at usury rates, the nearest branch of the national bank (most likely a low-service facility that may not provide credit) may be anywhere between 20 to 50 miles, and covering those distances can take the most of a day given the poor conditions of roads and inadequate public transportation. Further, differential access to assets (e.g., registered property that could serve as collateral) and to finance (that could help legalize property rights) play into one another.

In the absence of a formal credit market, many rural dwellers in the Caribbean, as elsewhere in the South, set up rotating savings and credit associations – ROSCAs (e. g. Kirton 1996). These associations take diverse forms, but they generally entail small regular payments from all participating members, with a different member taking the entire amount each time. The members of each association generally know each other, and the personalized nature of ROSCAs allows them to adjust to members' individual circumstances. Very few joining members are asked to provide any formal documentation, yet default is uncommon due to social pressure. However, given the small amount of cash available to most members, the ceilings for regular contributions are rather low and the total amount available at each turn can rarely sustain major ventures.<sup>7</sup>

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6. The distinction between differential access to fixed assets and differential access to markets echoes Sen's (1981; 1989) insistence on the fact that we should, on the one hand, distinguish between what people possess and what these possessions allow them to do and, on the other, study the combined outcome of these possessions and capacities.

7. A survey of adults from private households in Jamaica (including Kingston, St. Andrew, St. Catherine and St. Thomas) showed that 65% were involved in ROSCAs during 1993, and this

A group particularly affected by the differential access to credit, in spite of its extraordinary economic vitality, is that of Caribbean market women, also called "higglers," "hucksters," or "Madan Sara." It is well known that small internal marketing – especially foodstuff and small consumer goods – has been dominated by women of rural origins since before the demise of slavery (Mintz 1972). Then and now, through very hard labor, they have managed to accumulate some capital at small steps and through risky ventures. Those who have managed to accumulate capital in quantities large enough are, however, equally excluded from a credit market to which their sheer economic competence should give them favorable access. The lack of access to credit makes it impossible for most of them to expand and to diversify.

### **Increased Risks**

The extreme reliance on single cash or export crops combined with the insecurity inherent in agricultural practices create greater exposure to risk to much of the region economies. Risks include environmental changes, internal economic reforms, economic changes induced from the outside (such as the recent turbulence in the global banana market), internal political instability, etc. An example of the interplay of these different risks is that of the economic reforms implemented in the Dominican Republic in the mid 1990s. Those (ongoing) reforms, included the devaluation of the peso, a huge increase in sales taxes and a reduction in income taxes. While these reforms contributed to substantial growth in GDP rates, they also affected different sectors of the population unequally. The first two measures put an increased burden on the labor force engaged in agriculture who lives primarily in rural areas and does not have foreign sources of income. The second measure barely touched rural residents. Yet inasmuch as it alleviates a duty bore mainly by urban residents who enjoy higher incomes, it also increases the gap between those and most rural Dominicans. Thus, notwithstanding the long-term promises of these reforms or their immediate positive impact on national figures, they can also be seen as confirming and reinforcing processes of exclusion.

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system "was identified as one of the most important sources of finance for low-income persons, who could not access funds from the formal financial sector" (Kirton 1996:202-203). Indeed, the poor, young adults, women, and unskilled laborers are disproportionately represented.

## Differential Depletion of Natural Resources

Not only do the majority of Caribbean rural residents face more difficult access to assets and markets but the assets at their reach undergo depreciation and depletion at a faster rate. Indeed, the differential depletion of resources is another major node in the generalized process of social exclusion. Most important is the general depletion of agricultural land, its reduced fertility – whether or not declining fertility parallels market depreciation of individual plots. That pan-Caribbean phenomenon is exacerbated in the mountains by faster rates of erosion, especially in territories with either a Cordillera Central (a dorsal-central mountain chain) or a strong peasant presence. Indeed, the two phenomena tend to go together and their combination can be life threatening, as in the case of Haiti, where erosion further increases already abject poverty (Lundahl 1979).

The declining supply of water, both for agriculture and for domestic use, is a close second to the depletion of the land, to which it is tied. Here again, differential depletion marks particularly highland peasants but the shrinking or disappearance of the rain forest also affects lowland rural populations. In enclaves dominated by plantation or mining activities, available water tends to be tapped first for those activities before being made accessible to local residents. At other times, the differential access to assets and the differential depletion of resources combine to reinforce inequality such as when water from the countryside is tapped primarily for urbanites directly for domestic use or, indirectly for electricity.

## Migration as Loss of Human Capital

Differential depletion also threatens human capital, particularly in the form of rural outmigration (Besson and Momsen 1987; Pessar 1982). Caribbean migration is massive. An estimated twelve percent of the total Caribbean population migrated in the 1980s. Such an exodus does reduce both human deprivation and the rate of depletion of natural resources.<sup>8</sup> Further, remittances from these migrants are substantial. They accounted for six percent of GNP throughout the region in the 1980s.

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8. The most striking example is the case of Dominica where century-old patterns of migration from the countryside to the capital town of Roseau and, especially, to foreign lands have contributed to produce an environmental and economic outcome much different from Haiti in spite of the fundamental similarities between the two peasantry (Table X3.1 on migration; Bob Myers on Dominica migration; Trouillot 1988; 1990).

Still, the full story of migration has to do with how particular processes feed into one another. Whether they originate from rural or urban areas, international migrants tend to come not among the poorest but among the most enterprising segments of the local population, sometimes with assets above local averages, almost always in prime productive age (Baker 1997; Hope 1986; Martínez 1995; Pessar 1982). Their remittances usually go to those households that were already better-off, increasing local gaps.<sup>9</sup> Further, with their departure, the community loses in human and social capital. Such losses, in turn, contribute to reduce further rural residents' already limited access to national or local state services, notably health and education. They may also reinforce differentiation within the countryside.

Pessar's (1982) fieldwork on the impact of emigration from a rural community in the Dominican Republic to the United States poignantly reveals the impacts at the local level. The rural migrants whom she studied tended to be from better-off families who could afford to help with the process of migration by providing loans, employment contacts in foreign countries, or assistance in obtaining visas. Migrants, in turn, provided remittances that allowed families to decrease agricultural production.<sup>10</sup> Larger estates hired fewer agricultural workers from among the poor, leading to higher unemployment. Emigrants often bought land at inflated prices and allowed it to lie fallow, further decreasing agricultural production and employment as well as increasing land prices and inducing smaller landholders to sell. The national bias against small peasants (Vedovato 1986) was unwittingly reinforced.

Some authors have pointed to similar processes to suggest the over-all negative of remittances. They argue that while remittances may help specific households, they may also hurt the economy as a whole (Baker 1997; Brana-Shute and Brana-Shute 1982; Pessar 1982; Rubenstein 1982). Others have considered the experiences and impact of returning migrants on local economies, seeing immigration not as a singular event but as a cycle, often with several stages of leaving and return (Martínez 1995; Maurer 1997; Muschkin and Myers 1993; Thomas-Hope 1999). Nevertheless, migration – especially within the region – has a long historical precedent and is seen

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9. For example, in Guyana and St. Lucia, only 10% of emigrants are poor, due to the high costs of emigration. Although one-third of households in Guyana receive remittances, only 13% of these are among the poorest quintile. For these poor households, however, remittances provide an average of one-fourth of the household income. In the Dominican Republic, only 2% of the poorest quintile of households receive remittances, while among the highest quintile this number is 6% (Baker 1997:46).

10. Although over half of the Dominican Republic was rural at the time of Pessar's study, less than a quarter of international migrants came from rural areas.

by many as a common survival strategy for the region (Duany 1994; Richardson 1983; Valtonen 1996).

Be that as it may, given the profile of most Caribbean migrants in their country of origin and their track-record in North America, their departure constitutes a serious loss in human capital. A common Haitian saying is that there are more Haitian doctors in the city of Montreal than in the whole of Haiti. Regardless of its mathematical correctness, the saying expresses the national sense of loss. Given the unequal distribution of human resources between cities and countryside throughout the region, such losses bear more heavily on rural residents. They certainly contribute to reduce further rural residents' already limited access to national or local state services, notably health and education.

### **Differential Access to Services**

Indeed, unequal access to state services may be the most blatant mechanism of economic exclusion of Caribbean rural populations. In general throughout the area, government spending is first oriented toward urban centers. Expenditures directed toward rural populations enter national budgets often as leftovers – except in a few limited domains (such as education, at times) and in a few countries (such as some former British colonies). Health services, in particular, are lacking or limited. Nurses rather than doctors, clinics rather than hospitals, limited hours rather than constant access are the norm. Unequal access to services, which already acts on its own as a major mechanism of economic exclusion of rural populations, thus gives new momentum to the depletion of resources and the intertwined cycles accelerate.

### *The Urban Areas*

As a result of the urban-rural migration, what happens on the urban scene often consolidate the urban/rural divide. Caribbean capitals, have grown tremendously in the second half of this century. In spite of some declines, the annual urban growth rate has generally maintained a steady pace between 1970 and 1995. With the exception of the Bahamas, the highest growth rates in the region for these twenty five years can be attributed to a large extent to rural-urban migration, and especially migration from peasant

areas – as in St. Vincent, the Dominican Republic, Haiti, Jamaica, and Dominica (Portes *et al.* 1997) As a result, high ratios of urban residence rarely reflect the strength of an urban-based (or urban-oriented) economy – as in the Bahamas or Trinidad.<sup>11</sup> Most often, they are due to ongoing migration of rural individuals seeking better opportunities.

### *Urban Macrocephalia*

The Caribbean urban scene can be characterized as a case of urban macrocephalia, in which capital cities, looming as gigantic heads of small national bodies, engulf most of the urban population. The development of new activities in secondary provincial towns alleviates at times the demographic burden on the capital. Tourism in Northern coastal towns and bauxite extraction in the interior have helped to reduce Kingston's primacy in Jamaica. Similar trends have affected the Dominican Republic, though to a smaller extent (Portes *et al.* 1993, 1997). Still, most often, in the absence of a spectacular touristic development, most provincial towns lose residents or become stepping stones to longer migratory flows to the capital or to foreign lands.

Poorer residents of the capital towns, most often recent migrants, face processes of social exclusion that echo those of their rural parents or relatives, including differential access to assets, to markets and services. Often, the urban poor display coping strategies similar to those used in the rural areas. But mechanisms of exclusion pick up a different momentum in the city, generated by the necessities of urban life. For instance, the lack of governmental services in some of the poorest neighborhoods – such as lack of tap water, which affects more than 70% of the Port-au-Prince population (Manigat 1991) – cannot be alleviated by the natural environment.

Two crucial changes further impact on the lives of migrants from rural areas. First, they lose the safety net of both the extended family and the family-based network of friends that are the ultimate protection against starvation in the countryside. Second, they find themselves in a context characterized by the overwhelming necessity of cash transactions.

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11. Similarly, high rural residency figures may hide the relative strength of the urban economy as in Barbados.

## Denial of Labor Rights

The urban poor who managed to find employment face differential access to labor rights, especially in light of the general weakness or absence of unions, especially in export-oriented free-trade zones (Frundt 1998). Differential access to the labor market thus takes the lead among processes of exclusion. Unemployment becomes the most immediate problem and the dominant mechanism of socioeconomic exclusion.

Safa (1995:99) reports that female factory workers in the free trade zone of La Romana in the Dominican Republic risk being blacklisted from all factories in the zone for attempts to unionize. Gender thus intertwines with the denial of labor rights in a country where organized labor represents little more than ten percent of the work force and where there are reported cases of forced or coerced factory labor (U.S. Department of State 1997b). Organized labor is even weaker in Haiti. Only in some of the former British colonies, and only in certain sectors of activities, does a strong tradition of organized labor tend to protect workers (Thomas 1984, 1988).

In search of cash, many of the urban poor turn to the informal economy and personal services. More research – both qualitative and quantitative – is needed to evaluate specific processes of social exclusion in the informal economy per se. We know that abuses and the denial of rights can increase. A lamentable case is that of the Haitian "restavèk," rural children who are sent to work as unpaid live-in domestic servants in urban middle-class and elite households in Port-au-Prince.

## THE SOCIOCULTURAL DIMENSION

The sociocultural dimension of exclusion strengthens the findings and analyses of the socioeconomic dimension. Here again, the resemblance between countries with a large peasantry is striking. In other countries (e.g., Guyana and Trinidad) the immigration of indentured laborers to work on the plantations created an ethnic divide that still endures (Premdas 1996; Munasinghe forthcoming). Exclusion along ethnic lines also happens in countries that include a substantial number of non-citizen immigrants tied to specific low-paying jobs, such as in the Bahamas or the Dominican Republic (Lemoine 1981; Martínez 1995). Differential access to the dominant language, religious differences, skin color, and other sociocultural attributes and markers also matter. Key to the heuristic coherence of that

dimension is the proposition that sociocultural exclusion processes coalesce in the segmentation of the population in groups that are inherently disadvantaged because their culturally marked origins give them low access to social and cultural capital. Such sociocultural markers may include color, ethnicity, or national origins; language; or gender, as we will see in turn.

## **Sociocultural Prejudice**

The rural/urban divide is relevant also in the sociocultural dimension. To start with, dominant ideology both reflects and reinforces the divide. One extreme example is the case of Haiti, where the Haitian expression "mounn anderò" (indicating "people outside" or "outsiders"), is used to describe peasants or urbanites of peasant origins, verifying the lack of sociocultural cohesion on the national scale. Similar expressions, even when less brutal (such as "campesinos"), carry implicit prejudice.

## **Color, Ethnicity, and National Origins**

The undisputed position of whiteness at the top of the social pyramid throughout of plantation slavery has had deep consequences on the relationship between physical aspect (phenotype) and position in Caribbean social structure. Across various theoretical lines (Lowenthal 1973; Smith 1965; Stolcke 1974), there is little dispute on the existence of a historically honed color gradation in which blackness reduces social status. Today, and in spite of the rise of a nationalist rhetoric in 19th-century Haiti and later, throughout the region, dark skin has lower sociocultural value in all Caribbean countries (Nettleford; Rubenstein 1987:58). Color prejudice functions throughout the area, in different degrees, as a mechanism of exclusion. Neither the presence of a black segment of the elite nor the strength of a "black" political bloc contradicts the fact that light-skin has an exchange value, often captured in matrimonial alliances that enhance the social and economic possibilities of the new breed (e.g. Trouillot 1988, 1995).

Exclusion along ethnic lines (that often coincides with color) also happens in countries that include a substantial number of non-citizen immigrants tied to low-paying jobs. Descendants of Haitians who were born in and are citizens of the Dominican Republic are routinely treated as foreigners and subject to low-pay jobs on sugar plantations, deportations,

and even the destruction of their identity cards by Dominican soldiers (Martínez 1995: 9-10; see also Moya Pons *et al.* 1986) Recent immigrants from Haiti and Dominica also face exclusion on grounds of national and ethnic origins in the Bahamas and the British Virgin Islands, where their children are denied citizenship (Maurer 1997).

In other countries (e.g. Guyana and Trinidad) the much older immigration of indentured laborers from Asia (India, in particular) led to an ethnic divide that first reproduced some of the traits of the urban/rural dichotomy, as citizens of African descent moved to urban settings and gained control over the state, Indians remained mostly in the rural areas. However, over time, due to changing national institutions and further economic possibilities many ethnic Indians gained serious socioeconomic mobility and political positions – notably in Trinidad. Further, as states became less interventionist, the possibility for the black political elite to feed itself from the state apparatus and/or to control political discourse declined (Maingot 1996; Munasinghe forthcoming). Thus, we may be facing a situation in Guyana and especially in Trinidad where both major ethnic groups face social exclusion on the basis of ethnic identity but in different realms of both private and public life.

## **Linguistic Divides and Continua**

Language is often a central cultural marker that leads to the exclusion of "outsiders." In a number of Caribbean countries, a distinct native language (*Creole*) developed and became not only the language of the majority, but in many cases the only language for many. Creole languages have been socially undervalued for centuries. Yet even when they have now achieved official recognition, their value as sociocultural capital remains absolutely inferior to the dominant European language of the territory. Not having decreased sociocultural value not only reinforces prejudice per se, it also affects economic chances, such as job opportunities. Formal education does make a difference, but as we will see later, national educational systems have their own inherent limits.

## **Gender Roles and Exclusion**

The issue of gender highlights how multiple causes can feed into the exclusion of a socially defined group. Gender is a central category of

exclusion in the Caribbean but it is different from the gender differentiation in North Atlantic nations. The gender division of labor in rural areas and the economic independence of market women in many Caribbean countries, notably those with strong peasantry, belie the notion that women in the South are necessarily "behind Western women" in a unilinear continuum of gender equality. However, the comparatively high independence of market and peasant women to carry their own business does not mean the absence of a patriarchal ideology. To the extent that this ideology permeates social relations, exclusion on the basis of gender obtains in a number of Caribbean situations, both rural and urban (Coppin 1995, 1997; Ellis, Conway and Bailey 1996; Mair 1988; Ortiz 1996). Differential access to property along gender lines, which was not the norm in most peasant situations, is now exacerbated by the demise of the peasant economy (e.g. Oriol 1992).

When poor rural women move to urban settings, they confront two kinds of exclusionary forces working against them. During this transition, they tend to lose whatever economic independence and social networks – including gender specific kin solidarity – they may have had in rural areas. Yet Caribbean urban settings are not more liberal on gender issues than rural areas. Indeed, the opposite could be argued on some points, as patriarchal ideology still dominates and migration to cities therefore reinforces gender differentials, creates new patterns of exclusion and domination that often put newly arrived migrant women in worse situations than both their North Atlantic counterpart or the rural sisters they left behind. In general, women workers in urban settings are under-remunerated, and have little legal protection from either unsafe working conditions, low wages, or sexual harassment or abuse in the workplace. That is the case for factory workers as well as paid or semi-indentured domestic workers.

Finally, domestic violence against women is pervasive throughout the region. There is little legal recourse or protection for victims and societal attitudes toward this issue are at to some extent permissive. According to a U.S. official report, in the Dominican Republic, "domestic violence and sexual harassment are widespread. There are no laws protecting citizens from abuse by their spouses, and victims rarely report such abuse" (U.S. Department of State 1997b).<sup>12</sup>

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12. Another specific case where exclusion is based on lifestyle is the case of homosexuals, especially males. Caribbean societies are homophobic societies. The varying degrees of penalization of male homosexuality go from public ridicule or denial of employment to public beatings, to state penalization in Cuba.

## THE INSTITUTIONAL DIMENSION

The institutional dimension emphasizes processes that contribute not only to political exclusion as such, but to exclusion from national affairs as shaped by the presence, absence, or workings of formal institutions. I take institutional life in the broadest sense of participation to include not only such favorite indicators as formal political participation in local and national elections but also the institutional strength of civil society, its capacity to organize, and its ability to establish channels between the state and the citizenry.

In many Caribbean territories, notably a number of British colonies, the solidification of political or civil institutions – such as Parliament, independent presses, labor unions, the civil service or the educational system – happened before independence or even often before the demise of the plantation system. Countries that have been able to build upon that institutional strength now secure greater participation in national affairs than those that never had that base or managed to weaken it (Premdas 1996). A central issue here is the degree to which the consolidation of civil and political institutions in Caribbean societies predates the transformations of the agrarian-based economy. Equally important is the degree to which the reach, strength, and independence of institutions have facilitated or impaired the participation of significant segments of the population in national affairs. At this level we need to recall the fragmented genesis of the Caribbean. Most Caribbean institutions were never meant to serve the whole population of the respective territories. Institutional memory, history and practice have honed them along lines of exclusivity. Still today, national institutions tend to exclude rather than include a majority of the population into their specific sphere of activities.<sup>13</sup> They tend to be incapable of alleviating processes of exclusion. By and large, they have impaired rather than facilitated the participation of significant segments of the population in national affairs, and give them little power in decisions that affect their own future. Viewed in light of their effectiveness at integrating their respective nations, Caribbean institutions are fundamentally weak.

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13. There are two blatant exceptions to this institutional weakness, the military and the Catholic church, especially outside of the English-speaking Caribbean. It is worth noting that these institutions were created from the outside – such as the Haitian or Dominican army, both creations of the U.S. Marine Corps – and with the help of national governments. So to a lesser extent is a third institution, the national school system in most English-speaking countries. That outside-induced institutions helped by the state can claim a national reach says something about the role of the state in nation-building. That other Caribbean institutions cannot, is a sign of their weakness.

## Political Sphere

The relevance of the institutional weakness at the political level can be best seen when we look at democratic practice and its concrete results. Most Caribbean countries have formal democratic systems. However, the extent to which certain groups or individuals actually participating in shaping national affairs varies greatly. Populist and clientelist politics dominate and traditional power networks operate in most of the countries (Gray 1994), increasing the disconnect between formal and actual rights, which characterizes most of continental Latin America (ILO 1995:15).<sup>14</sup> In summary, the superficiality of democratic rule entails both the incapacity of individuals to exercise the rights supposedly guaranteed by law and the incapacity of institutions to structure relations independent of the individual who are temporarily in government positions.

Discussing Jamaican politics, Lundahl (1995:344) notes that both major parties in Jamaica use varied methods, including patronage to gather votes. He adds: "All these methods, however, seem to have one thing in common: they are designed to obfuscate, to increase the costs to opponents and voters of revealing the government's true intent." This is not to suggest that the guarantee of electoral practice, widespread in most of the English-speaking Caribbean is meaningless. Nor is it meaningless to have judges there who most often do not take direct orders from the Executive. The point here – and the lesson from Lundahl's observation – is that the general weakness of national institutions, although varying in degrees, effectively circumscribes the final efficiency of any single set of institutions, including the political ones.

The point is best made by starting with the extreme case of Haiti. The unruly nature of the political sphere there exacerbates process of social exclusion because it restricts and sometimes annihilates forms of interaction – both civil and political – that could challenge mechanisms of exclusion. For instance, the extreme politization of labor unions reminds us of many English-speaking territories within the region. The qualitative difference is that the total dominance of the political sphere in the Haitian case leaves little room for already politically biased unions to intervene with any kind of effectiveness on behalf of workers' rights. They have little room to

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14. O'Neill (1990) shows the gap between formal and actual rights in the extreme case of Haiti under military rule, when widespread military corruption led to long detentions in jail without charges, seeing a lawyer, and physical abuse, often avoided with bribes. His arguments extend to previous states of affairs where rights existed only on paper. Further, similar discrepancies are experienced by other excluded populations – such as migrant laborers, factory female workers elsewhere – in the region.

maneuver outside of state politics and thus they tackle few labor-specific issues outside of an immediately political context. Institutional weaknesses feed into one another. As extreme as that case is, the argument here is that the structural features it suggests are not rare throughout the region though they emerge under various forms.

The limits to the effectiveness of the parliamentary system in Trinidad provide a different example. Ethnic divisions there lead to the difficulty of formalizing anything close to a broad social agreement, which is essential for the functioning of state institution. Programs can be passed or stopped on the basis of ethnic partisanship with little relation to their national effectiveness, as Premdas (1996) suggests was the case of Trinidad's failed National Youth Program.

## **Other Institutions**

While many institutions generally provide a poor level of services and resources, how those resources are distributed also reveals processes of exclusion. In rural areas there is a lack of working institutions. For example, health care in the region is a largely urban institution, and the top elite often use health facilities outside of their nation altogether.<sup>15</sup> The lack of faith in public institutions that provide health care leads to a situation of increasing disparity. Those who have the power to determine budgets and resource allocation to national institutions are not relying themselves on these institutions as they go abroad to get quality services.

The region's health care systems are located disproportionately in cities. A recent report by CONFEMEL stated that in the Latin America and Caribbean region as a whole, there has been a concentration of doctors in urban areas. It attributes that concentration to the fact that resources needed for running a practice are available only in cities. So while the region as a whole (with Haiti as a notable exception) has an increasing number of doctors, rural areas are losing their doctors to cities (Inter Press Service 1999; also see Guerra de Macedo 1992). Thus, policies aimed at rural health must consider the allocation of both material and material resources. Opening clinics in rural areas will not be enough without the guarantee of a permanent staff.

Where governmental institutions are failing to provide needed services for their citizens, other organizations sometimes step in. For example, in Haiti, where "public sector institutions have all but broken down," 1.5

15. Thus after a failed attempt on her life, the sister of the Haitian president was sent to Cuba for relatively minor medical care rather than receiving it at home.

million people – more than one-fifth of the country – receive health care services from local and international NGOs (Baker 1997:41).

Although chronic diseases are an important health problem in the region, contagious diseases disproportionately affect the poor, especially where public-health care systems that they rely on have limited resources and react slowly (Hammer 1996; Weil and Scarpaci 1992:5-6). The 1980s economic crisis may have created larger disparities in health care, as public spending decreased and across the board public subsidies for health care tend to help the rich more, as those who could previously afford private care were forced to turn to public services (Guerra de Macedo 1992:35). Finally and obviously, the lack of medical insurance – especially for poorer segments – leads to larger discrepancies in care (Hammer 1996:6-10). Thus, some observers have suggested that the public sector should focus on problems least addressed through the private sector and that disproportionately affect the poor, such as contagious diseases and clean water.

Education in general provides a good example of an institutional system that claims to be national but does not serve equally the majority and contributes to exclude substantial segments of the population from some forms of participation. First, levels of support are clearly advantageous to groups that are already better-off. For example, universities in the region are for the most part public, and supported by public funds. However, the proportion of the poorest segments of the population who attend universities is disproportionately low. Enrollment in tertiary education among poorest quintile in Jamaica is 1.6%, while in Guyana it is only 1%. Nevertheless, in the Caribbean region per capita expenditures on tertiary education are 15-25 times higher than those on secondary education, and 50 times higher than those on primary education (Baker 1997:137).

The results on primary and secondary education are more mixed. Many countries of the English-speaking Caribbean where primary education developed as a national institution before the downfall of the plantation system stand as world exemplars. Among those, Barbados further stands out.<sup>16</sup> In others, both primary and secondary education serve as institutional node to reinforce social exclusion. Miller (1992) suggests that even reforms aimed originally at reducing exclusion can perversely reproduce it. For example, Haiti's 1978 primary school educational reforms are telling of the processes of exclusion that both feed into and result from the educational

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16. Barbados spending on education as a percentage of government expenditures (19%) and of GNP (7.2%) is high for the region. Over half of the children go to pre-school. Teachers are better trained as a result of a better educational system. For example, primary school teachers all have at least a high school certificate, 73% have a teachers' certificate, and 10% have bachelor's degrees. This is a positively reinforcing cycle (Miller 1992:119-143).

system. These reforms placed the formerly separate administrations for urban and rural education under one Ministry. Creole was introduced as the language of instruction, replacing French, but this was met with some opposition by many parents as they accustomed to language as a form of social capital that education should impart; Creole, as an excluded language, would only serve to further reinforce the exclusion of their children. As private schools did not implement these reforms, many parents switched their children from public to private schools. Thus, in the decade when the largest investment had been made in Haiti's primary education system, less than half the primary school students were in the public system. This strain on the private educational system led to a lowering of teacher standards in order to lower costs, with the result that the teachers in the private system are less qualified than those in the public system. Private schools for children of the upper class are, of course, an exception, as they have the funds to maintain quality teachers. These institutions contribute to maintaining social class distinctions (Miller 1992:145-167). In an unchanged situation of exclusion, even attempt at reform can lead to greater differences.

## CONCLUSIONS

The purpose of this section is to suggest ways to address policy issues and to indicate the kind of research needed to guide policy, rather than to prescribe specific "inclusionary" policies. It became clear while writing this document that the majority of data most currently collected – particularly on the quantitative side – does not provide the information necessary to derive specific policy instruments to alleviate social exclusion. Existing statistics underplay the heterogeneity of the Caribbean in terms of the rural-urban divide, the various ethnic groups, across gender, etc. Given that categories of people are not obvious, and must be broken down into different kinds of units in order to see the multiple streams of social exclusion at work, it will seem obvious that problems must be similarly broken down. Units such as "health care" or "women's rights" cannot be considered independently of the forces that create and maintain these forms of exclusion.

The social exclusion approach suggests that reform in one substantive area may be counterbalanced by the potential impacts it may have or the constraints that may exist in another domain and between them. No amount of investment in medical education, for example, can alone provide adequate doctors for rural areas where urban migration is a prevalent force. Nor will civic training of individual officials prevent corruption where the structure

of institutions encourage corrupt practices. What matters is the interaction of these factors.

The key implication for the way we think about social policy in the Caribbean, is that we need to identify the nodes at which processes of exclusion intertwine into the institutional settings that (re)produce social exclusion. While policy instruments should be targeted to specific components, all interventions should consider in their design the potential interactions between the different factors that are generating social exclusion. To give one example, Haiti is full of urgent problems, one of them springs from the relationship between poverty and the environment (Lundahl 1979). No material intervention is more important than stopping environmental degradation. This does *not* mean that other problems are less urgent. It does mean that tackling this problem is more likely to have serious and long-term consequences on others. Yet at the same time, given Haiti's institutional weakness and the marginalization of its peasantry, environmental programs need to be coupled with, or indeed integrate, interventions that will allow the peasantry to enhance its power of decision at the local level. Indeed, only the achievement of the institutional changes required to increase participation at the local level can guarantee the success of environmental programs. The case is unique but the lesson can be generalized. Throughout the region reform has to insist as much on institutional strength, reach, and representation as on content.

Official institutions in the Caribbean are *not* national institutions. So-called formal institutions are institutions whose national reach has been claimed by the state, but whose national effectiveness is dubious. They need to be made national in terms of reach and representation, both geographical and social. This is not just a matter of service delivery. The key issue is participation vs. exclusion. A majority of Caribbean citizens are excluded from the processes that coalesce around these institutions. They are excluded as entrants. They are excluded as outcome. In that sense, Caribbean institutions need to become truly national. That nationalization, in turn, can happen only at the local level.

Finally, in spite of the magisterial failure and weakness of the most visible and formal institutions, there are local institutions which, despite the forces of exclusion working against them, have nevertheless shown remarkable resilience and strength. To call them informal is in part to miss the point of their effectiveness. One thinks of the internal marketing of common consumer goods and foodstuff and the mostly independent market women who sustain that system. One thinks of the various peasant associations so often neglected by both state and NGO workers who walk in the countryside eager to impose their own model of what civil society should be. However,

more research is needed to identify these institutions, to understand how they work, why they work and when and where they falter. Policy must absolutely target them and support them in order: a) to strengthen their reach and nodes – as informally as necessary if research suggests that option; or b) to allow them a smooth transformation to a more formal level if both needed and possible. This also means, of course, that we should have the extreme humility required to talk less about or for the region's excluded and listen more carefully to what they have to say about their exclusion.

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# RACE, POVERTY, AND SOCIAL EXCLUSION IN BRAZIL

NELSON DO VALLE SILVA

Research about racial exclusion in Brazil is not a novelty, nor is it scarce. It was initiated at the end of the 70's as a reaction to the anthropological/sociological literature dominant at the time, which rejected the hypothesis that racial discrimination could play an important role in the distribution of opportunities in Brazilian society.

In fact, two major hypotheses seem to characterize the "classic" literature that deals with racial relations in Brazil. In the first case, race does not play a significant role in the social mobility process, and the present situation of non-whites is explained basically in terms of their initial position of relative disadvantage (E.g. Freyre, 1993; Pierson, 1955). Much emphasis is placed on the history of slavery of the non-white population and adopting a perspective basically of assimilation, with the belief that, in time, the colored groups will be incorporated into the mainstream of Brazilian society. Even theorists who admit the existence of prejudice and racial discrimination in Brazil believe that these practices are a reflex of class discrimination (Ianni, 1972) or a cultural heritage from the past (Fernandes, 1972). Therefore, it would be considered an occurrence that is in the process of extinction and will be dissolved by the progressive acquisition of adequate human capital by non-white people.

The second dominant hypothesis refers to the supposedly privileged position occupied by the mulatto population in Brazilian society. According to this hypothesis, and associated with the idea of a mulatto "escape hatch" (Degler, 1971), pardos enjoy more opportunities for social mobility than blacks and reach higher economic, educational, and occupational levels. The miscegenation that spread throughout Brazil was important in reducing the difficulty of racial relations, because the discrimination against persons of

"mixed blood" is supposedly less than against black people. Note that this is supposedly the essential aspect that distinguishes the system of race relations in Brazil from that of the United States.

These ideas only began to be questioned at the end of the '70s. Hasenbalg (1979) and Silva (1978; 1980) called the attention to the fact that it is likely that racial discrimination could represent a significant role in the functioning of the labor market, much like exploitation and competition. Instead of considering prejudice and discrimination as an irrational cultural inheritance from the past, these authors suggested that racial stratification is rooted in the actual social structure of Brazil, racial discrimination being a rational reaction to conflict of the groups in competition for scarce social and economic resources.

In other words, these authors argue that race (or, in the Brazilian terminology, "color") is a relevant criterion in the definition of exclusionary strategies that configure the system of inequality, which characterizes Brazilian society.

Following this path, many empirical studies were realized to try to quantify the extent of racial discrimination in the Brazilian labor market. Silva (1978) analyzed the racial differentials in income in the Rio de Janeiro area, using the Brazilian census of 1960. This study presented various conclusions. The first was that, contrary to the above-mentioned hypotheses, blacks and pardos seem to present very similar profiles.

This is particularly true in relation to the findings regarding work and education, but similar results were also obtained in relation to other variables. They arrived at the important deduction that judging blacks and pardos as components of a homogenous "non-white" racial group does not constitute an excessive violation of the statistical reality of these groups.

A second conclusion was to recognize the substantial differences in the economic levels of whites and non-whites, just as when we examine the variables relevant to the process of determining income. While the variation of the differences of income attributed to discrimination in the labor market may be lower than in other places, a substantial portion of these inter-racial differences in Brazil seem to be caused by discriminatory practices. That is, it was demonstrated that although whites appear to be disposed to certain advantages at a lower level of achievement, these advantages are surpassed by superior results in work and education returns enjoyed by *whites*. (p. 152) The final result is that non-whites are only disposed to one advantage relative to whites, either in their initial entrance into the job market or at very low qualification levels, normally in poor locations such as rural areas. Whites are much more efficient at converting their experiences and educational investments into monetary returns, while non-whites suffer increasing

disadvantages in climbing the social ladder. These findings resulted in the rejection of the two principal hypotheses of Brazilian sociological literature: it is not true that pardos behave in a manner different from blacks, nor is it true that a person's race is of little importance in reaching a determined level of income. On the contrary, it was discovered that whites enjoy many more advantages in the job market. Nevertheless, the data also lead us to the surprising conclusion that, at minimum, blacks were slightly less discriminated against than pardos, contradicting the conventional wisdom of the historical sociological literature.

Silva (1986) later amplified this analysis with the intention of including more variables and other regions based on the 1976 data from PNAD. The results confirmed in great part those obtained in previous work. He estimated that, for Brazil as a whole in 1978, close to 33 percent of the difference in income between blacks and pardos could be attributed to discrimination in the labor market. The corresponding number for blacks was 26 percent. So, once again, the surprising result was reached that blacks seem to be less discriminated against than pardos.

Then, Lovell (1989) analyzed the racial inequality in income of workers in all metropolitan regions of Brazil. Using data from the 1980 census, his estimations indicate that the median income of the non-white population is almost half that of the white population. Lovell concludes that, for blacks, 25 percent of the difference in income can be attributed to discriminatory practices, and, for pardos, 32 percent. Lovell observed that non-whites receive differential treatment in the job market, contrary to what Silva (1980) concluded. There exist significant differences between blacks and pardos. Also, it was discovered that income discrimination varies according to region, industrial sector, and occupational position.

Lovell (1994) further demonstrated that the effects of racial inequalities and gender are very complex in that salary differences depending on gender are greater than those according to race in some occupations, while in others the racial factor is more important. Income differences based on gender are greater in occupations of higher status such as technical, professional occupations as well as in some low status jobs (such as unqualified personal services). On the other hand, in certain sectors, such as office work and qualified manual labor, the differences tend to be greater depending on a person's color, not gender. In summary, what these studies have done over the last two decades is demonstrate the significance of exclusionary factors of racial order in the configuration of Brazilian social inequalities.

## REFERENTIAL AMBIGUITY, SOCIAL RACE AND MISCEGENATION

Before entering into a more detailed analysis of the actual situation of the racial inequalities in Brazil, it is important to discuss some topics that will allow us a realistic vision of this complex reality. It deals with topics related to the peculiarity of the system of racial identity and of the extensive and intimate interracial contact, fundamentally characteristic of the racial relations in this country. In order to do this, we will use the data of a national study on race and racial preconceptions, realized by the newspaper *Folia de Sao Paulo (Datafolha)*. This study is considered to be the largest and most complete study done in the country.

Lets consider first the arduous question of racial identity. Anthropological work has repeatedly demonstrated that Brazilians can be very imaginative in respect to terminology regarding race/color. *Datafolha's* 1995 study formulated two questions about self-identification of color on the part of interviewees: one open question, in which the interviewee had the liberty to express himself in his own terms, and another question with multiple choice options patterned after those used in the official census. While the open question produced dozens of terms to designate the color of one's skin, there was a considerably high concentration of certain terms. The relative distribution of the responses was the following:

**Table 1**

### Self-identification by color

"BRANCO"	39.0%	"CLARA"	2.0%
"Moreno"	35.0%	Mulato	1.0%
"Moreno" claro	7.0%	"Escura"	1.0%
Pardo	6.0%	"Moreno" escuro	1.0%
Negro	4.0%	Amarelo	1.0%
Preto	3.0%	Outros e DK	2.0%

N.E. Due to particular sense of each color category used in the manuscript original brazilian denominations have been maintained.

The principal problem here seems to be the fact that a large proportion of the Brazilians see themselves as "morenos," this term is not included in the official census terminology. Besides this, there is much ambiguity and uncertainty as to the application of this term, which is used by almost 43 percent of Brazilians. When these "morenos" classify themselves using the official terms, half of them classify themselves as "pardos", and the other half consider themselves white, black, or other.

More disturbing than the use of terminology different from the official terminology is the apparent effect of socio-economic conditions on color identity. The 1995 research by *Datafolha* also included a classification of the color of the interviewee attributed by the interviewer. When we compare the responses of the interviewees with those of the *interviewers*, we encounter significant discrepancies. There are indications that these discrepancies are connected to the socio-economic situation of the interviewees (Silva, 1994), in the sense that the "whitening" responses (relative to the evaluation of the interviewer) tend to come from the better-educated and wealthier interviewees while the "black" responses tend to come from persons of lower socio-economic levels. While of reduced significance, this effect tends to support the correlation between self-classification by color and socio-economic conditions.

Another important question is that of miscegenation and inter-racial marriage. It is a known fact that inter-racial marriage, more common in Brazil than in other multiracial societies, constitutes the main process by which miscegenation continues to occur. Despite the fact that marriage between persons classified in the same color group which are estimated at nearly 80 percent of all married couples – (Berquó, 1991; Lago 1998; Scalon 1992) – the other 20 percent still constitutes a relatively high number. A curious and important consequence of the high rate of inter-racial marriage is that, although the majority of the Brazilian population define themselves mainly as white, the majority of families have at least one person they classify as non-white. So if we classify the "color of family" in terms of the color self-declared by the couple – utilizing the categories white, non-white, and mixed – we obtain the values presented in Table 2. As we can see, in 58 percent of the Brazilian families, at least one of the spouses is not white.

Additionally, there exists an almost symmetrical variation when we consider the economic situation of the family: 78 percent of the lower income families include at least one non-white person in the couple; while in the higher income quintil, this proportion is 25 percent.

**Table 2**

**Color Of Family By Income Level Of Families**

INCOME LEVEL OF FAMILIES	FAMILY COLOR			TOTAL
	White	Non-White	Mixed	
1° (20-)	21.9	59.4	18.7	100%
2°	30.4	48.7	14.9	100%
3°	47.7	39.5	12.8	100%
4°	61.0	28.8	10.2	100%
5° (20+)	75.0	15.0	10.0	100%
Total	41.9	44.1	14.0	100%

Source: PPV 1996/1997, Tabulations of the author, Note: Total number of families 25,466,291.

*Datafolha's* study also contains interesting information about this topic. For example, it was asked if the interviewee had had a boy – or girlfriend or spouse of a different color than his or her own. Nearly 16 percent of the interviewees had married someone of a different color than their own.

Another important topic that *Datafolhas* study permits us to review is the prevalence of prejudice and racial discrimination in Brazilian society. Contrary to what might be expected, considering the importance of the ideology of racial democracy in Brazil, when faced with the question, "Are whites prejudiced toward blacks?" Nearly 90 percent of the interviewees said "yes" and 61 percent qualified the affirmation, adding "very". Moreover, this response does not seem to vary according to color, although there is evidence that the positive responses increase with higher educational levels (Hasenbalg and Silva, 1993).

*Datafolhas* also dealt with the real experience of discrimination (Table 3). When the question was asked, Do you feel discriminated against due to your color? Seventy-seven percent of the non-white interviewees indicated that they themselves had never experienced discrimination. There are, however, significant differences between black and "pardo" interviewees, the latter recounting much less experience with discrimination than blacks. As much for blacks as for "pardos", the circumstances of discrimination were spread out over an ample spectrum of situations, from discrimination in the workplace to jokes and commentaries.

**Table 3**

**Discriminatory Experiences According to Self-Classification and Color**

ONLY FOR BLACK AND "PARDOS": HAVE YOU EVER FELT DISCRIMINATED AGAINST DUE TO YOUR COLOR? IN WHAT SITUATION?	SEX				TOTAL
	Men		Women		
	Blacks "Pardos"	Blacks "Pardos"	Blacks "Pardos"	Blacks "Pardos"	
<b>YES</b>	36	17	37	15	22
-Lost opportunity/work	7	4	10	3	5
-Discrimination in the workplace	6	3	9	2	4
-Discrimination in public places	6	4	5	2	4
-Not accepted by the family of the boy/girlfriend	5	2	3	2	3
-Discrimination by students and professors	8	1	5	2	3
-Commentaries/jokes, etc.	4	2	2	1	2
-Other answers	7	3	8	3	4
-Doesn't know/remember	2	1	2	1	1
<b>NO, NEVER</b>	64	83	63	85	77
Total	100	100	100	100	100
Sample (judicious)	296	650	91	666	1974

Source: Datafolha Study, 1995 – Published by Redefolha.

Finally, I think it is important to note that the elevated levels of interaction between racial groups in Brazil at the same time reflects and causes the very low levels of spatial segregation in Brazilian cities. Telles (1995), utilizing the classic indices of dissimilarity, found the level of spatial segregation not controlled by the socio-economic situation to be around 43 percent in Rio and 41 percent in Sao Paulo. Comparative values in American cities vary between 70 and 90 percent. Additionally, when studying the economic level of the families, the values between the poor in the Brazilian metropolitan areas are much lower than the above-mentioned values, while the levels of segregation in the USA are similar at all income levels.

## DEMOGRAPHICS AND LIVING CONDITIONS

The picture of racial relations in Brazil, which combines in complex manner the consciousness of discrimination with the intimate relationships between racial groups, must be completed with a panorama of the inequalities of socio-economic order. As I will attempt to demonstrate, the literature that touches this vast array of racial relations paints the background of a sociological dynamic in which blacks and "pardos" are subjected to disadvantages that accumulate throughout the phases of the individual's life and those disadvantages are transmitted from one generation to the next:

We begin with the racial composition of the Brazilian population. Conducting an analysis throughout time, we observe that, in 1890, the white population comprised a minority of the population at 44 percent. However, between 1890 and 1940, there was a significant increase in the white population due to the immigration of many Europeans around the end of the century, promoting what is called the "whitening" of the population. Upon examining the census of 1940, we verify that whites came to represent 63.5 percent of the Brazilian population. A similar phenomenon occurred with "pardos" in the period from 1940 to 1980, when there was a proportional increase their population. Naturally, at the same time, the proportion of blacks and whites dropped. In 1980, the proportion of persons who declared themselves "pardos" was 38.5 percent, representing a 9 percent increase compared to 1940. In this same period, the white and black populations decreased by 6.2 and 2.8 percentage points, respectively. Since then, a certain stability has been observed in these proportions. So, the data from 1996 (PNAD) reveal that about 55.2 percent of the population calls itself white (2.1 percent less than in 1980), followed by "pardos" at 38.2 percent, blacks at 6 percent, and yellows at 0.6 percent.

These tendencies result from the combination of three basic factors: the difference in mortality rates, fertility rates, and rates of miscegenation. In respect to the first factor, significant race-related differences have been verified in the probabilities of survival during the first year of life and in life expectancy. So, in 1980, infant mortality was 77 per 1000 live births amongst whites and 105 per 1000 amongst non-whites; this last rate corresponds to that observed for whites 20 years before (Tamburo 1987). Similarly, the life expectancy of blacks and "pardos" in 1980 was 59.4 years, compared to 66.1 years for whites. This difference is very close to the difference of 7.5 years observed between these groups in 1950 (Wood and Carvalho 1988; Tamburo 1991). The disparities in fertility are also significant in that, during the highest point of Brazilian population growth, they reached the value of 5.6 children for mulatto women, 5.1 children for black

women, and only 3.5 children for white women. In respect to miscegenation (see Hasenbalg, Silva, and Barcelos, 1989), we examined its impact when we analyzed the racial composition of the families in the previous section.

So, Berquo (1988, pp. 21-22) analyzed the dynamics of the factors that determine the complex racial composition of the Brazilian population, and observed the following:

For the population classified as white: a) the lowest mortality rate, earlier marriages, less infidelity, and higher fertility rates of the white population until 1960 can be thought of as responsible for the quantitative predominance in the total population; b) the increase of racial-mixing, that is, marriages of "pardos" and blacks, and the more accentuated decline of fertility beginning in the 1960s (possibly due to the use of more and improved contraceptives) can be thought of as the reason for the deceleration of the growth rate and the decline of the relative representation in the total population.

For the population classified as black: the highest mortality rate, longest postponement of marriage, increased levels of infidelity (principally in women) increased miscegenation, more sterility and lower fertility up to 1960, can be considered the reason for the low growth rates of this population by the accentuated decline of its relative representation in the total population.

For the population classified as mulatto: although subject to elevated levels of mortality, miscegenation and very high fertility rates, during the entire period 1940-1980, these are the main determinants of the elevated growth rate of this population, and, consequently, of the systematic increase of its relative representation in the total population.

Examining the distribution of population by color and by region in the South and Southeast – the most developed regions – the white population is predominant. For example, in 1996, 85.9 percent of the southern population was white and in the Southeast this percentage was 65.4. In the northeastern and northern regions, the mulatto population dominated at 62.9 percent in the Northeast and 67.4 percent in the North. Analyzing the situation in the cities, it has been observed that, for Brazil, the majority of the urban population is white, above all in the southern and southeastern regions, while in the northern and northeastern regions "pardos" dominate, reflecting in the urban areas the pattern observed for the country as a whole. On the other hand, in the distribution of the rural population, note that in the rural Northeast "pardos" predominant, while in the South and Southeast, the most developed regions, the predominant group is the white, composing the great majority of the rural population in these regions. Above all, this information demonstrates that whites, blacks, and "pardos" are distributed in a very

unequal manner throughout the country, with clear advantages in location for the white population. Note that even comparing the black and mulatto populations, we verify an advantage amongst blacks, with a greater incidence in the Southeast region and in urban areas. These advantages in location are reflected in various aspects of the socio-economic status of these colored groups, such as living conditions, access to public services, education, and work market among others.

Analyzing this data, note that the white group presents a notably superior

**Table 4**

**Access to Public Services and Consumer Goods**

PROPORTION OF INHABITANTS WITH:	COLOR OF INHABITANT			TOTAL
	White	Black	Mixed	
- Home trash collection	70.8	53.1	47.8	61.0
- Homes with indoor running water	84.2	61.6	56.1	72.1
- Electric lighting	92.1	81.8	78.0	86.1
- Rustic homes, or rented rooms	3.2	11.9	11.6	7.0
- Homes with refrigerator	81.0	58.5	54.1	69.4
- Homes with television	82.9	64.1	59.4	72.8

profile to that of the other two groups. On the other hand, the black group that, as we saw, enjoys advantages in location relative to the mulatto group, presents a slightly better situation than that of the blacks.

Of course, this situational difference in needs and resources is reflected in the very distinct appropriations of life opportunities of the members of these families. Certainly an important dimension of these differences, that which in large measure will lead to the intergenerational transmission of disadvantages in the distribution of opportunities, is that of individual schooling. Studies about schooling reveal that non-white children complete significantly fewer years of study than whites, even when considering children from the same social origin or family income (Barcelos, 1992 and 1992a; Halsenbalg and Silva 1990; Rosenberg 1987, 1990 and 1991). Examining the 15-19 age group that, according to Brazilian law, must have completed the primary grades, can make one illustration of the educational disparities between whites and non-whites. In 1990, illiteracy in this age group was 4.9 percent amongst whites and 14.4 percent amongst blacks and "pardos". Only 34.8 percent of whites and 15.4 percent of blacks and

"pardos" of this age had completed primary school. Disparities in access to higher education are even more accentuated. In 1996 (see Table 5), the proportion of persons 20 years and older who had completed eleven or more years of study was 20.6 percent among white men, 7 percent among black men, and 8.3 percent among "pardos". The differences amongst women, although less accentuated, are of a similar magnitude. As we will see later, the educational inequalities between whites and non-whites will later be reflected in differential patterns of insertion of these color groups in the occupational structure.

One correlation to this frighteningly low level of general education, which also characterizes the white group, is the early entrance into the labor market. Here the data from the Study of Life Patterns, which refers to the years 1996 and 1997, will help us to show the magnitude of the problem. This study includes a question about whether the individual had worked before, a question asked to everyone over five years of age. Upon analysis of the corresponding responses, we verify that this is a problem that affects more males than females, and impacts significantly the lives of non-whites. At nine years of age, no less than about 12 percent of black and mulatto children report that they have worked, while among whites the corresponding number is half that. Upon reaching 14 years of age, nearly half of adolescent non-white males have worked, while for whites the proportion is one third of that. At 16 years of age, nearly three-fourths of non-white children and more than half of white children have worked, giving a notion of the seriousness of this phenomenon. (See Table 6).

**Table 5**  
**Years of Study (%) by Sex and Color of Respondent**

YEARS OF STUDY	MEN			WOMEN		
	White	Black	Pardo	White	Black	Pardo
No instruction/Less than 1 year	16.2	24.0	23.4	11.2	25.5	21.0
1 to 3 years	17.0	23.8	25.8	15.7	21.4	23.2
4 to 7 years	36.6	33.9	32.0	35.5	32.3	33.7
8 to 10 years	15.6	11.2	10.5	15.3	11.5	11.5
11 to 14 years	14.4	6.1	7.1	16.4	8.2	9.2
15 or more years	6.2	0.9	1.2	5.9	1.1	1.4
Total	100.0	100.0	100.0	100.0	100.0	100.0

Source: PNAD 96, Tabulation of the author.

**Table 6****Incidence (percentage) of Positive Responses to the Question  
Have you worked? by Sex and Color of Respondent**

AGE	MEN			WOMEN		
	White	Black	Pardo	White	Black	Pardo
9	6.2	12.3	12.0	0.0	3.0	2.5
10	9.5	9.6	26.5	3.5	1.5	7.0
11	8.9	2.2	28.4	5.6	0.0	9.2
12	18.8	26.6	34.1	7.3	15.1	14.6
13	27.6	30.9	51.5	20.7	28.2	19.9
14	32.0	45.1	19.8	23.3	26.2	20.4
15	39.0	48.9	60.5	23.9	26.8	34.6
16	57.4	75.1	70.9	34.0	60.4	37.9

Source: PPV 98/97 - Tabulation of the author.

**POVERTY**

According to the previous section, there exists a clear association between one's color and one's probability of being exposed to the situation of poverty. To my knowledge, only one study (Silva, 1994) attempts to focus on this relation.

Therefore, in the following, I will present concrete information regarding employment, which is derived from data collected in the PNAD from 1988, a year of extraordinary symbolic importance as the 100-year anniversary of the abolition of slavery in Brazil. Table 7 presents the distribution of family per capita income by color of the individual, with the types of income defined in terms of fractions of minimum wage. We focus our attention in particular on the first category, that of families whose per capita income is not more than one-fourth of the minimum wage. This is a cut-off point that is undoubtedly very low and indicates an extremely precarious socio-economic situation.

Table 7

Per Capita Family Income by Color of Respondent  
Brazil 1988

PER CAPITA FAMILY INCOME	Color of the Person		
	White	Black	Pardo
- Up to 1/4 minimum wage	14.7	30.2	36.0
- 1/4 to 1/2 m.w.	19.2	27.4	26.8
- 1/2 to 1 m.w.	24.2	24.9	20.7
- 1 to 2 m.w.	20.2	12.0	10.6
- 2 to 3 m.w.	8.2	2.7	2.9
- 3 to 5 m.w.	6.5	1.6	1.8
- 5 to 10 m.w.	4.5	0.8	0.9
- 10 to 20 m.w.	1.5	0.3	0.2
- 20 or more m.w.	0.3	0.1	0.0
Total	100.0	100.0	100.0

Source: IBGE, PNAD-88 Special Tabulations.

Thus, we can prove that the estimated incidence of individuals in this income class for the year 1988 is 23.7 percent of the total. Meanwhile, the proportion of persons in this situation is extremely unequal when we consider color: while an estimated 14.7 percent of the white population is in this situation, the number is more than double for blacks at 30.2 percent population, and-somewhat surprisingly given the generalized notions of their intermediate *status* in Brazilian society-36.0 percent of the mulatto population. A similar pattern can be observed in the "1/2 to 1 m.w." income class, confirming and clearly delineating the correlation between social destitution and color in our society.

In principle, some aspects of the situation of poverty – characteristics of the family structure and its principle members – can interfere and, eventually, account for these differences due to color; for example, the question of region. As stated earlier, the Northeast is the poorest region of the country. By examining the regional distribution of groups of color, we find that half of all "pardos" and almost one in every three blacks reside in this region. In this sense, blacks have more advantages of location in relation to "pardos", since they proportionally much more present in the richest regions of the South and Southeast. Whites, 64.9 percent of which are located

in the most developed regions, enjoy a similar and more pronounced advantage. In this manner, the possibility exists that these pronounced differences in regional distribution of groups of color explain or qualify the incidence of deprivation between these same groups. To test this possibility, we proceed to the statistics on per capita family income by region of residency and color of the individual (Table 8). We see that the discrepancies between blacks and "pardos" appear insignificant. Excluding Rio de Janeiro and the southern region, in all other regions the black group shows a slightly higher poverty rate than the pardo group. This data suggests that the differences between blacks and "pardos" are essentially due to the differences in the spatial/regional distribution of these groups. The regional factor, meanwhile, does not explain-at least taken in isolation-the high rate of poverty within colored groups.

**Table 8**

**Incidence of Privation (Per Capita Family Income of 1/4 of minimum wage)  
By Color and Region of Respondent (1988)**

REGION	PERSON'S COLOR		
	White	Black	Pardo
Río de Janeiro	6.0%	12.7%	13.8%
Sao Paulo	4.0%	12.3%	8.7%
South	15.2%	23.8%	27.9%
Minas Gerais/Espirito Santo	19.4%	37.7%	35.1%
Northeast	38.5%	51.3%	49.5%
North/Central-West	14.0%	26.9%	23.2%

Source: IBGE - PNAD - 88 Special Tabulations.

Another aspect, which could eventually explain the differences in poverty rates with respect to spatial distribution of the population, is the type of residential area. In this sense, blacks have the advantage of location: they comprise 39 percent of the residents of metropolitan areas, with a strong concentration in Rio de Janeiro. In fact, there are more blacks in metropolitan Rio de Janeiro than in the entire rural Northeast. The group with the greatest disadvantage, once again, is the "pardo" group, with one in three members of this group residing in rural areas. This disadvantage is compounded by the combination of the previously examined factors, resulting in the greatest contingent of "pardos" being located precisely in the rural region of the Northeast, representing almost one fourth of the individuals in

this color group. Thus, relating the type of region to the poverty level among groups of color proves to have little power in explaining this characteristic. In fact, while differences according to color seem to decrease in areas with the greatest overall incidence of poverty (the rural areas), they seem to increase in the urban, and especially metropolitan, areas. While whites show a poverty rate of 4.5 percent in urban areas, the rate among blacks is 13.5 percent, and among "pardos" it is 14.6 percent. Clearly, this type of difference in the spatial distribution of the population not only fails take into consideration the differential incidence of poverty, in truth it suggests that these differences are even greater the more urban the areas of residence of the individual.

As well as location factors, some family characteristics seem to be associated to the condition of poverty. In the first place, poor families tend to be larger or have a greater number of economically non-active dependents. Now, along with this aspect we can also find great differences between groups of color. Using the individual as the unit of measurement – and not the family – we verify that the median size of white, black and "pardo" individuals is 4.6, 5.2, and 5.5 members, respectively. When we consider the number of non-active dependents, we find that the individuals in families with a greater number of dependents are of the "pardo" group, with 36.0 percent of them living in families with a maximum of two dependents. The corresponding percentage in the white group is 50.1 percent, while among blacks it is 42.8 percent. On the other extreme of the spectrum, 26.7 percent of "pardo" individuals belong to families with more than five dependents; the corresponding percentage for blacks is 23.1 percent, and for whites it is 11.9 percent.

Although the relationship between the number of dependents and the condition of poverty seems to be clear and powerful-no less than 70 percent of individuals in families with 7 to 10 dependents are poverty-stricken; while the proportion among individuals in families with 11 or more dependents is 87 percent-the differences between the color groups seem significant, although they tend to decline proportionally when the number of dependents within a family increases. Thus, among individuals in families with 7 to 10 dependents, the incidence of poverty amongst whites is 66 percent, while amongst "pardos" it is 71 percent, and amongst blacks 76 percent. These differences begin to change direction for individuals in families with 11 or more dependents, where the proportion of poverty-stricken amongst whites begins to pass that of the "pardo" population.

Studying the poverty rate in relation to age and sex of the head of the family (Tables 9 and 10) verifies that the general picture is not altered: whites have a poverty rate of around half that of blacks and "pardos". Another fact

worth noting is that female –headed households seem to be associated in all groups with a slightly lower poverty rate than that of male heads of household. Therefore, it is probable that female heads of household would be associated with the later stages in the cycle of life –widows or separated heads of household – in which the poverty level tends to be slightly lower.

**Table 9**

**Relative Rate (%) of Poverty  
(Per Capita Family Income of less than 1/4 minimum wage)  
By Color of Respondent and Age of Head of Household (1988)**

AGE OF HEAD OF HOUSEHOLD	PERSON'S COLOR		
	White	Black	Pardo
Under 29 years	14.6	31.0	32.1
From 30 to 39 yrs.	15.6	34.2	39.1
From 40 to 49 yrs.	14.9	30.5	39.0
From 50 to 59 yrs.	12.5	24.6	29.3
60 yrs. and older	12.7	23.7	29.8

Source: IBGE PNAD-88 Special Tabulations.

**Table 10**

**Relative Rate (%) of Poverty by Color of Respondent and  
Sex of Head of Household (1988)**

SEX OF HEAD OF HOUSEHOLD	PERSON'S COLOR		
	White	Black	Pardo
Male	14.6	30.5	36.2
Female	15.4	28.9	34.9

Source: IBGE PNAD -88 Special Tabulations.

In summary, the above analyses indicate that the greatest advantages in location as well as family structure tend to be enjoyed by the white group, while the greatest disadvantages tend to characterize the "pardo" group. Nevertheless, as we saw, not one of the variables considered was capable of

accounting for the differences in poverty rates between the groups. It is important to emphasize that the same is observed when we consider all of the variables simultaneously (see Silva and Hasenbalg 1993). In particular, the differences between the white group, on one hand, and the black and "pardo" groups, on the other, although reduced in relation to their overall dimension, remain at substantial levels. Naturally, this leads us to believe that the heart of the differences between whites and non-whites has its principal origin in the different capacities of the individuals in these groups to generate their own income; in other words, in racially-based discrimination in the labor market, and, eventually, in the stages preceding this phase of life of the individual.

The topic of participation of racial groups in the labor market is one of the most extensively studied subjects and one that has attracted much attention from researchers. This could not be different, since the determining role that the modalities of insertion into the labor market have on individuals and families is based on class hierarchy and social strata. One study has distinguished two sequential stages of the individual's socio-economic life cycle in the phase corresponding to participation in the market; first, the matter of occupational fulfillment – the "social mobility" stage – in which one enters into competition for the opportunity to be assigned to the positions with better locations within the occupational hierarchy; then, the transformation of the advantages (or disadvantages) in location into income appropriation. In both stages, the available evidence shows non-whites at a competitive disadvantage in relation to whites, subject to the consequences of exclusionary strategies in this competitive process. Following, I will attempt to summarize, using principally information stemming from my own work, the existing evidence in respect to these two life cycle stages of the individual.

## SOCIAL MOBILITY

Using the data of the National Study of Domestic Samples (PNAD) of 1976, Hasenbalg (1985) examined the social mobility of whites and non-whites, unfolding the analysis in three stages: (1) the pattern of global intergenerational, occupational mobility; (2) the manner in which the social position of the country influenced the educational fulfillment of the interviewees; and (3) the way in which the education acquired by the interviewees conditioned the fulfillment of positions in the occupational hierarchy. The first conclusion, derived from the comparison of the origins of mobility of

the two groups, was that the non-whites experience a considerable deficit in social ascension, which permits the rejection of the hypothesis of equal opportunities for the different color groups. The patterns of intergenerational social mobility showed that, among people born in the lowest strata of rural occupations, whites have a small advantage in opportunities for ascension. However, the interracial differences in social ascension are greater when considering persons born in the most elevated social strata. Furthermore, not only do the differences in upward mobility grow upon passing to the highest social strata, non-whites are also exposed to much higher probabilities of demotion or downward social mobility. In reference to the change in social position due to education, the most notorious indication was that non-white interviewees showed an educational distribution more concentrated in the base, regardless of the origin of the strata used as reference for comparison. Lastly, in what is said with respect to the conversion of acquired education into positions within the occupational hierarchy, note that in any educational level considered, non-whites are disproportionately concentrated in the inferior occupational positions and that the magnitude of the discrepancies in occupational distribution tends to worsen at higher educational levels. This evidence allows us to conclude that blacks and "pardos" in Brazil:

...suffer a competitive disadvantage in all stages of the process of an individual's social mobility. Their possibilities to escape the limitations of a low social position are less than those of whites of the same social origin, just as it is more difficult to maintain the positions already obtained (Hasenbalg 1988, p. 177).

Calilau (1994) analyses occupational mobility based on the statistical information for heads of household and spouses from the PNAD of 1976 and 1988. His results indicate that, in the two periods observed, the availability of better opportunities benefited whites above all. It is also clear that the proliferation of education in Brazil continues to function in a discriminatory fashion: blacks and "pardos" are having less training opportunities than the whites, which reinforces the inequality prior to entry into competition in the labor market (op. cit., pp. 60-61).

In recent work, Hasenbalg and Silva (1998) discard the constant data from the supplement on social mobility of the 1996 PNAD. In terms of the definitions of the occupational strata used to construct the origin of fluxes in mobility, they adopted a methodology proposed by Pastore (e.g. Pastore and Haller, 1993), using a group of six strata obtained from a metric socio-economic scale elaborated with data from the Brazilian census of 1970.

Chart 1 below represents a summary description of the diverse occupational strata defined as the median value of the index of socio-economic status for 1996, which replicated procedures adopted for the data in the 1970 census. Note that the occupational grouping utilized follows the criteria of social distance (measured by the index of socio-economic status), thus we can think of these strata as strictly measuring differences of socio-economic position. It is also necessary to highlight that social distance increases between groups in proportion with upward moves in the social structure. This is a very realistic characteristic given what is known about the high level of inequalities in Brazilian society. Nevertheless, as seen in the description of the strata, this classification also corresponds to other criteria, particularly the distinction between manual/non-manual labor. It is clear that the type of classification is not inconsequential in the level of results obtained: for example, the fact that the occupational groups 1 and 2 are essentially distinguished by the urban/rural variable, allows us, by construction, to identify the process of rural/urban migration with upward mobility. In this manner, the recent urbanization of Brazilian society is necessarily associated with an improvement in the distribution of positions within the occupational hierarchy.

Chart I

Occupational Strata, Median Values and Representative Occupations

OCC.* GROUP	STRATA	REPRESENTATIVE OCCUPATIONS	MEDIAN ISS
1	Very low: unqualified rural workers.	Independent farmers and cattlemen; other agricultural workers; fishermen.	2.90
2	Low: unqualified urban workers.	Independent salesmen; guards; servants; Manual labor; traveling salesmen; maids.	6.49
3	Low Middle: Qualified and Semi-qualified workers.	Drivers; construction workers; mechanics; carpenters; painters; electricians.	8.68
4	Middle: Non-manual workers; low-level professionals and small business owners.	Small agricultural business owners; administrators and managers in agriculture and cattle farming; office clerks; retired and traveling salesmen; electronic Repairmen; Armed Forces enlisted.	17.01
5	Upper Middle: Mid-level professionals and mid-sized business Owner.	Cattle farmers; legal advisors and supervisors in Public Service; executives; administrators and managers in the commerce industry; commercial representatives.	27.19
6	Upper: High level professional and big business owners.	Industry businessmen; administrators and managers in the finance industry; engineers; Doctors; accountants; high-level teachers; lawyers; military officials.	44.06

\* Occupational.

**Table 11**  
**Intergenerational Occupational Mobility**  
**According to Color, 1996 (%)**

TYPE OF MOBILITY	COLOR		
	White	Black	Pardo
Upward	55.8	47.8	49.4
Immobile	31.4	39.0	39.6
Downward	12.8	13.2	11.0

Note that the whites have a significant advantage in terms of occupational upward mobility. On the other hand, the two non-white groups experience greater immobility or inheritance of paternal *status*. Lastly, the proportion of those that were downwardly mobile is very similar in all groups. This similarity in the occupational mobility of blacks and "pardos", as differentiated from that of whites, allows the inclusion of these two groups in a category of non-whites in the following analyses. Table 12 below presents the fluctuations in departure from work of the two occupational groups above (of the parents) for the actual occupational groups (of the interviewees).

**Table 12**  
**Intergenerational Mobility according to Color, 1996**

OCC.* GROUP	COLOR	ACTUAL OCCUPATIONAL GROUP						Δ
		1	2	3	4	5	6	
1	White	30.3	21.6	28.5	10.8	5.5	3.3	12.5
	Non-white	41.9	22.5	24.9	7.0	2.7	0.9	
2	White	3.3	25.7	27.6	21.0	12.9	9.6	17.3
	Non-white	7.8	30.8	35.3	14.7	7.6	3.8	
3	White	1.9	17.3	40.7	17.8	13.8	8.4	14.6
	Non-white	5.6	20.3	48.6	15.1	7.4	3.0	
4	White	4.3	16.1	19.3	27.2	18.3	14.7	22.6
	Non-white	10.7	24.6	27.0	23.8	8.5	5.4	
5	White	5.3	12.4	12.8	17.7	28.9	22.8	31.5
	Non-white	9.7	16.7	29.2	24.3	14.6	5.6	
6	White	2.1	8.5	9.4	18.3	23.1	28.5	26.0
	Non-white	5.0	16.8	21.8	20.8	17.8	17.8	
Total	White	16.4	19.9	27.9	15.9	11.1	8.7	18.3
	Non-white	29.9	23.1	29.5	10.7	4.7	2.1	

Regardless of the origin of the occupational group used as a reference, the actual occupational distribution of non-whites is more concentrated in the inferior occupational strata. Thus, for example, amongst children of rural manual laborers (Group 1), the proportion of non-whites who inherit the occupational *status* of their parents is significantly higher than amongst whites at 41.4 percent and 30.3 percent, respectively. In this same group of origin, the proportion of children that advanced to strata 5 and 6 (the highest levels), thus experiencing long distance mobility, is 8.8 percent for whites and only 3.6 for non-whites. On the opposite extreme of the occupational hierarchy, considering the occupational distribution arrived at by the interviewees who are the children of high-level professionals and big business owners (Group 6), note that the proportion of whites (38.5 percent) able to maintain this position is much higher than that of non-whites (17.8 percent). This means that blacks and "pardos" who are born into high-status families are face greater exposure to the risk of experiencing downward social mobility and losing the positions obtained by the previous generation.

In reference to the unequal distribution of opportunities for social mobility among groups of color, the data from Table 12 indicate a similar tendency to that observed by Hasenbalg in 1976. Not only the do non-whites have fewer opportunities for upward mobility, the difficulties of social ascension also increase when considering people from the higher strata. This is indicated, in a synthetic manner, by the index  $\Delta$  of dissimilarity in the last column of the table. This index indicates the proportion of non-whites within each group of origin, which changed position (in this case, higher) so that their occupational destination would equal that of the white group. The  $\Delta$  increases consistently, from 12.5 amongst children of rural manual laborers, up to values between 26 and 32 percent amongst interviewees the two highest strata.

An even more synthetic form of quantifying these differences in opportunity for social mobility is through the calculation of the difference (that is, through the  $\Delta$  index of dissimilarities) which would be observed in the event that the non-white group presented the same rate of mobility (that is, the same percentages in each line) as the white group. This way, the dissimilarity observed would be that attributed only to the fact that non-whites were from families in more precarious situations than that observed for whites. Following this procedure, the  $\Delta$  patterned by the chances of whites would be along the order of  $\Delta=6.2$  per cent. This is the parcel of total difference attributed to differences in family origin. As the index of total dissimilarity is of  $\Delta=18.3$  percent, this result implies that 12.1 percentage points can be attributed to the differences between whites and non-whites in opportunities for mobility, in favor of the first group. In other

words, close to 2/3 of the total difference is due to the fact that non-whites have a mobility deficit in relation to whites, which are only responsible for a third of the differences of social mobility between the groups.

In summary, independent of the changes that have occurred in social mobility in Brazil since the 1970s, the patterns of social mobility of colored groups reflect differences that parallel those recorded in 1976: non-whites are exposed to fewer chances for social ascension; the difficulty of moving upward increases along with the level of strata origin; and those born into the highest strata are exposed to greater risks of downward mobility.

The second part of the analysis realized by the authors consists of observing how the social position of origin of the interviewees is converted in educational fulfillment, in terms of years of formal education completed. Table 13, with the matrix of transition of the occupational groups of the parents for the levels of education of the interviewees, presents the pertinent information.

**Table 13**  
**Years of Education by Occupational Group of the Parent,**  
**According to Color, 1996**

PARENT'S OCC.* GROUP	COLOR	YEARS OF EDUCATION						
		-1	1to3	4	5 to 8	9 to 11	12+	Δ
1	White	14.3	22.2	28.1	21.1	9.4	5.0	
	Non-W.	36.1	26.5	17.2	14.4	4.4	1.5	26.1
2	White	2.7	8.4	14.7	29.1	25.1	19.8	
	Non-W.	11.0	15.2	17.6	29.9	19.6	6.7	18.6
3	White	2.8	6.4	15.6	33.1	26.0	16.1	
	Non-W.	7.0	13.1	19.2	35.8	18.4	6.6	14.5
4	White	2.9	3.5	11.3	23.7	25.9	32.7	
	Non-W.	8.0	11.8	16.0	26.2	26.7	11.3	21.4
5	White	3.1	3.7	6.8	13.6	25.3	47.4	
	Non-W.	7.1	0.0	10.3	32.9	23.3	17.4	32.0
6	White	0.2	1.8	3.8	7.6	21.9	64.8	
	Non-W.	4.7	3.7	9.3	19.6	38.3	24.3	40.5
Total	White	8.3	13.8	20.3	23.7	17.5	16.4	
	Non-W.	26.3	21.7	17.3	20.3	10.4	4.1	25.9

The data from Table 13 clearly show that, for all strata of origin, as indicated by the occupational group of the parent, the educational distribution of non-white interviewees is considerably more concentrated in the lower education levels. This is particularly accentuated, for example, in the case of the children of non-qualified rural laborers, where 62.6 percent of non-whites do not attain more than 3 years of education, while only 36.5 percent of whites find themselves in this situation. On the other hand, when considering interviewees from the stratum of non-manual labor (Groups 4, 5 and 6), there are enormous differences in opportunities for accessing superior education; in these groups, whites have opportunities two or three times greater than those of non-whites to access university studies.

The index  $\Delta$  of dissimilarity, in the last column of non-whites in the distinct strata of origin, calls attention to the elevated values of the index as well as to the fact that they are dispersed in the form of a U, presenting the highest values in the extremes of the occupational hierarchy of origin. In the case of the strata of children of unqualified rural workers, the high value of  $\Delta$  (26.1) is could be due to disadvantages in location of non-whites, who are concentrated more in the rural areas of the Northeast and Central-West, which have the most precarious indicators of education in the country. The inequality of educational opportunities among groups of color diminishes in children of urban manual laborers (Groups 2 and 3) and increases consistently in children of non-manual laborers. All of this indicates that non-white persons born in the highest stratum encounter the most difficulty in the converting class of origin into educational fulfillment. Continuing to standardize data in a similar form as that was used before, the authors verify that, in the hypothesis that non-whites have the same educational opportunities as whites, the discrepancy in the educational results between the two groups would decline to  $\Delta = 7.3$  per cent. This the residual portion attributed to the differences in social origins between the two groups. Since the total dissimilarity is around  $\Delta = 25.9$  percent, it follows that a discrepancy of nearly 18.6 percentage points is attributable to differences in educational opportunities between the two groups. That is, almost 3/4 of the total discrepancy in levels of education can be attributed to the greater ease with which whites are able to convert social origin into educational fulfillment as compared to non-whites, since barely one fourth of this discrepancy can be attributed to the lower social origin of the latter.

Following, the authors proceed to examine the next stage of the individual social mobility process, which is the manner in which attained education is translated into obtaining positions in the occupational hierarchy. Table 14 informs us of the actual occupational group of the interviewees according to their level of education.

Table 14

Actual Occupational Group by Years of Education,  
According to Color, 1996

YEARS OF SCHOOLING	COLOR	ACTUAL OCCUPATIONAL GROUP						Δ
		1	2	3	4	5	6	
Less than 1 yr.	White	48.9	25.9	19.3	4.5	1.2	0.2	
	Non-W.	58.3	21.6	16.0	3.1	1.1	0.0	9.4
1 to 3 yrs.	White	31.1	23.5	35.5	6.2	2.7	0.9	
	Non-W.	35.7	25.6	32.1	3.9	2.4	0.3	6.7
4 yrs.	White	19.6	23.7	41.5	9.4	4.5	1.3	
	Non-W.	16.6	26.8	45.1	7.5	3.5	0.6	6.7
5 to 8 yrs.	White	10.1	25.0	40.2	15.2	6.9	2.6	
	Non-W.	7.2	28.2	44.2	14.7	4.3	1.4	7.2
9 to 11 yrs.	White	2.4	17.9	21.3	31.5	19.4	7.5	
	Non-W.	2.7	18.9	24.9	34.8	13.6	5.1	8.2
12 yrs. +	White	1.0	7.0	4.2	22.6	28.6	36.7	
	Non-W.	1.0	7.4	8.1	26.8	27.3	29.3	8.7
Total	White	15.1	20.3	28.7	16.1	11.3	8.5	
	Non-W.	27.2	23.8	30.9	10.9	4.9	2.3	17.8

The information in Table 14 shows that, in all levels of education, the occupational distribution of non-whites tends to be slightly more concentrated in the lowest occupational stratum. In the case of the persons in the lowest education level-less than 1 year-58.3 percent of non-whites and 48.9 percent of whites are concentrated in the first stratum, rural workers. In the highest educational category, - 12 or more years - the proportion of whites in the highest occupational group (36.7 percent) is slightly more than 7 percentage points higher than that of non-whites. Thus, the differences in occupational distribution of the groups of color according to level of education *are not* very accentuated. The magnitude of these differences is shown by the values of Δ in the last line of the table, which oscillate between a maximum value of 9.4 and a minimum value of 6.7. The information in the table suggests that non-whites experience a disadvantage in the converting formal education in occupational positions, which may be linked to the processes of racial discrimination in the labor market. In spite of this, the data on social mobility from 1996 does not clearly indicate the same pattern of social mobility observed in the data from 1976, in which the magnitude of

the discrepancy in occupational distribution of groups of color tends to deteriorate when passing to higher levels of education.

Following the procedures adopted in the previous stages, the authors calculate an index of dissimilarity for the differences between the groups of color, assuming that non-whites have the same ability to convert education into occupational positions as do whites, along the order of  $\Delta = 14.4$  percent. While the total dissimilarity is  $D = 17.8$  percent, it is believed that barely 3.4 percent of the total difference is attributable to the discrepancy in ability to convert education into occupation. In other words, more than 4/5 of the total difference between whites and non-whites in occupational returns can be explained via the differences between these groups in the level of education attained, and less than a fifth of the difference is attributable to differences in the occupational returns on the educational investment made. In this manner, the authors (Hasenbalg and Silva 1998, p. 19) conclude that the literature dealing with socio-economic differences according to color in Brazil indicates the existence of a process of accumulation of disadvantages. In this work, we reconfirm the plausibility this theory. Moreover, it seems clear that in today's Brazil the nucleus of the disadvantages suffered by blacks and "pardos" is located in the process of acquiring education. The differences in occupational returns on the investments in education are relatively modest when compared with the differences in educational fulfillment, regardless of the strata of origin. These discrepancies tend to increase as the socio-economic situation of origin improves. Thus, the subject of education seems to present a continuing problem in terms of racial inequalities in our country.

## INDIVIDUAL YIELD

One of the most stable empirical facts that has been observed in the analysis of racial differences in income distribution is that, systematically, the median income of blacks and "pardos" is slightly less than half that of whites (i.e. Barrios 1986 and 1987; Barrios *et al.* 1992; Batista and Galvao 1992, Castro and Guimaraes 1993; Chaia 1988; Hasenbalg 1992; Lovell 1989; Oliveira *et al.* 1983; Porcaro 1988; Silva and Lima 1992; Silva 1985; Telles 1990 and 1994). It is not surprising, then, that the data of the PNAD of 1996 once again confirms these repeated observations. It is interesting to observe that the differences according to gender are constant within all of the color groups, with men obtaining incomes close to 50 percent higher than those of women, and, that for both men and women, differences based

on color are stable, with whites earning approximately twice that of blacks and "pardos". Between these last two groups, the difference is around 5 percent in favor of "pardos" (Table 15).

**Table 15**  
**Median Income by Sex and Color of Respondent**

COLOR	SEX		TOTAL
	Men	Women	
White	757.61	459.20	630.38
Black	338.61	227.13	292.05
Pardo	359.27	234.72	309.66
Total	589.89	370.33	498.57

Source: PNAD 96, Author's Tabulations.

When other aspects of the individual income distribution are examined, the racial differences remain significant. For example, separating the total income distribution into tenths and examining the racial content of each group, we obtain the following picture:

**Table 16**  
**Income Distribution by Color in Deciles Brazil (1990, %)**

COLOR	DECILE GROUP										TOTAL
	1-	2	3	4	5	6	7	8	9	10+	
White	34.8	40.1	46.7	48.7	52.5	57.9	61.1	66.5	71.7	80.2	56.1
Black	58.0	51.3	44.6	43.3	40.9	36.3	33.7	28.7	24.0	15.9	37.6
Pardo	7.0	8.4	8.6	7.8	6.2	5.5	4.8	4.0	3.0	1.4	5.8
Asian	0.2	0.2	0.1	0.2	0.2	0.3	0.5	0.8	1.3	2.5	0.7
Total	100	100	100	100	100	100	100	100	100	100	100

Source: IBGE, PNAD 1990.

This type of comparison shows a uniform behavior, confirming the basic opposition between whites, on one side, and non-whites on the other. In fact, as we go from the poorest decile to the wealthiest, there a systematic increase the proportion of whites and a decrease of non-whites. Thus, while the lowest decile in the proportion of whites is a little more than 1/3, in the highest decile, the proportion of whites is 80 percent. This last information

also suggests that we must not exaggerate the severity of income differences along racial lines. Likewise, when we separate those with higher incomes, the proportion of non-whites is not negligible. For example, Albuquerque (1994), examining the racial composition of the highest income percentile in 1988, concluded that blacks and "pardos" comprised 10.3 percent of the total group. Alternatively, we can investigate the distribution of income within each color group. Calculating the distribution in quartiles within each color group, starting with the data of the PNAD of 1996, we obtain the following results, which eliminate the effect of the differences in size of each of the color groups:

**Table 17**

**Distribution (in Quartiles) with Positive Income,  
According to Color**

COLOR	QUARTILE			
	1-	2	3	4+
White	19.4	21.3	27.1	32.2
Black	34.6	28.9	22.4	14.1
Pardo	35.7	27.9	21.8	14.5

Source: IBGE, PNAD 1996.

Here, once again, the similarities between blacks and "pardos" are evident. For both groups, close to 35 percent of the members find themselves in the first quartile, at the same time that 14 percent of are in the highest quartile. However, this last figure contrasts with the corresponding rate of nearly one third amongst whites, which is a rate that should not be overlooked.

In the attempt to pinpoint the intergenerational mechanisms responsible for the racial differences in individual income distribution, Silva (1994) adjusts a series of econometric-type models of the diverse stages of the individual's socio-economic life cycle. The results obtained offer some important indications about the nature of these differences. In the first place, the author examined the role of parental background in the explanation of interracial differences. Parental background is, in great part, responsible for the educational level of the individuals. Even more importantly, it affects the level of income in a direct manner, even when the educational level of the individual is included in the model, which indicates the importance of

other, non-educational family resources in the determination of the economic consequences. These other family resources can include factors such as higher levels of ability, better position in the social network, or direct inheritance of property.

The introduction of parental background in the analysis also had two consequences for the outcome. First, the interracial differences in the educational returns, which initially present an advantage for whites, seem to return to zero and become insignificant. That is, it seems that the interracial differences observed, can be explained by, non educational family resources (quantity) referred to above. Second, the only significant contrast was that which differentiated the whites from non-whites in terms of experiential returns in the work market. Therefore, the advantages of the whites seem to be related to better career trajectories.

Upon attempting to break down discrimination in the labor market in terms of occupational and salary discrimination, the result is that occupational fulfillment is determined in great part by the individual's education level, an indication of the centrality of educational demands in occupational placement. In the same manner, interracial discrepancies also depend on differences in educational returns, confirming the above-mentioned results obtained by Hasenbalg and Silva (1998). Nevertheless, in view of the results obtained by introducing parental background, it seems plausible that the majority of the differences in occupational returns on education can be contaminated by differences of other family resources.

Overall, the situation in Brazil seems to be similar to that described by Blau and Duncan (1987) for the United States, with an existence of a double handicap for non-whites. They are less than "efficient" in converting their human capital into higher incomes, just as the advantage of the paternal achievements are not well converted into advantages for the new generation of children as in the case of whites. The available evidence indicates a clear presence of racially based discriminatory mechanisms, which exist throughout the entire process of individual socio-economic fulfillment. It is also important to note that the measurement of this discrimination is truly just an *inexplicable* difference between the coefficients of the equations of the determination of status. That is, it is a certain manner of *quantifying* differences between racial groups in the process of social fulfillment. This quantification does not provide us with an explicit model of the *mechanisms* of discrimination, nor does it explain how the subordinate groups react. For example, when it is observed that racial differences in returns on educational investments exist, we are not certain if this is due to discriminatory mechanisms in the labor market or if these differences reflect other factors, such as differences in the quality of education received. That is, it is possible

that less education expresses precisely a discouragement amongst non-whites due to the lowest returns they receive. Another example: do the differences observed in returns on experience express a lower position in a line of general promotions, or is this due to a systematic exclusion from certain high-status occupations, such as medicine or engineering? Or, what role do the non-educational family resources, such as family, friend, or so-called "cultural capital" networks, play? In other words, the analytical models utilized do not permit us to specify the function of the exclusionary mechanisms of discrimination, nor does it specify the ways in which the subordinate groups react and make decisions regarding the expectations that a discriminatory treatment will be received in the future. In this last sense, it is good to recall that, in part, social inequalities probably reflect adapting mechanisms for precaution and psychological protection in anticipation of encountering unjust treatment throughout life.

## PROGRAMS TO COMBAT RACISM

In the previous sections, I attempted to show that rather peculiar ingredients combine to create the Brazilian case. On one hand, not only do we have evidence of the operation of racist mechanisms of social exclusion, but also a generalized perception of the reality of racial prejudice, which is shared by 90 percent of the entire population.

On the other hand, personal experience with discrimination seems to affect only a small number of non-whites, and interaction between racial groups is intense and non-conflictive, involving a relatively high level of interracial marriage and miscegenation. These characteristics also define a system of specific racial relations that have a definitive effect on the possibilities and forms of action and policies for combating racism.

In contrast to other multiracial societies, racism in Brazil developed through social practices and daily discourse, without recognition by the judicial system and being denied by the official discourse on nationality. It is what is called a racism of attitudes (Guimaraes, 1998). This system is supported by two basic social institutions: in the first place, in the subjectivity of the classification system, in which color substitutes the notion of race, and racial identity is fluid, relational, and socially determined, based not on discrete categories but on color continuum. Ambiguity and contingency are the characteristics of this system. In the second place, it is supported in the legitimization of the asymmetrical treatment based on social class. As recalled by Guimaraes (1998, pp. 108-109), "the social classes in

Brazil, in contrast to those of the United States, are considered legitimate basis for unequal treatment and opportunity among people... the charisma of class in Brazil is predominant above all others, in that it is associated with widely-accepted discriminatory attitudes and conduct which are socially legitimized. Moreover, given the great social inequalities between whites and non-whites, it is possible to discriminate openly against blacks, "pardos", and north-easterners without explicitly evoking the stigmas of race, color, or ethnicity." In Brazil, racism can always be denied and absorbed as an expression of class discrimination.

It is in this context that anti-racist actions exist in Brazil. Very recently, the subjects of affirmative action and promotion of ethno-cultural diversity have been the object of a series of debates and articles (Guimaraes 1996; Telles 1996 and 1997; Contins and Sant' Ana 1996, Martins 1996; Paes and Barros and Mendonça 1996; Souza 1998). At the governmental level, diverse consultative support structures for the population or the Afro-Brazilian culture were initiated. The federal government, for example, created the Palmares Foundation. The State plan gave rise to the Special Secretary of Defense and Promotion of Black Populations, of the State of Rio de Janeiro (today already extinct), and the Counsel for Defense of the Black Community, an institution of the government of Bahia. These institutions have demonstrated relatively innocuous behavior, suggesting a more symbolic than active function:

On the other hand, diverse non-governmental organizations (NGOs) have shown their dedication to combating racism. Perhaps inscribing in the private order, and thus avoiding the inherent dilemmas of formulating public politics endow these organizations with greater dynamism. Two principals of action are under consideration by these organizations.

Legal Assistance: Action destined to provide orientation and judicial support for complaints of discriminatory treatment. The best known of these programs, which has the financial support of foreign agencies, is Racism SOS. This program, created by the Municipal Counsel of Blacks of Vitoria (State of Espiritu Santo) within the Municipal Secretary of Citizenry and Justice. Despite its name, is not aimed at only assisting the black population. Racism SOS is an umbrella organization for some other NGOs, of which the most dynamic are the Center of Assistance to the Black Population (CEAP), in Rio de Janeiro, and the Geledes Institute of the Black Woman, in Sao Paulo. These NGO make investments for a number of civil indemnity cases: for moral damage and for cases of racial discrimination, in particular those which expose the victim to public slander, such as the case of theft suspects in supermarkets or shops (Carneiro 1998). The legal actions against preconceived and discriminatory acts have, nevertheless, had more of an effect of

publicizing and bringing up for discussion this problem in Brazilian society – which represents an extremely beneficial novelty in the fight against racism (See an interesting analysis by Guimaraes, 1998) – of making it follow the letter of the law. It is well known that racial discrimination is a non-bail crime in Brazil. With such Draconian legislation, it is always possible to transmute racial discrimination in to class discrimination, making it difficult to condemn someone for the crime of racism.

**Educational Support:** Programs designed to finance studies, and promote social mobility along with the creation of role models for Afro-Brazilians. There currently exist diverse initiatives of this type. The first to appear was the "Entrance Exam of the Steve Biko Cooperative," a preparation course for the entrance exam to access higher education, created in Salvador (Bahia) at the beginning of the 90s, through the initiative of a group of black university students. The same students administrate the classes, which are financed by a symbolic tuition fee charged to the students. The professionals involved do not receive salaries or any other benefits or remuneration. The target population of this program is black students with low acquisition resources, this criteria being established in terms of a family income no greater than two minimum wages. The current program assists 150 youths and has a waiting list of more than 300 candidates.

Inspired by this model, in the middle of the 90s, a program called "College Entrance for Blacks and Needy" was created in Rio de Janeiro. As its name suggests, it does not assist only the black population. This system was also copied in other states, like São Paulo and Minas Gerais. Along the same line, the federal government announced in April of 1999 a program of educational reinforcement to increase the number of black students in the universities. Linked to the Secretary of State of Human Rights, the program starts from the diagnosis that the "low index of passing rates of blacks in the entrance exams is one of the causes of the racial inequalities in the country" and attempts to support entrance exam courses aimed toward poor students, with priority for blacks. Clearly expressing the central dilemma of anti-racism public policies in Brazil, the quota system for non-white students was thrown out because "the quotas cause the perpetuation of prejudice by establishing two distinct classes of students...what we need are affirmative responses which equalize the culture and knowledge of youths in white and non-white communities." (*Jornal de Brasil*, 29/04/99).

As we saw, although these official or private programs are nominally directed toward the Afro-Brazilian population, they do not exclude individuals of other racial or ethnic groups. That is why measures of affirmative action require clear notions which define who can benefit from them, presupposing the existence of active and politically defined ethnic groups.

Thus, in the Brazilian case, one of the basic characteristics is precisely the fluidity and subjectivity of racial identity, diluted in a continuum of color – which has impeded the mobilization around a common identity, which would provide a foundation for politically organized action. In this context, in the foreground of the debate over anti-racist actions is the dilemma of ethics in reference to the categories or groups that may benefit from public policies in a country formally ruled by democratic and universal laws. As Sansone argues, in the case of Brazil, it is extremely complicated, if not impossible, to determine who comprises – and, above all, who does *not* comprise – part of the favored group. "Who would be the passable 'blacks' to be contemplated by measures inspired in the affirmative action in Brazil? Those who define themselves or fight as such? Those who feel racially discriminated against? Besides, does not creating a rigid category of blacks go directly in contrary to the destabilization of the meanings in respect to color, contributing to strengthen the stereotypes that 'all blacks are equal'?" (Sansone 1998, p. 773).

In finishing, I would like to indicate that I believe a reason of practical order exists which compels the *universal* character of the anti-racist public policies in Brazil. It is the fact that, as we saw, a definition of a public target for these policies would involve, probably, the inclusion of the great majority of Brazilian families. Since universal programs normally aim to benefit the most needy, the target population would be composed mostly of families with non-white members. Recall that 80 percent of the families in the lowest income sector are non-white or mixed. Given this, in Brazil it may not be compensatory to establish public *affirmative* action programs, given the necessary amplification of the coverage of the target population. The political cost of defining an action oriented toward the non-white group would probably be greater than the economic cost of opting for universalism.

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# YOUTH AND SOCIAL EXCLUSION IN CHILE

CAROLINA TOHÁ MORALES

## INTRODUCTION

The use of the social exclusion approach in Latin America responds to a search for a better and more comprehensive prism for analyzing and addressing the problems of social inequality. The income-based poverty framework does not fully account for the heterogeneity and dynamics of all factors that contribute to the generation of social inequality, and does not permit us to understand the processes that reproduce and perpetuate this situation.

To measure poverty, a poverty line (income level) sufficient to acquire or meet a basket of basic needs is set for a family in a per capita basis. Those families who fall below this set income level are considered poor. There is a great awareness that the concept of poverty is too narrow to fully understand the complexity of the factors causing poverty. For example, the income-based approach does not explain why an increase in income may only result in a transitory improvement in the standard of living but not permanently moving out of poverty. Neither explains why certain social groups are not able to take advantage of existing social programs to improve their income levels and standards of living, while others are able to do it. Nor does it entail an understanding of the different dimensions (material and non-material) that cause poverty or that may help overcome it.

To address these limitations of the income-based concept of poverty, some alternatives have been devised, such as differentiating types of poor<sup>1</sup> that also respond in different ways to social policies. An alternative is to use a wider approach, such as the social exclusion framework. With this

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1. For example differentiating between rural and urban poverty, or between poverty and extreme poverty or indigence, which refers to a situation of deprivation much more extreme. In the latter the opportunities for economic improvement and social insertion (education, work, social and political participation) are severely restricted.

approach, the emphasis is not based exclusively on income-based poverty, but in the relation between different factors, including social, economic and cultural.

In this chapter, the social exclusion framework is used to analyze the situation of youth in Chile. Since this is a relatively new concept, there are some important nuances in the use of the concept. Therefore, this chapter starts by establishing the conceptual and methodological implications of the social exclusion approach for the case of youth in Chile.

The relationship between the concepts of poverty and social exclusion can be understood in different ways. Following the ILO<sup>2</sup> studies, social exclusion can be understood as being part of the concept of poverty. In that view someone who has neither access to certain basic good (traditional concept of poverty), nor opportunities for social or economic participation (social exclusion) would be considered poor. Social exclusion could also be understood as different concept based on other indicators. In the middle, there is also a third option that views social exclusion as a broader framework to understand poverty, which would include other dimensions along the economic one. This perspective will be applied in this study. From this point of view, social exclusion is a multi-dimensional concept, which involves economic, political, social and cultural elements. It is also a dynamic concept, which allows observation of these variables as processes.

In this paper, social exclusion refers to the impediments faced by a social group to have equal access to the markets and fully participate in society, acquiring full citizenship. Based on this definition, this study will consider the following factors as contributing to social exclusion:

- Weak participation in economic, social and political processes.
- Little influence in policy and decision-making.
- Failure to take advantage of existing mechanisms for social insertion.
- Failure to meet basic consumption, or the constant risk of becoming poor.

The concept of youth refers to an age range that has been standardized. In the Chilean context, youth has been defined as the population between ages 15 to 29. It is important to note that the United Nations uses a narrower age range, which only extends to 24 years old. This paper follows the definition commonly accepted in Chile and, when needed, the age range will be subdivided in different sub-groups.

2. International Labour Organization, "Social exclusion and anti-poverty strategies," Geneva, 1996.

From a qualitative perspective the definition of the term youth turns out to be very complex because it varies considerably from one society to another and in different historic periods. In general, youth could be defined as a stage that extends from adolescence and the initiation of sexual activities (end of childhood) to the stage in which the individual establishes a family and fully participates in the labor market and society. This definition, however, is highly vague, especially in defining the end of youth. Currently, in Chile, a person under the age of 30 could be classified as a youth even though he/she has a family and a stable job.

About 20 percent of the Chilean population is made up of population under age 30. As shown in table 1, this percentage has slightly decreased over the last 10 years:

**Table 1**  
**Total Population in Terms of Percentages**  
**(1989 -1993-1997)\***

	1989	%	1993	%	1997	%
Total Population	12.882.818	100,0	13.771.187	100,0	14.622.354	100,0
Population under age 15	4.640.057	36,0	4.819.867	35,0	4.995.154	34,2
Population between ages 15-29	2.936.937	22,8	2.950.203	21,4	2.925.868	20,0
Population between ages 29-65 and over.	5.305.824	41,2	6.001.117	43,6	6.701.332	45,8

\* Prepared by the author based on data issued by the National Institute of Statistics (Instituto Nacional de Estadísticas).

Addressing the problems of social exclusion and youth together lends a special connotation to both terms. Social integration for youths is not synonymous with total insertion in the work force and political, social or cultural life. Instead, it is the smooth transition from a situation of dependence on the family – with all that this encompasses – to one of independence, a typical characteristic of adult life. During this process young people enter into various new situations, markets, institutions, roles, experiences, legal, cultural and social arrangements. In the case of the youth, social exclusion implies the inability to develop and complete the passage in all these dimensions, which are key components of future adult life. Incomplete education, informal and precarious insertion in the labor force, along with

an identity established from a marginal position or fragmented standpoint in society, have definite effects on the future possibilities for the successful social integration of the youth.

At the same time, the youth go through specific experiences unique to this stage, which have nothing to do with transiting to the adult stage, but simply respond to the way in which youth organize reality. In this sphere, situations of social exclusion may appear that not only affect future personal development, but also could impede or limit the possibility of being a youth.

The study of social exclusion and youth in the Chilean context is of especial significance due to the changes that have recently taken place in Chile. Economic growth, modernization, and the transition to democracy could represent a very favorable context for improving social equity and social inclusion of the youth. In particular, it could represent the optimal context for younger generations to make their transition to adult life with unlimited possibilities of social integration, not only from the material point of view, but also in other dimensions. This paper explores if the social and economic changes experienced in Chile have facilitated the social integration of the youth, and, if so, how and why this occurred.

The first section of this chapter analyzes three dimensions which are considered to be important in relation to the likelihood of social integration or exclusion of the youth: (i) the socio-economic, (ii) political and (iii) cultural conditions. Regarding socio-economic characteristics, the analysis focuses on educational and labor force participation variables. Issues regarding schooling, quality of education and opportunities for higher education, labor force participation, unemployment, and quality of employment are discussed. In the political sphere, electoral behavior and social participation of the youth are analyzed. Also, their opinions regarding political life and the conditions under which they are bestowed with the rights of full citizenship are discussed. On the cultural subject, self-perception issues and some key cultural constructions of the youth are discussed.

In the second section, specific policy instruments aimed at fostering youth social inclusion in Chilean society are analyzed. Special attention is given to job training and educational policies.

Finally, in the concluding section, the main causes of social exclusion among youth are integrated into a model that it is used to assess the pertinence of the public policies developed by the government after the return to democracy. Based on the above policy recommendations are suggested.

## PART ONE INTEGRATION AND EXCLUSION OF YOUTH IN CHILE

### **Socio-Economic Dimension**

Over the last ten years there has been an important decrease in poverty in Chile. In 1990, 12.9% of the young population was indigent and 25.7% was poor. For 1996, these figures had decreased to 5.4% and 16.6%, respectively.<sup>3</sup> These figures could lead to an optimistic analysis of the situation if not for the existence of a significant disparity between high and low income sectors. This implies that despite the reduction in poverty experienced, there are barriers, particularly in the educational system and labor markets, which prevent the social integration of the poorest segments of the young population.

#### *Education*

There is a very wide conviction among academics, politicians and the public opinion that education is the main channel for social mobility and social integration in today's world. The Frei administration (1994-2000) emphasized education as one of the government's main priorities, making educational reforms a principal initiative along with judicial reforms. Nevertheless, analyzing the educational situation of Chilean youth through the social exclusion prism, a gray reality characterized by high disparities in levels of schooling, the quality of education and, educational performance emerges.

#### *Schooling*

According to the CASEN Survey of 1996 the average years of schooling of Chilean youth (between ages 15 to 29) is 10.8 years. This represents an

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3. CASEN Survey 1996.

increase of 0.6 years from 1990, when schooling was 10.2 years. These levels of schooling are very high compared with those of several other countries in the region, and even compared to the older generations within the country. In fact, the population in the age range of 65 to 74 has only six years of schooling on average. That is, in fifty years the average years of schooling in Chile almost doubled.

Despite the significant increase in schooling, a more detailed analysis reveals that there are significant disparities behind these figures. Youngsters 15 to 29 years old from the highest income level have 50% more schooling than those from the lowest income level (13.3 and 8.9 years respectively, according to the CASEN Survey of 1996).

The reasons for this disparity are many. On the one hand, social groups with fewer resources usually tend to face problems in academic achievement, which diminish their desire to continue studying. In fact, students who attend public high schools, 50.9% of whom are from low-income families, require an average of 5.9 years to complete the four years of high school,<sup>4</sup> while students in private schools take an average of only 4.4 years.<sup>5</sup> This indicates a higher repetition rate among lower income sectors, and it would be even higher if only the poorest quintiles were to be considered. It is also important to highlight that for this sector, continuing studying has a major opportunity cost due to the alternative of working and providing an additional income to the household, which is key for poor families. Lastly, the third reason refers to the difficulty of entering higher education, whether due to the imposition of economic or academic barriers.

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4. High school is synonymous with intermediate education, which refers to the final four years of basic education.

5. Institutional Project INJUV (National Institute for Youth) 1999, data from 1996.

**Table 2**

**Average Schooling of Population 15 Years Old  
or More by Income Sector 1996.**

Age Groups	INCOME QUINTILES					Total
	I	II	III	IV	V	
15-24 years	9.1	10.0	10.7	11.5	12.7	10.7
25-34 years	8.2	9.6	10.9	12.2	14.4	10.9
35-44 years	7.3	8.7	9.8	11.3	13.6	10.0
45-54 years	5.5	6.3	7.9	9.1	12.2	8.5
55-64 years	4.2	4.8	6.1	7.5	10.9	6.9
65 a 74 years	3.4	4.1	5.1	6.9	9.9	6.0
75 and over	3.0	3.5	4.1	6.3	10.1	5.5

Source: CASEN Survey-MIDEPLAN.

Beyond these disparities, nevertheless, the tendency has been toward increasing schooling within all sectors. Table 2 indicates that over time the increase in schooling has especially benefited the poorest fifth of the population. In fact, youth in the 15 to 24 age group have three times more years of study than individuals over 74 within the same income sector. Meanwhile, the richest sector has only experienced a 20 percent increase in the number of years studied within this same time frame. This is due to the sustained increase of retention in primary and intermediate education, which has particularly benefited the lower income sectors.

*Quality of Education*

Despite the high levels of basic and intermediate education achieved, disparities have begun to appear in other ways: (i) differences in the quality of education and (ii) differences in the access to the higher education. These disparities are shown (see Table 3) by the results of the standardized test for measuring the quality of education, (Sistema de Medición de la Calidad de la Educación, SIMCE), which reveals that, even though there have been improvements during the last years, there is still great inequality between private and public schools.

**Table 3**

**SIMCE Eighth Grade Mathematics, 1997  
National-Results and Dependence on the Establishment**

Establishment	APCA*
Public	59.49
Semi-private Subsidized	65.37
Private Paid	80.86

\* Average points of correct answers.

Similarly, the educational disparities can be shown by comparing the results of the SIMCE test (Table 4) according to the economical situation of the families:

**Table 4**

**Results in Spanish and Mathematics  
SIMCE Evaluation According to Socio-economic Level**

APCA**	Socio-economic Level*			
	A	B	C	D
Mathematics	85.06	75.51	67.67	61.15
Spanish	85.67	76.73	68.16	60.62

\* The categories A, B, C, D, correspond to the socio-economic level, according to the amount invested by the family on education costs. A corresponds to the upper 25 percent.

\*\* Average points of correct answers.

*School Dropout Rate*

Another major source of educational disparity is generated by differential access to intermediate and higher education. Table 5 shows that the level of coverage of primary education is very high in all social-economic levels. However, significant differences are found in intermediate and higher education levels.

**Table 5****Coverage According to Educational and Income Level**

Educational Level	Income Quintiles				
	I	II	III	IV	V
Pre-school	22.3	26.8	30.0	36.8	48.4
Primary	96.5	98.4	98.0	99.4	99.7
High School	75.3	81.0	89.3	95.3	97.2
Higher Education	8.5	15.1	21.5	34.7	59.7

Source: CASEN Survey 1996.

Existing data indicate that the dropout rate in high school is about 15%.<sup>6</sup> This means that more than 140,000 young people between the ages of 14 and 17 are not in the educational system. Their studies are interrupted due to socio-economic problems (46.75%), and learning difficulties (25.89%)<sup>7</sup> which tend to be connected to the former. While this dropout rate is not very high compared with other countries, it is worrisome considering the implications it has for the future of low-income youth. Since Chile has high and increasing levels of schooling, it is evident that, in the future, people who have not completed their school will become increasingly socially handicapped. In fact, 94.5% of youths in the penal system are school dropouts,<sup>8</sup> and 60% of unemployed youths between ages 15 and 19 are also dropouts.<sup>9</sup> These figures suggest a circular causality between dropouts and social isolation. In fact, dropping out of school represents a factor of isolation and vulnerability that increases the risk unemployment and delinquency and at the same time socioeconomic and social vulnerability increases the risk of dropping out of school.

6. Elaboration based on CASEN bulletin and Statistical Bulletin of the INE. Observe the relation between youths between 14 and 17 years old who are not in school and the total population of this age group.

7. CASEN Survey 1996.

8. INJUV, "Jóvenes reclusos: realidad, derechos, mejoramiento de su situación y perspectivas de rehabilitación" 1999.

9. "Desempleo Juvenil: Caracterización y propuestas para la política pública." Ministerio de Economía, November 1996.

## *Access to Higher Education*

Regarding access to higher education, the opportunities for a majority of accessing it are very slim (see Table 6). Higher education has experienced an important growth, but low-income sectors have not benefited most from this expansion. According to the CASENS survey, low-income youth increased their access to higher education from 7% to 8.5% between 1990 and 1996. Meanwhile, high-income youth advanced from 37.2% to 59.75, which is significantly higher.

The segmentation of the educational system (public/private) also has a strong influence on the differential opportunities of students to obtain higher education. Existing data indicates that the possibility of accessing higher education greatly depends on the type of educational institution as well as being directly influenced by the social and economic situation of the family. Table 6 shows that only 18% of the students who completed high school in public institutions – who are the majority and come from lower income families – have access to higher education. Contrarily, 47.9% of students from private schools (most of them from the top income quintiles), representing only 14.8% of the total, continue higher education.

**Table 6**

**Academic Destiny of Youths Who Complete Intermediate Education  
According to Administrative Dependence of the Establishments\***

Level of Schooling	Administrative Dependence			
	Public	Semi -Private	Private	Total
No Studies	72.4	65.1	39.4	65.7
Higher Education	18.0	21.9	47.9	23.4
Technical Education	9.6	13.1	12.8	10.9
Type of Establishment	57.3	26.9	14.8	100

\* Second National Survey on Youth, National Institute for Youth (Encuesta Nacional de Juventud, Instituto Nacional de la Juventud).

In spite of these differences, it is important to highlight that students from public schools represent more than the half of all university students, due to the fact that they are more numerous.

Another relevant characteristic of the higher education system in Chile is the weakness and little coverage of technical and vocational training, which could be an important option for many young people who do not enter the university. According to statistics from the Ministry of Education, of the 370,000 vacancies for students in the higher education system, about 259,000 correspond to universities, and only 110,000 correspond to technical and professional programs. Furthermore, students in technical and vocational education are not eligible for receiving financial aid (student credits), and there is no certification and control of these programs, making their prestige and quality highly questionable and, therefore, less attractive to prospective students.

In conclusion, while all quintiles have increased their school attainment and the gap in basic education (grades 1 to 8) between the first and second quintiles has been shortened, the differences between quintiles in the case of middle (grades 9 to 12) and higher education have increased significantly. Table 1 in the annex summarizes some key indicators regarding the Chilean educational system and the alternatives that young people from different income levels have after finishing basic, high school and higher education. The data indicates that while schooling increases and the opportunity for accessing higher education are better, the sharp differences in the quality of the education between private and public schools together with access barriers, give rise to processes of exclusion that clearly affect the poorest students. As a consequence, education opens important opportunities for many young people, but it is far from being an equally accessible tool for social mobility. On the contrary, it tends to reproduce and even compound the social disparities of Chilean society.

### *Labor Force Participation*

#### Economic Activities of the Youth

Labor force participation can be an important mechanism for social inclusion, since it gives greater independence by allowing young people to broaden their spheres of responsibility and social participation. Nevertheless, existing data suggests that most young people encounter many difficulties in entering the work force, especially the poorest, the youngest and

females. When they find employment, the jobs are precarious and have low salaries. Employers tend to have preconceptions – partly having to do with social stigmas – associated to poor and marginal youth – that predispose them negatively for hiring youngsters. The outcome is a very hostile labor market, and, given the limited educational background of poor and marginal youth, it represents a clear situation of socio-economic exclusion for the poorest segments.

Data regarding the type of activities in which young people are engaged (Table 7), indicates that 40.1% of them work; this figure nears 52.4% among males.<sup>10</sup> Nevertheless, the percentage of young people who both study and work is very low (2.7%), especially among the lowest income quintiles, where there should be a greater need to combine these activities. Furthermore, part-time jobs are scarce, and they're no employment and/or education regulations to support or facilitate the combination of education and work. Differences in education between women and men are minor in all income sectors. However, they are significant differences regarding participation in the labor force, especially in the first income bracket where the entry of men is four times that of women, and in the second bracket, where this is widely duplicated.

A high percentage of young women (27.7%) only have household responsibilities. Nevertheless, there are significant differences on the main economic activities of young women by quintile. The incidence of household work among young women from the first income bracket is five times greater than that of the fifth income bracket (45.9% *versus* 8.6%). At the same time there is a large discrepancy in the percentage of women with paid work between the different income quintiles. It rises from 11.6% in the first quintile to 40.9% in the fifth quintile, indicating greater possibilities of obtaining work for young women from high-income households.

The fact that young women from lower income levels have less access to the labor market is worrisome. Overcoming poverty is conditioned in great measure by the possibility of having a second household income. Women, particularly mothers, play a fundamental role as second wage earners. At the same time, schooling among women is nearly as high as that of men, especially in low-income sectors. Therefore, the fact that these women cannot get jobs reflects a loss of resources for society in addition to creating frustration for young women.

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10. This data is from the 1996 CASEN Survey, but, according to the Second Youth Survey of 1997, this figure is only 30 percent. The CASEN figure was preferred because it is based on a larger sample.

**Table 7**  
**Population Between Ages 15 and 29, According to Income,**  
**Gender and Type of Activity (%)**

Gender	Type of Activity	Income Quintile					Total
		I	II	III	IV	V	
Male	Only Study	31.0	29.0	31.2	34.0	45.4	33.7
	Only Work	45.5	56.9	57.0	56.3	44.3	52.4
	Study and Work	1.1	2.3	2.9	5.1	5.2	3.2
	Domestic Work	2.4	1.3	0.6	0.1	0.2	1.0
	Neither Study nor Work	20.1	10.5	8.2	4.5	4.9	9.7
	<b>Total</b>		<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
Female	Only Study	29.1	30.5	31.9	37.2	40.8	33.3
	Only Work	11.6	21.9	33.0	37.8	40.9	27.6
	Study and work	0.3	1.0	2.0	3.4	4.8	2.1
	Domestic Work	45.9	35.4	23.7	15.9	8.6	27.7
	Neither Study nor Work	13.1	11.2	9.4	5.7	4.9	9.3
	<b>Total</b>		<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
Total	Only Study	30.0	29.7	31.6	35.5	43.2	35.5
	Only Work	27.3	39.0	45.7	47.3	42.7	40.1
	Study and Work	0.7	1.6	2.5	4.3	5.0	2.7
	Domestic Work	25.8	18.8	11.5	7.8	4.2	14.3
	Neither Study nor Work	16.3	10.8	8.7	5.1	4.9	9.5
	<b>Total</b>		<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

\* Indoor domestic services and helpers are excluded.

Source: Mideplan, CASEN survey 1996.

One factor that holds back women's entrance into the labor market is the high rate of adolescent pregnancies among low-income women. Existing data indicates that among high-income households, women have children after the age 24 in 95% of the cases. Meanwhile, in low-income households, more than half of the children are born to mothers under 20 years old.<sup>11</sup>

In the case of men, there is a relatively high percentage (20.1%) of low-income men (I quintile) who do not work or study. At the same time, for high income young men (V quintile) that figure are only 4.9%. It is important also to note that the percentage of employed men in the first and

11. "Desempleo Juvenil: Caracterización y propuestas para la política pública." Ministerio de Economía, 1996.

fifth quintiles is below the total average for all income groups. This could be explained by the fact that in the wealthiest sector entrance into the labor force is delayed (due to higher educational enrollment), while in the poorest sector, there is a higher unemployment rate and there is a significant number of young men neither searching for a job nor doing informal work or any other economic activity.

## Unemployment

Unemployment rates in Chile had been very low during recent years, oscillating between 4.5 and 7.5 percent.<sup>12</sup> However, the unemployment rate for 1999 has been higher as a consequence of the adjustment required to offset the Asian crisis, reaching 9.8 percent in the second trimester of 1999.<sup>13</sup>

**Table 8**  
**National Percentage of Youth Unemployment:**  
**1989-1997\***

Year	Trimester	Youth Unemployment	National Unemployment
1989	Oct-Dec. 1989	13.2	5.3
1991	Oct-Dec. 1991	12.7	5.3
1993	Oct-Dec. 1993	10.95	4.5
1995	Oct-Dec. 1995	11.5	4.7
1997	Oct-Dec. 1997	12.97	5.3

\* Source INE, National Survey of Employment (Encuesta Nacional de Empleo).

Nevertheless, unemployment among the youth doubles and even triples the average national unemployment rates at any time. This tendency has been a constant factor during recent years (see Table 8). Although higher, youth unemployment follows the national unemployment trend, always keeping a similar ratio (see Graphic 1 in the Annex). These phenomena would indicate that there is not a specific labor market for the youth.<sup>14</sup>

12. All of the unemployment figures presented here are derived from the National Employment Survey conducted each trimester in Chile. When comparisons are made, they are made between corresponding trimesters of different years.

13. National Employment Survey, March-May, 1999, INE.

14. See Patricio Escobar, "Desempleo Juvenil una aproximación al problema," Reporte Anual

Rather, the youth participates in the same labor market where adults and trained employees are preferred.

What are the reason for the deferral of youth employment and the response to it in cases where there are equal job offerings for young people and adults? There are three important reasons that explain these phenomena.<sup>15</sup>

First, the preconceptions that adults have regarding the relevance (quality and appropriateness) of the formal education received by the youth need to be considered. Employers think that the training provided by the school system is insufficient and inadequate to perform satisfactorily in the workplace. Therefore, they prefer hiring older workers with additional skills, meaning workers with job training and/or job experience.

Second, there is the problem of certification and standardization of vocational and technical training. First, despite the greater access to high school education, employers do not consider all to be of the same quality. Similarly, in the case of the technical education and training, since there is no official certification process (and, if there is, it lacks credibility in the market), employers do not trust the quality of it and question the value of existing certifications.

Also, as we shall see in the section on cultural aspects of youth and exclusion, Chilean society in general, and employers in particular, have prejudicial opinions toward youth culture, especially among the poorest sectors, which leads them to prefer workers either from other income segments or already proven in the work place.

The analysis of unemployment rates according to age group indicates that the rates co-vary with age (see Graphic 1).

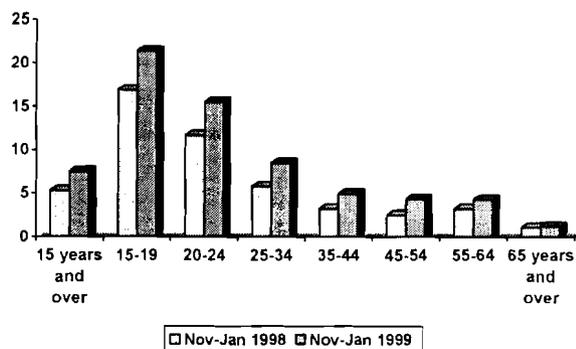
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No. 8. Programa de Economía del Trabajo, 1998.

15. Julio Salas, "Pertinencia y coordinación de la acción gubernamental dirigida a la integración productiva de los jóvenes", 1999.

## Graphic 1

### Comparative Unemployment Rates by Age Group Trimester of November-January, 1996-1999\*



\* Source: Prepared by the author based on the Employment Survey (Encuesta Nacional de Empleo).

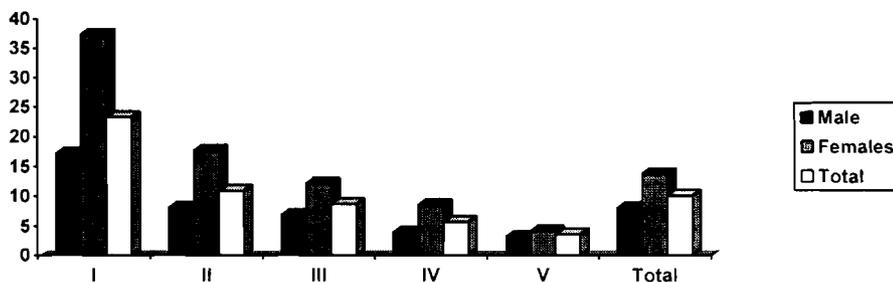
The data indicates that there has been an increase in unemployment over the last year, particularly among the youth. The National Employment Survey (Encuesta Nacional de Empleo) of April 1999 revealed that youth unemployment reached 20.4% for the 15 to 19 age group, whereas the year before, on the same date, it was only 15.9 percent. Furthermore, unemployment mainly affects low-income youth as Graph 2 indicates

Low-income youth, particularly women, suffer higher unemployment rates than other group. In 1996, average unemployment rate for the first income quintile was 25%, while for women reached 40%. Unemployment among women doubles that of men in almost all income quintiles. Women from the first income quintile experienced five times the unemployment rate of women from the fifth income quintile. This implies that unemployment is at the same time reflecting and widening the difference in opportunities that the youth, particularly women, is experiencing.

Most unemployed youth have incomplete schooling. According to the 1996 data,<sup>16</sup> 61% of people aged 15 to 19 did not complete high school and dropped out of the educational system. In the 20 to 24 age group 43% did

16. "Desempleo Juvenil: Caracterización y propuestas para la política pública" Ministerio de Economía 1996.

**Graphic 2**  
**Unemployment Rates for Population Ages 15-29**  
**by Income Quintile\***




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\* Source MIDEPLAN, CASEN Survey, 1996; prepared by Salas, Julio. "Pertinence and Coordination of the General Government Direction of the Integration of Youth Production."

not finish school. There is a close relationship between dropping out of school and unemployment among the younger age groups. However, public policies or programs have not dealt with this issue adequately.

### Quality of Employment

Quality of employment is equally significant than unemployment in generating social exclusion. In the past it could be said that unemployment in Chile was one of the main factors contributing to social exclusion and poverty. However, by 1996 more than the 80% of the poor had employment,<sup>17</sup> which would mean that the social integration does not completely depend as much on employment but on the quality of it.

From this perspective, the situation of young workers is unfavorable because their working conditions are worse than the rest of the workers from other age groups. Participation in the labor market and ties with the work

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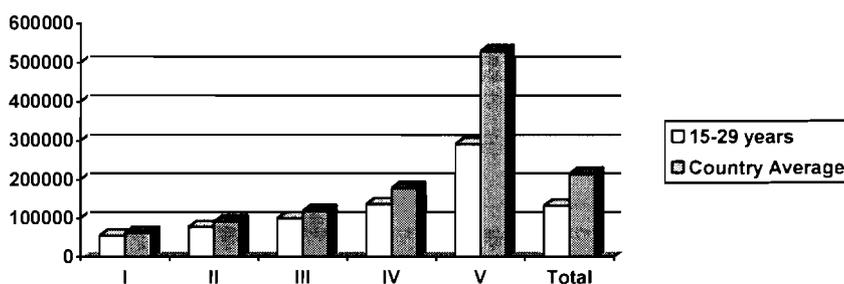
17. CASEN Survey, 1996.

place are weaker among the youth, particularly within the younger groups and within the lowest socio-economic sector. For these, informal work and self-employed, which are the most precarious, represent more than 60 percent of the total employment of the sector.<sup>18</sup>

Regarding wages (see graphic 3), existing data indicates that in general young workers from all income quintiles have average wages below that the average for the quintile. However, as expected, the wage gap is much higher for the high-income group (V quintile), as there are more possibilities for improving the income throughout the working years. Contrarily, for the lowest income group, upward wage mobility is almost null, as the workers tend to receive similarly low wages for the rest of their working life.

**Graphic 3**

**Average Income of the Different Income Sectors - 1996**



Source: MIDEPLAN, CASEN survey 1996; Prepared by Salas, Julio. "Pertinence and Coordination of the General Government Direction of the Integration of Youth Production," 1999.\*Ad. lib.

The limited wage mobility affecting the poorest sector becomes a counter-incentive for young workers to seek and take stable jobs, as they do not see these jobs as a career opportunity that would result in higher wages and improvement of their status and living conditions. On the contrary,

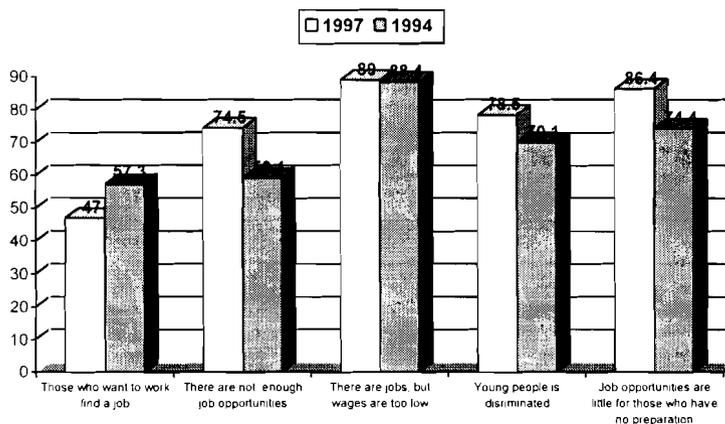
18. Second National Youth Survey.

young people compare their salaries to that of their parents and see that they are just about the same after many years of hard work.

The Second National Youth Survey (Segunda Encuesta Nacional de la Juventud, 1997) asked youth their opinion regarding work opportunities and compared the result with that of 1994 (see Graphic 4). Both years, a similar number of the interviewees indicated that there were jobs, but the salaries were too low. Regarding the importance of training and educational level, a higher percentage of the interviewees indicated that jobs opportunities increased for those who had better training/education. This reveals that youths, in spite of the limitations they have to face upon entering the work force, think that job opportunities increase with an adequate educational background. However, the survey also showed an increase on those who believed that there is labor market discrimination towards young people.

**Graphic 4**

**Youth Opinions about Work Opportunities**



Source: First and Second National Survey of Youth, 1994 and 1997.

## **Political Aspects**

Youths played an important role against the military dictatorship and the return to democracy ten years ago. As a result, the leadership of the student movement and other youth organizations became an integral part of the political elite. Paradoxically, after returning to democracy, political participation of the youth has decreased systematically over time.

Under the authoritarian regime during the 80's in Chile all freedoms were suspended or severely limited. Civil rights and political participation were restricted for all social sectors. Nevertheless, within that framework, the youth had more influence in the political life of the country than they do today. Their participation was basically channeled through political and student organizations, as well as neighborhood and church groups, particularly among the youth from shantytowns and poor suburbs.

Beyond their active and decisive participation in the pro-democracy movement of the 80's, the youth were a key element for organizing, controlling and, finally winning the 1988 plebiscite which marked the end of the regime and the beginning of the democratization of the country. Nevertheless, it is important to highlight that even though during the regime the youth did not have political rights and had no participation in the making of government policies which affected them, they were politically relevant, they were heard and, most of all, had the capacity to influence the course of the political events of that period.

After a decade, the situation today is quite different. There has been a substantial improvement in civil liberties. Democratic institutions and political rights are fully respected. Nevertheless, in comparison the youth is less influential in the political life of the country than it was during the regime. It could be argued that this situation is both the result of their own choices and interests as well as of institutional constraints that limit their participation. However, this situation is particularly grave among the low-income youth who lack the power to be heard by the rest of the society.

### *Registered Voters and Voting Rights*

In democratic systems, the most common vehicle for political participation is the right to vote. In Chile, citizens age 18 and older have the right to and must vote after being registered. In 1988, in preparation to the plebiscite, a new electoral register was open. At that time 96% of the youth

registered to vote. In 1999 however, less than the 55% of the youth is registered to vote.

**Table 9**

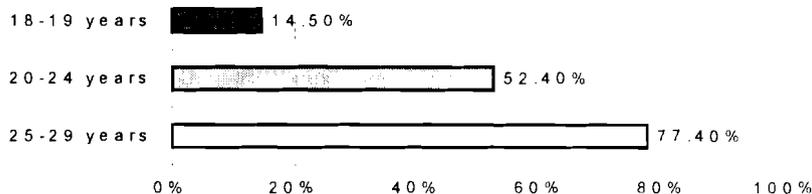
**Population Registered to Vote 1989/1993/1997  
(Totals and Percentages)**

Age Group 18-29	1989		1993		1997	
	Total	%	Total	%	Total	%
Total Population	2.821.314	100	2.954.452	100	2.924.429	100
Registered	2.719.957	96.40	2.310.818	78.21	1.605.011	54.88
Not registered	101.357	3.60	643.634	21.79	1.319.418	45.22

The data from this table reveals that during the last 10 years, young people have lost interest in registering and participating in the electoral process in a substantially and accelerated pace. Graphic 5 shows this tendency even more clearly by disaggregating the age data.

**Graphic 6**

**Percentage of Youth Registered by Age Segment, 1997\***



\* Second National Youth Survey.

The characteristics of the Chilean electoral register system partly explain the low registration rate among the youth. On the one hand, registering is optional. However, once registered voting is mandatory for all registered citizens and there is no option of getting off of the register. On the other hand, those who do not register are free of this obligation; yet, they cannot exercise their right to vote.

Another reason that keeps young people from registering is the unfriendly work schedule of the electoral offices, which discourages registration. Ordinary working hours of these offices are only one week per month from 9:00 a. m. to noon. This schedule is almost totally incompatible with studying and working hours. Additionally, the registration period closes four months before elections, which is precisely the time when more interest in registering could develop. Finally, there are no other alternatives or services in order to facilitate the registration of young people, whereas this type of services exists for other areas of civil services (such as in the case of the required registration for the military service). In summary, the system does not facilitate registration, resulting in low voter registration among the youth.

### *Relationship with Politics*

Low youth participation in the political system is not only due to the difficulties young people face for registering. In fact, electoral participation has also dropped among registered youth, either not voting or annulling their votes. The underlying issue is a growing distance of the youth from the political life of the country.

In the 18 to 24 age group, more than half of young people say they never talk about politics and declare themselves as little or not at all interested in it.<sup>19</sup> At the same time, 34.4% say that they are bored by politics; 37% are indifferent; and 39% have mistrust in the political system. Sixty-eight percent of the youth manifested low satisfaction or total dissatisfaction with democracy, and 88.8% believed that many changes were required in order to achieve a real democracy. Finally, Table 10 shows that the confidence youth have in politics and politicians is the lowest from a list of relevant institutions of public life, and this figure has dropped even more in recent years.

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19. Latino Barometer, 1996.

**Table 10**

**Evolution of Confidence in Institutions and Politicians According to Sex, Age, and Socio-economic Level (National Youth Survey, 1994 and 1997)**

Institutions/ public characters	Total	Sex		Age Group			Socio-economic level		
		Male	Female	15-19	20-24	25-29	High	Middle	Low
Church									
1994	81.0	75.6	85.9	81.6	79.5	80.8	77.9	81.1	80.5
1997	84.0	71.2	86.9	85.1	83.9	83.3	93.8	83.4	83.1
Media									
1994	75.0	71.0	79.0	75.0	76.0	73.3	74.5	75.0	75.0
1997	83.0	80.0	79.0	82.0	82.0	80.0	83.0	86.0	76.0
FF.AA and Police									
1994	70.0	61.1	73.0	71.0	66.0	63.3	77.2	69.4	61.7
1997	70.0	67.3	71.7	72.4	72.3	64.4	84.1	72.0	65.0
Government									
1994	59.0	57.3	60.0	54.1	61.6	60.1	72.0	60.9	53.2
1997	52.0	52.2	51.6	48.0	57.8	49.8	69.6	51.8	48.9
Mayor (Municipality)									
1994	58.0	54.8	60.7	56.2	58.2	58.8	75.9	59.9	51.8
1997	52.0	50.6	52.4	55.2	47.5	51.7	61.0	52.9	48.5
Business people									
1994	47.0	46.4	48.1	46.3	49.0	46.3	66.3	50.7	39.6
1997	56.0	56.7	54.3	58.0	57.5	51.1	69.6	56.8	51.7
Unions									
1994	45.4	47.3	43.5	40.1	47.9	48.5	48.0	48.0	41.9
1997	44.4	44.7	44.1	37.8	49.5	46.0	51.6	45.4	42.3
Elective representatives									
1994	41.5	38.7	44.3	40.3	45.6	38.7	54.3	42.8	37.3
1997	32.4	34.5	30.4	32.3	30.7	34.3	45.6	36.1	26.6
Political Parties									
1994	30.5	29.7	31.3	31.0	31.9	28.5	44.3	30.4	27.7
1997	26.5	27.4	25.5	26.9	24.6	27.8	33.3	28.0	23.8

Dissatisfaction, mistrust and lack of interest in politics are not attitudes exclusively attributable to youth. These are found in virtually every other sector of the population as is shown by diverse studies such as *Latinobárometro*, *Estudio Mundial de Valores* and CERC surveys.

There are diverse explanations for this lack of involvement, starting with the unfinished political transition towards democracy and the imperfections of the existing democratic system that has been attained in Chile. Another factor is that the political dimension has lost centrality in the every day life of citizens. The State is no longer the main entity responsible for distributing goods and services. At the same time, political parties are no longer the only representatives or mediators between different interest groups. These factors have contributed to a lack of interest in political activities, particularly among the youth, who choose not to participate in the political system.

On the other hand, a recent research done by Garretón and Villanueva<sup>20</sup> concludes that low voter registration among youth does not reflect anti-establishment sentiments or radical criticism toward the prevailing model of society. Rather, it would indicate that the youth prefers to put their hope for inclusion in the system on more functional goods that can be translated into obtaining a good education, a good job, o better social position and starting a family. Young people feels that society is not very sheltering and does not facilitate their hopes for integration. The lack of participation is not as much a criticism to the model of development and the government, but toward the impossibility of participating within it. In order words, young people, particularly the poor, would like to enjoy the same benefits available to other groups, but for multiple reasons they get excluded.

The same study confirms what has been said here regarding the dissatisfaction with politics being a general tendency within society. The peculiarity about the youth is that they have little political and civic socialization. Chile endured more than 15 years of authoritarianism under which politics was a forbidden activity and that lingers in Chilean society. After 10 years of returning to democracy, civic formation at school level is almost non-existent and, according to the youth, the family is not providing an appropriate place for effective political socialization of the youth because of disagreement between parents and children on these issues.<sup>21</sup>

Based on all the antecedents, the study cited concludes that there are "structural and institutional changes within Chilean society, politics and the prevalent paradigm on youth."<sup>22</sup> In the current Chilean context, politics would play a less significant role and still is constrained by an insufficient democracy. At the same time, the youth are no longer a homogenous

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20. Manuel Antonio Garretón and Tamara Villanueva, *Política y jóvenes en Chile: Una Reformulación*, Fundación Friedrich Ebert, 1999, Santiago.

21. Second National Youth Survey, also see next the chapter.

22. p.70.

organized collective actor, but instead a diverse and segmented group. As a result, there is a profound gap between both.

The experiences and expectations of youth regarding politics are different, and dominant political language and practices do not reflect them. As long as politics continue to be impermeable to the cultural codes and the new conditions of Chilean society, it will continue to be an activity with very little appeal for the youth. As a consequence, the political weight and influence of the new generations has decreased generating a vicious circle marked by a political discourse and agenda that do not represent the youth and a youth that has little interest and influence in the political life of the country.

We could endlessly continue with the analysis of this phenomenon, but for the objective pursued here, it is more important to understand the possible effects of this phenomenon in the youths' capacity to have some bearing on the decisions and public policies related to them. First, it must be stated that there is an under-representation of youth in the electoral body, as observed in Table 10. In fact, today, there is only one youth for every five voters; whereas, in 1988, there was one youth for every three voters, although there has been little variation if the composition and the weight of the youth in the voting population (between 1989 and 1997 they have dropped from 35.6 to 30.4 percent of the population).

**Table 11**  
**Proportion of Youth Registered to Vote According to**  
**Population Registered on the Electoral Rolls\* (%)**

Age Group	1989	1993	1997
18-29 years	35.99	28.58	19.89
30 -39 years	22.62	25.66	27.90
40-49 years	16.15	17.70	20.56
50-59 years	11.74	12.28	14.11
60-69 years	8.08	9.10	9.86
70 years +	5.42	6.68	7.98

\* Prepared by the author, based on data provided by I.N.E. and Electoral Service.

This under-representation of the youth produces a significant distortion of the electorate because it artificially ages the poll. Undoubtedly, this affects the degree of priority and the way of treating the problems that interest the youth by politicians. In fact, each time it is less profitable for the politicians to pay attention and take on youth issues. This strengthens the vicious cycle in which the lack of interest leads to a lesser participation, less political weight and, hence interest from traditional politicians to address youth problems, which confirms that the youths' worries.

Besides the electoral under-representation, the youth is not able to have any political influence in the country due to peculiarities and insufficiencies of the Chilean transition to a democratic system, such as the persistence of assigned senators and the excessive presence of the military in the political arena and deliberations. At the same time, the current electoral system results that under certain circumstances, the electoral majorities do not see their options reflected in the election of their representatives to the parliament, thus, in the impossibility of the government to carry out deep reforms that would allow more participation and better representation. True, this situation has an impact on everyone, but the youth is more skeptical and pragmatic. By and large, they don't want and feel no obligation of participating in a democratic process with all those restrictions and which does not allow effective participation in the decision making process.

The Chilean transition has been characterized by the search of consensus among the different sectors, avoiding the most conflictive topics. The constitutional framework inherited from the Pinochet regime has not been modified (due to the lock imposed by the electoral system) and human rights violations that took place during the regime have not been clarified. These restrictions, for the sake of stability, could be assumed and understood by a generation that lived through the political crisis of the 70's and the military coupe. However for the younger generations those transactions and restrictions are incomprehensible and unacceptable. Rather, the youth perceive in that attitude of the political class just the standardization of political discourses and styles among the different sectors, loosing sight of the different conditions and political values that are behind those postures.

### *Youth and Social Participation*

Beyond politics, it is important to look at the different ways of social organization and participation that the youth has in order to channel their interests.

About 52.3 percent<sup>23</sup> of the population below 25 years old, participate in some type of organization, a percentage slightly higher than that of the one presented for adults. This level of participation disproves the wide spread assumption that young people is apathetic and lack interest in public affairs.

The types of organization preferred by the youth, however, are different from the types of organizations that prevailed in the past. In fact, the youth sections of political parties have lost the relevance and power they have in the past. At the same time, students' organizations, which still maintain certain vitality, have lost the national leadership they once had.

Nevertheless, there are examples that demonstrate that the youth has interest in participating in society through other type of organizations, smaller, less institutionalized, and centered on cross-sectoral issues such as sports, music, solidarity, or religion. During 1998, two massive events proved the wide interest of the youth in social participation. These were the *Continental Conference of Catholic Youth and World Boy Scouts Jamboree*. While the content has strong social overtones, the type of organization and participation is completely different from those that existed 10 or 20 years ago. Similarly, there is high interest in participating in community outreach activities organized by student organizations, church groups and other civil society organizations. Also, it is important to mention the interest that recently has created a volunteer program for young professionals named *Servicio País*, which has attracted numerous volunteers. In all these cases, youth participation has been linked to specific objectives, more than an organization. In fact, the youth feels identified with issues or themes of interest, but not with the organizations that claim to represent them in a broader perspective.

While these types of organizations do not have a political origin, they are forced to confront political issues daily either because of the type of themes and activities they carry out or out of need of economic resources and institutional support. However, the encounter is uncomfortable due to their mutual mistrust and the lack of knowledge of their particularities. Government organizations, political parties, and congress representatives do not know how to deal with these organizations. They neither understand their informal character nor tend not to recognize and accept their autonomy. The weight of history and tradition is still too strong and traditional political actors are not used to deal with independent social organizations.

Most youth organizations due to their informal character have difficulties systematizing their experience and developing their organizational skills.

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23. Latino Barometer, 1996.

Thus they have trouble dealing with the political and institutional world, stumbling over the same issues, such as difficulties in developing and getting approved youth-specific projects, unwillingness of the authorities to support them for fear of what the youth would do, or the opposition of the community to these activities.

Among the poor, youth organizations have even more unstable characteristics. Their participation tends to be channeled through very informal organizations, such as groups of youth that share affinity toward certain type of music, or the street-corner groups that may evolve into gangs.<sup>24</sup> In these occasional meetings they share experiences, make friends, develop bonds, and they waste a lot of free time, (keep in mind that in the first quintile there was a 20 percent of young males who stated that they neither studied nor worked). This type of groupings is unknown to the traditional political actors and they are stigmatized, as they are related to gangs and drug addiction.

In summary, the current level and type of social participation of the youth derives from a combination of weak organizations and lack of receptiveness by the political establishment and society, in general. At the same time, existing institutional channels (the state and political representatives) are not perceived by the youth as means for voicing the youth's problems and to search for solutions. Rather, current institutions are perceived only as rules made by and for others. Be it the political establishment or the adults.

As a result, there is rather weak electoral participation, a limited communication with the political world, and a State unable to develop coherent and solid policies towards the youth. In other words, Chilean society does not offer many opportunities to the youth for political participation (it is a restrictive democracy, an unfriendly electoral system, and the establishment barely recognizes youth organizations) and, the few opportunities offered are rejected by the youth, (as the low rates of electoral registration, wide spread rejection of political activities, little credibility on politicians demonstrates).

## **Cultural Dimension**

To confront the issue of youth social exclusion from the cultural point of view, different paths could be taken. In this study, it is understood as a consequence of societal value patterns and stereotypes that set apart young

24. See Pablo Cottet *et al.* *La Generación de los Descuentos* and Claudia Barril *et al.*; *Nuevas Modalidades de Agrupamiento Juvenil*.

people from the community. That is, the focus of this section would be the way in which Chilean society (the public opinion, the media, and political discourse) perceives and deals with the young, and we will analyze if this favors their integration or if it generates the exclusion. Secondly, we will analyze the cultural patterns of the youth to end up questioning the existence of a single youth identity in Chile today.

### *How Chilean Society Sees Its Youth*

Over the last decade, the public image of the youth has changed dramatically. Ten years ago, the stereotype was that of a radical committed and idealistic student fighting for a better world. This vision reflected the positive perception of a society undergoing harsh times due to military dictatorship, and they wanted to be integrated.

Contrarily, today's vision – in a society that believes its success and knows it is not integrated – has two opposite images of the youth: one negative and the positive. The latter defines them as indifferent and superficial. Further, this stereotype relates youth (particularly among the poor) to social problems such as drugs, violence, and even delinquency. In fact, the media portrays young people in relation to gangs, violence in stadiums and drug-addiction. From the social participation point of view, far from being the active and generous democracy-fighters from a decade ago, today society condemns their electoral abstinence, skepticism, and their distancing from politics, assimilating all this with lack of interest on public problems.

However, at the same time, there is a second optimistic image that expresses a kind of veneration of the youth. From this point of view, young people incarnate the meaning of success, beauty, and the actualization of modernity and progress that everyone aspires for. Unlike the negative image, that is based on the media and the political discourse, this one is based on the use and portrait of the youth in advertising, and the economic discourse that sees the youth as the engine of the country. The conjunction of these opposite visions leaves a narrow margin of maneuverability to the majority of young people that do not fit into neither of the above stereotypes and, thus, do not see themselves as part of society neither in terms of their identity or concerns.

For the poor this situation is even worst. Marginal youngsters clearly perceive that to society they represent the "dark side" and feel stigmatized. They feel ostracized by society, they do not participate from the economical

success of the country, have less and unequal access to educational and work. Overall, they know that are perceived as a danger to society.

As Touraine<sup>25</sup> suggests, it looks like this dual image of the youth is a reflection of the perception that Chilean society has of itself and of its future: a country growing capable of an ordered transition to democracy progresses that at the same time must tolerate an incomplete democracy and great social disparity. This tension makes the extensive middle class – that is starting to benefit from economic growth – uncomfortable with the poor and, particularly the youth, as they represent the flip side of the system and a threat to their own success, as they fear they could fall into poverty at any moment. Poor young people inspire insecurity as they are seen on the streets and all negative attributes of the stereotype are pointed toward them. At the same time, poor and marginal youngsters are particularly sensitive to that rejection. They understand society does not want them and; at the same time, they feel they owe nothing to a community which excludes them.

Young people from low-income sectors not only have to bear the image of dangerous individuals, but also that they are a failure. The last 10 years of high and sustained economic growth has generated an image of success for the country in which everyone wants to participate. In a society like this, values and norms that clearly define the limit between those who advance and those who do not are clearly established, and these have to do with the economic *status* achieved. Unlike Chilean culture prior to the military regime, where austerity was a general norm, and there were other channels for social mobility and prestige (public service, leadership in political or social organizations), today it is very clear, that is only through economic success. Those who do not achieve a good economic *status* are seen as failures. Middle class youth lives with this fear, and the poor feel condemned to that condition, because the doors to prosperity, education and quality jobs is likely inaccessible.

### *Youth Culture and Identity*

A few years ago, the notion that the Chilean youth, particularly those in poverty, was undergoing a process of cultural disintegration and anomie,<sup>26</sup> was widely accepted. From that perspective, youngsters neither share

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25. Alain Touraine, "Juventud y Democracia en Chile," *Revista Última Década*, Vol. 6, No.8, 1998.

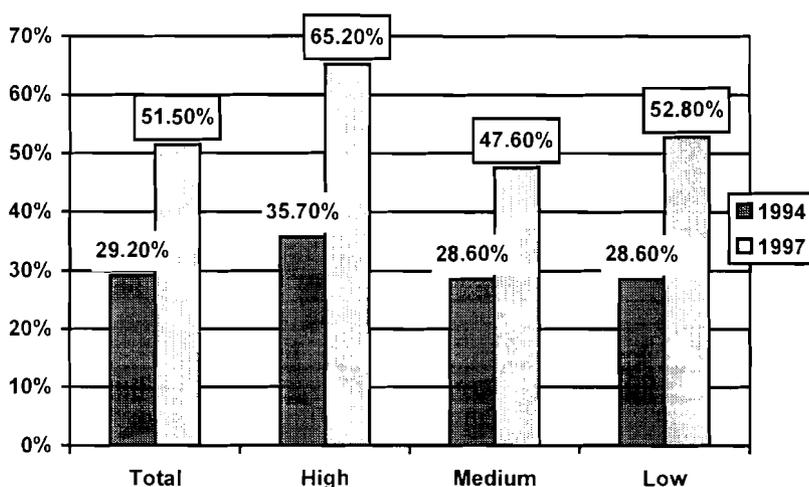
26. See *Sociabilidad y Cultura Juvenil*, Cuadernillo Temático del Instituto Nacional de la Juventud, 1998.

mainstream cultural patterns, nor were they able to develop an alternative world-vision. Thus, their attitudes were considered to be more anomic and anti-social than revolutionaries.

Today, the literature suggests that Chilean youth, even the poorest sectors, are not unaware of the cultural orientations and values that rule Chilean society. All field research, even among hooligans, indicates that the main aspiration of most of the interviewed youngsters is to study or to find good employment. The key aspiration of the youth is social integration, having the opportunity of participating and benefiting from the country's economic development and modernization, of having a place in society. To achieve that goal, most of them indicate that education is the main tool for having success (see Graphic 7).

**Graphic 7**

**Percentage of Youths Considering Education to be the Crucial Factor in Reaching Success (1994 and 1997) \***



Source: Second National Youth Survey.

According to the Second National Youth Survey, youths increasingly consider education to be the main road for advancing and obtaining success in life. Graphic 7 shows an increase in the percentage of youngsters

indicating education as the key vehicle for social advancement between 1993 and 1997 from 29% to 52%, respectively. This reveals that a significant percentage of the youth adheres to the public discourse of key sociopolitical stakeholders (government authorities, politicians, businesspersons, and churchmen) stating that education is the main channel of social mobility.

Similarly, existing data shows that there are no major generational conflicts between most of the youngsters and their parents, and the adult world in general. Table 12 shows there is a high degree of agreement between parents and young children on almost all matters (see below).

**Table 12**  
**Percentage of Youth Who Agree with Their Parents**  
**(National Youth Survey, 1994 and 1997)**

Aspects	Total	Sex		Age Groups			Socioeconomic Level		
		Men	Women	15-19	20-24	25-29	High	Middle	Low
<b>Plans and Future Projects</b>									
1994	77.8	78.8	76.8	81.8	79.4	72.4	84.9	79.2	74.7
1997	76.2	75.2	77.1	80.8	82.2	65.7	80.8	80.6	71.1
<b>General Permission</b>									
1994	73.8	79.9	67.4	70.3	78.6	71.8	80.0	76.3	69.7
1997	72.6	77.4	68.1	67.8	80.3	69.9	69.9	73.0	72.7
<b>Amusement and employment of the free time</b>									
1994	67.4	67.6	67.1	65.9	69.4	66.8	69.5	71.7	62.1
1997	69.8	69.9	69.7	68.2	74.9	66.4	75.2	71.3	67.4
<b>Opinions regarding the life in couple</b>									
1994	68.2	71.0	65.2	70.5	70.7	63.1	73.1	70.8	64.2
1997	68.6	69.2	68.0	69.8	74.8	61.3	75.3	70.4	65.7
<b>Opinions about sexuality</b>									
1994	65.4	65.9	64.9	73.5	69.8	52.7	77.0	68.5	59.5
1997	67.5	68.2	66.9	72.6	71.8	58.3	82.6	69.6	62.9
<b>Political matters</b>									
1994	60.0	59.7	60.2	61.7	63.8	54.9	75.4	59.0	58.0
1997	58.2	58.2	57.8	51.8	68.1	54.3	66.0	59.8	54.9

Is there a unique generation-based identity of the youths in Chile today? On the one hand the information provided above would seem to suggest so. However, in spite of those similarities, the youth in Chile is marked by diversity, mainly based on their socioeconomic *status*, and the lack of common bonds that would cut across those differences. Rather than "one" youth, there are various youth groups, so different from each other that it is difficult to consider them as a single social group. The data in Table 13 verifies this assertion while at the same time qualifies it.

**Table 13**

**Youth Agreement Regarding Statements Referring to Youth Identity  
According to Sex, Age and Socio-economic Background  
(National Youth Survey, 1994 and 1997)**

Statements	Total	Sex		Age Groups			Socioeconomic Level		
		Men	Women	15-19	20-24	25-29	High	Middle	Low
Youths think differently from adults									
1994	87.3	86.7	88.0	86.5	86.8	88.7	86.9	88.5	86.1
1997	87.8	89.0	86.7	85.6	89.9	88.0	86.4	89.1	86.8
All youths think and act similarly									
1994	50.1	46.1	54.2	53.7	49.7	47.6	42.9	48.7	53.1
1997	45.1	46.6	43.8	51.4	42.7	41.3	49.5	44.3	45.2
Youths from low and high think and act differently									
1994	73.5	75.0	72.0	67.2	74.7	78.8	68.2	74.2	73.8
1997	75.2	76.6	73.9	73.1	69.8	82.6	84.4	79.9	69.1
Female youths have the same opportunities as male youths									
1994	57.6	59.8	55.3	56.8	55.7	60.5	48.0	54.9	62.5
1997	41.9	44.8	39.2	46.2	40.5	39.1	48.7	39.0	43.6

Table 13 indicates that while most of the youth believe that they are different from the adults, only 45% believe that youth from different socioeconomic background think and behave in a similar way. In fact, there is a high agreement that youngsters behave and think differently according to socioeconomic status and gender. That is, they recognize their differences with the adults as well as among themselves. According to INJUV,<sup>27</sup> "youth behavior and social practices reveal a fluid and unstable social situation, in which internal social differentiation prevails over the generation-based social differentiation."

Different groups of young people develop specific group-identities, and among these groups there is little communication, overlap or cross-membership. At the same time, cities are highly segregated and there are no shared areas where these different groups could converge. Most cities as well as the educational system are highly segmented along income levels. Thus, there are few public places where groups from different socioeconomic backgrounds could meet. Furthermore, there are no public figures or youth leaders capable of bridging, reaching and mobilizing these different groups. The only institution that to some extent has that capacity is the Catholic Church. Beyond that, the only other common language that appeals to all is the media (Radio and TV) and the plea for consumerism.

The expansion and ease availability of credit paired with strong advertisement have created an ideal consumption pattern that most youth aspire for, regardless of their socioeconomic background. This phenomenon is extremely important because in the Chile of the 90s, consumption doesn't only reveals the purchasing power of the individuals, but rather it expresses preferences, identities and sub-cultures. Particularly, for youths that have been raised under this logic, not having access to certain goods has an even higher cost than not possessing them. It implies not being able to manifest their tastes and being excluded from the dominant model of youth.

As a result, there is no common ground for the development of a broad group identity while, at the same time, there is a strong influence of the media on the shaping of a unified consumption pattern. These two conflicting elements engender a situation in which most of the poor-marginal youth do not have a sense of membership: they perceive themselves alone and see only through consumption a way to relate to others. In practice, they feel alone, devoid of a common history, without a past and little to expect from the future.

The loneliness of the youth, a characteristic of present times, is even worst when it implies exclusion, that is to say, when the main channels of

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27. *Op. cit.* Page 4.

the integration (participation in the labor market and having an income level enough to meet the group's consumption pattern), are not accessible. The youth, particularly the poor, is not only excluded from the "opportunities," but also of becoming a social subject with a clear role in society. As Touraine (1998) indicates, as individuals ascended in the social hierarchy, there is a stronger identification with the social mores that such position carries since these grant-increasing satisfactions. Contrarily, marginal youths do not see a link between what they do (either at the family, school or work levels) and the rewards they get. For that reason is very difficult for them to become social subjects that modify their environment to achieve their objectives. Rather, in most cases, they manifest at the same time an intimate rebelliousness and a social hyper-conformism.

In summary, the idea that marginal-poor youth would find organize and mobilize to force social change is no longer valid in Chile today. In general, social organizations are extremely weak, particularly those that seek structural social changes. The Chilean transition to democracy, with its moderation and pragmatism, has tried to put in the past those types of organizations and models of social participation. The youth has been the first one to internalize that change. Instead, the youth prefers more informal organizations that seek short term and very concrete objectives that allow them to move in and out of the group without losing much.

On top of this social and cultural dispersion, due to the history of political confrontation over the past 35 years, there is a lack of shared projects or forward vision. As a consequence, the youth do not have a unique identity, which would not be in itself a problem, but more importantly, youths have serious difficulties to establish significant group-specific identities that would serve as a basis for developing social networks and transiting to adulthood.

## PART TWO

### POLICIES FOR THE SOCIAL INTEGRATION OF THE YOUTH

The arrival of democracy brought out the expectations of different social groups that felt their necessities had been deferred for a long time. The degree of satisfaction regarding meeting those expectations is variable. Yet, to many, democracy has not unfolded in the expected way. To be sure, Chilean economy has been growing steadily over the last 10 years, poverty has been reduced, and inflation and unemployment have been under control

until 1999. All of the above goes beyond the expectations that many had. However, despite the economic growth and the expectations created, there have been little changes in the social and economic policies aiming at increasing social services and promoting the inclusion of marginal groups in the economy and the benefits of growth. It is difficult to assess how much of the progress made is due to the positive economic cycle that Chile has experienced or to the social policies implemented in this period. In this section we will look at the social policies trying to establish if they have tackled the main factors that generate social exclusion among the youth.

## **What Democracy Had to Offer**

The return to democracy implied for the youth very ambitious expectations: freedom and opportunity. To the government, meeting those expectations required a two-pronged strategy. First, it was necessary to revert the climate of repression and to open up participation at different levels. Second, it was essential to tackle the main social and economic problems that a significant proportion of the youth faced daily.

As a result, in the early 1990s several programs targeted to the youth were developed:

- Establishing the Youth's National Institute (Instituto Nacional de la Juventud).
- Launching a youth labor training program (Chile Joven).
- Drafting and submitting to the National Congress a bill on Youth Organizations.
- Launching the educational reformation.
- Developing a set of programs that sought to increase and facilitate the youth's access to cultural activities.
- Defining a legislative agenda that included several bills addressing youth issues.

The results of these policies and programs were diverse. Not all of them prospered neither were successful. In fact, the priority given to youth issues in the early 90s didn't stay long and it was slowly put in the back burner. Only the labor training and educational reform programs continued to have strong political support and resources to be implemented over time. It could be said that the two pillars of the government action on the issue of youth

social integration have been those two programs, which will be analyzed in detail. However, before a summary assessment of the other programs will be presented. It will be shown that these other tools have not been important components in the government policy towards the youth.

### *The Youth's National Institute*

The 1991 the Youth's National Institute (INJ) was created. It was designed as a technical and autonomous agency under the Ministry of Planning and Cooperation. Its objectives were: (i) to coordinate activities and programs targeted to the juvenile population that could be implemented either by other public organisms or private sector providers; and (ii) to provide technical assistance and advice to other government agencies in the design and implementation of programs for the youth.

This technical and advisory role was criticized by some youth organizations, including the youth's sections of the political parties. Their posture was that the Institute ought to have a more active and direct role in promoting youth's participation and in representing their interests in the government. This conflict never finished and the debate about the role of the institution has permanently haunted and weakened its identity and credibility.

Among the specific tasks foreseen for the Institute, the main one was providing technical support to other ministries and government agencies in the design of policies and programs directed to youth and, in turn, to act as coordinator of the activities implemented by these organisms. However, in reality that role did not materialize in practice because the institutions that supposedly should have been advised and coordinated by the INJ were much more solid, powerful and specialized (Ministries of Health, Education, Justice and Work, Minor's National Service, Social Investment Fund, National Training and Employment Service, etc.). Far from coordinating youth's policies, the INJ finished being quite marginal in the decision making process that continued to be centered in the ministries and mentioned services.

Outside of this coordinating role, the INJ developed a series of programs whose execution was in charge of others. Among these the most important were the Youth's Houses (community centers for the youth), the National Youth Information Service, Municipal Bureaus for Youth Affairs (local government offices in charge of developing juvenile programs at municipal level) and the Youth-Card (an identification card that provides access to discounts and special opportunities).

This group of initiatives, even though were well conceived, did not have enough impact on the issue of the social exclusion. This was due to the lack of resources dedicated made available to the INJ, reaching at its peak only US\$6.3 million in 1997. In fact the INJ had one of the lowest institutional budgets in the social area.

In addition, administrative irregularities and bad management that ended up in a deep institutional crisis at the end of 1997 affected the action of the Institute. Several INJ officials accused of corruption and were indicted. The bad management decreased even more the role and influence that the INJ had in policy discussion, giving place to a long-standing institutional weakness and low credibility.

After the 1997 crisis, an internal reorganization took place, the INJ became INJUV (Instituto Nacional de la Juventud), and a new management was appointed. However, as part of that process, in 1998 the annual budget of the INJ was cut to less than half of what was the previous year. At the same time, several programs were closed, keeping only those considered fundamental to transform it in an orderly and efficient agency capable of playing a more effective role in policy making.

### *Law Proposal For Youth Association*

In 1991, the Government sent to the Congress a bill of Juvenile Associations whose main objective was to stimulate the development of juvenile organizations and their participation in society. The bill proposed a simple mechanism to recognize and grant legal *status* to the various types of juvenile organizations, including student organizations, political groups, and many others. Also the bill provided for the coordination of these organizations through the establishment of Youth Councils at the municipal, regional and national levels. Lastly, the project looked for the strengthening of juvenile organizations by establishing a fund that would provide resources to support different types of activities.

The project began its discussion in the Congress and was approved by the Senate but later on, in 1994, the Government withdrew it from the legislative agenda. No official reasons have been given although it has been known that there was severe opposition to the bill by different key political actors who criticized the corporatist and centralized character of the proposal. At the end, this uncertainty has prevented reconsidering the issue through other less ambitious.

### *Access to Cultural and Leisure Activities*

The policies and programs implemented in this area have been in hands of diverse institutions, without much coordination among each other. Some of these programs were mentioned before (Youth Card, Youth Information Centers). Along with the above, there are several small scale and low coverage programs. Nevertheless, it is worthwhile to highlight some innovative activities that were targeted to urban poor youths, such as the Music (Rock) Schools and the Cultural Street Corners that have attempted to legitimate activities and gathering places of marginal youth and to strengthen their social capital. Traditionally, those activities and spaces have been discredited by society. Another interesting initiative in this matter has been the creation of the Centro Balmaceda, a cultural center that supports young talents and disseminates youth's art and other cultural expressions.

### *Legislative Agenda Towards Youth*

The Aylwin and Frei administrations have given course to a group of legislative initiatives addressing youth issues, particularly youths' social exclusion. Among these it is important to highlight:

- Abolition of regulations that allow the police to arrest someone based only on suspicion.
- Promulgation of a Sports Law that would provide more opportunities to the youth for practicing sports.
- Elimination of legal differences between legitimate and illegitimate children.
- The suppression of the film censorship.
- The prohibition of demanding pregnancy test to the women seeking employment.
- The promotion of the juvenile associations.

In general, the treatment of youth related bills has been rather slow. Until the end of 1997, some 130 youth related bills had been submitted to the congress. Only 18 of them (14%), have been passed. Furthermore, some of the laws have been severely modified some of them are rather of repressive

nature, such as the Law of Drugs or the Law of Violence in the Stadiums. In summary, the rate of approval of youth related legislative initiatives is far slower than the general rate that is 23%.

In spite of this, during 1998 three significant youth related bills were approved. The first one was the elimination of the detention for suspicion, which has been the mechanism that traditionally the police have used to justify arbitrary detentions of young people. The same also establishes a series of guarantees for the detainee. The second bill passed was the recognition of the equality of children before the law. This put an end to a series of differences consecrated in the law between children born inside and outside of marriage regarding inheritance, benefits and allowances, and family kinship. The third one consisted on the prohibition of demanding pregnancy tests to women applying to employment. The latter two, even though they have a broader impact, they counteract social mechanisms that feed the exclusion and the stigmatization of young people in poverty.

## **Educational Policy**

### *Educational Reforms*

As in many countries from the region, Chile has launched a wide process of educational reform whose main objectives are to improve the quality, modernize the curricula to the requirements of society, and to improve access to the system and equity. Specifically, the educational reform has developed the following lines:

- Improvement of the quality and equity of the educational system: These programs seek the renovation, autonomy and decentralization of the system, assigning more resources to public schools (elementary and high schools), especially those for high-risk students.
- Improvement of teachers' professional careers: Gradual increase of wages, professional development and performance incentives and awards.
- Curriculum reforms: Modernization of the curricula, increasing school autonomy.
- Full schedule: Extension of the school day schedule allowing more time for extra (basic) curricula activities (autonomy).

Some key programs have been implemented under these new policies. Among these, it is important to highlight the following:

- The 900 Schools Program (P900). Started in 1990, its objective was supporting the lowest performing elementary education schools by improving their infrastructure and school supplies, developing weekly training workshops with the teachers and mentoring students with learning disability.
- The MECE (Improvement of the Quality of the Education) Program. This program aimed at improving the quality of education by providing teaching materials to facilitate innovation and to improve the learning process. The program started in 1992 with primary schools and in 1994 high schools were included in the program. One of the activities supported under this program was the Red Enlaces a computer network that links schools and supports information technology projects developed by the participating schools.
- Curricular reform. The reform begun in 1996 with the approval of the new curricula for basic education that set basic objectives and minimum contents. Within this framework, educational establishments were granted more flexibility to define their own plans and programs. In 1997 a nation-wide consultative process took place to review the reforms to the secondary education curricula proposed by the Ministry of Education.
- In 1996 the full-time schedule was introduced. This change ended with double shifts that still were common in many high schools and allowed more time for schoolwork and extracurricular activities.
- Lastly, a series of measures aimed at improving the *status*, training and teachers' wages have been implemented, including 125% salary increase over the last 9 years, scholarships and internships abroad for teachers, and continuing education programs among others.

These reforms have been supported by a steady increase in public expenditures in the educational sector which grew 112% in real terms between 1990 and 1997, going from 2.5% to 3.3% of the GDP (PIB).

All population 15 years old and younger attending school has gone through the reform process. This shows in the improvement of the average student performance as indicated by the Quality of the Education Measurement System (SIMCE) test results. Between 1990 and 1997 average performance has improved by 11%.

In spite of these encouraging results, the performance gap between high and low-income sector students continue to be enormous. The SIMCE

performance of 4th grade students from the higher income groups is 25 % higher than that of the lowest income group. Yet, it is important to highlight that when a positive discrimination policy exists, such as the P900 program, the gap can be decreased. Indeed, the elementary schools that are part of the Program P900 have improved their performance by 4 points more than the average.

At the same time, some of the educational reform policies implemented have increased the inequality of the educational system. The introduction of co-shared financing that allows public (free of charge) high schools to start charging fees, if there is consent of the parents association, has practically ended with public free of charge high schools. As a result, an increasing segmentation of the educational system has developed based on the capacity to pay of the parents and, the poorest students are being clustered into the high schools with the least demand and less resources.

Likewise, the public dissemination of SIMCE test results has generated some unwanted effects. Initially, the measure was taken to provide parents with more information regarding school performance and thus, improve the targeting of the subsidy system by directing the demand to educational establishments with better performance. However, at the same time this measure prompts schools to drop or reject students with lower scores who would make descend the school performance. In this way students with low scores, mostly children of low-income families, are segregated.

In summary, most experts and analysts agree that the backbone of the educational reform has been improving the quality of the educational system more than its equity. According to Juan Eduardo García-Huidobro (1999), the marginal impact on the equity of the system is because the actions taken are not sufficient for addressing the needs of the poor, such as completing high school and adult education, specially for young adults, the reinforcement of the educational system (particularly the last two years of schooling) in the rural areas or improving access and quality of education for indigenous groups. It is important to point out that in spite of the low drop-out rates today exists in Chile, there is more than a million and half people 15 to 24 years old that have not completed its education and they are not in the school system. Most of them are poor and integrate the army of the unemployed. The origin of the problems is errors in the diagnosis and, therefore, in the type of policies implemented. First, the graveness of the inequalities has been underestimated. Thus, homogeneous policies have been privileged, focussing few resources on equity-oriented activities targeted to the poor. Similarly, the decentralization of the educational system has not provided mechanisms for compensating disparities and leveling the playing field.

Finally, the reform has focused only on the school system, without giving enough attention to the external social environment, starting with the family.

### *Higher Education*

Higher education has not received the same attention than primary and secondary education over the last decade. Public policy has focused more on solving specific conflicts and introducing palliative measures rather than on developing a strategy, with specific objectives and resources.

Independently of the policy framework, between 1990 and 1997 the higher education offer duplicated, leading to a great expansion of university students enrolled. However this growth has not benefited the poor youth primarily due to economic obstacles that impede access to the university. Tuition and fees in most undergraduate degree programs are higher than the minimum wage (around US\$175). While there is a system of student scholarships and credits the resources allocated to these programs have not increased in the same rate (from US\$21 millions in 1990 to US\$81 millions in 1998), than the growth in tuition and fees (discounting the increased number of students seeking financial assistance). In summary, the growth in financial assistance programs to poor students has not keep pace with the costs of higher education and increasing number of students seeking to access the university system.

**Table 14**  
**Higher Education Undergraduate enrollment\***

Year	1990	1991	1992	1993	1994	1995	1996	1997
<b>Universities</b>	<b>127.628</b>	<b>143.526</b>	<b>163.426</b>	<b>188.253</b>	<b>205.738</b>	<b>223.889</b>	<b>244.494</b>	<b>259.790</b>
Traditional Universities (Council of Rectors)	108.119	114.698	122.736	138.267	145.744	154.885	167.282	175.641
Private Universities	19.509	28.828	40.690	49.986	59.994	69.004	77.212	84.149
<b>Professional Institutes</b>	<b>40.006</b>	<b>37.376</b>	<b>43.203</b>	<b>38.076</b>	<b>38.252</b>	<b>40.980</b>	<b>52.170</b>	<b>56.972</b>
With state support	6.472	6.802	6.802	7.246	0	0	0	0
Private Institutes	<b>33.534</b>	<b>30.574</b>	<b>38.076</b>	<b>38.076</b>	<b>38.252</b>	<b>40.980</b>	<b>52.170</b>	<b>56.972</b>
<b>Technical Education Centers</b>	<b>77.774</b>	<b>65.987</b>	<b>73.904</b>	<b>83.245</b>	<b>77.258</b>	<b>72.735</b>	<b>61.418</b>	<b>54.036</b>
Total	245.408	246.889	280.533	309.574	321.248	337.604	358.052	370.798

\* Source: Ministry of Education.

At the same time, most of the growth in new university vacancies has taken place on private universities, which in 1990 had less than 20% of the enrollment and in 1999 represented 50% of total enrollment. However, students from low-income families have not been able to take advantage of this growth because these universities do not have access to the state run scholarship and credit assistance programs.

Besides purely economic barriers, uneven academic background prevents low-income students to access the university system because of poor cumulative grades in high school and low scores at the Test of Academic Aptitude (PAA). Indeed, the results of this test are strongly conditioned by the type of educational establishment. In general, students from municipal high schools in poor neighborhoods systematically perform significantly below than students from private or partly subsidized high schools, and they rarely reach the minimum scores required to apply to the university.

The public policy strategy to tackle this problem has been centered in the improvement of the quality of public education. The results of this policy will only be visible in the medium term. However, as with secondary and primary education, the benefits to the poor will only be marginal if the reform does not explicitly address the issue of equity and the gap in performance between high and low income students instead of just focusing on improving educational quality and average performance.

Regarding technical professional training, the growth in this sector has been limited and financial aid programs for poor students have been cut. Further, there has been little progress in the regulation and modernization of the offer. There are serious problems with the official accreditation and certification of these programs which greatly vary in quality. This is particularly relevant for low income students who could turn to technical training as an alternative to improve their participation in the labor market, but currently do not see this as an investment that would pay off in their future.

A very promising possibility to face some of issues discussed is the program for improving the quality of higher education (MECE-Sup). This program started in 1998 with the support of the World Bank seeks to improve the quality and to modernize the higher education system. Although equity is not an stated objective, it could contribute decrease existing inequalities by: (i) redesigning the student financial assistance programs; (ii) establishing a pilot monitoring program to assess the adequacy of higher education to labor market demands; and (iii) establishing a technical/vocational educational program linked with other higher education and employment programs. The latter would result in a modernization and strengthening of

technical education programs, which could provide a new set of opportunities for students that do not have access to the university.

### *Job Training Policies: Chile Joven Program*

Unemployment and underemployment among low-income youth constitute the main obstacles to their social integration and participation in the benefits of economic growth. Several programs have been developing to address these problems. One of the main instruments has been the Chile Joven Program. The main objective of this program started in 1991 with the Inter-American Development Bank (IDB), is to support the creation of job opportunities for low-income youth. The program targeted unemployed youth with incomplete schooling and low job qualifications. Initially, the program was thought as a response to youth unemployment resulting from the adjustment policies of the second half of the eighties. Later on, the resilience of low-income youth unemployment and underemployment showed that even in a period of high growth and low unemployment the program was necessary. Accordingly, ChileJoven developed in two phases. The first stage, from 1991 to 1995, reached 120,000 beneficiaries. In 1996 the program was redesigned to improve its targeting and eligibility criteria, aiming to reach another 70,000 beneficiaries over three years. The annual budget of the program bordered US\$15 million.

Chile Joven beneficiaries are low-income youth that have dropped from the educational system and are unemployed or underemployed. The program seeks to provide technical skills to the participants through on-the-job training that combines classroom sessions and apprenticeships. The program has self-targeting mechanisms (scholarships offered to the participants are below minimum wage and the type of training offer is limited to basic-skills jobs only). The training is offered by private providers selected through public bid based on the quality and market relevance of the proposed training. Proposals and training provided are assessed based on enrollment, class attendance and job or apprenticeships offers provided to the participants. The training provided is organized in four sub-programs according to the type of training offered:

*Training and job experience apprenticeships:* The most important sub-program. In 1997, it represented 92% of the total beneficiaries of Chile Joven. This sub-program consists on formal training for a skilled job followed by an apprenticeship with pay below the minimum wage.

*Training for self-employment:* Provides participants with skills to develop self-employment income generating activities. It is targeted to youths that are reticent to establish labor relationships and prefer to undertake independent micro-entrepreneurial activities.

*Basic job skills:* It provides basic technical skills and work habits, including job searching, performing commands, social relations and other abilities to become a better worker. This sub-program is targeted to marginal youth who have problems adapting to formal jobs and entering the labor market. It includes apprenticeships without pay.

*On the job training:* In this sub-program, beneficiaries are hired as apprentices with the minimum wage to learn specific crafts.

The results of the program indicate a balanced gender participation in the program, with the exception of on the on the job training sub-program where women are under-represented. This is a great achievement for Chile Joven and it is the result of special measures taken to increase women's participation, which was insufficient in the first stages of the program. About 80% of the participants correspond to the targeted population (between 15 and 24 years old). As for the socioeconomic level of the participants, the program is reaching the targeted population. In the case of basic skills sub-program, for example, 64% of the beneficiaries are from the lowest quintile. Regarding schooling, more than 50% of the beneficiaries have not completed secondary school.

The main achievement of the program has been to decrease the rate of unemployment among its beneficiaries and it has also improved the working conditions of the participants. Beneficiaries of the program increased their employment rate between 25% and 35% above non-participants.

Nevertheless, certain inequalities persist within the program. Labor insertion of women participating in the program is on average 10% lower than that of the men. In part this is explained by the difficulties poor women, particularly young, have entering the labor market. There is also a difference in labor insertion based on age. Younger beneficiaries have more difficulties finding a job.

As expected, participants in the program tend to enter into formal contractual job relationships. However, wages do not experience a significant increase in the short term. This is probably due to the formalization of the contractual arrangements, which has a negative impact on wages in the short term. In fact, beneficiaries working on informal arrangements see an improvement in their remuneration.

Regarding the completion of secondary education, the results show that the program has either a marginal or negative impact, as some participants have dropped out from high school to participate in the program. In summary, the program has had positive impacts, but these are clearly insufficient considering the dimension of the problem of youth unemployment and underemployment among low-income families. In fact, youth unemployment and underemployment rates continue to be practically the same in spite of the program, which has trained some 150,000 youths. There are structural factors, much more complex than those that the program seeks to address, that contribute to maintain the unemployment and underemployment levels constant. To tackle those issues other policy instruments are required.

### THIRD PART

#### CONCLUSIONS AND RECOMMENDATIONS

This chapter has reviewed some key elements that contribute to the social integration/exclusion of youth in Chile: (i) schooling and education, (ii) entering the work force and job mobility, (iii) political participation, and (iv) the formation of the cultural codes that define what is to be young. There are specific socioeconomic, political and cultural factors that impede the social inclusion of the youth, particularly among the poor. The social exclusion perspective allows understanding how these mechanisms are intertwined.

The accumulation of lack of political participation, social stigmatization and fragmented identity, lack of educational opportunities, and unemployment/underemployment are combined the result is much more complex than lack of income, something more than poverty. It is an issue of citizenship, or not been able to exert it. From that pre-citizenship stage, it is difficult to achieve social integration. Social integration requires an integral qualitative change. Social exclusion cannot be reverted if the interactions and cumulative effects of the different factors are not addressed simultaneously.

The Chilean context of the 1990's characterized by a stable and growing economy and gradual democratization, should have been ideal to facilitate the social integration of the new generations. In fact, significant changes in that direction have been achieved, yet those changes have not been enough to revert the exclusionary process and reach the threshold of social inclusion. That turning point would be achieved only given when the minimum conditions of citizenship that would allow the youth to make decisions and

to fully participate in society and the economy are reached. Up to now, public policies have not addressed the causes of social exclusion in an integral manner. Policy makers have chosen a gradual approach trying to improve labor market participation (through educational reform and job training). This perspective has only looked into the economic dimension of social exclusion.

The partial negation of citizenship, particularly for the youth, has long lasting effects because it impedes them to assume all roles, responsibilities and rights associated with adulthood, thus, their social integration. The growing economy makes social exclusion for the youth much more incomprehensible and disruptive of what would be in times of crisis or uncertainty. The favorable economic conditions of the period could have provided a minimum base for the generation of a new citizenship *status* (regarding economic, cultural, social and political rights) for future generations.

Current public policies toward the youth have been clearly insufficient, too narrow in scope and disconnected. Apart from the educational reform and the Chile Joven Program there are no other targeted policy interventions for the youth. While there are multiple programs and activities reaching the youth, they lack coordination, have little resources, and do not address the issue of social inclusion in an integral way. There is much to be done, but promoting social inclusion policies for the youth has economic, social and political costs that require a clear political will.

### **School desertion**

In a country with high and growing schooling levels like Chile today, not completing higher education is a severe social impairment. Even non-skilled jobs require secondary education, and technical/vocational training is essential for skilled jobs. The current policy has an indirect approach to the problem. It assumes that by improving the quality of the education and focusing on students with low school performance drop out rates will be decreased. However, after an initial decrease, the drop out rates have experienced no further improvement. To address the issue of school desertion in an integral way would require at least three types of interventions:

- Incentives for students from low income families to remain in the educational system. Students from poor families pay a higher cost for continuing their education when they have the option of to work and to take additional income to the family. The simplest mechanism

to revert this trend would be a retention voucher for poor families to maintain their children in the secondary education system. In Chile this mechanism has been tested with good results. Other countries from the region, like Argentina, have used the voucher system with excellent results.

- Support system for drop out students. Today, drop out students lose all contact with the educational system and no institutional effort is made to make it return to classes. Other countries have in place personalized tutorship systems in which schoolteachers follow up drop out students to attempt their reintegration in the system.
- Provide more flexibility in the curricula. Many students from low-income families drop out from high school, some with their parents consent, because higher education does not significantly improve their chances of getting a better job of higher pay. The educational reform addresses this issue through curricular changes and the improvement of secondary education in vocational schools. However, additional measures are needed. Secondary education for a large number of students is their final. Accordingly, it must be modified to reflect that reality and to increase its value to the students that will not continue in the educational system. To begin with, it would be necessary to develop a system that would allow students to combine study and work and receive progressive educational and technical certifications or degrees as they complete different levels of secondary education.

## **Women Social Integration**

The condition of the young women is even more unfavorable than that of the young men. Women with the same schooling level of men face higher unemployment rates and lower salaries because of labor market discrimination. Another related issue is teenage pregnancy. Poor young women start their reproductive life early on in their lives. Due to the lack of support systems these young women see their possibilities to continuing their studies and entering the labor market reduced, besides being stigmatized. Modifying these conditions would require:

- To modify the current labor law and provide better and more maternal support. Today employers are required to provide child-care support (facilities) only if they have more than 8 women

working. That leaves without coverage women working in smaller companies or independently and, it operates as a stimulus to employers to hire fewer women, especially if they are initiating their reproductive life.

- To spread out the costs of maternal and child support. Legislation should recognize the right to child care and provide accordingly. Such a system could be financed by tripartite contributions among employers, workers and the State.
- To provide alternative daycare systems should be developed. For example, municipal daycare centers in the poorest neighborhoods, where informal self-employment are more common, should be available for working mothers.
- To provide better reproductive health services and education. Reproductive health and sexual education are poorly addressed through the educational system. Currently these issues are addressed through especial workshops on love and sexuality in which teachers, parents and students attend together. An alternative policy should mainstream into the curricula reproductive health and sexual education, so that the students could address their concerns in an integral among peers. Students should also have access to specialize counseling in their schools. Until now the emphasis on reproductive health and sexual education efforts have been on health issues and primarily directed to women. The focus from now on must be broadened to address man-woman relationships and their respective responsibilities in the decision-making process and the enabling of women to better bargain for their reproductive health.

### **Combining study and work**

Today, studying and working are almost mutually excluding options either for high school or university students. Current figures indicate that there are only a small number of students who work either part or full time. There are multiple impediments for students to work. First, students can rarely find work suitable to their schedule and, if they do, it is primarily in the informal sector, where there are no norms regulating and protecting their rights. Second, the only incentive for employers for hiring students is their willingness to take low wages. Third, the educational system (establishments and curricula) has been conceived and organized as a full time-exclusive

dedication system. Students that also work have difficulties keeping up with their education and have fewer options. The current incompatibility of these two activities harms particularly low-income youth that are those that have more necessity to begin working before finishing their studies.

Combining study and work is common elsewhere and it is not stigmatized. Public policy should facilitate this transition between studying and working. Some of the ease this process include:

- High school students should not be penalized if they need to start work before finishing the school cycle. The educational system should provide more flexibility to allow students to work without having to abandon their studies for that reason. Also, it is important not to stigmatize the student-worker, and high school is the first place where this should be recognized.
- Employers should receive incentives to hire students and support workers that want to continue or complete their education. Tax breaks for employers that support and finance their employees continuing their education could be used.
- Labor regulations should be modified to facilitate part-time work and allow workers to continue their education. For example, administrative leave should be regulated to allow workers and part time students to study and take academic tests.

### **Access to Higher Education**

Higher education, whether university or technical/vocational, is not a real alternative to low-income youth. Beyond the economic impact, this limitation engenders social and cultural exclusion. Any individual who realizes that she/he has no real option feels excluded. Having an option deeply changes the attitude youths have toward the future and the way in which they relate to society. There is an urgent need to open up and expand the opportunities low-income youths have to higher education. This review suggest the following measures:

- The economic barriers should be removed. Resources for student financial aid programs (scholarships and credits) need to be expanded significantly. Low-income students in private universities and technical schools should be eligible for public financial help. This simple measure would increase access to technical schools and

private universities that contribute a significant proportion of total enrollment.

- Equity issues need to be addressed. Improving the poor academic performance of low-income students will take a long time. However, it is important to point out that to solve this problem specific measures to bridge the gap between private and municipal schools are needed. The educational reform should emphasize the achievement of equity, leveling up municipal schools. More resources should be targeted to high schools attending low-income students and special programs need to be developing to curve down drop out rates.
- For the present, and awaiting the effects of the educational reformation, the State can motivate the opening from a parallel selection system to the one carried out through the Test of Academic Aptitude. This system can be based on the opening of a certain number of university shares for outstanding students of coming from poor high schools. Of what is it is independently of opening access opportunities to the university to those youths of their results in the one mentioned Test, assuming that their good school yield is enough evidence of their capacity and will of learning.
- Special admission procedures to higher education establishment should be set in place until the quality of education has leveled across schools. These procedures could include a quota system for qualified low-income students based on their comparative school performance.
- Technical and vocational training should be strengthened to improve their quality and market value. First, a certification system that regulates the quality and standards of technical education needs to be developed. Second, public education is needed to ensure the prospective students have the required information to assess the various alternatives they have. A monitoring system would need to be establishing to ensure the long-term quality of the technical training programs and to provide policy orientations regarding the labor market needs for new technical careers. Lastly, improving access to scholarships and student loans would be essential to ensure low-income students participation in the system.

## **Low political participation**

Young people, particularly the poor, have fewer opportunities for participating and having their voice heard. The youth has fewer channels to express their opinions and influence policy decision-making. Participating in the democratic (representative) system and social organizations are the main channels available to them to become social and political actors. However, as it was indicated before, due to the specific characteristics of the Chilean democratic transition these avenues have not worked for the youth configuring a very deep marginalization and exclusion of the youth from civil and political life. Beyond the more or less complex explanations about the reasons for this situation, there are specific actions that could be taken to increase the social and political participation of the youth:

- Modify the electoral registration process. The low registration rate among the youth could be easily reverted if an automatic system of inscription for all people 18 years old would be set in place and voting would not be compulsory by law. This would have a great political impact as more than a million and half of young people would enter the electorate. Policy makers would need to pay more attention to youth issues and youth organizations would have weight more in the policy decision making process.
- The different types of youth organizations should be strengthened and receive support to carry out their activities. Traditional political actors need to recognize existing youth organizations and leadership and dialogue with them. To facilitate this process would be essential to legislate granting recognition to existing organizations and give them access to public resources to carry out their initiatives.
- Political education. Politics and policy making are discredited among the youth and (public opinion in general). This perception is not a purely image problem. Rather it reflects the disenchantment with a system with little political autonomy and with the way in which leadership is exerted. To start modifying this situation, the youth needs to have access to alternative political education and training that would allow them to participate in policy debates and have their voice heard at different levels

## Stigmatization

Public opinion about the youth, particularly the poor, is based on stereotypes that emphasize lack of experience, irresponsibility, apathy, violence, drug use. Without a progressive change in these stereotypes it will be impossible to achieve a substantial advance in the social integration of the youth. Changing these perceptions is not simple, as they reflect and confuse societal fears and actual behavior. To start these changes, the state has to assume a proactive role in modifying the public discourse by:

- Developing public education campaigns disseminating the variety of activities and roles that young people have in a variety of situations, (such as students, workers, parents, social leaders, etc.). These activities and roles are frequently ignored by the media that emphasizes stereotypes. At the same time potential employers should be informed regarding the advantages of hiring young people, such as their flexibility and capacity to adapt to new productive processes and technological change.
- Providing resources and support the youth to develop their own self-image and identity. Young people do not have access to resources that would help them develop their own organizations and projects. Further, there are few public spaces for youths; some neighborhoods have community centers but they are not very accessible to the youth. The state and local governments need to support programs that would provide financial support to youth projects and would create public spaces for the youth.

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# SOCIAL EXCLUSION, GENDER, AND THE CHILEAN GOVERNMENT'S ANTI-POVERTY STRATEGY: PRIORITIES AND METHODS IN QUESTION

CARINE CLERT<sup>1</sup>

*Instruments of diagnosis should capture inequalities in their multidimensionality. Present instruments... provide limited information regarding other forms of inequalities than those related to income distribution... Second, they should capture cumulative processes of social disadvantage... (CNSP, 1996:126).*

## INTRODUCTION

This paper utilizes a social exclusion framework to analyze the perception and impacts of specific social policy options in a particularly poor Municipality in the metropolitan area of Santiago, Chile. This exploratory research focuses on three main types of units of analysis: a) policy instruments, through a study of official policy documents and discourse; b) local and central government staff concerned with poverty reduction at different levels of the State apparatus; c) ordinary citizens in a deprived urban area

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1. Social Policy Specialist. Comments and suggestions may be sent to C.A.CLERT@lse.ac.uk. This work draws largely on doctoral research conducted at the Social Policy Department of the London School of Economics. As such, I would like to thank Dr. Jo Beall for her insightful and inspiring supervision. I am also thankful to the *Centro de Análisis de Políticas Públicas* of the *Universidad de Chile*, which has welcomed me as visiting researcher on various occasions since February 1996.

of Santiago, through a micro study<sup>2</sup> conducted in the comuna<sup>3</sup> of Huechuraba.

This paper attempts to link the micro study findings (based on inhabitants' conditions and perceptions of exclusion in different areas) with existing policy instruments and official priorities and methods. Since this is an exploratory study, suggested policy implications are not meant to be a prescription. Rather, they are designed to elicit comment and stimulate debate. The paper concludes arguing that should the Chilean government decide to adopt a social exclusion approach, this would present a serious challenge to some of the social policy priorities and methods that form part of its present poverty reduction strategy.

In conceptual terms, the paper acknowledges multiple uses and understandings of the social exclusion concept. It employs the social exclusion perspective as an analytical framework that complements other notions of social disadvantage such as poverty or vulnerability (See Section One).

The research methods employed in this study include empirical research conducted in Santiago between December 1997 and June 1998, a review of secondary data and other case studies, and earlier consulting work carried out by the author. In contrast with European studies on social exclusion,<sup>4</sup> existing empirical studies concerned with the policy implications of using a social exclusion approach in developing countries, particularly in the southern cone of Latin America, have largely neglected the experience and perceptions of the central actors involved in the fight against social disadvantage, particularly the poor themselves. The latter approach is developed in this study.

It is important to note that the social exclusion approach does not constitute a substitute for gender analysis or other types of methodological approaches dealing with vulnerability. Nevertheless, existing analytical and

2. After twenty-five key informants' interviews, the study started with a stratified random sample survey of eighty-eight households within Huechuraba. This provided for a total population study of 404 household members, among whom 267 were over 14 years. Given the spatial heterogeneity of the *comuna*, it was decided to stratify the sample of blocks to ensure the adequate representation of all neighbourhood units and *campamentos* (informal settlements). The sample cannot be considered entirely statistically relevant for the whole population of Huechuraba insofar as for *campamentos*, statistical representativity could not be respected. The respondent to the questionnaire had to be the female head of household or the male identified as the head of household. Half of the questions pertained to the household as a whole, the other to individual household members, in order to capture intra-household differences. The survey was followed by a qualitative, sub-sample survey of twenty-four household members, which consisted of semi-structured interviews and one participatory technique, the Venn Diagram (See Note ).
3. Boroughs or districts.
4. See, for instance, Paugam (1993).

empirical works have called for social exclusion to be recognized as a 'gendered' experience (Jackson, 1999; Clert, 1998, 1996). Therefore, certain gender issues and dimensions will be highlighted throughout the paper, even though gender was not the specific focus of the empirical research described above.

Section One of this paper provides basic background information and the conceptual framework developed here. Sections Two and Three present the findings in two areas that are generally the focus of conventional poverty studies, exclusion from the labor market and social entitlements.<sup>5</sup> Sections Four and Five open up the investigation to less tangible areas that are usually absent from conventional poverty surveys: exclusion from rights and the justice system (Section Four); and exclusion from organizational resources (Section Five). Section Six looks at the perceived caring capacity of different individual and collective agents and the implications for social inclusion policies. The paper ends with conclusions in terms of policy implications.

## BACKGROUND AND FRAMEWORK: AN OVERVIEW

### The Chilean Context

Chile's return to democracy (1990) has been characterized as a period of steady economic growth<sup>6</sup> and overall poverty reduction (MIDEPLAN 1999). Between 1990 and 1998, the percentage of people below the poverty line fell from 38.6 percent to 21.7 percent. Similarly, the percentage of people below the 'indigence' – or extreme poverty – line fell from 12.9 percent to 5.6 percent.

However, a closer scrutiny of the data and of existing studies indicates the resilience of some of the social problems inherited from the military regime:

- The rhythm and the composition of the reduction of the poverty level have shown differences between segments of the population, depending on age, zone of residence,<sup>7</sup> gender and household position.

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5. Social entitlements cover social services except those subject to verification.

6. Between 1990 and 1997, the average annual rate for economic growth has reached 7.8 percent (MIDEPLAN, 1999:7). The reduction of the rhythm of economic growth only started in the second half of 1998 (*ibid*: 6).

7. Including Urban/rural, regions and *comunas* (MIDEPLAN, 1999).

For example, existing information (Clert, 1996) suggests that women have not equally benefited from poverty reduction since 1990. This is illustrated by the degree of poverty in households, which varies according to the gender of the household head. The proportion of female-headed households living in extreme poverty went from 22.9 percent in 1992 to 25.3 percent in 1994, while the incidence of poverty for male-headed households diminished by 7 percent (Venegas, 1996).

- While overall poverty rates have decreased, hard core (structural) poverty remains difficult to reduce. Between 1990 and 1992, the percentage of persons in extreme poverty fell from 12.9 percent to 8.8 percent, but this only dropped to 7.6 percent in 1994. In 1996, the percentage lowered again to 5.8 percent, but it remained at 5.6 percent in 1998 (MIDEPLAN 1999).
- High levels of inequality have persisted. Unequal income distribution has not been altered (World Bank, 1997). The Gini coefficient has remained at 0.586<sup>8</sup> between 1990 and 1998 (MIDEPLAN, 1999:18).
- Differential rates of participation in the labor market have also persisted. In the poorest decile, the rate of unemployment triples the national average rate (Urmeneta, 1997:111; MIDEPLAN 1999:9). Evidence has also showed that within the poor segments, women and the young are particularly affected by unemployment (Venegas, 1996).
- Lastly, despite improvements in the quality of public social services, a vast body of knowledge and evidence has pointed to the persistence of exclusion or inequality in access to education and health services. (UNECLAC 1997 b:113, 141; Mac Clure, 1995; Urmeneta, 1997, Tohá in this volume).

## **The Comuna of Huechuraba, Santiago**

Huechuraba (Map 1), a small urban municipality (*comuna*) of 80,000 inhabitants in North Santiago, was chosen for this research for two reasons. First, despite overall poverty reduction at the national and regional level,

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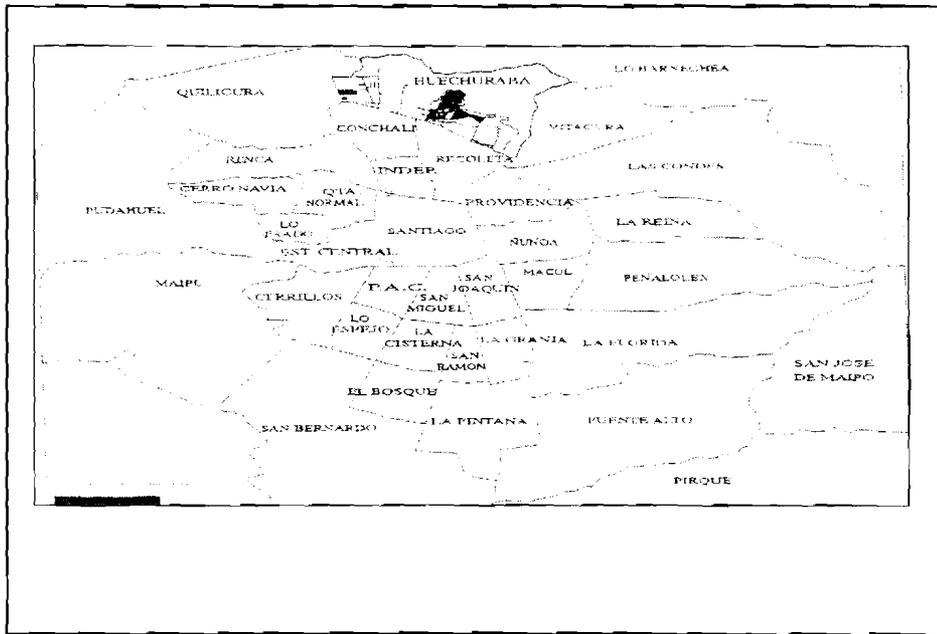
8. Estimated on the basis of what MIDEPLAN calls the "autonomous income", which does not take State monetary transfers into account. However, even including these transfers, the Gini coefficient has remained at 0.57 between 1990 and 1998.

poverty and extreme poverty figures in this comuna have remained high all through the period since 1992. Notwithstanding deficiencies in statistical data,<sup>9</sup> evidence provided by the CASEN survey (Encuesta de Caracterización Socioeconómica Nacional) indicates that between 1992 and 1994, the level of poverty remained unchanged, with a figure of 38.4 percent in 1994, and that the level of extreme poverty doubled, reaching 14.2 percent (compared with 21.3 percent and 4.7 percent, respectively, for Greater Santiago). Also, in 1998, a municipal survey<sup>10</sup> implemented on the basis of an extended CAS survey (Ficha CASII) used for targeting social programs to the poor, found that the total proportion of poor was of 44 percent.

Second, the whole area reflects growing trends of social differentiation at the micro-level. Well-off households have settled in the *comuna*, which consisted until recently of squatters who settled after land invasions. At the same time, a large industrial complex is developing, reflecting the polarization of the social and productive structure of Huechuraba.

Map 1

Comuna of Huechuraba, Greater Santiago, Chile



9. The CASEN survey for 1996 did not include Huechuraba in its sample of *comunas* and the means-testing CAS form only covers approximately 70 percent of the population of Huechuraba.

10. Source: Key informant, May 1999.

## Analytical Framework: The Social Exclusion Approach

### *Main Features, Terms and References*

This paper concentrates on the social exclusion approach as a flexible analytical framework aimed at understanding social disadvantage. This framework constitutes an attempt to construct a lens that facilitates the identification and understanding of interrelated forms and processes of social exclusion in a particular space-time context. The social exclusion approach distinguishes between two interrelated levels of analysis: a) 'multidimensionality,' and b) dynamic processes.

*Multidimensionality* does not allude to a comprehensive classification of the different forms of social exclusion. Rather, it suggests the need to understand how these dimensions interact, and how these interactions maintain or pull a person into social disadvantage through a cumulative process. Nevertheless, the main dimensions of exclusion can be described as: a) material/distributional, b) sociocultural, and c) political. A social exclusion approach fully recognizes the importance of the income-distributional and material dimensions of poverty, such as the inability to generate a sufficient and stable income and to have access to quality social services in order to meet basic needs. However, it also incorporates other dimensions that belong to the relational/symbolic domain: the socio-organizational cultural and the political.

The *socio-organizational dimension* addresses the lack of, or precarious insertion into, extra-household social networks. These networks include close contacts with kin or neighbors, as well as participation in social and civil society organizations. This dimension also includes the precariousness of the relationship between individuals and social institutions, such as municipalities or social service providers. It may be reflected through a feeling of rejection by the education system among young people, or through the ignorance of individual needs by institutions, or the lack of accessibility to these institutions because of geographical or other constraints. This dimension also covers the relationship between those experiencing social disadvantage and the agents working for institutions that provide social services.

The *cultural dimension* refers to the cultural sphere, such as the non-belonging to the dominant culture of society (i.e. values, attitudes or language). Most of all, this is where a sense of stigmatized identity is located. This issue is particularly relevant in contexts where various cultures and ethnic groups coexist. A typical example is the difficulty indigenous children

encounter in the learning process because of their lack of familiarity with the dominant language. Pioneered in ethnic and gender literature, the formation of stereotypes attached to certain elements of identity such as race, gender or disability, which are often under-reported, is related to the social construction and evaluation of identity as a mechanism of exclusion (Rodgers *et al.*, 1995: 30-32).

The *political dimension* of social exclusion encompasses rights and inequality between members of a society. It addresses civil and political as well as basic socio-economic rights, such as access to education and labor. It also refers to the right to have access to information and to participate and have political representation in the decision-making processes.

As suggested elsewhere (Clert, 1996 b:11, 1997, 1998), the incorporation of non-material dimensions *per se* is not new. The central value added to this work by the social exclusion approach lies in its second main level of analysis: the emphasis on dynamic processes where institutions and agents are involved (De Haan, forth-coming:7). As De Haan puts it, this level asks 'who and what is doing the excluding.' This may refer, among other things, to the ways markets, rules, closed organizations or other agents interact to generate or combat processes of social disadvantage. Depending on the context or problem being examined, different types of processes may combine: economic processes, with the possible impact of changes in the development strategy or in the functioning of the labor market; institutional modifications on the social policy system; or exclusionary or inclusive practices of certain agents. The analytical strength of the social exclusion approach is to put the two levels together in a cohesive framework. These two levels are only distinguished for purposes of clarification. In other words, the second level of analysis explicitly directs attention to the processes and practices of exclusion or inclusion that determine, enable, or constrain access to the different material and symbolic assets suggested.

By combining these two analytical features (multidimensionality and processes), the social exclusion approach allows for the interplay of structure and agency<sup>11</sup> in the explanation of social disadvantage and inequality.<sup>12</sup> On the one hand, when looking at individuals or groups who experience social disadvantage, the approach recognizes the capacity of people to be creative and resourceful human agents. It acknowledges the actions and the relation-

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11. Agency refers to "action" which "involves intervention in events of the world, producing definite outcomes" (Giddens, 1979).

12. The following development does not pretend to offer a single theoretical explanation of social exclusion. It only clarifies theoretical insights associated with agency, structure and power (Giddens 1979). These strengthen the analytical perspective defined above and are endorsed in this research.

ships they develop in order to change their situation. A specific feature in this regard is the hypothesis that being endowed with both tangible and intangible assets<sup>13</sup> increases the transforming capacity of individuals or groups and their space of control in power relations.

At the same time, it has been stressed that it is inequality in the distribution of these assets which limits the opportunities of some to overcome social disadvantage. When investigating the sources of such inequality, a social exclusion approach challenges the recourse to individualist explanations of social disadvantage by connecting individuals and groups to the broader system they live in and in which they interact with other individuals and groups. Access to tangible and intangible assets is embedded in, and intertwines with, institutional arrangements and other agents' practices. These arrangements and practices can be exclusionary and thus reduce human agents' room for maneuvering in unequal power relations. They can also be inclusive and help alleviate power imbalances.

In summary, while a social exclusion approach emphasizes the importance of relational issues, distributive issues are not dismissed. A low level of income is regarded as an important factor of exclusion, particularly in societies where market exchange plays a crucial role in social inclusion processes. Along the same lines, as Lapeyre and Bhalla (1997:417) expressed, the distributional dimension reflects the opportunities to achieve 'valuable functionings' and should therefore not be considered as unidimensional.

Lastly, a social exclusion approach moves away from 'spaceless' analysis of social disadvantage.<sup>14</sup> Spatial processes affect individuals' activities and their relations with others and thus play an important part in the creation of exclusion and inclusion. For instance, structures in the spatial environment, such as architecture, influence the development of social networks and contacts at the neighborhood level.

### *Locating Social Exclusion Perspective Within Other Constructs*

Used in isolation, the social exclusion approach would offer limited help to social analysis and thus to policy design. While it is sensitive to gender, it does not entail a careful scrutiny of intra-household dynamics and, more

13. Some of these assets were presented within the feature of multidimensionality.

14. In French and European approaches, one of the policy implications of such perspective has been a shift from a separate treatment towards social categories to territorialisation of action, from a strict target-group towards an area-based approach [Delarue, 1994; Berghman, 1995:15].

broadly, of gender relations. Gender is, in itself, a process of exclusion and discrimination<sup>15</sup> that intersects with the dimensions and processes of a social exclusion approach, as well as with its relational and spatial features. Likewise, as I argued elsewhere (Clert, 1998), a social exclusion approach is unable to address the psychological costs of survival strategies. It may point to a person's insertion in an informal network of care, but neglects to consider the strain put on the informal caregiver. On the other hand, by itself, gender analysis could not consider all the dimensions raised by a social exclusion approach.

Inversely, a social exclusion approach complements the inquiry into what Chambers calls the 'external side of vulnerability'. It raises concern about who and what makes some individuals (or groups) more vulnerable than others. For instance, a vulnerability approach, essentially focused on assets, identifies healthy bodies as crucial physical assets in the process of accessing the labor market. A social exclusion approach recognizes this, but additionally focuses on the social construction of the body and of physical appearance as a powerful mechanism of exclusion in the labor market (See Section Two).

Figure One schematically illustrates the location of the social exclusion approach within some of the various constructs that form part of the toolkit that planners and observers may use in the analysis of social disadvantage. The scheme suggests a vicious circle of social disadvantage in which the frameworks illuminate different concerns. A key idea is that individuals or groups are not necessarily vulnerable to poverty due to 'inherent characteristics' but are made vulnerable by processes of exclusion. Poverty, in turn, reinforces the exclusion processes. Inclusive and non-discriminatory processes appear as a central path in breaking this vicious circle.

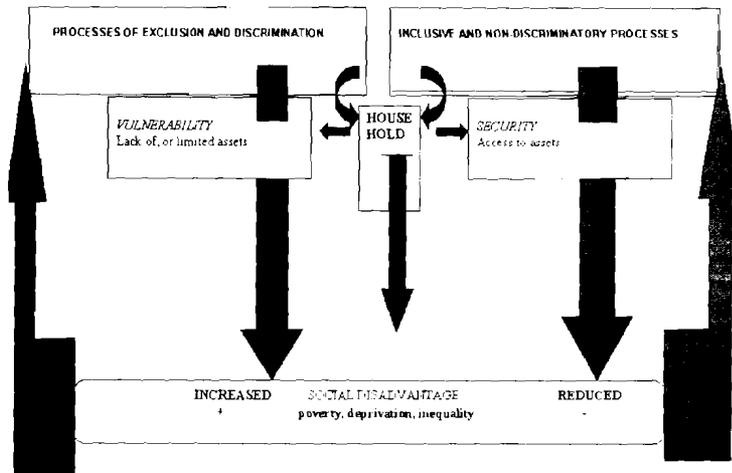
This leads us to the general policy implications raised by the social exclusion approach. Coming back to the overall tools for analyzing social disadvantage, Beall (1997:59) usefully recalls that different conceptual and analytical frameworks may lead to different forms of measurement and assessment, which in turn give rise to different policy approaches. The latter, nevertheless, 'can be complementary in the context of a policy framework that recognizes social disadvantage as multi-dimensional'.

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15. When referring to 'dimensions and/or processes of exclusion', I understand exclusion as the action made by someone, or 'something, that *prevents access* to 'valuable' and 'valued' resources, markets or institutions. I understand discrimination as the act of *making access more difficult* to the resources, markets or institutions mentioned above. It is about preference or distinction made on the basis of certain elements such as race or socio-economic status, which has the effect of nullifying or impairing equality of opportunity or treatment in the process of access to these resources, markets and institutions (Clert, forthcoming).

Figure 1

Social Exclusion as a complement to other frameworks of disadvantage



Source: Clert, forthcoming.

## LABOR MARKET EXCLUSION<sup>16</sup>

Labor market exclusion has been considerably well reported, measured, and analyzed by both the Chilean government and academia. For this reason, it received less attention compared to other areas of information in the present research conducted at the micro-level (ILO, 1998; World Bank, 1997). However, given its central importance in social disadvantage and in the Chilean government's anti-poverty strategy, it will be useful to present some findings related to the phenomenon of labor market exclusion, its causes, and its related policy implications.

16. Throughout the paper, the names of interviewees were altered for purposes of confidentiality.

## **The Phenomenon of Labor Market Exclusion: Facts and Policy Implications**

The quantitative data of the Huechuraba study indicated two major forms of labor market exclusion: a) unemployment, and b) precarious employment.

### *Unemployment*

In general terms, the unemployment rate of the surveyed population over 14 years old was 14.1 percent. With regard to gender, the study suggested (Box 3) that women experience greater difficulty accessing the labor market, a tendency observed in regional and national studies (Clert, 1996 b:14-16). A quarter of economically active women were found to be job-seekers compared to 7.5 percent of men.

In terms of age, the surveyed population did not deviate significantly from other surveys on the prevalence of youth unemployment in Huechuraba and Greater Santiago. In fact, 26.4 percent of the 15-24 age group was unemployed, compared with 14.7 percent of the 25-44 age group.

Nonetheless, figures obtained for the 45-64 age group deserve specific mention. The unemployment rate for this group was found to be relatively low at 4.1 percent. However, this figure should be contrasted with the high proportion of those not employed who were neither retired nor students, but who declared they had not been actively looking for a job. This could mean two things. First, the survey question related to the distinction 'has been looking for a job or hasn't' was poorly formulated, leading to confusion on the part of the interviewee. Alternatively, it could suggest that a significant proportion of interviewees not actively searching for a job had stopped hoping to find one because they had been strongly discouraged by previous experience. This latter interpretation was supported by qualitative interviews in which respondents expressed feelings of such great disappointment they had stopped going to the job bureau, social worker, construction sites or answering newspaper advertisements. (For important factors behind this discouragement, see 2.2). Some just stayed at home, while others accepted any kind of casual employment that came their way.<sup>17</sup> These findings suggest

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17. At the time of the survey, even this kind of job had not presented itself in the two months before the survey.

that an exclusive approach to employment-related social policies for youth has a detrimental effect on other important segments of the labor force.

### *Casual and Precarious Employment*

Three findings were particularly telling. First, 22 percent of the surveyed working population had only found casual employment including daily work, temporary positions, or menial tasks (often called '*pololos*').<sup>18</sup> Second, about 35 percent of waged workers had not signed a work contract. Third, a strikingly low level of wages was constantly reported by key informants as well as respondents to the household survey. Average wages for jobs procured through the municipal job bureau were between the minimum monthly wage of US\$150 (\$70,000 pesos) and US\$200 (\$100,000 pesos).<sup>19</sup> Low wages signify a vicious circle of poverty, vulnerability and exclusion from social entitlements including: insufficient earnings to fulfill basic needs, serious exposure to indebtedness, and restricted access to social services such as health care.

With regard to gender, the quantitative survey suggested that women experience greater exposure to precarious employment. In the case of domestic workers, for instance, an exclusively female category, only one woman out of seven had signed a contract. Of all working women, 29.1 percent had been involved in casual employment compared to 18.4 percent of working men. It is noteworthy that the proportion of men involved in casual employment, though lower than for women, was also quite high. (Male workers in the construction sector were particularly exposed to this problem due to the cyclical characteristic of the work).

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18. Examples for men may include small repairs to neighbours' houses, or for women, washing clothes for a better-off household or taking care of other people's children.

19. Further significant indicators of the low level of wages were the high proportion of the surveyed population with an 'indigence' health card and the type of main occupation.

## Processes Leading to Labor Market Exclusion

### *A Complex Interaction of Cultural and Structural Processes of Exclusion*

Simultaneous use of the gender approach and the social exclusion approach requires an integrated and dynamic analysis of labor market exclusion. In this framework, socio-cultural processes associated with gender subsequently stand out. These may be summarized as follows: *First*, the social construction of men's and women's identities, roles and tasks has led to a differential access to and control over resources.<sup>20</sup> These resources may include the income generated for the household, decision-making power, or productive resources such as education and vocational training. *Second*, gender relations have a decisive influence on the possibility of women entering the labor market. Qualitative studies in both rural and urban areas of Chile (Valdés, 1996; Sabatini, 1995), suggest that male partners display mixed attitudes toward female participation in the labor force, showing acceptance and opposition at the same time. *Third*, in Chile, as in most other Latin American countries, caring for children is almost always the responsibility of women, as low-cost childcare facilities are rarely available (Cleary, 1995). Mothers' restricted choices often lead them to leave full-time employment and accept part-time work and/or part-time working conditions (Valenzuela, in SERNAM, 1996:89).

The 1996 report on female poverty in Chile showed how other processes of exclusion and inclusion interact with gender (Clert, 1996b). These processes have mainly covered the dynamics of the household cycle, labor institutions, participation in or exclusion from job contacts and networks, the quality of housing and habitat, and the role of fundamental agents such as enterprises and macroeconomic changes. A study by Abramo and Armijo (1994) showed that opportunities for women in industrial enterprises have remained the same, or even decreased. In the footwear industry, for instance, the introduction of highly technological machinery for cutting leather has led to the employment of men in jobs traditionally occupied by women. Young men are now preferred because it is assumed that they put up with the accelerated rhythm of the new machines better than women do. However, it is important to note there are other industries that use high tech (electronics) in which women are preferred over men.

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20. (Beall 1993).

Such interaction of cultural and structural factors has been generally well reviewed by existing studies. Thus, it was not surveyed in this micro study. However, during interviews with central planners, and particularly with senior officials at the Ministry of Women, they were incorporated in concerns for policy response. After referring to the crucial importance of issues such as labor rights, wage levels and seasonal work, a senior official from the National Social Program for Women Heads of Household argued:

‘There are areas where discrimination is very strong and where social policies have no impact... We prepare women’s entry into the labor market, we generate conditions, we provide tools, networks, and institutional contacts. But, at the end of the day, the one who hires is the business owner, and the one who fixes the level of wages is the business owner, using the framework of labor laws that leave working women very unprotected.’ (Personal communication).

In her view, the program had mostly fallen short in terms of the quality of the women’s insertion into the labor market, because it had been unable to alter the existing structural constraints in the market.

#### *Additional Findings: Subtle Processes of Exclusion*

The pilot study made an attempt to uncover hidden processes of exclusion from job opportunities. The household survey revealed that an official reason for job rejection was rarely given to applicants. In a few cases, when a reason was explicitly offered, it referred to the wage level expected by the applicant or to gender issues, such as marital status or the presence of children. More in-depth quantitative and qualitative evidence revealed two major possible sources of labor market exclusion.

First, respondents showed that they perceived rejection to be linked significantly to certain pre-requisites imposed by prospective employers, such the provision of current references, recommendations, and a certificate verifying that the applicant has no criminal record. Although recommendations were requested for both female and male job applicants, the certificate of antecedents adversely affected mainly men (See Section 4).

Second, other subtle perceptions of exclusion related to elements of respondents’ identity, such as age, physical appearance, place of residence and disability. The study showed that both men and women could be affected by these factors. According to respondents in the 45-64 age group, age –

based discrimination in hiring and dismissal practices affected typically female occupations, such as domestic work, as well as male – dominated occupations, such as construction work. Stereotypes about the "right" physical appearance particularly affected women, but it also affected young men. Along the same line, all residents of the Pincoya Sector of the comuna of Huechuraba, felt discriminated against because of the reputation of the area as a rough and dangerous place inhabited by dishonest people (See Box One).

## Box 1

### Subtle processes of exclusion and discrimination in the labor market findings from the sub-sample survey carried out in Huechuraba, Santiago

The importance of non-written rules of selection. José, an unemployed construction worker at the time of the survey:

'I go out walking looking for sites. I present myself, you know: I am a carpenter and I need some work.' They tell me 'What kind of education do you have?' 'Third year – primary (incomplete primary school). 'Antecedents – do you have them?' and then I could leave, because that was the end of it.'

Place of residence. José also lived in the Pincoya sector and reported the following:

'...They ask me from which *comuna* I come. Huechuraba. And where is that? Nothing more, but they look at me in a certain way, with a gesture as if it meant... oh, yeah, that is where you have go in with your back turned to make people believe that you are leaving.'

Age-based discrimination. Women. Margarita, age 52, had worked as a domestic worker all her life but was fired by her employer two years before the time of the survey. Unemployed since then:

'(...) one goes to a place and the offer says 'Need domestic worker, age- over 25 up to, let's say, 40'. So what's the matter? Those of us who are over 50, we don't have the right to work?'

And Men. Manuel, age 53, was a qualified semi-skilled worker, a welder. He had been working for many years for the same construction company. Then, at the conclusion of one job, the firm suddenly stopped sending him to other construction sites. Exclusionary practices also occur in the hiring process, as Manuel described in his search for work:

'I went to different firms... I kept knocking on doors. I managed to work in two or three places, but it occurred again - the same thing. They told me 'so hasta luego, you're useless.' And simply, in many parts, they didn't even give me the job. They looked at me up and down. The job ad was there, but they said 'no, we already hired someone.' Also, I used the phone to call them from outside the site, and they still said that they needed people, and I had just talked to them. So, this is how you realize that you're discriminated against.'

Physical appearance. Despite the 'taboo' nature of the issue, a key informant from the municipal job bureau admitted that qualifications were not the only factor at a job interview.

– 'The employer weighs certain criteria: good appearance, experience, knowledge...'

Author: What do you understand by good appearance?

– 'The look, there are things about details. For instance, you have people who come here with their pony tail, their earring...'

Author: And these are important criteria?

– 'Sure, here presentation counts for 25 percent. But it is true that they will tell them, 'I already hired someone else.' They won't say, 'I don't take you, because you look ugly.'

Source: Clert (forthcoming). Key Informants and Sub-Sample Survey.  
December 1997 and May 1998.

## EXCLUSION FROM SOCIAL ENTITLEMENTS: MAIN FINDINGS

This section begins with a summary of findings related to exclusion from social entitlements, followed by a focus on the major processes that lead to this exclusion.

### **Exclusion and Poor Quality of Public Social Services**

Existing reports on poverty and social exclusion in Chile have noted unequal access to quality basic social services, such as health or housing, despite considerable improvements in social infrastructure (Mac Clure 1994; Urmeneta and Mac Clure 1995). In this regard, the Huechuraba study called for supplementing the access indicators used in the Chilean Household Survey (CASEN) with other indicators of exclusion, as illustrated in the area of health (See Box 7).

*With regard to gender dimensions*, existing reports have tended to emphasize the lack of gender awareness of government ministries and the impact of this on the exclusion of Chilean women from social entitlements. In the health sector, for instance, the previously quoted 1996 report (Clert 1996b:28-29) highlighted three main issues: a) limited gender-related information gathering; b) persistent public health emphasis on reproductive health which has been detrimental to the occupational health of women; and c) ignorance of gender relations, as men continue to be overwhelmingly absent from programs on family planning and sexual health.

There is evidence that the poor quality of social services, in itself, adds to the burden of women, who are usually responsible for the general welfare of the family. Thus, although a poor quality of social services adversely affects both men and women, women suffer more, because they are the primary users of these services.

## Processes Leading to Exclusion from Social Entitlements

### *Impact of Social Service Costs*

The exclusionary impact of cost-recovery mechanisms, or fee-for-service systems, was reported with respect to health care and access to higher education. Regarding health care, the quantitative survey found that one third of the people who had not received attention said it was 'because they could not pay for it.' As for those who had managed to get attention, semi-structured interviews suggested that financial constraints were sometimes so extreme that the very life of the patient was put in danger.<sup>21</sup> This finding suggests an important conclusion for understanding social disadvantage from a social perspective. A low level of income remains an essential and irrefutable factor in the persistence of exclusion from social entitlements. Despite improvements in human and physical social infrastructure, access to quality social services, and hence the possibility of moving out of disadvantage, is hampered, if not prevented, by exclusionary cost recovery mechanisms.

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21. Supporting evidence beyond the pilot study may be found in the Chilean press. The latter constantly reports deaths of young children who could not be attended on time because their parents were unable to fulfil the requirements, that is, they could not pay for the cost of attention, provide a blank check or were not entitled to free attention through possession of an 'indigence card.'

## Box 2

### Exclusion from health The limits of existing quantitative indicators

The quantitative survey of the pilot study conducted in Huechuraba, Santiago used indicators of access complementary to those in the household survey. The findings suggested that CASEN question 'Did you receive medical attention?' was limited in four main respects:

- a) It did not reflect the process of getting access to medical attention and the difficulties encountered on the way. Key informants and semi-structured interviews confirmed the importance of queues, long waiting times before examinations or operations, and the risk of being left without a number at the health center.
- b) The quantitative indicator, on its own, did not say anything about the quality of the attention that was received. In this regard, many respondents confirmed, through their experiences, the frequency of mistakes made during attention. In some cases, mistakes or poor attention during operations have even led to the permanent physical disability of patients.
- c) Frequently, patients felt they were discriminated against in the way they were treated. Some patients felt they received inferior treatment because they carried an indigence card.
- d) This indicator does not specify whether the patient was actually attended to in the public health system with which he/she is registered. The study inquired into exclusion from quality public health service by examining the quantity of people who had to search for private care despite being registered with the public system. The quantitative survey found that among the 58 people registered with the public system and who had received attention, one went privately and 5 (8.6 percent) went both privately and to the public system. On further enquiry, it was evident that these patients were pushed to seek private attention due to deficiencies in the public service.

Source: Clert (forthcoming) Households Surveys, January-June 1998.

## *Gender Interactions*

The study illuminated two major findings concerning the interaction of gender and the institutional financial arrangements of the social policy system. First, women were often financially excluded because of gender roles, as illustrated in the case of education. While the quantitative survey did not show any difference in the level of education between men and women over 14 years old, the qualitative interviews suggested that customary gender roles tend to exclude women from financial services and education, particularly adult education. As Carla explained:

‘I left my studies when I was young, because my mother was on her own. I had to stay at home to take care of my two brothers while my mum was working. And after that, I got married and I had children. Today, I’d like to study again. But now the problem is that I don’t have enough money to study. I could study at night classes, but nothing is free. And there’s also the worry about the child, paying her school fees. And here, at home, taking care that nothing is lacking. My studying would be another expense, so I prefer not to study and buy other things.’

Second, the institutional rules of the social policy system for access to benefits and services tends to be heavily biased against women who do not fit within certain civil *status* categories. While single women heads of household are usually given 10 additional points in their application for social housing, those who were previously married and whose ex-husbands own a house are not entitled to apply for social housing because the government benefit is only given once, to the family.

### *Poor Level of Information: Communication Strategy in Question*

Knowing that one has the right to particular services or benefits is critical, as is knowing how to claim these rights. The household survey suggested that poor quality or a lack of information could play an important role in exclusion from social entitlements. Three main findings<sup>22</sup> may be highlighted. First, regardless of the kind of social entitlement, the proportion of respondents who declared not having heard at all of the social entitlements

22. Gender-based disaggregated percentages could hardly be drawn in this section. Questions related to information on social entitlements were only asked to the eighty-eight respondents of the questionnaire. The latter were composed of 70 women and only 18 men.

presented in the questionnaire was 51 percent. Second, this proportion varied depending on the type of social entitlements. In some cases, it went up to 74 percent for benefits such as municipal programs in health and education, which provide safety nets such as free medicine and economic assistance for buying of the (required) school uniform.

In the case of one particularly important government program on female poverty alleviation, the Women Household Heads Program, 70 percent of the 70 female respondents in Huechuraba had not heard of the program at all. On the other hand, the proportion of uninformed respondents was much lower for social funds, which are usually well publicized on the radio and TV, and for vocational training classes, which have always constituted a high priority for both central and local government. Finally, even when respondents had heard of the social entitlement, an important proportion of them declared they were not sure how to apply to these benefits. For instance, 50 percent of the respondents who had declared having heard of vocational training courses did not know how to apply for them.

One way to understand the causes of poor information is to look at the ways 'informed' respondents gained their knowledge. Taking the example of government money transfers, the analysis of the existing mechanisms indicates four ways in which information was transmitted: a) the most frequent means of information (43 percent) was via a 'close' contact such as a friend, family member or neighbor; b) official actors, such as municipal social workers or health centers followed (37 percent), and only 10 percent of these came through a direct home visit by a social worker; c) social organizations such as neighbors associations only represented 6 percent; e) finally, distant modes of information such as posters or radio broadcasts represented the smallest proportion at 5 percent.

Three factors explained the above results. First, isolation from social networks such as family or neighbors could negatively influence access to information. Second, the lack or irregularity of visits to the municipality could also constitute a negative factor. Third, those who do not receive home visits from a social worker during outreach campaigns ('barridos'),<sup>23</sup> may have fewer opportunities of becoming informed of available benefits. Although the present study could not claim conclusive causal links, it raised concerns about the mobility of actors such as social workers who need to be in close contact with people who experience social isolation and disadvantage.

It seemed that respondents had to go to the place of information rather than the information reaching them. These findings raised questions about

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23. A 'barrido' is a general 'sweep' of the area.

the effectiveness of the communication strategy of the municipality. For instance, no mention at all was made of the municipal bulletin as a significant source of information. This subject was investigated further through observation and interviews with municipal officials, revealing several elements of complexity:

- An institutional communication strategy on social entitlements did not exist. Key informant interviews revealed that mobile means of information were available sporadically rather than systematically. Furthermore, ads and signs indicating existing social infrastructure and services were poor.
- The flow of information between central level programs such as CHILE JOVEN or the Ministry of Housing and local level authorities and organizations is problematic.
- Existing channels of communication were inadequate or insufficient. Most departments restricted the diffusion of information, including leaflets, etc. to internal contacts and the leadership of social organizations. For instance, the Women's Unit primarily communicated with women leaders. It was assumed that the latter would naturally circulate the information among the membership of their organizations and the community in general.
- Dissemination of information regarding state money transfers and municipal social safety nets in health and education was poor. Municipalities wanted to promote people's self-management and move away from paternalism in addition to avoiding increased expectations among future applicants, since the actual number of transfers allocated by the central level to the comuna was extremely low.

### *Taking Spatial Processes of Exclusion into Consideration*

A major feature of the social exclusion approach is that takes into account the spatial dimension. It recognizes that social relations take place in a space that is not neutral, and therefore, it may contribute to processes of exclusion. Regarding distance, the study confirmed other Latin American studies by revealing that peripheral *comunas*, such as Huechuraba, did not have equal access to social services. People living in Huechuraba have to travel long distances to access services, representing an economic toll to poor families

as well as the demand on their productive time. The results showed that in Huechuraba, for example, there are only two primary health care centers. There are no special primary school for pupils with learning difficulties, and there are no facilities for the elderly.

The study pointed out that differential access within poor areas should not be overlooked by social inclusion policies. The comuna of Huechuraba was quite illustrative in this regard because it was characterized by the geographic concentration of municipal bureaus and social services in the older, eastern sector. For the inhabitants of the western sector, the poor roads meant that they were not well linked to the rest of the comuna and that accessing services and bureaus entailed a large cost in terms of money and time. This affected the poorest of the western residents who had no option but to go to the municipal primary health care center. Other residents, with better health plans inside or outside the public health service, could go to a place of their choice.

Gender also interacts with space. Women are more affected than men by spatial processes of exclusion insofar as they tend to be the main users of these public services. Place of residence interacts with the construction of gender roles and relations since family health care and applying for benefits tends to be mainly a woman's task. Also, transportation time is a further strain given work demands, while the lack of close, subsidized childcare centers reduces women's possibilities to enter the labor market.

### *The Need for More Flexible Time Arrangements*

The study suggested that the working hours of entitlement institutions such as municipal bureaus and social services need to accommodate individuals by being more flexible. In the household survey conducted in Huechuraba, time arrangements were cited as an obstacle to beneficiaries in the case of two major priorities of central and local governments: the Women Heads of Households Program and the vocational training courses. In these cases, the survey showed that one third of respondents for the former and almost half of them for the latter cited timing as a barrier. This was recognized as an important challenge by municipal authorities. However, responding positively would involve the mobilization of more human and financial resources as well as improved management to accommodate service recipients.

## *Targeting Methods in Question*

Exploring the resource implications, trade-offs, or costs and benefits of targeting approaches is beyond the scope of this paper. While the targeting instrument used (Ficha CASII) helps to identify the poor, it also questions universal rights and forces the burden of proving entitlement upon the poor. In this regard, both the households survey and interviews with municipal officers<sup>24</sup> illustrated how means-testing and targeting approaches themselves lead to the segregation of those that can prove they are poor and those that can pay for a service, ignoring the needs and interests of people who do not fit within rigid categories. It is also important to indicate that the instrument itself, to be more effective in targeting the poor, would need to be revised to reflect the changes that have taken place in the consumption patterns and services available to the poor in Chile at the turn of the century.

### *Means-Testing*

Research corroborates that the rejection of respondents' applications for different social benefits resulted from obtaining an inadequate number of points on the means-testing instrument. This was reported by a majority of unsuccessful respondents who had applied for one or more of the following social entitlements: a) the 'indigence card,' which allows card holders free access to public health facilities; b) pensions; c) low-cost housing; d) exemption from the garbage collection tax; and e) access to public childcare centers. In terms of gender issues, public childcare constitutes an illustrative example of the contradiction between the priority assigned to female labor-market insertion and the use of targeting mechanisms by the Public Institution for Childcare in Chile, the JUNJI.

Other illustrations of this kind of contradiction include the rejection of applications for disability pensions submitted by women heads of households based on their level of material possessions (Box 3). Another example was the exclusion of pregnant teenagers from maternal benefits (Box 4) based on the assumption that they would receive support from their parents. This assumption is all the more worrying in the Chilean context as many studies have pointed to the strong stigmatization attached to teenage pregnancy (Latorre *et al.*, 1996).

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24. Such as social workers and surveyors in charge of the application of the main means-testing instrument, the ficha CAS.

In terms of policy implications, findings called for serious changes in means-testing instruments (ficha CASII), and in their application. First, this would require a lesser focus on material possessions such as color/white TV, refrigerator, quality of the roofing on the house, and the like. Second, to strengthen and validate its power, more emphasis should be given to: a) the actual circumstances experienced by the applicants (i.e. loss of job or sudden illness); b) the degree of precariousness of employment and the implications for the instability of the applicant's income; c) recognition of intra-household poverty and inequality, considering individual needs within the household; and e) more adequate training of those applying the instrument.

### Box 3

#### **Means-testing: the high emphasis on possessions in question**

María, 52, found herself in a very vulnerable situation at the time of her interview with the CAS surveyor. She had no source of income other than some help from her children. A sudden illness in her spine prevented her from working. Separated from her husband, she was unable to obtain a pension from him. She was also responsible for her eldest daughter, who suffered from a psychiatric illness, and her daughter's child. When she applied for a small pension, she scored too high the screening test.

'The doctor gave me a paper so that I could get free attention at the hospital and the health center. I live ill... I am ill down to my bones, and he also gave me a paper so that the social worker could give me a pension, since I can't work anymore. Especially, since I have to look after her (her daughter) and her baby... They came to see me. She asked me if I had a washing machine. 'Yes, I do,' I said to her... 'Do you have a centrifuge machine?'... 'Yes, I do.' A refrigerator?'... 'Yes, I do'... 'Right Madam,' she said, 'You don't have any right to a pension.'

María represents one example of applicants who were unable to generate any income. Like others, she was becoming dangerously vulnerable due to her illness. In terms of policy commitments, this situation justified external support and assistance to prevent María from falling further into poverty. However, the rules and methods of targeting excluded her from external support because her assets were measured only in the form of material possessions...

Source: Clert (forthcoming) Sub-Sample Household Survey.  
Semi-Structured Interview, May 1998.

**Box 4**

**Means-testing methods, exclusion from family benefits,  
and pregnant teenagers**

Pregnant teenagers, future single teenage mothers, who live in the same dwelling unit as their parents as *allegadas* because they can't afford to find a place of their own, receive high points in the CAS survey, because it is assumed that they benefit from the combined income of their parents. This immediately excludes them from maternity benefits in many cases. Two municipal civil servants explained:

It is hard to tell a young girl of 14 or 15 that the incomes of her dad and mom prejudice her, that she can't get maternity benefits... It is even harder since you hear so much discourse declaring that pregnant teenagers have the right to this and that. The girls really feel bad when they learn they won't receive benefits.

Author: Why can't they get maternity benefits?

Because they are classified as dependents. So in the CAS survey, they are aggregated as part of the 'family unit.' Right, this is true, but we're talking about a pregnant kid who needs a bit of support here...! Fair enough, her parents might help her a bit, somehow, sometimes. But sometimes their parents also reject them, tell them off, and so on. So the girls come here, to us (to the municipality), for help, but there is no support here, either...

Source: Clert (forthcoming). Semi-Structured Interviews  
with Municipal Civil Servants, June 1998.

*Priority Groups*

Another major finding of the study was that many applicants could be rejected because they did not correspond to a specific group being targeted. This raised serious implications for the government's focus on certain 'vulnerable' groups, which leads to ignoring the vulnerability of others. Both men and women were affected in different ways.

The majority of respondents who applied for vocational training courses reported this means of exclusion. Mainly, they were men over 40 years old, most of them unemployed, who were told that places in the courses that interested them were reserved for young people. This led to an absurd

situation in which individuals of the 40-50 age group were excluded from the labor market by firms due to age discrimination, on one hand, and from state vocational training programs, on the other. This also raised the issue of conflicting priorities since the exclusion of males in their 40's from vocational training courses did not bode well for the government's anti-poverty strategy, which emphasizes human capital and labor market insertion.

As for women, priority target groups mainly affected married women who had unsuccessfully applied to the Program for Women Heads of Households. This raised a crucial policy debate that applied to Chile as well as other Latin American countries. The priority target focus on female heads of household seemed to ignore that the feminization of poverty could also affect women living in male-headed households. Interestingly enough, interviews with SERNAM officials suggest that the government realizes the importance of these issues and is considering expanding the Program in some way.

## EXCLUSION FROM RIGHTS AND THE JUSTICE SYSTEM

### Denial of Rights and Social Disadvantage

A social exclusion approach requires viewing those who experience social disadvantage as individuals who are endowed with rights as well as needs.<sup>25</sup> Analyzing social disadvantage from such a multidimensional perspective required breaking the customary separation, evident in so many official development reports, between poverty and denial of rights, and between socio-economic issues and politico-legal ones. In the Chilean case, the process of democratization contributed to – and permitted – bringing the issue of citizenship and unequal access to the justice system back on the agenda. The Aylwin administration (1990-1993) set up a small-scale national program, the Program for Accessing Justice (PAJ), within the Ministry of Justice, which aimed to improve poor people's knowledge of their rights and judicial assistance.<sup>26</sup> The Frei Administration in its first triennium (1993-1996) integrated the PAJ into the National Plan for the Eradication of Poverty (PNSE) and extended its coverage. However, in the second trien-

25. For an analytical discussion on social exclusion and citizenship in the Latin-American context, See Sojo in this volume.

26. Often relying on mobile intervention, the PAJ has usefully compensated for deficiencies in public law centers, especially in rural areas.

nium, the disappearance of the *PNSP* and a stronger emphasis on the labor market insertion component of the poverty reduction strategy was detrimental to other areas, such as judicial issues. In the Program for Women Heads of Households, this was expressed by the relegation of the legal and judicial component to the local level. This meant that SERNAM was only able to give its support where municipalities gave consideration to the issue of legal and judicial assistance.<sup>27</sup>

Drawing on existing reports (Clert 1996b:32-33; Correa *et al.* 1993), and most of all on the recent findings obtained in the comuna of Huechuraba, this paper suggests the importance of keeping the issue of access to the justice system on the anti-poverty agenda. A central argument is that the denial of rights leading to injustice appeared to have a strong impact on the social disadvantage of victims, as suggested by interviewees' personal stories. Regarding work issues, both men and women commonly reported injustice resulting from employers' practices. Unfair pay well below the minimum wage, unpaid vacations, and unfair dismissal were frequently mentioned.

In terms of gender issues, evidence suggested that the asymmetry of power relations was more extreme in the case of women. In the area of alimony, officials at public legal aid centers reported illustrative cases where poor female heads of household could never gain adequate alimony payment because they did not have the means to take legal action. As a consequence, they not only faced a greater poverty immediately after separation but had also become more vulnerable in the longer term. Frequent report of violation of alimony rights confirmed the importance of the issue in female social disadvantage, as highlighted in other reports (Clert 1996b:32-33). Also, due to existing gender stereotypes, husbands had often received the tacit support of the police in taking all of the household belongings after the couple's separation (Clert 1996a, 1996b).

Regarding work, specific gender-based experiences must be highlighted. For instance, unfair dismissal because of age affected both men and women, but unfair dismissal because of pregnancy specifically affected young women. Key informants confirmed the physical and sexual violence against women inflicted by their male partners or family members, while the study uncovered another under-reported area, violence inflicted mainly on men by Carabineros<sup>28</sup> and the Investigative Police.

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27. Source: key informant and semi-structured interviews.

28. Police.

## Forms and Factors of Exclusion

In terms of access to courts, respondents did not identify the lack of access to free legal services<sup>29</sup> as an exclusionary factor. The law center<sup>30</sup> did have targeting methods based on means-testing, but the criteria it used were more flexible than the CASSurvey. Key informants and semi-structured interviews identified three major factors for not taking a legal action against the authors of injustice:

- discouragement and resignation due to the number of forms and other requirements associated with the justice machinery, and the overall complexity and expected length time of the process involved;
- deficiencies in Chilean law which make many lawsuits impossible; this mainly occurred in the labor sphere;
- asymmetrical power relations between victims and authors of the injustice; for example, taking legal action against carabineros was not only seen as difficult or unrealistic but also dangerous, for fear of reprisal. In the case of administrations or private entities that had committed damaging mistakes, respondents had been recommended by the law center to give up from the start because of the ‘difficulty of collecting evidence’.

For those who had achieved access to courts, the crucial issue was the poor quality of access. More than 50 percent of respondents who had been victims of injustice had been able to file a lawsuit against their offenders. However, the qualitative data suggested the need to take into account other indicators, such as the efficiency of adjudication, particularly in terms of delays,<sup>31</sup> and its fairness. Interviewees and informants also gave precise reports on the corruption of the claimant’s lawyers and administrative officials influenced by wealthy defendants. In addition, the lawyers provided free of charge by the law center were characterized as unreliable. This had to do with the broader context of the law center staffing, which is mainly composed of interns who have no incentives to perform well.

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29. Covering advisory and judicial services i.e. assistance of a lawyer and appearance in courts if necessary. An alternative form of intervention was also provided through arbitration.

30. *Corporación de Asistencia Judicial*. These law centers are dependent on the Ministry of Justice, but they are independent from the PAJ, which was not implemented in Huechuraba.

31. Long judicial processes included, among others, a one-year minimum for any claims against employers and disputes over alimony, and a two-year minimum for cases tried in criminal courts.

Within this bleak picture, women reported a few positive experiences. As long as the law allowed it, the positive role of counteracting institutions, such as the legal aid centers or the labor investigation service, could redress imbalances in power relations and protect citizens in some cases. Box 5 illustrates this experience. More resources in these institutions and proper incentives along with legal reforms could make a decided difference.

**Box 5**

**Redressing imbalance in power relations in  
the judicial process**

Mariana, a 25-year-old waitress, was fired when she told her employer that she was pregnant. Her sister-in-law recommended her to go the Labor Inspection Service, where she received information and support:

'They told me about my rights as a worker and as a pregnant woman. Then I started to defend myself, since I saw I was supported by the Inspection Service (...) The Inspector helped me with all the procedures and forms. She managed my reintegration at work until I left for my prenatal care.

When she came back to work, her employer started to persecute her, trying to make her resign and eventually accusing her of theft. This time, she needed the assistance of the Law Center, which provided her with a lawyer. No evidence was found against her, and she won her case as well as an indemnity. Her exceptional case showed the successful combination of the support of two public institutions, the Labor Inspection Service and the Law Center. Most importantly, Mariana's rights were protected by the law on maternity leave, without which her case could not even have been tried.

Source: Clert (forthcoming). Semi-Structured Interviews, May 1998.

## EXCLUSION FROM SOCIAL ORGANIZATIONS

### Access to Social Organizations and Social Disadvantage

Access to organizations may have a direct impact on poverty and social isolation. First, it allows access to symbolic resources. Existing evidence has suggested that participation in organizations has positive psychological effects on women. Sharing problems and concerns raises self-esteem, reduces isolation and tends to promote topics not necessarily linked with the group's aim, such as family violence (Clert 1996b:35). Second, it may help people to improve their situation of social disadvantage. By bringing together their knowledge and efforts, they may have greater chances to have their interests recognized and their needs met. Since 1990, this idea has been particularly emphasized by the Chilean government and many municipalities, including Huechuraba. In terms of social policy, this approach highlights the importance of demand-driven mechanisms in the delivery of benefits, either through social funds or locally financed programs, as in the case of services for the elderly or the disabled. However, to be effective, this approach clearly requires individuals to become part of organized and, most often, legally-recognized groups in order to apply for financial assistance. Furthermore, evidence suggests that individuals encounter unequal access to social organizations and, therefore, to the material resources they provide.

### Forms and Processes of Exclusion

Existing studies have pointed to gender-specific obstacles to women's access to social organizations. These mainly include time and space constraints due to women's multiple activities and/or to the opposition of the male partner.<sup>32</sup> While this paper does not deny these important gender constraints, evidence from the micro-study conducted in Huechuraba calls for directing more attention to processes that may exclude both men and women from organizational resources.

The quantitative data of the Huechuraba study suggests that differential access to social organizations was marked by variables other than gender,

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32. See Sabatini (1995: 43) and his emphasis on the *machismo* factor.

such as home ownership *status*. While a significant number of home owners participated in various organizations, few people who rent participated in formal organization such as neighborhood associations and parent's or mother's associations. These tenants frequently were involved in self-help associations, particularly in the *allegados* committees.

More broadly, the qualitative data offered a number of possible explanations behind exclusion from social organizations. Some respondents who did not participate in any organization expressed a general 'disenchantment' with participation, although this was not explored further in the study. Others, and especially elderly respondents, simply expressed a lack of time and the burden that participation would add to their daily routine. The study further probed the under-reported theme of the way in which social organizations themselves can exclude or discriminate. Semi-structured interviews with social leaders and household members pointed to two main discriminatory attitudes and practices: a) the existence of financial requisites and (b) more invisible processes of discrimination or exclusion through stigmatization (See Box 6).

**Box 6**

**Financial requirements and exclusion from  
social organizations: committees of *allegados***

Committees of *Allegados* (individuals or families living under precarious arrangements with other families) are more likely to succeed in getting low-cost housing for their members if they all have the same savings capacity. Julia, a secretary of one Committee of *Allegados*, suggested that some governing bodies pressure them to keep out those with precarious or insufficient saving capacities. The whole selection process of membership deserves to be quoted in length:

V: There is a minimum to get in the scheme. There were around 50 of us, but this was useless because these people either didn't have the money or they couldn't be reached, (...) so, we started to eliminate people.

Author : How did you select people?

V: We started to ask for money. They had to give us a certain amount of money by a certain deadline. We went to every address we had and explained what we were doing (...). At the end, we only kept 15 out of the 50. They were those who really had the money and all of their papers in order'.

Author: How much did they need to be selected?

V: We set a minimum of \$300.000 (US\$600).\*

Housing status appeared to be the strongest grounds for exclusion. Some social leaders showed discriminatory attitudes towards non-owners, such as tenants, *Allegados* or caretakers, as Pedro pointed out:

'In the villa, many remained as tenants. This is why this population will never move forward, because there are many caretakers and tenants. The tenant doesn't care about anything (...). Lots of *Allegados*-they don't care. They are not owners; it isn't worth working to them.'

At the same time, some tenants felt discriminated against, like Jorge and María:

J: I think that they look at us as inferior, because they (the Committee) says 'they're young, they should have their own house by now (...).'

M. E. ...No, I never relied on the Committee, but it's because. I didn't have access to it either. A Neighborhood Committee will never take tenants into account, they only care about owners.'

\* More than four times the minimum wage.

Source: Clert (forthcoming).

## PERCEPTIONS OF RELATIONSHIPS: IMPLICATIONS FOR THE AGENTS OF SOCIAL INCLUSION POLICIES<sup>33</sup>

This final section examines participants' experiences and perceptions of distance from the networks, actors, and institutions which are supposed to play an important role in the reduction of social disadvantage, according to the central government poverty reduction strategy. The constraints of this paper make it impossible to present a detailed and comprehensive account of findings. However, key findings and their related policy implications are summarized below.

### **Households and 'Close Contacts'**

It could be argued that exclusion from horizontal networks such as close contacts impinges on exclusion from other, more tangible resources such as social entitlements. When State protection and assistance is denied, it could be assumed that individuals rely on others, including their families and/or their community for the satisfaction of their needs. However, evidence from the micro study conducted in Huechuraba did not find strong evidence on the inclusive virtues commonly attributed to such horizontal networks. Some cases suggested that social isolation causes great difficulties in coping with the daily struggle of survival. However, the meaning and nature of relationships could not be taken for granted. In this sense, this research confirmed the findings of other Latin American studies<sup>34</sup> on social networks by highlighting the importance, but also the limitations, of so-called close contacts, such as kinship and fictive kinship, or friends.

#### *Household Relationships*

The quantitative survey illustrated the ways households could fulfill unmet needs, such as caring for children or sick adults. Twenty-four percent

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33. Evidence in this section was extracted partly from the quantitative survey but more significantly from semi-structured interviews and the participatory exercise of the Venn Diagram. Derived from Participatory Rural Appraisal (P.R.A.) methods and based on the drawing of circles, this exercise asks whether there exist different actors or institutions that are relevant to participants in terms of their capacity to help and/or care for them in times of trouble. It also allows inquiring into the perceived caring and helping capacity of these actors and institutions.

34. González de la Rocha (1993; 1994); Roberts (1993).

of respondents said that household members other than themselves took care of adults who needed assistance. Twenty-nine percent of respondents with children under eight said that they relied on household members for in-house childcare. Only eight percent said that they relied on municipal childcare centers, and six percent on neighbors or friends. The majority of the people interviewed regarded household relationships – i.e. spouses, elder children, or resident kin – as the most important and accessible source of help. For most interviewees with a spouse, regardless of gender, the spouse was usually the first choice, while for single or divorced respondents, the first choice was another resident kin.

### *Family, Fictitious Kinship and Friendship*

Findings related to extra-household family relationships demonstrated serious limitations to their caring capacity. While non-resident kin hold a relatively important place in the minds of many participants, and while their support was sometimes crucial for them, a third of participants still regarded family members as distant and unreliable in times of need. Findings questioned the assumptions of the family as a harmonious and undifferentiated environment.

With regard to friends, most respondents perceived that they stopped being reliable in times of trouble.<sup>35</sup> In addition, limitations were singularly differentiated by gender in various cases. Restricted women's mobility and time due to their multiple responsibilities limited time for friendship. As Margarita, a seamstress, put it: 'For me, it is from work to home. My world is here, inside. The washing, ironing (...) and then just the desire to go to bed...'

### *Neighbor Relationships*

These findings prompted a re-evaluation of spatial relationships as a factor in facilitating social inclusion. Most participants did not draw on neighbors from their constellation of relationships. When they did, they generally characterized them as unimportant and distant. Some of the factors

35. For instance, Ximena did not draw any friend and argued: 'When it is for having a good time, you have too many friends. When you're in trouble, you just lose them'.

explaining that perception were the lack of unity in the community, shame to ask for help, and deprivation. Deprivation seemed to limit neighbors' capacity to co-operate informally with each other as they were encumbered by the heavy demands of their own families. This clearly occurred in the most deprived neighborhoods of Huechuraba, the *campamentos* and low-cost housing *poblaciones*.

## Civil Society Associations

### *Territorial Organizations, Self-Help Organizations and Other Social Groups*

Neighborhood associations (*Juntas de vecinos*) are often considered a 'natural space' for gathering and community participation by policy makers, and more than half of the participants did indeed chart the 'Junta' in their constellation of relationships. Yet, a large majority of these respondents considered this organization to be distant and of little importance<sup>36</sup> to them personally (see Venn Diagrams). The study showed a clear coincidence between experiences and perceptions of discrimination highlighted in Section Four and perceptions of distance from the institution. Other factors had to do with respondents' perceptions of the uselessness of the *Juntas*.

Self-help associations such as Committees of *Allegados* were scarcely mentioned by participants, but several small social groups were referred to as sources of help. This was mainly true for participants who had suffered from social rejection by other associations. This was clearly shown in the case of the disabled.<sup>37</sup>

### *Leisure and Religious Groups*

Leisure groups were not mentioned at all as sources of help. Religious associations were mentioned, but the actual material assistance provided by

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36. The minority of respondents who put the *Junta* closer and rated better their caring capacity were either relatives of a member/president of the *Junta* or were themselves social leaders of another social organization.

37. The case of Luis for instance, president of a small group of physically disabled adults illustrated the virtuous circle of a high position in an organization, access to information, networks and social entitlements.

religious groups was variable both in terms of both importance and access.<sup>38</sup> Material assistance involved contacts for occasional jobs (*pololitos*) and, in the case of the Catholic Church, receiving boxes of groceries at Christmas time. For those who found themselves in a desperate situation, the importance of this kind of help was seen as quite significant, although all lamented its irregularity and unreliability.

### *NGO's, Foundations and Charities*

The findings suggest that caution should be used regarding reliance on non-State welfare from NGO's and charities. These institutions were rarely mentioned as sources of help in times of trouble. Among the possible factors explaining this absence is the scarce presence of NGO's in the *comuna* and the existence of discriminatory financial practices within some of them. Another issue expressed by those interviewed was shame. Some respondents considered municipality help to be an entitlement and a citizen's right (See Section Four), whereas they thought approaching a charity lowered their status and dignity. Nevertheless, NGO's and foundations appeared to be very important to individuals suffering from exclusion due to discrimination and to those who cannot easily access the formal government system, such as people with disabilities.

### **State Agencies: The Importance of the Social Worker as a Key Finding**

Social workers are rarely lauded by Chilean government discourse on poverty reduction, partly because they are associated with a 'paternalistic' approach that the government is seeking to overcome. They are often ignored and subsequently left out of resource allocation.

However, the Huechuraba study suggests a reconsideration of these perceptions and priorities. According to the perception of the interviewees represented in the Venn Diagrams, the social worker was the most important and accessible source of help to half of the participants, second only to other household members. Evidence of their importance was also indicated indirectly in the quantitative survey, which showed that the major motivation for visiting the Municipality was to consult with the Department of Social

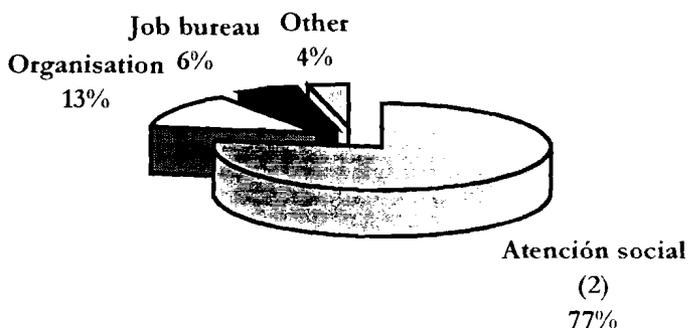
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38. Only 8 out of 24 participants represented catholic and 'evangelical' bodies on a circle.

Services (see Figure 2). This unit is staffed essentially by social workers who deal mainly with information and postulation regarding social benefits. However, it should be emphasized social workers are merely the intermediary between potential beneficiaries and the social benefits.

**Figure 2**

**Motives of visits to the municipality**



- 
- 1) Question asked to 52 respondents out of the 88.
  - 2) Information, postulation social benefits, social help in general.

Source: CLERT (Forthcoming) Household Survey.

No clear-cut conclusions could be reached on the influence of gender on perceptions of social workers. Certainly, some couples presented a clear difference of perception, with males feeling more reluctant to deal with any bureaucratic procedures related to family welfare. However, in other couples, the men, and especially those who were unemployed, felt closer to the social worker than their female partners did. The importance of accessibility of social workers was emphasized by most individuals who faced isolation and extreme situations of social disadvantage. These individuals felt listened to, respectfully treated and oriented to the system. Furthermore, social workers often constituted a bridge, linking recipients to social institutions and entitlements.

Higher local authorities such as municipal officials and the Mayor seem to be distant and detached from the respondents, a sharp contrast to the perception of the social workers. Some respondents did acknowledge the

mayor's decision-making power and the importance of the Mayor's office. Yet, the majority regarded the Mayor as 'unreachable.'

Meanwhile, some cases suggested that membership in or leadership of a social organization made this kind of agency more accessible and therefore potentially more helpful. This is illustrated in the diagram comparing *campamento* presidents to ordinary *campamento* residents. Similar findings were obtained with regard to central authorities, because social leaders found that they faced fewer barriers than their fellow residents in Huechuraba.

## CONCLUSIONS AND POLICY IMPLICATIONS

### **Analytical Issues**

This paper has provided empirical evidence derived from quantitative and qualitative data that clarify three main issues:

- The multidimensional nature of the social exclusion approach. Lack of access to tangible (and intangible) assets combined with a stigmatized social identity, limited opportunities for labor market insertion, precarious access to information, and limited participation in social organizations interact from the onset of the social exclusion process.
- The importance of institutional aspects in the creation of social exclusion. The research identified institutional mechanisms including formal rules, such as targeting procedures, and non-written rules like the selection process in job interviews.
- Identifying exclusionary and discriminatory practices on the part of social organizations, including self-help associations and state agencies. Another important indication was that participants perceived these agencies, which are supposed to play an important caring and protecting role towards them, as distant entities. Exclusionary practices of agencies and unequal power relations in personal interactions often appeared to be embedded in structural institutional processes and design including legislation, poor staffing of law centers, methods for forming social policies, as in the case of rigid targeting rules.

## **General Policy Conclusions**

The conclusion of these policy evaluations raised serious challenges to the Chilean government's strategy for fighting social disadvantage. Not only did they question certain social policy methods and priorities, but they also questioned the validity of perceptions and assumptions that generally have been held to be true. Serious achievements have already been made in the reduction of overall poverty levels. Nonetheless, the fight for greater equity and social inclusion will require further reform.

With regard to gender issues, this paper has suggested that social inclusion policies need to recognize the heterogeneity among those women who are subject to processes of exclusion and discrimination. Gender-based exclusion was shown to interact with low income level and stigmatization linked to other elements of social identity, such as housing *status*, place of residence, physical appearance, and age.

By identifying exclusionary rules and practices that made women more vulnerable to poverty, this paper has highlighted the limitations of a target-group approach to female social disadvantage. It was shown that broader reforms in labor market institutions, public social services, and the justice system could foster a real change for women experiencing social disadvantage. If policy makers and practitioners adopt an integrated framework of social exclusion, they will be likelier to advance beyond social programs that focus on women as the solution to the problem.

However, this opportunity will be missed if the social exclusion approach is assumed to be a substitute for rigorous gender analysis. Past experience in Chile and other Latin American countries has shown that it is more beneficial to think of men and women who face exclusion as 'gendered' subjects rather than as 'neutral' subjects.

## **Specific Policy Conclusions**

### *Rethinking Labor-Based Inclusion Policies*

Four policy-related issues should be elaborated. First, the study suggests that it is ineffective to target labor-based social inclusion programs using rigid categories. It also calls for giving greater consideration to the precarious employment situations of men as well as age-based discrimination against men and women in the 45-64 age group. Second, it clearly indicates

that labor-based social inclusion policies only foster social change if they focus on the quality of labor market insertion, such as the case of the National Program for Women Heads of Household.<sup>39</sup> Third, low minimum wages, widespread casual employment, denial of labor rights, and exclusionary hiring practices call into question the residual approaches to social policy in this area. Fourth, the confirmation of subtle processes of exclusion related to social constructs such as physical appearance, place of residence and age indicated the need for information campaigns and incentives for businesses to help counteract discriminatory hiring practices.

### *Improving Access to Quality Social Services and Safety Nets*

At the urban level, social inclusion policies must recognize the differential access to social services not only between the city center and peripheral areas but also within the peripheral areas. Challenges for local urban authorities involve more mobility in the actual delivery of services. Fighting social exclusion requires getting closer to the people. In the long run, local urban planning should assign priority to the intra-connections of peripheral *comunas*. Additional policy recommendations for local authorities include: a) implementation of an effective communication strategy since poor information was a major factor of exclusion, and b) more flexible working hours for social entitlement institutions such as municipal bureaus to accommodate individuals instead of putting further strain on them.

The research also highlighted structural challenges. First, social inclusion policies should address the quality of public social services, on the grounds of both social justice and gender equality. Women tend to be the primary victims of poor services due their greater involvement in family welfare. It must be recognized that quality improvements will not succeed if gender awareness is not promoted within the social service ministries.

Second, increased attention should be given to poverty prevention and related policy implications. Assigning priority to the extremely poor seemed to lead to a neglect of those who fall just above the line but are still exposed to serious exclusionary processes such as the fee-for-service health system. Priorities must be carefully revised to prevent these people from entering a vicious circle of pain due to lack of medical attention instead of exposing them to further risk.

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39. For a further examination of the Women Heads of Households Programme in the light of a social exclusion perspective, see Clert (1996a; 1998).

Third, the research illustrated some of the drawbacks of means-testing and targeting when these are not used along with other policy instruments that ensure social inclusion. This also raised a crucial policy debate regarding universal entitlement to social services and the need to allocate resources more efficiently and justly.

#### *Improving Access to the Justice System*

Findings in this area call for a reconsideration of the importance given to access to the justice system in the government's antipoverty strategy. Injustice caused by the denial of rights often appeared to have a strong impact on the social disadvantage of victims. Both men and women were subject to different forms of gender discrimination as in the case of disputes over alimony for women. Evidence also suggested that the asymmetry of power relations between victims and authors of injustice was often reinforced in the case of women. This paper strongly recommends state action toward improving access to the courts. The positive role of counteracting institutions, such as the law center or the labor inspectorate service, showed how these organizations could redress the imbalance of power relations and protect citizens in some cases. More resources for these institutions, proper incentives and legal reforms could bring about a positive change.

#### *Giving More Consideration to the Possible Biases of the Demand-Driven Approach*

Primary evidence suggested the need for a careful reconsideration of the demand-driven approach which leaves few options for individuals who are either barred from access to social organizations because of exclusionary practices or because they lack the social capital required to participate.

#### *Questioning Assumptions on the Caretaking Capacity of the Agents of Social Inclusion*

This paper questioned the government's assumptions about the importance of certain agencies and the subsequent priority assigned to them in the fight against disadvantage. This refers to both the importance and limitations of so-called close contacts, such as kinship or friends. The role of self-help and mutual-support networks was questioned. It also suggested that

caution be taken towards a reliance on non-State welfare through NGOs and charities.

With regard to state agents, the paper calls for a reconsideration of perceptions and priorities toward social workers. Their importance and their accessibility in times of trouble was emphasized by most individuals who faced isolation and extreme situations of social disadvantage. Furthermore, they often constituted a bridge between individuals and entitling institutions.

### *Methodological Aspects*

The combination of quantitative and qualitative indicators of exclusion proved to be essential in capturing the multiple dimensions of social exclusion and their complex interactions. The triangulation of data through surveying different units of analysis was also useful. It should be noted that the potential of the social exclusion approach was confirmed in interviews at the central government level: interviewees pointed out the need for broader frameworks of analysis in designing and implementing more inclusive social policies and programs.<sup>40</sup>

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**APPENDIX ONE**  
**PERCEIVED IMPORTANCE AND**  
**ACCESSIBILITY OF DIFFERENT AGENTS**  
**VENN DIAGRAMS OF SELECTED**  
**PARTICIPANTS**

**LIST**

D1. Gonzalo

D2. Mariana

D3. Teresa

D4. Myriam, Campamento Jesús Obrero

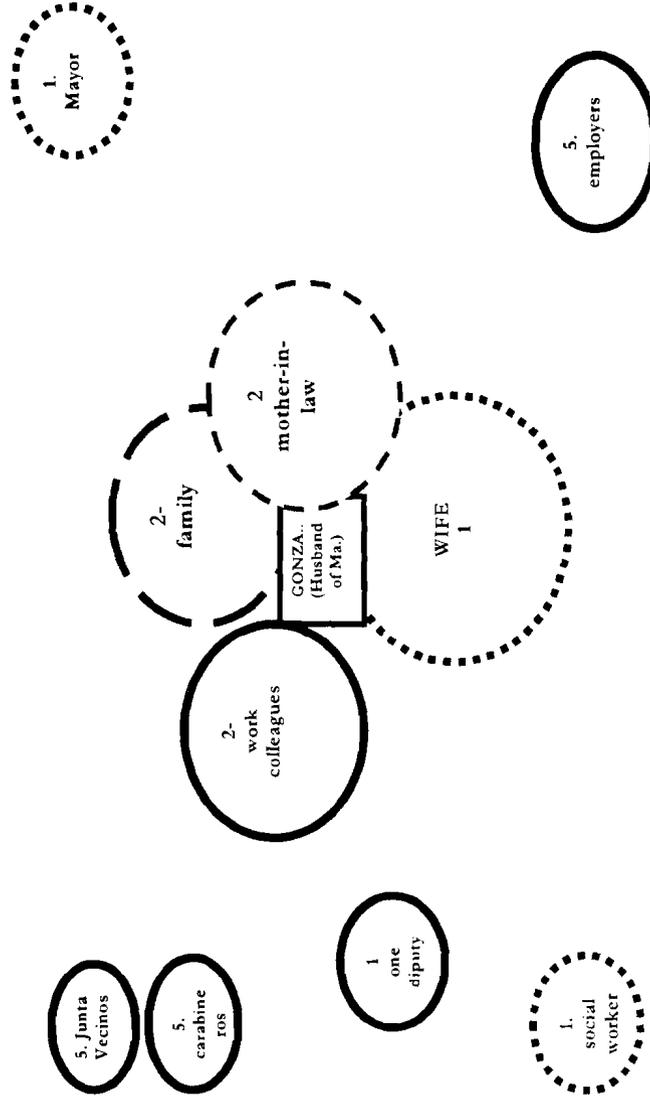
**SIMBOLOGY:**

State agencies and representatives ●●●●●●●●●●

Household members ■■■■■■■■■■

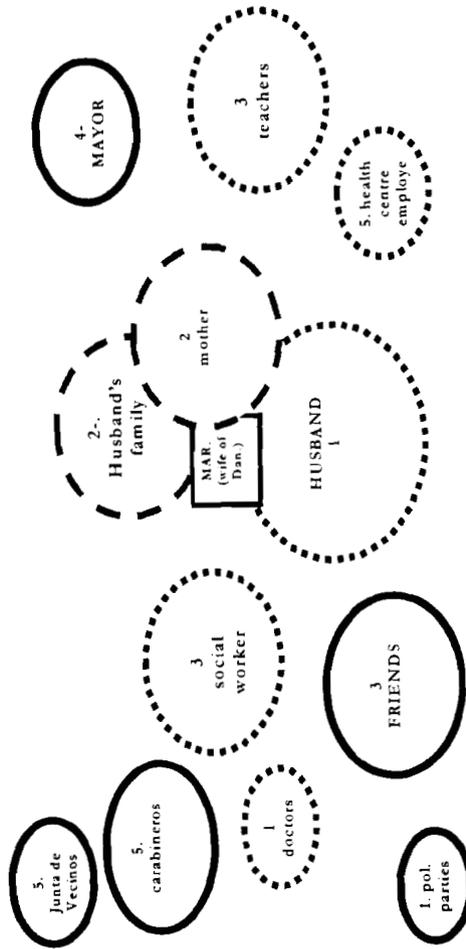
Extra-household family members — — — — —

D1. Gonzalo/Partner of Mariana. see D2. )



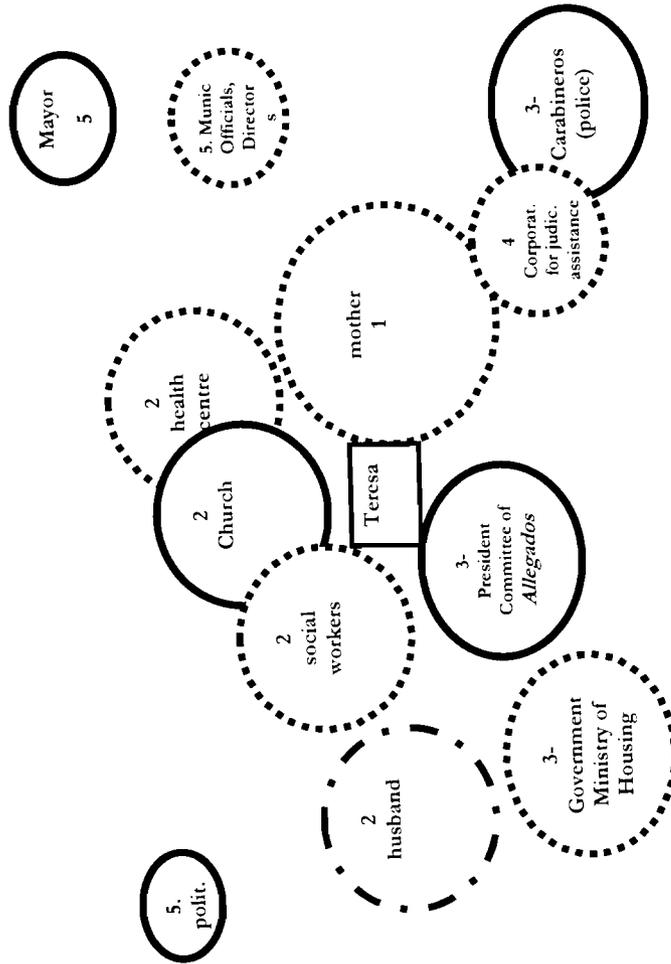
Source: Venn Diagram Exercise (Clert, forthcoming).

D 2. Mariana/Partner of Gonzalo (D1)

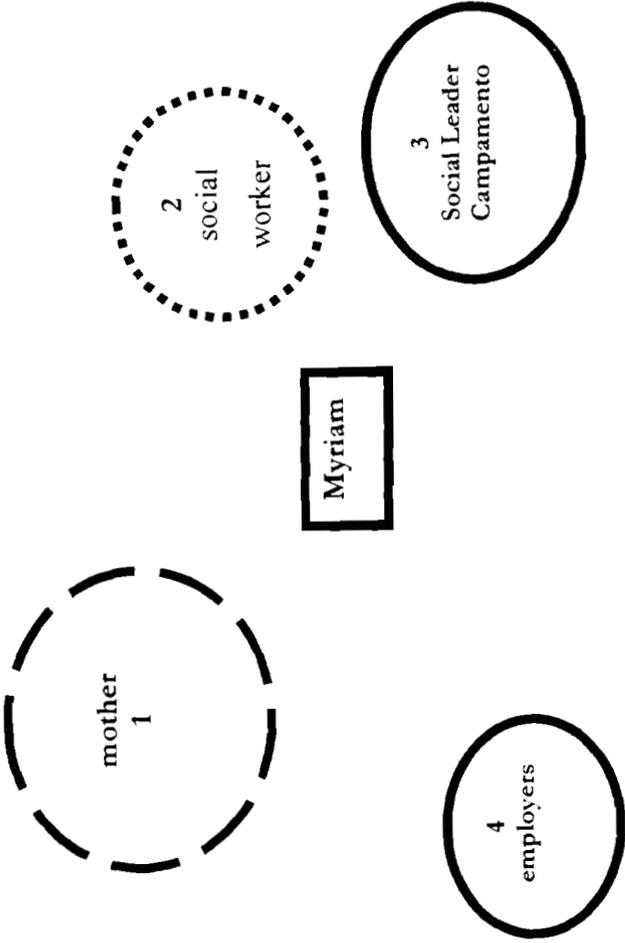


Source: Ibid

D 3. Tercsa, Secretary of a Committee of Allegados



D 4. Myriam, Campamento Jesús Obrero.



Source: Ibid

# CONCLUSIONS

## POVERTY AND SOCIAL EXCLUSION IN LATIN AMERICA AND THE CARIBBEAN

ESTANISLAO GACITÚA  
CARLOS SOJO

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

A second element inferred from the above is the necessary differentiation between the concepts of "marginalization," "poverty," and "social exclusion." Conventionally, poverty has been defined as a lack of income.<sup>1</sup> Marginalization, on the other hand, refers to a situation in which a social

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1. Individuals are considered poor when the income received does not allow them to reach a level of consumption that would satisfy basic nutritional requirements, goods, and minimum services. For further discussion of poverty and extreme poverty lines and other indicators which can be used to estimate poverty levels see Martin Ravallion (1992), *Poverty Comparisons, A Guide to Concepts and Methods*, The World Bank LSMS Working Paper 88. Jesko Hentchel and Peter Lanjouw (1996) *Constructing an Indicator of Consumption for the Analysis of Poverty*, The World Bank LSMS Working Paper 124. For a more ample discussion about this topic, see The World Bank (1993) *Poverty Reduction Handbook*.

group, due to historical structural conditions, cannot participate as expected according to the prevalent norms and/or values in that society. That is to say, a social group is marginal when it does not have access to certain areas of social, economic, cultural or political action. Nevertheless, marginalization does not necessarily involve the accumulation of these phenomena. That is, a social group can be marginal without necessarily being poor (or becoming poor).<sup>2</sup>

The notion of social exclusion, as we have already seen, is broader than the concept of poverty,<sup>3</sup> because it refers to a process that includes not only an economic dimension (access to markets and levels of income). Nevertheless, the results presented here indicate that, more important than understanding the distinction between these concepts, is to recognize the cognitive utility of the social exclusion approach which allows the development of a dynamic, multi-dimensional model for explaining the interactions of multiple factors that may result, among other things, in poverty, inequality, and marginalization. It also provides a screen through which the evaluation and design of state policies can be filtered to ensure that they lead to greater social inclusion.

## CONCEPTUAL AND METHODOLOGICAL ASPECTS

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

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

2. In this regard, see the concept of marginalization developed initially by Gino Germani (1979) in *Marginalization: New Brunswick, NJ: Transactions Books*.
3. It is important to note that some extend the concept of poverty and consider it a multi-dimensional phenomenon. One example of this is the Index of Human Poverty (IHP) utilized by the PNUD. To see other cases where the concept of poverty is used in ample form, see the works of Jan Gough and Gunner Olofson (Editors), *Capitalism and Social Cohesion: Essays on Exclusion and Integration*, (1999) and A.S Bhalla and Frederic Lapeyre (Editors), *Poverty and Exclusion in a Global World*, (1999).

at identifying the structures and factors that can expose a social group to suffering negative impacts as well as the areas of intervention in which decisions must be made in order to prevent the manifestation of the risk factor or mitigate the occurrence of its impacts.

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

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

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

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

## POLICY OPTIONS

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

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

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

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

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

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

First, a central conclusion is regarding the role of the State as guarantor of fundamental rights that ensure meeting certain thresholds of well being (resources, services, participation, representation). The results indicate that the exclusion experienced by some groups is the result of institutions and mechanisms that get in the way or erode the satisfaction of certain basic

rights. In general, the state has not been sufficiently active in leveling the field and compensating for the inequalities that certain groups face trying to participate in the market. This has resulted in the inability of some to attain their economic rights. Similarly, at the level of representation and cultural expression, the state has not equally provided for all groups the possibility of developing and ensuring a place for their identities, culture and political and economic interests in the development of the nation-state.

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

Second, from the analytical point of view, the application of the social exclusion approach allows us to observe how distinct risk regimes operate and the impact that different policy instruments may have. That is, it facilitates the analysis of distinct factors (economic, political-institutional, cultural, social, territorial) and their interactions and the results of policy interventions, specifically in reference to their institutional and social sustainability.<sup>5</sup> Specific policy instruments could be analyzed in relation to the impacts they have on the vulnerability of a specific social group, that is on the accumulation of risks, as well as in relation to other policy instruments. At the same time, the social exclusion approach helps to visualize and assess the impact that the subjects' perceptions and actions have on the implementation of different policy instruments and the provision of services. The conclusion from the above is that in the design and implementations of policy instruments the policy makers needs to consider at the same time the interactions between different factors that generate exclusion as well as the perception the potential beneficiaries may have, giving priority to those instruments that aim at diminishing the exposure of vulnerable groups to multiple risk factors. The design of inclusive social policies requires to take into consideration three basic elements: (i) the inter-connectedness of risks and, thus, the need of cross-sectoral policy objectives and instruments; (ii) the role of perception and human agency in the selection of the type of activities; and finally, (iii) the spatial dimension of exclusion and, therefore,

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

the importance of local institutions in the design, organization and delivery of services.

### **Meeting Social Thresholds and Targeting Policy**

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

In recent years, most targeted social policies instruments have left out those individuals who are not at maximum risk. This could be acceptable if social policies were used only as a mechanism of compensation to ensure that the most vulnerable could attain the minimum standard of satisfaction of their rights.<sup>6</sup> Nonetheless, that would presuppose the existence of universal institutional mechanisms to guarantee the satisfaction of rights to all of the population (particularly those at risk). Notwithstanding, as the distinct cases analyzed have shown, these mechanisms are not present or are not operating satisfactorily. Therefore, the challenge for society is to ensure that social policies would contribute to generate the conditions for meeting the social thresholds and rights and at the same time targeted policy instruments would be in place to ensure the inclusion of those groups that cannot reach these standards on their own.

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

## **Inclusive and Integrated Social Policies**

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

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

## **Territoriality and Participation**

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

Social exclusion has a spatial dimension that needs to be taken into account. Exposure to risks and vulnerability to them changes according to the spatial location of a social group. There are spatial characteristics that increase the danger of exposure to certain phenomena (for example, human settlements in areas of high environmental risk, such as slopes and river banks; or in lands with little productive potential, as in the case of many indigenous groups that live in areas of highly degraded soils). At the same

time, the spatial dimension has institutional repercussions (as signaled by unequal distribution of infrastructure and public and private services). In summary, territory can modify the vulnerability of certain groups and dictate the form in which these groups can interact among themselves and with the institutions of the State.<sup>7</sup>

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

Finally, the cases presented suggest that still social programs tend to be executed in a vertical and paternalistic<sup>8</sup> way giving communities and local governments little responsibility in their implementation. However, in order to implement inclusive social policies, the authors highlight that social agency at a local level is essential. Inclusive social policies should work toward assuring citizens participation not only as far as their potential contribution in work and/or capital for the execution of programs, but rather in terms of their participation in the management, monitoring and evaluation of social programs. That is, making use of their potential to transform institutions and to manage risks. To the authors, this would be the best way for developing inclusive social policies that would provide national social thresholds and at the same time would strengthen the capacity of the agents (local governments and communities) to define and implement social policies.

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

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

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