Inclusion and Exclusion

In September 2000, the World Bank released *World Development Report 2000/2001: Attacking Poverty*, the most detailed investigation of global poverty it has ever undertaken. *Attacking Poverty* takes the position that poverty means more than a low income – it means lack of education, poor health, poor nutrition, powerlessness, voicelessness, vulnerability and fear. The report also notes that the different dimensions of poverty interact and that sustained reductions in poverty will require not only economic growth, but also institutional and social change that includes poor people.

The concept of **social and economic exclusion** reflects this change in thinking about poverty. Social and economic exclusion happens when people don't have – and can't get – the education, jobs, decent housing, health care, and other things they need to live comfortably, to participate in society, and to feel that they are valued and respected members of their community. One result of exclusion is that individuals and groups of people lack a sense of connection – they feel that they don't belong in their own community, that nothing they say or do will make any difference.

Social and economic inclusion reflects the need to address poverty and exclusion by including the voiceless and powerless in shaping the policies that affect their lives. It welcomes these individuals and groups into the planning, decision-making and policy-development processes in their community. And it empowers them by offering the opportunities, resources and support they need to participate.

Exclusion has both social and economic costs. As the number of people excluded from participation in their community grows, their individual problems affect the

well-being of society. Breaking the cycle of exclusion will require a commitment to the development of inclusive public policy and a democratic process based on community participation, community development and social investment.

Ten Building Blocks for Inclusive Public Policy

1. Political Will
2. Leadership
3. Organizational Readiness
4. Collaboration
5. Relationship Building
6. Community Capacity Building
7. Respect for Community
8. Commitment to Healthy Public Policy
9. Investment in Communities and People
10. Measurement of Results and Progress

Social and Economic Exclusion

Social and economic exclusion happens when people don't have – and can't get – the education, jobs, decent housing, health care, and other things they need to live comfortably, to participate in society, and to feel that they are valued and respected members of their community.

Social and economic exclusion can keep whole groups of people on the outside looking in. Single mothers and their children, youth, aboriginal people, racial and cultural minorities, gays and lesbians, fragile seniors, people who are sick, disabled, unemployed or homeless, and people in rural or remote places are among those who feel that they don't belong and aren't welcome in their own communities.

Adding insult to injury, too many of us think that it must be their own fault if these people can't "make it." We blame them for their own exclusion.

Poverty is its bedrock, but social and economic exclusion is about more than just poverty.

Social and economic exclusion is a vicious cycle that traps people who are poor and whose poverty cuts off their connection to their community. And because the community does not hear the voices of the poor, it is less likely to develop policies to address the causes of poverty and exclusion.

Exclusion is a complex and crushing problem. It leaves many people out of the social and economic life of their community – people whose insights and experiences could enrich us all.

Costs of Social and Economic Exclusion

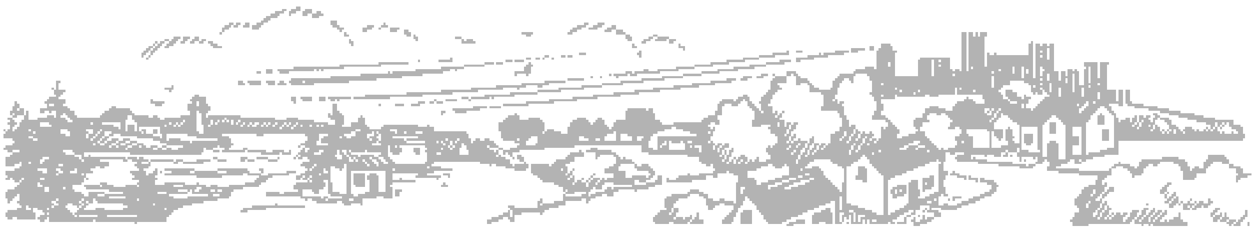
Our economy depends on social well-being – a healthy, educated society is the basis of a healthy economy.

Social and economic exclusion undermines the well-being of individuals and communities. It sets up economic and social barriers that are difficult to break down and that create long-term effects on – and costs to – individuals and communities. For example, unemployment has health and social impacts as well as the obvious financial ones because work is so important to our self-esteem and social status. Inadequate learning opportunities and health care in childhood have long-term financial effects – children who lack these basic supports are less likely to find jobs as adults. The effects of one barrier cause further exclusion, leading to still more social isolation and poverty.

Social and economic exclusion is both a cause and an effect of poverty, poor health, unemployment and crime. All of these have costs and we all pay.

• **Poverty.** The National Longitudinal Survey on Children and Youth and the National Population Health Survey directly related poverty to 31 indicators of poorer outcomes in health, education and employment. Children from low income families are more likely to have low birth weights, poor health, high rates of injury and hyperactivity, delayed vocabulary development and poor employment prospects. This increases the likelihood that these children will themselves be poor as adults. Poverty, in turn, leads to more health, social and educational problems and yet more poverty and isolation. Poverty is expensive.

• **Poorer health.** Poverty is our most reliable predictor of poor health, for both adults and children. No matter which measure of health you use, poor people have poorer health status and die sooner than other Canadians. Poor health leads to heavier use of the health care system and more hospital admissions, both of which cost money.



• **Unemployment.** Unemployment is clearly linked to poorer health outcomes, stress, domestic abuse, child neglect and crime. In 1994, a national study estimated that in 1993, unemployment had cost the Canadian economy $109 billion. That's 15.5% of the GDP or nearly $4000 annually for every Canadian. There are also indirect costs in health, justice, education and other areas that cost each of us another $1000 per year. The same study found that for each one percent increase in unemployment, Canadians paid $14.2 billion in direct costs, or $514 each.[1]

• **Crime.** Crime is another outcome of social and economic exclusion. For example, robbery rates have increased throughout Canada since the mid-1960s in direct proportion to the increase in unemployment.[2] Individual victims bear some of the costs of crime – in suffering, lost-productivity and financial loss. Communities bear other costs – for example, police, court and correctional costs. And these costs are considerable. Nationally, "… crime costs more than twice what we spend on supporting unemployed people through the Employment Insurance program. It is more than the government of Canada spends on pensions for seniors ($15.8 billion), the child tax benefit ($5 billion), the Canada Assistance Plan ($7.4 billion) and child care ($5.5 billion) combined."[3]

All of these impacts of social and economic exclusion are linked. Poverty leads to poor health. Poor health leads to unemployment. Unemployment leads back to more poverty, and to increased crime and violence. All of these create costs that we pay now and that our children will continue to pay.

Exclusion has social as well as financial costs. As the number of excluded people grows, their individual problems affect the health and well-being of society. The growing gap between rich and poor sets up an "us" and "them" situation – a breakdown in our sense of community that makes us all feel less secure.

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1 Diane Mellemare and Lise Poulin-Simon, *What is the Real Cost of Unemployment in Canada?* 1994. Cited in *Social Investment: A New Brunswick Discussion Kit*, p. 9.

2 Social Investment: A New Brunswick Discussion Kit, p. 10.

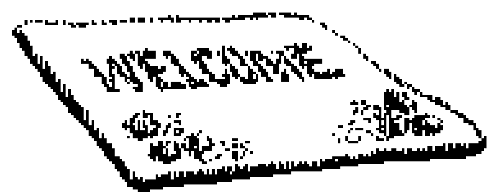
3 Canada, National Crime Prevention Council, *Money Well-Spent: Investing in Preventing Crime*, by the Economic Analysis Committee. September 1996, p. 1. Cited in *Social Investment: A New Brunswick Discussion Kit*, p. 10.

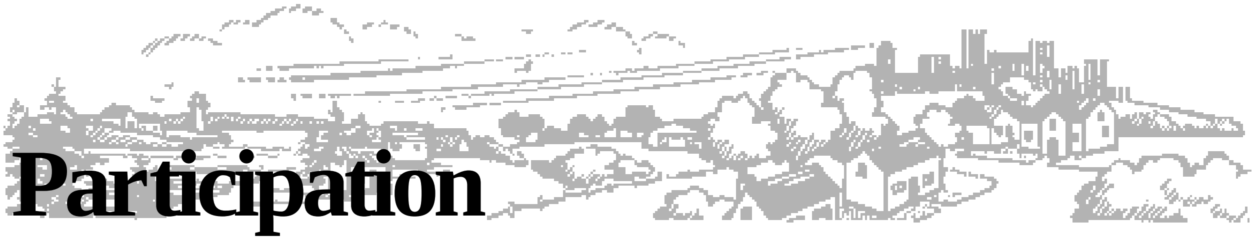
Social and Economic Inclusion

Adequate income, education and a network of relationships enable people to participate as valued members of society.

If poverty, disability, unemployment, lack of education or lack of connection result in exclusion, then inclusion must be a process that overcomes these barriers. Inclusion involves the people who feel powerless and cut off from their community.

Social and economic inclusion is both a goal and a process. It welcomes individuals and groups who have been left out into the planning, decision-making and policy-development processes in their community. And it empowers them by offering the opportunities, resources and support they need to participate.





Participation

Participation is a basic element of democracy. However, we often use the terms "citizen participation" and "community consultation" loosely when discussing the role of communities in policy development or decision making. Depending on who’s talking, participation can mean anything from offering information to active decision making.

Climbing the Ladder of Participation [1]
The different levels of participation are like the rungs of a ladder. They range from no participation to control by the community. Climbing this ladder of participation takes effort, energy, support and cooperation.

Non-participation is the bottom rung on the ladder of participation. If the government or agency doing the planning offers any information at all, it is only to tell the community what’s going to happen. The government or agency does not consult the community and expects community members to do what they’re told.

Information is a step up from non-participation, but only a small step. The planners give information to the community, tell them about their rights and responsibilities and may even ask for their opinion. But the community’s support is not necessary and the planner still expects community members to do as they’re told.

Consultation involves asking for feedback and seeking community support. However, although the government or agency consults the community, the government or agency has no obligation to take community advice. Regardless of community input, planners will modify or change plans as they see fit. At this level of participation, individuals from the community may have some role in developing plans, but they are not community representatives.

Partnership requires that the community and the government or agency share decision-making as more or less equal partners. The government or agency may define the issue and present a tentative plan. However, this is subject to community approval and the community may change the plan.

Delegated power requires that the government or agency turn some level of control over to the community. The government or agency may define the issue and tell the community what support it can offer. The community is then able to make and carry out its own plans within these limits.

Control is the highest level of participation. At this level, the government or agency provides resources and the community identifies issues, and decides what to do and how to do it. The community decides on the structure, process and resources for implementing its own solutions.

Information and consultation are token levels of participation. Partnership, delegated power and control are degrees of actual power in which the community has a role and the government or agency implements a process for involving those with a stake in the issue. True participation requires that ordinary people achieve some degree of control, power or partnership.

1 Sherry R. Arnstein, "Ladder of Citizen Participation," *Journal of the American Institute of Planners* 35 (July 1969): 216–224. Sherry Arnstein's Ladder of Participation is described in *Social Inclusion: On the Path to Social Development in Newfoundland and Labrador*, pp. 9–10.

Participation and Community Development

True community participation is the most basic requirement of social and economic inclusion and is an essential element of the democratic process.

Full participation is not easy for people who have been excluded from mainstream society. They have had little opportunity to develop the skills and confidence they need to participate on the boards and committees that make up our decision-making process. Many are afraid to participate – they fear that they won't fit in and others in the community will judge them harshly. This means that too many people are recipients rather than participants, with little say in determining the policies and services that directly affect their lives.

As well, the very process governments and agencies use to gather public input can put barriers in the path of those already excluded.

- There are **financial barriers** presented by childcare and transportation costs.

- There are **social barriers** that make people feel that they have no right to participate -- for example because of poverty, disability or lack of education.

- There are **structural barriers.** Governments and other agencies do not often have internal structures that encourage participation. For example, if the government or agencies manage staff members who are responsible for public participation in a top-down, traditional way, they are likely to try to "manage" the public in the same way.

Overcoming these barriers is not easy. Inclusion requires meaningful participation, but participation is difficult when there are real differences in the power, wealth and status of the participants. The inclusion process must involve those who are outside the circle of participation, people with the hopeless feeling that the odds are against them and no one listens anyway. To participate effectively, they need the support that will enable them to see the point of participating, to be willing to do so and to develop the skills they need.

Community development can help overcome these barriers.

Community development (or community organization) is the process that enables people and communities to develop the skills and organization they need to make their voices heard and to improve their lives and their community.

Simply locating a program or service in a community will not guarantee community participation. This is especially true if the government or agency involved defines the problem, develops a solution and then invites citizens to participate. Community development is the process that enables community-based programs to be truly participatory.

The government or agencies cannot impose community development from the top down. It must be nurtured from the bottom up. The best solutions usually come from the community itself.

What is Policy and Who Makes It ?

Policies are rules – the steps, procedures, guidelines, directions, etc. – that set out what and how something is to be done. The values and beliefs of policy makers shape the policy they make. They do not always reflect the values of those community members who, as a result of social and economic exclusion, are unable to participate.

Public policy sets directions for the whole population. The laws and regulations that guide our social, health and economic programs interpret this public policy.

Public policy development is meant to be a collaborative process. It is the result of a cycle of interactions by:

- Elected representatives who set policy
- Bureaucrats and officials who interpret policy and develop regulations
- Managers who implement it
- Service providers who carry it out
- Citizens affected by they policy give feedback and advocate for change

An inclusive policy process requires that everyone affected by a policy be included as a full participant in its development. One result of social and economic exclusion has been that relatively few people are part of the policy development cycle. Widening the circle of participation will mean that public policy will more clearly reflect the values and experience of the entire community.

And this broader range of values will translate into public policy that puts new ideas, practices and attitudes into action.

Social Investment

Social investment is the commitment of public funds to develop and support the institutions, relationships, attitudes and values that contribute to the economic and social well-being of people and communities.

A healthy economy requires a healthy society. The factors that contribute to a healthy economy also contribute to a healthy society. These are:

- **Productivity**: Productivity is the output per worker. Economists believe that increasing productivity is the best means of raising the standard of living. In social terms, being a productive, useful member of a community is an essential part of health and well-being.
- **Income distribution** : A growing gap between a few rich people at the top and a large group of poor at the bottom is a sign of an unhealthy economy. It is also an indicator of an unhealthy society -- health status improves at each step up the income ladder. Societies that are prosperous and have an equitable distribution of income have the healthiest populations.
- **Employment**: High unemployment means that a society is not using its productive workers and that young people have a difficult time entering the work place. High unemployment also breeds persistent poverty and all of the social problems that accompany it.

Social investment is based on the understanding that strong economic and social structures will develop when individuals, organizations, institutions and communities cooperate for mutual benefit. Public policies that support cooperation and collaboration will build both sustainable communities and strong local economies.

A society does not make social investments at the expense of the private sector. Social investment benefits everyone – the rich and the poor, the able and the challenged, the young and the old. It is an investment in society that will ultimately strengthen the economy.

Although the private sector can and should invest in the well-being of their communities, citizens rely primarily on government for social investment. The government's role is to develop policies that balance social and economic development and to invest in the public services that all of us, including the private sector, depend on.

Social investment gives prevention and health promotion the highest priority because they offer a high return on the dollar. Early interventions that improve social well-being, raise literacy levels, provide meaningful work and prevent crime are far more effective, and less expensive, than services that deal with the consequences of crime, abuse, delinquency, drug use, illiteracy, and other outcomes of social and economic exclusion. Preventive spending will avoid the costs of future exclusion.

The Perry Pre-School Program, a study conducted in Illinois over nearly 40 years, is one of the best-known examples of the economic benefits of social investment. The Perry Pre-School Program offered enriched support to pre-school-age children in a low-income neighbourhood. The Program matched these children with others who had not received the enriched program and followed their development into adulthood. An analysis by the Canadian Centre for Justice Statistics found that participants in the Perry Pre-School Program did better in school, had higher rates of employment, earned more, relied less on social assistance and had reduced crime rates as youths and into adulthood. An investment of $5000 in early childhood education yielded an estimated $28,000 in savings to society.

Government policy does make a difference. In New Brunswick, government policies and initiatives have more than halved the rate of poverty among seniors since 1980. Today, New Brunswick has one of the lowest rates of senior poverty in Canada.[1]

Along with funds and wise policy making, people and communities need investments of trust, time, attention, respect, and resources to realize their full potential.

Lately, governments have directed policies at reducing spending so we do not pass on unnecessary debt to our children. Promoting and renewing policies that support social investment will ensure that our children do not inherit the costs and consequences of poverty, ill health, illiteracy and crime.

1 Social Investment: A New Brunswick Discussion Kit, p. 13.

Measuring Progress and Well-Being

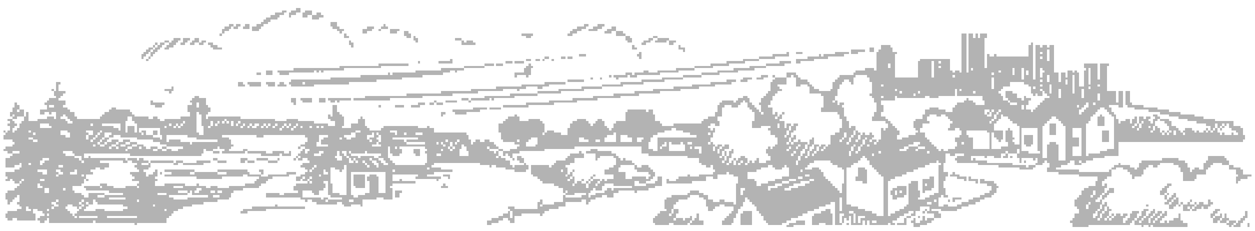
As governments develop socially inclusive policies and make social investments, we will need ways to measure their impact on economic and social progress and well-being.

Commonly used measures of economic growth like the Gross Domestic Product (GDP) are poor indicators of social progress or well-being. The GDP counts all economic activity as growth, whether it contributes to our well-being or degrades our quality of life. As measured by the GDP, sickness contributes more to economic growth than health because we spend money on drugs, doctors and hospitals. Crime contributes more than peace and harmony because we spend more on prisons, police, lawyers, burglar alarms and bodyguards. The GDP also does not take income distribution into account and can hide a growing gap between rich and poor behind an illusion of prosperity.

So how would we go about developing a better process for measuring genuine progress? A good start would be to:

1. Involve citizens throughout the process.
2. Secure top political involvement and commitment.
3. Develop a broad-based, holistic vision of the kind of society citizens want.
4. Develop societal goals that support this vision.
5. Use objective and subjective indicators that are:
   - Relevant to stated goals
   - Unambiguous
   - Based on accurate, available and accessible data that is comparable over time
   - Comparable to thresholds and targets
   - Relevant to the needs of potential users
   - Understandable by potential users
7. Guard against using too few (less than 20) or too many (more than 100) indicators.
8. Draw a clear picture of change over time by using historical data and future targets so we can quickly understand the movement towards or away from goals.
9. Present indicator information in a simple, understandable format.

1 Robert Rainer, Measuring Genuine Progress and Well-Being. In Social Investment: A New Brunswick Discussion Kit, pp. 15-16.



Inclusive approaches to measuring social progress and well-being are being developed using the best available methodologies and integrating existing data sources. They will continue to evolve as better methodologies and data sources become available.

The Genuine Progress Index (GPI), developed in Nova Scotia, is one innovative approach to measuring social progress and well-being.

The Nova Scotia GPI consists of 22 social, economic and environmental components, including population health, the value of unpaid voluntary and household work, the value of leisure time, four natural resource accounts, and measures of environmental quality, educational attainment, livelihood security and income distribution. Unlike the GDP, the GPI counts crime, pollution, sickness, greenhouse gas emissions and other liabilities as costs rather than gains to the economy and to society. The GPI goes up if society is becoming more equal, if people have more free time, and if the quality of their life is improving.

The GPI provides a practical, policy-relevant measure of progress that is more comprehensive and accurate than measures based on the GDP. The GPI is based on the understanding that what we measure is a sign of what we value. If we do not value our non-monetary, non-material assets enough to count them, they won't count for much when we develop policy.

Ten Building Blocks for Inclusive Public Policy

A result of social and economic exclusion is that we leave the people most affected by public policy out of the process that develops it. We do not hear their voices and policy does not reflect their values and experiences.

So how can policy makers create policies that ensure inclusion? Is there a way to include those who have been previously excluded in the design and implementation of social and economic policies?

Work done in Nova Scotia, New Brunswick, Prince Edward Island, and Newfoundland and Labrador, suggests some essential building blocks for inclusive public policy development.

1. Political Will

A strong political commitment to inclusion and inclusive policy-making is necessary at every level of government. Governments need to reflect this political will in public statements committing them to work toward inclusive decision-making processes.

2. Leadership

Political and bureaucratic leadership is essential if government agencies are to embrace the shift in approach and attitudes called for by inclusive policies.

3. Organizational Readiness

As an inclusive, collaborative process evolves, organizational structures must change too. As communities become stronger in response to an inclusive policy process, governments and service-providing bureaucracies will need a parallel internal development process. Organizations need to make it clear to both management and service delivery staff that engaging the community is an expected part of their work.

4. Collaboration

The public, private and non-profit sectors must work together – and must work with the community – to ensure an inclusive process.

Collaboration and intersectoral action require that organizations and agencies be able to share information and to work together across departments.

Collaboration with communities is essential, but the government and other agencies cannot force partnerships and collaboration on communities. Policy makers are in a good position to see possible alliances, but it is up to the communities to decide what will work for them.

5. Relationship Building

Inclusion, by its very nature, involves active

efforts to build new relationships based on respect and understanding. It also involves strengthening existing relationships between communities and systems.

6. Community Capacity Building

Capacity building means investing in the community's ability to find solutions, create initiatives, and develop leadership, partnerships and collective problem-solving at the community level. The goal of capacity building is to put the community in the driver's seat, enabling it to become aware of its collective strengths and opportunities.

7. Respect for Community

As community capacity grows, relationships with governments change in ways that can be challenging to both communities and the government. At their core, community development and capacity building are about the transformation of both people and social policy. Although this kind of change is not easy for either partner, governments must acknowledge and respect the power of communities to achieve this transformation.

8. Commitment to Healthy Public Policy

Concern for health, equity and achieving results guides healthy public policy. It is informed by evidence. Healthy public policy emphasizes prevention rather than treatment and bases social policy programs and services on a population health approach that recognizes the broad determinants of health.

9. Investment in Communities and People

Communities need money to make things happen. However, social investment is more than merely financial. It is the investment of trust, time, attention, respect, and policies that enable people and communities to realize their full potential.

10. Measurement of Results and Progress

Methods of measuring the effectiveness of inclusive policies and programs should be as innovative as the policies themselves. Rather than just talking about accountability, we need to develop mechanisms that measure the real results and genuine progress – both quantitative and qualitative – and to be able to evaluate results and progress over the long term.