

**SOCIAL EXCLUSION:
CONCEPT, APPLICATION, AND SCRUTINY**

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CONTENTS

Foreword	v
Acknowledgements	vi
1. The Task of Evaluation and Assessment	1
2. Poverty, Capability Deprivation, and Social Exclusion	3
3. Relational Features in Capability Deprivation	6
4. The Language of Exclusion	9
5. Social Relations: Constitutive and Instrumental Importance	12
6. Active and Passive Exclusion	14
7. Persistent Unemployment and Exclusion: An Illustration	18
8. European Origin, Universal Importance, and Asian Use	23
9. Practical Reason in a Changing World	27
10. Policy Issue: Sharing of Social Opportunities	30
11. Policy Issue: Asian Crisis and Protective Security	35
12. Policy Issue: Democracy and Political Participation	38
13. Policy Issue: Diversity of Exclusions	40
14. Concluding Remarks	44
References	48

FOREWORD

This paper is the first in a series of Social Development Papers, which are being issued to promote discussion of social development issues that influence development and poverty reduction. We are pleased that the inaugural paper in the series is an exposition by Nobel laureate Amartya Sen on an important and often overlooked dimension of poverty—social exclusion.

It is generally recognized that poverty has both material and nonmaterial dimensions. Because of their obvious tangibility, many development practitioners find it easier to understand and address the material dimensions of poverty.

The exclusion of the poor from participation in and access to opportunities and activities is a major nonmaterial dimension of poverty that also needs to be recognized and addressed. This paper helps us to understand social exclusion as both a cause and a consequence of poverty. I hope that the ideas conveyed in the paper will have a dual impact: first, that they will help development practitioners to obtain a better understanding and appreciation of the nonmaterial dimensions of poverty; and second, that they will stimulate discussion that will help development practitioners to respond effectively to this dimension of poverty reduction.

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Chief, Office of Environment and Social Development

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Amartya Sen

1. The Task of Evaluation and Assessment

The term “social exclusion” is of relatively recent origin. René Lenoir, writing about a quarter of a century ago, is given credit of authorship of the expression.¹ The notion has, however, already made substantial inroads into the discussions and writings on poverty and deprivation. There is a large and rapidly growing literature on the subject.²

The concept of social exclusion is seen as covering a remarkably wide range of social and economic problems. Even in the practical context of identifying “the excluded” in France, René Lenoir, as Secrétaire d’Etat a l’Action Sociale of the French Government, spoke of the following as constituting the “excluded”—a tenth—of the French population:

mentally and physically handicapped, suicidal people, aged invalids, abused children, substance abusers, delinquents, single parents, multi-problem households, marginal, asocial persons, and other social ‘misfits’.³

The literature that has followed Lenoir’s original initiative has vastly added to this already bulging list of the “socially excluded.” As Silver (1995) notes, the list of “a few of the things the literature says people may be excluded from” must include the following:

a livelihood; secure, permanent employment; earnings; property, credit, or land; housing; minimal 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.⁴

1 See Lenoir (1974).

2 For illuminating and insightful introductions to the literature (and also to the history, content, and implications of the idea of social exclusion), see Rodgers et al. (1995), Jordan (1996), de Haan (1997), Gore and Figueiredo (1997), Figueiredo and de Haan (1998), and de Haan and Maxwell (1998).

3 See Silver (1995), p. 63. See also Foucauld (1992).

4 Silver (1995), p. 60. See also Gore and Figueiredo (1997) and de Haan and Maxwell (1998).

This is a veritable explosion of concern. The literature on social exclusion is, obviously, not for the abstemious.

It has not been all smooth sailing, though. The impression of an indiscriminate listing of problems under the broad heading of “social exclusion” and of a lack of discipline in selection, combined with the energy and excitement with which the concept has been advocated for adoption by its energetic adherents, has had the effect of putting off some of the experts on poverty and deprivation. In Else Oyen’s (1997) unflattering portrayal of the research enterprise on social exclusion, new entrants in the field are seen as proceeding to “pick up the concept and are now running all over the place arranging seminars and conferences to find a researchable content in an umbrella concept for which there is limited theoretical underpinning” (p. 63). If the advocates have been vocal, so have been the critics.

In this paper, I shall try to scrutinize the nature, relevance, and reach of the idea of social exclusion. I must also try to connect the notion to concepts that have been articulated earlier and to which the idea of social exclusion relates in a reasonably close way. We have to see what it has added and why the addition may well be important. I shall also critically examine the possibility of using this idea in contexts other than the French—and more generally European—conditions in which it has been originally championed.⁵

In terms of usefulness of the idea, we have to scrutinize and examine critically what new insight—if any—is provided by the approach of social exclusion. Does it contribute to our understanding of the *nature* of poverty? Does it help in identifying *causes* of poverty that may be otherwise neglected? Does it enrich thinking on *policy and social action* in alleviating poverty? How would our understanding of poverty be any different if we were to ignore the literature of social exclusion altogether? How would the policies chosen be any different? These critical issues are central to an appropriate evaluation and assessment of the idea of social exclusion.

5 This will obviously include Asia, since the paper is being written for use in the Asian Development Bank.

2. Poverty, Capability Deprivation, and Social Exclusion

It is useful to begin with the recognition that the idea of social exclusion has conceptual connections with well-established notions in the literature on poverty and deprivation, and has antecedents that are far older than the specific history of the terminology might suggest. Indeed, I would argue that we can appreciate more fully the contribution made by the new literature on social exclusion by placing it in the broader context of the old—very aged—idea of poverty as capability deprivation. That connection with a very general approach will help us to appreciate the particular emphases and focal concerns that the specific idea of social exclusion helps to illuminate.

So let us start far back—in the realm of concepts and ideas. First, consider the characterization of poverty as simply shortage of income, which is, of course, very ancient and still fairly common in the established literature on deprivation and destitution. This view, which is rather far removed from the relational notion of social exclusion, is not, however, entirely without merit, since income—properly defined—has an enormous influence on the kind of lives we can lead. The impoverishment of our lives results frequently from the inadequacy of income, and in this sense low income must be an important cause of poor living. And yet—as the last argument itself suggests—ultimately poverty must be seen in terms of poor living, rather than just as lowness of incomes (and “nothing else”). Income may be the most prominent means for a good life without deprivation, but it is not the only influence on the lives we can lead. If our paramount interest is in the lives that people can lead—the freedom they have to lead minimally decent lives—then it cannot but be a mistake to concentrate exclusively only on one or other of the *means* to such freedom. We must look at impoverished lives, and not just at depleted wallets.

The idea of seeing poverty in terms of poor living is not—emphatically *not*—new. Indeed, the Aristotelian account of the richness of human life was explicitly linked to the necessity to “first ascertain the

function of man,” followed by exploring “life in the sense of activity.” In this Aristotelian perspective, an impoverished life is one without the freedom to undertake important activities that a person has reason to choose.⁶ Poverty of living received systematic attention also in the early empirical works on the quality of life by such pioneering investigators as William Petty, Gregory King, Francois Quesnay, Antoine Lavoisier, Joseph Louis Lagrange, and others.⁷ Adam Smith too felt impelled to define “necessaries” in terms of their effects on the freedom to live nonimpoverished lives (such as “the ability to appear in public without shame”).⁸ Thus, the view of poverty as capability deprivation (that is, poverty seen as the lack of the capability to live a minimally decent life) has a far-reaching analytical history. As it happens, it has also been much explored in the contemporary literature.⁹

The capability perspective on poverty is inescapably multidimensional, since there are distinct capabilities and functionings that we have reason to value. I would suggest that it is useful to investigate the literature on “social exclusion” using this broadly Aristotelian approach. The connections are immediate.

First, we have good reason to value not being excluded from social relations, and in this sense, social exclusion may be directly a part of capability poverty. Indeed, Adam Smith’s focus on the deprivation involved in not “being able to appear in public without shame” is a good example of a capability deprivation that takes the form of social exclusion. This relates to the importance of taking part in the life of the community, and ultimately to the Aristotelian understanding that the individual lives an inescapably “social” life. Smith’s general point that the inability to interact

6 Aristotle, *Nicomachean Ethics*, Book I, section 7; in the translation of D. Ross (1980), p. 12-14. Martha Nussbaum (1988) has illuminatingly analyzed the reach and relevance of the Aristotelian approach.

7 On that literature, see Sen (1987).

8 Smith (1776), Vol. II, Book V, Chapter 2; in the edition by R.H. Campbell and A.S. Skinner (1976), p. 469-471.

9 My own attempt at constructing a theory as well as an empirical framework for seeing poverty as capability deprivation can be found in Sen (1980, 1983, 1984, 1985, 1992a); see also Drèze and Sen (1989, 1995) and Nussbaum and Sen (1993). The literature on capability deprivation is now quite extensive and far-reaching; see particularly Griffin and Knight (1990), Hossain (1990), UNDP (1990, 1997), Doyal and Gough (1991), Crocker (1992), Anand and Ravallion (1993), Desai (1995). See also the symposia on the capability approach in *Giornale degli Economisti Annali di Economia*, 53 (1994), and in *Notizie di Politeia*, 1997 (special volume), and on related issues, in *Journal of International Development*, 9 (1997).

freely with others is an important deprivation in itself (like being undernourished or homeless), and has the implication that some types of social exclusion must be seen as constitutive components of the idea of poverty—indeed must be counted among its core components.

Second, being excluded from social relations can lead to other deprivations as well, thereby further limiting our living opportunities. For example, being excluded from the opportunity to be employed or to receive credit may lead to economic impoverishment that may, in turn, lead to other deprivations (such as undernourishment or homelessness). Social exclusion can, thus, be *constitutively a part* of capability deprivation as well as *instrumentally a cause* of diverse capability failures. The case for seeing social exclusion as an approach to poverty is easy enough to establish within the general perspective of poverty as capability failure.

These connections are important to seize, especially since the idea of social exclusion (in the distinctive form of a free-standing concept) has had, as was mentioned earlier, a relatively late entry into the literature of poverty and deprivation. Indeed, its early stirrings—attributed to the writings in the 1970s—were about two hundred years after Adam Smith’s (1776) pioneering exposition of deprivation in the form of “inability to appear in public without shame,” and more generally, of the difficulty experienced by deprived people in taking part in the life of the community. Once the literature of social exclusion is placed in the general perspective of capability failure, it can be seen as articulating and investigating important issues that have been discussed for hundreds—indeed thousands—of years. We are not dealing with an upstart concept that somehow has escaped notice: a concept that can only be championed by new researchers, to use Else Oyen’s crushing phrase, “running all over the place arranging seminars and conferences to find a researchable content in an umbrella concept for which there is limited theoretical underpinning.” Rather, we are considering the merits of focusing particularly on relational features that would enrich the broad approach of seeing poverty as the lack of freedom to do certain valuable things—an approach the theoretical underpinning of which has been extensively discussed and scrutinized. By establishing the historical connection, we not only link the literature

of social exclusion with earlier ideas, but we also strengthen its conceptual basis and analytical discipline.

Indeed, an advantage of this approach to social exclusion is that it immediately provides a non-ad hoc foundation for the issues involved in this large and somewhat unruly literature. However, we have to be careful that by placing the literature of social exclusion in this conceptually structured approach, we do not end up losing anything valuable in the idea of social exclusion that cannot be adequately captured in the capability framework.

3. Relational Features in Capability Deprivation

If the analysis presented above is correct, the real importance of the idea of social exclusion lies in emphasizing the role of relational features in the deprivation of capability and thus in the experience of poverty. Here too the crucial issue is not the novelty in focusing on relational features (Adam Smith did the same in the eighteenth century, as have others before and after him), but the *focusing* that the social exclusion literature can provide in giving a central role to relational connections.

Adam Smith was much concerned with relational deprivations that would impoverish human lives in an absolute way. The idea of social exclusion fits well into this framework. Indeed, a good part of *The Wealth of Nations* is concerned with the instrumental importance of exclusion, and involves analysis of the effects of particular types of exclusion, for example people being kept out of markets (through legislation) or out of education (through lack of private means and public support). But in addition, Smith also discussed, with great clarity, constitutively relevant relational deprivations. He investigated the characteristics of social exclusion within a broader concept of deprivation in the form of inability to do things that one has reason to want to do.

As was briefly discussed earlier, Smith placed the ideas of inclusion and exclusion at the centre of poverty analysis when he defined the nature of “necessaries” for leading a decent life:

By necessaries I understand not only the commodities which are indispensably necessary for the support of life, but what ever the custom of the country renders it indecent for creditable people, even the lowest order, to be without....Custom has rendered leather shoes a necessary of life in England. The poorest creditable person of either sex would be ashamed to appear in public without them.¹⁰

Here Smith is concerned with deprivation in the form of exclusion from social interaction, such as appearing in public freely, or—more generally—taking part in the life of the community.

The relational nature of these capabilities links the two concepts—capability failure and social exclusion. The importance of the new literature lies, thus, in the focusing achieved, and not so much *either* in seeing social exclusion as a free-standing concept of poverty (rather than as its being part and parcel of the more general approach of capability deprivation), *or* even in the newness of the idea of being concerned with relational features.

But is there something being missed in seeing social exclusion as a part of the general approach of capability deprivation with a particular focus on relational causation? Doubts of this kind may be fed by the belief that the literature of social exclusion transcends altogether the narrow limits of capability analysis. This issue is indeed worth considering and scrutinizing with care. Take, for example, the important issue raised by Charles Gore (1995), in identifying the special merit of the social-exclusion approach:

[S]een as a relational concept, it offers a way of completing the shift away from a welfarist view of social disadvantage which Amartya Sen has begun, but which, in the guise of the concept of capabilities, still remains wedded to an excessively individualist, and insufficiently social view.¹¹

10 See Smith (1776/1996), p. 351-352.

11 Gore (1995), p. 9.

Gore is certainly right in seeing the focus on relational features to be a great merit of the approach of social exclusion. But in what sense is the capability perspective bound to miss these relational connections and doomed to be excessively individualist and insufficiently social? While the individual is seen as the person to whom relational deprivation occurs (as it is in the literature on social exclusion), the focus of capability analysis—right from the time of its Smithian formulations—has been very sensitive to the social causes of individual deprivation. For example, both concern with the capability to take part in the life of the community (or the more specific capability to appear in public without shame) and the causal factors that are seen as influencing such capabilities cannot but be inescapably “social,” and have been seen as such. What can more legitimately be seen as a point of departure is not the *acknowledgement* of the idea of relational connections, but the *focusing* on it.

The helpfulness of the social exclusion approach does not lie, I would argue, in its conceptual newness, but in its practical influence in forcefully emphasizing—and focusing attention on—the role of relational features in deprivation. As it happens, many types of exclusionary issues have been integral parts of the development literature for a long time. The issues covered have included deprivations of constitutive importance (whether or not placed in the framework of capability failure), but also instrumentally crucial deprivations. Traditional development analyses have variously addressed such concepts as “exit, voice, and loyalty” (pioneeringly analyzed by Hirschman, 1958, 1970, 1981), “urban bias” (particularly explored by Michael Lipton, 1977), the major role of landlessness and credit unavailability (see Griffin and Khan, 1977; Bardhan, 1984, among others), the exclusion of women from economic activities of certain types (see Boserup, 1990, and the more recent literature, on which see Beneria, 1982; Tinker, 1990), and the lack of opportunity to meet basic needs for substantial sections of the population (see e.g. Adelman and Morris, 1973; Adelman, 1975; Streeten and Burki, 1978; Chichilnisky, 1980; Streeten, 1981; Stewart, 1985). To examine these issues in terms of social exclusion can be helpful enough in providing a focused discussion, but it is to investigative advantage rather than to conceptual departure that we have to look to see the major merits of the new literature on social exclusion.

Conceptual novelty is not the real issue in appreciating the creative contribution of the new literature on social exclusion; cogency is. Seen in its proper context, the idea of social exclusion has much to offer, and the new literature has already brought out many important connections that had been neglected in earlier studies of poverty and deprivation.

4. The Language of Exclusion

Social exclusion can indeed arise in a variety of ways, and it is important to recognize the versatility of the idea and its reach. However, there is also a need for caution in not using the term too indiscriminately (by skilfully using the language of social exclusion to describe every kind of deprivation—whether or not relational features are important in its genesis). Indeed, the language of exclusion is so versatile and adaptable that there may be a temptation to dress up every deprivation as a case of social exclusion. There is, I fear, some evidence in the vast—and rapidly growing—literature on social exclusion that the language has run well ahead of the creative ideas involved.

For reasons of intellectual clarity, there is a strong case for exercising conceptual discrimination, going beyond linguistic similarity. Sure enough, the exclusionary perspective can be very useful in some contexts, but it can also be linguistically invoked even when it adds little to what is already well understood without reference to relational features. Investigative usefulness is partly a matter of judgement, but it is important that critical scrutiny is exercised in deciding whether to invoke the powerful—sometimes bewitching—rhetoric of social exclusion.

An example may help to illustrate the distinction. Consider the deprivation involved in being hungry or starving. It is easy enough to use the language of exclusion to say that involuntary starvation (as opposed to fasting) “can be seen as being excluded from access to food.” Such a sentence makes good sense, but it does not, in itself, add anything much to what we already knew, to wit, the involuntarily hungry do not get enough food to eat. Since the real merit in using the language of exclusion is to draw attention to the relational features in a deprivation, it is crucial to

ask whether a relational deprivation has been responsible for a particular case of starvation or hunger.

There are, of course, relational features that may be central to a case of hunger. First, since food is often used—especially in many traditional societies—as a means of social intercourse (celebrations, mournings, or even standard communications may depend on food being served to guests), a family may suffer from food shortage precisely because of the constitutively relational role of exchange of food. Second, even in having enough food for consumption within the family, causal influences may relate to relational features in a significant way. For example, when some groups are made to go hungry when other groups command most of the food (through bureaucratic arrangements or through superior market power), then there is a sense in which the idea of exclusion can be seen to be relevant even in examining a deprivation that is not constitutively of the relational kind. Such “food battles” can be an important element in the causation of hunger when supply is inflexible, and cases of this kind have received attention in the context of studies of famines and undernourishment.¹²

With relational deprivations that are not constitutively significant, it is necessary to see whether any process that can be helpfully called “exclusion” is playing a significant part in causally generating other deprivations that may be ultimately important. This leads to a typology of causation that can be sensibly and fruitfully used to supplement the analysis of traditionally recognized deprivations.

For example, hunger and starvation relate to entitlement failure that can result from a variety of causes.¹³ To consider a few alternative cases, take the following:

- (1) hunger caused by a crop failure that makes a peasant family lose its traditional food supply;

¹² See for example Sen (1981) and Drèze and Sen (1989, 1990).

¹³ Distinct routes to the failure of entitlement to have enough food have been discussed and distinguished in Sen (1981) and Drèze and Sen (1989).

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- (2) hunger resulting from unemployment through the loss of purchasing power;
 - (3) hunger induced by a fall in real wages as a result of relative price changes, resulting from asymmetric increase in the economic power of, and increased food demand from, other groups; and
 - (4) hunger precipitated by the removal of food subsidies to a particular group on which that group may standardly rely.

While each of these developments can be described in the language of exclusion, to wit, respectively: (1) being excluded from enjoying a normal crop, (2) being excluded from employment, (3) exclusion from the food market because of low purchasing power, (4) exclusion from food subsidy arrangements, they involve quite different causal patterns, some of which are more fruitfully described in the language of exclusion than others.

For example, the removal of food subsidies to an excluded group involves an active form of exclusion that is central to the development in question. On the other side, the failure of a crop from which a peasant family suffers is not easily seen as an exclusion—or even as a relational failure—in a significant way (no matter what liberty our language may give us to dress up any failure as an “exclusion”).

Hunger resulting from unemployment raises a more difficult issue. In some contexts a person’s inability to get a job may be helpfully analyzed in terms of exclusion, for example when the available employment tends to be reserved for—or allocated to—people of particular types, leaving out others. This can be important in understanding, say, high levels of unemployment of minority groups, or women, in societies which reserve the jobs—or at least the better jobs—to majority groups or to men. But in general, the *causation* of unemployment need not be seen to be resulting invariably—or even typically—from any exclusionary process. Whether hunger resulting from unemployment can be helpfully analyzed in terms of instrumentally important social exclusion would, thus, depend on the exact nature of the causal processes involved.

The inability of a person to buy enough food because of a fall in his or her real wages again requires more causal probing to see whether the idea of exclusion will be usefully employed or not in that particular context. What made the real wages fall? Since such declines in real wages have often been causally connected even with famines, causal analysis here can be particularly important. To cite a particular example, the decline in the real wages of rural labourers that played a crucial part in the genesis of the Bengal famine of 1943 was closely connected with the asymmetric nature of the war-expenditure-based boom in the economy of Bengal—a boom that boosted the incomes of many urban dwellers but excluded the rural labourers (on this see Sen, 1981, Chapter 6). The analysis of entitlement failure of rural labourers can be fitted into a reasoning in which the idea of exclusion can be given a useful part. And the same applies, to an even greater extent, to the entitlement failure of fishermen and river-based transport workers, since they suffered not only from being left out of the war boom, but also from the British Raj's decision to sink the normally-used boats in the area, which it feared would be soon overrun by the invading Japanese army. This did not do much to hinder the already overstretched Japanese army, but it surely did actively exclude many fishermen and boat operators from carrying out their normal business.¹⁴

The real relevance of an exclusionary perspective is, thus, conditional on the nature of the process that leads to deprivation—in this case, to a sharp fall in the purchasing power of the affected population. This kind of discrimination is important to undertake in order to separate out (1) the conceptual contribution that the idea of social exclusion can make and the constructive role it can play, and (2) the use of social exclusion merely as language and rhetoric. Both can be effective, but conceptual creativity must not be confused with just linguistic extension.

5. Social Relations: Constitutive and Instrumental Importance

In this section and in the next one, I investigate two particular *distinctions* within the general category of social exclusion. Earlier on in

¹⁴ The complex sequence of events is discussed in Sen (1981, Chapter 6).

this paper (particularly in linking the new literature on social exclusion with the earlier writings on capability deprivation), I have already had the occasion to examine—and give illustrations of—the intrinsic importance as well as the instrumental consequences of social relations of different kinds. The distinction between the two ways in which social exclusion can lead to capability deprivation is worth clarifying more precisely and also worth investigating further.

Being excluded can sometimes be in itself a deprivation and this can be of intrinsic importance on its own. For example, not being able to relate to others and to take part in the life of the community can directly impoverish a person's life. It is a loss on its own, in addition to whatever further deprivation it may indirectly generate. This is a case of *constitutive relevance* of social exclusion.

In contrast, there are relational deprivations that are not in themselves terrible, but which can lead to very bad results. For example, not using the credit market need not be seen by all to be intrinsically distasteful. Some do, of course, enjoy borrowing or lending, while others do not feel this to be a matter of inherent importance one way or the other, while still others are happy enough to follow Polonius's advice: "Neither a borrower, nor a lender be." But not to have access to the credit market can, through causal linkages, lead to *other* deprivations, such as income poverty, or the inability to take up interesting opportunities that might have been both fulfilling and enriching but which may require an initial investment and use of credit.¹⁵ Causally significant exclusions of this kind can have great *instrumental importance*: they may not be impoverishing in themselves, but they can lead to impoverishment of human life through their causal consequences (such as the denial of social and economic opportunities that would be helpful for the persons involved).

Landlessness is similarly an instrumental deprivation. A family without land in a peasant society may be deeply handicapped. Of course,

¹⁵ On this see Yunus (1998). As the pioneering founder of the Grameen Bank in Bangladesh, Mohammad Yunus is, of course, in a remarkable position to illuminate the importance of credit markets for the less privileged members of the society.

given the age-old value system in peasant societies, landlessness can also have constitutive importance in a world that values a family's special relation with its land: to be without land may seem like being without a limb of one's own.¹⁶ But whether or not a family attaches direct value to its relation with its "own land," landlessness can also help to generate economic and social deprivations.¹⁷ Indeed, the alienation of land has been—appropriately enough—a much-discussed problem in the development literature.

Clearly, particular relational deprivations may, easily enough, have both constitutive and instrumental importance. For example, not to be able to mix with others may directly impoverish a person's life, and also, additionally, reduce economic opportunities that come from social contact. Indeed, quite often different aspects of capability deprivation and social exclusion may go together.¹⁸ However, they can also appear singly, and as and when they are relevant, we have to pay attention to each possibility within the general categories of constitutively important deprivations and instrumentally significant handicaps. When a deprivation does not have constitutively relational importance, it may still be fruitful, in many cases, to use the perspective of social exclusion, on instrumental grounds, to analyse it, *if* the causal process can be better understood through invoking the idea of exclusion.¹⁹ The nature of the causal process is crucial for deciding the relevance of each perspective.

6. Active and Passive Exclusion

The distinction between constitutive relevance and instrumental importance is only one of the distinctions that can be fruitfully used to understand and analyse the nature and reach of social exclusion. Another potentially useful distinction is that between *active* and *passive* exclusion. When, for example, immigrants or refugees are not given a usable political

16 The constitutive importance of land for families of small peasants is well illustrated by Rabindranath Tagore's stirring Bengali poem "Dui Bigha Jami" ("Two Bighas of Land").

17 On the far-reaching instrumental relevance of land and landlessness, see Griffin and Khan (1977), Bardhan (1984), Basu (1990), Agarwal (1994), Deininger and Squire (1996), among many other contributions.

18 An important example concerns the effects of deprivation of basic capabilities (including nutrition and educational skills) on the development of crime; on this and related matters, see Earls and Carlson (1993, 1994).

19 See also Lipton and Ravallion (1995).

status, it is an active exclusion, and this applies to many of the deprivations from which minority communities suffer in Europe and Asia and elsewhere.²⁰ When, however, the deprivation comes about through social processes in which there is no deliberate attempt to exclude, the exclusion can be seen as a passive kind. A good example is provided by poverty and isolation generated by a sluggish economy and a consequent accentuation of poverty. Both active and passive exclusions may be important, but they are not important in the same way.

The distinction can be relevant for causal analysis as well as for policy response. Relational exclusions may, in some cases, be brought about by a deliberate policy to exclude some people from some opportunities. For example, the decision of the United States Congress a couple of years ago to exclude permanent residents who were not US citizens from certain types of federal benefits was clearly an *active* exclusion, since it came about through policies directly aimed at that result. In contrast, the macroeconomic circumstances that may lead to a significant level of unemployment may not have been devised to bring about that result. Also, when particular groups—such as the young and the less skilled—suffer especially from being left out of the employment process, it is possible that the economic conditions causing that result (and even the economic policies precipitating those conditions) may not have been, in any sense, aimed at excluding these vulnerable groups from employment. The absence of direct aiming does not, of course, absolve the government involved from responsibility, since it has to consider what bad things are happening in the economy and how they can be prevented (and not merely the things that are directly “caused” by its own policies). Nevertheless, for causal analysis it may be important to distinguish between the active fostering of an exclusion—whether done by the government or by any other wilful agent—and a passive development of an exclusion that may result from a set of circumstances without such volitional immediacy.

Sometimes an active exclusion can bring about other exclusionary consequences that were not part of the plan of exclusion but nevertheless are results of the directly aimed exclusion, even though they may not

²⁰ The status of refugees raises an intensely important case of social exclusion, as is discussed by Ogata (1998).

have been clearly anticipated (or not at all foreseen). Let me illustrate this with an example of political exclusion in Europe that has, in my judgement, received less attention than it deserves.

Recently, the targeting of settled immigrant population in Germany and France by right-wing extremists has received much political attention. The question is sometimes raised as to why Britain has, to a great extent, escaped this problem, even though decades ago when the large-scale immigration took place, Britain had strong anti-immigrant sentiments as well. But, in the event, those sentiments seem not to have caused the kind of flourishing of right-wing extremism and severe targeting of immigrants that have occurred in Germany and France. (Some of my British friends seem to think that this is because they are just “nicer”; the explanatory power of this causal hypothesis is not pre-eminently obvious!)

I would argue that the explanation lies partly in the political exclusion from voting rights from which most of the settled immigrants in Germany and France suffer. Indeed, in much of Europe, legally settled immigrants do not have the political right to vote because of the difficulties and delays in acquiring citizenship. This keeps them outside the political process in a systematic way—this is clearly an *active exclusion*. In France, the required qualification for acquiring French citizenship is quite exacting. In Germany the situation is worse, in this respect; German citizenship is very difficult to obtain even for the long-run residents from elsewhere. This political exclusion results in disenfranchisement of the immigrants, even long-term settled immigrants, and this in turn makes their social integration that much harder. However, since the first version of this paper was presented in September 1998, the newly elected German government has declared its intention to ease the process of acquiring voting rights by settled immigrants. If the argument presented here is correct, this change, if carried out, will contribute to the integration of the settled immigrant population with the rest of the population of the country and also help to reduce the political targeting of the immigrant population by anti-immigrant activists.

Because of an imperial tradition, taken over by the Commonwealth, the right to vote is determined in the United Kingdom not exclusively by

British citizenship, but also by the citizenship of the Commonwealth. Indeed, any citizen of the Commonwealth—any subject of the Queen as the head of the Commonwealth—immediately acquires voting rights in Britain on being accepted for settlement. Since most of the nonwhite immigrants to Britain have come from the Commonwealth countries (such as the West Indies, India, Pakistan, Bangladesh, Nigeria, Ghana, Kenya, and Uganda), they have had the right of political participation in Britain immediately on arrival on a permanent basis. The absence of this political exclusion has the effect of drawing the settled immigrants directly into British politics, where their votes are sought and taken into account.²¹

If right-wing extremists in Germany make strongly anti-immigrant statements, they do not lose the votes of immigrants (who have none), whereas they pick up votes of those who are inclined in the same anti-immigrant direction. In Britain, in contrast, such statements would immediately bring in a backlash from immigrant voters, even when they are not British citizens. This has made the British political parties quite keen on wooing the immigrant vote, and this clearly has served as a brake on the earlier attempts at racist politics in Britain. I would argue that this is certainly among the reasons why Britain has, to a great extent, been able to avoid the persistence of racist extremism that had threatened the country in the early postwar years. The political incentive to seek support from immigrant communities (rather than “targeting” them for attack) has been a factor of some importance both in the political freedom and in the social integration of immigrants in Britain. The exploitation of “the immigrant issue” in French or German politics turns on the asymmetric political power of the anti-immigrants over the settled immigrants.

Even though the political exclusion of immigrants from voting rights was not devised to bring about the kind of social exclusion related to anti-immigrant extremism that one sees in Germany and France, it seems plausible to argue that the active political exclusion has had the effect of helping further social exclusion in those countries. Since the issues of political integration and of voting rights also arise in other

21 I have discussed this issue in the broader context of the exercise of political rights in the first Commonwealth Lecture (“Human Rights: Is There a Commonwealth Perspective?”) given in London in May 1998.

parts of the world, including in Asia, this connection between active and passive exclusions may have a much wider relevance than the European nature of this example may initially suggest.

7. Persistent Unemployment and Exclusion: An Illustration

In investigating the reach of the idea of social exclusion, it is useful to examine the specific role of economic events of the kind that may be particularly associated with the development of an excluded population. An especially apt example is the important phenomenon of long-term unemployment. Indeed, in contemporary Europe, the extraordinary prevalence of unemployment and worklessness is perhaps the single most important contributor to the persistence of social exclusion in a large and momentous scale. With double-digit unemployment rates across many countries in Europe (running between 10 and 12 percent of the workforce in France and Germany as well as Italy, and higher in Spain), the basis of self-reliant and self-confident economic existence of a great many Europeans is severely undermined. This is in sharp contrast not only with the contemporary experience of other economically developed countries, including Japan and the United States (with very much lower unemployment), but also with Europe's own achievements of remarkably low unemployment not so long ago (with unemployment rates between 1 and 3 percent).

Oddly enough, the state of affairs with persistently high unemployment seems to have become "acceptable" in Europe—feeble protests are typically combined with remarkable resignation. There is also an insufficient acknowledgement of the torments and disintegrations caused by high levels of unemployment and inadequate assessment of different types of social exclusion that are brought about by the persistence of high levels of unemployment. We have to take fuller note of the many different ways in which the wide prevalence of joblessness blights lives and liberties in Europe.

The point is sometimes made that unemployment is not—"any longer"—really such a social problem in Europe because of a functioning

social security system that offers unemployment insurance and income support for all. This argument is deeply defective for several distinct reasons. First, social security and unemployment insurance cost public money, and the fiscal burden involved has many adverse consequences on the operation of the economy. Second, the evil effects of unemployment are not confined only to the lowness of income with which jobless may be associated. To compensate for the lost income (or, more accurately, for a part of the lost income) does not do away with the other losses that also result from the persistence of unemployment. Some of these losses can be more fully understood in the perspective of social exclusion.

Let me list some of the other effects—other than the loss of income associated with unemployment. Some of these effects can be helpfully analysed with the help of the idea of social exclusion.²²

Loss of Current Output: Unemployment involves wasting of productive power, since a part of the potential national output is not realized because of unemployment. This magnitude can clearly be quite large when unemployment rates are very high.

Skill Loss and Long-run Damages: People not only “learn by doing,” they also “unlearn” by “not doing,” that is, by being out of work and out of practice. Also, in addition to the depreciation of skill through nonpractice, unemployment may generate loss of cognitive abilities as a result of the unemployed person’s loss of confidence and sense of control. In so far as this leads to the emergence of a less skilled group—with merely a memory of good skill—there is a phenomenon here that can lead to a future social exclusion from the job market.

Loss of Freedom and Social Exclusion: Taking a broader view of poverty, the nature of the deprivation of the unemployed includes the loss of freedom as a result of joblessness. A person stuck in a state of unemployment, even when materially supported by social insurance, does

22 I draw here on my paper “The Penalties of Unemployment” (Bank of Italy, 1997), and “Inequality, Unemployment and Contemporary Europe,” presented at the Lisbon conference on “Social Europe” of the Calouste Gulbenkian Foundation, 5-7 May 1997, and published in *International Labour Review*, 1997 (in the bibliography at the end of this paper, Sen, 1997a).

not get to exercise much freedom of decision, and attitudinal studies have brought out the extent to which this loss of freedom is seen by many unemployed people as a central deprivation.²³ Unemployment can be a major causal factor predisposing people to social exclusion. The exclusion applies not only to economic opportunities, such as job-related insurance, and to pension and medical entitlements, but also to social activities, such as participation in the life of the community, which may be quite problematic for jobless people.

Psychological Harm and Misery: Unemployment can play havoc with the lives of the jobless, and cause intense suffering and mental agony. Empirical studies of unemployment have brought out how serious this effect can be. Indeed, high unemployment is often associated even with elevated rates of *suicide*, which is an indicator of the perception of unbearability that the victims experience. The effect of *prolonged* joblessness can be especially damaging for the morale.²⁴

Youth unemployment can take a particularly high toll, leading to a long-run loss of self-esteem of young workers and would-be workers (such as school leavers). There is some considerable evidence that this damaging effect is particularly severe for young women (and it has to be examined whether a similar thing would apply to Europe as well).²⁵ Youth unemployment has become a problem of increasing seriousness in Europe, and the present pattern of European joblessness is quite heavily biased in the direction of the young. The connection with the emergence of a problem of social exclusion is obvious enough.

Ill-health and Mortality: Unemployment can also lead to clinically identifiable illnesses and to higher rates of mortality (not just through more suicide). This can, to some extent, be the result of loss of income and material means, but the connection also works through the dejection and lack of self-respect and motivation generated by persistent unemployment. This is not, in itself, a problem of social exclusion, but

23 See Schokkaert and Van Ootegem (1990). Their investigation concentrated on the experience of the Belgian unemployed.

24 The connection between psychological suffering and motivational impairment has been illuminatingly analyzed by Robert Solow (1995).

25 Goldsmith, Veum, and Darity (1996a, 1996b) discuss this issue among others; see also the references to empirical work cited there

of course ill health can make social relations much more problematic. So there is an indirect connection here.

Loss of Human Relations: Unemployment can be very disruptive of social relations and of family life. It may also weaken the general harmony and coherence within the family. To some extent these consequences relate to the decline of self-confidence (in addition to the drop in economic means), but the loss of an organized working life can also generate problems of its own. This is a relational failure and thus within the immediate domain of social exclusion.

Motivational Loss and Future Work: The discouragement that is induced by unemployment can lead to a weakening of motivations and can make the long-term unemployed very dejected and passive. There is clearly some psychological potential here for a motivational collapse that can be devastating on its own and also conducive to further social exclusion later on. The “social psychological” effects of unemployment include the breeding of further unemployment in the future. The impact of prolonged unemployment can be severe in weakening the distinction between (i) being “in the labour force but unemployed,” and (ii) being “out of the labour force.” The empirical relevance of the distinction between these states (and possible transitions from the former state to the latter) can be important for the future of the economy as well as the predicaments of the particular persons involved.

Gender and Racial Inequality: Unemployment can also be a significant causal influence in heightening ethnic tensions as well as gender divisions. When jobs are scarce, the groups most affected are often the minorities, especially parts of the immigrant communities. This worsens the prospects of easy integration of legal immigrants into the regular life of the mainstream of the society. Furthermore, since immigrants are often seen as people competing for employment (or “taking away” jobs from others), unemployment feeds the politics of intolerance and racism. This issue has figured prominently in recent elections in some European countries, and it is obviously connected with a type of social exclusion.

Gender divisions too are hardened by extensive unemployment, particularly because the entry of women into the labour force is often particularly hindered in times of general unemployment. Also, as was mentioned earlier, the discouraging effects of youth unemployment have been found to be particularly serious for young girls, whose re-entry into the labour market, after a bout of unemployment, is more impeded by early experiences of joblessness.

Weakening of Social Values: There is also evidence that large-scale unemployment has a tendency to weaken some social values. People in continued unemployment can develop cynicism about the fairness of social arrangements, and also a perception of dependence on others. These effects are not conducive to responsibility and self-reliance. The observed association of crimes with youth unemployment is, of course, substantially influenced by the material deprivation of the jobless, but a part is played in that connection also by psychological influences, including a sense of exclusion and a feeling of grievance against a world that does not give the jobless an opportunity to earn an honest living. In general, social cohesion faces many difficult problems in a society that is firmly divided between a majority of people with comfortable jobs and a minority—a *large* minority—of unemployed, wretched, and aggrieved human beings. The engendered sense of isolation may be psychological, but the exclusion resulting from it may be no less real for that reason.

Long though this list is, there are other effects that can also be considered (on this see Sen, 1997a). It should, however, be clear from the list of problems identified here that the persistence of unemployment can cause deprivation in many distinct ways, some of which are emphatically relational and can be sensibly investigated as a part of the process of social exclusion associated with unemployment. The relational exclusions associated directly with unemployment can have constitutive importance through the connection of unemployment with social alienation, but they can also have instrumental significance because of the effects that unemployment may cause in leading to deprivations of other kinds.

Persistent unemployment can indeed be an important source of deprivation of capability to live satisfactory lives. While I have particularly

emphasized the problem of massive unemployment in Europe, similar issues are important in Asia and Africa as well, even though the overwhelming fact of economic poverty—in the form of low incomes—sometimes leads to the neglect of these problems in social and economic analyses. Even though the European literature on social exclusion has been driven by the European context, it has made an important suggestive contribution to the possibility of analysing poverty in other regions with greater interest in constitutive deprivation associated with exclusions of various types. There are reasons to be grateful for this, while not being overwhelmed by these newer concerns in a way that may lead to the neglect of the Afro-Asian focus on more rudimentary and grosser aspects of general poverty.

8. European Origin, Universal Importance, and Asian Use

The possibility of variations in regional concerns, briefly touched upon in the last section, is an important issue to address in examining the relevance of the new literature on social exclusion—developed particularly in Europe—for use in other parts of the world, including Asia. In its modern form, the notion of “social exclusion” has had a distinctly European—indeed specifically French—origin. This recognition raises two different types of questions. First, is the European origin, with its cultural specificity, a barrier to the use of the concept elsewhere, including in Asia? Second, does the European, and in particular French, origin give it a conceptual lineage that is worth tracing in assessing the richness of the idea? Also, since the literature on social exclusion has been mainly concerned with problems in European countries,²⁶ it could be asked whether that literature has anything significant to offer to Asia or Africa.

I consider the second question first. While the French origin may be thought to be entirely accidental, it is, in fact, quite useful not to dismiss this fact altogether. France is a country quite unlike any other, and French culture is a very distinctive part of European civilisation,

26 See, for example, Lenoir (1974), Silver and Wilkinson (1995), da Costa (1997), Dowler (1998), Gore and Figueiredo (1997), Walker and Walker (1997), Jarvis and Jenkins (1998), Maxwell (1998), among many other contributions.

with a very specific history of events and ideas, including the French Enlightenment and the French Revolution which changed the nature of the world in which we live. Is that specific history of ideas and occurrences important in understanding the demands and reach of the notion of “social exclusion”?

There may well be an important connection here. The demands for “liberty, equality, and fraternity” in the French Revolution (and in the related developments in the eighteenth century Enlightenment) have had profound influence on the intellectual history of the modern world. The implications of these demands have been variously interpreted in the development of the contemporary world, and the interrelation between these ideas has been intensely investigated.

I would like to argue that the concern for *fraternity* leads to the need for avoiding “exclusion” from the community of people, just as the concern for *equality* pushes us in the direction of a commitment to avoid “poverty.”²⁷ Needless to say, the masculine form of the term “fraternity” (particularly reinforced in the US by the oddities of male communal living in some American universities) is not material here, and should in fact be shunned in extending and generalizing this concept (indeed the French revolutionaries did not really aim particularly at male exclusivism, despite the masculine form of the language).

Equality is concerned with *comparisons* of different persons’ opportunities, and if we focus, in that context, on the deprivation of opportunities, we move in the direction of the idea of poverty, in particular, to poverty as capability deprivation. In a similar way, fraternity is concerned with the *interrelation* between the opportunities enjoyed by different members of the community, and if we focus instead on the absence of such interrelations, we move in the direction of the idea of social exclusion. This way of looking at the different concepts suggests that we should expect that ideas of poverty and social exclusion would be closely linked (just as equality and fraternity are), without being congruent with each

27 I tried out this speculation and proposed some queries in my presentation (on “Social Exclusion and Poverty”) at the ADB seminar on “Inclusion or Exclusion: Social Development Challenges for Asia and Europe” in Geneva, 27 April 1998. This issue has been examined much more fully in an elegant paper by Jean-Luc Maurer (1998), partly responding to these queries.

other (just as equality and fraternity are not). The relational failure with which social exclusion is concerned can be seen to be a constitutively significant deprivation (“fraternity” has, here, a directly evaluative importance), and it can also lead to other kinds of deprivation (the failure of fraternal symmetry can be, in many cases, a cause of poverty and inequality of other kinds). The uses to which these concepts can be put in the practical literature are not unrelated to these deeper concerns in European—and French—intellectual history.

The richness of these traditions adds to the importance of the approach of social exclusion, but it would be a mistake to take these norms to be specifically European—or exclusively French—in a way that would not relate to human values in other cultures. We live in a world in which many values that received wholesome formulation and eloquent expression in the Enlightenment literature have become part and parcel of contemporary living. It is indeed possible both to acknowledge and celebrate the particular intellectual history involved in the genesis of these ideas in France and elsewhere and also to accept the claim of these values to be of universal importance. Indeed, the intellectual antecedence of many of the ideas that found their decisive expression in the Enlightenment literature can be traced to many different cultures of the world (including some from Asia), even though the particular expressions that have proved to be definitive in the contemporary world have come mainly through the Enlightenment tradition of eighteenth century (of which Adam Smith and other leaders of the “Scottish Enlightenment,” such as David Hume, were a part).²⁸

This issue of intellectual history has some bearing also on the second question, to which I now turn, as to whether the idea of social exclusion—European in origin—can be fruitfully used to understand poverty and deprivation elsewhere, in Asia and Africa in particular. The immediate point to note is that the world in which we live is much more unified today, with shared ideas and concerns, and it would be amazing if socially useful notions developed in Europe would fail to be relevant in Asia just because of their European origin.

28 On this issue, see Sen (1997b, 1999a).

The major achievement of the European literature on social exclusion has been the enrichment of the analysis of processes that lead to capability deprivation. Arjan de Haan (1997) is right to point out that the literature on social deprivation has helped us to understand better the multidimensional nature of deprivation as well as the importance of causal—and often dynamic—connections.²⁹ If the constitutive role points at the inescapable necessity to see poverty as being multidimensional (some of the dimensions of which are well reflected by the constitutive role of social exclusions, in addition to the multiplicity of consequences in which we may also take a serious interest), the causal perspective also forces our attention on the importance of processes and changes associated with the emergence and development of capability poverty of particular types. Social analysis and understanding are enriched by both types of contributions, and the investigation of poverty is both internally and externally supplemented in a fruitful way by the use of ideas of social exclusion.

To this general intellectual concern, we must add the contingent empirical fact that many actual problems of deprivation are widely shared across the continents. Unemployment ravages lives both in many European countries and in parts of Asia and Africa. Europe has its refugee problems, but Asia has no less, nor Africa. Questions of the status, seclusion, and social empowerment of immigrants form part of a general concern that should interest Asia and Africa as much as Europe.

Indeed, the idea of social exclusion has recently been used to cover a large variety of “exclusions” particularly important in Asia. There is, in fact, a considerable—and fast growing—literature dealing with one or more of these “exclusions” in Asian countries, such as India, Thailand, Malaysia, Vietnam, the Philippines, and others.³⁰ The focus has been on *processes* through which deprivation occurs—processes (as Dr. K.F. Jalal, 1998, puts it) “through which individuals or groups are wholly or partially

29 See also Foucauld (1992), Wolf (1994), Gore (1995a, 1995b), Gore and Figueiredo (1995), Rodgers (1995a, 1995b), Silva (1995), Streeten (1997), de Haan and Maxwell (1998a, 1998b), Evans (1998), among other contributions.

30 See, for example, Appasamy et al. (1995), de Haan and Nayak (1995), Do Duc Dinh (1995), Institute for Labor Studies, the Philippines (1995), Lim Teck Ghee (1995), Phongpaichit, Piriyanangsan, and Teerat (1995), among other studies.

excluded from full participation in the society in which they live.” There have been things to learn from the European literature on social exclusion, and the learning has been impressively fast in Asia as well.

No sense of Asian “specialness” should make us overlook (I say “us”—asserting my own Asian identity) the things that can be learned from analyses and investigations undertaken in other parts of the world. Indeed, social understanding, like other branches of knowledge, inescapably involves give and take, and an exchange of cognizance and wisdom. It can also be readily pointed out that Europe too has much to learn from Asia. For example, the sharing of social facilities of basic education, in which some parts of Asia have a long tradition, can also offer something of great interest to Europe, for example, to learn a little from the human-development basis of economic and social progress of Japan and East Asia.³¹ On the other hand, the absence of “social safety nets” when economic growth falters and lives are battered, probably afflicts Asia and Africa more than western Europe because of the protection offered by certain features of the European “welfare state.” There are gains to be made from greater integration of social investigations across regional boundaries, and from examining shared as well as disparate problems faced in different regions of the world.

9. Practical Reason in a Changing World

The literature of social exclusion addresses two central issues, respectively in epistemology and in practical reason. The epistemic question on which it focuses is how to get a better understanding of the diverse phenomena of deprivation and poverty, focusing particularly on relational obstacles. The challenge of practical reason goes beyond that into policy implications of that understanding. The question there takes the form of asking how to improve policymaking, in light of the understanding generated by studies of social exclusion.

Even though I have, in different ways, tried to address both questions, the balance of attention—so far in this paper—has definitely

31 I have discussed the specific development strategy used so successfully in East Asia (and to some extent in Southeast Asia as well) in Sen (1999a, 1999b). Intelligent use of that strategy, I have argued, remains relevant even in dealing with the Asian financial and economic crisis.

been more in favour of epistemology than practical reason. This is, I would argue, appropriate, since the lessons for policymaking have to be, in an important sense, parasitic on the understanding generated by epistemic investigations. However, for a practical and action-oriented organization like the Asian Development Bank, the ultimate interest in issues like social exclusion cannot fail to be focused particularly on policy issues and on research directed at practical reason. It is necessary, therefore, not only to gather together the lines of policy analyses already discussed in this paper, but also to explore further the policy issues that need attention at this time, especially in the Asian context.

Before I plunge into that exercise (in the next four sections), there are two other issues on which I should briefly comment. First, the world in which we live is not a stationary one; it is changing—often quite rapidly. For example, the forces of “globalization” are bringing new groups of people into economic, social, and cultural contact with each other. Globalization is both a threat (especially to traditional ways of earning and living) and an enormous opportunity (especially in providing new ways of being prosperous and affluent). The ability of people to use the positive prospects depends on their not being excluded from the effective opportunities that globalization offers (such as new patterns of exchange, new goods to produce, new skills to develop, new techniques of production to use, and so on). If people are excluded from these opportunities—either because of international restrictions or due to national or local lack of preparedness—then the overall impact of globalization may be exclusion from older facilities of economic survival without being immediately included in newer ways of earning and living. The context of global change has to be borne very much in mind in looking for policy implications of the understanding generated by the literature on social exclusion.

Second, while exclusion is one route to capability failure and poverty, what may be called “unfavourable inclusion” can also be a considerable danger. Indeed, many problems of deprivation arise from unfavourable terms of inclusion and adverse participation, rather than what can be sensibly seen primarily as a case of exclusion as such. For example, when there are reasons to complain about “exploitative” conditions of

employment, or of deeply “unequal” terms of social participation, the immediate focus is not on exclusion at all, but on the unfavourable nature of the inclusions involved. Anita Kelles-Viitanen (1998) has drawn attention to this basic issue.

Given the adaptability of the language of exclusion (discussed in section 4), it is, of course, possible to make the rhetoric of “social exclusion” cover “unfavourable inclusion” as well. Thus extended, “exclusion” can include “exclusion from equitable inclusion,” or even “exclusion from acceptable arrangements of inclusion.” The plasticity of the language easily permits this rhetorical extension. However, it is very important not to be mesmerized into trying to place all problems under the broad umbrella of one general description—in this case of “social exclusion.” If we were to take that route, we have, at least, to be aware that what we are doing is to recast a traditionally recognized problem in new terminology, rather than offering any new insight. Those who find the use of linguistic plasticity to be very enlightening, I fear deserve that enlightenment.

Since no great conceptual departure is involved in such a reformulation, I need not argue for an immutable “stand” on an issue of this kind. It is, however, very important to distinguish between the nature of a problem where some people are being *kept out* (or at least *left out*) and the characteristics of a different problem where some people are being included—may even be forced to be included—in deeply unfavourable terms. They are not the same problem, even if we put both under the same linguistic format.

More positively, we have reason to take full note *both* of deprivations that arise from unfavourable exclusion and those that originate in unfavourable inclusion. Once social exclusion is seen *within* the broader concept of capability deprivation, there is no difficulty in seeing the diverse origins of the failure to have adequate basic capabilities. The issue, ultimately, is what freedom does a person have—everything considered. It should come as no surprise that a person’s deprivation can have diverse origins and may take disparate forms—unfavourable inclusion as well as prohibiting exclusion.

Also, we have to recognize that the nature of the problems may also change over time. A tied labourer in a backward rural economy may suffer particularly from unequal inclusion (and the lack of freedom to go elsewhere), but the same person—once liberated from tied servitude—may have to encounter conditions of sweated labour and exploitative working conditions, because of lack of alternative employment opportunities and the general threat of unemployment. Unemployment is a major cause of social exclusion, and may even—as in this case—cause the person to be subjected to unequal inclusion in an exploitative occupation. There is no conceptual difficulty in seeing the diverse sources of the person’s predicament: the unfavourable inclusion of tied labour; the penalty of exclusion from favourable wage employment; the consequent inclusion in exploitative work by the sheer necessity of earning a living.³² The world may be diverse as well as changing, but there is no basic difficulty in keeping track of what is going on and of the diverse influences that may lead to the person’s deprivation, of different kinds. This fuller understanding is important. To find exactly one expression (“social exclusion” or any other) to describe all this—is not.

10. Policy Issue: Sharing of Social Opportunities

In identifying policy issues—of particular relevance in Asia—related to the general literature on social exclusion, it is important to pay attention to the distinct types of exclusions and the different ways in which they can impoverish human lives in Asia. Proper identification of the researchability and relevance of diverse problems calls for a much more comprehensive and detailed investigation than I am able to provide in this essay, but I shall take the liberty of mentioning some possible hypotheses and some general lines of inquiry that would seem to be worth examining.

In identifying problems for further investigation and possible action, it is particularly important both to take note of the changing nature of Asian economic experience (including the experience of globalization and the lessons of the Asian financial and economic crisis) and to reflect

32 On this see the different kinds of deprivations investigated in my *Development as Freedom* (Sen, 1999a).

specifically on the ways in which the perspective of social exclusion can draw attention to problems that may otherwise be neglected in more traditional studies of poverty and deprivation. The context of this investigation and analysis is as important as the general task of making good use of the diverse literature on social exclusion.

It can be argued that there is a basic dichotomy between two different classes of economic experiences in Asia that makes the nature of the problems of social exclusion faced in the different countries also rather diverse. There are, on the one hand, countries that have achieved major transformations of economic affluence, particularly in the form of massive industrialization and remarkable enhancement of per capita incomes. Japan is, of course, the pre-eminent example of this, with spectacular progress from low income to one of the highest levels of economic opulence in the world, but many other economies in East and Southeast Asia have also managed to industrialize and to raise their levels of per capita income very substantially. On the other hand, other economies, primarily in South and West Asia have achieved less in these respects, even though some have done more than others to go along that route. The classification is not, of course, very neat, and there are cases that are not clearly on one side or the other of the roughly drawn borderline. But the overall contrast has some epistemic value and actual relevance for policy analysis.

The social exclusion problems faced in many economies in Asia (mainly in South and West Asia) are, as a result, somewhat different from those in many of the countries further east. Indeed, I shall argue that the success of the more eastern economies may have been partly due to their ability to avoid, to a great extent, a specific type of social exclusion—particularly from basic education and elementary social opportunities—that plagues the economies of South and West Asia. The economies in East and Southeast Asia do, of course, face social exclusion problems of their own (even the ones with great progress in per capita income do suffer from various specific exclusions), and the Asian financial and economic crisis has brought out vulnerabilities not adequately identified earlier (in section 11). We must look at problems of different kinds, but there is something of a general divide in terms of the basic sharing of social opportunities, which has helped to fuel the progress of countries

to the east and which has not yet been adequately marshalled in South and West Asia.

Indeed, I have tried to argue elsewhere, in my Asia and Pacific Lecture (entitled “Beyond the Crisis: Development Strategies in Asia”) given in July 1999 in Singapore (Sen, 1999b), that there is an identifiable philosophy on which the success of many of the economies of East and Southeast Asia has been based, and we can even try to identify an “eastern strategy” that first evolved in Japan and then has been practised very successfully elsewhere. Japan’s breakthrough into the world of industrialization and economic development (which had been often taken, earlier on, to be reserved for the West) was so sure-footed and massive that it cannot but be an irresistible source of learning and understanding about the nature of economic development in general. The “eastern strategy” has found plentiful use in the remarkable growth achievements of East and Southeast Asia over the last few decades. While many commentators—especially in the West—saw nothing more in these successes than a confirmation of their prior belief in the productivity of international trade (as if there was nothing new in all this), a broader analysis shows that the development process in Japan and in East and Southeast Asia had several strikingly new features.

The new features that were crucial included, first of all, an emphasis on basic education as a prime mover of change. Second, it also involved a wide dissemination of basic economic entitlements (through education and training, through land reform, and through availability of credit), which removed (or substantially reduced) social exclusion from the general opportunities of participating in the market economy. Third, the chosen design of development included a deliberate combination of state action and use of the market economy, in a way that the more *laissez faire* oriented western modelling of economic development did not adequately seize. Indeed, these successes were based on a basic understanding—which was often implicit rather than explicit—that we live in a multi-institutional environment, and that our ability to help ourselves and to help others depends on a variety of freedoms that we respectively may enjoy. The list of relevant freedoms includes social opportunities as well as market arrangements, and the development of individual capabilities as well as

enhancement of social facilities. At a very general level, these changes can be seen as radically countering the social exclusion from participatory growth that plagues economic development in most of the world.³³

We live and operate in a world of many institutions. Our opportunities and prospects depend crucially on what institutions exist, how they function, and how inclusionary they are. Not only do institutions contribute to our freedoms, their roles can be sensibly evaluated in the light of their contributions to our freedoms.³⁴ Different commentators have chosen to focus specifically on particular institutions (such as the market, or the democratic system, or the media, or the public distribution system), but there is an excellent case for viewing them together, for seeing what they can or cannot do, in combination with other institutions. It is in this integrated perspective that the diverse institutions have to be understood and examined, and their respective contributions and inclusionary functions have to be assessed.

The market mechanism does, of course, arouse passion in favour as well as against, but fundamentally it is no more than a basic arrangement through which people can interact with each other, and undertake mutually advantageous activities. Thus seen, it is very hard to appreciate how any reasonable critic could be against the market mechanism *in general*. The problems that arise spring typically from other sources—not from the existence of markets per se—and include such concerns as systematic exclusion from the use of the processes and fruits of market operations, insufficient assets or inadequate preparedness to make effective use of market transactions, unconstrained concealment of information by business leaders, or unregulated use of commercial or financial activities that allow the powerful to capitalize on their asymmetric advantage. These have to be dealt with not by suppressing the markets, but by allowing them to function better and with greater fairness and inclusiveness. Here the overall achievements of the market are deeply contingent on the creation of social opportunities. And it is precisely in this connection that the “eastern strategy”—beginning with Japan nearly a century ago—can be seen as having achieved quite a breakthrough.

33 On this see Drèze and Sen (1989, 1990, 1995).

34 On this see the general approach of “development as freedom” presented in Sen (1999a).

Remarkably rapid successes have been achieved by the market mechanism under those conditions in which the opportunities offered by it have been widely shared, rather being reserved for an exclusive elite. In making this possible, universal arrangements for basic education, widespread provision of elementary medical facilities, and radical land reforms that provide a basic resource (central for agriculture) to the poorer sections of the rural economy can be quite crucial. They call for appropriate public policies (involving schooling, health care, land reform, and so on) that open the doors of economic participation to the broad masses. Even when the need for “economic reform” in favour of allowing more room for markets is paramount, these nonmarket facilities require careful and determined public action.

Consider the experience of Japan. Even in the middle of the nineteenth century, at the time of Meiji restoration, Japan already had a higher level of literacy than Europe, even though Japan had not yet had any industrialization or modern economic development, which Europe had experienced, by then, for a century. The emphasis on developing productive human capability was intensified in the early period of Japanese development, in the Meiji era (1868-1911). For example, between 1906 and 1911, education consumed as much as 43 percent of the budgets of the towns and villages, for Japan as a whole.³⁵ Already by 1906 there is evidence—based on army recruitment information—to suggest that there was hardly any potential recruit even from rural Japan who was not literate. In fact, by 1913, though Japan was economically still quite underdeveloped, it had become one of the largest producers of books in the world—publishing many more books than did Britain (then the leading capitalist economy on the globe) and indeed more than twice as many as the United States.³⁶ The priority to shared basic education and human development came very early to Japan, and even though it is massively high today, the important thing to note is that this relative priority goes back more than a century, and has not, comparatively speaking, intensified as Japan has grown richer and much more opulent.³⁷

35 See Gluck (1985), p. 166.

36 For sources of information on these subjects, see Gluck (1985), p. 12, 172.

37 See Ishi (1995) and the references cited there.

A similar priority can be seen, to varying extents, all over East and Southeast Asia, though often this came rather more hesitantly and slowly. The Republic of Korea, Singapore, Thailand, and Taipei, China, and the former city state of Hong Kong, as well as other economies in the region—most importantly the People’s Republic of China—have made excellent use of this general approach.

The so-called “East Asian miracle” was, to a great extent, based on the reach and force of “the eastern strategy” of focusing on shared—non-exclusionary—human development. In contrast, the persistence of illiteracy in many parts of Asia is a matter of great importance in generating social exclusion and economic deprivation that have both constitutive significance and instrumental consequence. The basic capabilities to lead a life with elementary freedom tend to be severely compromised by keeping large sections of the population out of educational opportunities, and in addition, these exclusions also contribute to making the process of economic growth less participatory in some regions (for example, in South and West Asia, compared with East Asia).³⁸ Other limitations of social opportunities, such as the lack of land reform and unavailability of micro credit, can also have similarly exclusionary effects.

11. Policy Issue: Asian Crisis and Protective Security

In the preceding analysis, I have had the opportunity to praise the achievements of East and Southeast Asia, and suggested how the rest of Asia (indeed the rest of the world) can learn a great deal from their successful use of nonexclusionary expansion of human development. However, not everything in the experience of this region has been so positive and successful, and some of the problems have been strongly brought out by the recent Asian financial and economic crisis.

We may usefully begin with the general recognition that the heady days of unmitigated success—with things going up and up and nothing

38 On this, see Drèze and Sen (1989, 1995), UNDP (1990, 1997, 1998), Birdsall and Sabot (1993a, 1993b), World Bank (1993, 1997), Fishlow et al. (1994), Asian Development Bank (1997), among many other contributions.

ever falling down—are over. Even though much of Asia is already well on the way to recovery from the crisis that hit it two years ago, the sense of invulnerability has not survived. There was no basis for assuming such immunity from vulnerability. Crises can—and do—occur even in the most buoyantly growing economies, and there is no real ground for assuming the continuity of unobstructed economic progress that many Asian countries took for granted.

This makes it absolutely obligatory to see *shared security* as a central part of development. Even though development is often judged by long-run trends in growth averages and by the strength of upward tendencies, this “trend-oriented view” misses out something truly central to the process of development, viz. protection against the “down-side” risk at every moment of time. This immediately suggests the need to see inclusion and exclusion in a somewhat different way, in the specific context of down-side risks and the sharing of arrangements for social security when things do go wrong.

It is indeed the case that different groups may all happily benefit together when rapid progress is occurring, and in this particular way the interests of the distinct classes and sections of the population may appear to be substantially congruent. But nevertheless when a crisis hits, different groups can have very divergent predicaments. United we may be when we go up and up, but divided we fall when we do fall. The unreal belief in the harmony of interests of different classes and groups may be torn rudely asunder when things start unravelling and collapsing.

Consider, for example, the crises in Indonesia, or in Thailand, and earlier on, in the Republic of Korea. It is not silly to ask (given the dominance of trend-oriented reasoning in economic analysis) why it should be so disastrous to have, say, a 5 or 10 percent fall in gross national product in one year when the country in question has been growing at 5 to 10 percent *every year for decades*. At the purely *aggregate* level this is not quintessentially a disastrous situation. However, if that 5 or 10 percent decline is not shared evenly by the population, and if some are excluded altogether from the part of the economy that survives the crisis, then that group may have very little income left (no matter what the overall growth performance might have been in the past).

As a result, the sharing of “protective security” is an important instrumental freedom, and nonexclusionary social arrangements for safety nets cannot but be an integral part of development itself. It is worth noting here that even the highly illuminating literature on “sustainable development” often misses out the fact that what people need for their security is not only the sustainability of *overall* development, but also the need for guaranteed social protection when people’s predicaments diverge and some groups are thrown brutally to the wall while other groups experience little adversity.

There is, in fact, an important need to think of equity and economic inequality in quite a different way in the context of security from the way they are standardly treated in the development literature in the context of long-run growth. It is necessary to go well beyond the analysis and rhetoric of “growth with equity”, which have been so often invoked in the development literature—not least in explaining the success of the economies in East and Southeast Asia. That large literature is, of course, conceptually rich and practically important, and is particularly suited to analyse the big—but *different*—problem of eliminating endemic poverty. In contrast, the problem of sudden destitution can have a very different nature, and may involve quite disparate causal processes from persistent deprivation and endemic poverty. For example, the fact that the Republic of Korea has had economic growth with relatively egalitarian income distribution has been extensively—and rightly—recognized.³⁹ This, however, was no guarantee of equitable influence in a crisis situation.⁴⁰ For example, the Republic of Korea did not have, when the crisis hit it, any ongoing system of social safety nets, nor any rapidly responding system of compensatory protection. The emergence of fresh inequality and the destitution of the socially excluded can coexist with a very distinguished past record of “growth with equity.” Divergent problems call for different analyses and understanding, and this applies to the disparate problems included in the broad category of social exclusion as well.

39 See Persson and Tabellini (1994), Alesina and Roderik (1994), Fishlow et al. (1994), Drèze and Sen (1995).

40 Jong-il You (1998) has pointed out that in these countries (including in the Republic of Korea) “low inequality and high profit shares coexisted primarily due to the unusually even distribution of wealth.” In this achievement, the wider sharing of social opportunities (including land reforms, widespread development of human capital through educational expansion, and other influences reducing inequality in basic wealth) were clearly important. All this does not, however, ensure a commitment to protective security when a crisis develops.

12. Policy Issue: Democracy and Political Participation

I have not so far discussed the issue of exclusion from political participation and from democratic rights. How does the issue of democracy relate to the problems of deprivation, security, and crises that I discussed in the last section? Of course, it can be argued that social exclusion from political participation is itself a deprivation, and a denial of basic political freedom and civil rights directly impoverishes our lives. Prime Minister Keizo Obuchi of Japan, in his insightful “Opening Remarks” to an “Intellectual Dialogue on Building Asia’s Tomorrow,” has eloquently emphasized the need to take a broad view of security:

It is my deepest belief that human beings should be able to lead lives of creativity, without having their survival threatened or their dignity impaired. While the phrase “human security” is a relatively new one, I understand that it is the keyword to comprehensively seizing all of the menaces that threaten the survival, daily life, and dignity of human beings and to strengthening the efforts to confront these threats.⁴¹

It is not unreasonable for human beings—the social creatures that we are—to value participation in political and social activities without restraint. Also, informed and unregimented *formation* of our values requires openness of communication and arguments, and political freedoms and civil rights can be central to this process. Furthermore, in order to express effectively what we value and to demand that attention be paid to it, we need free speech and democratic choice. Exclusion from the process of governance and political participation is indeed an impoverishment of human lives, no matter what our per capita income may be.

But going beyond this foundational role of inclusion and participation in political processes, there is also an instrumental role that must be examined in this context. Indeed, there is a foundational connection with the issue of security. This involves the need for political incentives that may operate on governments and on the persons and groups

41 Obuchi (1999), p. 18-19.

who are in office. The rulers have the incentive to listen to what people want if they have to face their criticism and seek their support in elections. It is, thus, not astonishing at all that no substantial famine has ever occurred in any independent country with a democratic form of government and a relatively free press.⁴² When things are routinely good and smooth, the protective role of democracy may not be desperately missed. But it comes into its own when things get fouled up, for one reason or another. And then the political incentives provided by democratic governance acquire great practical significance.

Many economic technocrats recommend the use of economic incentives (which the market system provides) while ignoring political incentives (which democratic systems could guarantee). However, economic incentives, important as they are, are no substitute for political incentives, and the lacuna of the absence of an adequate system of political incentives cannot be filled by the operation of economic inducement. The recent problems of East and Southeast Asia bring out, among many other things, the penalty of limitations on democratic freedom.

Two distinct issues are particularly important to consider here, viz. “protective security” and “transparency guarantee.” Taking the issue of protective security first, once the financial crisis in this region led to a general economic recession, the protective power of democracy—not unlike that which prevents famines in democratic countries—was badly missed in some countries in the region. The newly dispossessed did not have the hearing they needed. The vulnerable in Indonesia or the Republic of Korea may not have taken very great interest in democracy when things went up and up. But when the unequally shared crisis developed, that lacuna kept their voice muffled and weak. The protective role of shared democratic rights is strongly missed when it is most needed. Not surprisingly, democracy has become a major issue precisely at a time of crisis, when the economically dispossessed felt strongly the need for a political voice. Indeed, the Republic of Korea has already greatly advanced in that direction, and there are changes in Indonesia as well. Inclusive democratic rights are receiving more explicit consideration in public

42 On this see Sen (1984) and Drèze and Sen (1989).

discussions elsewhere in Asia also (including in the Philippines and Thailand).

The second connection between the lack of democracy and the nature of the recent financial and economic crisis concerns the issue of transparency. The financial crisis in some of these economies (such as the Republic of Korea or Indonesia) has been closely linked with the lack of transparency in business, in particular the lack of public participation in reviewing financial and business arrangements. The lack of a shared and inclusive democratic forum has been consequential in this failing. The opportunity that would have been provided by democratic processes to challenge the hold of exclusive families or groups could have made a big difference.

Democratic rights and shared opportunities of political participation can, of course, be important in many other contexts as well. For example, in India, Bangladesh, and Pakistan these rights are being more and more invoked in recent agitations involving gender equity and also justice to the lower strata of society. As was discussed earlier, exclusions of different kinds may link with each other, and progress in inclusion in one field may help to advance inclusion in other areas. These connections call for more extensive investigations, but it is important to note that even in the economically successful region of East and Southeast Asia, where scepticism about shared democratic and civil rights had often been aired in the past, there is more and more recognition of the need for political inclusion and participation.

13. Policy Issue: Diversity of Exclusions

Since this paper is becoming monstrously large, I must discuss only rather briefly some other issues of social exclusion that I do want to identify. It is particularly important to recognize the diverse ways in which social exclusion can cause deprivation and poverty. Here are some examples.

Inequality and Relational Poverty: The pioneering analysis of Adam Smith on the possibility of absolute capability deprivation resulting from

relative poverty applies as much to Asia today as it did to Britain or France in his time. This kind of constitutively relevant deprivation also relates to new styles of consumption that may get established in a poorer country as a result of the influence or imitation of consumption levels in richer countries, as is happening much more widely today than in the relatively insular economies with which Smith was familiar. Taking part in the life of the community may be rendered much more expensive by emulative consumption styles in the poorer countries today.⁴³

The relativist perspective is also increased in importance when some people are suddenly impoverished because of the reversal of earlier growth processes, as happened in the financial and economic crisis (already discussed in previous sections) in East and Southeast Asia. The problem of absolute poverty may become much sharper if inequalities increase along with recession.⁴⁴ If we take note of the relational issues involved in the Smithian analysis of poverty, the increase in poverty can take a further—and additional—form, with constitutive importance of the exclusionary process.

Labour Market Exclusions: The rejection of the freedom to participate in the labour market is one of the ways of keeping people in bondage and captivity, and the battle against the “unfreedom” of tied labour is important in many developing countries today for some of the reasons for which the American civil war was momentous. The freedom to enter markets can itself be a significant contribution to development, quite aside from whatever the market mechanism may or may not do to promote economic growth or industrialization. In fact, the praise of capitalism by Karl Marx (not the most extreme admirer of capitalism in general), and his characterization (in *The Capital*) of the American civil war as “the one great event of contemporary history,”⁴⁵ related directly to the importance of the freedom of labour contract as opposed to slavery and other enforced exclusion from the labour market. The freedom to participate in labour markets has a basic role in social living and can have both constitutive relevance and instrumental importance.⁴⁶

43 This issue is discussed inter alia in Crocker et al. (1997) and UNDP (1998).

44 Atinc and Walton (1998) have estimated that a 10- percent worsening of inequality would induce the incidence of income poverty to more than double—from 7 to 15 percent of the total population by 2000—for a block of countries they investigate, viz. Indonesia, Thailand, Malaysia, and the Philippines

45 Marx (1887), Chapter X, Section 3, p. 240.

46 This issue, among others, is discussed in my recent monograph, *Development as Freedom* (Sen 1999a).

Credit Market Exclusions: The far-reaching impact of expanding access to credit on the part of poorer people can also be seen in the light of instrumental investigation of social exclusion.⁴⁷ I have already commented on this issue in earlier sections.

Gender-related Exclusions and Inequality: The persistence of inequality between women and men is a problem that is sharper in Asia than in any other continent in the world. It applies even to sex-related mortality rates, with Asia providing the bulk of the estimated “missing women” in the world.⁴⁸ It has been empirically noted that the neglect of the interest of women relates closely to their being excluded from employment opportunities, basic education, and land ownership.⁴⁹ These exclusions are, thus, of great instrumental importance.

In fact, there are also other issues of constitutive as well as instrumental importance, closely related to this question. It has been found in international comparisons (see, for example, Caldwell et al., 1989; Birdsall, 1993) and also in interregional comparisons within a large country (see the interdistrict comparisons in India by Murthi et al., 1995) that women’s schooling and women’s employment opportunities have profoundly powerful effects in reducing not only gender bias in mortality, but also in curtailing fertility. The analysis of these results and related findings regarding fertility reduction suggests that these influences work by giving greater voice to young women in decisions within the family, since (i) young women suffer most from continuous bearing and rearing of children, and (ii) schooling, independent income, and social status tend to increase the decisional power of young women in the household (on this see Sen, 1990, and Drèze and Sen, 1995). Since greater gender equality in family affairs and the reversal of the exclusion of women from these decisions are matters of direct importance (in addition to the contribution that these changes may make in reducing fertility rates), positive note may well be taken of the instrumental role of girls’ schooling and women’s employment opportunities in generating constitutively

47 On this see also Yunus (1998).

48 On this see Sen (1992b) and Bardhan and Klasen (1997).

49 On this see Boserup (1970), Bardhan (1984), Sen (1984, 1985, 1990), Drèze and Sen (1989, 1995), Tinker (1990), Beneria (1992), Agarwal (1994), Murthi, Drèze, and Guio (1995), Bardhan and Klasen (1997).

important social changes within the family (reversing the unjust exclusion of women in matters that concern them most).

There is, of course, the general problem of neglect of schooling of children in many parts of Asia (as was discussed earlier). But there is, furthermore, a special problem of the particular neglect of education of girls in many countries. In addition to the presence of this problem as a passive failure, which is widespread in many parts of Asia, there has been the recent addition of the *active exclusion* of girls from schools in the declared public policies in Afghanistan.

Health Care: The exclusion of large sections of the population from public health services provided by the State has been a matter of considerable discussion in recent years, since it is an extensive problem in many Asian countries.⁵⁰ To this some authors have proposed adding the international exclusion involved in the unavailability of modern health care in the poorer regions, often because of high medicinal cost (for example, for the medical care of AIDS patients).⁵¹

Food Market and Poverty: A rather different type of case is involved in the fact that in some countries that have no observed shortage of food in the market, there remain very large populations with significant undernourishment. These people are passively excluded from translating their unfulfilled needs into effective demand in the food market because of lack of purchasing power. This predicament is the result of a variety of economic disadvantages, some of which can be more directly linked with the relational perspective of exclusion than others (as was discussed in section 4).

The level of child undernourishment is larger in India and South Asia generally, despite the fact that these countries are “self-sufficient” in food and there is no substantial unmet demand in the food market. It is interesting that even though it is sub-Saharan Africa that is seen, correctly, as not being self-sufficient in food, in contrast with the self-

50 See Behrman and Deolalikar (1988), Drèze and Sen (1995), Berlinguer (1996), among many other contributions.

51 On this see Chen (1998), Walt (1998), Yach and Bettcher (1998).

reliance of India, the incidence of undernourishment is much greater in India than in sub-Saharan Africa. Indeed, judged in terms of the usual standards of retardation in weight for age, the proportion of undernourished children in Africa is 20 to 40 percent, whereas the proportion of undernourished Indian children is a gigantic 40 to 60 percent (Scrimshaw, 1998; see also Svedberg, 1998). About half of all Indian children are, it appears, chronically undernourished, despite there being no “food shortage,” and this is a context in which the instrumental role of being excluded by penury from the food market can be fruitfully invoked to clarify the nature of the food situation in India.

In choosing these examples for illustrative purposes, I have been guided not merely by the seriousness of the deprivations involved, but also by the need to exemplify different types of exclusions, with and without constitutive importance, and with varying instrumental connections and disparate extents of active exclusion involved in the emergence and sustaining of these deprivations.

14. Concluding Remarks

While the underlying idea behind the concept of social exclusion is not radically new, the growing literature on the subject has helped to enrich causal understanding and empirical analysis of certain aspects of poverty and deprivation. To be excluded from common facilities or benefits that others have can certainly be a significant handicap that impoverishes the lives that individuals can enjoy (section 1). No concept of poverty can be satisfactory if it does not take adequate note of the disadvantages that arise from being excluded from shared opportunities enjoyed by others.

In this essay, I have tried to examine critically the idea of social exclusion, particularly in the context of deprivation and poverty. How much additional ground it breaks must depend on what our pre-existing concept of poverty was. If (as is the case in many traditional analyses of deprivation and underdevelopment) poverty is seen in terms of income deprivation only, then introducing the notion of social exclusion as a part of poverty would vastly broaden the domain of poverty analysis. However, if poverty is seen as deprivation of basic capabilities, then there is no real

expansion of the domain of coverage, but a very important pointer to a useful investigative focus. In this essay, social exclusion has been placed within the broader perspective of poverty as capability deprivation, and this conceptual linkage both provides more theoretical underpinning for the approach of social exclusion and helps us to extend the practical use of the approach (sections 2 and 3).

The nature of poverty analysis can, I have argued, substantially benefit from the insights provided by the perspective of social exclusion. Its forceful pointer to the multidimensionality of deprivation and its focus on relational processes are both quite important (section 3). We have to distinguish between substantive contributions of this type, from mere changes of language in which old issues are sometimes terminologically recast in the literature on social exclusion (section 4). While rhetoric does have its own significance and power, it is the former—more substantive—contributions on which I have concentrated in the analysis presented here.

The perspective of social exclusion is broad and inclusive, but need not lack coherence or cogency, if used with discrimination and scrutiny. It is, however, necessary to make some crucial distinctions to clarify the varying reach of the analysis of social exclusion. It is important, in particular to distinguish (1) between the *constitutive relevance* and the *instrumental importance* of exclusion (section 5); and (2) between *active* and *passive* exclusions (section 6). The different categories, which I have discussed conceptually as well as empirically, involve rather distinct types of cases, though they can also overlap. Even though *relational* roots of deprivation are present, in different ways, in each case, their disparities are no less important than their similarities (sections 7-13).

What is particularly important to study is the linkage between exclusions in different spheres of interindividual and interfamily interactions, involving both overlap and causal linkages. Many illustrations have been given to exemplify the type of social, economic, and political analyses that can be used to apply the “social exclusion perspective” in investigating deprivations of different kinds (sections 10-13). The applications of the approach also prove to be useful in discriminating between disparate economic experiences in different parts of Asia (for

example, East and Southeast Asia on the one hand, and South and West Asia on the other). The patterns of exclusion have varied, and there is much to learn from the experiences of different economies within Asia (section 10). Also, investigation of the recent Asian financial and economic crisis helps to bring out the role played by social exclusions of specific types that proved to be particularly damaging both in the genesis of the crisis and in the penalties generated by it (sections 11 and 12). There are other distinctions related to economic, social, and political exclusions that have operated in diverse ways in different economies of Asia (sections 12 and 13).

The perspective of social exclusion reinforces—rather than competes with—the understanding of poverty as capability deprivation. I have argued that if the idea is carefully used, there is much to be gained from using the perspective of social exclusion in analysing the deprivation of basic capabilities and in assessing the policy issues that follow from these diagnoses. Even the clearly European origin of the concept does not compromise its usefulness in other parts of the world, including Asia (section 8).

Rather than trying to see social exclusion as a brand new concept, which it is not, the basic idea has to be assessed in terms of the particular focus of attention it helps to generate and the contribution it makes to the understanding of relational aspects of deprivation by adopting a somewhat more specialized perspective. Also, the use of the idea of social exclusion as a deprivation need not serve as a barrier to continuing to take interest in other types of deprivation (including those associated with *unfavourable inclusion*), which may be best investigated in more traditional lines of analysis (section 9). The embedding of social exclusion in the wider perspective of capability deprivation makes the reach of this broadened analysis particularly effective (sections 2-3 and 9-13). The programme is to look for what the social exclusion perspective *adds* to the literature on deprivation, rather than what it subtracts—or demolishes. In fact, it does little of the latter. Also, the analysis of capability deprivation in general and that of social exclusion in particular have to take adequate note of the fact that the world that is being interpreted and examined in these studies is itself changing—often quite rapidly. The reach and

versatility of the respective investigations must depend crucially on taking adequate note of the forces of change—arising from globalization and other causes—that characterize the contemporary world (sections 9 and 10).

The real issue is not whether the idea of “social exclusion” deserves a celebratory medal as a conceptual advance, but whether people concerned with practical measurement and public policy have reason to pay attention to the issues to which the idea helps to draw attention. The answer, I believe, is in the affirmative, despite the misgivings that the somewhat disorganized and undisciplined literature has often generated.

The misgivings may have their usefulness as cautious reminders of the need for critical scrutiny. But it is important to recognize and affirm the basic significance of the perspective of social exclusion. Its importance does not lie in its conceptual novelty—indeed it is best seen within a broadly Aristotelian framework of freedoms and capabilities. But, in that framework and with adequate critical examination, focusing on social exclusion can substantially help in the causal as well as constitutive analyses of poverty and deprivation. The perspective of social exclusion does offer useful insights for diagnostics and policy.

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