

POVERTY AND SOCIAL EXCLUSION

PhD Student, Cristina-Cora PÎRVU

"Lucian Bralga" University of Sibiu, Romania

Lucian Blaga Interdisciplinary Doctoral School, Finance Field

E-mail: pirvucristina@yahoo.com

Abstract: *The risk of poverty and social exclusion is the usual conceptualization in the strategic social policy reports prepared by developed countries and recommended to all states of the world. Beyond the fact that this approach euphemizes the situation of chronic poverty, presenting as a risk what is a reality experienced by a significant part of the population, conceptualization ignores the antagonisms of interest in society and eliminates from the discussion some fundamental problems such as the persistence of inequality of school opportunities, the division between the primary and secondary sectors in the labor market, political representation, social polarization. I chose this theme because I wanted to discover first of all what the approach of the concept of social exclusion is and I found that the scope of this concept is quite wide, with most countries considering poverty as the embryo of social exclusion.*

Keywords: *social exclusion, poverty, social inclusion, risk.*

Classification JEL: *H53, I32, I38.*

1. Introduction

Poverty and social exclusion is a reality experienced by a significant part of the population in less developed countries, conceptualization ignoring the antagonisms of interest in society and eliminating from discussion some fundamental problems such as the persistence of inequality of school opportunities, the division between the primary and secondary sectors in the labour market, political representation, social polarization (Szalai, 2003). The castle (2003) believes that the concept of "social exclusion" to induce the false impression that the social processes responsible for the disadvantages that they meet certain categories of people, going somewhere, on the fringes of society, even though those processes are based, in fact, it is in the "center" in the manner of the historical social order, the interference with the private relationships of employment, protection of social and political participation.

Social exclusion is "the procedure through which certain groups are systematically disadvantaged, because they face discrimination related to ethnicity, race, religion, sex, sexual orientation, origin, age, disability, migration, where they live, etc. discrimination is created either from public institutionalization, such as the legal system, education, health and welfare services, or from social institutionalization, society and individuals".

The term "social exclusion" appeared for the first time in Europe where the tendency was to focus on spatial exclusion. Initially, policies focused on those living in "disadvantaged areas" where poor living conditions, inadequate social services, poor political representation/voice or lack of decent work contributed to the experience of marginalization.

The research methodology is based on three main stages: identification of the literature, its selection, corroboration and synthesis of data.

The literature addresses a series of research, mostly conceptual, international studies that show a fundamental theoretical orientation about social exclusion. The methods used focus on the conceptualisation and description of social exclusion, and it is necessary to examine this concept closely in view of its importance in eliminating disparities in material welfare and Social Security.

An initial, informal assessment of the literature revealed that there is little data and authoritative sources on social exclusion, especially those relating to poverty statistics.

2. Analysis of specialized literature

Measuring social exclusion is difficult due to its multidimensional nature and the lack of standard data sources in all countries and for all social groups at greatest risk of being left behind. Although there is no universally agreed definition or reference point for social exclusion, it can describe a state in which individuals cannot fully participate in economic, social, political and cultural life, as well as the process leading to sustaining such a state.

Participation can be prevented when people do not have access to material resources, including income, jobs, land and housing or education and healthcare services - the essential foundations of well-being set out in the 2030 Agenda. However, participation is also limited when people are unable to exercise their voice or interact with each other and when their rights and dignity are not accorded equal respect and protection. Therefore, social exclusion attracts not only material deprivation, but also lack of agency or control over important decisions, as well as feelings of alienation and inferiority. In almost all countries, to varying degrees, age, gender, disability, race, ethnicity, religion, migration status, socioeconomic status, place of residence, sexual orientation and gender identity, over time, were reasons for social exclusion.

The term social exclusion was first used by René Lenoir (secretary of state for social services in France) in 1974, to refer to the situation of particular groups of people - "people with disabilities, physical and mental, people-related, disabled, in the elderly, abused children, drug addicts, delinquents, single parents, families with multiple problems, the marginal people, asociale, and other "inappropriate" social - over which he has estimated to contain one-tenth of the population (Ebersold, 1999).

Table 1. Typology of definitions on social exclusion

<i>Social exclusion</i>	
Peace R, 1999	It refers to a wide range of phenomena and processes related to poverty, deprivation and hardship, but is also used in relation to a wide range of categories of excluded persons and places of exclusion.
Andersen Al., 1994	Exclusion from the employment market
Conroy 1994	Inequality due to lack of a job
Silver, 1995	Multiple economic deprivation, broken family, lack of social ties, purpose in life, even loss of identity
Roemer, 2014	Material deprivation, but also opportunities for full participation in social and civil life
Democratic Dialogue 1995	A set of processes whereby individuals, households, communities or even entire social groups are marginalized
Social Exclusion Unit 1999	Labeling a group or areas based on problems related to unemployment, poor skills, low incomes, poor housing, high crime, poor health and broken families
Rheem Al-Adhami, 2011	An individual in society who does not participate in the normal activities of citizens in that society

Source: by author

In René Lenoir's speech, efforts were made to promote social inclusion in order to prevent social exclusion. As such, social inclusion is defined as the process of improving the terms and conditions of participation in society for people who are disadvantaged on the basis of age, sex, disability, race, ethnicity, origin, religion, or economic status, or other opportunities for increased access to resources, voice and rights.

Therefore, social inclusion is both a process and an objective. Promoting social inclusion requires combating social exclusion by removing barriers to people's participation in society, thus being a deliberate process of integrating and welcoming all

people into a society based on equal opportunities and greater tolerance (<https://pjp-eu.coe.int/en/web/youth-partnership/social-inclusion>).

3. Inclusion would not exist without social exclusion

The concept of social exclusion is understood and used in different ways by specialists. For some authors, exclusion is primarily due to poverty. Others see it more comprehensively and equate it with insufficient and inadequate social participation, social non-integration and, in some cases, the inability of a person or category to act without receiving help. But even in the absence of a generally accepted definition, there are three recurring themes in debates about social exclusion (Rheem Al-Adhami, 2011).

► Exclusion is directly related to the rules of society at a certain time. A disadvantaged person is perceived differently in culturally or economically different societies. The very norms of society change over time, and with them the attitude of the "majority" towards a certain marginalized or vulnerable category.

► Exclusion is caused by an action of an individual, group or institution. A person can socially exclude himself or herself by his own will or be excluded as a result of the decisions taken or not taken, willed or not, by other people, organizations or institutions.

► Exclusion is not only a result of current circumstances, but also means that the future prospects of the affected person are limited.

Another defining aspect of exclusion is that it manifests itself favourably at the level of the geographical or social community, because it mainly affects groups, not individuals. Social exclusion reflects a combination of closely correlated causes and drivers. As such, it must be seen as a process, and not just as a time-marked result, for example, as a strict result of poverty.

According to Romanian legislation (see law no. 47/ 2006 on the national system of social assistance), "the process of social inclusion is a set of measures and multidimensional actions in the areas of social protection, employment, housing, education, health, information-communication, mobility, security, justice and culture, designed to combat social exclusion".

4. Poverty-the basis of social exclusion

Social exclusion and poverty are realities inherent in any human society with a minimum degree of diversification, since individuals, households or other spatial units can be excluded from access to resources such as jobs, health care, education and political or social life. Specifically, social exclusion is a complex and multidimensional process involving the lack or refusal of resources, rights, goods or services, as well as the inability to take part in normal relations and activities within the reach of most people in society, whether they belong to the economic, social, cultural or political sphere. Exclusion affects both the quality of people's lives and the equity and cohesion of society as a whole. A group of researchers from the University of Bristol has created a reference matrix that includes ten dimensions or areas that can play an important role in social exclusion throughout the four stages of life: childhood, youth, adulthood (in the workplace) and old age.

✓ resources: material / economic resources access to public and private services
social resources

✓ participation: economic participation social participation culture, education and skills political and civic participation

✓ quality of Life: Health and well-being living environment.

Poverty is one of the most misleading concepts taken up by the social sciences from the common language, where the meaning of this concept was sufficiently accurate. But

placed in the universal context of science, clarity disappears, generating two great difficulties. The first difficulty arises from the fact that what is commonly understood by poverty, the common understanding, makes it particularly difficult to redefine it in a universal perspective. The second difficulty arises from the transition from an individual context to a general social one. At the level of common knowledge, the meaning of the concept is strongly related to the perception of individual cases. We all know that x and y are poor. The problem, however, is to define the category of all poor people under the conditions of a scientific approach. This problem arises both at the universal level and at the collective level (Zamfir and Zamfir, 1995.)

What is found, however, in most of the studies, is the definition of poverty as economic deprivation. This concept is supported by the fact that poverty characterizes people who lack the material resources (income in money or in kind) that can provide them with the necessary consumption of art and services (food, clothing, shelter, means of transport etc.).

One of the most commonly used frameworks for analysing exclusion is the one proposed by the study on poverty and social exclusion in the UK funded by the Joseph Rowntree Foundation, which included the following aspects of practice (Ministry of Labour, family and Social Protection, 2009).

➤ Poverty or exclusion from access to adequate resources – defined as poverty in terms of both source of income and deprivation of all kinds;

➤ Exclusion from the labour market-identified with the help of a series of employment indicators (at the same time, the authors of the research admit that these indicators are valid only when they correlate with exclusion from social relations);

➤ Exclusion from services - where services relate to public transport, play facilities and children's clubs and basic services in the dwelling (gas, electricity, running water, telephone);

➤ Exclusion from social relations, care covers the following five dimensions:

• non-participation in joint activities, regarded as essential by the majority of the population;

• the size and quality of social circles –support usually available in times of crisis;

• non-involvement in political or civic activities;

• isolation as a result of fear of crime, disability or other bioactive.

The dimensions of social exclusion change over time and differ from one country to another or from one region to another. For example, there is now a growing concern for socially excluded categories based on limited access to modern technologies and means of communication, in a phenomenon known as the "digital divide".

Poverty there are obvious negative effects on all societies, but it influences to a different degree the rich and the poor countries, this almost axiomatic statement being demonstrated by different economic, social, political, cultural, etc. Moreover, in contemporary societies we are dealing with a localization of poverty in certain areas of the world, areas that have struggled in recent centuries to find solutions to get out of the "periphery" of the modern world (Wallerstein, 1992), but these efforts have been, in most cases, unsuccessful. The countries of Eastern Europe were, in turn, concerned to narrow the existing gaps vis-à-vis the western half of the continent. Romania was also no exception from this point of view. Unfortunately, the states in this part of Europe failed to make the necessary leap to achieve the level of development of the Western European states, to standardize the economic, social, political and cultural development of the European continent, remaining un desiderata even after the enlargement of the European Union by including states in this part of the continent.

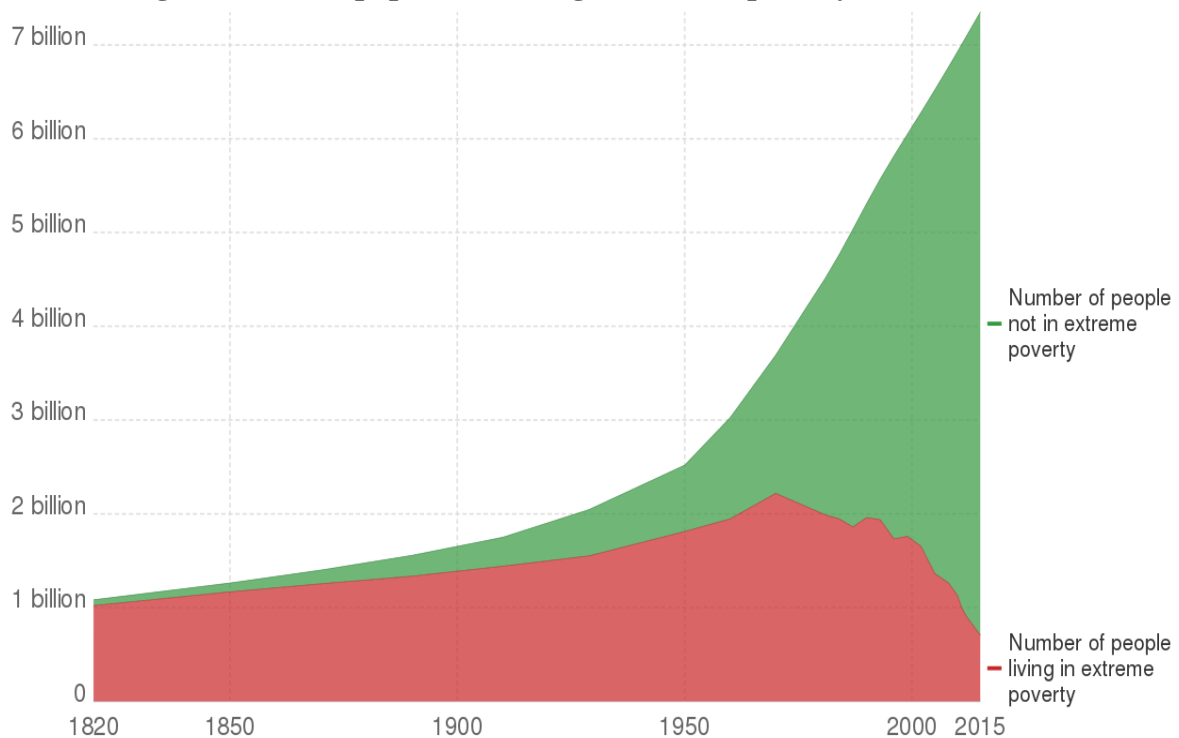
The relationship between poverty and social exclusion can highlight how care the concept of social exclusion can be harnessed as a tool for plotting a preparation. Social exclusion coincides with poverty, but at the same time extends beyond it, because it also includes relational aspects and the distribution of poverty. Therefore, as Bhalla and Lapeyre (1997) argue, the analytical framework should perceive the connection between the economic, social and political dimensions of social exclusion.

5. Poverty rate and risk threshold

Extreme or absolute poverty was originally defined by the United Nations in 1995 as a state characterized by a severe lack of resources needed to meet basic human needs, including food, drinking water, sanitation, education and the media. This depends not only on income, but also on access to various services (ONU, 1995). In 2018, extreme poverty is defined by the World Bank on the basis of an international poverty threshold set at an income of \$ 1.90 / day(based on 2011 prices, the equivalent of a \$ 2.07 in 2017). Compared to US prices in 1996, this threshold is equivalent to a gain of \$ 1.00 per day, hence the commonly used phrase: subsistence with "less than one dollar per day"(http://www.worldbank.org/en/topic/poverty /overview).

The fact that \$ 3.20 is the amount available for daily living reflects the level of poverty in low-and middle-income countries, and the amount of \$ 5.50 / day reflects the level in high-and middle-income countries, the World Bank's biannual report on poverty and common prosperity entitled "assembling the pieces of the poverty puzzle" ("butt poverty Puzzle").

Figure 1. World population living in extreme poverty, 1820-2015¹

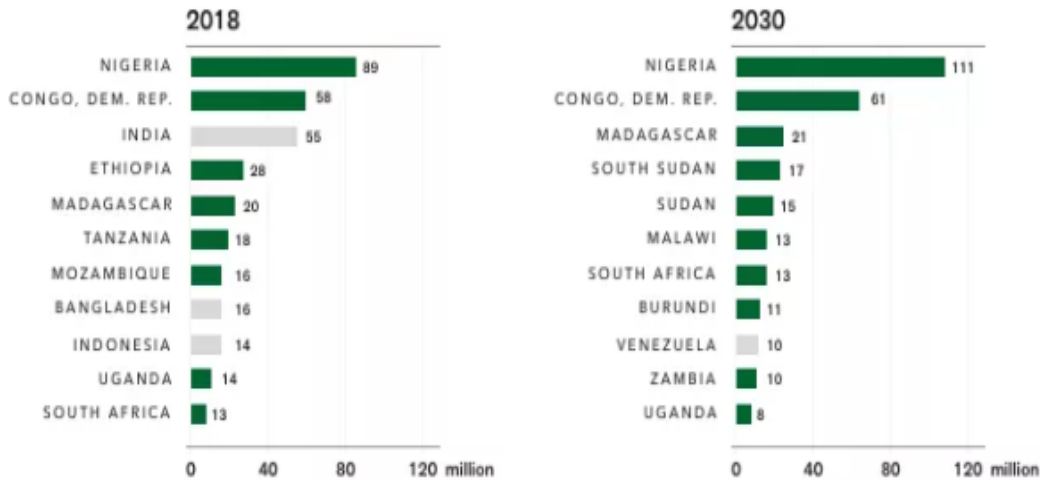


Source: Roser, M. and Ortiz-Ospina, E., 2013. *Global Extreme Poverty*. [online] Available at: <<https://ourworldindata.org/extreme-poverty#citation>>.

¹ Extreme poverty is defined as living at a consumption (or income) level below 1.90 "international \$" per day. International \$ are adjusted for price differences between countries and for price changes over time (inflation)

The World Bank remains committed to the goal of ending extreme poverty, which is defined as living less than \$ 1.90 / day by 2030. The share of the world's population living at the edge of extreme poverty fell to 10% in 2015, but the rate of decline in extreme poverty slowed.

Figure 2. Global Poverty Ranking: African countries will represent 9 out of the top 10 by 2030



Source: World Data Lab projections

The vast majority of people in extreme poverty, i.e. about 96% of them, live in South Asia, Sub-Saharan Africa, western India and the Asia-Pacific region; almost half live only in India and China (USAID, 2013). Since June 25, 2018, despite rich resources, Nigeria has become the poverty capital of the world, with about 89 million citizens living in extreme poverty (Chandy L. and Kharas H., 2014). If it cannot change its current trajectory, it will reach 110 million people living in extreme poverty by 2030. The second position in the World Data Lab global poverty ranking is currently occupied by the Democratic Republic of Congo (DRC), which will enter in 2019 with more than 59 million poor people and will end in 2030 with 61 million in current trajectories. By the end of 2030, nine of the 10 countries with the poorest people will be in Africa, up from seven countries today.

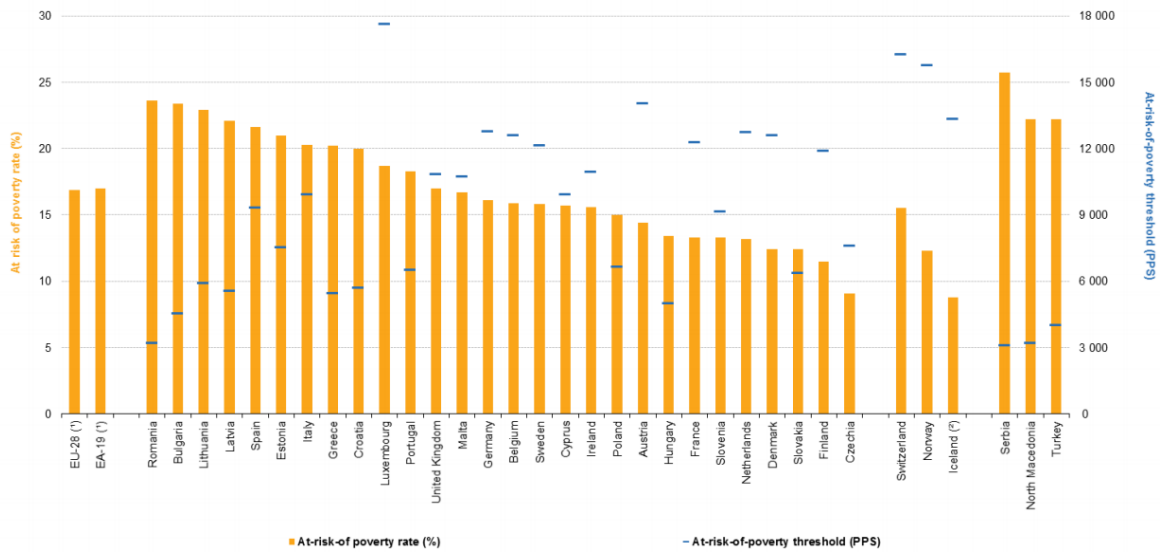
Economic developments around the world suggest that - although the number of people currently living in extreme poverty is lower - almost half of the world's population (i.e. 3.4 billion people) is struggling to meet their basic needs, according to World Bank studies (MPI, 2019).

However, as economic growth translates into a much larger share of the world's poor now living in richer countries, opening up additional credit lines dedicated to fighting poverty and a deeper understanding of the drivers of poverty are crucial to effectively fighting poverty.

In the EU-28, in the year 2017, and the 113 million people (22,4% of the population of the EU) were at risk of poverty or social exclusion, which means that about 1 in 5 people in the EU have experienced at least one of the following three forms of poverty: monetary poverty, material deprivation, severe, or very low work intensity of their household. The rate of risk of poverty or social exclusion in the EU over the last decade has been marked by two turning points: in 2009, after which the number of people at risk began to rise due to the delayed social effects of the economic crisis; and in 2012, when

this upward trend reversed. By 2017, the number of people at risk fell below 2008 levels (see Figure 1), which is the reference year for the Europe 2020 target.

Figure 3. Poverty rate and risk threshold, 2017



Source: Eurostat (ilc_li01) s, i (ilc_li02)

The EU-28 rate, calculated as a weighted average of national results, conceals considerable variations between EU member states (see Figure 1). In nine member states, namely Romania (23.6 %), Bulgaria (23.4 %), Lithuania (22.9 %), Latvia (22.1 %), Spain (21.6 %), Estonia (21.0 %), Italy (20.3 %), Greece (20.2 %) and Croatia (20.0 %), a fifth or more of the population was considered to be at risk of poverty; this was also the case in Serbia (20.0%), 25.7%) and in Northern Macedonia and Turkey (both with 22.2%). Among EU member states, the lowest percentages of people at risk of poverty were recorded in the Czech Republic (9.1%) and Finland (11.5 %), while Iceland (8.8 % – 2016 data) reported an even lower rate of population at risk of poverty.

The risk of poverty threshold (also shown in Figure 1) is set at 60% of the median disposable income per adult-national equivalent. For the purpose of spatial comparisons, it is often expressed in purchasing power standards (PPS), so as to take into account differences between countries in terms of cost of living. Income values for this threshold varied significantly in 2017 between EU member states from SPC 3 182 in Romania to SPC 14 006 in Austria, with the value of the threshold in Luxembourg (SPC 17 604) clearly exceeding the upper limit of this range. The poverty line was also relatively low in Serbia (SPC 3 087), Northern Macedonia (SPC 3 179) and Turkey (SPC 3 987) and relatively high in Iceland (SPC 13 316 – 2016 data), Norway (SPC 15 740) and Switzerland (SPC 16 225).

6. Conclusions

In order to prevent and combat social exclusion, equal opportunities must be made a reality for all people throughout their lives. The result of the action of any individual is determined by two types of factors: circumstances, given all external conditions over which a person does not have control, and effort, which includes all factors under the control of the person and in his sphere of responsibility. Any inequalities resulting from the effort made are ethically acceptable, while inequalities caused by circumstances are not acceptable and must be eradicated. In addition, inequality of opportunity leads to waste of productive potential and inefficient allocation of resources, thereby undermining economic

efficiency. Ensuring that all people have equal opportunities to develop their potential throughout their lives is therefore essential, both morally and economically.

Identifying the specific needs of poor and vulnerable groups is a key element in implementing effective social inclusion policies. Due to the fact that vulnerable groups face specific problems for which general policies may not provide real solutions, public policies need to implement integrated and personalised services to enhance their social and economic participation (in particular with the help of public welfare services and community workers).

References:

1. Andersen, J., Bruto da Costa, A., Chigot, C., Duffy, K., Mancho, S. and Mernagh, M., 1994. The contribution of Poverty 3 to the understanding of poverty, exclusion and integration in Poverty 3: *The Lessons of the Poverty 3 Programme*, European Economic Interest Group, Animation and Research, Lille.
2. Atkinson, R. and Davoudi, S., 2000. The concept of social exclusion in the European Union: Context, development and possibilities. *Journal of Common Market Studies*, 38(3), pp.427-448.
3. Bhalla, A. and Lapeyre, F., 1997. Social Exclusion: Towards an Analytical and Operational Framework. *Development and Change*, 28(3), pp. 413-433.
4. Conroy, P., 1994. *Evaluation of the achievements of Poverty 3: synthesis*, in Poverty 3: The Lessons of the Poverty 3 Programme. Lille: European Economic Interest Group, Animation and Research.
5. Democratic Dialogue, 1995. *Special Reports: Report 2 – Social Exclusion. Social Inclusion*. (June 1 2001). [online] Available at: <<http://www.dem-dial.demon.co.uk/index.htm>>.
6. Eurostat, 2020. *Data explorer (ilc_li01)*. [online] Available at: <http://appsso.eurostat.ec.europa.eu/nui/show.do?lang=en&dataset=ilc_li01>.
7. Eurostat, 2020. *Data explorer (ilc_li02)*. [online] Available at: <http://appsso.eurostat.ec.europa.eu/nui/show.do?lang=en&dataset=ilc_li02>.
8. Eurostat, 2020. *Youth partnership, Social inclusion*. [online] Available at: <<https://pjp-eu.coe.int/en/web/youth-partnership/social-inclusion>>.
9. Peace, R., 1999. *Surface Tension: Place/Poverty/Policy – from “Poverty” to Social Exclusion: Implications of Discursive Shifts in European Union Poverty Policy 1975-1999*, unpublished PhD thesis. Hamilton: University of Waikato.
10. Rheem Al-Adhami, 2011. *The Significance of Social Inclusion for Development*. News and Views. 3 May. Geneva: United Nations Research Institute for Social Development (UNRISD). Available at: <<http://www.unrisd.org/80256B3C005BE6B5/%28httpNews%29/777A23064D897C88C125788500507772>> [Accessed 30 August 2020].
11. Roemer, J., 2014. Economic Development as Opportunity Equalization. *World Bank Economic Review*, 28(2), pp. 189-209.
12. Roemer, J., 1993. A Pragmatic Theory of Responsibility for the Egalitarian Planner. *Philosophy & Public Affairs*, 22, pp. 146-166
13. Roser, M. and Ortiz-Ospina, E., 2013. *Global Extreme Poverty*. [online] Available at: <<https://ourworldindata.org/extreme-poverty#citation>>.

14. Silver, H., 1995. *Reconceptualizing social disadvantage: three paradigms of social exclusion*. In G. Rodgers, C. Gore and J.B. Figueiredo (eds.), *Social Exclusion*.
15. Silver, H., 1994. Social exclusion and social solidarity: Three paradigms. *International Labour Review*, 133(5/6), pp. 531-578.
16. Social Exclusion Unit, 1999. *Opportunity for All: Tackling Poverty and Social Exclusion*, summary of the UK Labour Government's First Report on Tackling Poverty and Social Exclusion, September 1999, CM 4445, the Stationery Office, London.
17. United Nations Development Programme, 2019. *The 2019 Global Multidimensional Poverty Index (MPI)*. [online] Available at: <<http://hdr.undp.org/en/2019-MPI>>.
18. Zamfir, E. and Zamfir, C., 1995. *Politici sociale, România în context european*. București.