

# Malevolent Exclusion and Immiserising Growth

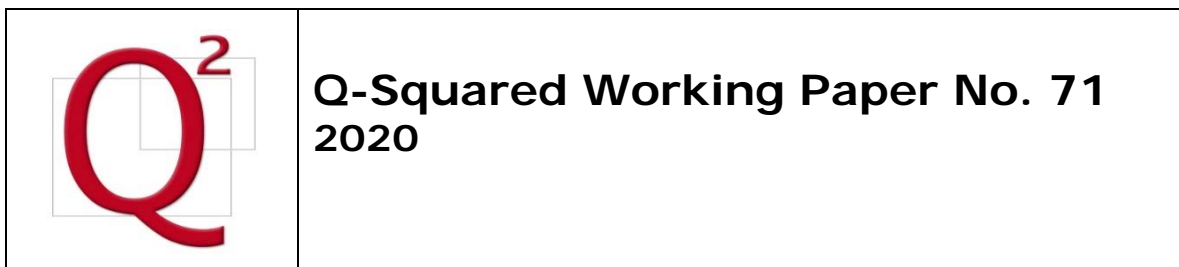
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## Abstract

The objective of this paper is to develop the concept of malevolent exclusion, being harmed by economic growth, and to provide it with empirical import drawing on results of a recent volume on immiserizing growth, or instances where growth does not benefit the poor. To do so, I draw heavily on contributions to a philosophical debate about doing and allowing harm. Malevolent exclusion constitutes a refinement of the notion of relational poverty and a riposte to the idea of failed exclusion, being bypassed by growth. It is argued that malevolent exclusion has value as an analytical category and explanatory lens in the context of immiserising growth.

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## Introduction

The evidence is strong that economic growth usually reduces poverty (Dollar et al., 2016) There is also, however, consider variation in the nature of the relationship between growth and poverty reduction. Such variation is reflected in the large differences in values of growth (semi) elasticities of poverty, or percentage (point) changes in poverty associated with growth. It is also reflected in outliers, including cases of so-called immiserizing growth, when poverty increases or stays constant amidst poverty. In recent datasets from the Global South such cases account for around one fifth of all ‘country spells’ of growth and poverty spanning at least five years (Shaffer 2019).

What causes the increase or persistence of poverty in such instances? The answer depends fundamentally on the choice of explanatory framework adopted. A core distinction in the literature is between a framework based on some notion of being ‘left out’ or bypassed by growth, on the one hand, and a more sinister process of impoverishment or the (re)production of poverty, on the other. These two types of explanations are here referred to as failed inclusion and malevolent exclusion, respectively.

The core objective of this article is to develop the notion of malevolent exclusion conceptually so that it can be meaningfully distinguished from failed inclusion and to provide it with empirical import drawing on results of a recent volume on immiserizing growth (Shaffer et al., 2019a). To do so, I draw heavily on contributions to a philosophical debate about doing and allowing harm. Many of the issues arising in the philosophical debate are very similar to those which arise in applied debates about the causation of poverty.

As discussed in this article, I am not the first to make the distinction between something akin to failed inclusion and malevolent exclusion. Still, this analysis makes two contributions to the literature. First, it is the first to bring to bear issues raised in the philosophical debate about doing and allowing harm to debates about the causation of poverty and as such, provides analytical refinement to the concept of relational poverty. Second, it presents empirical findings on the underexamined phenomenon of immiserising growth to illustrate the conceptual issues raised.

The format is as follows. A first section examines the notion of failed inclusion which provides a backdrop to the subsequent discussion. Section two discusses and critiques the concept of relational poverty while a third section argues for the usefulness of the harm-based notion of malevolent exclusion. Section four provides empirical examples drawing on the immiserizing growth literature. The concluding section draws together the main tenets of the argument and presents a summary case for the value of malevolent exclusion as an analytical category and explanatory lens in the context of immiserising growth.

One preliminary point concerns terminology. As noted by others (Hickey and du Toit (2007), there is conceptual ambiguity about the terms inclusion and exclusion which can lead to misinterpretation. Specifically, exclusion can imply non-participation in, or being left out of, beneficial processes of growth. We are using the term in the opposite sense. Malevolent exclusion is defined as being harmed by growth, either directly or indirectly, whereas failed inclusion is about non-participation in (beneficial) processes of growth.

## Failed Inclusion: Left Out or Bypassed by Growth<sup>1</sup>

Failed inclusion explains increasing poverty, or its persistence, in times of growth in terms of the partial coverage of beneficial processes. For any number of reasons, population groups have been left out or bypassed by processes of economic growth. The typical remedy for this situation, which figures prominently in the inclusive growth literature, is to put in place mechanisms which incorporate excluded population groups as economic agents into the growth process.

There a number of variants of the failed inclusion model. Some focus on countries (or regions) and direct inquiry to the causes of poverty and prosperity among nations. Others focus on individuals, households or specific population groups and attempt to explain why they have been left out of processes of growth.

Historical analyses of failed inclusion have tended to be of the first type. It is argued that certain nations have been bypassed by growth, and remain poor, because they lack the requisite institutional attributes. David Landes' (1999) sweeping historical account of the sources of global prosperity and penury, aptly entitled *The Wealth and Poverty of Nations*, provides an example. He attributes the rapid economic growth in Europe following the Industrial Revolution to institutional factors such as private property, personal liberty, rights of contract, responsive, honest government and ultimately culture: 'if we learn anything from the history of economic development, it is that culture makes all the difference' (Landes 1999: 516). According to Landes, the poverty of some nations stems from the fact that they are lacking in such beneficial attributes and consequently left out of processes of economic growth.

A similar analysis of present-day poverty rests on the notion of poverty traps, which have been applied to explain poverty the poverty of nations and individuals.<sup>2</sup> Jeffrey Sachs (2005) combines these two levels of analysis in his causal analysis of poverty. He cites a number of factors which contribute to poverty in the Global South, including physical geography, fiscal constraints, governance failures, cultural barriers and so forth, but affords special importance to poverty traps. He argues that:

When poverty is very extreme, the poor do not have the ability – by themselves – to get out of the mess. Here is why ... Poor rural villages lack trucks, paved roads, power generators, irrigation channels. Human capital is very low, with hungry, disease-ridden and illiterate villagers struggling for survival. ... In these conditions the need is for more capital, physical, human, natural, but that requires more saving ... When they are utterly destitute, they need their entire income, or more, just to survive (Sachs, 2005: 56).

Such communities have been bypassed by growth because they are too poor to get 'the first foothold on the ladder [of development]' (Sachs, 2005: 24).

A final example changes the metaphor from 'traps' to 'islands', but the core idea of being bypassed or left out of growth remains. In his sweeping historical analysis of the origins of human cooperation, Paul Seabright's (2010) assigns particular importance to the development of trust among strangers. When applied to poverty in the Global South, analysis centre on the failure of the 'compact of trust' to emerge due to the prevalence of 'information islands'. Specifically, he argues that:

Every village in a poor country is an information island. This does much to explain why decades of foreign aid, not to mention large flows of private capital from rich to poor countries, have made so much less impact on poverty in the developing world ....

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<sup>1</sup> This Section draws on Shaffer (2015; forthcoming).

<sup>2</sup> There is a large academic literature on the theory and empirics of poverty traps including Bowles et al. (2006); Carter and Barrett (2006) and Kraay and McKenzie (2014).

Investors remain reluctant to invest in societies about which they know little ...  
[Villagers] remain confined to farm labour which leaves them hungry and weak  
(Seabright, 2010: 252).

In this account, poverty persists because rural villages that are cut-off from information flows are unable to develop relationships of trust with economic intermediaries and consequently bypassed by processes of growth.

The failed inclusion-based analysis leads logically to remedies which seek to address the key causes of poverty identified. So, for example, Jeffery Sachs has argued strongly for increasing investment in the physical, natural and human capital of households and villages mired in poverty traps. He was an early champion of the so-called UN Millennium Villages project which was rolled out in select villages across sub-Saharan Africa (Sachs, 2005: Chs. 12-13).<sup>3</sup> Klasen's (2004) identifies a similar set of 'agreed policy implications' to achieve the 'holy grail' of pro-poor growth at the micro-level, namely: agricultural research and extension, rural infrastructure, investment in education and health, provision of microcredit and subsidies for infrastructure for the poor, and so on. A similar list comes from the World Economic Forum which proposes seven pillars of inclusive growth focusing on: education, basic services and infrastructure, credit, small assets, employment and fiscal transfers (WEF, 2017). In all of these examples, remedies focus on the absence of key attributes of poor households or areas which have led them to be bypassed by growth.

### **Beyond Failed Inclusion 1: Relational Poverty**

As mentioned in the introduction, failed inclusion, being bypassed by growth is contrasted with malevolent exclusion, being harmed by growth. A similar distinction has appeared in the academic literature under different guises. Hickey and du Toit (2007: 5-6), for example, contrast residual and relational approaches to poverty in the following way: 'The residual approach views poverty as a consequence of being left out of development processes ... relational approaches emphasise the extent to which 'development' ... can also produce poverty.' Similarly, Harris (2009: 220) contrasts something akin to residual analyses of poverty with a relational approach that focuses on how 'the wealth of some is causally linked to the crushing poverty of others.'

There is nothing new about the idea of relational poverty. It has figured prominently as a theoretical construct in many critical traditions of scholarship including Marxian political economy (Harris-White, 2005), critical agrarian studies (Deere and de Janvry, 1979), world systems theory (Amin, 1976) dependency theory (Gunder Frank, 1966) and so on. Empirically, forms of relational poverty have been invoked to explain historical processes of deindustrialisation and dispossession in the Global South accompanying the industrial revolution in Europe (Davis, 2002; Beckert, 2014) along with exploitative and genocidal practices in colonial times (Rodney, 1974; Galeano, 1977). Other more recent empirical examples also appear in the literature (Shaffer et al., 2019a).

In the development studies literature, the most ambitious recent attempt to develop the relational approach to poverty is by David Mosse (2010). The conceptualisation of malevolent exclusion has overlapping content with Mosse's account of relational poverty but relies on a different conceptual framework, drawing on a debate in philosophy about doing or allowing harm. To clarify the differences between the approaches, and explain why relational poverty is inadequate as an analytical

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<sup>3</sup> Munk (2013) provides a critical assessment.

lens in the context of immiserising growth, I will review and critique key tenets of the former<sup>4</sup> before elaborating on the latter in the following section.

Mosse provides a succinct definition of a relational view of poverty, ‘people are poor because of others’ (Mosse 2010: 1158). It is the consequence of ‘historically developed economic and social relations’ (Mosse 2010: 1157). The approach is contrasted with individualistic explanations of poverty which focus on correlates or attributes of individuals rather than social relationships and structures. Accordingly, the relational account combines a position about social ontology, the focus on social relationships rather than individuals, and methodology, the emphasis on analysing mechanisms of change rather than characteristics of individuals.

As an example, Mosse draws on the aforementioned work of Harris-White (2005) who has probed the relationship between capitalism and poverty. She identified a number of poverty-generating mechanisms which allegedly inhere in capitalism including: i) dispossession in the early stages of capitalist development, captured in Marx’s notion of ‘primitive accumulation,’; ii) pauperising petty commodity production due to rent, usury and so on and iii) technological change and unemployment, or the creation of a ‘reserve army’. Mosse provides examples of these processes based on his own work with tribal (Adivasi) populations in uplands areas of Western India.

Relational poverty is then linked explicitly to the exercise of power. Here, Mosse employs a broad concept of power drawing on Lukes’ (1974) three-dimensional notion. Specifically, the first dimension of power is about intentional and explicit action and includes violence, intimidation and so on. The second dimension centres on political representation and agenda setting, which examines if and how poverty becomes politicized. The final aspect is more subtle, focusing on processes of adaptation to exploitative conditions and internalisation of norms of inferiority. Once again, empirical examples are provided illustrating all three dimensions.

The key contribution of relational poverty is to stand as a riposte to the failed inclusion account of poverty based on the idea of being bypassed by, or left out of, growth. As such, it is an important corrective to a prevalent narrative in the literature. Nevertheless, the core limitation of the framework, which restricts its usefulness as an explanatory tool in the context of immiserising growth, is that it is excessively broad as an analytical category.

All poverty is relational in that it is affected and/or constituted by social relationships in some way. Consider the paradigmatic case of failed inclusion, ‘islands’ discussed in the previous section. The ‘island’ status of remote communities, or populations with limited outside contact, does not imply the absence of relational poverty, however. Aside from social relationships within such communities, the nature of social relationships with the outside world is typically part of the explanation for the retreat or continuing isolation of ‘island’ populations.

In certain cases, the explanation has to do with the brutality of colonial practices, settler encroachment and associated indignities bestowed upon on local populations (Galeano, 1977). In other instances, the policy framework is critical either through acts of commission or through omissions. Consider the case of the north of Ghana where poverty levels remain the highest in the country and rates of poverty reduction among the lowest (McKay et al., 2016). While geography and climate are at times invoked as explanations for high poverty, another reason has to do with the lack to investment in this region in the colonial era due to its perceived role as a labour reserve for the South (Shaffer, 2017). The ‘island’ status of remote communities in the north is a function of social relationships and their

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<sup>4</sup> I will not discuss Mosse’s usage of Tilly’s notion of categorical poverty which is less relevant for the present purposes.

poverty is indeed relational. Few, in any, would argue that failed inclusion stands opposed to social relations.

In all of these cases, relational poverty is too broad to serve key explanatory purposes of demarcation and delineation. Specifically, it doesn't allow for the demarcation of instances of failed inclusion and malevolent exclusion as it equally applies to all. Second, it requires delineation of finer categories of malevolent exclusion which bear on the demarcation issue. In the context of immiserising growth, many of these mechanisms have to do with the policy framework and to considerations of culpability for the increase or persistence of poverty.

The literature on relational poverty tends to provide an unsatisfactory answer to the question of culpability. It is rife with reference to culpable structural forces, such as capitalism, the world system and colonialism, or culpable individuals, including exploitative landlords, rapacious elites and so forth. To recall Mosse's account, poverty results from violence and intimidation of individuals, lack of political representation and agenda setting by political elites and through structural mechanisms, such as adaptation to exploitation and internalisation of negative stereotypes.

There is merit, or course, in all of these explanations and empirical evidence can be marshalled in support. But, they provide a partial account of the causation of poverty, both conceptually and empirically, and leave hanging important questions about other causes of poverty, such as those which fall under failed inclusion, or under finer categories of malevolent exclusion. They also leave underexplored the counterfactual question of feasible alternatives to reduce it. Such questions are particularly important in the context of policy debates.

These limitations of relational poverty came out starkly in discussions among participants at a workshop on immiserising growth (Shaffer et al., 2019a) held at the University of Toronto in May, 2017. A much debated point, phrased in somewhat economic terms, centered on the so-called endogeneity of poverty to the policy framework. Otherwise stated, to what extent is poverty caused by regressive policies, such as user-fees for basic services, or the absence of feasible, pro-poor policies, such as land reform, on the one hand (malevolent exclusion), as opposed to being caused by other factors which are not as amenable to policy intervention, at least in the short term (failed inclusion).

The question generated lively debate and tended to divide along disciplinary lines with political scientists/economists and anthropologists closer to the endogeneity pole than economists. The former placed emphasis on considerations of political economy, vested interests and the exercise of power as reflected in policy decisions and non-decisions. There are many empirical examples in the literature as discussed in the following section. The strong implication was that the increase or perpetuation of poverty in times of growth was primarily political, as succinctly phrased by one contributor: 'the causes of immiserising growth, which are commonly thought to be economic in nature, are more intimately related to politics' (Liu et al., 2019: 108).

Most of the economists agreed that the scope of endogenous poverty was broad. For example, some pointed to recent arguments by economists about the endogeneity of technology (Atkinson, 2015), which had long been viewed as exogenous in standard growth theory. They also tended to place more emphasis on trade-offs and constraints. Examples may include the generation of unsustainable levels of debt due to large increases in public expenditure (Addison and Roe, 2018) and/or real exchange rate appreciation if such expenditures are financed externally (Christiaensen and Martin, 2018). Constraints may relate to implementation issues due to institutional and human capacity, time lags between implementation and effects, costs and so on. One point of agreement among all was that it is extremely difficult to neatly differentiate endogenous and exogenous poverty in the context of

policy. One implication is that it is often hard to assign responsibility or culpability for the increase or persistence of poverty as it depends on the nature of existing policies and feasible alternatives.

The concept of relational poverty, as typically formulated, does not have sufficient cutting power to navigate these types of issues because it is too broad. A finer set of analytical categories is required which maps more closely onto the policy framework, distinguishing between types of policies, and allowing for discussion of trade-offs and constraints. Such categories address culpability-relevant considerations in a direct way. Arguably, the harm-based framework provides some of these missing elements.

## **Beyond Failed Inclusion – II: Doing and Allowing Harm**

An alternative approach to clarify the distinction between being failed inclusion and malevolent exclusion is to draw on a debate in philosophy about the moral significance of different elements of a causal pathway culminating in harm. The debate is often phrased in terms of the distinction between doing and allowing harm (Woolard, 2015). This literature sought to capture relevant moral or ethical differences between, for example, the death of a person who is pushed off a peer and subsequently drowns, on the one hand, and the death of a drowning person who is not rescued, on the other. Certain of the distinctions and categories used in this debate map closely onto issues which arise in attempts to specify malevolent exclusion and to contrast it with failed inclusion.

There is one point of clarification to note. I am drawing on the harm debate to provide content to the concept of malevolent exclusion and to help distinguish it from failed inclusion. Accordingly, it is not being used to make morally-relevant distinctions of a categorical nature. Nevertheless, there are morally-relevant implications as the distinction between failed inclusion and malevolent exclusion is closely linked to questions about culpability for poverty, as discussed.

In the philosophical literature the two principal ways of differentiating between doing and allowing harm are based, first, on the distinction between action and inaction, and second, on one's relationship to various stages in a process culminating in harm (Woolard and Howard-Snyder, 2016). The action/inaction distinction works well on the drowning example and captures some of our intuitions about the differences between being left out (failed inclusion) and more 'actively' harmed by growth. In fact, in past work, the opposite of failed inclusion was labelled 'active exclusion', to denote an active process of production or reproduction of poverty rather than simply being left out (Shaffer et al., 2019b).

There are four main problems however, with the action/inaction distinction which render it problematic when trying to conceptually demarcate failed inclusion and some notion of 'active' exclusion. These problems appear in both the philosophical literature and the literature on poverty. First, there are ambiguities about what constitutes an act and the relationship of action to goal-directed behaviour intentionality, autonomy, rationality and so on. More specifically, while an act typically involves some form of bodily movement, there are debates about whether action must be simply goal-oriented (such as the 'act' of a spider traversing its web to retrieve the remains of a fly), or comprise a deeper process of intentional and self-consciously aware, and in some sense rational, behaviour (Wilson et al., 2016).

These issues have practical relevance because certain cognitive processes which would not typically qualify as 'acts' appear to be causally relevant to the increase or persistence of poverty in ways that go well beyond failed exclusion. Consider deliberations within the mind of a solitary hypothetical policy maker about a public investment strategy in an under-served region with high rates of

poverty. Assume further that such investment is efficacious in reducing poverty, affordable and feasible. A decision not to proceed is likely not an ‘act’, as it constitutes a purely psychic process, yet it is an important cog in a causal chain culminating in harm, and certainly goes beyond simply being left out.

Second, problems immediately pose if, as suggested, action comprises intentionality and rationality, understood as means-ends calculi from acts to effects. The history of international development is paved with unintended (negative) consequences of action including many well-known examples (Ferguson, 1994). Unintentional harm of this sort clearly goes beyond failed inclusion even if it doesn’t rightfully fall under the category of ‘active’ exclusion.

A third and fundamental problem is that inaction can be quite instrumental to the generation of harm and the production or reproduction of poverty. An example from the philosophical literature is from Philippa Foot (1967) who refers to the actor who spoils the performance by not showing up. Generally, the philosophical literature is rife with examples of so-called ‘omissions’ which have causal relevance to outcomes (Hall, 2004) including poverty (Shaffer, 2015). Otherwise stated, inaction is intricately intertwined in causal processes of harm extending far beyond failed inclusion.

In the context of immiserising growth, inaction and omissions tend to figure prominently. I have already mentioned the hypothetical case of a solitary policymaker deciding not to act. There are a number of empirical examples discussed in the following section of forms of inaction contributing to the increase or persistence of poverty such as the non-enforcement of existing legislation, the non-implementation of feasible and effective policies and so forth.

A final shortcoming of relying on the action/inaction distinction is that acts *tend to* result in an overly individualistic account of the causal forces producing or reproducing poverty to the neglect of systemic or structural causes. It is somewhat odd to refer to the acts of a ‘system’ or ‘structure.’ A similar point is made by Elster (1982: 452) in his critical remark about functional theory which ‘postulates a purpose without a purposive [individual] actor’.

Instead of the action/inaction distinction, Philippa Foot (1967, 1987, 2002) provides another way of distinguishing between doing and allowing harm. She argues that the relevant moral distinctions turn on one’s relationship to four stages in a harmful sequence, namely: initiating, sustaining, enabling and forbearing to prevent. Woolard (2015: 22) provides a good definition of these terms:

To initiate a harmful sequence is to set the sequence going; to sustain it is to keep it going when it would otherwise have stopped. An agent forbears from preventing a harmful sequence when there is something the agent could have done to stop the sequence and the agent does not do it; the agent enables the sequence to continue when the agent removes some obstacle that would have brought it to a halt.

Ultimately, Foot makes a morally-relevant distinction between initiating and sustaining (doing harm) on one hand, and enabling and forbearing (allowing harm), on the other. Her moral distinction rests on the mapping between doing and allowing, and the violation of negative and positive rights, respectively (Foot 2002). For Foot, negative rights are considered to be more fundamental, and their violation different in kind.

For our purposes, there are two core elements of this framework which address the explanatory shortcomings of relational poverty and the limitations of action-based attempts to distinguish failure inclusion and its opposite.



First, it goes some way to address the two explanatory shortcomings of relational poverty, related to demarcation and delineation, discussed in the previous section. Specifically, by delineating finer categories of the generation of harm, it raises issues which directly bear on the demarcation between failed inclusion and malevolent exclusion. The point is brought out most starkly in the context of the category ‘forbearing to prevent’. Inclusion of items under this category obviously require a judgement about preventability. In the context of policy, this will depend on culpability-relevant considerations related to trade-offs, time lags, implementation problems, financial constraints, capacity shortfalls, costs and so on. This point is elaborated upon in the concluding section.

Second, with the exception of forbearing to prevent, the framework is not action-based but premised on stages in a process culminating in harm. The categories of initiating, sustaining and enabling all may result from acts or non-acts (omissions). Accordingly, the aforementioned problems associated with action-based accounts, which rendered the notion of ‘active’ exclusion problematic, do not pose. To recall, four problems concerned: i) definitional issues about what constitutes an act; ii) specific problems related to intentionality iii) the issue of the causal importance to poverty of non-action or omissions and iv) the reliance on an overly individualist account of causal forces to the neglect of structural or systemic causes of poverty.

**Empirical Examples: Malevolent Exclusion and Immiserizing Growth**

Table 1 provides empirical content to the preceding discussion by situating examples of malevolent exclusion within Foot’s framework based on stages in a process culminating in harm. The examples are drawn selectively from the recent edited volume on Immiserising Growth (Shaffer et al. 2019) whose coverage included around a dozen countries from Latin American and the Caribbean, Asia and sub-Saharan Africa. To link the empirical discussion to the preceding one, all of the entries in Table 1 will involve public policy measures and the table will differentiate between policy action and inaction. In addition, the categories of initiating and sustaining have been collapsed as the distinction is less relevant in the context of the present discussion.

**Table 1 Malevolent Exclusion and Immiserising Growth**

	<b>Initiating or Sustaining Harm</b>	<b>Enabling Harm</b>	<b>Forbearing to Prevent harm</b>
<b>Action</b>	Discrimination and Land Dispossession (Mexico)	Structural Reform (Dominican Republic)	n/a (though see discussion in text)
<b>Inaction</b>	Ideational Adaptation / Internalisation (Mexico)	Non-enforcement of Anti-Corruption Legislation (Nigeria)	Absent or Inadequate Social Protection, Social Spending or Policies linked to the Harmful Sequence (Singapore)

There were many examples of initiating or sustaining harm found in the Immiserising Growth volume involving such mechanisms as conflict and violence, environmental destruction, market liberalisation, technological change and so on. One stark example is from Mexico where Teichman (2019) shows how an exclusionary ethno/cultural ideology propagated by ruling elites has been quite integral to the immiserization of Indigenous communities since the 1800s. Specifically, she refers to the nationalist ideology of *mestizaje*, which presents an idealised depiction of Mexican identity in terms of a mixed-

race population who stand at the vanguard of social, economic and cultural progress. The corollary is the portrayal of Indigenous communities as backwards, traditional and obstacles to progress.

The consequences of *metizaje* for Indigenous populations have been both material and ideational. Materially, it has provided cover for the systematic denigration of traditional institutions and practices, such as communal land-holdings or *ejido*, through direct policy action. Specifically, from the 1940s, state agencies dramatically reduced provision of loans, tightened the terms of repayment and restricted access to subsidized fertiliser to farmers on *ejido* lands, leading to a re-concentration of rural landholding. In the 1990s, further measures were taken including the disbanding of BANRURAL, the public body responsible for provision of credit to the communal land-holding sector, and ultimately the privatisation of the *ejido*, formalised in the constitutional reform of 1992. The systematic undermining of smallholder farmers on communal lands is one mechanism of material immiserisation of Indigenous populations in Mexico.

The ideational consequences of *metizaje* are also likely to be significant, though not through particular instances of policy action. They are structural or systemic in the sense that they represent background conditions which affect individual behaviour. There is a degree of internalisation of the pervasive ethno/cultural myth of Indigenous inferiority and adaptation to the reality that ‘successful entry into the market and upward mobility in Mexico has required acculturation, involving the adoption of the broader Mexican cultural attributes of language, dress, and higher levels of formal education’ (Teichman, 2019, p. 74). In terms of the categories in table 1, such behavioural patterns may indeed initiate or sustain a harmful sequence if they facilitate the denigration of Indigenous institutions. They also represent a point of contestation among contemporary Indigenous movements in Mexico, such as the Zapatistas, whose platforms aims, *inter alia*, to reevaluate aspects of local ‘traditions’ through awareness raising.

Enabling harm occurs when an obstacle is removed which would have brought a harmful sequence to a halt or mitigated its effects. Table 1 presents two such examples involving policy action (the Dominican Republic) and inaction (Nigeria).

Between 1984 and 1989, the Dominican Republic experienced large reductions in income for the bottom quintile of the population alongside growth in GDP per capita (Liu et al., 2019). Over this period the Dominican Republic had initiated a process of structural reform under IMF auspices following a debt crisis. Two key aspects of the program involved the reduction in public expenditure and the structural shift in the nature of the economy towards export-led services (tourism) and export-led manufacturing (in Export Processing Zones (EPZs).

The policy package served as an enabler of harm in two core ways. First, reductions in public expenditure were not ‘ring-fenced’ in ways which protected vulnerable groups. Spending on health and education declined very significantly in real terms with adverse effects on the poor. Further, the dismantling of food subsidies and consequent spike in food prices, left the urban poor worse off and led to the so-called ‘IMF riots’ culminating in around sixty dead. Second, the structural shift in the nature of the economy was undertaken at the expense of support for traditional agriculture. The effects were pronounced on rural poverty given the lack of backward linkages between the tourism sector and the local economy and the disappointing employment generation performance of the manufacturing sector. In summary, indiscriminate reductions in public expenditure and the diminished support for traditional agriculture enabled the progression of a harmful sequence by removing obstacles which would have mitigated its effects.

An example of enabling harm in the context of policy inaction involved the non-enforcement of anti-corruption legislation in Nigeria (Dauda, 2019). There is considerable evidence that corruption is rife

in Nigeria and an important contributing factor to the so-called Nigeria paradox of immiserising growth. For example, Dauda (2019) cites results of a survey undertaken by the United Nations Office on Drugs and Crime (UNODC) which estimated that bribes to public officials in the twelve months preceding the survey totalled around 400 billion naira, or 40 per cent of the combined federal and state education budgets (UNODC, 2017). Corrupt practices take others forms as well, including inflation of contracts and public expenditure, fraud, embezzlement and misapplication of funds, non-remittance or under-remittance of revenue, and so forth.

Nigeria has legislation on the books, however, which in principle provide the tools to harshly deal with corruption. Examples include the Economic and Financial Crime Commission (EFCC) Act, the Corrupt Practices and Other Related Offences Act, the criminal code, the Money Laundering (Prohibition) Act and so forth (LawPadi, 2018). The failure to systematically tackle corruption is a function of state non-action, namely the non-enforcement of such legislation.

The final category in table 1 concerns forbearing to prevent harm. As mentioned, Foot maintains that this is the only category which exclusively involves non-action. It is possible that forbearing to prevent could be preceded by action if, for example, based on a series of deliberations by decision-makers who collectively decide not to act. Nevertheless, our focus will be on non-acts in the policy space.

Singapore provides a good example (Liu et al. 2019). Over the period 1978-1983, Singapore was embarking upon its so-called 'second industrial revolution', whereby a concerted effort was made to transition from a model based on low-end, labour-intensive manufacturing model to one based on high-tech, capital-intensive manufacturing and services. Annual GDP growth per capital was rapid at close to 6 per cent, yet the decline of income of the bottom quintile of the population was also quite significant, averaging over 1 per cent annually.

Singapore was in fact quite successful at bringing about this structural shift in the economy and rapidly adopted higher value-added, capital-intensive technology. There was a pronounced distributional downside however, as employment declined markedly in those sectors which fell out of favour, including agriculture, textiles, apparels agricultural processing and so forth. The costs of the process of economic restructuring fell disproportionately on older, lower-skill workers who either fell into unemployment, underemployment or were forced to work as menial labours in lower paying jobs.

The key issue from the point of view of forbearing to prevent, concerns the adequacy of social policy for those older workers displaced by technological change. On this count, Singapore fares poorly. In terms of labour market policies, emphasis was placed on university and polytechnical education of new entrants into the labour market, while retraining of older workers received far less emphasis. The number of available slots in training programs was limited and, in some cases, enrolment actually fell over the time period in question. Further, the social safety net, comprising a pension scheme, housing benefit and welfare, was woefully inadequate. The latter, the Public Assistance Program, provided benefits only to those in more dire need, such as those with severe disabilities and effectively excluded most of the class of newly displaced workers.

Could Singapore have done more to prevent the harm associated with technological change? Two core considerations suggest an affirmative answer. First, Singapore's social welfare model was founded on the deeply ideological conviction that for all but the most needy, employment should serve as the basis of poverty reduction and the role of public provisioning should be highly circumscribed. This logic has limited applicability to older, displaced workers in the context of technological change. Second, Singapore was a relatively rich country in 1980. Its GDP per capita

stood at around \$US 5000 which was far in excess of the upper middle income global average of \$US 973 and not too far off the European average of around \$US 8100 (WB, 2019). Singapore had the fiscal space to do more, if it had chosen to do so.

### **Conclusion: The Case for the Concept of Malevolent Exclusion**

The main objective of this article was to develop the concept of malevolent exclusion as one way of thinking about the causation of poverty in the context of immiserising growth. In so doing, I hoped to better demarcate the notions of failed inclusion and malevolent exclusion by disaggregating the latter into finer categories. This concluding section pulls together the main tenets of the argument and presents a summary case for the relevance of the concept of malevolent exclusion as an analytical category and explanatory lens in the context of immiserising growth.

I began with a widely accepted explanatory framework based on the notion of failed inclusion, the idea of being left out of, or bypassed by, beneficial processes of growth. A critique of the failed inclusion model followed drawing on the literature on relational poverty which, baldly stated, is the view that ‘people are poor because of others’ (Mosse, 2010, p. 1158). Relational poverty, however, proved inadequate as an explanatory category because it was too broad as an analytical category. All poverty is relational in some sense and accordingly, relational poverty does not allow for a meaningful distinction between failed inclusion and malevolent exclusion. It also tends to provide an unsatisfactory answer to the question of culpability for poverty. These problems posed with particular force in the context of immiserising growth, where much of the relevant discussion hinged on the policy framework, the so-called endogeneity of poverty to policy, and on culpability-relevant considerations.

In an attempt to refine the concept of relational poverty, two options were discussed drawing on a philosophical debate about doing and allowing harm. The first approach, based on the distinction between action and inaction provide inadequate for four reasons, namely: i) definitional issues about what constitutes an act; ii) specific problems related to intentionality and iii) the issue of the causal importance to poverty of non-action or omissions and iv) the reliance on an overly individualist account of causal forces to the detriment of structural or systemic causes of poverty.

The second option was based on a process culminating in harm distinguishing between the stages of initiating, sustaining, enabling and forbearing to prevent. All of these stages, with the partial exception of the latter, may involve action or inaction. The types of issues which arise when mapping specific policy options to this framework point to criteria which can serve to demarcate failed inclusion and malevolent exclusion and to further differentiate categories of malevolent exclusion. Specifically, it directs attention to issues of policy-relevant trade-offs, time lags, implementation problems, financial constraints, capacity shortfalls, costs and the counterfactual question of feasible alternatives. All of these considerations are culpability-relevant as they have direct bearing on questions of responsibility for poverty.

The summary case then, for the relevance of the concept of malevolent exclusion in the context of immiserising growth rests on six considerations:

- (1) Many of the causal forces producing or reproducing poverty in the context of immiserising growth go well beyond the failed inclusion model of being bypassed by, or left out of, growth (see section 4 for empirical examples). They relate closely to processes of harm.

- (2) For the reasons discussed, relational poverty has insufficient cutting power to demarcate failed inclusion and malevolent exclusion and requires the delineation of finer categories of exclusion.
- (3) Malevolent exclusion delineates four stages in a process of harm, namely: initiating, sustaining, enabling and forbearing to prevent harm. In the philosophical debate such categories form the basis of a morally-relevant distinction between doing and allowing harm. In our analysis, they serve to direct attention to the aforementioned culpability-relevant considerations which determine whether or not a particular policy measure qualifies as malevolent exclusion. It is noteworthy that as one moves further along in a process of harm (rightward in table 1), from initiating harm to forbearing to prevent it, the importance of making an explicit case for culpability-relevant considerations tends to increase. So, inclusion of an item under the category of forbearing to prevent harm, rather than under 'failed inclusion', requires a judgement about preventability. This was exactly the sort of justification provided for situating Singapore's structural reform experience in the category of malevolent exclusion in section 4.
- (4) Malevolent exclusion also provides a way to address the explanatory limitations of relational poverty at demarcating failed inclusion and forms of exclusion. The imperative of making the case for the same culpability-relevant considerations seems a useful way of distinguishing failed inclusion and malevolent exclusion. Communities or individuals may be bypassed by growth not because they stand outside social relationships, or are somehow unaffected by external events, either historical or contemporary. Poverty may persist because the costs of inclusion are excessively high (remote highland communities), policy options and implementation mechanisms are ineffective or worse (those requiring behavioural change), there are time lags between implementation and results (primary education) and so on. Where such conditions obtain, and in the absence of the types of processes of malevolent exclusion discussed earlier, failed inclusion provides part of the explanation for the increase or perpetuation of poverty.
- (5) Malevolent exclusion is not action-based and therefore has no difficulty in accommodating non-acts, such as the deliberations of the solitary hypothetical policy maker, the absence of policy, such as the non-investment in northern Ghana in colonial times, or the non-enforcement of policy, such as anti-corruption legislation in Nigeria. It also does not have to address thorny issues concerning unintentional consequences of action.
- (6) Finally, malevolent exclusion can accommodate structural or systemic causes of poverty<sup>5</sup> because it is based on processes of harm and not on individual acts. Accordingly, it is not subject to the methodological critique of relying on an overly individualistic account of causal forces. So, as discussed in the context of Mexico's prevailing ethno/nationalist ideology of *metizaje*, it can incorporate the internalisation of norms of Indigenous inferiority, as well as processes of adaptation and stigmatisation which comprises stages in a process culminating in harm (though these are not triggered by a specific act on the part of an individual causal agent).

For all of these reasons, the concept of malevolent exclusion does appear to have analytical value when navigating issues which arise in the context of immiserising growth. It addresses certain of the explanatory shortcomings of relational poverty concerning the demarcation of failed inclusion and malevolent exclusion and the delineation of finer categories of exclusion. In addition, it avoids the

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<sup>5</sup> In addition to the already cited materials on relational poverty, there is a large literature on the role of structural factors in the causation of poverty (Pogge, 2007; Rylko-Bauer and Farmer, 2017). More recently, researchers within the tradition of behavioural economics has directed attention to the consequence of structural factors on poverty through their effects on behavior patterns (Hoff and Walsh, 2017) or cognition (Mani et al., 2013).

analytical limitations of action-based accounts of exclusion which are particularly acute in the context of immiserising growth. As with relational poverty, it also stands as a riposte to those narratives which explain immiserising growth primarily in terms of failed inclusion.

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