

**Poverty Eradication, Economic Integration and Citizenship:
Modeling Social Inclusion after the Quebec Summit**

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June 2003

Draft

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*Special thanks to Marc Froese for writing and research assistance. His input has been much appreciated.

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Introduction

New perspectives are needed to model social inclusion after the Quebec Summit, the war in Iraq and given the growing scepticism about the viability of the Washington Consensus. The ‘hazardous obsession’ with global integration, to employ Dani Rodrik’s phrase of choice, is under attack across the political spectrum by a growing group of experts ranging from Joseph Stiglitz, Sylvia Ostry, Benjamin Barber and Tom Friedman. Civil society has been no less devastating in its rejection of market fundamentalism. Challenging the ‘politics of fate’ mentality is now the conventional wisdom for all social movements as well as for many in policy quarters. But so far, policy makers have been unable to construct the much-needed linkages between social inclusion and economic integration as well as between national development goals and international economic imperatives. There is a critical knowledge gap to be filled about the processes, structures and goals for eradicating global poverty.

Mapping the conceptual foundations of social inclusion and its relationship to economic integration is a critical part of the global rethink now under way. This paper critically assesses the dynamic of market openness and begins by mapping the conceptual foundations of social inclusion and its relationship to economic integration. Social inclusion is a critical notion because it gives citizens everywhere powerful claims to demand change from government. Social inclusion is also a democratic concept that requires precision and deepening. This paper explores the importance of the public domain as the optimal place to build socially inclusive societies and the need to re-examine the public sphere as part of a renewed democracy. It closes by making some bold claims about the importance of identity politics globally and domestically. Think of this paper as a work in progress and as a dialogue of self-education.

* * *

Let us begin with the very large and growing disconnect between the goals and outcomes of the Washington Consensus.

- Trade liberalization has not fully delivered on the promises of classical liberalism—poverty reduction and social stability. The integrating effect of open markets has brought with it

an unprecedented rise in poverty and inequality, the most powerful indicators of exclusion in our time. Over the past half century, international economic inequality has been rising each decade. Since the Washington Consensus principles were adopted everywhere and particularly in Latin America, international inequality, as measured by the GINI, has almost doubled. Inequality is the highest it has ever been in the last half century (see Figure 1.1). Efficiency gains have not guaranteed a higher standard of living across the board and the record levels of exclusion in the hemisphere flatly contradict this assertion.

Trade Liberalization and Social Inclusion

- Social scientists have developed the term ‘perverse effects,’ to explain the unintended consequences from trade and social asymmetries. These asymmetries limit the capacity of the public sphere to ring-circle markets.

Consider the following scenarios. Country A has many of the necessary ingredients for an inclusive economy—jobs are plentiful, industry is productive, entrepreneurs actively develop technologically innovative products and there is plenty of domestic demand for consumer goods and services. On the other hand however, income inequality is at an all-time high. The result is an insecure environment with a low level of relative well being. The political institutions, which support economic success, may not be the right ones to facilitate social inclusion. In short, country A’s middle class is generally well off, but for the majority marginalization is widespread and rising.

Country B has many of the ingredients of a politically inclusive society. It is a representative democracy with effective governance institutions. It is politically stable and has a number of redistributive mechanisms in place. Unfortunately, jobs are scarce, industry suffers from performance problems and new technology is rarely developed for mass consumption. With few jobs, nobody has the money to consume the products of domestic industry and demand is at an all time low. Country B is politically inclusive, but economically many citizens are marginalized. Inner city ghettos, homelessness and crime abound.

Finally, Country C is a socially inclusive society, but economically poor. The labour market and other economic institutions have strongly unequal effects. Crime is most problematic in urban areas. Country C has strong social networks, but inadequate regulatory policies. Nevertheless, it has a strong civil society tradition with many active organizations. People look

out for each other and there is a lot of social solidarity but it is plagued by economic exclusion much like Country B. Its population is likely to become unequal and insecure when its economy is exposed to the vagaries of the international markets and its political institutions are unable to cope with the unintended consequences of globalization. Basic human security is at risk.

Many countries are strongly inclusive at the local level with healthy civic engagements of responsibility, but macroeconomic pressures erode social inclusion (Table 1.2 and 1.3). The three examples above were not randomly chosen. Country A is a proxy for the United States. Country B represents Canada, and Country C is a composite of Mexico, Argentina, Brazil and Chile. What is the lesson here? It is that the macro and micro dimensions of integration often work against each other. This produces homelessness in Toronto as well as São Paulo.

- On a regional level, a large part of the poverty cycle can be explained by the tenuousness of the links between liberalization and the good life. Conservative estimates place the poverty rate in Latin America somewhere between 20% and 40% of the population, depending on the measure adopted (ECLAC). Poverty rates are highly variable throughout the hemisphere, and are greatly affected by macro-economic policy and poverty reduction strategies. Although Argentina's poverty rates soared as a result of the structural adjustment crisis, Brazil's rate of poverty remains higher because of the vast income disparity between the top and bottom quintiles of income earners. Canada's poverty rates, around 16% of the population are 'better' than those of the United States, now above 20%, but both have remained high in the past decade. Thirty years of experience has shown that people escape poverty when domestic growth is strong enough to bolster job creation rates. At best, the benefits of trade openness are only a secondary factor, and at worst a cause of structural instability and job loss (see Tables 1.4, 1.5).

Figure 1.1 *GINI Coefficient: Unweighted international inequality, 1950-1998*

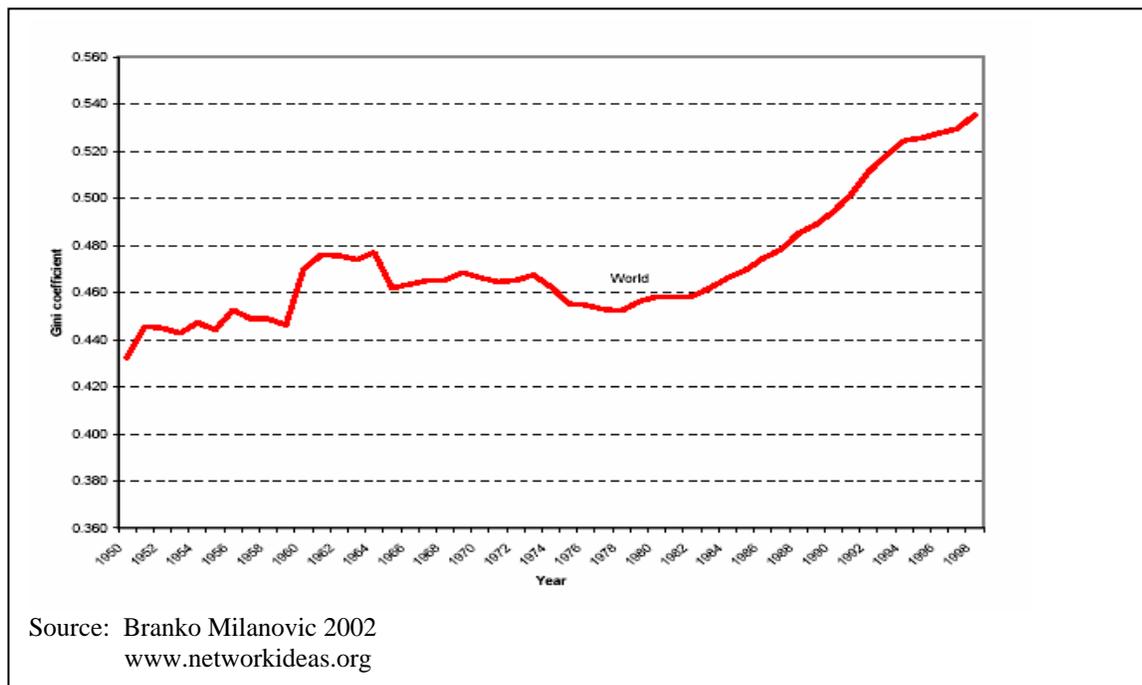


Table 1.2 *GDP Per-Capita and GDP Per-Capita Annual Growth Rate (%)*

	(PPP US\$) 2000	1975-2000	1990-2000
United States	\$34,142	2	2.2
Canada	\$27,840	1.5	1.9
Mexico	\$9,023	0.9	1.4
Brazil	\$7,625	0.8	1.5
Argentina	\$12,377	0.4	3
Chile	\$9,417	4.1	5.2

Source: United Nations Development Program, Human Development Indicators

Table 1.3 *Trade as % of GDP in Selected Latin American Countries*

	1980	1990	1995	1999
Argentina	11.5	15	19.8	21.3
Brazil	20.4	15.2	17.2	22.3
Chile	49.8	66	59.3	56.4
Mexico	23.7	38.3	58.2	62.8

Source: World Bank, World Development Indicators

Table 1.4
North American Countries at a Glance (NAFTA) 2000

	United States	Canada	Mexico
Population (millions)	283.2	30.8	98.9
GDP (\$ billion US)	\$9,837	\$688	\$575
Foreign Trade (% GDP)	26.20%	86.80%	64.70%
Government Spending (% GDP)	29.90%	37.70%	15.80%
Access to an Improved Water Source (% population)	100%	100%	86%
Life Expectancy (years at birth)	77	78.8	72.6
Infant Mortality (per 1000 live births)	7	6	25
Child Malnutrition (% under 5)	1%	/	8%
Inequality (ratio of income of top quintile to bottom quintile)	16.6	8.5	32.6
Poverty (% population below national poverty line)	/	/	/
Gross Enrollment in Primary Education (% of school age population) Male	103%	103%	116%
Gross Enrollment in Primary Education (% of school age population) Female	101%	101%	113%
Illiteracy (% population age 15+)	<1%	<1%	9%

Table 1.5
South American Countries at a Glance (Mercosur) 2000

	Argentina	Brazil	Chile
Population (millions)	37	170.1	15.2
GDP (\$ billion US)	\$285	\$595.50	\$70.5
Foreign Trade (% GDP)	21.30%	22.30%	56.40%
Government Spending (% GDP)	13.80%	18.20%	12.20%
Access to an Improved Water Source (% population)	79%	87%	94%
Life Expectancy (years at birth)	74	67	76
Infant Mortality (per 1000 live births)	18	32	10
Child Malnutrition (% under 5)	2%	6%	1%
Inequality (ratio of income of top quintile to bottom quintile)	/	/	/
Poverty (% population below national poverty line)	/	22%	21%
Gross Enrollment in Primary Education (% of school age population) Male	111%	/	103%
Gross Enrollment in Primary Education (% of school age population) Female	111%	/	100%
Illiteracy (% population age 15+)	3%	15%	4%

Sources: International Monetary Fund, Organization for Economic Cooperation and Development, United Nations Development Program, U.S. Bureau of Labor Statistics, World Bank

- The vast differences in levels and provisions of national wealth, health and education underline the fact that broadening and deepening integration cannot be accomplished through economic means alone. Look at the benchmarks (Tables 1.4 - 1.7) which measure economic and demographic growth, human services, economic inequality, poverty and educational enrollment. These are but a few of the indicators necessary to gain a comprehensive view of the current state of inclusion in the hemisphere. In the absence of a full range of institutions, redistributive policies and a strong public domain, there is still much to be learned about the connection between Washington Consensus macro-economic policy and national outcomes. Timing and sequencing are critical here.

Tables 1.6 and 1.7 Poverty in the Hemisphere

<i>Human and Income Poverty in OECD Countries</i>					
			Population below income poverty line (%)		
	Probability at birth of not surviving to age 60 (% of cohort) 1995-2000	People lacking functional literacy skills (% age 16-65) 1994-98	50% of median income 1987-98	\$11 a day (1994 PPP US\$) 1994-95	\$4 a day (1990 PPP US\$) 1996-99 e
United States	12.8	20.7	16.9	13.6	/
Canada	9.5	16.6	12.8	7.4	/

<i>Human and Income Poverty in Developing Countries</i>					
			Population below income poverty line (%)		
	Probability at birth of not surviving to age 40 (% of cohort) 1995-2000	Adult illiteracy rate (% age 15 and above) 2000	\$1 a day (1993 PPP US\$) 1983-2000	\$2 a day (1993 PPP US\$) 1983-2000	National poverty line 1987-2000b
Mexico	8.3	8.6	15.9	37.7	10.1
Brazil	11.3	14.8	11.6	26.5	17.4
Argentina	5.6	3.2	/	/	17.6
Chile	4.5	4.2	<2	8.7	21.2

Source: UNDP, Human Development Indicators

Countries with high levels of social instability, weak public-sector institutions and small national economies are unlikely to benefit significantly from the current drive for economic integration (Stiglitz 1998, 2002). Mexico, Argentina and Brazil fall into these categories. In both the South and the North, poverty and inequality have grown regionally as well as in large urban centres. Strictly speaking, there is not only a North/South divide, but also a growing gap between the haves and have-nots within societies. The less state, less tax model has ill-served the public in all countries. Many experts have noted that Mercosur has a more civic dimension (Vaz 2001; de la Reza 2001), but so far this has made little difference for social inclusion in the Southern Cone, according to the five measures above.

These four essential points lead to the single conclusion that **high rates of poverty and economic inequality within and between countries are a serious obstruction to socially inclusive societies** (see Figure 1.2).

Economic Integration and the Foundations of Social Inclusion

Political theorists such as Habermas, Putnam and Sen have thought a great deal about the role of the state and the public in building inclusive societies (Habermas 1989; Sen, 2000, Putnam 1995). The process of building inclusive societies must begin with the public sphere as the primary site of political life, democratic values, institutions and debate because this is the place of *optimal inclusivity* (Drache 2001). It is often forgotten that the modern notion of the public was one of the great achievements and a lasting legacy of the Enlightenment. The Enlightenment revolutionized our way of defining the public. It was an unparalleled time when ordinary people were thrust into the stream of history, the printing press created the fourth estate and public opinion emerged as a force to be reckoned with. The presence of ordinary people at centre stage legitimated democratic politics for the first time. Out of all of this emerged a shared sense of the 'public' (Manchester 1992). This idea shaped modern democratic society and when problems of any significance arose, they were by definition general concerns that had to be addressed by and through the public.

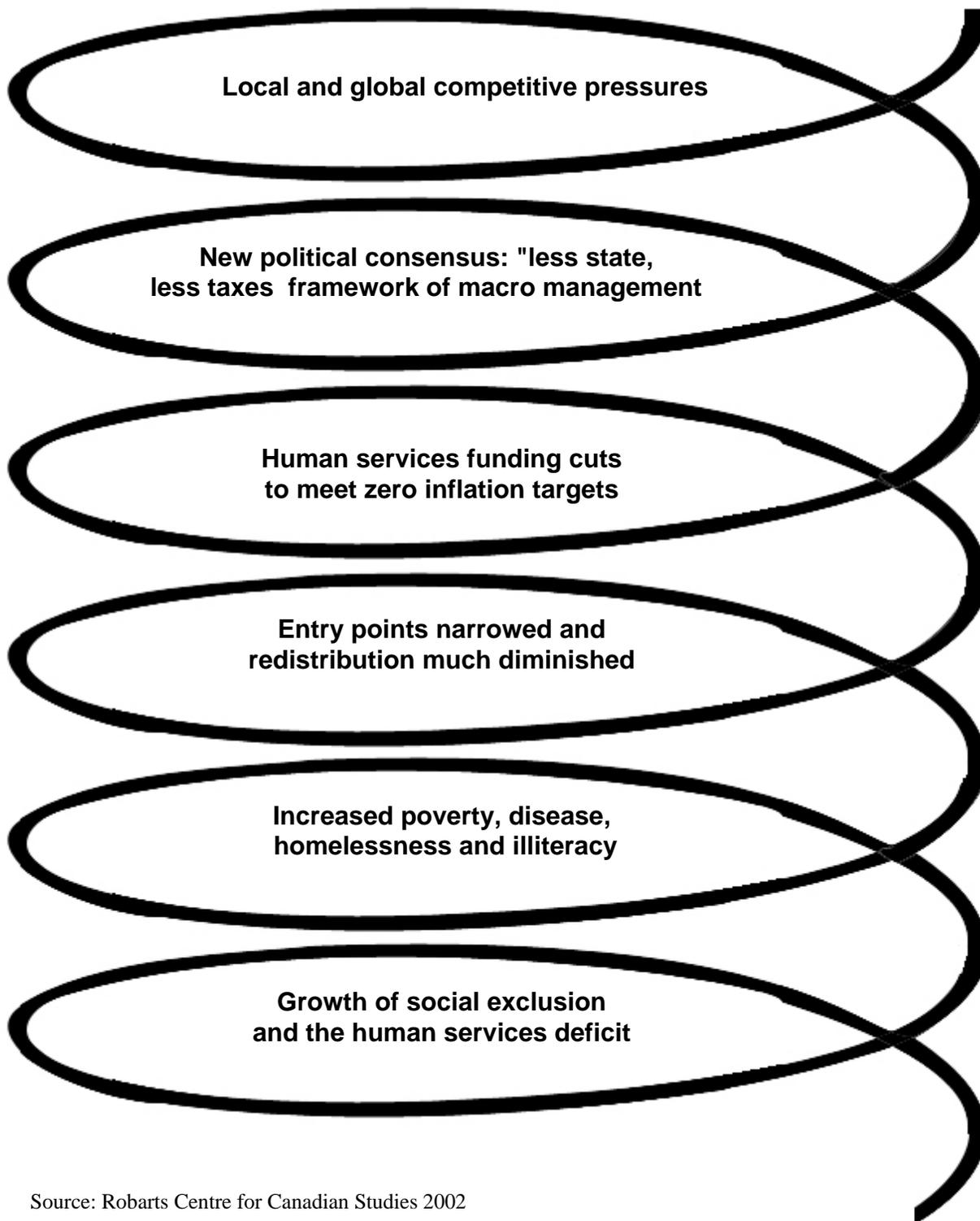
Social inclusion is often considered to be a national issue only, but it is also a global one. As a global issue, social inclusion would address the absence of an adequate supply of the collective goods, which guarantee a basic minimum standard of living for people on the planet, the lack of a global mega-fund to eradicate poverty and the absence of governance mechanisms

to protect the environmental and informational commons from the long reach of multinational corporations. Currently integration takes the negative form of telling countries ‘thou shalt not’ subsidize and protect cultural industries or indigenous knowledge. As negative integration brings countries closer together, national problems inevitably spill over into the international public domain again evidence of the growing disconnect between goals and outcomes.

Defining Social Inclusion

For public policy purposes, the goal of social inclusion is to proactively reduce the structural barriers that limit participation in the ‘good life’. All individuals or members of groups must have the opportunity to play a role in articulating the good life and in finding themselves within reach of that good life. Citizenship, access and participation, sharing and redistribution of wealth, and a proactive political will exercised by civil society and the state are the pressure points and levers through which to make inclusion an obtainable social goal. Most importantly, the goal of social inclusion has acquired significant ‘legs’ because it catalyzes individuals and groups in their struggle to eliminate obstacles to inclusion.

Figure 1.2
The Downward Spiral Of Social Exclusion



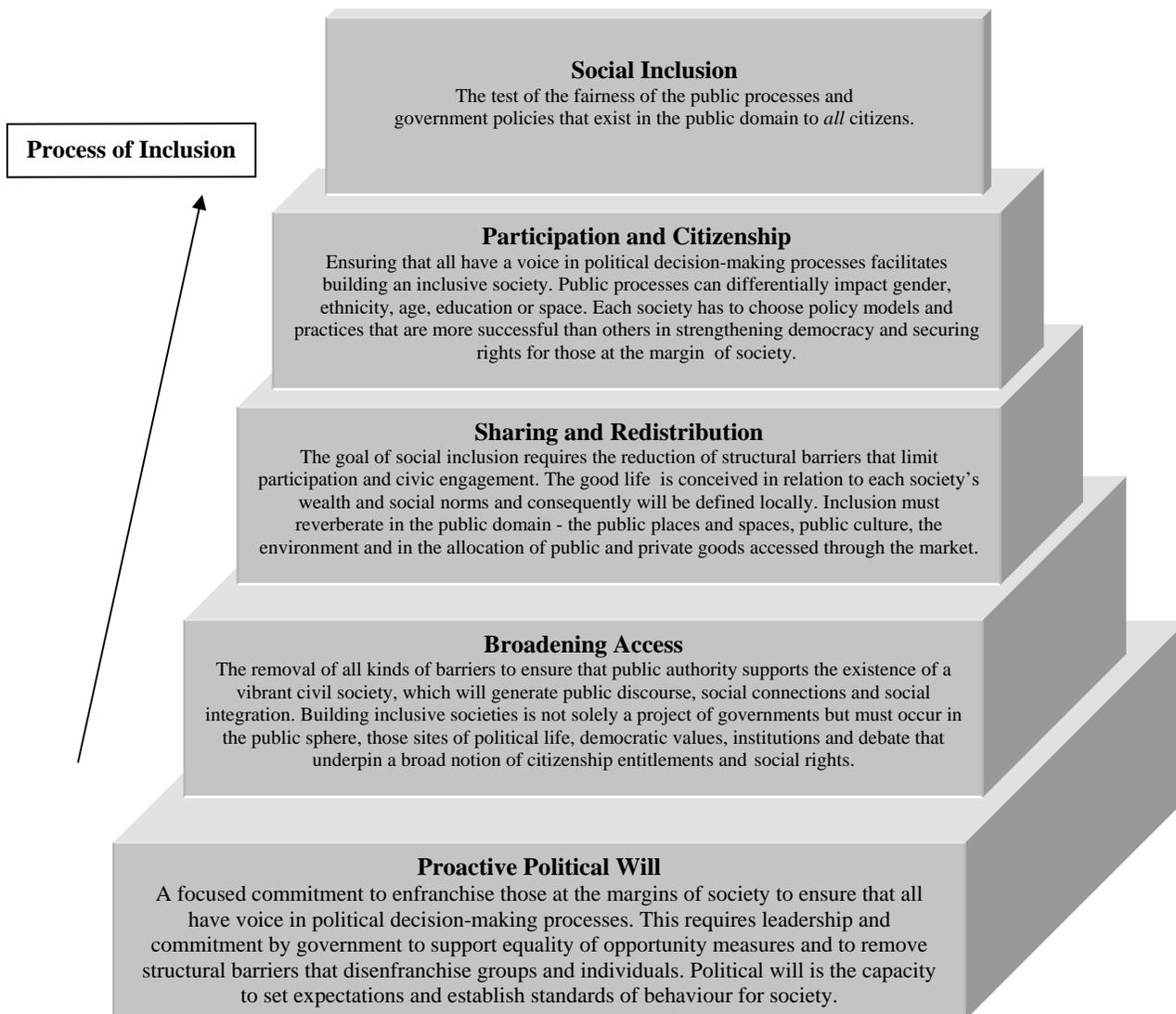
Source: Roberts Centre for Canadian Studies 2002

Inclusion has three principle aspects, all of which are interrelated and interdependent. (Figure 2.1)

- ❖ *Economic inclusion* exists when citizens have the opportunity to participate in economic activity and governments make an effort to reduce or eliminate structural barriers such as lack of access to the labour market, or safe, affordable child care. By removing barriers and opening access, participation is facilitated. Additionally, the existence of a distributional regime that ensures people's basic needs, in terms of access to health care, education and basic sustenance are met without personally devastating economic consequences is a necessary condition for economic inclusion. Many studies underline the fact that redistribution is a more effective poverty reduction strategy than attempts to grow out of poverty. Skills training, reinsertion in the labor market and affirmative action are critical policy measures.
- ❖ *Political inclusion* exists when citizens feel that their voices are heard either through responsible government or other processes of participatory democracy. This does not mean that citizens will agree with every government policy or decision, but they must perceive that their viewpoint was considered fairly. Moreover, adult citizens should not be excluded from these processes on the bases of race, ethnicity, gender, territory, or sexual orientation. Today, there are many indicators such as voter turnout and trust in representation of interests, which reveal a marked decline in the public's confidence in many democratic institutions. The reconstruction of the public is arguably, at this point in time, more important than market openness because the market does not equitably distribute the benefits of society. This depends upon a strong social bond. Transparency and accountability require political and legal mechanisms which protect both individual and group rights.
- ❖ *Social inclusion* speaks to quite a different human condition. It exists when societal processes incorporate dimensions of inclusivity irrespective of group membership or spatial location. This includes the basic social services such as medical care, as well as higher level services such as post-secondary education. Human services are a corner stone of strong democratic societies because they build capabilities. For these benefits to contribute to inclusion there must be sufficient time free from labour

market activities to participate in society. Markets are embedded in institutions, and many of their negative effects can be addressed only through strong public policy initiatives and universal entitlements. One of the prerequisites of citizenship is a socially inclusive environment.

Figure 2.1 *The Challenge of Building Inclusive Societies*



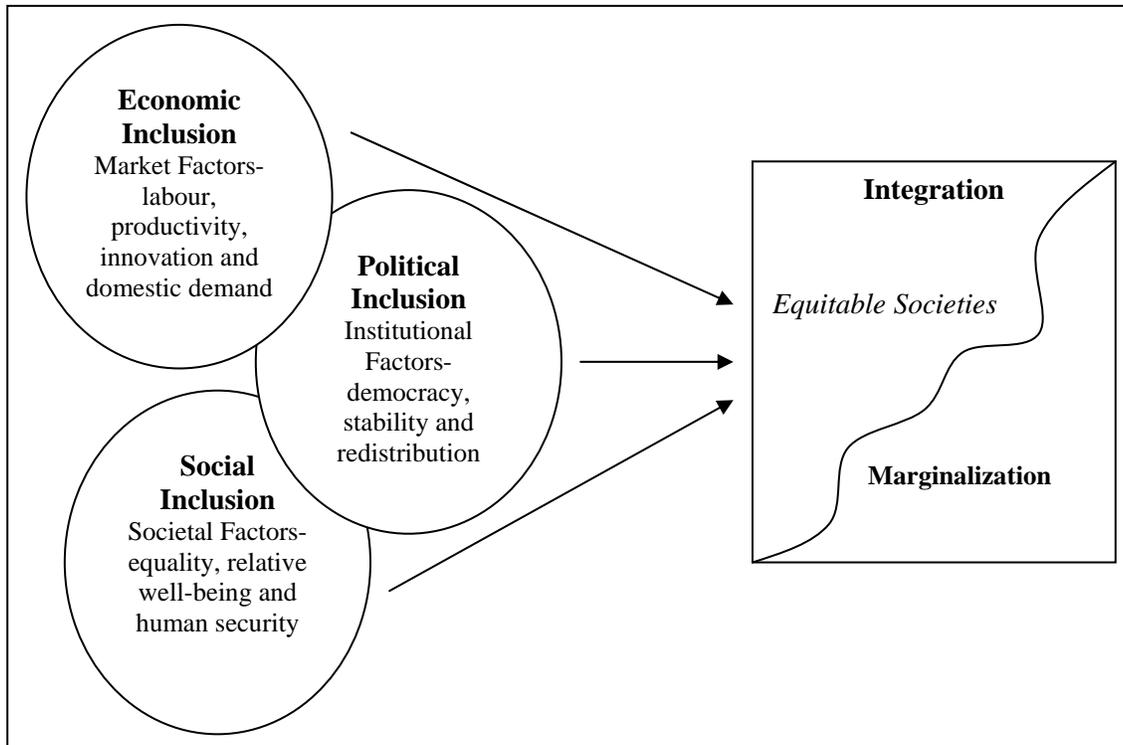
If inclusion is to mean anything it must reverberate in the public domain and in the allocation of public goods as well as private goods accessed through the market. A healthy public sphere is one of the keys to building a strong civil society where citizens are encouraged to

organize, articulate their interests and satisfy their needs through co-operative endeavours. If this idea has any validity, states have to pay attention to the large interface between the rights and obligations we share with each other, the adequacy of legal processes, the protection afforded by effective public interest regulation and other kinds of accountability mechanisms (Figure 1.3).

Take the critical policy area of human services. The nation state is the primary institution with exclusive responsibility for human services. It plays an important role in co-ordinating social goals and takes responsibility for public policy outcomes. Etzioni exaggerates when he says that the master planning approach of the past is antiquated and unworkable, it would be more accurate to insist that new ways are needed to link public authority to the twin processes of consensus building and democracy (Drache 2002).

From a policy analysis point of view, in order to produce different outcomes the rules of the game must be changed globally and locally. States, elites and citizens have to decide on the new rules of the world trading system. Ultimately they will have to choose between shrinking the WTO's intrusiveness or sinking the organization and starting afresh. Both options are viable and while fixing rather than nixing appears more positive, forming a new consensus on global inclusion forces us back to basics.

Figure 1.3 *A Simplified Model of Inclusion and Economic Integration: A Difficult Interface*



The idea of treating social inclusion as a marker on a continuum rather than a zero-sum game is the critical distinction for this writer (See Figure 2.2). Indicators need to capture both positive and negative social developments. ‘Inclusion’ indicators are considered positive measures of political will while ‘exclusion’ indicators are considered negative benchmarks. Studies published by the Robarts Centre for Canadian Studies demonstrate the importance of the causal link between political will and negative outcomes (www.robarts.yorku.ca). For policy purposes, it is not only the numbers that are important, but also the relationship between the numbers. This means that government failure to address inclusion issues in one area may inhibit or diminish commendable action in another area.

National level indicators

Nationally, human services indicators can be divided into four broad categories. The first is *income security*. Indicators of income security include the GINI coefficient, a well-established measure of income inequality, and the average annual employment rate, a broad measure of the extent to which a population is able to support itself through paid employment. The second is *population health*. Government spending per-capita captures the level of state commitment to achieving population health goals. The fertility-rate among teenage women (age 15-19), and the rate of heart attack and cancer deaths in a society are tied to lifestyle factors and access to health services—making both key indicators of population health.

The third category measures *access to shelter*. The percentage of owner-occupied housing is an important indicator of economic well-being and social stability. Rent indicators, on the other hand, are critical to capturing the challenges faced by low-income populations. Finally, *population knowledge*, as a category, attempts to measure knowledge levels across a society. Public spending as a percentage of GDP, the gross primary and secondary enrollment ratio, and the adult illiteracy rate are crucial indicators of a population's ability to perform in the global market. Access to the information commons of cyberspace is a modern necessity, and to remain unconnected in the information age is a serious handicap. Education indicators are especially important to measuring levels of social inclusion. Such measures provide a deeper understanding of the impact of economic integration on the inclusive aspects of society (see Appendix 1 for a full explanation of these indicators, their rationale and their relevance to social inclusion). These four measures constitute the basic parameters of modern citizenship in its economic aspect. However, different indicators are needed to measure inclusion globally in order to understand the dynamics of integration and inclusion between nations.

International level indicators

Broad measures of international and inter-regional socio-economic difference best portray the challenges of integration between North and South America. It is not possible to produce a full index at this time, but high on our list would be the following five comparative indicators. There are serious questions about the compatibility of data, and quantification problems remain. Few, if

any, comprehensive cross-sectional studies of North and South America exist. Each of the indicators below must be compared to G7 best practice benchmarks or their equivalent.¹

- ◆ **GDP per-capita averages and GDP growth rates**—GDP measurements are important because they effectively capture disparities in national wealth and differential levels of economic growth, and measure the benefits of openness in a simple, yet compelling way. *Source: World Bank, World Development Indicators*
- ◆ **Gender Empowerment averages**—The Gender Empowerment Measure (GEM) is a human development indicator which enables civil society and policy makers to track women’s participation in economic, professional and political activities by measuring per-capita incomes, women’s share of technical and professional positions and share of parliamentary seats. It is particularly useful in allowing us to understand the effects of integration on gender equity. *Source: United Nations Development Program (UNDP)*
- ◆ **Educational enrollment, achievement and time spent in school**—It is important for countries to cultivate an educated workforce in order to benefit from the increasingly knowledge-based global economy. Education is also essential for developing civil society and is a good measure of a state’s commitment to reducing what Sen terms ‘capability deprivation’—especially for the structurally marginalized. *Sources: United Nations Educational, Scientific and Cultural Organization (UNESCO) and the United States Agency for International Development (USAID)*
- ◆ **Macro-indicators of average levels of health**—Inclusive societies place emphasis on government funding in order to reduce infant mortality rates, boost life expectancy and enhance children’s nutrition. Improving population health by investing in communities is a primary goal for all governments. *Sources: World Health Organization (WHO) and UNDP Human Development Indicators*
- ◆ **Poverty and inequality rates**—Poverty is not a single category and researchers tabulate poverty in different ways. Usually poverty has two measures: relative poverty and extreme poverty, or indigence. However, measuring income disparity

¹ This creates a high standard, but it is important to compare regions which have done better in recent times against benchmarks in order to measure movement towards goals. Nevertheless, such comparisons remain difficult from a

between the top and bottom quintiles of income earners is the most accurate measure of national inequality. *Sources: UNDP, World Bank, International Monetary Fund (IMF) and USAID*

Each of these indicators tells only part of the story, but taken together, they offer a more comprehensive measure of social inclusion across societies. We can do better still by focusing on specific areas such as disability, minority inclusion, and child poverty, among others. Each policy area requires defence of the social bond and a strengthening of public authority. Social inclusion is a strategy of engagement through which legitimate demands on government can be made.

Citizenship is premised on collective engagement and, more importantly, emphasizes the quality of participation in a political community. Richard Falk reminds us that it is not law but politics and the adversity of experience that more adequately captures the experiences of individuals and groups. The process of social inclusion speaks to the ‘politics of aspiration and desire’ and to the growing dissatisfaction with globalization-from-above. Inclusion wants to move the goal posts of community and to hold public authority, the market and the media accountable. It is also expressive of a very different kind of dynamic in contemporary state/market relations where political choice and dedicated action can make a difference to the most vulnerable and disadvantaged.

Why should social inclusion get more buy-in from public authorities everywhere? Of course we cannot say with total certainty that it is likely to become more prominent. In most societies today developing countervailing power is a matter initially of acquiring public voice and information. Those who become a force to be reckoned with are those who have the tools, the capacity and the motivation to challenge the existing public policy framework of market-based fundamentals. Acquiring an empowered voice means being fully informed and having the capacity to raise issues in a way that can effectively shift the centre of gravity beyond the narrow rules-based discourse of the Washington Consensus. This is why developing powerful analytical tools like benchmarks and indicators is so important for governments, no less than for civil society actors and social movements. They provide an alternative to the universal models that are so pervasive on the right and left. But most importantly, policy makers must bear in mind that

methodological standpoint.

integration is not only a market-driven process, but is also heavily dependent upon geography, history, communities and other social forces.

Proposing public policy alternatives requires further research. The following research questions are of top priority:

- What has the effect of economic integration been on the provision of human services?
- What are the root causes of exclusion? Are they largely external or a product of domestic policy?
- What types of public policy minimize the perverse effects of integration?
- In terms of citizenship and identity, what can countries in the hemisphere learn from Canada's experience with multicultural policy and the provision of public goods?
- What are the linkages between strong democracy and economic openness, and how can they be strengthened?
- Finally has economic integration strengthened or weakened human security in the hemisphere?

A Final Word

Unplanned integration will continue to face stiff opposition in the national public sphere and beyond. Different outcomes require different rules. When private needs crowd out the public good, the social costs of integration will always become a force to be reckoned with. System instability is a social danger and a transformative opportunity. With neo-liberalism running out of steam and more contested than ever, time is for once on the side of the angels.

In most societies today it is necessary to acquire voice and information in order to develop any immediate kind of countervailing power. Acquiring an effective voice is a matter of being fully informed and having a presence powerful enough to raise issues that are not given their full due. This is why developing incisive analytical tools like benchmarks and indicators is so important. They raise public discourse to a new level. There remains much about this process that needs to be better understood. As governments wrestle with new competitive pressures, they must look for benchmarks and innovative policy tools in order to better understand the complex relationship between hemispheric integration and strong democracy.

Developing effective tools for civil society actors as well as public authority will assist both in pinpointing the many different kinds of barriers that prevent society from building inclusive institutions, values and practices. Integration is tightly tied to trade, but has a much wider orbit than is usually acknowledged. Integration, accelerated by trade, has a direct impact on communities and individuals at the bottom of society. Developing a model and index of social inclusion will enable policy makers as well as social movements to rethink the fit between social inclusion and integration. In a post-Quebec summit world, this process of deepening and strengthening democratic debate with respect to the public sphere is a critical element in new action strategies for social movements as well as governments.

Future Agendas

The predilection for market fundamentals, tough zero-inflation targets, an unstoppable political dynamic of one worldism and silence on the need for an expansive notion of the public sphere in all of its parts are no longer the watershed event of our times. Many will be left behind by economic globalization's relentless drive for efficiency and labour market demands for increasingly sophisticated knowledge and skills. In all countries, diverse and vulnerable groups from the urban poor to the homeless constitute the *nouveaux exclus* of the twenty-first century. The FTAA's (Free Trade Area of the Americas) *Plan of Action* is a significant departure from the status quo, even though it lacks concrete social policy benchmarks. It is significant that much of the drafting of this document is the result of the efforts of Canadian experts, who understood the need to deepen the social process of integration at the FTAA. In this regard, it is noteworthy that the 'northern model's' privileging of redistribution and the public good reflects a growing consensus on the need to draw a firm boundary between the market and public domain. Canada spends 4% more of its GDP on social and income transfers than the US. In monetary terms, the difference runs into the billions of dollars annually (Kennedy and Gonzalez 2003). This balance is always difficult to achieve without a conscious effort and so far the process and plans of integration are not coordinated. They remain separate and parallel, with social goals not yet embedded in the integration process. The question of social inclusion perhaps more than any other forces us back to the fundamental issues of our times to enhance and protect the collective engagements of responsibility for others.

Identity and citizenship provide the excluded with democratic language through which to legitimize powerful claims which contest the current paradigm of market rule. Further, the inclusion theoretic puts the defence of the social bond at the centre of public policy debate with its intense interest in mapping, analyzing and understanding individual and collective engagements of responsibility in many spheres without privileging any one. The legacy of an historical mission of any one class or group is no longer acceptable from a theoretical perspective. Collective engagements of responsibility quite correctly leads us to focus on the deep cleavages emerging in society and the pivotal role of non-state actors outside the formal political system. There is “a very large terrain between atomized civil society and state dominated public practice (Drache 2001: 39).”

In both the north and the south, civil society organizations provide services to the socially excluded alongside government provided services. Particularly in socially fragmented societies, their role and responsibility has increased in recent times. In an atypical and highly controversial example of civic engagement, the Bush administration has turned to faith-based organizations to take up the slack due to spending cuts. In most jurisdictions, civil society ‘coproduces’ social goods, donating time, money and other resources but itself is kept outside the structures of power.

The strategic issue is that public goods and services remain under-supplied in every country in the hemisphere. Strong civil societies require extensive state support but the state has been hollowed out and elites everywhere continue to be prisoners of their globalized mentality. For everyone else space, territory and the nation-state are the principal ordinals of the compass. So long as freer markets cannot generate better human services, qualitatively and quantitatively, market fundamentalism will continue to be under attack as a failed doctrine. An open economy does not foster an open society. When so many are excluded and the silos of marginalization are large and growing, democracy is worse for it and weakened. Further investigation would clarify under what conditions civil society actors can be active partners with the state and effective actors in their own right

Appendix 1

Social Inclusion in HUMAN SERVICES Indicators Data Table							
INDICATOR	SOURCE	YEAR	ARGENTINA	BRAZIL	CANADA	CHILE	MEXICO
INCOME SECURITY: (30% weighting)							
POSITIVE POLITICAL WILL INDICATOR Average Annual Employment Rate ER	ILO LABST	1985	93.2	98.0	92.4	87.8	98.0
		1990	92.7	96.3	91.9	92.2	97.8
		1995	81.2	93.9	90.5	92.6	95.3
		2000	87.2	91.0	92.4	90.8	92.8
POSITIVE POLITICAL WILL INDICATOR Old-Age Pensioners as a % of Pop 65 and Over PC	ILO WLR 2K	1985	62.8	67.7	100.0	61.3	17.1
		1990	62.8	67.7	100.0	61.3	17.1
		1995	62.8	67.7	100.0	61.3	17.1
		2000	62.8	67.7	100.0	61.3	17.1
NEGATIVE OUTCOME BENCHMARK INDICATOR Urban Poverty Rate UPR	IDB	1985	12.0	34.0	17.0	38.0	28.0
		1990	12.0	37.0	18.5	33.0	34.0
		1995	12.0	39.0	19.8	19.0	29.0
		2000	12.0	41.0	21.3	15.0	30.0
NEGATIVE OUTCOME BENCHMARK INDICATOR GINI GINI	IDB/WID	1985	40.6	54.3	34.0	48.5	32.1
		1990	42.3	53.5	33.0	47.1	42.4
		1995	43.9	51.2	32.0	47.3	40.5
		2000	45.6	49.7	31.5	48.1	40.5
HEALTH: (25% weighting)							
POSITIVE POLITICAL WILL INDICATOR Annual Gov't Health Spending Per Capita (Int'l Dollars) PHS	WHOSIS	1985	802.3	404.7	1818.7	556.7	392.7
		1990	809.6	414.2	1825.9	565.5	403.0
		1995	816.5	421.6	1831.7	574.0	412.5
		2000	823.0	428.0	1836.0	581.0	421.0
NEGATIVE OUTCOME BENCHMARK INDICATOR Annual Suicides per 100k Pop. SD	WHOSIS	1985	5.6	3.1	12.9	5.7	1.9
		1990	6.0	3.2	12.7	5.7	2.2
		1995	6.4	3.3	13.4	5.7	3.1
		2000	6.8	3.4	12.3	5.7	3.7
NEGATIVE OUTCOME BENCHMARK INDICATOR Heart Attack and Cancer Deaths per 100k Pop. HCD	WHOSIS	1985	183.9	94.5	268.9	183.9	188.9
		1990	183.9	94.5	268.9	183.9	188.8
		1995	183.9	94.5	268.9	183.9	188.9
		2000	183.9	94.5	268.9	183.9	188.9
NEGATIVE OUTCOME BENCHMARK INDICATOR Births per 1000 Women Age 15-19 TB	IDB WDI 2000	1985	64.0	72.0	24.0	47.0	69.0
		1990	64.0	72.0	24.0	47.0	69.0
		1995	64.0	72.0	24.0	47.0	69.0
		2000	64.0	72.0	24.0	47.0	69.0
HOUSING: (25% weighting)							
POSITIVE POLITICAL WILL INDICATOR Percentage of Owner-Occupied Housing OOH	UNCHS	1985	67.8	63.5	62.1	63.1	63.1
		1990	67.8	63.5	62.1	65.7	65.7
		1995	67.8	63.5	62.6	68.3	68.3
		2000	67.8	63.5	63.1	68.9	70.9
NEGATIVE OUTCOME BENCHMARK INDICATOR Rent Indices RI	ILO YLS 2K	1985	100.0	100.0	100.0	100.0	100.0
		1990	100.0	100.0	100.0	100.0	100.0
		1995	610.1	209.7	111.9	187.8	240.7
		2000	579.8	394.5	117.1	229.6	493.8
EDUCATION: (20% weighting)							
POSITIVE POLITICAL WILL INDICATOR Public Education Spending as % of Gov't Exp. PES	UNDP	1985	8.9	17.7	14.1	15.3	13.6
		1990	10.8	17.7	13.5	15.4	12.8
		1995	12.6	17.7	12.9	15.5	23.0
		2000	14.4	17.7	12.3	15.6	23.0
NEGATIVE OUTCOME BENCHMARK INDICATOR Gross Primary & Secondary Non-Enrolment Ratio GER	UNESCO	1985	7.9	16.8	-1.0	7.8	11.3
		1990	7.6	10.7	-1.8	8.8	16.4
		1995	4.1	1.7	-3.4	10.3	11.7
		2000	5.0	-7.3	-5.0	11.8	7.0
NEGATIVE OUTCOME BENCHMARK INDICATOR Adult Illiteracy Rate ALR	CIA Factbk	1985	7.0	28.0	1.0	7.8	12.0
		1990	6.0	24.0	1.0	8.8	12.0
		1995	5.0	20.0	3.0	10.3	12.0
		2000	4.8	17.7	3.0	4.8	10.4

Source: Drache and Stewart 2001

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