Evidence for the added value of an inclusive societies approach

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29.06.2015

Question
What is the evidence for the added value of an inclusive societies approach for increasing the effectiveness of poverty reduction efforts?

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1. Overview
There is little direct evidence on the added value of an inclusive societies approach for increasing the effectiveness of poverty reduction efforts. The state of research in this area is predominantly theoretical and not empirical, although there is a clear normative consensus that poverty reduction and sustained economic growth is contingent upon the development of economically, socially and politically inclusive societies.

The term ‘inclusive societies’ has not been widely used in academic circles and has only recently assumed prominence in the international policy-making lexicon, heavily influenced by the World Summit for Social Development, held in March 1995. Discussions regarding the broader social, economic and political benefits of inclusion and inclusiveness have become increasingly common since 2009 (DFID, 2015 unpublished; OECD, 2012, UNDESA, 2009; World Bank, 2013). This report acknowledges DFID’s Inclusive Societies Department’s vision statement that “makes the commitment to a world where no-one is left behind, and where all women and men, girls and boys have equal opportunity to realise their rights, achieve their potential and live in dignity, free from extreme poverty, stigma, discrimination and

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1 The World Summit for Social Development established the concept of social integration to create an inclusive society, “a society for all”, as one of the key goals of social development.
violence” (DFID, 2015 unpublished). The Inclusive Societies Scoping Paper recognises the commitment to promote inclusive societies, supported by a vibrant and effective civil society, where all people are valued and have the opportunity to participate fully in economic, social and political life. This is highlighted as essential for poverty reduction, equitable economic growth and sustainable development outcomes.

While there is no agreed understanding of the term inclusive societies, it is understood to include social integration, social inclusion, social cohesion and social participation (UNDESA, 2009). The concept of social inclusion is considered to be the foundation for inclusive policies, which affect all citizens’ lives, in particular those of the minority and vulnerable groups.

Quantitative studies highlighting a statistical association between inclusionary principles and practices and economic, social and political benefits are limited (particularly those relating to the added value of an inclusive societies approach on the effectiveness of poverty reduction). Vinson (2009) and Club de Madrid (2011) both comment on the limited empirical data sets that support policies of social inclusion. In turn, the World Bank argue that the idea of social inclusion takes poverty analysis beyond identifying correlates to uncovering its underlying causes, i.e. identifying the norms and belief systems that underpin exclusion which are often difficult to quantify, necessitating qualitative analyses (World Bank, 2013).

The evidence suggests that an inclusive societies approach may contribute to poverty reduction efforts through the development of a stable, cohesive society defined by high levels of trust and participation. However, the evidence also suggests that the notion of inclusion and the means of achieving it requires interrogation;

- Inclusive economic institutions **have a significant effect** on per capita incomes and institutional effects are largely responsible for the incomes of countries
- A socially inclusive society, defined by high levels of trust and civic cooperation engenders increased participation and social cohesion
- Political inclusion, through power-sharing agreements, is highly correlated with the consolidation of peace. Conversely, political exclusion plays the decisive role in the recurrence of conflict
- An ‘underlying moral meta-narrative’ exists which assumes that social inclusion, as opposed to social exclusion, is inherently good and desirable. This often ignores the way in which the terms of inclusion can be problematic, disempowering or inequitable.

2. State of the evidence

The literature on the added value of an inclusive societies approach for increasing the effectiveness of poverty reduction is limited and predominantly qualitative (Vinson, 2009, Club de Madrid, 2011). Vinson (2009) notes that inclusionary policies aimed at raising levels of participation in society across ethnic, cultural, gender, and income lines are generally considered of value to society if the benefits exceed the cost of implementation. However, quantifying the empirical benefits for social policies is not straightforward and is benefited by a qualitative analysis (Vinson, 2009). Similarly, the Club de Madrid note that positive economic outcomes can be demonstrated for a number of specific inclusionary principles, but that the effects of enacting broader policies of social inclusion (i.e. those that contribute to an inclusive or, what they refer to as, shared society) tend to be discussed within the parameters of social observation and theory and not economics. They note that whilst such programmes may be just and intuitively desirable, data supporting their economic benefit is limited (Club de Madrid, 2011: 38).

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2 Much of the evidence surveyed during this rapid literature review discussed the impact of fragility and conflict on poverty reduction efforts.
Poverty reduction efforts

Evidence from across countries and time periods demonstrates that economic growth and improved productivity are necessary for widespread poverty reduction. Indeed, economic growth is often considered the main factor responsible for reducing income poverty (Bird and Busse, 2006: 6). However, research also shows that growth alone is not a sufficient condition for poverty reduction (Wiggins with Higgins, 2008). The extent to which growth can reduce poverty depends on a number of context-related variables. Specifically, to harness growth for poverty reduction countries must adopt certain policies so that poor people can participate (Wiggins with Higgins, 2008). In a report on inclusive growth, the OECD (2012) identifies three problems that record levels of growth in the 1990s and 2000s have failed to tackle:

- Poverty
- Unemployment
- Inequality

Similarly, UNRISD note that a number of critical issues and obstacles to overcoming poverty have not been addressed, including the role of employment; growing levels of inequality; the often contradictory impact of certain macroeconomic policies; and the political and social relations that structure power and exclusion. Notably, they comment, many contemporary poverty reduction strategies represent a cautious approach to social development that have increasingly focused on ‘targeting the poor’ to the neglect of key institutional, policy and political dimensions that may be both causes of poverty and inequality, and obstacles to their reduction (UNRISD, 2014).

It has thus been argued that shared growth and equality of opportunity are essential to lasting poverty reduction, and creating a more inclusive society requires a broader concept of poverty that encompasses non-economic dimensions such as:

- Access to opportunities
- Empowerment
- Subjective well-being
- Health, education, shelter
- Gender equality
- Participation and ‘voice’

3. The added value of an inclusive societies approach

It has been noted that it is often easier to find literature that demonstrates the cost of exclusion rather than the benefits of inclusion (Valenti and Giovannoni, 2012). However, Club de Madrid research (2011, 2012) notes that shared societies enjoy better prospects for both material and non-material wellbeing and that material gains can be better applied in a socially and environmentally sustainable way in such societies. They comment that without shared societies, the probability of conflict, marginalisation and disillusionment is high, and that citizens are more likely to opt out of the democratic political process (Club de Madrid, 2012).

The consequences of failing to include sections of society are significant in the long run, contributing to increased insecurity, higher crime rates, brain drain, emigration, social conflict, expansion of slums, instability, urban violence, divided societies and violent conflict, etc. (UNDESA, 2009). Commenting on

3 Club de Madrid articulates a notion of a Shared Society as one in which people hold an equal capacity to participate in, and benefit from, economic, political, and social opportunities regardless of race, ethnicity, religion, language, gender, or other attributes and where, as a consequence, relationships between the groups are peaceful.
poverty reduction efforts, the UN asserts, ‘it is evident that we will not be able to eradicate poverty if we continue to exclude those who are vulnerable and disadvantaged. As long as we fail to address the root causes of poverty and exclusion, some segments of the population will continue to be left out of the benefits gained by society as a whole’ (UNDESA, 2009: 18).

The World Bank, in its Inclusion Matters report, posits that inclusion has both intrinsic and instrumental value, ‘it is integral to human well-being and social justice, but also matters because the exclusion of individuals and groups has substantial social, political, and economic costs’ (World Bank, 2013: 249). It is thus suggested that a society that is more inclusive will deliver social, political and economic benefits. The Inclusion Matters report builds on findings of the 2011 World Development Report (WDR) that states that societies function better when there exist ties of trust and reciprocity and a rich associational life binding citizens together and linking citizens to the state (World Bank, 2011a).

The preceding sub-sections highlight some of the economic, social and political benefits of adopting an inclusive societies approach. It is acknowledged that benefits across these spheres will often be mutually reinforcing or form what Levy (2014) refers to as a ‘virtuous circle’. He articulates the argument that inclusion, institutional change and economic growth can support a virtuous circle of development. He does however note that the implementation of reforms is complex and must inevitably involve a process of iterative adaptation.

**Economic**

Club de Madrid suggest that there is a strong economic argument for building a shared or inclusive society. They note that if sections of society are marginalised they have poorer quality education and therefore limited skills to contribute and less capital (human, social etc.) to invest. They may also be less willing to contribute to a society that they feel does not respect them or treat them as full citizens. In order to maintain the status quo, the state may resort to increased security measures such as enlarged security forces, enhanced equipment for the security services and larger prisons. Foreign capital is also less likely to invest in a society that is unstable and where tensions are high (Club de Madrid, 2011).

An inclusive society approach that includes previously excluded groups has been argued to have economic value in and of itself. The OECD comment that enhancing the ability of the poor to participate in, contribute to, and benefit from growth reinforces the productivity and participation of the poor in the labour market, protects them against shocks and reduces their vulnerability (OECD, 2008).

Acemoglu et al. (2001) identify positive and sustainable developmental effects in their discussion of inclusive political and economic institutions⁴. They estimate that institutions have a significant effect on per capita incomes and conclude that institutional effects are largely responsible for the incomes of African countries. They assert that there is a definite and quantifiable pattern in the existence of certain institutions and economic growth. They highlight the importance of consistent property rights, an absence of confiscatory tax policies, low risk of expropriation, low levels of corruption and limited barriers to trade. This study isolates ‘clusters of institutions’ that mitigate against ethnic fractionalisation as well as promoting economic growth.

Quantitative studies that explore the instrumental, growth-enhancing effects of democracy include Persson and Tabellani’s (2009) study of 150 countries over 150 years. This places particular emphasis on the concept of ‘democratic capital’, which they see as determined by a state’s history of democratic

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⁴ Acemoglu et al. comment that their institutional variable is better considered as representing a ‘cluster of institutions’ rather than any single institution.
practices, and the level of democracy exercised by its neighbours. They find that historically, the difference between lowest to highest levels of domestic democratic capital increases national income by 75 per cent. In a similar vein, Berg and Ostry (2011) observe that the avoidance of sudden collapses in economic growth rates can be positively correlated to the presence of democratic political institutions. However, it should also be noted that Moore and Putzel (1999) found that there is no systematic or deterministic relationship between democracy and poverty reduction.

Much of the research evidence seeks to demonstrate the added value of a socially inclusive approach by demonstrating the economic costs of exclusion. The World Bank’s Inclusion Matters report comments, “social inclusion matters because exclusion is too costly. These costs are social, economic, and political and are often interrelated” (World Bank, 2013: 54). The World Bank cites research conducted by Savoia et al (2009) who conclude that inequality harms institutions that are good for growth and overall economic development. In particular, they draw a link between unequal distribution of economic assets (such as land and minerals) and elite capture, which may trap entire countries in low-development equilibriums. Further, World Bank research estimated that the annual productivity losses caused by exclusion of the Roma, an ethnic minority in Europe, could range from €231 million in Serbia to €887 million in Romania (World Bank, 2010). Regarding gender, Ward et al (2010) note that countries are rarely wealthy if they have poor gender equality in education. They found that economic growth in sub-Saharan Africa, the Middle East and North Africa, and Latin America would have been higher (in the period since 1960) had those regions matched the levels of gender equality in education in East Asia and the Pacific. They estimate that in the absence of gender discriminatory social institutions, household income in Africa could increase by up to 25 per cent (Ward et al, 2010). With regards to the inclusion of individuals with disabilities, the London School of Hygiene and Tropical Medicine highlighted findings from Nepal that showed that the inclusion of people with sensory or physical impairments in schools was estimated to generate wage returns of 20% (Banks and Polack, 2014).

Further to this, the work of Tabellini (2005) and Alesina et al (2003), illustrate that low trust and weak institutions feed off each other. Low trust leads to ineffective institutions, which in turn fractionalise society. Institutional legacies often mediate between trust and economic growth, as institutions can shape levels of trust and civic cooperation over time. Alesina et al’s (2003) analysis demonstrate that higher levels of ethnic fractionalisation mean that average growth is much lower and black market premiums higher, the workforce is less educated, and infrastructure is poor.

Violence, often a result of the unequal inclusion or explicit exclusion of certain groups, also has an economic cost. Research conducted for the World Bank suggests that where tensions lead to civil war, national income can be reduced by up to 50 per cent (Foa and Jorgenson, 2008). The study also suggests that minor incidents of conflict such as criminality, instability and terrorism, can limit economic growth.

Earlier research conducted by Knack and Keefer (1997) found that societies with lower social trust experienced lower economic growth. These findings have been replicated by Foa and Jorgenson (2008), who use an index of social crime and mistrust indicators to show that societies with low social cohesion stagnated economically in the 1990s. Foa and Jorgenson conclude that a failure to confront group based grievances, build social cohesion and establish rule of law is not simply a political threat, but also hampers prosperity. Foa and Jorgenson’s (2008) research shows that societies which began the last decade with stronger norms of trust and social cohesion grew faster. Indeed, the impact on growth is significant. The difference between being in the top or bottom quintile is 1.723 percentage points per year, which is equivalent to an 18.6 per cent increase in GDP over the course of the decade.
Social

The World Bank’s analysis of social indicators highlights multiple linkages between stronger social institutions and broader aspects of human development. For example, interpersonal trust and norms of non-discrimination against ethnic, religious and caste minorities are found to be proximate determinants of economic growth (Foa, 2008). The absence of norms of non-discrimination, on the other hand, is associated with social conflict and horizontal inequalities which, in some cases, may contribute to violence. Vinson’s research indicates some social benefits of inclusive participation, including reduced crime and social problems and reduced demands upon welfare budgets (Vinson, 2009: 8).

There is a growing body of evidence that links gender equality with higher growth and better human development outcomes (Jones et al, 2010, World Bank, 2011b). Mansuri and Rao (2013), in turn suggest that more inclusive participation improves service delivery, notably in the health and education sectors. They conclude that local participation is a method to achieve a variety of goals, including sharpening poverty targeting, improving service delivery, expanding livelihood opportunities, and strengthening demand for good governance. They do however note that this participation does not appear to have a significant impact on income poverty and that there are risks associated with local elite capture. A focus on social inclusion, highlighting key issues such as poverty, unemployment, various forms of inequality, political participation and social cohesion, is of direct relevance to the post-2015 agenda.

Evidence of the cross-cutting benefits of including excluded groups can be garnered from the experiences of local government in India. Research conducted by Chattopadhyay, Duflo and others indicates that the process of building more inclusive democracies may have a positive impact on development outcomes. They note that gender quotas have led to increased representation of women, the increased participation of women in decision-making, changes in political outcomes, including increased allocations to water and infrastructure (themselves associated with improved human development outcomes and higher economic growth), and changes in social norms. In particular, they comment that the evidence points to a link between the increased representation of women and decreases in bribes (i.e. reduction in patron-client relations and corruption) (Chattopadhyay and Duflo, 2004).

Putnam (1993) comments that a socially inclusive society, marked by widespread participation, tends to be high on ‘social capital’. They contend that where this is the case both social and economic benefits ensue, including public sector efficiency in the provision of services, increased initiatives in all areas of social and economic life, growth of a culture of reciprocity and trust which facilitates the economics of association and constrains the high costs (political, economic and social) of conflict. Club de Madrid (2012) note the consistent and equal ability of citizens to enter contracts, and the ability for all citizens to see that the protections and benefits outlined in those contracts are enforceable, are key elements in promoting a shared society. Their research demonstrates that these factors not only promote growth, but also increase levels of trust and civic cooperation (Club de Madrid, 2011).

Valenti and Giovannoni (2012) assert that the development of an inclusive society, defined by high levels of trust and civic cooperation will lead to increased citizens’ participation. Conversely, in societies where there is low trust or civic cooperation, citizens who are disenfranchised or marginalized may refuse to participate in society. A society in which people refuse to or are prevented from participating is viewed to suffer on two levels. In poorer countries, governments cannot effectively collect the revenue necessary

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5 Putnam’s concept of social capital has three components: moral obligations and norms, social values (especially trust) and social networks (especially voluntary associations). Putnam’s central thesis is that if a region has a well-functioning economic system and a high level of political integration, these are the result of the region’s successful accumulation of social capital (see 1993).
for infrastructure and governance. In wealthier countries, governments often have to pay to manage the marginalised population (Valenti and Giovannoni, 2012).

Empirical examples of the importance of high levels of trust for generating sustained growth can be gleaned from Knack and Keefer (1997). Their findings suggest that despite robust Nigerian growth between 1960-1970, by 1980 the Nigerian economy was performing poorly. They assert that the failure to capitalise on earlier growth can be attributed to the low levels of trust and civic cooperation within the country. Further to this, Persson and Tabellini (2009) highlight the possibility of a virtuous circle, where accumulation of physical and democratic capital reinforce each other, promoting economic development and consolidation of democracy. Knack suggests that trust, and the social cohesion that it reflects, may improve economic outcomes indirectly, through political channels. It may improve governmental performance and the quality of economic policies by affecting the level and character of political participation (Knack, 2001: 2).

McLoughlin, in her discussion of service delivery and state legitimacy notes that the relationship between a state’s performance in delivering services and its degree of legitimacy is nonlinear. She comments that the relationship is conditioned by, “expectations of what the state should provide, subjective assessments of impartiality and distributive justice” (McLoughlin, 2014: 341). A key finding emerging from research in this area is that performance-based legitimacy is not simply dependent on objective criteria but needs be understood as socially constructed, with norms, ideas, state-society interactions and power dynamics all playing an important role in its shaping (McLoughlin, 2014).

Further to this, it has been noted that high and sustained levels of inequality, especially inequality of opportunity, can entail social costs and that entrenched inequality of outcomes can undermine educational and occupational choices. Inequality of outcomes, including the favoured treatment or protection of certain groups, may result in resource misallocation, corruption, and nepotism, with attendant adverse social and economic consequences. In particular, citizens can lose trust in institutions, eroding social cohesion and confidence in the future (Stiglitz, 2013).

**Political**

As UNDESA (2009) notes, poverty affects individuals and groups directly in the form of material deprivation, such as the inability to afford shelter or food, but also with regard to agency. The poor often lack the willingness or capacity to act, feeling psychologically disempowered and excluded from society, discouraged from becoming visible and participating or contributing. UNDESA argues, if the poor are systematically excluded from society, their exclusion can impede social progress and endanger social and political stability. It has been noted that conflict becomes more likely when segments of society question whether the government’s exercise of power is fair and inclusive (British Medical Journal, 2002). Economic and social disenfranchisements are considered two of the most common drivers of internal conflict, a finding that has clear implications for poverty reduction (Lockhart and Vincent, 2013).

Call (2012) suggests that, more than economic or social factors, it is political exclusion that plays a decisive role in the recurrence of conflict. Conversely, political inclusion of former combatants through power-sharing agreements is highly correlated with the consolidation of peace. He argues that exclusionary politics was the most important factor in 11 of 15 cases of renewed armed conflict. Call concludes, while other factors help to explain this recurrent conflict, exclusion is ‘the most consistently important one’ (Call cited in Jones et al, 2012). The idea that ‘inclusive enough’ settlements are central to recovery was a central conclusion of the 2011 World Development Report on conflict, security and development. In turn, the OECD note that the “overarching priority of state building must be a form of
political governance and the articulation of a set of political processes or accountability mechanisms through which the state and society reconcile their expectations of one another” (OECD, 2008: 8).

The World Development Report 2011 noted that state legitimacy is essential to breaking the cycle of conflict and fragility. The World Bank highlighted the presence of strong state–society relations (a hallmark of societies that can be considered more inclusive) as underpinning effective states and securing a durable peace. In particular they noted the importance of the following:

- Restoring confidence in crucial institutions through the development of “inclusive enough coalitions”
- “Getting the basics right” by focusing on the provision of citizen security, justice, and jobs

Progress along these priorities is essential in order to give everyone a stake in the (new) social order, improve the nature of state-society relations, and foster a sense of collective belonging (World Bank, 2011a: 120).

Whilst exclusion is considered to be a driver of conflict, inclusive approaches to political settlements have been identified as important in preventing a recurrence of unrest. The World Development Report 2011 contrasted evidence from Timor-Leste in 2002 and 2007. They found that in 2007 leadership reached out to other political parties and encouraged local business involvement in reconstruction. This approach was contrasted with that taken during the period between independence in 2002 and renewed violence in 2006, when there was relatively little engagement between the ruling party and civil society, the church, or other domestic stakeholders to build support for its programmes (World Bank, 2011a: 120). The World Bank note that shaping a positive and inclusive relationship between citizens and the state has been an important part of Timor-Leste’s institutional and political agenda since 2007 with the government improving its communication and engagement capacity.

A recent DFID evidence review notes that political settlements that are grounded on inclusive nation-building projects that transcend more narrowly defined identities, tend to be more stable and resilient over time (Rocha Menocal, 2015, forthcoming). Rocha Menocal notes that these kinds of political settlements help to promote social cohesion and more productive relations between state and society because they incorporate the population at large in a shared sense of national destiny. Rocha Menocal (2015, forthcoming) uses Ghana as an example to demonstrate this point, noting that it has proven remarkably peaceful and stable, basing state formation processes and state-society relations on the promotion of unified ‘Ghanaian identity’. Elites have incorporated the notion of a social contract linking state and citizens as an integral part of the state and nation building project from the start (Rocha Menocal, 2015, forthcoming).

Economic research has also documented a strong link between fractionalisation and government quality. La Porta et al (1999), for instance, assert that greater fractionalisation leads to a lower quality of government, i.e., indicators for corruption of public officials, property rights, a transparent legal system, and education etc. They found that in more ethnically fragmented or factionalised communities, public goods provision is less efficient, social participation and trust levels are lower and that this may have an impact on poverty reduction efforts.

Expanding on previous research, Acemoglu and Robinson’s (2012) review of historical evidence suggests that, economic growth is not sustainable without inclusive political institutions (institutions that are open to non-elites, or emerging elites). They argue that centralised authoritarian regimes provide the stability needed for investment, but are also likely to establish extractive economic institutions that serve vested interests. They conclude that autocratic regimes fail to provide the enabling environment for innovation
necessary to sustain economic growth. They assert that this failure may fuel the demands for political rights and produce mass unrest which, in turn, undermines stability. They acknowledge that whilst authoritarian regimes, such as China, may achieve high economic growth rates, they are unlikely to be able to translate these into sustained prosperity without political reform (Acemoglu and Robinson, 2012).

More generally, Lindemann (2008) argues that the postcolonial trajectories of civil war versus political stability in different countries across sub-Saharan Africa are largely determined by the varying ability of ruling political parties to overcome legacies of high social fragmentation by forging and maintaining ‘inclusive elite bargains’. While these foster political stability, ‘exclusionary elite bargains’ are more likely to lead to civil war, because failure to include elites from other groups incentivises them to ferment rebellion. Lindeman mobilises the example of Zambia to demonstrate that despite high levels of social fragmentation, internal violent conflict has been avoided through an inclusive elite bargain and the inter-group distribution of access to state power (Lindeman, 2010).

The World Bank’s 2011 World Development Report reaches similar conclusions. Analysing all post-Cold War cases of civil war and relapse, they found that the only cases that avoided recurrences of conflict (with one exception) were cases that adopted an ‘inclusive enough’ political settlement, either through a negotiated end to war, or, in cases of military victory, through inclusive behaviour by the dominating elites (World Bank, 2011a). Cases where no mechanisms were put in place to include former opponents in governance arrangements often witnessed recurring conflict (Browne, 2015; Elgin-Cossart et al, 2012).

4. Challenges

Whilst the added value of adopting an inclusive society approach to poverty reduction can be demonstrated across economic, social and political spheres, a number of challenges remain that problematise such an approach. In particular it is important to note that societies are not static and evolve over time, through a combination of both horizontal and vertical interactions.

Horizontal inequalities make poverty reduction more difficult and are linked to the cultural devaluation of particular social groups. Culturally defined social groups may emerge from self-identification, legislation or as a result of categorisation by others. Stewart notes that social identities are overlapping and individuals may choose to recognise, or may be categorised by others in a number of different groups at any given time (Stewart, 2007). Outlined below are a number of issues that have been highlighted in discussions of inclusive policies.

Inclusion through participation

Participation and empowerment have been identified as drivers of inclusive, equitable and sustainable development and therefore key to poverty reduction efforts. Such processes facilitate the design and implementation of development policies and projects and are important in realising human rights and enhancing individuals’ capabilities. However, it is noted that participation involves more than just giving disadvantaged groups a voice at the table; it is also about (Bebbington, Hickey and Mitlin 2008):

- Strengthening their capacity to gain control over decision-making processes, and
- Enhancing their capacity to exert claims on actors and institutions that affect their lives

Mansuri and Rao (2011) distinguish between ‘induced’ participation, i.e. where it is encouraged by external agents, and ‘organic’ participation, where it is the initiative of local actors. They observe that organic participation is characterised by higher levels of overtly political self-organisation which may
account for its greater effectiveness. They conclude that whilst community contributions and a local demand-driven competitive project approval process are expected to generate higher-quality projects that are better aligned with community needs. They are also expected to enhance the sustainability of community infrastructure by giving beneficiaries a real stake in maintaining local public goods. However, they also comment that if the most disadvantaged among the eligible have the least capacity to propose viable projects and are thus more likely to opt out of the process altogether, the intended poverty reduction impacts of the program are attenuated and cross-community inequities in capacity and resources can increase (Mansuri and Rao, 2011: 222).

Adverse inclusion

A critique of social exclusion as a concept is that it is based on what Hickey and du Toit (2007) call an ‘underlying moral meta-narrative’, which assumes that social inclusion, as opposed to social exclusion, is inherently good and desirable. They comment that this often ignores the way in which the terms of inclusion can be problematic, disempowering or inequitable.

Research into chronic poverty has noted that inclusion can act as a driver and maintainer of poverty. The Chronic Poverty Report 2004-05 notes that many of the poorest people are included in economic activity, but on unfavourable terms (CPRC, 2004: 37). This ‘adverse incorporation’ reinforces inequalities by forcing people to take low paid work, in bad conditions and on uncertain terms (CPRC, 2004: 38).

Complexity of poverty reduction

Moreno-Dodson’s (2005) review of poverty reduction (part of the Shanghai Global Learning Initiative) shows that no single factor can be considered the primary determinant of the achievements of any initiative. The cases explored highlighted that the biggest challenge faced by countries and donors was the complexity involved in achieving poverty reduction. A key message from many of the cases is that the process of achieving results is not linear and involves continuous change and adaptation.

It is also important to note that while there is a need to improve access to quality health care, education and skills development in order to create a more level playing field, World Bank (2011b) comments that this approach tends to ignore structural factors that influence individual outcomes. Gender-based wage gaps, for example, often relate to disadvantage in the workplace that derives from unequal domestic responsibilities or discriminatory factors embedded in labour market institutions such as gendered definitions of ‘skill’ (World Bank, 2011b).

A 2013 DFID literature review into governance, institutions, growth and poverty reduction noted that inclusive political institutions (such as democracy, including free and fair elections) are central to long-term stability and the maintenance of growth. However, it was deemed unclear that such institutions were prerequisites for ‘take-off’ growth, a prime determinant of poverty reduction. The review highlighted that several successful economic growth stories have been achieved through only modestly inclusive economic institutions, and the absence of inclusive political institutions (Ferguson and Evans, 2013). Moreover, the authors noted that even though the deleterious effects of violent civil conflict on growth are clear, conflict is often a response to institutional failings and its termination may leave fundamental institutional weaknesses unresolved (Evans and Ferguson, 2013).

The key challenge for policy makers promoting a social integration agenda is ensuring cross-sectoral coherence and a set of policies that are mutually compatible in terms of promoting equality and well-being for disadvantaged groups. In practice, recognition of identities and cultural practices does not
always lead to greater access to labour markets and increased income. Supporting increased participation and representation of disadvantaged groups in political processes does not automatically translate into greater equality of public resources. Targeting resources at disadvantaged groups can exacerbate social discrimination and does not always generate the necessary cross-group mobilisation to gain political support (Evans and Ferguson, 2008).

**Disaggregated data**

The collection and analysis of disaggregated data is considered critical for the assessment of the extent to which public resources and services are reaching disadvantaged groups. UNESCWA (2007) maintains that better indicators are needed in order to identify the benefits for social participation than traditional measures of consumption and social provision. Their report calls for evaluation of ‘bottom up’ data on social and economic aspects of living standards relating to income poverty and human poverty, as well as the feasibility of the provision of services such as education, health care, transportation and infrastructure to the socially excluded.

Vinson (2009) claims that a lack of data might explain why some social programmes and income transfers targeted at groups at risk of social exclusion across the EU have often had unforeseen economic consequences. He notes increased income polarisation, persistent poverty, and high unemployment in regions across the EU suggest the shortcomings of current social policy to effectively incorporate marginalised groups. He further notes that the failure of these policies highlights a need for relevant data evaluating specific inclusionary principles and their effect on growth and poverty reduction.

5. **Conclusion**

Strengthening social cohesion and developing a more inclusive society requires long-term vision and commitment. While some policy interventions and reforms may generate results relatively quickly, others will require patience. The OECD highlights the example of building a more inclusive education system as one such example. This intervention, which increases the education levels of the disadvantaged, takes a number of years to translate into increased inter-generational social mobility (OECD, 2012). Such a long-term vision and commitment to also requires a stable macroeconomic environment.

Similarly, the World Bank note that change from exclusion to inclusion is a long-term agenda, one where attention needs to focus on timing and sequence of reform. Further to this, the World Bank note that undoing the past often entails more than just reversing negative impacts, it also requires overcoming negative beliefs and stereotypes about excluded groups, often requiring multifaceted interventions (World Bank, 2013: 209).

UNDESA (2009) note that whilst fiscal responsibilities involved in creating inclusive societies may initially present a challenge, the viewpoint should be promoted that the investment in motivating participation in all sectors of society is an investment in a successful and sustainable future and a more balanced society. This society would be better able to meet the needs of all its members and where investment in inclusion and the resulting change in society are beneficial to all.

UNDESA (2009) concisely outline the challenge for policy makers and social scientists, ‘to find ways to dissociate the concept of social inclusion from the utopian realm of a ‘perfectly inclusive’ world vision to redefining it as a practical tool used to promote an inspirational yet realistic set of policy measures geared towards a ‘society for all’. This requires a paradigm shift so as to recognise the dignity, value and
importance of each person, not only as an ethical norm and moral imperative, but also as a legal principle, a societal goal, and ultimately, practice (UNDESA, 2009: 5).

It is also important to note that there is a long established sociological literature that is pertinent for this query but is beyond the scope of this rapid literature review. This includes Bourdieu’s discussion of social capital, Habermas and Giddens on hegemony, Anderson and Mouffe on imagined or invented communities and Picketty on capital.

6. References


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**Suggested citation**


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