

This *Key Sheet* series is designed to brief government and donor staff involved in providing infrastructure facilities and services intended to benefit poor people. The sheets focus on the links between cross-cutting development issues and decision making. The series covers five topics:

1. Decentralisation
2. Disaster Management
3. Land Tenure
4. Social Exclusion
5. Employment

The aims of 'pro-poor' infrastructure provision are two-fold:

- to meet the basic service needs of poor people; and
- to contribute to improved livelihoods for poor people by enabling them to participate more fully in the economic, cultural and political institutions of society.

Pro-poor infrastructure includes both providing new facilities and related services to poor people, and improving the accessibility of existing facilities and services. Issues of design, pricing, and access rights are important.

These *Key Sheets* focus on shelter and buildings, water and sanitation, and transport. Energy and information and communication technologies can also be important.

Each *Key Sheet* provides an overview of the topic, then highlights the key issues in decision-making, illustrated by practical experience from Africa, Asia and Latin America. Key literature, websites and sources of expertise are given at the end of each sheet.

**T**HIS KEY SHEET examines how social exclusion influences the provision of infrastructure services that meet the needs of poor people. Infrastructure is both a source of benefits (immediately through employment, and in the long term from education and health facilities and from transport, water, irrigation and flood control); but also a cost, as livelihoods are disrupted by infrastructure-related displacement or externalities (pollution, traffic accidents, etc.). Unless their interests are considered explicitly, socially excluded groups may bear the costs of infrastructure development, but receive few of the benefits.

The categories of poverty and social exclusion overlap but are not synonymous, and the ways in which infrastructure provision is affected by exclusion are complex. In remote regions, exclusion from national life may be the result of isolation, while for urban groups relational processes of social exclusion may help explain a lack of basic infrastructure.

## Social exclusion and poverty

Social exclusion emerged as a concept in the 1980s to describe the rupture of the social bond between the individual and society (which was seen to undermine state legitimacy), although the term can cause some confusion because it has been used subsequently in different ways in other contexts. It is best to see social exclusion as both a cause of *and* a component or outcome of poverty (see the Urban chapter in the World Bank's *PRSP Sourcebook*).

One way of thinking of social exclusion is by reference to *social capital*. Social capital explains differences in performance (between societies or between groups within a society) in terms of differences in the degree of trust and willingness to live by agreed rules. There is *bonding* social capital (strong ties linking people with similar characteristics, e.g., family, neighbours and friends); *bridging* social capital (weaker ties connecting individuals from different ethnic and occupational backgrounds but similar economic and political status); and *linking* social capital (vertical ties between poor people and influential individuals in formal organisations such as banks, police or agricultural extension). Social capital can be a public good (with spillover effects in terms of social stability enjoyed by non-members); or a membership good with negative externalities (e.g., the opportunities and security that accrue to members of factions or criminal gangs); or a way for the poor to reduce their vulnerability at a price (entering exploitative social relationships which trap them in long-term poverty.)

The concept of social exclusion is useful because it emphasises multiple and reinforcing aspects of deprivation, process and relational issues, and the role of institutions. It has greatest analytical value when lack of membership in a collectivity is clearly a major cause of poverty, as is the case for excluded minorities, rather than the analysis of 'mass poverty'. It forces policy-makers to consider how poverty or poverty reduction arise out of relationships between groups and between them and the state, and how these change over time.

Social exclusion has spatial, historical and cultural causes operating at a variety of scales. Certain types of individual (e.g., the disabled or widows) may be socially excluded within a community, while whole communities (e.g., ethnic minorities, women) may be socially excluded within national life. Some individuals may become socially excluded even as the communities in which they live become drawn into mainstream society and average standards of living in the community rise: prostitution, addiction, inequalities and crime may all increase, as may the out-migration of economically active individuals.

Physical isolation is one important cause of social exclusion: with high transport costs resulting in higher costs of inputs and consumption goods, difficulties in getting products to market, limited access to information about prices in distant markets, and restricted access to basic social services. However, in some cases physical isolation can be an asset, insulating some groups (e.g., tribal populations) from some forms of exploitation associated with integration into the national economy. Roads and exposure to TV images made possible through rural electrification may reduce isolation and marginality in remote communities, but may also undermine the local social capital which provided a basis for risk sharing and mutual help.

Isolation occurs at a variety of scales: those living in remote regions may be poorly connected to centres of population and economic activity; by residents of urban neighbourhoods may lack affordable transport to social services or workplaces. In an urban context, isolation is partly a

function of distance (especially for peri-urban communities where migrants first settle) and topography; but also a function of the relative lack of infrastructure. This may be the result of obsolescent administrative boundaries (falling between metropolitan and rural authorities) or regulations requiring municipal authorities to provide goods and services only to areas and populations with legal title, planning permission or construction permits.

## Key issues in decision-making

Infrastructure provision may be an effective way to encourage pro-poor growth and services in isolated areas: it is not necessarily effective in tackling other causes of social exclusion. For poor people spatially concentrated in inaccessible regions, the first problem is getting infrastructure at all, as cost-benefit ratios of infrastructure provision for low density populations in difficult terrain are high. On the other hand, the spatial concentration of poverty can make isolated areas attractive for geographically targeted pro-poor infrastructure development.

Other socially excluded groups are not necessarily concentrated spatially: homeless children sleep rough in the central business district, and widows may live in isolation and extreme poverty in prosperous villages. These groups may benefit from infrastructure which is not targeted specifically at them: roads provide transport links and sites for vendors, for example. However, the socially excluded are also the most likely to be disadvantaged by infrastructure development (e.g., displaced by urban highways).

**Lack of voice or power, resulting in barriers to participation** By definition, socially excluded groups lack strong connections to the mainstream of society or to political or administrative processes. Poor groups without connections have difficulty obtaining infrastructure that serves their needs. Infrastructure may reach the socially excluded but be inappropriate or provided in cost-inefficient ways. At worst, infrastructure provision may be actively harmful for socially excluded groups, if it requires their forced displacement or allows their exploitation. Without consultation and consideration of the relationship between physical planning and social processes, infrastructure provision may exacerbate social exclusion (see Box 1).

### Box 1 Displacement, social exclusion and infrastructure planning

Sometimes aid policy and programme responses to displacement can create or exacerbate exclusion for refugees and internally displaced persons.

Conventional efforts concentrate refugees into camps for more 'efficient' provision of infrastructure and services. In some cases (e.g., Ugandan refugees in Sudan in the 1980s), anthropologists have argued that it would be better to help refugees establish social ties with the local settled population, with whom they may share a common ethnicity and language.

For example, assisting 'spontaneous' refugee settlement in existing border communities may be better than corralling refugees in camps, where they remain socially isolated, economically dependent on aid, and may be resented if over time they come to enjoy a better standard of water supply, health care, education and food security than the local non-displaced population (see Harrell-Bond 1986).

Social integration and the transition from relief to development may thus be better achieved by targetting geographically (to a refugee-affected border region) rather than on the basis of refugee status.

Exclusion can be tackled in the first place by **adding a poverty or social analysis lens** to existing processes, requiring a thorough analysis of who gains and who loses from infrastructure development. Obtaining a voice for numerous different, only weakly organised socially marginal groups within the formulation of national (e.g., related to the Poverty Reduction Strategy Process (PRSP)) transport, energy, or water policies requires inventive solutions. Efforts must be made to ensure a participatory approach to PRSP-related national infrastructure planning. Sectoral infrastructure inventories or policy reviews must be informed by social analysis and consultative approaches so that planners are aware of what forms of exclusion exist, what social processes generate exclusion, and how the provision of infrastructure could help or harm socially excluded groups. Some general social-analytical insights into the relationship between infrastructure and social exclusion may already be in existence and can be gleaned from participatory or consultative exercises (such as Participatory Poverty Assessments) as well as from quantitative analysis of infrastructure-poverty associations obtained from analysis of the census or national sample surveys. These can inform the design of policies and guidelines on, for example, community consultations and non-discriminatory employment practices during project planning and implementation.

At a planning and project level, governments and donors need to ensure a **participatory approach to physical planning** and to test objectively claims that infrastructure projects will contribute to long-term, sustainable poverty reduction. Encouraging participation of marginal and excluded groups – giving them both the rights and the responsibilities of full citizens – is likely to make sense in efficiency as well as equity

**Box 2**  
**Informal provision of water and sanitation services in African cities**

Poor neighbourhoods in African cities have been neglected by water and sanitation planners, on the grounds that they cannot afford to pay for infrastructure-based utilities. While this is true, it ignores the fact that they have *some* capacity to pay, and that better institutional arrangements might enable them to get better service for what they can afford to spend. In the absence of piped water and sanitation services, low income urban communities depend upon cheap, unsubsidised standpipe and public toilet operators, water carters, and latrine cleaners. The Water and Sanitation Programme surveyed ten sub-Saharan African cities, aiming to incorporate these service providers into low-cost improvements in water and sanitation provision through partnership with formal institutions (municipal authorities and utility companies). By understanding how low income households and neighbourhoods meet their needs from informal providers, it is possible to identify how hardware (e.g., standpipes) and software (coordination and regulation) can help improve the level and quality of services offered by these informal providers to the urban poor.

*Source: Collignon and Vézina (2000)*

terms. Low-status groups often provide key roles in service delivery in the absence of infrastructure: incorporating their services into the design of improved service delivery may not only protect their livelihoods but also provide more efficient, affordable service solutions (see Box 2).

Communities which are excluded largely due to their physical isolation may benefit from **social funds or urban local development funds**, which allow communities to choose how to spend a set budget, helping them to obtain infrastructure that reflects their priorities. For the socially excluded who live physically within the mainstream of society, making infrastructure provision pro-poor will involve efforts to provide them with a **voice within community and local government decision-making fora**. Certain groups among the poor within a project area may not be able to benefit from employment opportunities, because they are physically unable to work (e.g., the elderly, the disabled), in which case there may be little that can be achieved within the frame of labour-intensive public works, and **supplementary targeted interventions** will be required. However, some physically capable groups among the local poor (e.g., widows, displaced, refugee or migrant groups, pastoralists) may be socially excluded from participation. Project-level mechanisms will need to identify and address this. National policies (e.g., on the employment of women or on labour standards on public works projects) should ensure these mechanisms are developed and enforced.

Instituting measures to address social exclusion at project and national levels is likely to require a number of **complementary activities**:

- building the analytical, networking and lobbying capacity of national NGOs or other civil society groups;
- engaging with decentralisation processes and debate about the planning responsibilities of local and national government;
- identifying the existing rights of the poor regarding entitlements to infrastructure-based services, consultation and compensation, and informing excluded groups of these rights;
- providing technical assistance and funding for legal and administrative reforms to strengthen the rights of the poor to obtain benefits, and protect themselves from an excessive share of the costs.

Alternative infrastructure and non-infrastructure solutions need to be identified for observed problems (e.g., to identify the appropriate mix between building roads and building schools and clinics in remote areas as a solution to access problems). Policy will also need to limit the costs which marginal groups are expected to bear for infrastructure developments in the national interest – for example, when remote and minority groups are displaced by hydro-electric power or mining works which promote national economic growth.

**Higher unit costs and alternative technology options in isolated regions** Providing infrastructure in isolated areas is more costly than providing the same level of service to the same number of people in less isolated areas: because of distance from the existing network, typically difficult terrain with higher unit construction costs, and typically sparse population. There may be a temptation to concentrate infrastructure provision in more amenable locations, targeting the easily accessible (lowland, urban) poor so as to deliver the greatest reduction in the poverty headcount for a given amount of resources. However, higher cost-benefit ratios may be regarded as an acceptable price for providing infrastructure to isolated populations when poverty has a strong geographical component, with a large proportion of the poor concentrated in isolated regions; or in states in which equality is highly valued, or in which there is a strong desire to incorporate outlying regions into a unitary, integrated nation-state. The difficulties of building connections to national energy or telecom networks for outlying areas may make alternative technologies (local hydropower schemes, solar or wind power, cellular phones) more attractive.

**Funding infrastructure development in isolated areas** When a large part of total revenue for local government operations is raised locally, isolated areas face particular problems. In promoting the benefits of decentralisation, central governments will need to provide compensatory resource transfers to resource-poor localities.

**Box 3****The right-to-information movement and client accountability in India**

Social activists in Rajasthan, concerned at extensive corruption in drought-relief public works projects, founded the Workers and Farmers Power Organisation (MKSS) to campaign for disclosure of expenditure records. Records and supporting documents were sought from sympathetic officials and read aloud at public hearings. Villagers were invited to provide testimony which contradicted these records: when, for example, they were falsely listed as receiving pay for labour on public works schemes, or when contractors were paid for projects which were never built. By exposing the magnitude of embezzlement through this collective, participatory review of official documentation, MKSS not only galvanised protest against specific abuses but also catalysed a campaign for a legal right to public sector financial information. In early 2000, the government of Rajasthan finally passed a Right to Information Act.

*Source: Jenkins and Goetz (1999)*

A negative consequence of devolving responsibility for infrastructure development to the local level is the reliance in many countries upon *corvée*: citizens are obliged to contribute unpaid labour to local state projects. Local leaders may simply designate the poor and socially marginalised for this work; or there may be provisions allowing individuals to contribute money rather than labour, the sums involved being relatively insignificant for the rich but not for the poor.

**Establishing client accountability is harder in remote areas and for socially excluded groups**

Excluded and isolated groups are less likely to know their rights or entitlements (e.g., to wage rates and conditions of work on public works), and less able to detect and protest effectively against embezzlement. Interventions to establish effective client accountability can be a valuable complement to pro-poor infrastructure development. This may involve informing the poor of their formal rights under law, and helping them to claim these; or it may require building the moral case and political constituency necessary to establish these rights in law in the first place (see Box 3). Building organisational capacity is crucial to enable socially excluded groups to claim a stake in policy-making and budgeting. The necessary legal and institutional changes should be seen as important elements of national development policy.

**Sequencing and synergy** Addressing exclusion involves careful attention to sequencing and synergies in the provision

of different forms of infrastructure and other interventions. For example, the construction of roads into remote areas (particularly ethnic minority areas) may not result in net benefits to the residents if they lack the tools – proficiency in the national language, awareness of their rights and responsibilities and those of the government, understanding of markets and the concept of private ownership of land – needed to deal equally with other groups in society. Road-building should be complemented (ideally preceded) by programmes which provide isolated groups with education and literacy, and which strengthen community structures and community service organisations, and the capacity and accountability of local government. This may involve first providing other forms of infrastructure (e.g., telephones); promoting affordable transport services; or posting price information. To minimise the potential impact of increased accessibility upon remote communities, transport infrastructure development should be preceded by dissemination of HIV/AIDS prevention and anti-trafficking messages (see Box 4), and by the development of local capacity for environmental management.

A second example is information and communication technologies. These may provide either a partial substitute for, or a complement to, transport development. The ability to obtain information on prices in other markets may provide the residents of physically isolated regions with a powerful tool in relations with traders or labour recruiters; the demand for this service may create income-generating opportunities for poor and excluded groups (see Box 5). Similarly, the problems of access to services experienced by people living in isolated areas may be better tackled through the construction of local schools and clinics rather than the construction of roads connecting them to social infrastructure in other locations.

**Box 4****HIV/AIDS and truck drivers**

In Nepal, a vigorous campaign to inform truck drivers and sex workers of the risks of unprotected sex, and to increase the availability of condoms along truck routes, doubled the incidence of condom use. (In other areas, condom use actually *fell* over the same period.) A similar campaign has begun in South Africa, where in 2000 alone co-operation between the trucking industry and a private education and training institute provided HIV/AIDS training to nearly 20% of the industry's 54,000 employees.

*Source: UNAIDS (1998); The Learning Clinic, cited in World Bank (2001)*

### Websites and expertise

- ESRC Centre for the Analysis of Social Exclusion, LSE  
<http://sticerd.lse.ac.uk/case/>
- Global Coalitions for Voices of the Poor Web Guide: Information and Communication Technology (ICT)  
[www.worldbank.org/poverty/voices/globcoal/webguide/ict.htm](http://www.worldbank.org/poverty/voices/globcoal/webguide/ict.htm)
- OneWorld: search within 'social exclusion':  
[www.oneworld.org/themes/topic/topic\\_134\\_1.shtml](http://www.oneworld.org/themes/topic/topic_134_1.shtml)
- World Bank *PRSP Sourcebook*:  
[www.worldbank.org/poverty/strategies/chapters/](http://www.worldbank.org/poverty/strategies/chapters/)

### Box 5

#### The Grameen Bank Village Pay Phone (VPP) project in Bangladesh

From the mid-1990s the Grameen Bank leased cellular phones to poor rural female Bank members: both poor and non-poor villagers paid to use these phones. Poor households used the improved access to phones to obtain price information, spread warnings about livestock epidemics, and call for doctors or ambulances in the event of a health crisis or the police in the event of crime. The phone-leasing women received a good income (VPP income amounted to 20–25% of total household income), and enjoyed improved intra-village mobility and prestige. The VPP project thus mitigated the effects of isolation and reduced the social exclusion of both the phone operators and their poor clients.

Source: IFAD (2001)

## References and key literature

- Collignon, B. and M. Vézina (2000) *Independent water carriers and sanitation providers in African cities: full report of a ten-country study*. Hydroconseil and IRC: April 2000: [www.wsp.org/pdfs/af\\_providers.pdf](http://www.wsp.org/pdfs/af_providers.pdf)
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- UNAIDS 1998 *Report on the global HIV / AIDS epidemic*. New York: UNAIDS. June 1998.

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