

# Reducing poverty by tackling social exclusion

A DFID policy paper



Cover photo: A Karen Burmese refugee boy in the remnants of the Huay Kalok refugee camp near Mae Sot, Thailand. The camp was subjected to a night-time flamethrower attack by members of an ethnic Karen splinter group, resulting in a number of casualties and the destruction of over 1000 dwellings. (© Paula Bronstein/Liaison/Getty Images)

---

# Reducing poverty by tackling social exclusion

A DFID policy paper

Published by the Department for International Development

September 2005



# Foreword

---

People need the opportunity to participate fully in the life of their community if they are to flourish and realise their potential. But certain groups in society are systematically excluded from opportunities that are open to others, because they are discriminated against on the basis of their race, religion, gender, caste, age, disability, or other social identity.

People who are excluded like this are not 'just like' the rest of the poor, only poorer. They are also disadvantaged by *who they are or where they live*, and as a result are locked out of the benefits of development. Social exclusion deprives people of choices and opportunities to escape from poverty and denies them a voice to claim their rights.

Social exclusion is often a cause of poverty, conflict and insecurity. If we are to tackle it effectively, we need to recognise where it is a problem, understand it better and, where appropriate, find different ways of working with partner governments, the international community and civil society organisations to overcome it.

The Department for International Development (DFID) is already supporting a variety of activities to tackle exclusion. Good work has been done, particularly in Latin America and Asia. In Africa, social exclusion is also a growing challenge, highlighted by the African Union, the New Partnership for Africa's Development (NEPAD) and the Commission for Africa. Our civil society partners are also doing an enormous amount to give excluded groups a voice, to ensure their participation in poverty reduction programmes and to build social movements that demand stronger accountability.

This paper sets out how DFID will build on the work that is already under way. It sets out some practical actions that DFID is taking to tackle social exclusion and make a real difference to the lives of excluded people.



**Gareth Thomas MP**  
**Parliamentary Under-Secretary of State for International Development**



# Contents

---

	Page
<b>Foreword</b>	<b>iii</b>
<b>Executive summary</b>	<b>1</b>
<b>1. Who is socially excluded and why this matters</b>	<b>3</b>
How do people become excluded?	3
Social exclusion causes poverty	5
Social exclusion makes it harder to achieve the Millennium Development Goals	6
Social exclusion leads to conflict and insecurity	8
<b>2. What public policy can do to reduce social exclusion</b>	<b>9</b>
Legal, regulatory and policy frameworks	9
Budgets and public expenditure	9
Economic opportunities and access to services	10
Promoting participation and protecting people's rights	11
Costs and benefits	12
<b>3. What civil society can do to reduce social exclusion</b>	<b>13</b>
Increasing accountability and promoting the rule of law	13
Influencing policymaking	13
Delivering services where the state will not	14
Tackling prejudice and changing behaviour	14
<b>4. What donors can do to help reduce social exclusion</b>	<b>16</b>
Should exclusion be a high priority in our country programmes?	16
Information and analysis	17
Policymaking and budgets	17
Policy implementation and monitoring	18
Policy dialogue and conditionality	19
Human rights and domestic accountability	19
Piloting innovative approaches	20
Direct service delivery to excluded groups	20
<b>5. What DFID will do to help reduce social exclusion</b>	<b>21</b>
<b>Endnotes</b>	<b>22</b>



## Executive summary

---

There are groups of people in all societies who are systematically disadvantaged because they are discriminated against. Discrimination occurs in public institutions, such as the legal system or the education and health services, as well as in the household and in the community.

Men, women and children who are discriminated against often end up excluded from society, the economy and political participation. They are more likely to be poor. They are more likely to be denied access to income, assets and services. These people suffer from *social exclusion* – and poverty reduction is harder as a result.

Poverty reduction policies often fail to reach socially excluded groups unless they are specifically designed to do so. This paper is about the challenges posed by social exclusion, and the ways governments, civil society and donors can help to tackle them. These include:

- creating legal, regulatory and policy frameworks that promote social inclusion;
- ensuring that socially excluded groups benefit from public expenditure as much as other groups;
- improving economic opportunities and access to services for excluded groups;
- promoting their political participation in society, and their capacity to organise and mobilise themselves;
- increasing accountability to protect citizens' basic human rights; and
- tackling prejudice and changing behaviour.

It also recommends ways in which DFID can do more in this area, including stepping up its efforts to:

- analyse the impact of exclusion on poverty reduction in all our country programmes, in order to decide priorities for work by region, country and sector;
- promote exchanges of best practice between national and regional organisations;
- work with other government departments and development partners to include analysis of exclusion as a cause of conflict and insecurity in our approaches and responses to conflict prevention and reduction;
- identify opportunities to address social exclusion in fragile states;
- strengthen the collection and analysis of statistics on excluded groups;
- work with the World Bank and regional development banks, United Nations agencies, the European Community and other donors to make development work better for excluded groups;

## Reducing poverty by tackling social exclusion

---

- increase the inclusiveness of our own human resources practices and strengthen the diversity in our workforce;
- commission new research and ensure adequate attention is paid to exclusion, inequality and rights in all our research on natural resources management, HIV and AIDS, education and other relevant areas;
- broaden and deepen our engagement with civil society to strengthen the contribution it can make to tackling exclusion; and
- be accountable for implementation of the policy set out in this paper by evaluating progress in 2007-08.

# Who is socially excluded and why this matters

Many women and girls are socially excluded. So are people who are discriminated against on the basis of age, caste, descent, disability, ethnic background, HIV or other health status, migrant status, religion, sexual orientation, social status or where they live.

In all societies some groups are socially excluded. However, the groups affected and the degree of discrimination vary from one society to another, as do the forms that social exclusion takes. In one context discrimination against women may pose the greatest development challenge; in another it might be racial discrimination. And people who suffer discrimination on various fronts – for instance disabled older women from ethnic minorities – are often the poorest.

## What is social exclusion?

**Social exclusion describes a process by which certain groups are systematically disadvantaged because they are discriminated against on the basis of their ethnicity, race, religion, sexual orientation, caste, descent, gender, age, disability, HIV status, migrant status or where they live. Discrimination occurs in public institutions, such as the legal system or education and health services, as well as social institutions like the household.<sup>i</sup>**

## How do people become excluded?

In order to tackle social exclusion it is important to understand the processes by which people are excluded. People are excluded by institutions and behaviour that reflect, enforce and reproduce prevailing social attitudes and values, particularly those of powerful groups in society.

Sometimes this is open and deliberate, such as when state institutions deliberately discriminate in their laws, policies or programmes. In Lesotho, for example, women have until recently been disadvantaged through the law. They could not inherit land or property, get a job or sign a contract without the permission of their husbands. In Pakistan, the evidence in court of a Muslim woman is worth half that of a man. In many countries, certain state benefits are denied to non-citizens, leaving them vulnerable to destitution. In other cases there are rigid social systems that decide people's position in society on the basis of heredity, as in the South Asian caste system.

More often, institutions perpetuate exclusion unofficially. Public sector workers who reflect the prejudices of their society may institutionalise some kinds of discrimination. In many Indian schools, for example, teachers expect Dalit children to do menial tasks such as cleaning the classrooms.

## Reducing poverty by tackling social exclusion

“ I got HIV from my husband. After a year of our marriage, my husband died from AIDS. When it was discovered that I had become infected with HIV, my in-laws stopped having anything to do with me and disowned me. So I had to move back to my parents' house.

After this tragedy I went looking for a job. Before my marriage I used to teach in a school, so I thought when I needed a job I could apply to the same school again. But the school authorities found out about my HIV status and refused to accept my application. Not only that, I was also humiliated and looked down upon. Later, I got in touch with a foundation which helped me get HIV treatment. Through them I found my present job. ” – Madhu, HIV-positive woman, India.

Exclusion is frequently more subtle and unintentional, for example when disabled people are excluded from services, markets and political participation through a lack of awareness of their needs or by social attitudes, or when minority groups are excluded by language barriers. In addition, the resulting sense of powerlessness can rob people of their self-confidence and aspirations and their ability to challenge exclusion.

**When people feel they are being judged on the basis of who they are, they may perform less well. When people expect prejudice, it can undermine their motivation to achieve. A study in Uttar Pradesh, India, illustrates this and shows how self-esteem can affect performance in education.**

**The study tested high-school students drawn equally from scheduled and high-caste backgrounds. The children were asked to solve a maze problem. Some children did the test in mixed groups and their castes were concealed. Others did the test in their caste grouping, which was announced publicly. For the former, there was no difference in performance between caste groupings. But for those students whose castes were revealed, there was a statistically significant difference, even when the individuals' backgrounds were taken into account.**

Another aspect of exclusion is disadvantage on the basis not of who you are but where you live, known as 'spatial' exclusion. People who live in remote and isolated areas may be prevented from fully participating in national economic and social life. People from the 'wrong part of town' can find it harder to get a job because of the social stigma that can be attached to the 'places of the poor' (for instance, the *favelas* of Brazilian cities). And people who move from one part of a country to

another, or across borders, can suffer exclusion because they are 'in the wrong place'. For example, in China and former Soviet countries, men and women who migrate for work have long been unable to register locally as citizens and are often excluded from welfare and access to public services.

## **Social exclusion causes poverty**

For DFID, social exclusion matters because it denies some people the same rights and opportunities as are afforded to others in their society. Simply because of *who they are*, certain groups cannot fulfil their potential, nor can they participate equally in society. An estimated 891 million people in the world experience discrimination on the basis of their ethnic, linguistic or religious identities alone.

But social exclusion also matters to DFID because it causes poverty and gets in the way of poverty reduction. It causes poverty in two main ways.

### **Social exclusion causes the poverty of particular people, leading to higher rates of poverty among affected groups.**

It hurts them materially – making them poor in terms of income, health or education by causing them to be denied access to resources, markets and public services. It can also hurt them emotionally, by shutting them out of the life of their community.

Socially excluded people are often denied the opportunities available to others to increase their income and escape from poverty by their own efforts. So, even though the economy may grow and general income levels may rise, excluded people are likely to be left behind, and make up an increasing proportion of those who remain in poverty. Poverty reduction policies often fail to reach them unless they are specifically designed to do so.

### **Social exclusion reduces the productive capacity – and rate of poverty reduction – of a society as a whole.**

It impedes the efficient operation of market forces and restrains economic growth. Some people with good ideas may not be able to raise the capital to start up a business. Discrimination in the labour market may make parents decide it is not worth while to invest in their children's education.

Moreover, exclusion does not cause poverty through a simple sorting of those who are 'in' or 'out', those who can or cannot participate in society. Socially excluded groups often do participate but on unequal terms. Labour markets illustrate this most clearly by exploiting the powerlessness of excluded groups and at the same time reinforcing their disadvantaged position.

## Reducing poverty by tackling social exclusion

*Migrants without papers are vulnerable to being rounded up and deported at a moment's notice. They often have no access to public services – including schooling for their children – and may find themselves at the mercy of criminal gangs looking to exploit their situation:*

“*Having no ID made us fear for our security – and when employers found out that we were migrant workers, they didn't keep their agreement at all. Every construction site underpays us. At some places they don't pay us at all. Shan people have to do all the risky and heavy jobs. We have to work harder, for longer hours and get paid less.*” – **Nan, Burmese migrant worker in Thailand.**

Social exclusion also increases the level of economic inequality in society, which reduces the poverty-reducing impact of a given growth rate. Latin America would have half as many people living in poverty today if it had enjoyed East Asia's more equal distribution of assets in the 1960s.

### **Social exclusion makes it harder to achieve the Millennium Development Goals**

Social exclusion explains why some groups of people remain poorer than others, have less food, die younger, are less economically or politically involved, and are less likely to benefit from services. This makes it difficult to achieve the MDGs in some countries without particular strategies that directly tackle exclusion.

#### Poverty and hunger

- In Vietnam, the government estimates that, by 2010, 90% of the poverty in the country will be among ethnic minorities.
- In Bolivia, the poverty rate among the non-white population is 37%, compared with 17% for the white population.
- In Tanzania, households with disabled members are 20% more likely to be living in poverty.
- 100 million older people live on less than a dollar a day, and 80% of older people in developing countries have no regular income.
- Women account for nearly 70% of the 1.2 billion people currently living in extreme poverty.

## Maternal health and child mortality

- In Brazil, nearly three times as many black women as white women die from the complications of pregnancy and childbirth.
- In Guatemala, the number of children dying before they reach their fifth birthday is 56 in every 1000 for children of European descent, compared with 79 in every 1000 in the indigenous population.
- In India, it is estimated that discrimination against girls increases the total rate of child mortality by 20%.

## Universal primary education

- In Serbia and Montenegro, 30% of Roma children have never attended primary school.
- In the Indian states of Uttar Pradesh and Bihar, primary school enrolment for scheduled caste and scheduled tribe girls is 37%, compared with 60% for girls from non-scheduled castes. Among boys from non-scheduled castes, 77% are enrolled.

## Gender equality

- A study in Namibia found 44% of widows lost cattle, 28% lost small livestock, and 41% lost farm equipment in disputes with their in-laws after their husbands died.
- Women hold fewer than 13% of the world's parliamentary seats – and in developing countries they hold fewer than 9% of seats.
- Globally, 16-50% of women in steady relationships have been physically assaulted by their partners.

## Combating HIV/AIDS, malaria and other diseases

- In China, although ethnic minorities make up less than 9% of the population, they account for 37% of known cases of HIV.
- In Guatemala, 87% of children of European descent are vaccinated against measles, compared with 70% in the indigenous population.
- In Africa, 80% of 15-19-year-olds living with HIV and AIDS are women.

### Social exclusion leads to conflict and insecurity

Social exclusion is a leading cause of conflict and insecurity in many parts of the world. Excluded groups that suffer from multiple disadvantages may come together when they have unequal rights, are denied a voice in political processes and feel marginalised from the mainstream of their society. Peaceful mobilisation may be the first step, such as marches, strikes and demonstrations. But if this has no effect, or if governments react violently to such protests, then groups are more likely to resort to violent conflict if they feel there is no alternative.

In Guatemala, what started as a mainly peaceful and not very strong protest turned into a 20-year civil war. In Cote d'Ivoire, violent government reaction appears to have spurred violent opposition.

When social groups feel unequal and suffer compared with others in society, conflict is more likely. There are many examples: the north-south conflict in Sudan; conflict between Hindus and Muslims in India, or between ethnic groups in Burundi, Rwanda and Kosovo; the separatist movement in Aceh, Indonesia; and the sectarian violence in Northern Ireland.

Research over several decades has revealed that political and social forms of inequality are the most important factors in outbreaks of violence (particularly ethnic conflicts, revolutions and genocides).<sup>ii</sup> In sub-Saharan Africa, the risk of ethnic war is ten times higher where there is active discrimination against one or more ethnic groups.

**In Sierra Leone, social exclusion is now understood to have been a main cause of prolonged civil war, to a greater extent than either the diamond trade or political instability. Eight years of conflict helped provoke a revolt of the youth, who turned to guerrilla insurgency in reaction to their political, economic and social exclusion by powerful urban elites, rural chiefs and elders. In the post-conflict period, DFID, as the largest bilateral donor, has supported youth inclusion in government and civil society projects to empower young people.**

Social exclusion also causes insecurity in the form of gang violence. Young people who feel alienated from society and excluded from job opportunities and decision-making may turn to violence and crime as a way of feeling more powerful – as shown by experience in Central America. Young men who feel disenfranchised, lack jobs and have few local community facilities may join territorial or identity-based gangs.<sup>iii</sup> This creates urban no-go zones where residents become even more socially and economically excluded on the basis of where they live, as has occurred in Jamaica.

Government policies can exacerbate social exclusion, or they can reduce it. There are many examples of governments acting successfully to lessen exclusion and its impact on poverty. The main ways they have done this are:

- by creating legal, regulatory and policy frameworks that promote social inclusion;
- by ensuring that socially excluded groups benefit from public expenditure at least as much as other groups;
- by improving economic opportunities and access to good-quality services for excluded groups; and
- by promoting political participation by all groups in society.

## Legal, regulatory and policy frameworks

Many societies have long-established patterns of discrimination. Most states now have legislation banning overt discrimination. Some countries go further and introduce 'positive action', such as targeting support for skills development on traditionally under-represented groups, or even 'affirmative action' to discriminate in favour of certain groups.

Such policies have a mixed track record and could risk causing a backlash, but if handled sensitively they can encourage economic production, promote growth and strengthen social cohesion.

**In Malaysia, following anti-Chinese riots in 1971, the government implemented a 30-year affirmative action programme to tackle poverty among the excluded indigenous Malay population. Tensions remain between the Chinese and Malay communities, but inequalities have been reduced and there has been no recurrence of violence.**

For policies and legal frameworks to have any effect, the institutions in charge of taking these forward may need to be strengthened. Ministries responsible for excluded groups need political influence in order to negotiate for resources and monitor progress. The government in Brazil is strengthening such ministries, and has located gender and race ministries in the Presidency where they have more influence.

## Budgets and public expenditure

Much can be done to tackle exclusion through the budget process. There are impressive examples of collaboration between governments and civil society to analyse who benefits from public policy and expenditure and to improve the benefits for those who have missed out (such as social budget

## Reducing poverty by tackling social exclusion

initiatives in Bangladesh and gender budgets in Tanzania). In Brazil, the National Audit Office plays an important role in highlighting inequalities in public spending between different regions and different races.

Social protection – including welfare payments such as pensions and benefits – can also play an important role in reducing vulnerability and poverty. It can go a long way towards overcoming cycles of poverty and exclusion that repeat themselves generation after generation.

Social transfers provided to those such as grandparents, orphans and vulnerable children, and disabled people not only enable people to survive, but also allow them to access healthcare and education. Research shows that money from these transfers is also used to invest in assets that enable people to make a living and earn money in the longer term.

**Pensions in South Africa not only reduce household poverty but also enable more children to attend school. More than 30% of pensions are spent on grandchildren's education. In Bangladesh, payments under the cash for education programme led to 20-30% higher enrolment rates for schoolchildren.**

## Economic opportunities and access to services

Some excluded groups have no access to public services, limiting their opportunities for long-term economic, social and human development. Some measures that have been effective in extending access include free school meals (for example in some Indian states) and abolishing fees for healthcare and education.

“*There are very few health facilities in my commune and they are far away from our village. When we get seriously ill we have to spend a lot of money and travel long distances. Because of lack of health services, the health situation of indigenous people in my province is very bad; when their health suffers they cannot work and become weak and poor.*”

– Yun, a 24-year-old woman from the Phnong indigenous group in Cambodia.

Economic empowerment of excluded groups is also vital if they are to work their way out of poverty. Governments can help to break down barriers to labour markets and services.

**For black people in Brazil, racial discrimination has been a major obstacle to accessing equal economic, social and political opportunities. The 2000 census revealed that black Brazilians have far less schooling, far higher unemployment rates and worse jobs than their white counterparts.**

**The present government in Brazil, with support from DFID, set up the inter-ministerial working group Enhancing the Value of the Black Population. This has created a number of initiatives to overcome the institutional barriers faced by black people, such as fostering cooperation between black-owned businesses in Brazil and abroad, and instilling 'social responsibility' practices in the private sector.**

**There are also new pre-university entrance courses aimed at improving black people's access to university, and other technical, professional and academic training to build skills and capabilities.**

## **Promoting participation and protecting people's rights**

The main international human rights agreements all promote measures to tackle discrimination. But individual countries' governments are the only bodies that protect those rights, by producing their own domestic legislation to guarantee them.

In South Africa, the new constitution has taken these rights even further, focusing specifically on poverty and enhancing the economic and social rights of historically disadvantaged groups such as women and black people.

**In Bolivia, representatives of the local electoral bodies have been working to issue identity cards to excluded groups, of whom an estimated 70% lacked identification papers. Without these, they could not vote, access services, inherit land, or send their children to school. A whole new generation of indigenous people, women and others now have access, for the first time, to the political system.**

Participation in decision-making can bring about positive change at both national and local levels. Engaging with excluded people, and empowering them to take an active role in decisions that affect their lives (for example running community schools or changing the language in which children are taught), will help bring about longer-term benefits, such as an increase in literacy and an enhanced commitment to schooling.

### **Costs and benefits**

While many measures to promote inclusion incur costs, in some cases these are minimal and they can often be reduced by taking account of the needs of excluded groups from the start of the planning process. Thinking about the inclusion of disabled children from the outset would enable schools to implement inclusive education programmes, bringing long-term benefits to the community.

The advantages of more inclusive policies also need to be taken into account, to enable a fair cost-benefit analysis. These advantages are too often ignored, and too few of them are pursued.

For instance, better access to good-quality education for ethnic minority children in remote regions makes them more likely to find decent jobs and contribute to economic growth. Tackling social exclusion can also save public expenditure in the long term, for example by averting violent conflict and by preventing the spread of HIV and AIDS through programmes that deal with stigma and discrimination.

First and foremost, excluded groups themselves have to be involved in changing their situation. This is critical, given that the political situation and government action or neglect are often responsible for exclusionary policies. In order to make lasting progress, it is often necessary to support excluded people so they can successfully challenge the power structures that cause their exclusion.

“*We want to be able to make our country feel better. We want to be part of that change.*” – Florence, young woman, Kenya.

Civil society plays an important role. It does so in four main ways:

- by increasing accountability and demanding that citizens are protected by the rule of law;
- by influencing policymaking;
- by delivering services where the state will not; and
- by tackling prejudice and changing behaviour.

## Increasing accountability and promoting the rule of law

Social movements play an important role in challenging governments and ensuring they are more accountable to their citizens and meet their legal obligations. These include governments' obligations to protect and realise the human rights of the *whole* population in a non-discriminatory way.

Civil society organisations (CSOs), such as faith groups and charities, can help excluded groups to exercise their rights and obtain redress where this is not happening. In South Africa, for example, the Treatment Action Campaign in 2002 challenged the government on its constitutional obligations and secured the right for people living with HIV and AIDS to have access to anti-retroviral treatment. They achieved this through a combination of active participation by people living with HIV and AIDS and strong alliances with key civil society groups, such as trade unions, churches and the media.

## Influencing policymaking

CSOs also have a role in advocating increased representation and voice for excluded groups and giving them a say in policy- and decision-making. They can link grassroots work to national and international policy processes. But some governments may be threatened by the voice of civil society, and may try to undermine or prevent CSOs from playing this advocacy role. In such cases, other avenues should be explored.

## Reducing poverty by tackling social exclusion

---

International alliances are increasingly important in linking CSOs campaigning for groups like women and girls, children and young people, disabled people and older people. Organisations like HelpAge International, for example, have developed effective alliances to gain commitments by UN member states to improve public services and provide social protection for older people.

### Delivering services where the state will not

In fragile states where public institutions are extremely weak or even non-existent, CSOs can also play a crucial role in delivering services to excluded groups who have no access to public services.

But there are also many other countries where some services are simply not reaching excluded groups. In Bangladesh, large local CSOs, such as the Bangladesh Rural Advancement Committee (BRAC) and Proshika, play a key role in delivering education and health services in urban slums.

The Self-Employed Women's Association in India, a trades union for women in the informal sector, has had a major impact on the lives of these women by providing direct services such as primary healthcare, savings and insurance. It combines these with advocacy for policy change at municipal, state, national and global levels, challenging rules that discriminate against the women's interests (such as registration of trade unions).

There are risks. CSOs may reflect patterns of exclusion in the wider society. Where they provide services they may treat socially excluded groups as passive recipients of welfare, rather than people with equal rights who are capable of taking their own decisions and contributing to society if given the opportunity. Governments may also rely on CSOs to provide services that they themselves should be providing. However, at times CSOs provide a vital lifeline for excluded groups.

### Tackling prejudice and changing behaviour

A strategy to tackle exclusion has to challenge deep-seated attitudes and prejudices. Facing such attitudes can affect people's self-confidence. When people feel they are being judged on the basis of who they are, they may perform less well. The expectation of prejudice can undermine the motivation to achieve.

Civil society can play an important role in helping to change attitudes. The media, in particular, while they have the potential to reinforce prejudices, can also play an important role in changing attitudes and behaviour.

In many African countries the media have been effective in tackling stigma and discrimination on HIV and AIDS, through popular drama series like *Soul City*, and in promoting debate on social issues, such as rape and domestic violence. In countries that have suffered conflict the media can play a critical role in promoting peace, national unity and responsible government. For instance, Radio Okapi in the Democratic Republic of Congo helped to prevent backsliding into conflict.

“ *Society needs to find a different way of looking at us. And the media can play a very important role in passing on useful information and so be instrumental in changing people’s attitudes.* ”

– **Madhu, HIV-positive woman, India.**

# 4 What donors can do to help reduce social exclusion

Tackling exclusion requires the concerted effort of the international community. Exclusion is increasingly part of the work of international bodies such as the World Bank, the European Commission (EC) and the International Labour Organisation. What this means for DFID is that we do not, and need not, always take the lead. Much of DFID's support is channelled through partners such as these. They offer a global reach that we do not have.

We aim to strengthen their ability to support effective national action by encouraging donors to coordinate their efforts and work together to take a consistent approach. We also provide high-level technical assistance. We are already the lead donor to the UN Development Fund for Women (UNIFEM) and contributed £64 million this year to the UN Children's Fund (UNICEF). And our work with the EC targets the social exclusion of ethnic groups, disabled people, women and young people.

The main ways in which donors can support national action are:

- by ensuring their own programmes take account of exclusion;
- by increasing their own and others' awareness of the principal forms of exclusion in each country where they work and the policies which contribute to or counteract social exclusion there;
- by helping in lesson-learning and spreading good practice across countries and regions; and
- by holding policy discussions with partner governments.

## **Should exclusion be a high priority in our country programmes?**

Social exclusion does not always cause poverty or lead to insecurity. Not all excluded people are poor. And not all poverty is explained by discrimination or exclusion. All societies, including the UK, feature some forms of exclusion. It may not always be appropriate for all DFID country programmes to prioritise action against exclusion. The first step is to undertake a thorough analysis of exclusion in the national context and assess what priority we should give it.

Certain questions must be asked. What is the impact of exclusion on poverty reduction? Who is affected? Through which institutions and processes? What are the main constraints to tackling exclusion? Where are the entry points and opportunities for doing so? And whom should we work with?

Once we know the answers to these questions, we can decide how and where to focus our efforts, and what types of approaches would be most appropriate. At the very least, donors should ensure that they are not inadvertently exacerbating exclusion. And in tackling exclusion, donors will need to be flexible and employ different approaches and strategies.

## Information and analysis

Donors can help by increasing their own and others' awareness of the principal forms of exclusion in each country where they work and the policies which contribute to or counteract social exclusion there. The impact of exclusion on poverty reduction and insecurity will vary in importance from country to country, as will the processes through which it operates and the constraints on tackling it. It is important to understand these in order to decide on priorities and take effective action.

**DFID uses a 'Drivers of Change' approach to analyse the way power works in a society, and to understand the formal and informal institutions and incentives that drive change or maintain the status quo. This type of analysis can provide deeper insights into how exclusion operates in a particular context, and help identify options to bring about more inclusion.**

Governments are often hamstrung by a lack of information on excluded groups. Donors can help them strengthen statistical gathering and analysis. The joint DFID and World Bank Gender and Social Exclusion Assessment in Nepal helped the government see how people were affected by caste, gender and ethnic group. This showed the poorest group in the country was the Muslim minority (5%) – which neither the government nor donors had realised.

In some cases a Poverty and Social Impact Assessment (PSIA) may be the best way to open up policy debate and provide a strong focus on exclusion processes. For example, the public expenditure PSIA in Rwanda found that reform programmes did not recognise the problems faced by certain groups and were insufficiently targeted. It proposed quotas to ensure inclusion of women, youth, disabled people, ex-combatants and men released from prison.<sup>iv</sup>

## Policymaking and budgets

Where exclusion is found to be a significant cause of poverty, a country's policies and national spending need to reflect this. Donors can support governments' ability to make policy choices by providing technical assistance and help with lesson-learning and spreading good practice across countries and regions.

Sometimes it will be appropriate to support the integration of inclusive principles into mainstream government policy. In other cases targeted policies may be better. It can be more fruitful to engage with a government on issues it regards as important or which have a political profile. In Burma, a fragile state, the government views the HIV and AIDS pandemic as a threat to its armed forces. This opened up an opportunity for DFID to support a large HIV and AIDS programme.

## Reducing poverty by tackling social exclusion

---

Donors can also support governments in increasing the participation of excluded groups in policymaking. In Nicaragua, donors supported the CONPES,<sup>v</sup> which was established by constitutional decree as a forum for consulting civil society on the Poverty Reduction Strategy Paper (PRSP). It also has a mandate to monitor all social and economic policy commitments.

Where possible, DFID provides general budget support to strengthen governments' financial capacity. Donors can also help governments change the way they formulate and monitor budgets to ensure resources reach excluded groups. In Uganda, the primary healthcare grant is allocated to districts in a way that results in the four poorest districts getting about 40% more primary healthcare funding per person than the richest.

Where general budget support is not feasible, donors can focus their support on a sector or programme, or provide pooled financial support. Social funds are increasingly being used in fragile states, and can improve the relationship between isolated or excluded communities and the state. DFID supports the National Solidarity Programme in Afghanistan, which helps transfer cash grants direct to communities and has in many places improved the involvement of women in decision-making.

### Policy implementation and monitoring

Donors can support the strengthening of ministries responsible for implementing policies to benefit excluded groups. For example, in the Western Balkans, Russia and Ukraine, DFID has helped social protection systems become inclusive, participative and targeted to vulnerable groups. Programmes can also help address exclusion by tackling discriminatory practices in service delivery. In Nepal, DFID supports the Safer Motherhood Project for lower-caste women, which challenges service providers' attitudes and ensures that information on pregnancy and birth is accessible to different ethnic and isolated groups.

Donors can also support the development of inclusive ways to assess performance and monitor progress. Surveys that show how money is spent on different groups of people can tell us who is benefiting and highlight inequalities. Gender budgets are increasingly recognised as important in achieving gender equality. These methods can help create new incentives in government to address other forms of exclusion too.

All of the above can help where inability to act or limited capacity is hindering governments in tackling exclusion. But in many cases there is little political commitment. In those cases, there are a number of areas where donors can focus their efforts.

## Policy dialogue and conditionality

As a minimum, donors can be clear about their values and expectations. The UK recently adopted a new policy on partnerships.<sup>vi</sup> This makes it clear that an effective aid partnership should be based on a shared commitment to respecting international obligations, including those on human rights. DFID will use partnership agreements like memoranda of understanding to ensure progress on these obligations.

## Human rights and domestic accountability

Donors can support programmes that seek to strengthen the rights, voice and political representation of excluded groups. In Peru, many indigenous groups do not speak Spanish and most of them live in remote and isolated areas. They have faced discrimination, had inadequate access to services and been unable to realise their rights and responsibilities as citizens. DFID has supported a number of programmes focusing on governance, accountability and a rights-based approach, such as El Gol, which educates Quechuan peoples about elections, their rights and the importance of political participation.

Donors can also support initiatives that increase the accountability of governments to their citizens and particularly excluded groups. This may require strengthening parliamentary processes and the judiciary, to which government is accountable. It may also require supporting media and information campaigns. For example, in the Democratic Republic of Congo, where DFID supports media reform, the media have helped re-establish the rule of law by reporting human rights abuses and violations.

Empowering excluded groups themselves is critical. Donors can help strengthen advocacy and monitoring. In Cambodia, for example, DFID's partner Action on Disability and Development works to ensure that disabled people themselves advocate for policy change by supporting self-help groups at local level and federations of disabled people at district level.

“*There is strength in our unity as this will ensure that our voice is heard loud and clear, leading to a change in attitudes and policies.*”

– Frederick, disabled young man, Kibera slums, Nairobi.

## Reducing poverty by tackling social exclusion

---

Wider alliances for change, which also involve the middle classes or parts of the elite, are also possible, and donors can help facilitate them. The lives of at least some of the 'non-excluded' would be better if there were less social exclusion. If they realise this, they may be prepared to support public action to bring it about. For example, faith groups and religious organisations can help create alliances between excluded groups and the middle classes, on the basis of social solidarity and responsibility.

### **Piloting innovative approaches**

Pilots can demonstrate to governments what can be done, test new approaches and provide a basis for long-term progress. Giving specific ministries or departments assistance in setting up innovative pilots can help them demonstrate to others what is feasible.

### **Direct service delivery to excluded groups**

Where the government's ability to act is very weak or where the political environment is hostile, for example in fragile states, NGOs and the UN can play an important role in direct service delivery to isolated and excluded populations. In Sudan, for example, UNICEF has been linking marginalised communities and regional levels of government to improve the delivery of basic services.<sup>vii</sup>

DFID is already supporting a variety of activities to tackle exclusion. A recent review of DFID's work on social exclusion found that its experience was considerable. A number of the examples given above benefit from DFID funding. We will continue these and other forms of current support.

We need to build on this experience and incorporate efforts to tackle exclusion into relevant policies and programmes and into the international system. So DFID will step up its efforts to:

- analyse the impact of exclusion on poverty reduction in all our country programmes, in order to decide priorities for work by region, country and sector in our Country Assistance Plans and regional Directors' Delivery Plans;
- promote exchanges of best practice between national and regional organisations;
- work with other UK government departments and development partners around the world to include analysis of exclusion as a cause of conflict and insecurity in our approaches and responses to conflict prevention and reduction;
- identify opportunities to address social exclusion in fragile states;
- strengthen the collection and analysis of statistics on excluded groups;
- work with the World Bank and regional development banks, United Nations agencies, the European Community and other donors to make development work better for excluded groups. This will include continuing substantial financial and technical support to strengthen their capability to take forward work in this area, because DFID does not and should not always take the lead, but works with a range of international organisations to strengthen their ability to support effective national action;
- increase the inclusiveness of our own human resources practices and strengthen the diversity in our workforce;
- commission new research and ensure adequate attention is paid to exclusion, inequality and rights in all our research on HIV and AIDS, education and other relevant areas;
- broaden and deepen our engagement with civil society (such as Diaspora communities, disabled people's organisations, faith groups and minority ethnic groups) to strengthen the contribution it can make to tackling exclusion; and
- be accountable for implementation of the policy set out in this paper by evaluating progress in 2007-08.

## Endnotes

---

<sup>i</sup> Social inclusion is one of three cross-cutting principles in DFID's Human Rights Strategy, *Realising Human Rights for Poor People* (2000). Building socially inclusive societies based on the values of equality and non-discrimination is critical if all people are to be able to claim their rights. This position paper builds on the social exclusion aspects of that strategy. It also builds on the Gender Strategy, *Poverty Elimination and the Empowerment of Women* (2000). Gender inequality caused by discrimination is a particularly harmful form of social exclusion that spans the globe and presents specific challenges.

<sup>ii</sup> Besançon, M., 'Inequality in ethnic wars, revolutions, and genocides' Programme on Intrastate Conflict, John F. Kennedy School of Government, (2005), Harvard University.

<sup>iii</sup> Moser, C. and Rodgers, D. (2004) 'Change and violence in non-conflict situations', paper prepared for the DFID Urban and Rural Change Team.

<sup>iv</sup> Booth, D. and Curran, Z. (2005), 'Developing the empirical evidence for DFID's strategy on exclusion: Aid Instruments and Exclusion', ODI unpublished manuscript.

<sup>v</sup> *Consejo Nacional de Políticas Económicas y Sociales*.

<sup>vi</sup> *Partnerships for poverty reduction: rethinking conditionality*, (March 2005), DFID.

<sup>vii</sup> Torres, M.M. (January 2005), 'Service delivery in difficult environments: the child friendly community initiative in Sudan', DFID unpublished paper.

## Department for International Development

DFID, the Department for International Development: leading the British government's fight against world poverty.

One in five people in the world today, over 1 billion people, live in poverty on less than one dollar a day. In an increasingly interdependent world, many problems – like conflict, crime, pollution, and diseases such as HIV and AIDS – are caused or made worse by poverty.

DFID supports long-term programmes to tackle the underlying causes of poverty. DFID also responds to emergencies, both natural and man-made.

DFID's work forms part of a global promise to

- halve the number of people living in extreme poverty and hunger
- ensure that all children receive primary education
- promote sexual equality and give women a stronger voice
- reduce child death rates
- improve the health of mothers
- combat HIV & AIDS, malaria and other diseases
- make sure the environment is protected
- build a global partnership for those working in development.

Together, these form the United Nations' eight 'Millennium Development Goals', with a 2015 deadline. Each of these Goals has its own, measurable, targets.

DFID works in partnership with governments, civil society, the private sector and others. It also works with multilateral institutions, including the World Bank, United Nations agencies, and the European Commission.

DFID works directly in over 150 countries worldwide, with a budget of nearly £4 billion in 2004. Its headquarters are in London and East Kilbride, near Glasgow.

DFID's headquarters are located at:

1 Palace Street, London SW1E 5HE, UK

and at:

Abercrombie House, Eaglesham Road, East Kilbride, Glasgow G75 8EA, UK

Tel: +44 (0) 20 7023 0000

Fax: +44 (0) 20 7023 0016

Website: [www.dfid.gov.uk](http://www.dfid.gov.uk)

E-mail: [enquiry@dfid.gov.uk](mailto:enquiry@dfid.gov.uk)

Public Enquiry Point: 0845 300 4100 or +44 1355 84 3132 (if you are calling from abroad)

© Crown copyright 2005

Copyright in the typographical arrangement and design rests with the Crown. This publication (excluding the logo) may be reproduced free of charge in any format or medium provided that it is reproduced accurately and not used in a misleading context. The material must be acknowledged as Crown copyright with the title and source of the publication specified.

Published by the Department for International Development. Printed in the UK, 2005, on recycled material containing 80% post-consumer waste and 20% totally chlorine free virgin pulp.

Product reference: PD 043

ISBN: 1 86192 719 3