

Title: Economic perspectives on social exclusion

Abstract:

In this paper some economic perspectives on social exclusion are presented. The perspectives come from traditional areas of economics, especially human capital theory, and from the new area of behavioural economics, especially present bias and the status externality. They show that happiness, human capital and individual choice can yield insights for the study of social exclusion. The economic perspectives discussed in this paper can help respond to the suggestion by Mary Daly and Hilary Silver to move beyond the concept of social exclusion to a “fully-articulated theory” of social exclusion. Furthermore they support the judgement of Ruth Levitas that in the public debate there is inadequate pressure for redistribution, excessive moral blame placed on the socially excluded, and an excessive concern for labour force participation at the expense of non-market activity, as expressed in her development and discussion of the RED-MUD-SID framework of discourses.