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Social Policy and Development: Social Capital as Point of Departure*

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Introduction

The relationship between the economic and the social has ever been theoretically uneasy. The result has often been a hardening into one of two extremes. As perceived by neo-liberalism, the economy is best left to the market and, at most, the social is viewed as a necessary evil, required to oil the wheels of commerce. In contrast, the alternative stance is to emphasize both micro and macro market imperfections and, thereby, to understand the social as an essential means to correct them. I suspect and welcome that the intellectual, ideological and policy mood is currently swinging away from the first and towards the second position. One indicator of this is the extent to which the social, often previously rounded up in the notion of ‘civil society’, has increasingly been seen as both an instrument and a goal of economic and social policy. Nonetheless, a casual reading of any area of such literature, accompanied by a modicum of critical thinking, suggests a number of cautionary tales.

First, understandings of civil society are often unthinkingly transposed from the West to the rest of the world, both for conceptual purposes and in the elaboration of ideals to be emulated. This involves a double displacement in that the initial application of the notion tends to neglect the history of the past century – a period during which western society has been far from civil. In addition, in this light, false perspectives from one world are universalized to others, reflecting the long-standing tradition of understanding development as attaining the idealized status of the developed.

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Second, civil society has been regarded as a panacea, a source of positive-sum outcomes, if only it can be appropriately organized, embraced and participated in by its citizens. Consequently, it is hardly surprising that it tends to be viewed through rose-coloured spectacles, with the economy and systemic power set aside in deference to democracy and good governance. Rather than seeing civil society as a site of, or focus for, underlying conflicts, the latter melt away as mutual benefits flow from collectivism and co-operation. In short, civil society and social revolution sit extremely uncomfortably side-by-side.

Third, a corollary or summary of the two previous points taken together, civil society is recognizably complex and diverse, not least because it is the outcome of associations, organizations, institutions, networks, cultures and so on that have been forged out of equally diverse and complex interests and conflicts. Just as generalization is unwise, so is the indiscriminate application of abstract concepts drawn, however thoroughly, from specific case studies. Such, in broad terms, is what has occurred with the notion of social capital.1 The term, scarcely used or acknowledged other than over the past decade, has shot to prominence. Robert Putnam, arguably the leading ‘social capitalist’, has been reported to be the single most-cited author across the social sciences in the 1990s. His thesis of the decline of US society – in a nutshell because of ‘Bowling Alone’ and too much television watching – even granted him a meeting with President Clinton to thrash out solutions to the country’s woes (Putnam 2000). Further, most worryingly for some, the World Bank is heavily committed to social capital as it moves, at least in rhetoric, from the neo-liberal Washington to the apparently more state-friendly post-Washington Consensus.2 The purpose here is to provide a brief overview of how and why social capital has become the latest conceptual fad across the social sciences, and to consider the implications of this development. As a result, I draw very different conclusions from those who have aligned themselves to social capital – even those who are prepared to be critically circumspect about the latest conceptual wunderkind of the social sciences. They often recognize its deficiencies but seek to civilize it, reintroducing the complexity and diversity that have previously been excluded. In contrast, I argue that the notion needs to be rejected in view of its origins, directions and momentum. For this reason I question the use of social capital as a way of providing an entry into discussion of social policy. Instead, in part by way of critique of the welfare regimes approach, I put forward alternative perspectives on locating social policy in its relationship to the economy.

Twixt Bourdieu and Becker

It is worth, at the expense of some personal indulgence, explaining why I determined from an early stage to follow social capital’s meteoric rise closely. In the mid-1990s, I came to the conclusion, on the basis of its new information-theoretic micro-foundations, that economics was colonizing the other social sciences as never before, on which see the seventh point listed below. Whilst,