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Background Note

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Social protection and social exclusion: an analytical framework to assess the links

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This Background Note¹ offers a framework for applying the concept of social exclusion in the analysis of social protection policies and programmes in low- and middle-income countries (LICs and MICs). The framework establishes the conceptual and operational linkages between social protection and social exclusion, providing examples of how social protection can contribute to social inclusion. There has, to date, been no clear, consolidated framework to depict the relationship between social protection and social exclusion. This paper pulls together different strands of literature and presents an approach for structuring the analysis and evaluation of social protection, rather than prescribing ‘road map’ steps for implementation.

We suggest that the concept of social exclusion is a useful lens for researching and analysing the effects of social protection interventions. Social protection refers to publicly-mandated policies and programmes to address risk and vulnerability among poor and near-poor households. Social exclusion is used in social policy and social development literature as a framework to conceptualise human deprivation and establish the mechanisms that produce and reproduce it. Few empirical studies of social protection outside of the European context have been framed using the social exclusion/inclusion perspective (see, for example, ILO, 2006).

Social exclusion is a dynamic process that ‘precludes full participation in the normatively prescribed activities of a given society and denies access to information, resources, sociability, recognition, and identity, eroding self-respect and reducing capabilities to achieve personal goals’ (Silver, 2007: 1). The social exclusion framework can help situate social protection within the specific economic, social and institutional context that affects people’s well-being and identify how policies and programmes address different dimensions of deprivation and their underlying causes.

A nuanced understanding of the strengths and limitations of social protection interventions within specific contextual settings matters: it is important for informing the design and implementation of policies and programmes.

There has been a shift in the way social protection has been conceptualised in development discourse in the past decade. There is increasing recognition of its potential to go beyond the safety net-centred application – focused on meeting people’s basic needs – and contribute to more ‘developmental’ objectives. This perspective suggests that social protection must not only help people meet their basic needs, but also build their ability to escape poverty and contribute to their long-term well-being. The World Bank, for example, recognises that social protection can build human capital and increase poor people’s productive capacity (World Bank, 2012).

Another prominent view highlights the importance of the ‘transformative’ function of social protection. This holds that social protection interventions must tackle

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not only economic insecurity, but aim for broader societal goals of equity, social justice and empowerment (Sabates-Wheeler and Devereux, 2008).

One key policy question is whether and how well social protection can serve as a ‘developmental’ and ‘transformative’ tool. While there is evidence on its short-term impacts, we know relatively little about its contribution to long-term improvements in well-being in LICs and MICs. Existing evaluations discuss programme effects on different dimensions of people’s well-being, but rarely allow inferences about their ability to alter what drives their deprivation and vulnerability. We need to establish what goals social protection can realistically achieve. In particular, we need to understand whether and under what circumstances social protection can challenge the societal structures and processes that generate poverty and vulnerability in the formal and informal domains.

This paper begins by defining social exclusion and reviews trends in current social protection discourse. Second, it discusses the utility of applying social exclusion to the analysis of social protection. Third, it identifies key dimensions and drivers of social exclusion and depicts an analytical framework to link social exclusion with social protection. Fourth, it offers examples of how social protection interventions can tackle social exclusion and contribute to social inclusion. Finally, it discusses the policy relevance of the social exclusion framework in assessing social protection.

Conceptualising social exclusion

This paper uses a broad definition of social exclusion as a conceptual framework, which originated in European social policy literature and has been applied in developing countries. As a framework, social exclusion offers an alternative lens for conceptualising poverty and inequality, denoting inadequate participation of individuals in key aspects of their society. Here, exclusion refers to multiple forms of economic and social disadvantage caused by various factors, including inadequate income, poor health, geographic location and cultural identification (Burchardt et al., 2002).

Social exclusion as a conceptual framework must be distinguished from its descriptive usage to denote marginalisation of individuals or groups because of specific social characteristics (e.g. gender or ethnicity). For example, Sabates-Wheeler and Devereux (2008: 81) see social exclusion as a manifestation of vulnerability, alongside discrimination and violation of the rights of minorities, rather than using it as a broader, conceptual perspective.

The term social exclusion is often used in reference to programme coverage. Here, social protection literature tends to focus on the extent to which poor/

eligible households are excluded from social protection programmes by design (for example, for not conforming to predefined eligibility criteria), or because of poor implementation, such as inadequate identification and outreach, and ineffective and unfair processes of beneficiary selection. For example, de la Brière and Rawlings (2006) discuss opportunities to maximise the coverage of the poor and reach women in conditional cash transfer (CCT) programmes to achieve greater social inclusion. Others have explored the design and implementation practices of poverty-targeted cash transfers that often exclude poor and vulnerable people from income support (Ellis, 2008; HelpAge International, 2011).

Access to social protection can be seen within the social exclusion framework, as part of a broader analysis of the dimensions of exclusion faced by individuals. This paper, however, focuses on the effects of social protection on programme beneficiaries and their households, rather than on the inclusiveness of social protection programmes themselves.

The main analytical strength of the social exclusion framework is its emphasis of linkages between well-being and broader conditions and factors that affect different dimensions of that well-being. In de Haan’s categorisation (1999), social exclusion can be used to describe ‘outcomes of deprivation’ and ‘processes of deprivation’. By focusing on deprivation *outcomes*, the concept of social exclusion exposes the extent of deprivation that people may experience. It also identifies multiple, income and non-income *dimensions* of human deprivation. It therefore denotes that people may be excluded from employment, productive resources and economic opportunities, but also have limited access to education and health care, public utilities and decent housing, social and cultural participation, security, political rights, voice and representation. In general, people are deprived in more than one, and possibly in many, dimensions (Ruggeri Laderchi et al., 2003: 21).

The extent of exclusion often depends on individual and social characteristics, such as affluence, race, gender, ethnicity, social status, caste or religion, as well as political views, occupation, language, and place of residence. The concept focuses on the ‘relative’ rather than ‘absolute’ nature of deprivation, placing the needs of individuals within the context of their communities and societies.

In addition to exposing multiple deprivations, the social exclusion framework identifies *processes* that cause them. In contrast to the ‘monetary’ poverty approach, social exclusion ‘focuses intrinsically, rather than as an add-on, on the processes and dynamics that allow deprivation to arise and persist’ (Ruggeri Laderchi et al., 2003: 23). The social

exclusion framework is well-suited for understanding broader, structural factors that cause deprivation. It ‘drives attention away from attributing poverty to personal failings and directs attention towards societal structures’ (Gore and Figueiredo, 1997: 43). Therefore, it accentuates the interconnectedness of human well-being and broader conditions, including policies, social relations, norms and values that produce and reproduce various forms of deprivation (Figure 1).

Finally, social exclusion helps to capture the dynamic nature of deprivation, with different dimensions often interconnected and mutually reinforcing. Paugam (1996) suggests that it is a dynamic process or a ‘spiral of precariousness’, where one form of deprivation leads to others. He argues that social exclusion is not simply about precarious employment, but the strength of correlation between employment and other aspects of economic and social life (e.g. family, income, living conditions, and social networks). The focus on deprivation as a process allows the identification of a series of factors that contribute to people’s exclusion.

Current trends in social protection discourse

The usage of social protection in development discourse and practice has evolved. In the 1980s, social protection was seen as a ‘safety net’: as a ‘residual’ and temporary instrument to provide subsistence support to individuals in extreme poverty (Mkandawire, 2001: 1). The World Bank’s Social Risk Management Framework (World Bank, 2001) conceived in the late 1990s, enhanced the case for social protection, legitimising social protection as a mainstream policy instrument for economic protection of the poor and vulnerable. It also introduced the dynamic and fluid notion of vulnerability as a lens for the analysis of characteristics and sources of human deprivation. Since the mid-2000s, the social protection discourse has advanced broad, developmental benchmarks that go beyond poverty relief and livelihood maintenance. Social protection is now seen as a policy tool to promote far-reaching improvements in human well-being.

A strong trend within this ‘developmental’ approach is to view social protection as a tool to advance human and economic development. In particular, social protection is used as an instrument to promote investments in human capital and, consequently, long-term economic security. The conditional cash transfer (CCT) model – popular since the mid-2000s in many countries in Latin America and to a lesser extent in sub-Saharan Africa and Asia – holds that investments in health, nutrition and education supported through conditionalities can help break

Figure 1. Dimensions and drivers of social exclusion



inter-generational transmission of poverty (de la Brière and Rawlings, 2006; Fiszbein and Schady, 2009).

It is also thought that social protection transfers can help people strengthen and accumulate productive assets, enhancing their future income earning capacity (Barrientos and Scott, 2008; Alderman and Yemtsov, 2012). The World Bank 2012-2022 Social Protection and Labour strategy (World Bank, 2012) emphasises social protection as enhancing ‘opportunity’ by building human capital and assets and allowing individuals to make productive investments.

There is also a view that social protection must have a ‘transformative’ angle, supporting equity, social justice and empowerment. Sabates-Wheeler and Devereux (2008) suggest that it must address ‘non-economic’ or ‘social vulnerabilities’ caused by structural inequalities and inadequate rights. Through its ‘economic’ function, social protection helps relieve poverty (‘protection’), avert economic deprivation (‘prevention’), and enhance real incomes and capabilities (‘promotion’).

The transformative view holds that in addition to addressing economic needs, social protection must empower the poor and uphold their rights. This may include addressing regulatory frameworks that promote discrimination, socio-cultural values that heighten women’s vulnerability, or informal norms and behaviours that generate stigma. An international conference on Social Protection for Social Justice organised at the Institute of Development Studies in April 2011 stimulated the debate on social protection as an instrument to promote social equity.²

International organisations, such as the International Labour Organization (ILO), UNICEF and the World Bank also prioritise the goals of

addressing inequality and building more inclusive societies. The ILO (2011) suggests that social protection can contribute to gender empowerment and social cohesion. UNICEF's Social Protection Strategic Framework (UNICEF, 2012) maintains that social protection must support actions that tackle social exclusion in accessing services and achieving an adequate standard of living. Social inclusion is a pillar of the World Bank's social development strategy. The World Bank is currently conducting a research programme on social inclusion, which will be published in an upcoming 'flagship' report.

Using social exclusion for social protection analysis

The social exclusion lens is well suited for the analysis of the effects of social protection interventions. Social exclusion serves as a framework for understanding the political, economic, social and institutional context that shapes human vulnerabilities. Its application to social protection allows greater emphasis on the local context and the integration of detailed and many-sided contextual analyses of vulnerability and deprivation.

One advantage of the social exclusion framework is its simultaneous emphasis on multi-dimensional aspects of deprivation and their causes. It can contextualise social protection, exposing the interplay between policies and programmes and the existing economic, social and institutional forces that shape people's well-being. This can help situate technical analysis of outcomes or impacts of social protection programmes on different aspects of deprivation (e.g. food security, health, education, and access to key public utilities) within the broader context that affects poor people's lives and livelihoods. This can inform the design of interventions to tackle deeply rooted structural inequalities and achieve sustainable change in living standards.

The social exclusion framework allows a holistic analysis of the interplay between economic and social vulnerabilities. In particular, the analysis of income deprivation through the social exclusion lens can expose social and institutional factors that translate into inadequate income, such as discrimination or inadequate policy.

Outcomes, dimensions and drivers of social exclusion

We need to operationalise the main conceptual components of the social exclusion framework – deprivation *outcomes* and *processes* – to apply it in policy analysis. Deprivation *outcomes* refer to the extent of economic and social disadvantage that people

experience in different livelihood dimensions. This paper focuses on three main dimensions of deprivation: exclusion from income sources, essential services and participation, including social (ceremonial events and social interaction) and political (participation in the public sphere).

It is more difficult to operationalise social exclusion as a *process* of deprivation. While its dynamic nature can be captured through qualitative studies, it is difficult to generate indicators to denote the mechanisms and trajectories of exclusionary processes. We suggest unbundling the process of exclusion into separate segments to identify specific *drivers* that contribute to different forms of deprivation. These may be at the individual level, such as vulnerabilities related to the life course, or at the societal and group level, such as discriminatory norms and practices. These drivers are discussed in more detail in Box 1.

Exclusion from income sources – or difficulty generating adequate income to satisfy immediate needs – is a key dimension of overall exclusion. The limited income earning capacity of individuals can be caused by various drivers, including life course cycle vulnerabilities, limited human capabilities, inadequate legal rights, and discriminatory informal norms and practices.

Access to some key dimensions of well-being is mediated through income, and income exclusion leads to other forms of exclusion, such as limited access to services, including health care, education and basic utilities. Inadequate income can also restrict people's ability to maintain social networks and take part in traditional celebrations and ceremonial activities. In other words, income exclusion often represents a pathway or a transmission mechanism that facilitates other forms of exclusion.

But inadequate income is not the only factor that can affect access to services and participation. Inequitable public policies may lead to exclusion from services. For example, public pensions or health care in some countries only cover public sector employees, excluding the majority of people employed in the informal sector. Restricted access of girls to education may be the result of traditional norms rather than insufficient income. Individuals may also be excluded from social participation or community decision-making because of their social identity.

Assessing social exclusion/inclusion effects of social protection

We propose that social protection interventions be assessed against their ability to address *outcomes* and *drivers* of social exclusion. Figure 2 provides a schematic representation of these dimensions.

Box 1. Drivers of social exclusion

- Vulnerabilities related to life course cycle (such as maternity and old-age); physical inability to work or to be productive as a result of disability, injury or illness.
- Limited human capabilities (i.e. inadequate levels of education, skills, and health) that prevent individuals from accessing adequate and sustainable income sources.
- Inadequate legal norms and rights, including property rights, legislation to remove gender inequalities in accessing assets and labour markets, and equitable and fair labour standards.
- The inability of public policies and institutions to promote equitable and inclusive access to productive assets, resources and opportunities, including access to land, finance, and markets.
- Failure to establish systems and measures to institutionalise inclusive and equitable access to public services.
- Poor governance, i.e. the inability of societal institutions to uphold and enforce the rule of law and accountability, counteract corruption and clientelism, minimise bureaucratic hassle and red tape, and promote political participation.
- Informal norms and practices such as discrimination against individuals on the basis of their social and personal characteristics, such as gender, race, ethnicity, and sexuality.

The analysis of *outcomes* looks at the extent to which an intervention contributes to enhancing well-being within a specific livelihood dimension. For example, it is assumed that cash transfers can help promote inclusion in various dimensions of well-being. Increased income can enable individuals to attain adequate food and access health care, education, and other key services. Improved economic status can result in a better ability to participate in important social activities. This, in turn, can help foster and strengthen social capital, i.e. the relations of trust and reciprocity that bind different individuals in a society. Cash transfers can strengthen the resilience of extremely vulnerable individuals and help them avert negative coping strategies that would exacerbate their marginalisation. For instance, they can prevent individuals from entering into exploitative relations and dependence, or resorting to negative coping strategies such as child labour, distress migration or the selling of assets.

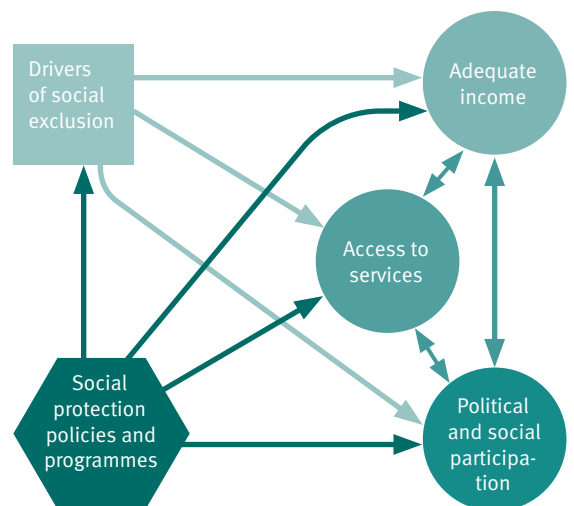
The analysis of *drivers* of deprivation and exclusion identifies the extent to which the intervention tackles the factors that limit individual ability to generate sufficient income, access essential services and take part in social and public life. In some cases, social protection can improve livelihood outcomes without necessarily addressing these drivers. Again, income

support through cash transfers can improve people’s purchasing capacity and help access services and opportunities, but may not necessarily tackle the root causes of income deprivation, which may be conditioned by structural factors, such as lack of secure land ownership.

Yet, in other cases, social protection may not enhance livelihood outcomes if policies fail to tackle the specific factors that cause exclusion. For instance, education grants and school-based feeding programmes may not increase girls’ access to schooling if informal social norms continue to restrict female education. See, for example Jones and Shahrokh (2012) for more discussion of factors that mediate people’s experiences of risk and vulnerability. The identification of different drivers of social exclusion can establish the limits of the social protection intervention in question and identify institutional arrangements that can tackle different dimensions of exclusion more effectively.

Finally, we cannot assume that social protection always has a positive impact on social exclusion. Social protection – through design and/or implementation – can reinforce existing inequalities. For example, targeting by social category can exacerbate social divisions by including some groups and excluding others (Holmes and Jackson, 2008; Holmes, 2009). Likewise, poverty targeting has been criticised for ignoring many poor citizens and for the potential stigmatisation of beneficiaries (Mkandawire, 2005). This implies the importance of identifying the patterns of local social and institutional relations and the causes of existing inequalities to inform the design and implementation of policies and programmes.

Figure 2. Social protection and social exclusion/inclusion



Caveats for assessing exclusion/inclusion

The assessment of the social exclusion/inclusion effects of social protection is not straightforward and requires realistic criteria, summarised in Box 2.

No social protection (or any other) policy or programme can tackle every different dimension of social exclusion at once. Silver (2007: 1) suggests that exclusion and inclusion are not ‘perfect antonyms’ and that individuals may be excluded in some dimensions, but included in others. So, social protection may promote inclusion in one area, but not in another. Cash transfers, for example, may promote individuals’ access to health care and education, but may not enhance their productive capacity. This, however, does not imply that social protection failed to promote inclusion (within the specific sectoral dimensions of health care and education).

Social protection can contribute to social exclusion outcomes without addressing drivers of exclusion. For example, social protection interventions targeted at women may give them effective income support, but may not tackle the informal norms that exclude women from income generating opportunities in the first place. In many cases, social protection may not even seek to address the drivers of social exclusion. Social protection interventions tend to set different objectives according to the specific country context, institutional capacity and immediate needs of the population. For example, programmes in low-income and fragile environments often prioritise provision of income support over more ambitious goals of overcoming structural inequalities.

Social inclusion is an incremental process and it can often only be achieved in the medium to long term. For example, the introduction of formal citizenship rights may not be enough to institutionalise and enforce equal rights; constant policy engagement may be needed for a gradual shift in societal attitudes and behaviour restricting citizenship rights in practice. Similarly, the ability of cash transfers to enhance human capital or stimulate individuals’ productive potential requires a long-term process to build up human capabilities and productive assets.

It is also crucial to be aware that ‘complete’ or ‘full’ inclusion, even if confined to a specific sector or issue, may be difficult to achieve more broadly. The value, regularity and predictability of cash transfers will determine the extent of income inclusion and access to essential services. Other factors such as institutional arrangements and informal norms and values will further determine access and utilisation. The assessment of social protection must, therefore, be based on the understanding of the extent to which it has improved the circumstances of poor and vulnerable individuals, rather than being judged against categorical param-

Box 2: Setting realistic assessment parameters

- Social exclusion spans multiple dimensions, but social protection can only have a positive impact within a few specific sectors/areas, rather than across every dimension.
- Social protection programmes may only address the outcomes of exclusion, rather than its drivers, which is more challenging.
- Tackling social exclusion and promoting inclusion requires a gradual, incremental approach. The result of policies and programmes may become apparent only in the medium to long term.
- It is difficult to achieve ‘full’ inclusion. Therefore, it is more appropriate to evaluate a *contribution* of social protection to exclusion/inclusion, rather than to treat outcomes in a categorical manner, in terms of success or failure in achieving full inclusion.
- Design features including the benefit value, length and regularity of provision, are important to determine the extent of contribution to social exclusion/inclusion.

eters, such as success or failure in achieving full inclusion. We suggest that it is more appropriate to assess the *contribution* of social protection to social inclusion.

Examples of social exclusion/inclusion effects

This section presents specific examples of how social protection could promote social inclusion by addressing some of the main outcomes and drivers of exclusion. There is limited evidence on the long-term impacts of social protection, and these examples show how social protection could affect social exclusion rather than documenting empirical evidence on its effects.

Addressing life course vulnerabilities

Social protection can establish legal rights and offer income security and services to address specific vulnerabilities experienced by people during their lives. It can support those unable to earn sufficient income in the labour market as a result of old age, pregnancy, child-rearing, disability or illness.

One example of inclusive social protection is the provision of support to older people through non-contributory or social pensions. These extend pension protection to those who are often outside the formal contributory system in many countries, including Bangladesh, Nepal, South Africa, Thailand, Viet Nam and Zambia.

Most older people in many LICs and MICs are not covered by formal contributory insurance pensions and depend on their family and social networks for financial support and social care. This leaves them

economically and psychologically insecure. For example, contributory pensions cover only 10% of the working-age population in Indonesia and Viet Nam, and 15% in the Philippines and Thailand (Park, 2010).

Existing evidence demonstrates that social pensions contribute to the spending of older people on such basics as food, health care, and expenses associated with social and ceremonial activities (Handayani and Babajanian, 2012). As mentioned earlier, the ability of cash transfers to contribute to economic inclusion depends on their size. Many social pensions are small and cannot be expected to achieve high levels of inclusion immediately. More economic inclusion can, however, be achieved incrementally, as countries accumulate more distributable wealth in the future. For example, social pensions in Nepal offer a universal monthly benefit of NRs500 (\$6), which is less than half of the monthly individual subsistence minimum of NRs1,200 (\$14). Samson argues that despite their limited size, social pensions in Nepal establish an institutional foundation that could provide more effective support in the future (Samson, 2012).

Social pensions also address the drivers of old-age vulnerability and exclusion – often related to a time of life that makes it difficult to earn a stable and reliable income. More specifically, social pensions address the drivers of income exclusion for the elderly as they provide a source of income to individuals who cannot rely on the labour market for an income that will support their basic needs. In contrast, income support will not address the drivers of the social exclusion of able-bodied working-age adults, whose income earning capacity is undermined by lack of jobs or skills, rather than their physical ability.

Instituting and enforcing legal rights

Governments can institute and enforce legal norms that establish and uphold citizenship rights and entitlements for social protection. A variety of institutional arrangements promote rights-based social inclusion, including legal guarantees to social protection, affirmative action to reach and support disadvantaged groups, and minimum labour standards. These can address some drivers of social exclusion that limit individual ability to benefit from social protection and economic opportunities, and help them claim their rights to decent working conditions and protection against abuse and injustice.

A number of LICs and MICs have introduced legal guarantees for social protection. The 1996 South African Constitution declares that the State is obliged to provide basic social protection to its citizens (Hagen-Zanker and Morgan, 2011). Likewise, the Brazilian Constitution obliges the State to pro-

vide health and education services as basic rights for all citizens and guarantees, in principle, social assistance as a right for the poor (Bastagli, 2008). Once rights have been put in place, further steps must be taken to ensure that they are enforced in practice and that everyone benefits equally.

Legal rights can also be incorporated in specific social protection programmes. For example, India's Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) provides a legal guarantee for 100 days of unskilled manual work per year to adult members of any rural household (Holmes et al., 2011). MGNREGA not only guarantees the right to work in principle, but also has institutional features to enforce people's access to its benefits. These include grievance redress procedures and bottom-up social accountability mechanisms known as 'social audits'. It also offers affirmative action through quotas for the Scheduled Castes and Scheduled Tribes to facilitate their inclusion. Successful implementation of these measures varies widely across India, which suggests that their contribution to social inclusion is context-specific and varies with regional characteristics and implementation practices.

Labour standards or social protection regulations and rules that govern working conditions and industrial relations in the workplace are good examples of inclusive social policy. Labour standards guarantee a minimum acceptable level of well-being for citizens in the workplace by, for example, establishing fair procedures for hiring and firing, minimum wage, paid parental leave, occupational health and safety, and protection against discrimination and exploitation. The ILO's 1998 Declaration on Fundamental Principles and Rights at Work sets out four 'core labour standards', binding on all ILO member states: elimination of forced and compulsory labour; abolition of child labour; elimination of discrimination in employment and occupation; and freedom of association and the right to collective bargaining.

Labour standards are only effective when they are enforced in practice. One challenge to their implementation is to ensure the compliance of the informal sector where most poor people work in most LICs and MICs. Enforcement of labour standards often increases with the growth of the formal sector. In South Korea and Taiwan, for example, overall labour standards for employment conditions, wages, and rates of unionisation improved with the contraction of the informal economy (Singh and Zammit, 2003).

Investments in human capital

Social protection can improve human capabilities or human capital, including skills, knowledge and health, by promoting access to education and

training, health care and nutrition through the provision of cash or the institutionalisation of inclusive access. The ability of individuals to develop and expand their capabilities is, in itself, a basic human freedom (Sen, 1990).

Poverty can prevent households from investing in the education of children and utilising health services (Knowles et al., 1999; ILO, 2008). Evidence from household surveys indicates that the high cost of health care, including private payments, is the main reason why individuals do not seek, or do delay, medical treatment (Tomini et al., 2012). Private or out-of-pocket payments in LICs and MICs are widespread. For example, they account for over 40% of total health expenditure in Indonesia, up to 50% in Ecuador, Ghana and Kenya, and over 70% in India and Tajikistan (ILO, 2008). Out-of-pocket payments not only deter individuals from using health services, but may also deepen the poverty levels of those who are already poor. For example, India's 2004-05 household survey data suggest that some 39 million Indians fell into poverty that year who would not have done so were it not for out-of-pocket health care expenditures (Selvaraj and Karan, 2009).

By enhancing individual incomes, as well as access to and use of important services, social protection instruments, such as cash transfers, can tackle social exclusion outcomes. There is significant evidence that both unconditional and conditional cash transfers help households spend more on education and health care (Devereux et al., 2005; Adato and Bassett, 2009).

For example, the unconditional Old Age Grant and Child Support Grant in South Africa seem to increase school enrolment (Samson et al., 2004), with similar results for unconditional cash transfers in Malawi and Zambia (Covarrubias et al., 2011; Miller et al., 2008). In South Africa, transportation to hospital and hospital fees appear more affordable with the receipt of unconditional cash transfers (Goudge et al., 2009).

Conditional cash transfers (CCT) programmes targeted at poor families with children have been promoted in the past decade to facilitate access to education and health care. They incorporate conditions that require regular school attendance, health check-ups, and improvement in nutrition. A comparison of six CCTs showed that five programmes led to increases in primary school attendance and three to increases in secondary school attendance rates (IEG, 2011). Impact evaluations from major CCT programmes, such as Progresa/Oportunidades in Mexico (Skoufias, 2001; Behrman and Hoddinott, 2005) and Bolsa Família in Brazil (Bastagli, 2008; Soares and Silva, 2010) demonstrate positive outcomes for school enrolment and, to some extent,

for health. It is not yet clear whether greater access to health care and education in CCT programmes is achieved through increased income, conditionalities or the combination of the two (DFID, 2011; Fiszbein and Schady, 2009: 163).

Cash transfers targeted at families with children can address the drivers of social exclusion that are conditioned by inadequate skills and poor health, thereby contributing to long-term income inclusion. In particular, investments in children's education and health can ensure that the generation of young adults that joins the labour market in the future has the skills and good health needed to generate adequate income and advance their livelihoods. In other words, cash transfers can contribute to long-term human capital development, stimulate greater productivity and prevent intergenerational transmission of poverty (de la Brière and Rawlings, 2006; ILO, 2011). This implies that social protection could alter the existing institutional barriers that restrict the ability of individuals to develop their capabilities and take advantage of labour market opportunities.

Many governments use 'active' labour market programmes to address social exclusion, such as training and skills development, jobs search assistance and counselling, that aim to enhance people's capacity to participate in the labour market.³ Special Social Activation Programmes to reintegrate the unemployed in the labour market are seen as important instruments to promote social inclusion in many high-income countries, including France, the Netherlands, Norway and the UK (van Berkel and Hornemann Møller, 2002; OECD, 2005; Daguette and Etherington, 2009). Some are integrated with other relevant services, including social care and health services. There are calls to consider activation policies in LICs and MICs to improve access to jobs and income-generating opportunities and promote graduation from social assistance (Almeida et al., 2012). However, it remains to be seen if these programmes can alter the existing structural bottlenecks to labour market participation in developing contexts.

Strengthening productive capacity

Participation in social protection activities can enable poor and vulnerable people to strengthen their assets and invest in agricultural inputs. This can, in turn, enhance their productive capacity and increase their income to address long-term income exclusion. 'Livelihood support' programmes that transfer productive assets or offer agricultural inputs often have a positive impact on the ability of poor households to build an asset base and increase their productivity (Farrington et al., 2007; Hulme and Moore, 2008; Alderman and Yemtsov,

2012). There is also evidence that social cash transfers often enable people to invest in productive activities – again, enhancing their earning capacity (Devereux et al., 2005; Gertler et al., 2006; Alderman and Yemtsov, 2012). A literature review by Barrientos and Scott (2008) suggests that cash transfers need to be regular and reliable and offer adequate levels of support to facilitate household investment and graduation from poverty.

Investment in productive capacity can help address the drivers of social exclusion conditioned by the limited asset base of many poor individuals. To do so, however, social protection interventions must be designed as part of broader institutional arrangements (Moser, 2008; Banks and Moser, 2011). Social protection interventions must be embedded in the understanding of the specific economic, social and institutional contexts that affect people's ability to advance their livelihoods. Based on evidence from case studies in Bangladesh, Holmes et al. (2008) suggest that social protection programmes reduced the constraints faced by extremely poor households engaging in productive activities. They argue, however, that social transfers alone may not increase agricultural productivity and must be complemented by other interventions that reduce the risk of asset loss, help households overcome labour constraints, and improve access to markets.

Supporting inclusive policies and institutional arrangements

There are two ways in which social protection can improve access to education, health care and other important services. As mentioned earlier, it can increase individual income and, in turn, enhance people's ability to bear the costs required for accessing services. It can also have a direct impact on the institutional and policy-related barriers that undermine people's access to important services. Governments can put in place systems and measures to offer affordable services and institutionalise inclusive and equitable access. For example, social health protection – tax-financed or insurance-based public and private schemes – is an important social protection instrument that promotes access to affordable health care.

Some middle-income post-Soviet countries, such as Armenia and Georgia, have undertaken radical health sector reforms to contain rising health care costs and ensure that most of the newly-impooverished population could access affordable health services. In 1998, for example, the Government of Armenia introduced a Basic Benefit Package offering free, publicly subsidised health services to eligible vulnerable people, including all beneficiaries of the means-

tested 'family benefit' cash transfer programme. The programme also provides free treatment of certain diseases and medical conditions for the whole population. Research shows that that its beneficiaries paid 45% less in fees for doctor visits and displayed 36% higher outpatient utilisation rates than individuals who did not receive the services (Angel-Urdinola and Jain, 2006). By introducing the Basic Benefit Package, the Government of Armenia promoted the inclusion of the poor and vulnerable in health care.

In India, the Rashtriya Swasthya Bima Yojana (RSBY) national health insurance scheme offers free health insurance coverage for hospital treatments to all people living below the Basic Poverty Line. It also offers transport subsidies and simplified registration procedures that require no paperwork. RSBY is an important step to extend health coverage in India, covering more than 23 million people in 2011. There are signs that it has increased the use of health services among the poorest and marginalised groups (USAID, 2010).

However, legal social health protection coverage may not automatically reduce out-of-pocket payments significantly. Studies show that the scope of the benefit package, including the financial protection and the quality of services provided, are crucial for minimising private out-of-pocket expenditures (ILO, 2008). Social health protection must go hand-in-hand with efforts to reduce corruption and informal fees, and should be complemented with reforms to improve accountability and responsiveness within public institutions. In other words, social health protection alone may not enhance social inclusion in the absence of measures to tackle other drivers of social exclusion, such as poor governance.

User charges for basic utilities, including electricity, gas, heating and drinking water are a particularly heavy burden for the poor and vulnerable. Special policy and institutional provisions, such as 'pro-poor' regulatory frameworks, targeted subsidies, fee waivers, and reduced utility tariffs can address this financial burden and institutionalise equitable access. For example, the introduction of user fees for electricity and domestic water in many countries has been accompanied with targeted provisions to enhance affordability and access for the poor. This includes introducing lower, subsidised 'lifeline' utility tariffs for monthly consumption of water/ electricity/ gas below a certain threshold sufficient to cover basic needs for the poor (Trémolet and Binder, 2009). Many countries, including Bangladesh, Pakistan, the Philippines and South Africa have a life-line tariff for electricity. Depending on their targeting effectiveness, utility subsidies can tackle social exclusion drivers by institutionalising access to services that would otherwise be unaffordable for many poor people.

Summary

Social protection policies and programmes can address the outcomes and drivers of social exclusion, as the example in Figure 3 shows. They can establish legal and regulatory frameworks and corresponding institutional arrangements to grant citizenship rights and extend social support to previously excluded groups. Social transfers can help address the livelihoods needs of marginalised individuals, improve access to health care, education and basic utilities, and enhance economic and productive opportunities. Policies and institutional arrangements can ensure equitable and inclusive access to basic services and public utilities. However, we cannot expect social protection to address all drivers or outcomes of exclusion. To understand the nature and types of impacts of social protection in various settings, we need to strengthen the evidence base on those impacts.

Policy relevance of linking social exclusion with social protection

This paper suggests that the social exclusion framework is a useful conceptual and operational tool for assessing the effectiveness of social protection policies and programmes. It can place a social protection intervention within a specific social and institutional context, generating understanding not only about its livelihood effects, but also about the factors and conditions that affect people’s lives and livelihoods. It makes it possible to go beyond a nar-

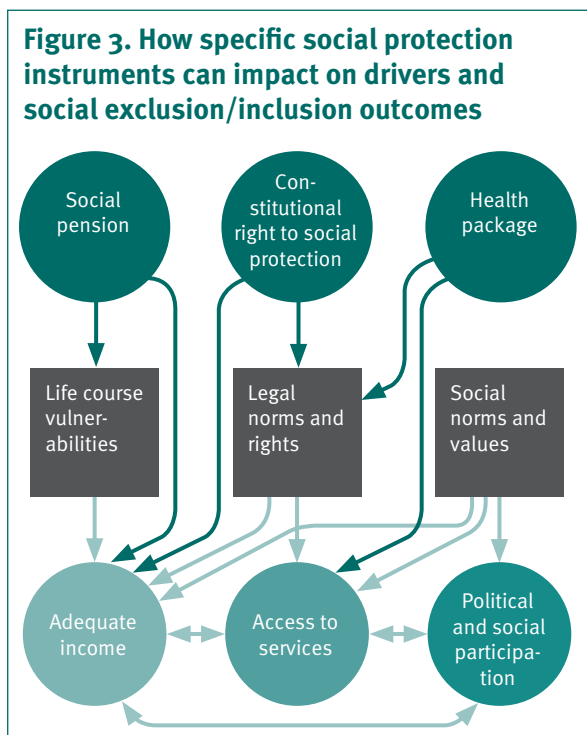
row impact evaluation approach that focuses only on the specific outcomes and impacts of the intervention. The social exclusion lens also makes it possible to unpack the complex relationship between income and non-income aspects of well-being. It does so by focusing on the role of income in access to essential services and social participation and by highlighting the role of social and institutional factors that translate into economic vulnerability.

The application of the social exclusion framework has important policy significance. It can help establish the strengths and limitations of existing social protection arrangements. This information can be used to inform the design and implementation of policies and programmes, to ensure that they not only offer subsistence support but also tackle the drivers of exclusion and vulnerability.

For example, an analysis of a cash transfer programme can establish its limits in tackling factors outside its ‘sectoral reach’. It can identify areas where the programme can be linked to, and coordinated with, interventions in other sectoral areas to address drivers of exclusion more effectively. And it can stimulate broader policy reforms, such as establishing equal minority rights or improving administrative efficiency, to ensure policy complementarity and synergy.

The social exclusion framework can also be a useful analytical tool even when social protection does not aim for such ambitious goals as empowerment, capability promotion or institutionalised access to services. Social protection does not necessarily need to tackle drivers of poverty and inequality if the priority is to ensure food security or provide emergency assistance. However, even when the goals are modest, applying the social exclusion framework can help policy-makers understand the local context (and therefore what drives deprivation and vulnerability) and identify the existing policy gaps to be addressed through further action.

Finally, the social exclusion framework is a useful instrument for social analysis before an intervention is designed, allowing policy-makers and development practitioners to identify opportunities and risks to policies and programmes and determine how to address them through appropriate design and implementation. In particular, in-depth contextual analysis of existing deprivations and their drivers can create realistic expectations about what social protection can achieve and establish feasible goals and benchmarks.



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Endnotes

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2. See the conference report at <http://www.ids.ac.uk/files/dmfile/CSPConferenceReport-SocialProtectionforSocialJustice2.pdf>.
3. See useful resources at the World Bank's Active Labor Market Programs & Activation Policies web page at www.worldbank.org.



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