Adverse incorporation, social exclusion
and chronic poverty

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Abstract

There are a number of compelling reasons to focus on the ways in which the processes and relations of adverse incorporation and social exclusion (AISE) underpin chronic poverty. In particular, AISE research draws attention to the *causal processes* that lead poverty to persist, and to the politics and political economy of these processes and associated relationships over time. Specific dimensions of AISE are explored in relation to chronic poverty – namely political, economic, socio-cultural and spatial – and are found to relate closely to long-term historical processes, particularly concerning the nature and forms of capitalism, different stages and types of state formation, and institutionalised patterns of social norms and attitudes. However, it is also stressed that much of the promise of AISE research lies in its capacity to cross analytical boundaries and capture the multi-dimensional and interlocking character of long-term deprivation. This analysis suggests a number of fruitful areas for research, most of which are currently under-explored in poverty research. In methodological terms, there are benefits to adopting integrated qualitative-quantitative approaches when investigating AISE, although it is argued that (a) the relational nature of AISE and the limitations of quantitative data may dictate that qualitative work should take priority here and (b) that more historical and theoretically oriented forms of research are particularly appropriate in studying AISE. To think about challenging AISE involves shifting the frame from policy to politics and from specific anti-poverty interventions to longer-term development strategies, particularly in terms of industrialisation and labour market restructuring, moves towards developmental states and supporting shifts from clientelism to citizenship. However, a range of more immediate development policy interventions may also be able to make headway in challenging the forms of AISE that perpetuate poverty.

Acknowledgements

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1.   Introduction

> "In many respects, the rhetorical battle to acknowledge that certain groups are consistently and persistently excluded from the development process has been won, but the war to bring a greater sense of conceptual and empirical rigour to these debates is far from over" (Woolcock, 2005: 112).

The contemporary study of poverty has notably failed to address the underlying causal processes that produce and reproduce poverty over time, preferring instead to focus on its correlates and characteristics. Green and Hulme (2005) argue that the notion of chronic poverty offers a "methodological probe" through which to explore the causal and structural dimensions of poverty – most notably through the insistence that persistent poverty must in some ways be rooted in social and political norms and institutions. We argue here for a closer interrogation of the linkages between the *state* of chronic poverty on the one hand and, on the other, the *processes* of adverse incorporation and/or social exclusion that trap people in poverty. These concepts, we propose, can significantly advance current understandings of chronic poverty because they insist that we take issues of causality seriously, and relate these directly to social structures, relations and processes. In particular, they force us to examine the multi-dimensional, political and historical nature of 'poverty that stays'.

This promise has yet to be full realised, not least because the concepts of adverse incorporation and social exclusion (AISE for brevity's sake) are themselves deeply contested and have to some extent emerged in critical dialogue with each other. Indeed, some observers argue that the notion of adverse incorporation is better suited to helping analysts grasp the relational aspects of deprivation rather than the arguably more 'residualist' notion of social exclusion. Others argue that the term social exclusion cannot be simply exported and applied to 'developing' countries. We explore these critical challenges and seek to offer a way forward that retains the productive tensions in debates about these key concepts.

Below, Section Two introduces the key concepts in greater depth, while Section Three maps out the linkages between specific dimensions of AISE and chronic poverty, and suggests fruitful research paths for each dimension. Section Four discusses the different methodological approaches that have been taken to researching AISE, and proposes in particular the case for in-depth qualitative and historical-sociological research. Section Five makes some broad propositions regarding the policy implications of challenging the forms of AISE that generate and perpetuate poverty.

2.   Social exclusion, adverse incorporation and chronic poverty: clearing the conceptual ground

Research on social exclusion and adverse incorporation is heterogeneous and proceeds from diverse - and sometimes divergent - underlying explanatory paradigms. Indeed 'social exclusion' is an essentially contested concept, and the notion of 'adverse incorporation' has in fact come into use partly as a competing attempt to rename or re-frame phenomena elsewhere described in terms of social exclusion. The term adverse incorporation is thus explicitly used to 'clear away' some of the conceptual and ideological baggage that the term social exclusion is argued to have accumulated along the way, and to make space for a more explicit focus on power relations, history, social dynamics, and political economy. At the same time it still retains some important shared assumptions with the concept of social exclusion and often focuses on very similar phenomena. This section outlines the historical provenance of each concept, their potential and actual contributions to chronic poverty analysis, and the critical challenges that each faces. It concludes with an attempt to map out a coherent relationship between the concepts adverse incorporation and social exclusion (AISE).

2.1   Social exclusion: origins, potential and critical problems

The notion of social exclusion was developed in industrialised countries (most notably France in the 1970s) to describe the processes of marginalisation and deprivation which can arise where processes of economic and social transformation render 'traditional' systems of welfare and social protection inadequate or obsolete. It has been defined as "the process through which individuals or groups are wholly or partially excluded from the society in which they live".[1] Social exclusion is not coterminous with poverty (e.g. it is possible to be 'excluded' without being poor), but many poor people are 'excluded'; and fastening attention on exclusion allows a broader view of deprivation and disadvantage than is allowed by a consideration of 'poverty' narrowly conceived. With reference to other poverty debates, the concept of social exclusion has been linked to notions of 'relative poverty', Amartya Sen's work on 'entitlements' and the 'vulnerability' approach forwarded by Robert Chambers (de Haan, 1998: 14-15).

A key claim for the use of the concept of social exclusion within development studies is that it offers a means of grounding "the understanding of deprivation firmly in traditions of social science analyses" (de Haan, 1999: 1). For example, Silver (1994) traces the diverse lineage of the concept back to the founders of Western social theory, particularly Weber, Marx and Durkheim (e.g. Weber's notion of 'closure' helps explain the different ways in which social groups monopolise both power and resources; see Jordan, 1996). As such, the concept offers researchers a means of reconnecting development studies with one of its original purposes: the project of understanding 'development' as a historical process' by exploring the character of the changing patterns of modernity and the forms of social change associated with it (Bernstein 2005). It is in this connection that we find much of its potential for chronic poverty research.

'Social exclusion' has the potential to enrich development and poverty studies in five important ways. Firstly, it can help contextualise poverty in social systems and structures. The social exclusion approach insists that poverty should be understood as a social phenomenon – rather than as something that can be attacked (as much mainstream poverty analysis and policy-making assumes) without considering the social bases of economic activity.

Secondly, it contains an important focus on causality. As Ruggeri-Laderchi *et al.* (2003) point out, this is what sets it apart from other perspectives on poverty such as the monetary, capability and participatory approaches. One of the key challenges facing the research of chronic poverty is the need to move beyond accounts that merely look, myopically, at the characteristics of individuals or 'households' and then seek to concoct 'explanatory' accounts based on the correlation of variables. Such accounts very often fail to go far beyond stating the obvious (for example that chronic poverty is highly correlated with multiple deprivation; most often is experienced by those with little human capital; is often strongly linked to the depth of poverty; or is often associated with life course events such as divorce or widowhood) and fail to consider the underlying contextual factors that explain why some experience these conditions and vulnerabilities while others do not.

Thirdly, the social exclusion approach also involves a clear awareness of the multi-dimensionality of deprivation (de Haan, 1999, Ruggeri-Laderchi *et al*., 2003). As Hulme and Shepherd (2003) have pointed out this multidimensionality is a central aspect of chronic poverty. Moreover, this propensity towards multi-dimensionality goes (methodologically) deeper than elsewhere within poverty analysis, and goes beyond the usual 'income plus human development' approach to straddle the more significant divides in social reality and social analysis, namely that between 'culture' and 'political economy' (Kabeer, 2000). In particular, it can draw our attention to what Nancy Fraser terms 'bivalent categories', whereby problems of cultural recognition (or rejection) become entwined with resource-

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[1] European Foundation for the Improvement of Living and Working Conditions, 1995, quoted in de Haan and Maxwell, 1998: 2.

deprivation to produce particularly intractable forms of poverty. The social exclusion approach thus offers an analytical framework that can bring together a series of meso-level concepts – such as class, ethnicity, and gender – in ways that make explicit the linkages between them in relation to persistent forms of poverty.

The fourth element of synergy between the social exclusion approach and the investigation of chronic poverty, we and others argue, is the focus on politics (Bhalla and Lapeyere, 1997, also Tilly, 2006). The first phase of chronic poverty research identified the central role played by politics both in the production of chronic poverty and in attempts to reduce it (e.g. CPRC, 2004, Hickey and Bracking, 2005). AISE-related approaches are well-suited to analysing this. 'Political' aspects of exclusion include the denial of political rights such as political participation and the right to organise, and also of personal security, the rule of law, freedom of expression and equality of opportunity (Bhalla and Lapeyere, 1997: 420). Here, the analysis of social exclusion (and adverse incorporation) can be particularly helpful in uncovering the links between people's exclusion from political communities – e.g. a lack of citizenship status – and their poverty.

Finally, AISE approaches highlight the importance of politics and history – which nicely complements the durational focus of chronic poverty research. For Silver, "The action of exclusion becomes structural when it is repeatedly confirmed through social relations and practices" (Silver, 1994: 545); AISE research thus explicitly seeks to historicise poverty analysis, echoing calls for this to happen more broadly. As discussed in Section 5, this focus encourages us to think about policy in terms of strategies and longer-term trajectories, and can also act as a guard against certain problematic and simplistic leaps from analysis to policy advice.

Nonetheless, the concept of social exclusion has been strongly criticised on a number of grounds, in ways that have delayed its acceptance within the field of development studies. Some have critiqued the "implicit dualisms and issues of plurality, notions of actors and processes of exclusion, and the treatment of agency" (Jackson, 1999) within the social exclusion approach, while du Toit (2004a) questions the 'air of self evidence' that social exclusion discourse often carries with it, and argues that this hides often problematic underlying assumptions. Here we focus on the most serious charges, and suggest ways in which social exclusion research may ameliorate (if not always fully resolve) these problems.

The first problem concerns the underlying moral meta-narrative that shapes much social exclusion research, and which tends both to assume the goodness of inclusion and to proceed in terms of implicit normative assumptions about how social life should be organised. This often ignores the ways in which the terms of *inclusion* can be problematic, disempowering or inequitable. In this paper, we seek to deal with this critique through our focus on adverse incorporation. The second, and related concern here is that the social exclusion approach lacks an inherent focus on agency, something stressed within other approaches such as livelihoods analysis (Francis, 2006), and thus risks portraying the excluded as helpless victims. Our response to this challenge is twofold. One the one hand, we seek to draw attention to the ways in which marginal groups may develop progressive forms of political agency from spaces at the margins. On the other, we stress the importance of the challenge that this 'structuralist' tendency of social exclusion research makes to expectations that the poorest people will somehow be able to pull themselves by their own bootstraps (a voluntarist notion surely questioned by the very notion of *chronic* poverty).

Third, the most persistent critique concerns the uncritical exportation of 'social exclusion talk' from policy debates in industrialised countries to debates around poverty in 'developing' countries (e.g. du Toit, 2004a). In particular questions have been raised as to whether a term coined to describe the exclusion of minority groups from the mainstream of civic life can be used to describe contexts where poverty *is* the mainstream, and where it ensures the denial of the social rights of citizenship to the *majority* of people. There are further concerns regarding what 'exclusion' might *mean* in different cultural contexts. So far, the best

argument against this charge has been to argue that social exclusion research essentially focuses on the *causal processes* leading to deprivation, thus rendering the concept legible in any context (Ruggeri-Laderchi *et al*., 2003).

2.2 Adverse incorporation: origins, potential and critical problems

Some critics of the social exclusion discourse have argued that "differential (or adverse) incorporation into the state, market or civil society is perhaps more appropriate than the now conventionally predominant idea of 'social exclusion'" when investigating chronic poverty (Murray, 2001: 5; also Bracking, 2003, du Toit, 2004b). The concept of adverse incorporation, it is argued, captures the ways in which localised livelihood strategies are enabled and constrained by economic, social and political relations over both time and space, in that they operate over lengthy periods and within cycles, and at multiple spatial levels, from local to global. These relations are driven by inequalities of power.

Geof Wood offers one important understanding of adverse incorporation:

> "In contexts of highly imperfect markets, corrupt state practices, and patriarchal norms, poor people (especially women and children) face a problematic search for security in income flows and stable access to stocks and services. They are obliged to manage this vulnerability through investing in and maintaining forms of social capital which produce desirable short-term, immediate outcomes and **practical** needs while postponing and putting at permanent risk more desirable forms of social capital which offer the **strategic** prospect of supporting needs and maintaining rights in the longer term" (Wood, 2000: 18-9).[2]

One might question Wood's notion that the poor necessarily have such 'more desirable' options available to them in the first place, as well as the idea that these adverse relationships involve such simple and instrumental trade-offs between long-term well-being and short-term security. Such relationships of dependency may have much more ambiguous consequences – and they may be 'Hobson's choices' rather than the 'Faustian bargains' Wood imagines. But a key contribution of this analysis is that adverse incorporation is here proposed as a multi-dimensional concept that refers to particular forms of interaction involving the state, market, community and household. It draws explicit attention to the terms of inclusion in these institutional forms and thus to the relations that keep people poor over time.

These approaches to adverse incorporation place a shared emphasis on structure *and* agency, and their inter-relations. For Wood, agency is a central factor in both the reduction and reproduction of chronic poverty, particularly in terms of short-term livelihood strategies that lead to the creation of 'negative' social capital. His work is also an attempt to draw on and revitalise important strands of poverty research that have been sidelined in recent debates. Thus, it can be seen to build on earlier political economy research that emphasised the relational aspects of poverty (e.g. Bernstein *et al.*, 1992). Another important marginalised tradition is constituted by gendered forms of analysis, such as the 'gender and development' approach, which drew on a branch of feminist structuralism concerned with 'capital accumulation and the social relations of gender' (Kabeer, 1994). Also of particular relevance to chronic poverty research with its focus on duration, is work that explicitly locates the changing social relations that drive development within a temporal frame, following trajectories over time. This includes work by Murray (1987), who utilises a concept of 'the developmental cycle' within a broader class analysis to explain broad temporal processes of 'impoverishment' in Southern Africa.

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[2] It is important to note here that adverse incorporation can also occur in the context of more perfect markets.

The analysis of adverse incorporation thus attempts to draw on the strengths of this tradition of agrarian scholarship without lapsing into the same economistic and reductive tendencies (Harriss, 1994). Similarly du Toit (2004a, 2005a) has emphasised the importance of understanding the political economy of chronic poverty in the deciduous fruit industry in South Africa, while also emphasising the key role played by local history, politics, culture, gender and identity. Analysts of adverse incorporation also focus on structural and power relations other than those that shape economic and social class, and are as likely to draw on post-structuralist social theorists like Foucault (Bracking, 2003) and on actor network theory. Similarly, analyses of exploitative patron client relationships from an adverse incorporation perspective would not only consider the exploitative aspects of such relationships, but also examine the institutional arrangements and cultural frameworks that make it difficult for clients to leave (du Toit, 1993; Wood, 2003).

2.3   Residual and relational approaches to poverty analysis

The concepts of 'social exclusion' and 'adverse incorporation' stand in a complex relation to one another. The differing emphases and overlapping meanings of these terms needs to be understood in relation to the difference between 'residual' and 'relational' notions of poverty (Bernstein *et al.,* 1992: 24-5). The residual approach views poverty as a consequence of being left out of development processes, and contains the assumption that development brings growth and that what is required is to integrate people into markets. Relational approaches emphasise the extent to which 'development', growth and the workings of markets can also produce poverty. These approaches owe much conceptually to the structural approach identified above, and investigate the causes of poverty in terms of the social relations of production, and reproduction, of property and power, which characterise certain forms of development.

In this context, the social exclusion discourse has been criticised for emphasising the residual rather than relational aspects of poverty, and thus detaching poverty analysis from an understanding of how power relations within society underpin poverty. Some have argued that the concept of social exclusion is starting to displace that of *exploitation* in explanations of how people are impoverished, or "actively underdeveloped" in the wider political economy (Byrne, 1999: 44-59). From this focus on Weberian notions of 'closure' rather than Marxian notions of 'exploitation', it seems that the notion of exclusion is ill-equipped to deal with issues concerning the *terms of inclusion* or relations that do exist between people and various political, economic and social processes and structures (e.g. subordinate inclusion, domination).

In response, several proponents of social exclusion research claim that their approach explicitly embraces the relational *as well as* distributional/resource-focused aspects of poverty (Bhalla and Lapeyere, 1997, also Copestake (2007), de Haan, 1999, Kabeer, 2000). For example, Silver (1994: 543) invokes structural theory to argue that, "exclusion arises from the interplay of class, status and political power" in a way that benefits the included. From this perspective, "The excluded are therefore simultaneously outsiders and dominated" (*op cit.*). The notion of being simultaneously 'outsiders' and 'dominated' resonates with the condition of groups such as the lowest castes in India, who suffer from both economic disadvantage and forms of symbolic devaluation that are reproduced in everyday social practice (Kabeer, 2000: 8). It is argued, then, that not only can social exclusion account for both economic and socio-cultural processes of impoverishment, but also that it "adds concerns with social inequality to longstanding concerns with poverty" (Kabeer, 2000: 27). Here, Kabeer also eschews earlier feminist critiques of how social exclusion deals with issues of gender inequalities (Jackson, 1999), and analyses social exclusion as the product of institutional processes, group dynamics and social practices. Social exclusion is thus

produced through active socioeconomic processes rather than "anonymous processes of impoverishment and marginalization" (Kabeer, 2000: 3).[3]

Table 1: Framing adverse incorporation and social exclusion

Analytical approach ➔ Dimensions of comparison ⬇	Adverse incorporation	Overlap/shared characteristics	Social exclusion[4]
View on Poverty	Relational	Relational	Residual / relational
Key processes referred to	Exploitation, subordination	Abjection	Marginality, being 'left out'
Position on agency/structure	Agency and structure as entwined		Structure as more important, agency undertheorised
Key intellectual influences	Political economy research, Marx, dependency/uneven development, post-structuralism	Marx, Bourdieu, Tilly	Classic analyses of modernity; Weber, Durkheim, Marx, Rousseau
Exemplars in current poverty research	Bracking, Du Toit, Murray, Wood	Copestake, Ferguson, Figueroa, Kabeer, Silver	De Haan, Plagerson
Methodological approaches	Historical analysis; multi-levelled	Case-study (including sectoral) analyses	Qualitative and quantitative studies; integrated approaches; institutional analysis
'Policy' implications	Changes to structure and working of political economy and property regimes (e.g. global regulation of capital; asset redistribution)	Encourages contextualised and multi-sectoral approaches; involves a move from policy to politics; emphasis on transformative and strategic changes rather than ameliorative and technical responses	Public action; challenge divide between economic and social development; recognition and fulfilment of rights; equal access to public goods (e.g. anti-discrimination campaigns; inclusive forms of service delivery)

2.4   AISE research: towards a coherent position?

There is, then, significant potential for confusion here. 'Social exclusion' and 'Adverse incorporation' are often used in overlapping and competing ways. This is exacerbated by the fact that (a) in reality, even processes of cut-and-dried 'social exclusion' often simultaneously

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[3] Raymond Murphy develops this theme by mapping Marxist theories of social class and exploitation onto Weberian notions of closure "a general model for the analysis of all forms of domination" (Murphy, 1998: 48). Weber related the idea of closure to both status groups and classes in his argument that there can be monopolisation of both property advantages and forms of prestige.
[4] See Silver (1994: 540, Table 1) for a further breakdown of social exclusion into three paradigms, namely solidarity (republicanism), specialisation (liberalism) and monopoly (social democrat).

involve moments of inclusion and exclusion (e.g. citizenship is a form of inclusion or incorporation into the political community that is also intrinsically exclusive towards those defined as non-citizens) and (b) the terms share some of the same intellectual heritage (see Table 1). In the intellectual history of AISE discourse, the terms are used as synonyms almost as readily as they are used contrastively. Can some measure of order be brought to this diversity? Tentatively, we propose two main modalities through which the operationalisation of these concepts can be 'managed'.

First, there will be a number of scenarios that might *equally* appropriately be described *both* in terms of the language of social exclusion *and* via the concept of adverse incorporation. For example, the gendered situation of many poor women could be described in terms of their 'social exclusion' through 'discrimination' – and, equally validly, in terms of their 'adverse incorporation' in exploitative household reproduction and labour relations. Sometimes these accounts may be synergistic (e.g. an analysis that links legal discrimination and exclusion to a description of adverse incorporation in the political economy of labour relations). In other cases, they might be used as part of competing explanatory accounts, as when the use of 'adverse incorporation' or 'social exclusion' signals that academics, policy-makers or practitioners with different underlying political alignments are mobilising their preferred approaches.

Secondly there may be phenomena that are arguably the preferred domain of *either* the analysis of social exclusion *or* of adverse incorporation. For example, the spatial incorporation of labour markets is hard to capture even slightly adequately in the language of social exclusion, while there are also groups of 'socially excluded' people who are not really adversely incorporated (e.g. elites or materially powerful and well off groups who are not experiencing exploitation, but who are nonetheless excluded from some areas of power or access).

The discourses of 'social exclusion' and of 'adverse incorporation' thus stand in a complex relation to one another. They overlap to a great extent in the phenomena on which they focus – but at the same time each has its own area of strength where its emphasis, conceptual frameworks and approaches offer a better 'grip' on the phenomena being described. They share many underlying intellectual concerns and draw on similar traditions in the intellectual history of ideas. – but at the same time these traditions are themselves internally contested, and they may be used to construct arguments that have significantly different underlying political agendas. Ultimately, however, it can be argued that more links these two concepts than sunders them. Both seek to draw attention very firmly to the causal processes that underpin poverty, and to embed these explanations within analyses of broader societal structures, particularly the state, market and civil society. And, importantly, both pay particular attention to the ways in which particular groups or individuals are linked to larger social totalities – 'societies', national or local communities, networks, markets, institutions and systems – that shape their economic and social lives. Both privilege the importance of understanding the insertion of poor people into larger relational wholes. It is this concern with the nature, limits, forms and terms of spatial and social *integration* that gives both 'social exclusion' and 'adverse incorporation' discourse their distinctive value and power, and which sets them apart from other approaches.

Overall, then, we argue that both concepts have considerable analytical value and can contribute in different ways to closer understandings of chronic poverty, and recognise that the most notable differences relate to issues of power and the extent to which poverty is understood in relational as opposed to residual terms. Importantly, both concepts also seek to play a similar role, in terms of offering a means of re-gaining insights into long-term problems of how contemporary forms of 'modernity' – including multiple and different processes of capitalist penetration and state formation – are unfolding unevenly in ways that are both generating and perpetuating poverty. It is on these grounds that we will seek to engage with research into the links between processes of AISE and chronic poverty.

2.5 AISE and other thematic approaches to chronic poverty

There are a number of complementarities between the concept(s) of AISE and other conceptual approaches used to understand chronic poverty – such as 'intergenerational transmission of poverty', 'vulnerability' and 'assets'. For example, while approaches to understanding the intergenerational transmission of poverty tend to focus on how poverty is reproduced at household level, the analysis of AISE helps to link these accounts more explicitly to the broader social, political and political-economy context. While vulnerability analysis does seek to engage with this broader context, its tendency to focus narrowly on sensitivity or resilience of livelihood systems in relation to 'shocks' and 'hazards' underplays the extent to which the broader structural relations that underpin these livelihoods can systematically *create* poverty and vulnerability in the first place. As Francis (2006: 2) points out, the poorest people are subject to a set of conditions to which they are *permanently* vulnerable. Geof Wood's influential article helps to further locate the relationship between different conceptual approaches to persistent poverty. Here Wood (2003: 457) argues that "inequality, class, exploitation, concentrations of unaccountable power and social exclusion" are key factors *behind* the vulnerabilities and risks faced by the poor – that is, processes associated with AISE are key drivers behind the conditions that perpetuate chronic poverty.

Nor can chronic poverty be explained *only* in terms of a 'lack of assets.' Rather, it is important to understand the links between low asset-holdings (and returns to those assets) in terms of relations of AISE. For Saavedra *et al.* (2002) social exclusion mechanisms related to ethnic and racial differences have effects on the access and accumulation of different public and private assets. Moreover, exclusion also affects the returns to some of those assets in the labour market, with crucial implications for poverty and well-being. As argued in the recent WDR on *Equity and Development*, lower status social groups can often only expect to gain half of the returns for the same level of assets as higher status social groups (World Bank, 2006). The links between the analysis of AISE and asset-based work can be forged in both directions: on the one hand, Copestake (2007) notes that "inventories of resource endowments are only as useful as the analysis of the exclusionary and inclusionary processes arising from their use", suggesting that the enumeration of assets most usefully precedes AISE research. Alternatively, Piachaud's (2002: 18) discussion of a capital-asset approach to understanding poverty notes that any investigation into how each form of capital comes to be distributed as it is "involves history, politics and power relationships" – all themes that are central to thinking on AISE. Finally, and given that "Any form of exclusion necessarily entails inequality" (Silver, 1994: 565), there are potential synergies with research on inequality.

Clearly, then, there are a number of ways in which AISE research promises to add value to research into chronic poverty, often in creative dialogue with other conceptual approaches, and perhaps most profitably by providing powerful explanatory accounts that focus on the broader social and economic context of the 'households' and 'individuals' that are usually the focus of the study of chronic poverty. Above all it offers a critical focus on *relations* rather than *resources*, thus broadening the insights that chronic poverty research can bring to bear on wider poverty debates.

3. What are the key ways in which AISE is linked to chronic poverty? A multidimensional approach.

This section adapts Kabeer's (2000) framework in mapping out the more detailed linkages that seem to exist between AISE and chronic poverty in relation to particular institutional arenas (namely the state, market and civil society) by looking at the political, economic and social, and also the spatial dimensions of AISE – and briefly outlines key areas for further investigation in each area. It closes with a reminder that much AISE research will necessarily be multi-dimensional, and cut across these (rarely discrete) dimensions.

3.1 Political dimensions of AISE and chronic poverty

3.1.1 Introduction: of citizens and clients

As stated above, the concepts of adverse incorporation and social exclusion both draw explicit attention to the role of political factors in the reproduction and reduction of poverty. Here we mobilise the historical and political insights offered by the AISE approach to challenge the emerging consensus concerning the role that politics can play in reducing poverty, either through top-down processes of state reform or through more bottom-up approaches to empowerment. Here we focus specifically on *political* processes of incorporation and exclusion – often discussed in terms of citizenship and clientelism. In mainstream development thinking, patron-client forms of politics have increasingly been identified as the key obstacle to the forms of political development, good governance and democratisation associated with development. Set against this, citizenship is held to constitute an inherently progressive form of political status, associated with the rule of law, secure property rights, democratisation and empowerment (e.g. DFID, 2004, Eyben and Ladbury, 2006). This resonates with a tendency within social exclusion research to posit something of a simplistic relationship between social exclusion and citizenship, such that "…exclusion is combated through citizenship, and the extension of equal membership and full participation in the community to outsiders" (Silver, 1994: 543).

We argue here that the tendency to situate these two political forms as somehow automatically counterposed - and the associated tendency to view the move from clientelism to citizenship ahistorically and teleologically - is problematic and obscures many of the links between political dimensions of AISE and chronic poverty. In particular, we argue that (a) citizenship can also involve important exclusionary dimensions; (b) and that (conversely) there may be elements of clientelism that have much to offer the poorest people, at least in the short-medium term; (c) that clientelism and citizenship need to be understood as closely inter-related forms of political subjectivity rather than binary opposites; and (d) that both need to be understood in relation to wider political processes of political representation and competition, state formation and modes of governmentality, rather than in terms of the more normative and abstract notions of 'good governance' and democracy. Moreover, our focus on chronic poverty leads us to explore the possibility that, in cases of the extremely destitute and chronically poor, neither political form may be of significant importance.

3.1.2 Citizenship and clientelism: exploring the links

The basis on which the state in developing countries has sought to incorporate its citizens varies over time and place. As Gore (1994) notes of the early years of independence in Africa, "a key problematic was the extent and nature of political integration, which was said, in the language of the time, to involve a transition in which 'backward' tribal identities became less politically salient and 'modern' national identities became more salient". This attempt to create 'national citizens' in the post-colonial era has rarely been considered a success, with some observers referring to 'states without citizens' (Ayoade, 1988). Others preferred to draw attention to the ways in which dominant forms of citizenship inherently excluded certain social groups, particularly women and migrants (Gaidzanwa, 1993, also Isin and Wood 1999), but also along urban-rural lines, with those in rural areas remaining as 'subjects' rather than 'citizens' (Mamdani, 1996).

Alternative perspectives argued that political incorporation was maintained throughout this period, whereby even the 'little-men' could remain politically engaged, as through the sub-organisations of the single-party, political protest or patron-client networks (Bayart, 1993: 249-52). [5] In terms of the national assault on ethnic difference, it has also become

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[5] Naomi Chazan states that "Participation was not nullified in these countries; its influence was, however, carefully modified through the presence of social and ethnic cleavages, the amplification of

increasingly untenable to view processes of nation-building and 'tribalism' as somehow separate or even necessarily contradictory processes. Rather than being inimical to notions of citizenship, ethnicity provided the basis for state formation in Africa, with the colonial state explicitly formed on the basis of ethno-territorial communities (Mamdani, 1996). Ethno-territorial forms of belonging have thus come to form the basis of both inclusion and exclusion in the contemporary African state, in ways that have shaped access to critical resources such as land and been closely linked to civil conflict (e.g. DRC, Cote d'Ivoire), and resulting processes of chronic impoverishment.

These broad issues of citizenship and clientelism can be usefully explored through examining the particular forms of political participation and representation available to citizens in developing countries. Moreover, the different ways in which people are represented – or incorporated into broader political forms of organisation, institution and discourse – relates closely to the persistence of poverty. In particular, Cleaver (2005) has argued that the chronically poor generally lack the capacity to represent themselves in available socio-political organisations, while Wood (2003) outlines the Faustian bargain whereby the poorest groups trade away their agency in return for security. Gore (1994) similarly identifies exclusion from political forms of organisation and representation as a key dimension of social exclusion in sub-Saharan Africa, and focuses on forms of incorporation in clientelist systems. Here, "exclusion from representation is seen in terms of lack of access to the economic advantages that pertain to government offices and a major axis of organisation involves the formation of clientalistic networks and factions" (Gore, 1994). Clientelism thus acts as a form of closure, whereby political elites secure the resources required to fuel the patronage system and maintain power.

Importantly, the politics of representation in sub-Saharan Africa is shaped by historical and structural (political economy) factors. Most notably, political mobilisation has tended not to emerge horizontally, e.g. by class, but vertically, via clientelist networks (Khan, 2005a, Szeftel, 2000). According to Khan (2005a: 718-9), the intermediary classes that have been able to act as political entrepreneurs in poor countries rarely share common ground, and find it far more affordable (and less politically risky) to forge alliances with faction members lower than themselves in terms of social and economic status. Political competition thus tends to be organised vertically, in pyramidal form.[6]

Problems of participation and representation have proved particularly intractable for certain social groups, such as, for example, women (Goetz and Hassim, 2003, Geisler, 2000, Tripp, 2001, Hirschmann, 1991), pastoralists (Azarya, 1996), children, the elderly and disabled groups (Elwan, 1999). Given the tendency for there to be a disproportionately high number of females amongst 'the chronically poor', the ways in which women can gain representation is of particular importance. Here, it is notable that despite impressive gains in many respects – such as fixed quota seats in India and Uganda, parliamentary representation and specific women-focused budget initiatives such as in South Africa – there have been persistent difficulties in translating this inclusion into *influence* (Goetz and Hassim, 2003). The incorporation of social movements into the formal structures of political society – as with the women's movements in South Africa and Uganda – has tended to lead to a dissipation of social energy behind the cause of gender equality (Geisler 2000), and/or the deadening effects of patronage, whereby women's representatives feel unable to challenge those who have 'given' them their foothold in power (Goetz and Hassim, 2003). Nonetheless, it has been proposed that there remains a progressive quality to some women's movements which may lead them to play a significant role in challenging the basis of neopatrimonial forms of

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clientage, and the concomitant limitation of direct access to state resources" (Chazan, 1993: 84), thus shifting the debate onto the quality rather than the quantity of participation.

[6] Importantly, patron-client politics are by no means a cultural phenomenon – politics in *all* developing countries tends to be organised in this way, for fairly rational reasons concerning the structure of incentives facing political entrepreneurs and 'citizens' alike (Khan, 2005, e.g. see Skopcol on patronage politics in the US).

rule in Africa, as well as in ensuring the representation of particular interest groups (Tripp, 2000).

This suggests the need to rethink current understandings concerning the political character of, and relationships between, citizenship and clientelism. Three aspects are picked out here as being particularly important: the links between the two political forms; the role of exclusion within and around ostensibly inclusive processes of citizenship formation; and the potentially progressive role of clientelism with regards the poorest groups. Firstly, it seems increasingly clear that a more complex relationship exists between neopatrimonial politics and citizenship than is reflected in the current tendency to view them as opposing, contradictory and even mutually exclusive political forms. In particular, neopatrimonialism not only influences the level and character of citizenship formation, but is actually a direct result of the particular trajectory of citizenship in many African polities. Here, neopatrimonial politics emerges not simply from a lack of citizenship status, but the way in which citizenship itself is formed, as between two different spheres, namely the 'civic' and the 'ethnic' (Ekeh, 1975, Ndegwa, 1997), and across urban and rural arenas, whereby citizenship rights can be claimed in 'modern', urban civil society, while those in rural areas remain 'subject' to traditional authority (Mamdani, 1996). A further divide has (re)emerged more recently in debates between 'natives' and 'settlers', particularly in relation to (sometimes violent) contests over 'belonging'. Although these boundaries of citizenship are more heuristic than real, and form hybrid rather than binary relationships with each other (Eyoh, 1999), it has still been necessary in postcolonial Africa to devise a means of translating the rights and obligations of citizenship between the communal and the national, and of managing the 'structural inequality' of citizenship (Waters, 1989) between urban citizens and rural subjects.

It is argued here that neopatrimonial politics emerged as the means by which these differing types and levels of citizenship were traversed. For example, the pressure on those with access to the state to redistribute public goods to their particular subnational constituency is expressed through the idiom of the obligations of ethnic citizenship, and structures according to the neopatrimonial logic of using public goods for 'private' gain and securing a client base (Medard, 1996). This is most often in the form of public employment, but also in the distribution of public services, 'gifts' that are paid for in kind at election time. As noted by Mamdani (1996: 289), "civil society politics where the rural is governed through customary authority is necessarily patrimonial: urban politicians harness rural constituencies through patron-client relations".

This line of analysis suggests a need to rethink notions of how citizenship (and democracy) might emerge to replace clientelism (and neopatrimonial forms of politics) in efforts to establish more pro-poor forms of politics. In particular, neopatrimonial politics provides the means by which the state seeks to overcome the failure of the colonial and early postcolonial project to establish forms of statehood and citizenship that could transcend a series of dualities: national-ethnic; urban-rural, and native-stranger. For example, Partha Chatterjee reminds us that the trajectory of citizenship in post-colonial countries is fundamentally different to those in the West:

> "The story of citizenship in the modern West moves from the institution of civic rights in civil society to political rights in the fully developed nation-state. Only then does one enter the relatively recent phase where 'government from the social point of view' seems to take over. In countries of Asia and Africa, however, the chronological sequence is quite different. There the career of the modern state has been foreshortened. Technologies of governmentality often pre-date the nation-state, especially where there has been a long experience of European colonial rule" (Chatterjee, 2004: 36, from Corbridge, 2005: 21-2).

This line of thinking draws our attention to a significant aspect of political incorporation, referred to by Foucault through the notion of 'governmentality', and once again closely linked to issues of citizenship and clientelism. Here much can be learned from analyses that follow

Scott (1998) in paying careful attention at the social technologies of knowledge and representation through which states see, name and categorise their subjects (or citizens) in ways that may either assist with the reduction or the reproduction of poverty. This line of enquiry can further deepen recent research into the importance of how political elites perceive and construct discourses around the poor and the issue of poverty reduction, by linking it to actual technologies of governance, particularly concerning poverty reduction programmes.

For example, Corbridge *et al*. (2005) draw our attention to the ways in which poor people encounter the state on an everyday basis. Importantly, few people in the ex-colonial world approach figures in authority as individual citizens who are aware of their rights, as suggested by the language of 'civil society'. Ordinary people instead inhabit the worlds of political society, the arena within which the state creates and maintains different patterns of political rule that shape the scope for 'citizenship empowerment'.[7] It is here where poor people strike deals with those who mediate for them in exchanges with the state, and it is the identity and quality of the agency that mediates power in political society that is often the key to the livelihoods and sense of dignity of poorer people (Corbridge *et al*. (2005).

Such encounters can be tracked by studying the ways in which various anti-poverty and good governance interventions see and seek to govern the poor. Here, the links of poor people to government are *as* members of named populations (of tribals, slum-dwellers, drought-prone farmers) and *through* the mediating actions of a political boss – what in India would be called a *dada* (powerful political broker/big brother) (from Corbridge, 2005: 22). Such encounters differ between regions and forms of public good, and may contain elements of citizenship as well as patronage. For example, a widow collecting her pension at the post office or Block Development Office in eastern India will expect to be kept waiting in a queuing system that privileges rank over rights; be spoken to roughly by state officials; and may have to make a payment to get what should be hers by right. But she will also have legitimate expectations of the state. These do not extend to protection against male violence in the household, and may not extend to the right to work on government labour schemes, access to which would require relatives or brokers in political society. But on the pension she has a sense of her rights as a citizen, and she will sometimes express herself to a government official in terms of a language of rights or of civil society. She may also have gained some experience of participating in village open meetings within the framework of decentralised local governance (Panchayati Raj), and gained a sense of citizenship this way.

Such perspectives underline once again the complex ways in which the politics of clientelism and citizenship are entwined, even within the same political subjects. Moreover, it suggest that the prospects of the poor shifting their status from clients to citizens via their incorporation into political society will be shaped less by issues of 'democracy' and 'good governance' than by challenging particular forms of political rule and 'governmentality' – the practices and performances of power undertaken by those in positions of authority vis-à-vis poor and marginal groups.

The second issue to be examined here concerns the related issue of the subtle interactions between the political dimensions of exclusion and incorporation. Both processes infuse the character of both citizenship and clientelism. In the case of clientelism,

> "Clientalist systems are paradoxical with regard to their inclusionary/exclusionary nature. They integrate all the participants in the network of exchange relations. But this form of inclusion of lower status groups is founded upon, and reproduces, their exclusion" (Gore, 1994).

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[7] Following Partha Chatterjee, political society is defined here as a loose community of recognised political parties, local political brokers and councillors, public servants – the set of institutions, actors and cultural norms that provides the links between 'government' and 'the public', and which brokers deals between them as well as forming patterns of authority that hold these deals in place – where *politics* seeks to pacify the *political* and maintain order.

A different but similarly double-edged problematic characterises citizenship, the political form that most observers promote as the democratic successor to clientelism. Although citizenship is an inclusive category in many respects, dominant notions of citizenship necessarily involve the exclusion of other groups – not simply non-nationals, as in the case of migrants, but also 'internal others'. This tendency has been best explored in feminist research that has long argued that exclusion is an *integral* dimension of citizenship (e.g. Lister, 1997, Vogel, 1991).[8] In practice, dominant notions of citizenship have often served to exclude or subjugate to their authority those 'other' than the publicly active, property owning, white male – "particularly women, indigenous minorities, slaves, colonial subjects, the working classes" (Werbner and Yuval-Davis, 1999: 7). In exploring citizenship and clientelism, we must simultaneously examine these political forms of exclusion and incorporation, not simply as two sides of the same coin, but as processes that are entwined in complex and multiple ways.

The final point concerns the extent to which clientelism may not be quite the negative political form that liberal democratic theory tends to suggest. Rather it seems that clientelism may provide a more secure form of political engagement for the poorest people, at least in the short-term. Patron-client relations seem likely to provide a safety-net for some poor, and potentially some of the very poorest (Blair, 2005). At the national level, patronage in the form of election give-aways may offer significant benefits in terms of poverty reduction, including social protection. Scott has long emphasised the ways in which the 'weapons of the weak' often involve the manipulation of client - patron relationships 'from below' (Scott, 1985); and there is some evidence that the poor are sometimes able to mobilise clientelistic relations as a form of direct democracy (Benjamin, 2000). Although progressive in most respects, there is a danger that attacking clientelism and working towards citizenship may (if only temporarily) disadvantage the very poorest who are the least well-placed to claim their rights, who may prefer to operate at the margins and whose agency has historically been dependent on strategies aimed at securing intercession by those more powerful than they. For example, efforts by the state to intervene in local patterns of patrimonialism can create new and potentially less equitable and more exclusionary forms of 'closure' around such key assets as land (e.g. see Aker (2005) on DRC). Similarly, it has been argued that attempts to undermine racial farm paternalism through the entrenchment of tenure rights have not ensured the modernisation of the social relations of labour in South African agriculture; instead commercial agriculture has resorted to strategies of casualisation and externalisation that has cemented the exclusion of workers from residence on farms while being nominally in line with the law (Ewert and du Toit, 2005, du Toit, 2004b). On the other hand, the very poorest are also the ones least able to fulfil the reciprocal requirements of clientelistic relations, and may be destitute of such ties in any case (Cleaver, 2005).

3.1.3   State formation and chronic poverty[9]

The terms on which citizens and indeed regions are incorporated into the polity are closely related to historical process of state formation. There is both a politics and a political economy to processes of state formation (Bates, 2001, Poggi, 1990, Tilly, 1990), and recent research has begun to draw the links between these processes and the persistence of poverty. A critical aspect of state formation over time concerns the links between political elites and emergent capital, and the role that the state plays in seeking to regulate its pauperising effects (Harriss-White, 2005a). For example, Good (1999) gives a particularly

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[8] This insight is linked to the post-marxist notion that political and other forms of identity take shape almost by definition in relation to a 'constitutive' outside; inclusion in something matters in some sense precisely because and to the extent which there is also a possibility of being excluded, and creating community and identity necessarily happens in relation to an 'other' identity that is expelled or marginalised (Laclau and Mouffe, 1985, Laclau, 1990). For an example of such a discussion in relation to pastoralists in Africa, see Hickey (2007, forthcoming).

[9] The links between state formation and long-term poverty will be explored in greater depth in a forthcoming AISE/CPRC Working Paper.

vivid account of how the capture of the state in Botswana by a particular group of capitalists (diamond and cattle traders), and their subsequent dominance of the leading political party, led to the reproduction of poverty for particular social groups, namely the destitute and San hunter-gatherers. Elsewhere, processes of state formation have created poverty traps for entire peoples/regions, through different forms of state-building strategy over time (e.g. from mercantilist to militaristic strategies, Poggi, 1990). A prime example here is Northern Uganda, where the decision by the British colonial administration to maintain the north as a labour reserve, banning plantation development, effectively consigned the region to a subordination position in relation to the rest of the economy. During and after independence, people from the north were incorporated into the state through the military and security wings of the state, rather than as civil servants, and, having contributed the first two presidents, played little significant role in the allegedly all-inclusive National Resistance Movement that has been in power since 1986. Today, the conflict that developed from these conditions — and which has helped maintain and deepen the highest levels of chronic poverty in the country — is arguably being deliberately perpetuated by a regime pursing a particular hybrid form of militaristic/mercantilist state formation (Brett, 2005, Hickey, 2003). The links between state formation and violence are particularly significant, and have led to forms of political conflict that in turn have created and sustained poverty (Bates, 2001, 2005).

An example here is Bastian's (2000) analysis of Sri Lanka, where he links failures of state formation to processes of exclusion in three main ways: the lack of inclusive political institutions, the failure to create a sense of share national identity and also the failure of public policy to include certain groups. Here, the discrimination against Tamils within the education system helped sow the seeds for conflict and the onset of socio-economic deprivation in the North and East. This is not to suggest that all failures of service delivery in poor countries constitute active processes of exclusion. Obstacles to developing inclusive systems of social service delivery are immense to begin with. However, where the institutional capacity and fiscal resources exist, the problems are ones of political will and therefore constitute exclusion (Phongpaichit *et al*., 1996). Research in Latin America and the Caribbean reveal that exclusion from social services is predominantly on racial grounds (Rosengber *et al*., 2004). More broadly, a study of 14 countries in Asia, Africa and Latin America suggests that PRSPs tends to ignore the needs and rights of indigenous peoples and racial/ethnic minorities (Tomei, 2005).

This discussion of the key forms of political exclusion and incorporation – couched here in terms of citizenship and clientelism, and related issues of representation, political organisation, governmentality and processes of state formation – suggests a number of fruitful directions for research for the CPRC. These include studies into:

- The particular character of different forms of patron-client politics, and their links to both political empowerment/survival and economic productivity/livelihood security

- Different strategies and processes of state formation, and their links to adversely incorporated and chronically poor groups and regions (e.g. Northern Uganda).

- How poverty reduction (and good governance) programmes reveal how the state both sees and seeks to govern the chronic poor, and the extent to which they offer the means of empowerment to the poorest groups

- The conditions for effective forms of representation for the chronic poor.

3.2   Economic dimensions of AISE and chronic poverty

3.2.1   *Adverse incorporation, capitalism and chronic poverty*

Earlier, we noted the danger that overly simplified discourses of social exclusion could pass over or displace the importance of exploitation in explanations of chronic poverty. Liberal interpretations of social exclusion sometimes assume that the ways in which markets work

are in themselves in principle unproblematic, as if inequality and poverty are simply to be blamed on the 'distorting' effects of racial, cultural and other factors. Such accounts miss the ways in which the *normal* operations of markets and economic institutions can in themselves create or worsen poverty.

As explained in section 2.3 above, the notion of adverse incorporation has been proposed partly in order to correct this tendency. This said, 'adverse incorporation' is not simply a new, more ungainly way of saying 'exploitation'. As stated earlier both 'adverse incorporation' and 'social exclusion' are concerned with a very specific problematic: they focus attention on the relationship between, on the one hand particular impoverished or marginalised groups or individuals, and, on the other, the larger social systems, networks and totalities (societies, communities, markets, institutions and so on) that shape their social and economic lives. Both terms are therefore particularly useful for the analysis of social and power relations in the context of increasingly complex economic networks; of the implications of globalisation; of the development and restructuring of transnational commodity systems and networks; and of the changing internal structure of the economies of 'developing' societies.

AISE discourse can therefore provide a very useful lens through which to look at some of the perennial economic questions that exercise those studying chronic poverty: the relationship between chronic poverty and growth, for example; the continuities and discontinuities of present-day 'development' and the economic relations created by colonialism; both the potential and the risks posed by developments in international trade and 'globalisation', to name but a few. As such, adverse incorporation has the potential to raise again many of the key questions posed in earlier times by the proponents of 'dependency theory' and other approaches that critically re-examined the failed promises of modernisation and economic integration.

These questions have recently started re-emerging in the analysis of development policy and chronic poverty. Following Ferguson's (1999) study of the failures of modernity in the chronically poor Copperbelt region of Zambia, Bracking (2003: 6) notes that processes of adverse incorporation and 'abjection' - the throwing down of those offering their labour in no-longer productive sectors of the economy - occur *within* rather than outside capitalism. Similarly, Barbara Harriss-White has recently sought to re-instate capitalism as a central focus of enquiry in poverty analysis, reminding us that while capitalism clearly creates wealth for some, it is also constantly generating and perpetuating poverty for others, in a variety of ways (see Box 1).

Another important area in which these dynamics arise is that of employment in the 'informal' or 'real' economy, which constitutes the only viable option for a significant number of chronically poor people. Here, a key challenge is going beyond simplistic dualist models and grasping the close interactions between forms of inclusion and exclusion that can work together to create disempowerment. Quite often, discussions of economic marginalisation assume a simple opposition between inclusion and exclusion. An example is the way in which the recognition of the structural marginalisation of poor people in South Africa has involved the notion that there is a 'second economy' defined by its disconnection with the 'first economy' and that what is required is simply for poor people to be brought into closer integration (Mbeki, 2003, CDE for ComMark Trust, 2006). Some have pointed out that 'second economy' discourse in South Africa has sometimes been used to divert critical attention away from the power relations in the South African economy as a whole, blaming poverty on the inefficiencies or obstacles within a laggard 'third world' economy that is somehow conceived of as existing alongside but 'structurally disconnected' from the first (Frye, 2006). This ignores the ways in which poverty is perpetuated by fundamental aspects of the workings and structure of the mainstream economy. The spatial legacies of Apartheid often limit poor people's economic activities to townships and settlements far from the economic hub, while the lead firms and large corporations that dominate the economy can easily extract profits from poor communities and crowd out competition. Agricultural intensification and integration heighten profits and productivity for some, but squeeze many

off the land, accelerating the formation of urban and peri-urban slums. Processes of externalisation and casualisation have reconfigured workplaces and workspaces in ways that undermine the bargaining power of employees, which fragment and interrupt employment, and that heighten employment vulnerability (du Toit and Neves, 2007a). The processes of closure and monopoly are closely linked, and require careful attention both to social exclusion and the processes and dynamics of adverse incorporation.

Box 1: Eight ways in which capitalism creates and perpetuates poverty

1. The transition and institutional preconditions: e.g. the private enclosure of common pool resources, such as a multinational company evicting pastoralists from a site.

2. Small scale household forms of production: pauperised production in tiny firms, with little or no prospect of accumulation; closely associated with the 'informal economy'.

3. Capitalism and unemployment: the creation of 'waste people' through technological change and through the ways in which markets make adjustments to fluctuations.

4. The role of commodification: capitalism invades domestic work undertaken outside of the cash economy, uncommercialised services, the physical and emotional needs of the body, the non-market activity of the public sphere, and the non-market disposal of wealth – and turns it into commodities. This generates a culturally-defined standard of private consumption which some cannot meet.

5. The production of pauperising commodities and waste: e.g. weapons, alcohol and tobacco, all of which may damage and incapacitate human bodies, and also nuclear waste, pesticide residues etc.

6. Crisis and poverty: e.g. well known crises that pauperise various segments of society, creating new classes of poor people.

7. Environmental destruction and poverty: although capitalism could be based on renewable energy, in reality it is dependent on fossil fuel energy. Climate change disasters are multiplying and disproportionately affect the poor.

8. Capitalism's deserving and undeserving poor: the rejection of the old, dependent, pregnant or lactating – those unable to offer their disciplined labour to capital, sometimes cast as social enemies (e.g. the destitute).

From Harriss-White (2005a)

It is, of course, important to recognise that there are different forms of capitalism and different paths for economic growth, which unfold in different ways in different contexts.[10] But the particular forms of liberalisation promoted through structural adjustment reforms can be closely related to poverty-inducing effects in poor countries (Davis, 2006). Thus, financial account liberalisation has tended to encourage the speculative forms of capital rather than those forms of capital with vested interests in making investments productive areas of the economy. At one level, this has encouraged over three decades of successive under-investment in agriculture and agro-industrial processing. More broadly, it has offered a further obstacle to the formation of a (productive) national capitalist class in poor countries, with attendant problems for processes of state-formation (Eriksen, 2005, Khan, 2005a).

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[10] For example, see Peck (2004) on different forms of capitalism.

As such, Harriss-White's schema – although problematic in some respects – offers a series of dimensions along which to pursue research into the ways in which the poorest groups are either incorporated into and/or excluded from capitalism. We return to this below, following a more detailed discussion of one of her key dimensions.

3.2.2 Adverse incorporation into markets

There is a common assumption in contemporary development policy that 'allowing' markets to help poor people help themselves is essentially about strengthening market institutions, inviting corporations to provide goods and services cheaply and efficiently, building the capacity of the poor to participate in markets, and helping markets work effectively and efficiently (CDE for ComMark Trust, *2004:* 23-4). One problem with this approach is that it involves the fiction that modern day economies can be understood simply as markets, e.g. in terms of the mechanisms and rules that underpin the buying and selling of goods and services, without also looking carefully at how the functioning of these markets is powerfully determined by their location within complex and power laden institutional arrangements and commodity chains. In sub-Saharan Africa, for instance, being tightly connected to globalised agro-food markets has had ambiguous consequences. Changes in the way in which these larger commodity systems work has meant increased opportunities of value addition for some, while it has heightened the barriers to access for many more; and what has shaped these shifts above all is the extent to which markets have in fact been shaped by the increasing buyer-drivenness of agro-commodity value chains and the ability of Northern retailers to distribute value adding and profitable activities within the commodity chain in ways that suit them(Gibbon and Ponte, 2005). Going beyond a simple focus on access to markets as opportunities, and moving to a focus on the terms upon which people are incorporated and integrated into globalised markets can help policy-makers move the debate on how markets can work for the poor beyond simplistic sloganeering. This is not just an abstract academic point. Attention to the real power relations in value chains and commodity system is also at the centre of concrete proposals (e.g. through the development of Fair Trade systems) aimed at ensuring that primary producers do benefit (Raynolds and Murray, 1998).

Labour markets are a second way in which poor people are incorporated in the broader economy. Here, understanding adverse incorporation often requires looking at much more than the terms of exchange in the labour relationship, and paying attention to the historical processes whereby labour markets have been created (Polanyi, 2001/1944). In South Africa, for example, an impoverished African rural hinterland that supplied labour to the mines and factories was not simply the creation of employers' desire to buy labour and African workers' willingness to sell it cheaply; rather it was the result of the deliberate destruction of a black peasantry, their relegation through racist legislation to rural homelands, and the deliberate introduction of monetizing measures (e.g. hut taxes) aimed at pushing people to make themselves available as labour (Bundy, 1987; Beinart *et al.,* 1986). This has created a situation in which migrant livelihoods have been rendered simultaneously dependent on the formal economy, yet marginalised within it.

In seeking to explain such high (and persistent) levels of inequality, Adolfo Figueroa theorises what he terms the '*sigma*' society in historical terms, before analysing the exclusive characteristics of such societies. Here, the initial endowment of assets for a given society is taken to be the outcome of a historical shock (e.g. colonial incorporation into global capitalism). These assets - political, cultural and economic - are distributed unevenly, with unskilled labour systematically prevented from attaining enough assets to reproduce themselves at a viable rate (Copestake, 2007). This approach offers insights into the ways in which economic exclusion from all key markets – labour, capital and insurance – is closely related to political and cultural forms of exclusion.

AISE thus promises to cast important light on at least four different kinds of economic relations. Firstly and at the lowest level, it challenges researchers to look more closely at the lives of the 'working poor' and at the relationships that at exist at firm level between employers and employees. Secondly, it encourages researchers to consider also the broader structure of the economy; and to go beyond dualist explanations of the relations between 'formal' and 'informal', 'marginal' and mainstream (or, to use an earlier language, 'developed' and 'traditional') sectors. Thirdly, it can highlight the ways in which broader processes of restructuring – modernisation, urbanisation, monetisation and de-agrarianisation – shape the power relations that determine the terms upon which poor people compete or operate within the economy. And finally, AISE approaches can highlight the important role of *transnational* processes of integration – the ways in which 'developing' countries are inserted into the international trading system, and the power relations that are created through the restructuring of the international commodity chains through which, for example, producers in 'developing' countries are linked to the global centres of economic power.

Potential research paths here could include the exploration of:

- The health and financial security of the 'productive' poor (e.g. within Uganda's plantation sector);

- The pauperising effects capitalist penetration into the countryside (see South African cases);

- How the formation of categories of 'undeserving' poor relates to the particular demands of capital;

- Local labour regimes (in terms of available formal work, working conditions and remuneration);

- Links between asset (dis)accumulation and processes of adverse incorporation;

- Macro-economic trends regarding the forms of capital that are being empowered under current IFI-policy regimes, and the implications for industrialisation and the formation of capitalist classes in poor countries.

- The complex linkages between growth, distribution, and chronic poverty.

3.3 Socio-cultural dimensions of AISE and chronic poverty: discrimination and gender inequality

Social and cultural identity play very important roles in processes of social exclusion and adverse incorporation, as do the ways in which culturally embedded gender norms and roles work to marginalise women. The analysis of social exclusion and adverse incorporation can help to socially embed the analysis of racism and discrimination and show how social exclusion based on identity is linked not simply to 'prejudice' and 'attitudes' but to broader political and political economy processes.

3.3.1 Discrimination

> "Discrimination on the basis of gender, ethnicity, race, religion, or social status can lead to social exclusion and lock people into long-term poverty traps" (World Bank, 2000: 117).

De Haan (1999) suggests that discrimination constitutes a central dimension of social exclusion, and there is growing evidence of its links to long-term poverty in poor countries. In particular, Kabeer argues that social exclusion becomes particularly intractable where it relates to what Nancy Fraser terms 'bivalent categories'. Socio-cultural categories such as ethnicity or caste become entwined with forms of economic disadvantage in ways that are

particularly difficult to escape, as with lower caste groups in India. Copestake (2007) and Saavedra *et al*. (2002) also draw attention to the importance of 'bivalent' categories, noting that different racial backgrounds have important implications for socioeconomic outcomes. Selected examples here might include caste in India; race in South Africa; indigenous groups in Latin America; and lepers.

3.3.2   *The gendered character of AISE and chronic poverty*

The high proportion of women that suffer from chronic poverty constitutes the clearest and most significant example of how processes of adverse incorporation and social exclusion lead to chronic poverty, and the gendered character of such processes have been noted at different points during this paper (e.g. in relation to political representation, citizenship, and labour markets). However, questions remain concerning the extent to which the concept of social exclusion can adequately capture the multiple ways in which gender relations work to reproduce poverty for large numbers of women. Jackson (1999) is particularly concerned that "it is necessary for social exclusion to employ a concept of gendered subjects rather than that of an implicitly ungendered universal person", and that residualist readings of social exclusion may undermine the advances that the 'gender and development' approach made into the relational basis of poverty.

AISE research requires that we explore not only the relational basis of poverty, but also how such relations become *institutionalized* in ways that ensure their effects are reproduced over time. As noted by Green and Hulme (2005) women are not poor because they are women, but because of the particular construction of womanhood that exists in particular times and places, and which then comes to form the basis of institutional arrangements. Here they draw on examples of asset-stripping faced by widows, whereby social norms of patriarchy are legitimated and entrenched within legal mechanisms in ways that consign some widows into destitution. To this can be added the ways in which gender roles dictate that women – particularly young single female household heads and elderly women – bear the brunt of the costs and the shocks that flow out of the HIV/AIDS crisis in South Africa (du Toit and Neves, 2007b).

Potential research paths here include explorations of:

- The institutionalisation of discriminatory social norms into legal structures (e.g. women and land rights)

- The success of quota systems that seek to secure the representation of marginal groups in political institutions

- The success of different types of anti-discrimination policies, including constitutional recognition.

3.4   Spatial/geographical dimensions of AISE and chronic poverty

The analysis of adverse incorporation and social exclusion has a particular resonance with recent research into the ways in which persistent poverty (and inequality) is linked to systematic forms of *spatial* disadvantage, particularly the recent and growing focus on spatial poverty traps and 'lagging regions' (e.g. Kanbur and Venables, 2005). A focus on spatiality allows us to examine the significance of globalisation in (re)shaping processes of AISE, as when patterns of urban development and attendant forms of social exclusion are shaped by integration into national and global economies (Beall, 2002). Kanbur and Venables (2005) also found that spatial inequalities - both between rural and urban areas, and between geographically advantaged and disadvantaged regions - are increasing, "partly as a consequence of the uneven impact of trade openness and globalization". The pressures attendant upon globalisation can act to exacerbate local exclusionary dynamics.

A particularly important arena for understanding how spatial adverse incorporation underpins social exclusion and chronic poverty is the dynamics of migrant labour and migrant labour systems. Migration can be a viable strategy for some poor people to get out of poverty; but migrants who are unable to find a foothold in the formal economy are often among the most vulnerable and impoverished (De Swardt *et al.*, 2005, Mosse *et al.*, 2005).

However, a focus on adverse incorporation allows us to go beyond the simple physical fact of remoteness, and to also consider the terms upon which remote areas are linked to other places, processes and institutions.[11] It is striking that most work on the spatial dimensions of persistent poverty has tended to leave un-explored the political and political economy dimensions of these linkages. It is precisely the ways in which spatiality both reflects and combines with other processes and relationships associated with AISE to produce interlocking and multi-dimensional forms of chronic poverty that is of interest here. Spatialised processes of AISE tend to become particularly problematic when they become entwined with other more local forms of inequality, exclusion and adverse incorporation, and "particularly worrying if they align with political or ethnic divisions" (Kanbur and Venables, 2005). Others argue that struggles over the spatial legacy of Apartheid continue to shape the dynamics of inequality, redistribution and poverty in present-day Johannesburg (Beall, 2002).

Research here can usefully focus on:

- The long-term politics and political economy of adversely incorporated regions (e.g. Northern Uganda, Northern Ghana, ex-homelands in South Africa);

- The spatial dimensions of labour market restructuring;

- Patterns of migration and the implications for persistent poverty;

- The implications of globalisation for spatial processes of underdevelopment.

3.5 The importance of adopting an integrated approach to investigating links between AISE and chronic poverty

Having stressed the ways in which specific dimensions of AISE might lead to chronic poverty, it is worth re-iterating the key points that (a) chronic poverty is in most instances caused by interlocking sets of factors and that (b) AISE research is characterised by its capacity to reach across existing analytical boundaries and make links between dimensions and forms of social reality that would otherwise remain obscure. Examples here include the ways in which stigmatised forms of cultural identity and class status entwine at the level of certain social groups to entrap them in long-term poverty (e.g. lower caste groups in India), or how spatial marginality and strategies of state-formation produce poverty traps (e.g. ex-homelands in South Africa and Northern Uganda). This is confirmed in de Haan's study of exclusion in Orissa where he finds that "a tribal person in a remote rural area has the highest likelihood of being in poverty" (de Haan, 2004: 11). For Harriss-White (2005b), it is impossible to disentangle the politics and political economy of destitution, as when the social practices of the poorest groups are criminalised, and groups are expelled from the public sphere. These interlocking sets of deprivations are closely associated with chronic poverty (Hulme and Shepherd, 2003). Taking this further, Kabeer (2000: 12) argues that "hard-core exclusion occurs when principles of unequal access in different institutional domains reinforce, rather than offset, each other, creating radical disadvantage". As such, it will be important not to establish firm boundaries between the economic, social, political and spatial

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[11] For example, Leopold's (2005) study of the 'marginalised' West Nile area of Northern Uganda clearly depicts a region that is in fact highly cosmopolitan, located at the vector of a number of historically important trading routes and subject to incursions from a variety of economic and political regimes over time, from slave raids through colonial state formation to the aid system, and their subsequent incorporation into these regimes.

aspects of AISE, but to ensure that a particular focus falls on the different ways in which these entwine and re-enforce each other.

4. Investigating the links between AISE and chronic poverty

4.1 Introduction

There are a wide range of approaches available for investigating processes of AISE in relation to chronic poverty, and strong reasons for taking a pluralistic approach to this task. We make two particular arguments here: first, that the relational and process-based character of AISE is more likely to be uncovered through qualitative rather than quantitative research approaches; and second, that research into the causal relationships between AISE and chronic poverty needs to link rigorous empirical research with historically- and comparatively-informed theorising around the causal mechanisms that produce and reproduce chronic poverty, and thus requires a move beyond 'Q-squared' approaches that merely call for the seamless integration of 'qualitative' and 'quantitative' research without attention to the underlying theoretical framework that should guide integration.

4.2 Methods of investigation and forms of data: moving beyond Q-squared

De Haan (1999, 11-12) argues that social exclusion *can* be measured in quantitative terms, while Bhalla and Lapeyre (1997: 426) suggest using the UNDP's political freedom index, which incorporates personal security, rule of law, freedom of expression, political participation and equality of opportunity, may serve as a proxy indicator for the political dimension of exclusion. Such indices of political data are now increasingly available (e.g. Kauffman *et al*., 2006, UNDP, 2002). Others approaches use existing poverty data to develop proxies for social exclusion (e.g. de Haan, 2004).

The quantitative approaches that dominate mainstream analyses of poverty are, however, at a disadvantage when used to study AISE, particularly when seeking to exploit their capacity to produce cross-national comparative findings. Social exclusion is not an easily visible, stable unchanging reality but a complex and multi-levelled process: although some of its outcomes and aspects can be indirectly quantified it is not itself directly available to measurement. Moreover, its proxies and markers are always highly contextual and socially embedded. This makes it very difficult to identify a shared benchmark that can be applied and compared across different contexts. The deeply contextual character of AISE is further problematic for quantitative approaches (Kanbur, 2001b).

The relational, process-based and contextualised nature of AISE suggest that qualitative work will play a central role here. A particular focus is likely to fall on in-depth (often comparative) case-study analysis that involves the use of a range of different methods. This is not to say that quantitative approaches are invalid, but rather that quantitative data should be used *within* a valid and grounded *relational* account of the key features of social exclusion and adverse incorporation, which may be able to "more accurately determine how and why certain groups start and stay excluded" (Woolcock, 2005: 113).

> "…most process issues are best understood qualitatively (though access to panel data would also be desirable); many of the impacts of exclusion concern people's identity and personhood, which cannot be adequately addressed quantitatively (or at least by quantitative methods alone); and it is desirable to test the broader applicability of key emergent themes across samples using survey data" (Woolcock, 2005).

Panel studies may be able to overcome some of the problems of static cross-sectional data here, as Woolcock hints, although the task of integrating such data with life-histories (cf. Shepherd, 2006) is likely to be challenging. As noted in studies of exclusion, "Panel studies

have normally been confined to quantitative analysis of income trajectories, without systematic references to institutions, policies and political discourses related to the structure of life courses" (Leisering and Liebfried, 1999: 15, quoted in Dewilde, 2003: 114-115). This proposed focus on the broader institutional and political structure of poverty suggests the importance of pushing the debate beyond a focus on qualitative/quantitative debates when discussing methodological approaches to understanding AISE (du Toit, 2005b).

This is particularly important given the focus of AISE research on uncovering the causes of poverty. Causality is not something that can be positivistically uncovered by empirical research *alone*. *Neither* the correlations generated through statistical analysis of quantitative data *nor* the descriptive accounts of poor people themselves can on their own be claimed to reveal transparently the causal mechanisms through which poverty (or any other social state or process) is created, maintained or reduced. Research that seeks to ask "what are the causal conditions that give rise to a given social or historical outcome" requires an approach that is theoretical, and that draws on comparative sociological history (Little, 2005: 4). The search for causal mechanisms requires that we move well beyond the individualism that characterises much mainstream poverty research, and that we recognise that poverty is embedded within and reproduced by broader societal processes. Overall, then, comparative, historicised and theoretically-oriented forms of research are particularly appropriate in studying the causal dimensions of AISE.

Importantly, the methodological challenge of measuring and conceptualising social exclusion does itself lead to more than one useful line of enquiry:

- In particular, research could focus on the absence of any systematic analysis of AISE within the poverty diagnostics that underpin PRSPs, and the implications that this has for tackling the causes of chronic poverty [12]

5. Policy implications: from policy to politics

5.1 Policy directions for tackling AISE and chronic poverty: shifting the frame

Our purpose here is not specifically to map out generic policy responses to AISE - these would be as various as the local permutations of the social processes that exclude and marginalise poor people - but rather to identify the types of policy implications that emerge in seeking to challenge the ways in which processes of AISE led to chronic poverty. What is perhaps most important to note is the challenge that AISE research sets for rethinking our approach to policy, in at least four main ways.

First, the tendency of AISE research to emphasise the importance of history, politics and context, and also the multi-dimensionality of AISE, tends to work against efforts to devise anything approaching one-size-fits-all solutions that might be applied across different contexts, or simply within one sector. Second, the tendency for AISE analyses to show the links between economic and social dimensions acts as a direct challenge to the apparent 'Chinese wall' that exists between 'social' and 'economic' policy circles (Kanbur, 2001a). AISE research challenges one to think across these divides in policy-making, and re-emphasises the need for advocates to build constituencies with a strategic range of policy actors and tendencies. Third, the deep-seated nature of many forms of AISE and chronic poverty strongly suggests that any significant challenge to these inter-related processes will require a political movement – and real social transformation - rather than just tweaks to policy designed by experts. As Kabeer puts it in her study of chronic poverty in Bangladesh "the challenge for the future lies in the field of politics as much as in the domain of policy" (Kabeer, 2004: 41). Fourth, we would follow Wood (2000) here who, borrowing from feminist

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[12] It is worth noting that those seeking to promote a 'transformative' notion of social protection have recognised that the informational basis required to establish such policies requires an analysis of social exclusion as well as of vulnerability (Devereux, 2004).

terminology suggests that policy responses to adverse incorporation can be divided between the 'strategic' and the 'technical', with the emphasis necessarily falling on the former.

Bearing in mind these caveats, then, our tentative policy suggestions would be to propose a closer focus on the following areas: moves towards developmental states and nation-state building - including the 'optics' whereby governments and other agencies 'see poverty' and which thereby render poverty itself governable; economic de- and re-regulation and the restructuring of labour and other markets; the promotion of citizenship in various forms, including anti-discrimination policies and universal programmes of social protection; and more specific approaches to challenge particular forms of AISE (e.g. asset redistribution, fair trade, 'affirmative action' and economic empowerment).

5.2 Developmental states, nation-building and the control and regulation of capital

"Calls for poor people to empower themselves and support for some of them to organise, while necessary, are not sufficient. Such practices are not equal to the ways in which poverty is embedded within the institutions and processes of the capitalist mode of production. It is the strength of the contestation to regulate capitalism that will decide the levels and causes of poverty" (Harriss-White, 2005a: 12).

While a focus on capabilities directs us beyond an income-centred approach towards health and education as the forms of public action most likely to lead to human development, the focus on the underlying processes that create poverty takes our policy focus into the broader terrain of how to engage more fundamentally with present-day forms of capitalism; the different forms that states take; and social and political responses to these developments in particular local contexts. This arguably involves a renewed case for taking public action seriously - and a move towards considering the necessity for (and the scope of) developmental states. As Harriss-White notes, the state remains the only institution that can protect people from the forces of either markets or 'tradition' and though history has shown the limitations of modernist hopes, there is a broad consensus that the time has come for a re-evaluation of the role of the state in development and economic transformation..

Clearly, problems of state capacity, resource scarcity, regime inclination, donor policy and unreliable aid flows mean that creating a strong, developmental state is not a short- or even medium-term possibility for the majority of very poor countries. Much of the current policy talk about 'fragile states' is of only limited help here. State formation is highly unlikely to unfold in the South as it has in industrialised countries (Eriksen, 2005), not least because 'bad governance' in poor countries is closely linked not only to historical features such as colonial rule, but also persistent forms of geopolitical and global economic arrangements (Moore, 2001). Nonetheless, history strongly suggests that there is no substitute for the role of the state in securing long-term economic and social transformations, and support for programmes of nation-building need to be prioritised (e.g. Booth with Piron, 2004, Ghani and Lockhart, 2006, also Miguel, 2004). The obvious place to start here is with a root and branch reform of the good governance agenda, with a view to identifying more clearly from history the specific forms of capacity that states require to become developmental (rather than reading off some ideal type). Recent research into this has begun to suggest that what states really require are the capacities to transfer resources away from unproductive to productive groups; to finance appropriate forms of technological catch-up; and the successful management of rent-seeking (Khan, 2005b). As important is the ability to institutionalise forms of redistribution that can abate inequality, and the imposition of tax regimes that allow the provision of appropriate social goods. Although very difficult to devise appropriately, many other good governance initiatives could also be re-thought in terms of progressive interventions in long-term processes of state formation.

5.3   Specific policies for specific forms of AISE-induced chronic poverty

While the above section pointed towards policy (and political) shifts that relate to longer-term developmental trajectories, it is important to recognise the extent to which more immediate policy proposals can significantly alter the terms on which chronically poor people and regions encounter processes of AISE. For example, policies of asset redistribution are likely to be essential here, given that "the situation of those deprived relative to the norm generally cannot improve without some redistribution of opportunities and outcomes" (Ruggeri Laderchi *et al*., 2003). Inclusive forms of service-delivery can draw in previously excluded groups, as Plagerson (2005) shows regarding the case of public provision for lepers in Bangladesh.. Strategic shifts around gender relations might require further efforts to secure effective political representation for women at local and national levels, reducing inequalities in terms of access to and remuneration for employment, freedom from gender-based physical and sexual violence and social sanctioning of the freedom of mobility (e.g. Pearson, 2005). Also the scope for pro-poor growth in for example South Africa depends on the exact terms and direction of frameworks for affirmative action and broad-based black empowerment (Kruger *et al.,* 2006).

In terms of spatial inequalities, Kanbur and Venables (2005) make the case for considering 'second order' features of economic geography, and should focus on "…a more spatially equitable allocation of infrastructure and public services, and for policies to ensure freer migration". Following our earlier discussion, we would also note that the politics of adversely incorporated regions also needs to be addressed, and that one way forward here has been flagged by Manor's (1999) suggestion that one of the few useful developmental roles that decentralisation has proved it can play is in ensuring a redistribution of economic and political resources to those regions where inequality is primarily created by exogenous rather than endogenous factors.

However, addressing the problems faced by adversely incorporated regions requires a broader shift, one that has a resonance across the policy directions we have tentatively pointed up here. Many adversely incorporated regions are likely to remain so unless their political (rather than spatial) position within the nation-state is radically re-thought at the centre. This implies a challenge to the often discriminatory view of peripheral peoples and places - whether defined as ethnically, racially, religiously, or politically different - of the kind sometimes made by certain types of social movement (Bebbington and Mitlin, 2006). Such a shift might be conceptualised in terms of an extension of the social contract between the state and citizenry, an approach that has a particular resonance regarding social protection policies for the chronically poor (Hickey, 2007) but also more generally. Building a developmental state requires not only new institutional capacities but also a renewed sense of obligation towards its citizenry, a shift we refer to here as a new social contract.

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