

Economic Exclusion and Discrimination: The Experiences of Minorities and Indigenous Peoples

By Patricia Justino and Julie Litchfield

issues paper

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Executive summary

The aim of this issues paper is to evaluate the link between economic exclusion and discrimination against ethnic, religious and linguistic minorities and indigenous peoples, and the implications this has for poverty reduction and development strategies. The paper argues that discrimination against minorities and indigenous peoples is an important dimension of poverty and other forms of economic exclusion (such as under-employment or poor access to credit) that is often ignored. Yet it is a fundamental element that must be taken into account in the fight against world poverty and a key factor in the establishment of sustainable development paths. Economic exclusion is only one form of exclusion and often overlaps with others, namely social and political exclusion, which must be understood together when assessing the marginalization of minorities and indigenous peoples. In examining various factors contributing to economic exclusion, such as limited access to education, health care, housing and land, as well as social cohesion, it becomes clear that across diverse regions minorities and indigenous peoples experience higher levels of poverty, less access to

education, health and basic services, and have fewer opportunities for adequate employment. Consequently, minorities and indigenous peoples in many countries are more likely to suffer economic (and social and/or political) exclusion than other groups.

There are several contributing factors to this exclusion, which may vary across countries. One important factor in their exclusion is discrimination. Although establishing the case that exclusion arises from discrimination is difficult, due in large part to severe data limitations, there is sufficient evidence to suggest that discrimination is a strong contributing factor to exclusion of minorities and indigenous peoples in many cases. This has serious implications for development policy aimed at reducing poverty and inequality, which at present only routinely examines the impact of one form of discrimination, that is, gender discrimination. Discrimination on the basis of membership of an ethnic, religious or linguistic group should be examined alongside other forms of discrimination in order to strengthen policy strategies for overcoming economic exclusion.

Introduction

Attacking poverty is now an important focus of many development efforts. The International Development Targets set out at the United Nations (UN) Social Summit in Copenhagen in 1995 include a 'global poverty target' of halving the incidence of poverty (defined as the percentage of the population living on less than US \$1 per day per person) in developing and transitional countries by 2015, as well as improving a range of health, education and environmental targets. This poverty target was endorsed as the guiding principle of aid by the Organization for European Cooperation and Development (OECD) donors in 1996 and was reaffirmed in the Millennium Development Goals (MDGs) of the UN Millennium Declaration. However, although some countries have experienced rapid poverty reduction (notably in East Asia), there are questions as to whether the poverty target will be met because a growing proportion of the world's population, and a sharply growing proportion of the world's poor, are concentrated in regions with relatively slow poverty reduction.² In much of Africa, Latin America and South Asia, poverty reduction in the 1990s has been minimal. Failures to reduce poverty in these regions have been associated with inadequate access of some groups to resources, markets and socio-political institutions, that is, exclusion – or 'unfavourable inclusion' to use Sen's terminology³ – from political power and exclusion from access to the media, health care, education and employment, and markets for land, credit and technology.⁴

Who are these people suffering such exclusion? It is difficult to make generalizations about the composition of the poor, particularly when considering diverse regions of the world. The poor are not an easily identifiable, homogeneous group of people with uniform characteristics but an extremely heterogeneous group, whose only truly common characteristic is that they are poor.⁵ In some countries, poverty is associated with gender, age, family structure, livelihood or location, but these characteristics vary from one country to another. However, one point emerges recurrently from the evidence. In almost every country for which data is available, ethnic, religious and linguistic minorities and indigenous peoples are more likely to have low incomes, poorer physical living conditions, less valuable assets, less and poorer access to education, health care and a range of other services, worse access to markets for labour, land, credit and a range of other goods and services, and weaker political representation, and in many

circumstances also experience 'institutionalized and/or legalized discrimination'.⁶

The relationship between discrimination and poverty is not well understood by development actors. One of the most fundamental human rights recognized in international law, and in most national constitutions, is the right to non-discrimination on the basis of, *inter alia*, race, colour, descent or national or ethnic origin,⁷ yet discrimination against minorities and indigenous peoples persists. This discrimination implies huge private costs for those individuals, households and groups who are its victims, and large social costs for society in general in the form of lost opportunities in terms of economic growth and poverty reduction, and integration, unity and stability of all members of society. This issues paper maintains that discrimination should be a central concern in development policies, and analyses the extent of discrimination against minorities and indigenous peoples in terms of economic exclusion. The paper argues that discrimination against minorities and indigenous peoples is an important dimension of economic exclusion. This discrimination needs to be addressed better by development policy as part of the fight against global poverty and in order to establish sustainable development paths. We present evidence below that we believe is persuasive for this argument, but first discuss a number of issues pertinent to the analysis: definitions, causality and data.

Defining minority and indigenous groups

First, we consider the issue of how to define what constitutes a minority or indigenous group. Definitions impose boundaries, separating one group from another. Difficulties in reaching agreement on definitions can also delay recognition, action and progress in reducing poverty and exclusion, and reinforce discrimination. There is no internationally accepted definition (legal or otherwise) of what constitutes a minority group. Despite previous attempts by the UN to establish such a definition, only a few normative elements have emerged. The most common elements are shared ethnic, religious, linguistic or cultural characteristics and a position of numerical minority in the overall population of a given state or territory. The groups need not hold citizenship of that state; indeed, many minorities are denied this right for various reasons. The right of members of minority groups to self-identify as a minority group collectively and

to individually choose (or not) their membership in that group is also key. Finally, the factor of 'non-dominance' of the group is also important. Most minority groups are in a position of economic, social and/or political marginalization within the state. This makes special protection from discrimination and erosion of their identity necessary, and requires that special mechanisms are established to ensure participation in decision-making for these groups, as well as special measures in the social, economic, cultural or other spheres⁸ to ensure they can enjoy their human rights on an equal basis.

Examples of minority groups include those who speak a minority language, ethnic groups, religious minorities, immigrants, and group identities and cultures based on nomadism, pastoralism or artisanal fishing.

There may also be distinct ethnic, religious or linguistic groups, numerically in the majority, whose identity is threatened or who suffer discrimination. Although their status as 'minorities' strictly speaking is questionable, their distinct identities may mean that they too suffer from the dual effects of discrimination and economic exclusion. These groups, such as Afro-descendants in Brazil, black people in South Africa or scheduled castes in India, will also be included in the analysis of this issues paper as appropriate, in order to increase understanding of the impact of discrimination using the higher levels of available data from some countries.

The lack of definition of the term 'minorities' raises problems for these groups in terms of achieving recognition by the state. Article 1 of the UN Declaration on the Rights of Persons Belonging to National or Ethnic, Religious and Linguistic Minorities (UNDM) states that: 'States shall protect the existence and the national or ethnic, cultural, religious and linguistic identity of minorities within their respective territories and shall encourage conditions for the promotion of that identity.' The UNDM also requires that states 'should consider appropriate measures so that persons belonging to minorities may participate fully in the economic progress and development in their country' (Article 4.5). However, many minority groups are not recognized as 'minorities' by state institutions, which raises problems not only for the minority group concerned but also for development agencies seeking to direct resources towards minorities or to involve them in decision-making. Refusal to recognize minority groups can be viewed as a form of discrimination in itself.

The lack of legal definition and official recognition of minority identities also poses some operational difficulties for this issues paper, and for others seeking to gather and analyse data on minority groups, particularly given the data limitations that we discuss in more detail below. Therefore, for the purposes of this paper, we have focused

on minority groups defined in terms of groups with distinct ethnicity, culture and religion⁹ that are not the dominant ethnicity, culture or religion in a given country. There are, however, minority groups who are dominant economically and politically, just as there are minorities who may have economic power but still experience various forms of discrimination, including in access to political power. Different minority groups may have different kinds of power, for example, economic or political power, and thus differing levels of influence over public policy and decision-making. Because the focus of this paper is on economic exclusion, however, the decision to focus on non-dominant groups in the economic and political sphere will allow us to focus on the groups whose experiences we most wish to uncover. We will also make an attempt to highlight issues of intersecting discrimination, for example, discrimination experienced by minority women, which can impact on policy responses.

We have also included in our analysis indigenous peoples. Defining indigenous peoples shares some of the difficulties of defining minority groups, but the self-identification principal is paramount. Article 1.2 of the International Labour Organization (ILO) Convention 169 Concerning Indigenous and Tribal Peoples in Independent Countries states that: 'Self-identification as indigenous or tribal shall be regarded as a fundamental criterion for determining the groups to which the provisions of this Convention apply.' Although indigenous peoples will usually constitute a numerical minority and be a non-dominant group, indigenous peoples' cultures and lifestyles often make them distinct from other minority groups; consequently, they may or may not choose to identify also as minorities in the national context. Indigenous peoples' claims to ancestral land rights and other natural resource rights, to manage economic and social affairs using traditional customs, law and practice, and their historical continuity with the land inhabited by their communities, generally distinguishes indigenous peoples from other minority groups. Indigenous peoples have also had some success in asserting their right to self-determination as peoples, resulting in, for example, recognition of certain forms of autonomy and communal land ownership.¹⁰ The issues surrounding discrimination against indigenous peoples in terms of their exclusion from social and economic institutions are similar to those related to minority groups. Thus, we have included in our analysis both minorities and indigenous peoples.

Determining causality

The second issue is causality, which is key to this paper. Is the economic exclusion of minority groups and indigenous peoples a result of discrimination? The answer is

almost certainly yes, in that discrimination can at least be regarded as a factor in economic exclusion. Exclusion may well arise as a result of implicit or explicit discrimination against minority groups and/or indigenous peoples, for example through excluding minorities from citizenship through ethnically biased qualifying criteria; not establishing or adequately implementing and monitoring anti-discrimination legislation and measures; under-funding public services in regions inhabited primarily by minorities or indigenous peoples; or the use of a majority official language in legal, economic, social or political transactions, without provision for minority language access (see below). But causality may be difficult to establish, especially because of the difficulty in proving intent to discriminate. Moreover, the diversity of experiences and social, cultural, economic and political characteristics of minority groups across the world means that a multitude of factors may be influencing their exclusion. However, given the strength of evidence from some countries, we can infer a link to discrimination (if not direct causation) by showing that exclusion and poverty are greater among minority groups and indigenous peoples. Furthermore, the fact that inequalities between majorities and minorities persist or become worse over time is indicative of a failure, first, to recognize the problem and, second, to take action to reduce inequality and exclusion. Both may be seen as discriminatory.

Data limitations

The third crucial issue that this paper has to deal with is data limitations. Ideally, in order to make a case that minority groups and/or indigenous peoples are excluded or poorer than other groups, qualitative and quantitative indicators for the minority group and/or indigenous people need to be compared with those for the remaining or total population. A number of problems immediately arise. First, data is not available systematically for every minority group or indigenous people, or even a large proportion of them. Household surveys that are truly nationally representative and reasonably recent do not exist for all countries. Even the dollar-poverty figures used in measuring progress towards the Millennium Development Goals do not cover the entire population. Approximately 88 per cent of the developing world's population is covered by the household surveys used to construct the dollar-poverty estimates, a figure that rises to 97.9 per cent in South Asia as a whole and falls to as low as 52.5 per cent for the Middle East and North Africa.¹¹ If the population not covered by the surveys is similar to that which is, then there is no problem. But this is not generally the case. Remote rural areas are often not covered by surveys, but this is often where minority

groups and especially indigenous peoples are to be found. For example, the Brazilian household surveys that we refer to below, exclude the rural population of the north of the country (the states of Acre, Amapá, Amazonas, Pará, Rondônia and Roraima), which is where one would expect to find some of the Amazonian indigenous peoples. In addition, the accuracy or representativeness of data for certain groups (e.g. minorities) is questionable if these groups are less likely to respond to questions, either because of poor communication or misunderstanding, or because of apprehension and mistrust. Second, where data is collected on minority groups and/or indigenous peoples, it is collected only for those groups that are recognized by the survey planners (usually the national statistics institute) as being minority groups or indigenous peoples, and often using clusterings of race, ethnicity, language, etc. that preclude meaningful analysis. So, for example, the Brazilian surveys ask respondents their 'colour', with the choice of categories being *branco* (white), *preto* (black), *amarelo* (yellow),¹² *pardo* (mixed or mulatto) and *indigena* (indigenous). This classification has led some to argue that the Brazilian population is statistically 'whitened'. For example, research has shown that, when faced with the above classification, a large proportion of respondents declare themselves to be 'white'.¹³ When the same respondents were asked to classify their own colour, far fewer said 'white' but many more said *moreno*, which 'can be used to describe very dark black people or very light *mestizo*'.¹⁴ Minorities and indigenous peoples are sometimes grouped into a small number of categories that do not allow indicators to be produced on specific ethnic groups. For example, in Vietnam, the population is made up of predominantly (around 85 per cent) *Kinh* (ethnic-Vietnamese), with around 10 per cent being from one of Vietnam's 54 ethnic groups and around 2 per cent ethnic Chinese.¹⁵ But the household survey data used to estimate poverty and living standards groups the 54 ethnic minorities into just eight categories. Although small sub-sample sizes would make sophisticated analysis unreliable, the classification does not even allow simple descriptive statistics to be estimated. Hence not only do officially collected statistics use terms that distort the demographic profile of the population, they also make it much more difficult to understand the complexity and diversity of the experience of exclusion, poverty and inequality within and between minority groups. This makes a strong case for ensuring the participation of representatives of different ethnic, religious or linguistic groups in preparing and delivering census surveys.

One way to overcome the lack of detail on specific groups is to adopt a case study approach, and there are many that provide rich data about specific minority groups or indigenous peoples. The drawback with these is that

they often lack comparability with data for the whole population, in terms of the coverage of issues and topics and, crucially – given the vulnerability of poor people to economic, seasonal and climatic shocks – the timing of the studies. Properly planned, studies that combine qualitative and quantitative approaches provide a rich resource.¹⁶

Third, an important limitation is that data does not always capture the diversity of experience among minority groups and indigenous peoples. One important source of diversity of experience is gender. Evidence from several countries (see below) illustrates intersecting discrimination on the basis of gender and membership of a minority group faced by minority women, which often renders them among the most marginalized of all groups. Too often, however, data is analysed by ethnicity *or* gender, which does not allow for deeper analysis of ethnicity *and* gender differences.

Finding systematic empirical evidence on poverty and social exclusion among minority groups is therefore difficult, and hampers attempts to establish causality. Current data is inadequate so far as minority groups and indigenous peoples are concerned. This is in itself a form of exclusion, denying minority groups and indigenous peoples information about themselves and their position relative to that of others. Lack of data may result from lack of integration of discrimination issues in development policy. For example, the ‘nonracialism’ belief in

Brazil that refused to acknowledge the existence of distinct races and racial discrimination was reflected in the removal of questions relating to race and colour from the 1970 Census and the failure of the national household surveys to collect data on race until the late 1980s, almost a hundred years after slavery was officially abolished.¹⁷ While governments may have legitimate concerns about collecting disaggregated data through censuses, these concerns can be overcome if the participation of minority groups in the drafting of census questionnaires and data collection is ensured. A good standard on this point was set by the World Conference Against Racism (WCAR) Programme of Action in Article 92, where states are urged to collect, analyse and disseminate disaggregated data on discrimination, and to do so with the participation and consent of the targets of discrimination. Once discrimination issues are fully undertaken in development research, data will start being collected.

This issues paper is organized as follows. The next section examines the literature and evidence on poverty and exclusion of minority groups and indigenous peoples, linking the discussion to discrimination. The following section discusses why such discrimination should be a concern in development, and examines the private and social costs of discrimination. Finally, there is a conclusion and a number of policy recommendations are suggested.

From social exclusion to economic exclusion: the experience of minorities and indigenous peoples

The concept of economic exclusion can be understood best within the overall framework of social exclusion. The concept of social exclusion has captured the phenomenon of certain individuals and/or groups being excluded from participation in social relations, an important dimension of poverty and deprivation.¹⁸ The idea originated from the debate on social policy changes in European countries, particularly employment and social security policies, during the 1970s.¹⁹ The concept was further re-endorsed by the Stockholm European Council in March 2001, which declared the fight against social exclusion to be of utmost importance for the European Union (EU).

The term 'social exclusion' is usually applied to encompass both economic and political exclusion, so for example many studies will define the socially excluded to include those who may be economically excluded (for example unemployed, with little or no access to assets such as land, housing and credit) and/or politically excluded (for example, not able to participate in local, regional or national political processes). We continue to adopt this convention although we seek to focus our analysis on exclusion and discrimination against minority groups and indigenous peoples in terms of economic exclusion and material deprivation (examined in more detail below).

One problem with the concept of social exclusion is that it is broad and, according to some, lacks theoretical underpinnings.²⁰ Indeed, Sen writes of the explosion in the use of the term 'socially excluded' to cover almost every type of deprivation imaginable, and argues that it would be better employed as a relational concept, linked to capability failure.²¹ He writes that social exclusion includes exclusion from:

*'... a livelihood; secure, permanent employment; earnings; property, credit, or land; housing; minimum or prevailing consumption levels; education, skills and cultural capital; the welfare state; citizenship and legal equality; democratic participation; public goods; the nation or the dominant race; family and sociability; humanity, respect, fulfilment and understanding.'*²²

Using this plethora of exclusions it is hard to imagine anyone ever being included. Certainly such a large proportion of the population in most countries would be defined as socially excluded using these criteria that the concept would be rendered meaningless. Social exclusion can only be a meaningful concept if it used to describe and understand the underlying processes that result in a particular 'negative' outcome.²³ One of the most common ways that researchers analyse the economic dimensions of exclusion is by examining unemployment.²⁴ If unemployment arises from practices in the labour market that tend to work against certain groups of people, then the language of social exclusion becomes useful. But Sen argues that 'in general the causes of unemployment need not be seen to be resulting ... from any exclusionary process'.²⁵

These points are valid and, as in the analysis of poverty, drive researchers and policy makers to seek to understand the causes of social exclusion in terms of relational failure. But, how do we move on from the conceptual discourse on social exclusion? Recently, Atkinson and colleagues have developed a set of indicators of social exclusion, which render this concept not only very useful but also operational.²⁶ Atkinson *et al.* argue that social exclusion (which they use to encompass social, economic and political exclusion) occurs along several dimensions and is associated with five main areas of human lives: material deprivation, lack of education, lack of a productive role, poor health and poor housing. This work has been complemented by a new OECD study that looks at social exclusion along four similar dimensions: self-sufficiency (proxied by indicators such as employment and unemployment); equity (proxied by indicators such as poverty and income inequality); health (proxied by indicators such as life expectancy and morbidity); and social cohesion (proxied by indicators that measure its absence such as industrial unrest, criminality, drug usage, suicides and number of people in prison).²⁷ The exact choice of indicator may vary from region to region, or between developed and developing countries. These dimensions of exclusion are naturally related as, for instance, material deprivation can be seen simultaneously as a cause and a consequence of lack of education whereas lack of educa-

tion, in turn, may inhibit the access of individuals to adequate employment and thus lead to lack of an economically productive role in society. Material deprivation and unemployment can also be seen as both causes and consequences of poor health and lack of access to suitable housing. Similarly, Sen has argued that poor health and/or disability are fundamental reasons why, in some circumstances, households will not be able to transform entitlements into actual welfare gains.²⁸

The indicators of social exclusion developed by Atkinson *et al.* and by the OECD were constructed in order to analyse the extent of social exclusion in European countries. Although the dimensions of social exclusion and the objectives of policies that address social exclusion and discrimination may differ between developed and developing countries (given, for instance, the higher rates of poverty observed in developing countries), the analytical framework proposed by these studies is useful for the analysis of social exclusion in developing countries since it highlights important issues associated with social exclusion that will be shared by both sets of countries. Therefore, the notion of social exclusion is being quickly adopted by the literature on the analysis of poverty and inequality and has been applied to developing countries in recent studies.²⁹

The concept and indicators of social exclusion may be a useful way of addressing particular situations of social exclusion among minority groups and indigenous peoples and therefore useful in understanding the nature and/or extent of discrimination against such groups. Atkinson *et al.* and the OECD study recommend that the indicators of social exclusion should be disaggregated where possible by region, gender and household type, but no mention is made specifically of minority groups defined along reli-

gious, ethnic, linguistic or cultural lines.³⁰ However, both studies recommend that the indicators be country-specific in order to reflect the specific dimensions of exclusion within each society. It is therefore the responsibility of each individual country to incorporate concerns with minority groups and indigenous peoples in their own indicators of social exclusion, especially when discrimination against, and exclusion of minority groups is a feature of economic, social and political relations in that country. Providing statistics on exclusion, broken down by ethnicity and gender for example, can highlight important differences and relative deprivation, and contribute to a better understanding of the extent and nature of the exclusionary process. However, countries where exclusion of minorities and indigenous peoples arises out of discrimination are unlikely to give priority to such activities precisely because the concerns of these groups are not heard.

We find that the framework discussed above provides a useful tool to analyse and expose the extent of economic exclusion and discrimination among minority groups and indigenous peoples, but the evidence we have been able to collect from very disparate sources does not usually fit this neat categorization. Our discussion on poverty (below) fits well with the first dimension of social exclusion as the emphasis in much of the poverty literature is on material deprivation, but much of the evidence on the other dimensions is only partially available. We focus the remaining part of this section on the other five dimensions: lack of education, poor health, lack of employment, poor housing and other assets, infrastructure and social cohesion.³¹ Box 1 summarizes some of the key issues faced by minority groups and indigenous peoples, and also illustrates how some issues overlap.

Box 1 Dimensions of social exclusion of minority groups and indigenous peoples

Human capital	Physical capital	Productive roles	Social cohesion
<p><i>Health</i> Difficult access to health clinics; higher infant mortality rates, lower life expectancy rates, higher prevalence of disease and malnutrition.</p>	<p><i>Housing and land</i> Poorer housing conditions; overcrowding; weaker access to credit for buying houses; insecure property rights; displacement by development projects.</p>	<p><i>Employment</i> Higher rates of unemployment; casual employment contracts; discriminatory employment practices; poorer promotion prospects; lower wages.</p>	<p><i>Conflict and crime:</i> Inter-ethnic conflict; victimization by police; higher incarceration rates.</p>
<p><i>Education</i> Lower access to schools, lower enrolment rates, lower educational attainments; lack of minority or indigenous language in schools.</p>	<p><i>Infrastructure</i> Physical remoteness; worse access to roads, sanitation, safe water, electricity and communications.</p>	<p><i>Production</i> Traditional livelihoods (e.g. nomadism), traditional forms of agriculture and land use.</p>	<p><i>Participation</i> Non-recognition as minorities or indigenous peoples by states; no representation, or under-representation on decision-making bodies.</p>

Exclusion can occur along one or more of the dimensions discussed above. It is possible that an individual or household is not suffering from material deprivation but is not able to access adequate employment opportunities due to poor education attainment or poor health. Minorities and indigenous peoples often tend to be excluded from several dimensions simultaneously as the evidence below suggests. For this reason, it is necessary to explore each of the aspects of social exclusion in turn, in order to better understand the factors influencing the economic exclusion of minorities and indigenous peoples.

We present our evidence on the various aspects of social exclusion by theme, drawing upon examples from several regions, in order to emphasize the multi-dimensionality of one aspect of exclusion, that is, economic exclusion. Economic exclusion of minority groups and indigenous peoples is a phenomenon that occurs both in developed and developing countries. Data limitations affect the breadth of statistical evidence that can be presented here. The data available is derived from very diverse regions, where minority and indigenous status and relations may differ widely. Nevertheless, the evidence available does give some indication of common experiences across regions, and from this we can draw some general conclusions on the link between discrimination and economic exclusion.

Poverty

Approximately a fifth of the world's population is defined as being extremely poor (i.e. they live on incomes of less than US \$1 a day).³² Although minority groups may not necessarily constitute the largest identifiable group among the poor, the incidence of poverty is often high for minority groups and indigenous peoples, and a range of other development indicators are often worse for those groups. Empirical evidence from numerous countries shows that minorities are more likely to be income-poor, and experience lower levels of educational attainment and formal job skills, poorer health and limited access to mechanisms of power.³³

Table 1 summarizes some of the evidence on the extent of poverty among minority groups and indigenous peoples from a number of countries. The tables in this issues paper are not meant to be used for comparing poverty across countries, as survey methodology and year, definition of poverty line and poverty indicators vary from one country to another. But these summary statistics demonstrate that minority groups and indigenous peoples are both more likely to be poor than the rest of the population (i.e. they make up a higher share of the poor population than their share of total population warrants)

Table 1 Poverty among minority groups and indigenous peoples (selected countries)

Country (year)	GNP <i>per capita</i> (\$US 1999)	% population below poverty line ^a	% of minorities and indigenous peoples in total population	% of minorities and indigenous peoples below poverty line
Vietnam (97/8)	370	37	Ethnic minorities: ^b 14	67
India (93/4)	450	38	Scheduled castes: 17 Scheduled tribes: 8 ^c	50 50
Peru (97)	2390	43	Indigenous: 24 ^d	65
Brazil (95)	4420	38	Black: 6 Mixed: 40 Indigenous: <0.1%	54 53 67
South Africa (93)	8318	25		Black: 32 Coloured: 8 White: 0
Bulgaria (95)	4914	15	Roma	85

Sources: for GNP *per capita* see World Bank, *World Development Report, 2000–2001*, Washington, DC, World Bank, 2000; for poverty data sources see text.

Notes: ^a poverty lines vary across countries and are not comparable; ^b excludes the Kinh majority and the Chinese majority; ^c data refers to the 1991 census; ^d indigenous peoples in Peru are defined as individuals living in households where the head reports her/his first language to be one of the indigenous languages.

and they have much higher poverty rates than the rest of the population. These typical facts remain true for countries spanning the whole 'development spectrum', from very low-income developing countries, through middle-income countries like Brazil, to rich countries such as the United States of America (USA).

Although the available data is limited, a survey of evidence from various regions is indicative of a global problem of poverty for minorities and indigenous peoples.

Among developed countries, the USA is probably the country with the richest source of data on inequalities, exclusion and discrimination, as well as persistent and large socio-economic gaps between ethnic minorities and indigenous peoples on the one hand and the majority ethnic group on the other. If the USA were to be divided into two countries on the basis of ethnicity, the one with a solely white population would be in first place in the Human Development Index ranking, whereas the one with a solely black population would be number 31. Furthermore, black children are much more likely to grow up in poverty than white children.³⁴ Similarly, households in Great Britain where the head of the household is from an ethnic minority group are more likely to appear in the bottom 20 per cent of the income distribution than those from non-minority groups.³⁵

In Slovakia, where they form 5–10 per cent of the population, the Roma are frequently discriminated against in a variety of economic, social and political arenas. They suffer from much higher levels of poverty and unemployment, and have very limited access to social services. In Bulgaria approximately 7 per cent of the population are Roma but as many as 85 per cent of Roma are poor, compared to a national poverty rate of 15 per cent. In Serbia and Montenegro, poverty among the Roma is around 65 per cent, almost three times the national figure. The UN Development Programme (UNDP) recently published a regional human development report on the Roma, which revealed that across the region of five Central and Eastern European countries (Bulgaria, Czech Republic, Hungary, Romania and Slovakia) Roma experience similarly high levels of poverty.³⁶

In Latin America, ethnicity – usually defined as having a first language other than Spanish (or Portuguese in Brazil) – has received special attention from development agencies, particularly the World Bank and the Inter-American Development Bank, and good data is available for a number of countries. Ethnicity is an important correlate of poverty, especially in rural areas. Indigenous peoples and Afro-descendants are often the poorest of the poor in many Latin American countries. Indigenous peoples in the Amazon, Central America and the Andes, and the Indians of the *chaco* in Argentina and Paraguay are particularly poor,

as identified by a number of poverty assessments. In Guatemala, 45 per cent of the poor belong to indigenous households (defined as where the first language of the head of household is not Spanish), and 93 per cent of indigenous people are below the nationally defined poverty line.³⁷ In Bolivia, 88 per cent of rural indigenous households are poor.³⁸ In Mexico, indigenous peoples account for only around 15 per cent of the total population, but approximately 30 per cent of the poor population, and 80 per cent of indigenous peoples are poor. In Peru, the indigenous peoples of the Amazon have the highest levels of poverty in the country: 59.48 per cent of the indigenous forest peoples are poor and 41 per cent live in absolute poverty. Statistics on Afro-descendants are much more difficult to identify, since many countries in the region do not disaggregate census information according to ethnic group (which is why first language is used to identify indigenous peoples data in censuses). Seventy-six per cent of Afro-Colombians live in extreme poverty, and poverty is higher in regions where there are large proportions of indigenous peoples.³⁹

Africa has some of the highest poverty levels in the developing world but an extreme lack of data on inequalities between ethnic and other minority groups. Given the emphasis in the economics literature on the relationship between ethnic tensions and economic growth,⁴⁰ and the spate of recent ethnic conflicts, this is extremely surprising and represents a real gap in development knowledge. The chief exception is South Africa, due to the legacy of apartheid that explicitly made reference to differences between white people and other groups and, in a perverse way, facilitated the collection of disaggregated data and indicators. According to the 1993 *Human Development Report*, in South Africa, the richest 5 per cent of the population (mostly white) owns 88 per cent of all private property, half of the population (mostly black) lives below the poverty line and one-third of the black population over 15 years old (about 3 million people) is illiterate.⁴¹ In the year that saw elections bring an end to years of apartheid, poverty rates among the black population far outweighed those of any other group: 32 per cent of black individuals were below the poverty line, compared to 8 per cent among the coloured population and none among the white population, and black household incomes *per capita* were only one-sixth of those of white households.⁴² Evidence from other African countries is patchy but suggestive: the bottom 20 per cent of the Kenyan population encompasses socially excluded ethnic groups and other lower social classes.⁴³ In Namibia, the San indigenous communities have the lowest income and record a Human Development Index rate that is nearly twice as low as the rate recorded for the next highest group.⁴⁴

In Asia and the Pacific poverty is also associated with ethnic minorities and indigenous peoples. In China, approximately 8 per cent of the population are from ethnic minorities but make up approximately 40 per cent of the poor.⁴⁵ Minority groups in China generally live in areas with poor soil (even for subsistence crops), which has made them particularly vulnerable to recent trade shocks.⁴⁶ In India, scheduled castes and tribes are much more likely to be poor, with much worse social indicators. Jayaraj and Subramanian find in their study on caste and class discrimination that scheduled castes and scheduled tribes have average consumption levels only around 15 per cent higher than the subsistence poverty line, compared with that of the rest of the population, which is 51 per cent higher than the poverty line.⁴⁷ Ethnic minorities in Vietnam tend to have the highest levels of poverty in relation to the Vietnamese (Kinh) majority. In 1997–8, while 37.4 per cent of the whole Vietnam population was below the poverty line, 67 per cent of all ethnic minority households were poor. Ethnic minority households also had the highest probabilities of remaining poor and of falling into poverty, and the lowest probabilities of escaping poverty between 1992/3 and 1997/8.⁴⁸

The evidence above suggests that poverty is indeed higher among minority groups and indigenous peoples. Most of the evidence we presented, however, is based on a poverty line and monetary indicators of poverty.⁴⁹ However, poverty is a multi-dimensional concept that should encompass not only income shortages but also access to entitlements and political participation. A review of many participatory poverty assessments concluded that poor people report their condition largely in terms of material deprivation, for example, low incomes, lack of or unstable employment, shortage of food, inadequate housing, combined with inadequate access to health services and clean water. But they also give weight to non-material social and psychological factors such as insecurity, social and political conflict, lack of autonomy and exclusion from decision-making institutions.⁵⁰ This non-material elements may in fact be of utmost importance when discussing poverty among minority groups and indigenous peoples, for whom issues of participation, autonomy, identity and dignity may be as or more relevant than achieving a certain level of consumption, expenditure or income. Hence, standard methods of measuring poverty that focus on the monetary approach may overlook other dimensions of poverty. This may lead poverty levels to be measured wrongly, that is, under- or overestimated. Exactly whether in any particular country poverty among minorities and indigenous peoples is under- or overestimated will depend on where these groups live, on their livelihoods and on the nature and extent of discrimination against them.

Income poverty on its own is not sufficient evidence of discrimination and social exclusion on other fronts (which are often but not always correlated with income poverty). This is important to consider if we want to understand the extent and nature of marginalization of minority groups and indigenous people. Examining other, non-monetary indicators of poverty, suggests that minority groups and indigenous peoples remain among the poorest. Unfortunately, we rarely have access to reliable data on poverty incidence that does not refer only to monetary variables, and even less so for minorities and indigenous peoples, where this data could prove most useful.

Education

Low educational attainments are an important aspect of social exclusion and a significant contributing factor to economic exclusion. Globally, minorities and indigenous peoples struggle to achieve equal levels of education with majority groups. In the USA, only around 53 per cent of Hispanics and 74 per cent of black people (aged over 25 in 1996) completed four or more years of high school, compared to 82 per cent of white people, and gaps are larger for college education.⁵¹ In Mexico, 63 per cent of the indigenous population is illiterate compared to 42 per cent of the non-indigenous population. In Colombia, the primary school enrolment rate for indigenous children is just 11.3 per cent and 44 per cent of adults in the indigenous population are illiterate. Van de Walle and Gunewardena have looked at the situation of ethnic minority groups in Vietnam in detail and found that education attainments are lower on average for minorities than for the majority.⁵² Minority women sometimes fare even worse, because of the intersecting of gender and minority status: in Romania, there is evidence for this, where 19 per cent of Roma men are illiterate but 35 per cent of Roma women are illiterate. In India only 19 per cent of rural women from scheduled castes in 1991 were literate, compared with 46 per cent of scheduled caste men and 64 per cent of the country as a whole.⁵³

These low educational attainments may be due to several factors. The remote location of many minority and indigenous groups may mean that access to school facilities or teachers for their regions may be very limited. In Kenya, where minority groups are often regionally concentrated, large disparities exist in access to schools and in attainment between regions, with the North Eastern Province having much lower access to schools than other regions.⁵⁴ In Peru, the national average illiteracy rate is 13 per cent, but among the indigenous population it reaches 33 per cent, and in the case of indigenous women it is 44 per cent.⁵⁵ Literacy, as well as school attendance and attainment rates, are much lower than national averages in

regions where indigenous peoples are concentrated.⁵⁶ The limited educational resources available to remote minority or indigenous communities may or may not be due to direct discrimination by government authorities in delivering services, but the evidence suggests that more effort is needed to promote education within regions where minorities and indigenous peoples are concentrated.

Where evidence of discrimination is stronger is in the curriculum and delivery of teaching to minorities and indigenous peoples. Textbooks commonly omit any reference to minority or indigenous histories and cultures, or may even denigrate the value of these cultures and their communities. Parents also are sometimes dissatisfied with school curricula that do not attempt to educate their children in line with their own community values and livelihoods. The impact of access to first-language education affects many minority or indigenous groups and states commonly fail to make access to first-language education available at least at the primary school level to facilitate an easy transition to schooling for children from these groups. Students may also experience discrimination from students or teachers. All of these factors combine to lessen the chances of minority or indigenous children of reaching higher education.

The fact that minority or indigenous children are already more likely to come from poor households further impedes their access to higher education. In Brazil, for example, Afro-descendants have just two-thirds the level of education of the white population and a quarter of them have no schooling at all, compared to around a sixth of the white population. The system of education is so skewed in favour of the better off that only those able to afford private tuition at school can hope to gain access to the publicly funded universities.⁵⁷

Health and health care

Exclusion of minority groups and indigenous peoples often begins at birth as shown by indicators of children's health. Infant mortality rates (IMR) for white people in the USA are much lower and have fallen proportionately more than for black people and other ethnic groups: the US Bureau of the Census estimates that the white IMR almost halved from 10.9 to 6.6 per 1,000 live births between 1980 and 1994, while the black IMR fell by a third from 22.2 to 15.8 per 1,000 live births.⁵⁸ The infant mortality rate in Canada for indigenous children is twice as high as for the population as a whole.⁵⁹ In Peru, 27 per cent of all children under age five suffer chronic malnutrition. In the Amazon region of Peru, however, this figure reaches 70 per cent, and in places such as Atalaya with an Ashaninka population, 91 per cent.⁶⁰ Health deprivation can be seen in other statistics for adults. Life expectancy

in the USA among black males is estimated to be ten years less than that for white males, and the gap appears to be widening.⁶¹ Life expectancy for Inuit males in Canada is 58 years compared to 75 years for all Canadian males.⁶² In South Africa, black people have a life expectancy nine years below that of the white population, and infant mortality rates three to five times higher than that of the white population, depending on the survey to which one refers.⁶³ In Asia, similar health disparities exist. In Nepal, although segregation on the basis of caste has been made illegal, low-caste people are still marginalized.⁶⁴ For instance, 'untouchables' in Nepal have a life expectancy of 46 years, 15 years less than for Brahmins.⁶⁵

These inequalities in life expectancy for minority and indigenous groups could be attributed to several factors. In South Africa, for example, diseases, like HIV/AIDS and TB, are much more prevalent among the black population, reflecting in part poorer housing conditions, nutrition and education. In Vietnam, Van de Walle and Gunewardena find that ethnic minorities are more likely to live in communes with no clinic or other health services.⁶⁶ The discrimination factor can contribute directly to inadequate access to health care for minorities, for example because health clinics in their regions are not funded by the government on an equal basis with other regions; or because their ancestral community land rights have been violated forcing their displacement to poorer living conditions. There may also be indirect factors related to other aspects of exclusion, such as poverty, which impact on the ability of minorities to have adequate nutrition or to pay for medical services.

Employment

Minorities and indigenous peoples are often found working in low-wage employment, or without employment; this is perhaps the most prevalent characteristic of their economic exclusion across regions. In Bulgaria unemployment rates among the Roma are as much as 90 per cent; in the Czech Republic, Roma unemployment is 70–80 per cent while unemployment among the whole population is around 3 per cent. In South Africa, white people and Indians⁶⁷ are much more likely to hold senior management or professional jobs. Forty per cent of black people and 'coloureds' in 1995 were employed in 'elementary occupations' compared to just 1.6 per cent of white people, and unemployment rates among black people were almost 40 per cent, compared to just over 5 per cent for white people.⁶⁸

The impact of discrimination on this aspect of economic exclusion is perhaps more easily confirmed through employment statistics and qualitative evidence than it is in other aspects of economic exclusion, such as health and

education above. Nascimento and Nascimento on Brazil show that earnings of white men are almost two-and-a-half times higher than those of black men and four times higher than those of black women, illustrating the extent of discrimination in education and employment along both race and gender divisions.⁶⁹ Job and pay discrimination is common. For example, there is evidence that job vacancies in Brazil are advertised expressing the colour preference of the employer in the belief that different racial groups embody different work ethics and attributes.⁷⁰ In a detailed study of the town of Arni in northern Tamil Nadu, Basile and Harriss-White found that scheduled castes and scheduled tribes constitute around 80 per cent of the casual labour force and take on the poorly paid jobs.⁷¹ Furthermore, 10–15 per cent of all firms in Arni only employ labour of their own caste, and some employers refuse to hire scheduled caste and scheduled tribe workers. These findings are illustrative of a situation still present in most Indian states.⁷²

This is not to conclude that all employment or under-employment of minorities and indigenous peoples is due to discrimination. For example, in Canada, where 35 per cent of Inuit (indigenous) men are unemployed, compared with 10 per cent of other Canadian men,⁷³ the inequalities may be attributed largely to the absence of job opportunities in the remote region in which the Inuit live, where there are few industries. In addition, the informal work of Inuit men and women, linked to their traditional livelihoods of hunting and fishing, may not be accurately recorded or understood in official employment statistics. This same experience may be applied to other minorities and indigenous communities living in remote areas and/or relying on traditional livelihoods for their existence.

Housing, infrastructure and other assets

Minority groups are more likely to be excluded from holding assets such as housing. In the USA, housing conditions are generally poorer among the black and Hispanic population: they are less likely to own their own properties and more likely to rent compared to the white population; they have higher reported incidences of poor conditions such as rats, holes, cracks, exposed wiring, and they have smaller and fewer rooms than white-owned and white-rented properties.⁷⁴

The basic infrastructure to service housing for minorities and indigenous peoples is also often lacking. In Mexico, housing quality and access to services such as piped water, electricity and communications are much worse for indigenous peoples. In Ecuador, a key group vulnerable to poverty is indigenous peoples, who have higher rates of illiteracy, child malnutrition and infant

mortality, and tend to be located in areas with lower service provision.⁷⁵ In Brazil, black people have less access to treated (safe) drinking water, sewage disposal, garbage collection, fridges, televisions and are more likely to live in rural accommodation.⁷⁶ While all the white urban population in South Africa, and most of the white rural population, can expect to have indoor water, only around half of the black urban population, and a mere 10 per cent of the black rural population, have indoor water.⁷⁷ Only 31 per cent of Dalit (formerly 'untouchable') households are equipped with electricity, compared to 61 per cent of non-Dalit households. Only 10 per cent of Dalit households have access to sanitation. Furthermore, the state deliberately excludes Dalits from basic amenities. In many villages, it installs electricity, sanitation and safe drinking water in the upper-caste section, neglecting to do the same in the areas inhabited by the Dalits.

Case study: The impact of land tenure on economic exclusion

The state of Peru recognizes that all people have the right to an ethnic and cultural identity and that the State has the obligation to recognize and protect the nation's ethnic and cultural plurality. However, it does not guarantee the right to land tenure and has contributed towards making land ownership precarious.⁷⁸ The 1993 Constitution established that the common lands of rural communities (previously untouchable) could be embargoed, bought, sold or split into parcels. In 1995, the Law for the Promotion of Private Investment in Economic Activities on National Land and that of Rural Communities was approved. This law established that common rural lands could be acquired by third parties by simple occupation or possession when left empty. This has created widespread injustices against ethnic communities. The Quechua and Aymara sometimes leave their lands unused when following crop rotation patterns. By doing this they risk having their land occupied. On the other hand, some groups within the Ashaninka communities have been forced to leave their land through violence. These reasons for land being unused have not been taken into account by the courts of law.⁷⁹ Furthermore, the economic model currently being applied promotes the sale of natural resources. This has allowed private companies to use common lands without consulting communities and without paying the benefits due them. The 1993 hydrocarbons law has no provisions to protect indigenous peoples' rights to the lands and forests they occupy. This particularly threatens the Amazon communities.⁸⁰

Although it is difficult to prove intent, the lack of services to minority and indigenous communities in other countries may stem from similarly discriminatory policies by local or national governments.

The economic exclusion of minorities and indigenous peoples is also often related to their rights to traditional lands and territories, the resources of those lands and the traditional livelihoods that they furnish. Indigenous peoples in particular have struggled to secure recognition of their land rights, through titling, in order to prevent involuntary displacement or resettlement. In Malaysia, only two of the indigenous Orang Asli out of 10,000 have legally recognizable titles to their land.⁸¹ In Namibia, only around one-fifth of the San have *de jure* rights to land.⁸² Other minority groups have similar problems in challenging government plans to resettle them, usually in the name of large-scale development projects. Minorities and indigenous peoples often find their communities further impoverished as a consequence of displacement, having lost not only their housing but often also their means of livelihood connected with their habitat. In Sri Lanka, indigenous groups (such as the Vedda community) are disappearing due to government resettlement programmes that have disturbed traditional livelihoods.⁸³

Even the quality of land that minorities and indigenous peoples have been displaced to (or traditionally reside on) may be of lesser quality, thus inhibiting their potential to use it for their livelihoods. In Vietnam, minority households have poorer access to irrigated and good quality land. The minority groups are concentrated in upland and mountainous areas, where access to public services is difficult and adequate basic infrastructures are not in place.⁸⁴ So while governments may claim to be displacing minorities in the name of wider economic development, the neglect of proper resettlement strategies and compensation leaves these groups in a much worse economic position than before.

Moreover, the denial of land rights to these groups makes access to credit for small and medium enterprises much more difficult. Poor access to credit is also common in developed countries. In the USA, for example, black people and Hispanics are rejected for home loans 60 per cent more often than equally qualified white people, and pay higher mortgage interest rates; and house prices in predominantly black residential areas rise much slower than in predominantly white areas.⁸⁵

Social cohesion

While the concept of social cohesion may make most sense in relation to the framework of social exclusion, it also has important implications for combating economic exclusion of minority and indigenous groups. Social cohesion, prox-

ied as it is by indicators such as industrial unrest, criminality, drug usage, suicides, number of people in prison, and political participation, has a significant impact on minorities and indigenous peoples who are more likely to find their communities on the periphery of society. The cause(s) of this marginalization will vary according to the group, but would often include discrimination as a factor. Regardless, the outcome for minorities and indigenous peoples is that they are more likely to experience weaker political participation in all countries. In developed countries, some minority or indigenous groups will have higher rates of suicide, imprisonment and involvement in crime. In the USA, for example, despite efforts to close gaps between black and white people on education, health and employment, crime statistics suggest that black people are still more likely to be arrested, more likely to be convicted, and then more likely to be imprisoned than white people. In states where the death penalty is still used, black people 'have been disproportionately subject to death by state execution because of a racist law enforcement system'.⁸⁶

Social cohesion in relation to minorities and indigenous peoples may be undermined by endemic discrimination and social structures that exclude them, such as those found in India and other countries with so-called 'untouchable' classes. In India, scheduled castes and tribes are much more likely to be poor, with much worse social indicators. Poverty and socio-economic inequalities in India are largely explained by the caste system, which although legally abolished still defines 'the structural basis of Indian civil society'.⁸⁷ Despite the process of industrialization and modernization of the Indian economy, and changes in the attitude of government and society towards the integration of the lower castes in the structures of employment and organization of the civil society, 'caste still persists as a fundamental principle of social organization even if under different guises'.⁸⁸ Although the apartheid system in South Africa has been dismantled, the legacy of years of discrimination persists in unequal living standards and opportunities. Although much is changing in South Africa, the gaps between white and black people in particular persist, and some of the current debate is about seeking to balance redressing of past inequalities and issues of merit.⁸⁹ In other developed countries, evidence of discrimination and exclusion can be found. According to the 2000 UNDP *Human Development Report*, police have recorded hundreds of violent hate crimes and discrimination against immigrants and ethnic minorities in Germany, Sweden and elsewhere in Europe. In 1998, more than 7,700 hate crimes were reported in the USA: 56 per cent of those crimes were against people of a different race, 18 per cent against people of a different religion and 16 per cent against people of a different sexual orientation.

In recent years, minority and indigenous communities have been involved in or affected by conflicts. Many have been displaced or left their homes as refugees. The establishment of social cohesion and trust between communities that is necessary both for peace and for stable economic development has been undermined.

Recognition of identities is also an important aspect of social cohesion. Creating homogeneous societies through assimilation is not the best way of ensuring stability because distinct ethnic, religious and cultural identities are too important to individuals' psychological and social welfare to eliminate. Many states nevertheless pursue a

passive or active form of assimilation through subtle policies that deny citizenship to certain ethnic groups, or that fail to acknowledge their true identities as distinct. Peru recognizes both Spanish and ethnic languages as official, but the latter only in the zones where they predominate. The Constitution also recognizes the special jurisdiction of indigenous communities in the Amazon region but, while the Peruvian state recognizes Amazon peoples as distinct ethnic groups, it does not recognize the Quechua and Aymara communities as indigenous peoples.⁹⁰

Case study: Overcoming economic exclusion in Kerala

Exclusion of minority groups and indigenous peoples in India extends to all states. Kerala, in the southernmost tip of India, has been the state in India where it is generally thought that the caste system no longer defines social, political or economic relations. This is because Kerala's development programme has provided traditionally vulnerable groups, such as the lower castes, women and workers in the informal sector, with better capacity to access social entitlements and the mechanisms of power, both important elements of any development strategy. However, evidence suggests that the task is incomplete. Caste intolerance has not been completely eliminated, the land reforms have brought about another form of rural exploitation (that between the poor landowners and their landless workers) and the informal sector is still a source of social and political conflicts. In Kerala, members of the former untouchable groups are still found working in the lowest-paid jobs (farm labour, for instance). However, their living conditions have improved significantly and brutal forms of social and economic abuse by the upper classes have become rare. It seems that the old forms of exploitation have been replaced by new ones, however. Although the struggle between tenants and the landlords eased as a result of the land reforms, there is evidence for a new form of class exploitation, namely, that between the poor landowners and their workers: 'where once the poor were pitted against the rich, now the poor are pitted against slightly less poor'.⁹¹ It is also reported that 'caste

intolerance, the most important form of conflict in Kerala, has not been removed', and has taken violent forms: 'right-wing terrorist groups and landlord hirelings burn the homes of low-caste people and attack and kill them with alarming frequency. These attacks often follow peaceful attempts by low-caste people to improve their lives'.⁹² Other unresolved issues of social inequality in Kerala include the informal sector and the fact that some groups – like the fisherfolk and the tribals, among others – were not included in the development programme.⁹³ One important reason why that has happened is the low 'active demand from below the community', as opposed to other groups' active role 'in demanding the supply of development services and monitoring their effective implementation'.⁹⁴ According to the logic underlying Kerala's model of development, it should have been the responsibility of the Government of Kerala to implement policies specifically targeted towards the alleviation of poverty, and to guarantee the social and income security of fisherfolk and tribal groups. The Ninth Five-Year Plan proposes the establishment of democratically elected Panchayat/Nagarapalika institutions (local government institutions), like the system in place in West Bengal.⁹⁵ This is intended to offer Kerala greater 'opportunity to build a new development culture free from the conflicts of political and party ideologies. This new development culture is founded on people's participation at every stage of development'.⁹⁶

Why discrimination matters

Discrimination is often difficult to prove, particularly when it is not expressed in specific legislation or when there is a lack in commitment among dominant groups to recognize the problem. We have tried to solve this difficulty by looking at visible manifestations of discrimination. One of the most visible forms of discrimination against minority groups and indigenous peoples is reflected in the fact that minority groups and indigenous peoples constitute a disproportionately large and persistent percentage of the poor, both in developing and industrialized countries. Another visible form of discrimination relates to the exclusion of minorities and indigenous peoples from key social, political and economic institutions. Although it may be difficult to establish that poverty and exclusion are caused by discrimination, the fact that poverty and other forms of exclusion are more persistent among minority groups and/or indigenous peoples is indicative that discrimination may be a contributing factor. Furthermore, poverty and exclusion are not independent and often we will not be able to distinguish between the two phenomena. In the context of minority groups and indigenous populations, the incidence of poverty and exclusion can be seen as different manifestations of the same phenomenon: the marginalization of minority groups and indigenous peoples from the process and benefits of social, economic and political development.

The previous section analysed the evidence available for discrimination among minority groups and indigenous peoples in terms of poverty incidence and the exclusion of these groups from key social and economic institutions. We have argued that poverty incidence and exclusion are higher among minority groups and indigenous peoples than the rest of the population of given countries. We have presented evidence which suggests that much of social, economic and political exclusion, and deprivation, may be rooted in past or present discrimination.

However, minority groups and indigenous peoples do not necessarily constitute in all cases the majority of the poor or the majority of the excluded groups. A large amount of evidence has shown other types of discrimination against women, persons with disabilities and older persons, etc.⁹⁷ and their marginalization in development policies. Moreover, discrimination might not always be directed specifically at minority groups. Why then should the development community be concerned with discrimination against minority groups? This concern can be

defended from a number of perspectives, ranging from the body of legislation in international human rights law to the analysis of a variety of social, economic and political outcomes.

The right to non-discrimination

Perhaps one of the most concrete defences can be made from an international law perspective. The right to non-discrimination is a principle of customary international law, which means that all states are obligated to respect this right for all people in their territory. This is strengthened further in the two main international treaties on human rights, the International Covenant on Civil and Political Rights (ICCPR, 1966), and the International Covenant on Economic, Social and Cultural Rights (ICESCR, 1966) which stipulate respect for non-discrimination in the realization of human rights. This right is elaborated in the UN Convention on the Elimination of All Forms of Racial Discrimination (ICERD, 1969), now ratified by 166 States (as of 9 May 2003). This treaty allows states to take 'special measures' in the economic, social, cultural or other spheres to ensure that all people can enjoy their rights equally without discrimination. Notably, all of the treaty monitoring bodies require that states provide disaggregated data in their regular reports to the UN on the implementation of the treaties. Very few actually provide such information. Although there is no universal treaty on minority rights, the UN has adopted the Declaration on the Rights of Persons Belonging to National or Ethnic, Religious and Linguistic Minorities (UNDM), which proclaims that states must protect the existence of national, ethnic, cultural, religious and linguistic minority identities and encourage conditions for the promotion of those identities. The Declaration also requires that states take measures to ensure that minorities may participate in economic progress and development in their country. Together, these international human rights provisions provide a framework of states' responsibilities towards minority groups that cannot be ignored.

Reducing poverty

The ethical principles established by legislation aimed at protecting minority groups and/or indigenous peoples from social, economic and political forms of discrimination have been taken into account in recent work on

poverty and inequality. The 1993 *Human Development Report* stressed the importance of participation of traditionally excluded groups (rural poor, religious and ethnic minorities, and women) in development and in the establishment of fully democratic regimes. The 2000/2001 *Human Development Report* argued for a human rights approach to development and emphasized the importance of freedom from discrimination, want, fear and injustice; and freedom for the realization of one's human potential, freedom of participation, expression and association, and access to decent work as fundamental bases for the alleviation of poverty and inequality and the promotion of socially and politically sustainable economic growth. Despite these efforts, commitment to human rights (and minority rights) is still rare in development initiatives.⁹⁸ Combating discrimination against minority groups and indigenous peoples, however, is slowly being recognized as a central element in the fight against world poverty. As mentioned in the introduction to this paper, the International Development Targets set out at the UN Social Summit in Copenhagen included the halving of poverty in developing and transitional countries by 2015, as well as the improvement of a range of health, education and environment targets. Recent assessments of these targets have shown that, during the 1990s, poverty in Eastern Europe and Central Asia has risen and is predicted to rise even further by 2015, and that decreases in poverty elsewhere have been minimal.⁹⁹ Those increases in poverty have been localized among certain population groups, of which minority groups and indigenous peoples form a large fraction, and have persisted over time.¹⁰⁰

The overlap between persistent poverty and minority groups and indigenous peoples makes a strong case for including minority groups and indigenous peoples as central targets of development policies. This is not to say that reducing poverty among groups in a numerical minority is going to have a large impact on total poverty reduction. However, recognizing that the persistence of poverty among minority groups and indigenous peoples is to a large extent a consequence of exclusion, marginalization and discrimination may have important implications in terms of the elimination of one important barrier to the reduction of world poverty. Although minority groups might not be the largest identifiable group among the poor in all developing countries¹⁰¹ it is usually the case that poverty incidence and a range of other development indicators are worse for minority groups and indigenous peoples, and, furthermore, it is often the case that poverty reduction is slowest among these groups.¹⁰²

The 2000/2001 *World Development Report* examines three key elements in the fight against poverty: the promotion of opportunities, the empowerment of disadvantaged groups and the enhancement of security.

These elements cannot be addressed without expressed concern for the rights of minority groups and indigenous populations.

The promotion of opportunities (access to jobs, credit, roads, electricity, markets, schools, water, sanitation and health care) can be achieved (according to the *World Development Report*) by promoting economic growth and adequate market reforms that reflect the institutional and structural characteristics of the economy in question. Creating opportunities, however, also depends to a large extent on the implementation of policies that address socio-economic inequalities across gender, ethnic and social divides. Lower socio-economic inequality will, in turn, facilitate the access of vulnerable groups to new opportunities and diminish the extent of the shocks these households are bound to suffer during economic reforms.

The empowerment of disadvantaged groups (including minorities and indigenous peoples) expresses a more direct concern with the problems brought about by the marginalization of these groups. It implies greater political accountability, the creation of efficient legal and public services and the removal of structural barriers that exclude some population groups from the decision-making process.

The final element is the enhancement of security and, consequently, the reduction of vulnerability to all types of shocks. The poor generally are often more vulnerable to shocks and less able to cope with their consequences. For example, lack of access to credit means that not only can poor households not build up sustainable livelihoods, but also they cannot cover basic needs when there is adverse weather or an economic shock (such as a fall in the price of their main output). Evidence presented above from various countries shows that minority groups and indigenous peoples have worse access to credit (often because of insecure property rights over land), are more likely to suffer from ill-health, be unemployed or be affected by ethnic conflict. This third element implies promoting the diversification of activities of vulnerable households, establishing adequate social insurance and social assistance programmes, creating the conditions for stable socio-political environments and strengthening the assets of poor and marginalized people, including minority groups and indigenous peoples, whose levels of poverty and exclusion from social, economic and political institutions are particularly high.

Participation in decision-making

Efforts to reduce poverty globally need to address the particular problems of minority groups and indigenous peoples. This implies the establishment of policies that guarantee the participation of minority groups and indigenous peoples in the process of decision-making in

every country. But minorities and indigenous peoples may be wary of policies and institutions that are overly integrative or assimilationist, given concerns about loss of their identity, and of their own cultural and social values, languages, practices and institutions. Therefore a level of meaningful participation is necessary in order to ensure the protection of the rights of minorities. This participation 'signifies the ability ... to bring relevant facts to decision-makers, argue their position before decision-makers, veto legislative or administrative proposals, and establish and manage their own institutions in specific areas'.¹⁰³ The participation of minorities in the national decision-making process will not only help to address the problems of persistent poverty and exclusion among these groups, but will also yield important gains for those minority groups and indigenous populations that are excluded from fundamental social, economic and political institutions. These gains will not be entirely material but will also affect the dignity, self-worth and feeling of integration and participation of minorities and indigenous peoples in social, political and economic decisions that have important consequences for their lives. Often minority and indigenous groups become estranged from national decision-making processes because they perceive no role for them in that process, or because they believe themselves to be incapable of influencing political, social or economic policy outcomes.¹⁰⁴ These facts imply important private costs for those individuals, households and groups that suffer from discriminatory actions in terms of the loss of their cultural identity (language, etc.) and loss of their basic human rights, freedoms and interests.

A particularly important issue in decision-making is land ownership. Land is not just an economic resource but also plays an important role in the culture and traditions of many minorities and indigenous peoples, particularly those whose land use is based on collective or communal forms of ownership (e.g. the Mapuche in Chile, indigenous peoples in Brazil, Peru and elsewhere in Latin America, ethnic minorities in Vietnam, Malaysia and many others). There is a large body of evidence of attempts against the land rights of indigenous populations. In Vietnam, the large increase in the international price of coffee led to the non-authorized occupation of indigenous land in the Central Highlands for the production of coffee.¹⁰⁵ Minority groups and indigenous peoples are much more likely to be displaced by so-called development projects such as dams and infrastructure projects. They have at best only partially recognized land rights and little political leverage. For example, in India, siting of dams has disproportionately affected the Adivasis (tribal peoples), and thousands have been displaced from their homes, with little attempt to help them resettle and re-establish their livelihoods, or create new ones. In Brazil, appropriation of

indigenous lands by commercial agriculture has contributed to high suicide rates among indigenous peoples, particularly among young people, who perceive their cultural identity as being eroded and devalued. Where land rights are more fully recognized, minorities and indigenous peoples can have greater authority and autonomy in decision-making as it affects their territories and livelihoods. This in turn can help mitigate the effects of land loss and displacement on their communities.

The 'business case' for inclusion

It can be argued that eliminating discrimination against minority groups is also highly desirable from an economic perspective – this is the so-called 'business case' for inclusion. The persistence of poverty and inequalities due to discrimination, social exclusion and difficult access to services and institutions may undermine efforts to decrease poverty (as discussed above) and create poverty traps. These have important economic effects that undermine the country's potential for the establishment of sustainable development paths, including the decrease in the demand potential of internal markets, the reduction of the human capital potential of societies where discrimination against minorities is significant, and the creation of political instability.¹⁰⁶

Poverty and deprivation among minority groups imply that private consumption is low, and this may be particularly acute in countries where minority groups are numerically significant proportions of the population. Forms of discrimination against minority groups and their exclusion from social, political and economic institutions may also create important constraints on the accumulation of social and physical capital by those groups. These factors create barriers that may prevent the enlargement of internal markets. This, in turn, may decrease effective demand and thus economic growth.¹⁰⁷ This is particularly relevant in developing countries where the size of internal markets is considered an important constraint on development and economic growth.

Furthermore, high levels of poverty and socio-economic inequalities among specific population groups reduce the productive capacity of those groups. Discrimination 'deprives society of unity and the cooperation of all their people in pursuit of the common good [and ...] wastes talent, productivity and lives'.¹⁰⁸ Improving the economic conditions of minority groups would thus 'amount not to a consumption transfer but to a productive investment'.¹⁰⁹ Thus, the whole economy would benefit from an improvement of its human capital resources. O'Connell and Birdsall describe education as being the people's asset, and for many it is the only asset they have with which to

generate an income.¹¹⁰ In the longer run, 'the transformation of poverty groups into more productive members of society is likely to raise the incomes of all'.¹¹¹ Human capital (i.e. the ability, skills, training and experience of people) plays a central role in theories of economic growth and development, and much empirical work across and within developed and developing countries shows a robust, strong and positive effect of educational attainment on growth rates.¹¹² Birdsall *et al.* found that increasing a country's primary and secondary enrolment rates from 75 per cent to 90 per cent and from 22 per cent to 34 per cent (the 1960 averages) would raise annual *per capita* growth rates by 1.5 percentage points, which by 1990 would have been translated into a relative increase in GDP *per capita* of 40 per cent compared to countries that had not increased enrolment rates.¹¹³ The relationship between education and economic growth is a feature of growth theory that stresses the positive effect of education on innovation and adoption of new technology.¹¹⁴ The accumulation of human capital brought about by the improvement of education and health care, and the elimination of extreme forms of destitution among excluded groups could improve the productive capacity of these groups.

It is important to note, however, that the productive activities of minorities and indigenous peoples are integral to their cultures and lifestyles, and therefore cannot easily be transformed without serious consequences for their identities. This must be considered seriously in any analysis of the human capital potential of minority or indigenous groups and should not be ignored in favour of particular economic outcomes.

Addressing discrimination requires a huge effort on the part of governments, international organizations and the media. But the incentives to do so are high. Studies that have sought to estimate the gains of ending long-term exclusion and discrimination against minority groups and indigenous peoples suggest huge potential economic gains, as well as private gains to previously excluded groups and broader social benefits. Gaps in investment in education and health and the resulting gaps in wages, and high and concentrated poverty among minorities and indigenous peoples, lead to losses in output, GDP and wealth (although it must also be recognized that the low-wage labour of minorities and indigenous peoples, and appropriation of their lands for development purposes, has also perversely contributed to gains in output, GDP and wealth for some sectors of the population). Discrimination in education is perpetuated in the labour market through pay and gender discrimination, and restrictions on occupational choice. In many countries these inequalities are persistent and have led to social divisions. Not only is this violation of human

rights morally indefensible and highly detrimental to the well-being of those discriminated against, there are also important social costs: reducing discrimination can benefit everyone not just those formerly discriminated against or excluded.

There are two main ways of estimating the economic cost to society of discrimination through this education route, developed by Brimmer for the USA.¹¹⁵ One method is to simply calculate the gains in total output and income that would arise from the full use of the *existing* education, skills and experience of the excluded discriminated group, that is, the excluded group is assumed to have the same levels of earnings and productivity as their non-excluded counterparts, usually estimated by age, gender and education. This essentially gives an estimate of the gains for removing discrimination in the labour market. Given that individuals from minority groups and indigenous peoples earn less than their majority or elite counterparts with the same levels of education, we would expect these gains to be significant. The second method goes one step further by calculating the gains that would arise if we removed discrimination in education, that is, made use of the *potential* skills, education and experience of the group that is discriminated against. There is sufficient evidence that minority groups and indigenous peoples have much lower levels of education than the rest of the population and that these inequalities are essentially reproduced in the labour markets. Adding the two estimates together simulates the effects of removing discrimination in education as well as in employment. Each method requires detailed data on education, age, work experience, wages and employment for both the minority group and the rest of the population.

Zoninsein has estimated the gains in earnings and GDP for four Latin American countries, Bolivia, Brazil, Guatemala and Peru, plus South Africa and the USA.¹¹⁶ Peru has much smaller estimated gains because the household survey contained less information on indigenous peoples – highlighting the importance of data coverage. Table 2 summarizes these findings.

Although these estimates are only simulations of the gains from removing discrimination, and the method is subject to debate, they are indicative of possible economic benefits. They suggest that even partial removal of discrimination in some spheres would be hugely beneficial in improving economic performance, and ultimately poverty reduction. The removal of discrimination against minority groups and indigenous peoples will not only have large social benefits but will also yield, as discussed above, large private benefits for those individuals, households and groups that suffer the effects of discrimination and consequent poverty and exclusion from key social, political and economic institutions.

Table 2: Gains in earnings and GDP from removing discrimination

	Labour market discrimination		Education discrimination		Both	
	<i>Earnings</i>	<i>GDP</i>	<i>Earnings</i>	<i>GDP</i>	<i>Earnings</i>	<i>GDP</i>
Bolivia (1997)	57.8%	17.12%	66.1%	19.56%	123.9%	36.68%
Brazil (1997)	36.7%	4.85%	60.3%	7.98%	97.0%	12.83%
Guatemala (1998)	32.2%	4.59%	63.5%	9.04%	95.8%	13.63%
Peru (1997)	35.9%	1.76%	50.0%	2.45%	85.9%	4.21%
Brazil (1990)	–	–	–	–	24.94%	9.04%
South Africa (1993)	–	–	–	–	183.7%	96.6%
USA (1992)	2.7%		2.04%		4.74%	2.8%

Source: see note 116.

Stability and security

Finally, income inequality and persistent poverty among particular groups of the population can also increase feelings of unfairness. This promotes social discontent and may lead to social unrest¹¹⁷ which can have negative effects on economic growth. In fact, the recent attention paid to minority rights by the international development community originated from the emergence of various types of inter-ethnic conflict.¹¹⁸

There is a growing literature on the economic and social causes of conflict, including civil wars, and discrimination, inequalities between social groups (what Tomaševski terms ‘horizontal inequalities between groups’),¹¹⁹ and inequality between minorities and non-minorities play an important role. And conflict, whether caused or merely fuelled by discrimination against minorities or indigenous peoples, has devastating consequences on prospects for total not just minority poverty reduction. Elbadawi finds that civil wars can be influenced by the extent of ethnic fractionalization in segmented societies.¹²⁰ Easterly and Levine find similar results for Africa.¹²¹ Dollar *et al.* and Collier and Hoeffler, using a cross-section of more than 100 countries, find identical results for their ethnic fragmentation variables.¹²² Justino investigated the case of Kerala, India, and found that the persistence of caste inequalities could be a strong determinant of labour instability there (labour strikes, lockouts, riots, etc.).¹²³ A large fraction of the more or less violent forms of conflict that have taken place in both developed and developing

countries in recent decades have been in part influenced by the discontent of some parts of the population with rising poverty and unemployment, and deteriorating living conditions. Discrimination and extreme rural poverty experienced by indigenous peoples across the globe, from Indonesia to Central America have been associated with rural social and political conflict.

There is also the increasingly common phenomenon of so-called ‘development conflict’. Where economic development priorities clash with the needs and rights of minority or indigenous groups, the result can be local or widespread conflict. For example, some indigenous groups have engaged in armed resistance to oppose forced appropriation of their lands without their full prior informed consent to such action.¹²⁴ Even if the use of the land and its resources is claimed to be necessary for the economic development of the country as a whole, the denial of minorities’ and indigenous peoples’ human rights cannot be justified as a trade-off. Moreover, such actions can force minority and indigenous communities into further marginalization and poverty, and commonly destroys their cultures and livelihoods. A commitment to sustainable and peaceful development requires a commitment to development paths that respect minority and indigenous rights, and works with them to find appropriate solutions to local and national development challenges.

Given the evidence discussed above, we can argue that policy programmes that reduce discrimination among minority groups and increase their socio-economic participation can create an element of socio-political stability,

essential for the success of any economic growth and development strategy. However, despite the high development costs of discrimination, and the links between discrimination against minority groups and the emergence of civil wars and other types of socio-political conflicts, the inclusion of minority rights in development policies should not be solely justified in terms of cost-efficiency or conflict-prevention measures. Although discrimination may entail large costs for economic growth and development, the elimination of discrimination will not guarantee large economic growth rates. In fact, it may lead to lower economic growth if it implies the transfer of large amounts of resources towards minority groups, and greater control for minorities and indigenous peoples over their traditional lands and natural resources. The inclusion of minority

rights in development policies is, however, an important element in the creation of sustainable and integrated development strategies. The incidence of high levels of poverty among many minority groups and indigenous peoples, and their exclusion from important social and economic institutions, should be the object of attention of the international development community. In addition, the clear prohibition of discrimination in international human rights law places strong obligations on the part of states to take positive steps to eliminate discrimination and its effects – including through development cooperation activities. A key part of the solution is ensuring that minorities and indigenous peoples can participate meaningfully in decision-making on development policies that might affect them.

Case study: Affirmative action

The fight against discrimination involves serious social and political changes both in the way society perceives minority groups and in the policies made available by the relevant institutions to combat discrimination. These policies vary from simpler mechanisms to guarantee the equal access of all population groups to social and economic services, to the reform of legal systems. Some of these changes have involved the implementation of effective affirmative action programmes.¹²⁵ Affirmative action policies usually involve helping members of disadvantaged groups to access education, and increase social and political participation through financial assistance in terms of scholarships, health subsidies, etc., preferential admission to schools and universities, job quotas, public administration reservations and electoral quotas. Affirmative action policies have, however, had a negative image since they can result in reinforcing negative stereotypes about the discriminated groups and/or individuals.¹²⁶ Preferential policies of the type described above can distort job markets, create tensions and promote new political elites.¹²⁷

Indian society is divided into thousands of castes and sub-castes organized into a rigid hierarchy extending from Brahmins, the high caste, to the 'untouchable' castes. The 1950 Constitution finally abolished the practice of 'untouchability', while the government initiated a programme of 'compensatory discrimination' that reserved 22.5 per cent of all central government jobs for members of the scheduled castes and tribes. Similar reservations were made at the state level and extended to college and university admissions. This has been a controversial system with higher-caste Hindus feeling they have been victims of reverse discrimination. More controversial has been the extension of the reservation system to 'other backward castes'. These are predominantly rural and, in

many states, they have accumulated considerable political power, often used as a form of extending reservations in university admissions and government employment.¹²⁸ Caste reservations have, as a consequence, been a factor in serious protest and violence.¹²⁹ But despite many difficulties, the Indian reservations policy has had a large impact on the position of the more disadvantaged groups as many members of the lower castes are now found in all areas of the economy and political administration.

Anti-discriminatory policies have also had some degree of success elsewhere. In the USA, affirmative action measures have been effective at redistributing income to women and minority groups,¹³⁰ while in South Africa, affirmative action policies are used as a way of decreasing unemployment and poverty among black South Africans. Affirmative action policies ensure that black job applicants get a better chance when competing against white and 'coloured' applicants for the available positions.¹³¹

The negative image of some affirmative action programmes can be erased by the implementation of policies that seek to enhance the performance of disadvantaged groups by, for instance, providing financial assistance for access to schools and universities, and providing business and legal advice for the establishment of private enterprises.¹³² This approach is labelled by Loury as 'developmental affirmative action' as opposed to 'preferential affirmative action'.¹³³ Developmental affirmative action has the advantage of promoting equal opportunities for all rather than favouring some groups in relation to others and, in the process, potentially strengthening stereotypes rather than eliminating them. Breaking and not creating stereotypes should be the main element of the fight against discrimination and policies that enable disadvantaged workers to increase their skills are a positive step.¹³⁴

Conclusions

This paper has examined the link between exclusion of minority groups and indigenous peoples from key institutions, and discrimination against those groups. Based on existing qualitative and quantitative evidence from a diverse number of countries and regions, we demonstrated that minority groups and indigenous peoples in developed and developing countries are likely to be poorer, and to be the object of social, economic and political exclusion, than any other group. This exclusion can in part be linked to past and/or continuing discrimination against minorities and indigenous peoples. The paper argued that discrimination against minority groups and indigenous peoples has important human, social and economic costs; that it is an important dimension of economic and social exclusion that is often ignored by the development community; and that it is a fundamental factor in the establishment of sustainable development strategies. Persistent poverty among minorities and the exclusion of minority groups and indigenous peoples from key political, social and economic decisions jeopardize the position of those groups in terms of their rights, freedoms and interests, and harm the future prospects of the whole country in terms of economic growth and political stability.

This analysis was, however, impeded by several important obstacles. The first was the lack of an operational definition of 'minority group' useful for analysis of data. We therefore used normative defining criteria and used existing classifications of groups as defined by the current literature and data sets. These groupings may themselves reflect discrimination by surveyors and/or states that either use stereotyped groupings or fail to recognize some minorities or indigenous peoples as distinct from others. The second obstacle was the establishment of a causal relationship between discrimination and exclusion. We argued that identifying discrimination as a contributing cause could be established if there was sufficient evidence that minority groups and indigenous peoples were poorer or more excluded from certain institutional processes than majority groups. Both the difficulties in defining minority groups and establishing a causal relationship between dis-

crimination and exclusion were, however, due to the third and most important obstacle: data limitations

In order to establish that minority groups and/or indigenous peoples are excluded or poorer than other groups, qualitative and quantitative indicators for the minority group and/or indigenous peoples need to be compared with the remaining or total population. However, we found that there is little systematic data available for all – or even a large proportion of – minority groups or indigenous peoples, due in part to the lack of nationally representative household surveys for a large number of countries. As we mentioned in the introduction to this paper, remote rural areas (where minority groups and especially indigenous peoples are usually to be found) are often not covered by the surveys. In addition, where data is collected on minority groups and/or indigenous peoples, it is done only for those groups that are recognized by the survey planners (usually the national statistics institute) as being minority groups or indigenous peoples. A further important limitation is that data does not always capture the diversity of experience among minority groups and indigenous peoples (for instance, across gender). Minorities and indigenous peoples are also sometimes grouped into a small number of categories that does not allow indicators to be produced on specific ethnic groups. Consequently, not only do officially collected statistics often distort the demographic profile of the population, they also make it difficult to understand the complexity and diversity of the experience of exclusion and poverty among minority groups and indigenous peoples. As discussed at the beginning of the paper, the inadequacy of the currently existent data on exclusion and discrimination among minorities and indigenous peoples is itself a form of exclusion since it denies minority groups and indigenous peoples information about themselves and their position relative to others. It also reflects a lack of concern by policy-makers with discrimination and exclusion of minorities and indigenous peoples as an issue to be addressed by development policies.

Recommendations

1. Data collection on the economic, social and political situations of minorities and indigenous peoples needs to be improved, particularly in those countries that currently have very little data available. This will require:
 - collaboration between donors and national-level statistics offices and government ministries to build statistics capacity within developing countries and improve the quality and coverage of surveys;
 - widening sample coverage of surveys to include samples of all minority groups and indigenous peoples, with possible over-sampling to allow for disaggregation within minority groups and indigenous peoples;
 - improving data collection on poverty, deprivation and exclusion through coverage of issues such as those suggested by Atkinson *et al.* and described above;¹³⁵
 - combining qualitative and quantitative survey techniques to produce complementary data in order to understand the processes involved in discrimination and the effect that it has on minority groups and indigenous peoples.
2. The collection of disaggregated data should be consistent with the conditions set forth in Article 92 of the World Conference Against Racism Programme of Action.
3. The lack of data on minority groups and indigenous peoples reflects in part the legal position of different groups. Identification of minority groups and indigenous peoples, and recognition as such by state and international organizations is important if data, and hence knowledge and understanding of the relational factors of social and economic exclusion, are to be analysed.
4. Data on minorities and indigenous peoples should be disaggregated by sub-groups, including gender, urban–rural environments and age. Discrimination and exclusion are usually experienced differently by different groups within a minority, and a valid understanding of the processes behind exclusion or unfavourable inclusion will only be properly understood with disaggregated data.
5. Policy targeting can be improved by regularly assessing the situation of minorities and indigenous peoples. Knowing who the most vulnerable groups of the population are (in terms of access to non-income goods and services as well as income) can avoid failures in reaching the target groups and can reduce costs that arise when policies reach non-target groups. Targeting by geographic indicators may be appropriate given the concentration of ethnic minorities and indigenous peoples in rural, often remote, areas of each country.
6. National human rights institutions should take steps to reduce economic exclusion of minorities and indigenous peoples by promoting their rights in access to health, education and other services, non-discriminatory labour market policies, and recognition and protection of land rights. Particular attention should be focused on facilitating the participation of minorities and indigenous peoples in drafting new interventions for poverty and/or inequality reduction.
7. States party to ICERD should pay particular attention to implementing the concluding observations of the Committee (CERD) as it impacts on development planning. States should ensure the Committee receives detailed disaggregated data on economic, social and cultural rights in all periodic reports.

Notes

- 1 Poverty Research Unit, University of Sussex, Falmer, Brighton, BN1 9SJ. The authors are grateful to a number of anonymous reviewers of earlier drafts and to Corinne Lennox of MRG for useful suggestions and informative discussion.
- 2 See Lipton, M., 'The 2015 poverty targets: what do the 1990–98 trends tell us?', *PRUSnotes* 3, 2001, Brighton, Poverty Research Unit, University of Sussex.
- 3 Sen, A., 'Social exclusion: concept, application and scrutiny', Asian Development Bank *Social Development Papers* no. 1, 2000, p. 29.
- 4 IFAD (International Fund for Agricultural Development), *Rural Poverty Report 2001*, Oxford and Rome, Oxford University Press for IFAD, 2001.
- 5 Chambers, R., *Rural Development: Putting the Last First*, London: Longman Scientific and Technical, 1983 and *Poverty and Livelihoods: Whose Reality Counts?*, Institute of Development Studies, Discussion Paper no. 347, Brighton, University of Sussex, 1995.
- 6 Tomaševski, K., *Minority Rights in Development Aid Policies: An Issues Paper*, London, Minority Rights Group International, 2000.
- 7 These are the criteria for non-discrimination as set out in Article 1.1 of the International Convention on the Elimination of All Forms of Racial Discrimination (ICERD, 1969).
- 8 The obligation to use 'special measures' to ensure the adequate development and protection of groups that are discriminated against is outlined in Article 2.2 of ICERD. The purpose of these special measures is to guarantee the 'full and equal enjoyment of human rights and fundamental freedoms'.
- 9 Most literature on discrimination focuses on racism (i.e. systematic discrimination against one race). In this paper racism is taken as just one aspect of discrimination.
- 10 However, not all indigenous peoples are recognized by the state as distinct ethnic groups: in Peru Quechua and Aymara communities have not been recognized as ethnic groups by the government but Amazon groups have.
- 11 World Bank, *World Development Report 2000/2001*, Washington, DC, World Bank, 2000, p. 23.
- 12 This rather derogatory term refers to migrants from Asia and their descendants.
- 13 Guimaraes, A.S.A., 'The misadventures of nonracialism in Brazil', in C.V. Hamilton, L. Huntley, N. Alexander, A.S.A. Guimaraes and W. James (eds) *Beyond Racism: Race and Inequality in Brazil, South Africa and the United States*, London, Lynne Reiner, 2001.
- 14 Nascimento, A. do and Nascimento, E.L., 'Dance of deception: a reading of race relations in Brazil', in Hamilton *et al.*, *op. cit.*, p. 125. In addition, spontaneous responses on colour produced a list of 136 different colours as respondents of non-European origin selected non-black and non-white colours, such as *moreno*, *light moreno* and *light* over the 'catch-all' category of *pardo* (see Vieira, R.M., 'Brazil', in Minority Rights Group International, *No Longer Invisible: Afro-Latin Americans Today*, London, MRG, 1995, p. 27 and Guimaraes, *op. cit.*, p. 176).
- 15 Justino, P. and Litchfield, J., *Poverty Dynamics in Vietnam: Winners and Losers During Reform*, PRUS Working Paper no. 10, Brighton, Poverty Research Unit, University of Sussex.
- 16 Carvalho, S. and White, H., *Combining the Quantitative and Qualitative Approaches to Poverty Measurement and Analysis*. World Bank Technical Paper no. 366, Washington, DC, World Bank, 1997.
- 17 Guimaraes, *op. cit.*; Roland, E.M.S., 'The economics of racism: people of African descent in Brazil', Geneva, International Council on Human Rights Policy, 2001.
- 18 De Haan, A., *Poverty and Social Exclusion: A Comparison of Debates on Deprivation*, Working Paper no. 2, Brighton, Poverty Research Unit, University of Sussex, 1997; de Haan, A. and Maxwell, S. (eds) 'Poverty and social exclusion in North and South', *IDS Bulletin*, vol. 29, no. 1, 1998, and 'Editorial: poverty and social exclusion in North and South', in *ibid.*; Kabeer, N., 'Social exclusion, poverty and discrimination: towards an analytical framework', *IDS Bulletin*, vol. 31, no. 4, 2000, pp. 83–97.
- 19 Burchardt, T., LeGrand, J. and Piachaud, D., 'Social exclusion in Britain 1991–1995', *Social Policy and Administration*, vol. 33, no. 3, 1999, pp. 227–44; Kabeer, *op. cit.*; Smith, D., 'Dealed out? Welfare to work and social exclusion', *Local Economy*, vol. 15, no. 4, 2000, pp. 312–24; Littlewood, P., *Social Exclusion in Europe: Problems and Paradigms*, 2000; Grant, E., Blue, I. and Harpham, T., 'Social exclusion: a review and assessment of its relevance to developing countries', *Journal of Developing Societies*, vol. 16, no. 2, 2000, pp. 201–21.
- 20 See, for example, Oyen, E., 'The contradictory concepts of social exclusion and social inclusion', in C. Gore and J.B. Figueiredo (eds), *Social Exclusion and Anti-Poverty Policy*, Geneva: International Institute of Labour Studies, 1997.
- 21 Sen, *op. cit.*
- 22 *Ibid.*, p. 1 (quoting Silver, H., 'Reconceptualising social disadvantage: three paradigms of social exclusion', in G. Rodgers, C. Gore and J. Figueiredo (eds) *Social Exclusion: Rhetoric, Reality, Responses*, Geneva, International Institute for Labour Studies, 1995, p. 60).
- 23 So, using Sen's example, hunger may arise as a result of a number of different events: crop loss, unemployment, a fall in the purchasing power, or the removal of a food staple subsidy. Some of these events, such as the removal of a subsidy, may be seen as 'active' forms of exclusion, but crop loss is not easily seen as exclusion – or relational failure. Each of these events needs to be examined further to understand the cause of the deprivation and whether it is rooted in an exclusionary process.
- 24 Unemployment statistics can of course be misleading because they exclude certain groups: one feature of Eastern European transition countries is the 'discouraged worker' who has given up on finding work in urban areas and retreated to the countryside to scratch a subsistence living. Some unemployment statistics, notably in developing countries, exclude the rural population and urban informal sector anyway.
- 25 Sen, *op. cit.*, p. 11.
- 26 Atkinson, A.B., Cantillon, B., Marlier, E. and Nolan, B., *Social Indicators*, Oxford, Oxford University Press, 2002.
- 27 Martin, J.P. and Pearson, M., *OECD Social Indicators: A Broad Approach Towards Social Reporting*, Paris, OECD, 2002. For developing countries, other proxies for social cohesion may be useful, such as degree of representation in political and legal institutions.
- 28 Sen, A.K., *Poverty and Famines: An Essay on Entitlement and Deprivation*. New York, Clarendon Press, 1981.
- 29 See Kabeer, *op. cit.*; Grant *et al.*, *op. cit.*

- 30 Atkinson *et al.*, *op. cit.*; Martin and Pearson, *op. cit.*
- 31 These are the dimensions suggested by Atkinson *et al.*, *op. cit.* plus the social cohesion dimension suggested by Martin and Pearson *op. cit.* The other three dimensions suggested by Martin and Pearson overlap with those in Atkinson *et al.*
- 32 Although the \$1-a-day poverty line is not the best available (country-specific poverty lines provide more accurate measures of poverty), it provides a useful tool to compare poverty across different countries.
- 33 World Bank, *op. cit.*; IFAD, *op. cit.*
- 34 UN Development Programme (UNDP) *Human Development Reports* for 1993, 1997, 2000, New York, UNDP; Southern Education Foundation, *Beyond Racism: Embracing an Interdependent Future*, 1999, <http://www.beyondracism.org>
- 35 Office of National Statistics, Great Britain, 1998.
- 36 UNDP, *The Roma in Central and Eastern Europe: Avoiding the Dependency Trap: A Regional Human Development Report*, UNDP, 2003.
- 37 World Bank, *Poverty Assessment of Guatemala*, Washington, DC, World Bank, 1995.
- 38 World Bank, *Poverty Assessment of Bolivia*, Washington, DC, World Bank, 1996.
- 39 Social Watch, *Democracy Insecure: Poverty Holding Steady*, Social Watch, Peru Country Report, 1999. See also the recent studies published by MRG, Sanchez, M. and Bryan, M. with MRG partners, *Afro-descendants, Discrimination and Economic Exclusion in Latin America*, London, MRG, 2003; and Feiring, B. and MRG partners, *Indigenous Peoples and Poverty: The Cases of Bolivia, Guatemala, Honduras and Nicaragua*, London, MRG, 2002.
- 40 Stewart, F., *The Root Causes of Conflict: Some Conclusions*, Queen Elizabeth House, Working Paper Series no. 16, Oxford, Queen Elizabeth House, 1998; Elbadawi, I.A., *Civil Wars and Poverty: The Role of External Interventions, Political Rights and Economic Growth*, Washington, DC, World Bank, 1999; Collier, P. and Hoeffler, A., *Greed and Grievance in Civil War*, Washington, DC, World Bank, 2000.
- 41 UNDP, *Human Development Report 1993*, *op. cit.*, p. 27.
- 42 Deaton, A., *The Analysis of Household Surveys: A Microeconomic Approach to Development Policy*, Baltimore, MD and London: Johns Hopkins Press and World Bank, 1997.
- 43 Oyugi, E., Obonda, A. and Ongwen, O., *The Legacy of Colonialism*, Social Watch, Kenya Country Report, 2001; Oyugi, E. *et al.*, *A Tale of Unfulfilled Promises*, Social Watch, Kenya Country Report, 1999. Available at www.socialwatch.org.
- 44 The Human Development Index measures life expectancy, income, literacy and school enrolment. See Suzman, J., *Minorities in Independent Namibia*, London, MRG, 2002, pp. 4–6.
- 45 World Bank, *World Development Report 2000/2001*, *op. cit.*
- 46 UNDP, *Human Development Report, 1997*, *op. cit.*
- 47 Jayaraj, D. and Subramanian, S., 'Poverty and discrimination: measurement, and evidence from rural India', in B. Harriss-White and S. Subramanian (eds), *Illfare in India: Essays on India's Social Sector in Honour of S. Guhan*, India, Sage Publications, 1999. In the states of Orissa and Bihar the mean consumption level was found to be actually less than the poverty line (*ibid.*, pp. 214–15).
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- 68 Unemployment estimates are notoriously difficult to derive, especially in countries where there are large informal sectors, and a lot of casual, part-time work. The South African estimates presented here are those regarded as the most accurate in terms of representing relative orders of magnitude (James and Lever, *op. cit.*, p. 45).
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working to secure the rights of minorities and indigenous peoples

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This issues paper aims to evaluate the link between economic exclusion and discrimination against ethnic, religious and linguistic minorities and indigenous peoples.

Non-discrimination is one of the most fundamental human rights, recognized in international law and most national constitutions, yet discrimination against minorities persists. This implies huge costs both for individuals and communities that are discriminated against, and for society in general.

Although, as the authors of this paper point out, there are difficulties over definitions and data limitations,

there is evidence to show that – across diverse regions – minorities and indigenous peoples experience higher levels of poverty, less access to education, health care and basic services, and have fewer employment opportunities than the general population. Hence minorities and indigenous peoples are more likely to suffer economic – and social and political – exclusion than other groups.

The relationship between discrimination and poverty is not well understood by development actors. This paper argues that discrimination is an important element in economic exclusion and that it must be addressed in order to establish sustainable development.