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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 a necessary evil, required to oil the wheels of commerce. In contrast, the alternative stance is to emphasise 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 both as 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 for ideals to be emulated. This involves a double displacement in that the initial application of the notion tends to neglect a recent history over the past century in which western society has been far from civil. In addition, in this light, false perspectives from one world are universalised to others, reflecting the longstanding tradition of understanding development as attaining the idealised status of the developed.

Second, civil society has been regarded as a panacea, a source of positive-sum outcomes, if only appropriately organised, 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 cooperation. 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 recognisably complex and diverse, not least because it is the outcome of associations, organisations, institutions, networks, cultures and so on that have been forged out of equally diverse and complex interests and conflicts. Just as generalisation is unwise, so is the indiscriminate application of abstract concepts drawn, however adequately, from specific case studies.

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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. Arguably the leading “social capitalist”, Robert Putnam, 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 – has granted him a meeting with President Clinton to thrash out solutions to the country’s woes, (Putnam 2000) most recently. 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 with what implications. As a result, I draw very different conclusions from those who have aligned themselves to social capital, even those prepared to be critically circumspect about the latest conceptual wunderkind of the social sciences. They often recognise its deficiencies but seek to civilise it, bringing back in 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 closely social capital's meteoric rise. In the mid-1990s, I came to the conclusion, on the basis of its new information-theoretic micro-foundations, that economics was colonising the other social sciences as never before, on which see seventh point below. Whilst, especially through the likes of Gary Becker, a leading mainstream neoclassical Chicago economist, such self-confessed economics imperialism had long been on the agenda, it had primarily depended upon the non-market as if market, and the market as if utility maximising individuals facing resource and price constraints. Not surprisingly, despite some notable successes especially but not exclusively through human capital theory, such assaults only made limited territorial gains across

Sciences. It is drawn in part from a presentation made to the UNRISD Conference on Social Policy and Social Development, Stockholm, September 2000.

¹ For the uneasy relationship between social capital and civil society, see Edwards (1999) and Rudolph (2000).

² Rhetoric for the post-Washington consensus has been provided by Joe Stiglitz, beginning with Stiglitz (1998). He was essentially sacked as Chief Economist at the World Bank at the end of 1999 for taking its logic to policy conclusions. For an account, including discussion of Ravi Kanbur's resignation as lead author of the World Bank's 2000 World Development Report on Poverty, see Wade (2001). For critical exposition of the post-Washington consensus, see Fine (2001), Hildyard (1998) and Standing (2000).

the social sciences. However, on its own terms, the new micro-foundations purports both to accept and to explain institutions, structures, customs, etc, albeit on the basis of a more circumspect methodological individualism. It has given rise to a whole range of new fields within economics. These have had knock-on effects to a greater or lesser extent and in varied ways in the other social sciences - the new institutional economics, the new household economics, the economic sociology, the new political economy, the new growth theory, the new labour economics, the new economic geography, the new financial economics, the new development economics, and so on.³ In short and drastic summary especially for the non-economist, economics has been colonising the other social sciences as never before over the past two decades, forging an alliance with and advancing alongside rational choice theory.

In this light, I was intrigued to find that two scholars at the opposite extremes of the social science spectrum were both using the term social capital. One was Gary Becker (1996), who extended the notion of capital as an asset from physical things to human capital, and from human capital to personal capital (any characteristic that directly or indirectly contributed to welfare), and from personal capital to social capital (non-market interactions between people). The other was Pierre Bourdieu, the progressive French sociologist, who had first used social capital in the early 1980s, alongside cultural and symbolic capital, to explain how non-economic forms of domination are linked to the reproduction of social stratification and interact with one and another and the economic. I was determined to find out why and how these two totally different theorists could find themselves as social capital bedfellows, and with what significance for economics imperialism. But I found myself deluged in an evolving tidal wave of academic fashion. Far from confronting the apparently simple question of why Becker and Bourdieu should share the same terminology, I was faced with a far heavier issue – how could social capital have become so widely and rapidly adopted especially in view of its commonly acknowledged deficiencies. Here are my conclusions, laid out in detail and with detailed justification in Fine (2001b).

Social Capital Exposed

First, what is striking about social capital is not only the extent of its influence, and the speed with which this has been achieved, but also its ready acceptance as both analytical, empirical and policy panacea. These features are aptly captured, respectively, by the World Bank's notion of social capital as "missing link", its flush of dedicated household surveys, and its view of social

³ See Fine (1997) for my first contribution in this vein and Fine (1997; 2001a; 2001b; forthcoming-a; forthcoming-b; forthcoming-c) for the most recent with reference to earlier work and debates. For evidence from the mainstream itself, see Becker (1996) and Lazear (2000), both of whom refer to economic imperialism and Olson (2000b) who explicitly prefer the telling metaphor of economics as metropolis and other social science as the suburbs. See also Frey (1999) who attracts praise from Nobel Laureates Becker, Stigler and Buchanan.

capital as "the glue that holds society together".⁴ Social capital explains what is otherwise inexplicable and is the factor that allows society to function successfully. In limited respects, parallels can be drawn with utility as used by economists. For this is also all-embracing - putatively explaining why we behave the way we do as well providing us with our welfare. In the case of social capital, however, our sights and ambitions are raised from the level of the individual to the level of society, from the market to the non-market, and from narrowly defined individual motivation to customs, norms, institutions and rules. In short, social capital is attractive because of the scope of application that it provides as well as its capacity to do so whilst not necessarily being critical of what has gone before. It can both generalise (add missing link and glue) and incorporate (reinterpret existing scholarship as an earlier unwitting use). And, policy-wise, social is to complement economic engineering, with the principle of supporting self-help raised from the individual to some collective level of "community".

Second, despite what is already a rush of survey articles, even those who are not using the term for the first time accept that it is difficult to define. The more established social capitalists in an enterprise that is, admittedly still in its precocious infancy, have been forced to compromise with the expanding scope of social capital. More and more variables are included, from the horizontal to the vertical, from the bonding to the bridging to the linking, from social values to networks and associations, and so on. Alternatively, such proliferation of content can be rendered manageable by a re-composition into broad categories to question whether social capital is, for example, complementary with, or a substitute for "real" capital or the state. The result is to create a field for what has previously been termed middle-range theory, analysis suspended somewhere between grand systemic theory and mere description. As a result, more recent and less circumspect contributions may acknowledge the ambiguities in the definition of social capital, simply pass on, and choose or add a definition of their own to suit their own purpose. Social capital thereby becomes a sack of analytical potatoes. The notion is simply chaotic as is also reflected in frequent suggestions that it is merely a metaphor or a heuristic device. It is also acknowledged to be difficult to measure (tellingly revealed by World Bank projects that seek to define it by the process of measuring it). What is social capital is readily confused with what it does as if these needed to be conceptually distinct. One reason for thinking so is the early and mounting recognition that social capital is subject to the perverse, dark, negative and downside so that it can be bad as well as good depending on circumstances, as in the Mafia, fascism and so on. Whilst these features of social capital might be thought to render it unacceptable and subject to collapse under the weight of its own contradictions and inconsistencies, exactly the opposite is the case. Having established a sufficiently weighty presence, it also has the logical capacity to absorb any criticism in the form of

⁴ For the World Bank's treatment of social capital, visit its dedicated website <http://www.worldbank.org/poverty/scapital>

refinement by, for example, addition of another variable for consideration, even conflict or revolution!

Third, then, social capital has a gargantuan appetite. On the one hand, it can explain everything from individuals to societies (although global social capital has rarely figured yet, it ought to do so at least to address the international networks and ethos of those running the world) whether the topic be the sick, the poor, the criminal, the corrupt, the (dys)functional family, schooling, community life, work and organisation, democracy and governance, collective action, transitional societies, intangible assets or, indeed, any aspect of social, cultural and economic performance, and equally across time and place. On the other hand, social capital has been deployed across theories and methodologies as diverse as postmodernist Marxism and mainstream neoclassical economics, addressing the conceptual, empirical and policy.⁵ In this respect, social capital is like other all-encompassing notions that have swept, if not uniformly, across the social sciences, such as flexibility and globalisation. All can participate from their own perspective. Social capital is truly democratic, not only amongst the community of scholars but, as middle-range theory, it is also able to engage (with) the wider community of activists, politicians and media gurus. This is especially so in terms of its capacity to exploit popular prejudices about the role of television, the family and moral fibre, to touch the nostalgia for a lost world, to address demise and failure that are ever more demanding of attention than success, and so on.

Yet, as already hinted by reference to globalisation, the emergence of social capital to rapid prominence is a familiar phenomenon in terms of academic fashions. It is most disturbing as evidence of a more general trend towards the popularisation and degradation of scholarship. The pattern is familiar by now. A case study or two leads to the invention of grand concepts and generalisations. These are refined in light of theoretical and empirical critiques that point to omitted theoretical variables and/or case study counterexamples. Existing and new knowledge is run through the evolving framework. Ultimately, the whole edifice becomes too complex and succumbs to the critical heretics or others who have remained or become cynical. It is then time for a new fashion to emerge.

Despite this intellectual cycle, the effects are significant. Quite apart from the waste of scholarly resources, the impact of such fashions over the longer term is not necessarily negligible nor is it even across disciplines and topics. We have yet to see what the long-term effects of social capital will be on the social sciences, although some of the short-term effects are already

⁵ For the many who have sought to trace original uses of social capital, in substance if not in name, I hesitate to reveal the following from Marx's German Ideology of 1845/6, (cited in Oishi 2001: p. 23):

It follows ... that a certain mode of production, or industrial stage, is always combined with a certain mode of co-operation, or social stage, and this mode of cooperation is itself a productive force.

Of course, Marx refers to the capitalist relations of production, at once both economic and social.

discernible. Fourth, then, although social capital is unlimited in principle in terms of what it can incorporate and address, and how it does so, the evolution of the literature in practice is far from neutral in its content and direction. It reflects general intellectual fashions, the stimulus of external events, and even the idiosyncrasies of particular participants. What is equally important is what has been left out. As much of the critical literature has observed, contributions to social capital have tended to focus on civil society and its associational forms and ethos. This has been in isolation from, and exclusive of, serious consideration of the economy, formal politics, the role of the nation-state, the exercise of power, and the divisions and conflicts that are endemic to capitalist society although, of course, these can be added if you want them.

Fifth, more specifically in this intellectual trajectory, although Bourdieu is a (decreasingly) acknowledged initiator of the theory of social capital, the critical aspects of his contributions have been excised in deference to the tamer versions associated with the likes of James Coleman, rational choice founding father of the social capital phenomenon and Chicago collaborator with Becker, and Robert Putnam, its most ardent populariser. In particular, Bourdieu emphasised the social construction of the content of social capital (what is its meaning and how does this relate to its practices), that it is irreducibly attached to class stratification, which, in turn, is associated with the exercise of economic and other forms of exploitation, and the relationship between them. Significantly, the functional approaches to social capital attached to the founding empirical studies of Coleman and Putnam have both been shown to be questionable - respectively, catholic community as a positive influence on US schooling outcomes and the incidence and impact of associational activity on differential regional development in Italy (and the same applies to Putnam's US work). In other words, false empirical analysis has given rise to a theory that has subsequently taken on a life of its own as if both theory and data were mutually supportive. Such are the shaky foundations for the evolving knowledge attached to social capital. This indicates that the attraction of social capital derives less from the unconsciously scurrilous scholarship of its founders and more from their having tapped the intellectual nerve of social theory at the turn of the millennium.

This has a dual aspect. For, sixth, one particularly important feature of the intellectual environment in which social capital has flourished has been the retreat both from neo-liberalism and from post-modernism. On the one hand, neo-liberalism has run out of scholarly steam although, like a bad smell, its effects linger and you can never be sure that it has gone away for good. But, in the academic world, you can only say a limited number of times and for a limited time, that it is safe to leave things to the market, do not allow rent-seeking, and reduce corruption and government. How much better to be able to react against neo-liberalism by positing a world of market (informational) imperfections in which there is a role for the state, and in which social

capital can correct for absence of economic capital and imperfectly working markets. Social capital is rent-seeking made good. So it is one way of jumping on the anti-neo-liberal bandwagon.

On the other hand, the triumphs of the extremes of postmodernism have passed their peak. There is now a wish for renewed confrontation with the real. By its very name, despite its conceptual chaos, social capital appears to get to grips with both the social and with capital. Nothing could be further from the truth. For, the very terminology of social capital signifies its weaknesses. That the notion "social" needs to be attached to capital to mark a distinct category is indicative of the failure to understand capital as social in what is taken to be its more mundane economic, putatively non-social, form. What is adopted, however, with use of "capital", especially with the physicalist overtones attached to mainstream economics, is the failure to incorporate the most important insight for social theory to be derived from postmodernism - that concepts need to be historically and socially grounded, if not always subjectively so. In this vein, universal concepts such as social capital would be ruled out of court, and could not be rescued by appeal to historical and social context as path dependence, influence of other factors, initial conditions or multiple equilibria. These are the longstanding favoured way of dealing with the social and historical by mainstream economics, at least when the problem is recognised. That social capitalists are forced to adopt, or often willingly embrace, this route has been heavily criticised with little or no effect. It is also indicative of one element in the spreading influence of the postures of economics on other social sciences.

Thus, seventh, as social capital is ahistorical and asocial, so it is fundamentally complicit with mainstream economics in the form of its new information-theoretic micro-foundations. Developments within and around economics on this basis have allowed it to understand both the economic and the non-economic as the consequence of market imperfections. As a result, economics is colonising the other social sciences as never before, with an as if market imperfection world as opposed to the as if market perfection world that previously proved a colonising tool of significant if limited impact. Not surprisingly, social capital has proved attractive to some mainstream economists in such endeavours, paradoxically with Gary Becker in the forefront. In this light, for economists, social capital is simply everything else after other, more traditional forms of capital have been taken into account, with these understood as in the mainstream as physical, natural, financial or human. Transparently, the effect is to add the social to an otherwise unchallenged economic, albeit made up of market imperfections. Such a ludicrous posture is at its most extreme in the case of mainstream economics for which capital is a physical or other asset that ultimately provides a stream of utility to individuals, a universal, ahistorical and asocial thing rather than a definite economic relationship, with associated structures and processes for the generation of profit. This all reflects a profound misunderstanding both of the social and of capital(ism). In a

word, economists can bring in the social to complement the individual, only because the social has been omitted in the first instance.

Of equal significance, however, is the response of non-economists both to social capital and to the colonising designs of economics. Here, eighth, a crucial aspect of social capital is the demonstration that its intellectual origins and motivation were provided by a renewed attempt to establish rational choice within social theory (and to swing it towards economic as opposed to psychological reductionism). Significantly, social capital evolved out of a literature (social exchange theory), and was initially designed, to address the relationship between the macro and the micro in the context of the relationship between the social and the individual. To a large extent, if not completely, these origins - and their generally strong affinities with rational choice methodology - have been glossed over in the ready reception granted to social capital as the cure-all for social theory. Thus, whether influenced by a colonising economics or not, the use of social capital across the other social sciences is equally uncritical of the economic. The only, at times insidious, difference is that the same analytical content is disguised and tempered to a greater or lesser extent by more informal types of arguments. These are set together with the more traditional variables of social theory, with the negative, dark, perverse or downside, of power and of conflict, only being thrown in if needs be.

Ninth, ironically and perversely, social capitalists from outside economics are attracted by the notion because they perceive it as an assault upon economics. Economists are thought of as being civilised by being forced to take account of the social. In addition, social capital is widely and proudly praised for placing interdisciplinary endeavour upon the agenda. Significantly, however, this is only asserted and never demonstrated. And the only economics on the agenda is that of the mainstream. Essentially, would be civilisers and critics of a colonising mainstream economics are working critically against a model of the discipline that is a hundred years old, that of perfectly competitive and efficient outcomes. They do not recognise the implications of the more recent revolution in and around economics that positively embraces the social by way of extension of the unchanged economic principles (or the economic approach as Becker dubs it). In this light, the role of social capital in social theory's response to a colonising economics is completely clarified. On the one hand, by way of analogy, it can be understood as a form of peripheral colonisation, incorporating all social theory other than economics. On the other hand, it presents itself as the opposition to a colonising economics whereas, at most, it offers feeble resistance because it has no alternative economics of its own - at worst, it prepares social theory for the colonising advance of the economic approach.

In short, whilst, social capital purports to fill out the analytical space in which to construct social as a complement to economic policy, it is a particularly weak foundation of shifting sands for doing so. As even a sympathetic commentator on social capital observes, Temple (2000):

What can a policy-maker in Mexico or Turkey actually do, confronted with the evidence from the World Values Survey that they govern a low-trust society? Standard recommendations, such as attempting to eliminate corruption and improve the legal system, are nothing new, and make good sense quite independently of any emphasis on social capital.

Whither Social Capital?

Not surprisingly, despite its popularity, social capital has created an undercurrent of opposition from progressive scholars with intellectual integrity. Why have they not been more numerous and outspoken? My own experience from presenting the critical views on social capital outlined above is that it is very hard to generate serious debate and disagreement. Instead, apologetic social capitalists argue that they are civilising economists, combating neo-liberalism, and able to outflank the least desirable features of social capital by bringing in what would otherwise be omitted by other less progressive users than themselves. Last, and by no means least, it is claimed that funding and research depend upon playing the social capital game, and at least this is a way of addressing the role of civil society.

Individual advancement aside - an important factor in the rise of social capital - this all reveals much by way of intellectual bankruptcy and a failure to recognise how social capital's ready accommodation of opposition represents a highly successful form of a legitimising repressive tolerance. The most appropriate answer to social capital is to reject it altogether and to construct a rigorous theory of the social and of capital and of capitalism, building upon the intellectual traditions that we have rather than reducing them to fashionable concepts inspired by a disguised rational choice.

From Social Capital To Social Policy

On a more constructive note, social capital raises, but does not adequately answer, questions concerning the nature, impact and source (how to create social capital is a frequently recognised omission within the literature) of social norms, whether understood as such or as values, customs, institutions, associations, structures, culture, etc. As far as these have relevance for social policy, I posit seven broad conclusions, mainly drawn from a critical but constructive review of recent literature on the welfare state (Fine forthcoming-d, Chapter 11).

First, social policy is programme-specific. In other words, housing education, health programmes, etc, have to do with housing, education and health as such through what I have termed systems of provision in work on consumption - as in food, health, energy, housing systems, Fine (1998b; forthcoming-d; 1996; 1993). Each system is tied to a (vertical) chain of activities that

form an integral entity, distinct from the others. This is not to suggest that the different programmes are independent of one another, nor that they do not share common determinants. However, how and to whom welfare is delivered are structurally interdependent with, in principle, a whole range of factors interacting in different ways with different and shifting effects. But how housing, for example, is provided - land, other inputs, construction, finance, tenure, etc - is as important as, and dovetails with, social custom, welfare principles, political and economic pressures in ways that are unique to housing itself and distinct from health, education, or whatever. This is illustrated by the apartheid economy in which, despite common elements of racism and fragmentation through the homeland system, outcomes for housing education, health and electrification were quite different from one another and posed different problems for the post-apartheid period, (see MERG 1993).

Second, implicit in the previous point is the differentiation of social policy by country as well as by programme. Each country will be at its own stage of development, will have its own structure and dynamic of economic, political and ideological forces, and these will interact with, or be concretised through, the provision attached to particular programmes. This conclusion draws negatively from Esping-Andersen, and the literature it has inspired, whereby his three welfare regimes have increasingly proven to be an analytical and empirical straitjacket as far as mounting evidence from case studies by programmes and countries are concerned, more observed in the breach. I draw the same conclusion from a careful reading of Goodman (1998), for example, on the supposed “East Asian Welfare Model”. There is no model, either from one country to another or from one area of provision to another.⁶

Third, social norms have to be understood in a sophisticated and complex analytical framework. As a customary standard of living - of which the wage bundle is often a major factor - it is differentiated both by different sections of the population and by the consumption goods themselves (as suggested for social policy programmes in the first point above). Consumption norms are not simply an average as such, even with some above and some below the “norm”. The latter is more appropriately understood as the outcome of continuing socioeconomic processes, which grind out customary patterns of consumption. What those patterns are and how they are determined is very different from one commodity to another. Food, housing, clothing, etc, are not only differentially consumed but the patterns and levels of consumption are the consequences of very different structures and processes of causation. Nonetheless, each of these elements in the wage bundle is subject to change as a consequence of development, although inertia and dysfunction is also possible, as in the eating disorders characteristic of the diseases of affluence, as argued in Fine (1998b).

⁶ Similar conclusions can be drawn from Gough (2000)- assessment of Esping-Andersen’ work as applied to developing countries, although his own preference seems to be to qualify it beyond recognition.

Fourth, similar considerations apply to the distribution of (wage) income from which social policy in part takes its point of departure. Labour markets are not simply structured and differentiated, with correspondingly different wages and conditions and access by socio-economic status, each labour market is itself structured and functions in an integral way, depending upon deskilling, reskilling, presence of trade unions, public or private, casualised or secure, competitiveness in product markets, and so on, as argued in detail in Fine (1998a). As there are socioeconomic processes that match income levels to consumption norms (and vice-versa), the homogenising influence of monetary remuneration is far from absolute. In other words, both the determination of the distribution of (wage) income and the potential for its effective redistribution have to be firmly rooted in an appropriately wide range of suitably integrated considerations.

Fifth, to some extent, social policy has been understood as public consumption as an alternative to private consumption. This tends to leave unchallenged the notion attached to laissez-faire ideology, that public consumption is merely an alternative form of private consumption, and liable to be inferior in efficiency and quality of delivery. Even those rejecting the presumed inferiority of public provision, on efficiency and/or equity grounds have been subject to an assault of making the public more like, or meeting the standards of, the private sector, with the practices and terminology of the latter being aped as public consumption is attached to commercial criteria and the serving of clients and customers, etc. as Marx observed in the Economic and Philosophical Manuscripts of 1844, (cited in Radin 1996: 75-6).

Private property has made us so stupid and one-sided that we think a thing is ours only when we have it. In other words, public consumption is something more and different from private consumption. What are the more general implications for social policy of the distinction between public and private consumption? Most important, the distinction is itself analytically invalid, certainly as a starting point for each form of consumption is socially and historically constructed with a mix of private and public - in relation to one another and, almost inevitably, chaotically across different systems of provision and cultural systems. In reaching out to the latter, it is apparent that private consumption is attached to social or public determinants whether materially or ideologically. Such are the insights yielded, respectively, for example, by Marx's commodity fetishism and Foucault's domination of body and mind. Relations between private consumers and objects of consumption are deeply embodied in the social domain despite the appearances and, to some extent, the reality of the opposite.

For Sack (1992: 104), especially with mass production,

"the consumer's world includes only the front stage of mass consumption and relegates extraction, production, distribution, waste, and pollution to a hidden backstage".

In this light, when the distinction between public and private consumption is deployed, for whatever purpose, it tends, respectively, to implode upon the individual or to explode upon society. Here the contrast is between Baudrillard and Marx. For on the former, postmodernist subjectivity

floats free even from the constraints imposed by bodily survival. As Warde (1994: 231) puts it, referring especially to the work of Zygmunt Bauman, the construction of the "heroic consumer":

prevents us from appreciating the constraints people face in their consumption practices ... The use of the term "the consumer" signifies an undersocialised actor; it exaggerates the scope and capacity for individual action.

In the case of Marx, much of the literature on consumption is motivated or justified by the presumption that his chief analytical concern - to root out the social and material origins of the commodity in capitalist production - had precluded its consideration in deference to a focus upon class (conflict) and uncovering the laws of production.

If, however, attention is drawn to public consumption, then it necessarily reaches for a systemic understanding to uncover one or more fetishisms that are attached to commodities whether as material or cultural objects. What is it that underlies and is not revealed by the private relationship between consumer and object of consumption, which may be more overt in case of public consumption. For Marx, it is the social relationship between producers as opposed to those (being treated as relations) between things. For (critical) notions of consumer society, it tends to be about the hidden persuaders, false as opposed to real needs, public squalor and private affluence, emulation and distinction, and so on. Most recently, private consumption has been most markedly rendered public or social by concerns about the environment - how my consumption leads to global warming, to destruction of Brazilian forests, to excessive use of chemicals, and so on. More generally, many other public issues may be attached to private consumption, such as boycotts as in sanctions against apartheid, child labour and for improvement in wages and working conditions. In each case, the core of what is involved cannot be discovered directly in the relationship between consumer and consumed.

A necessary implication is that, as private becomes understood as public consumption, so it is translated into something else other than consumption. Even with the narrowest of consumer concerns, for quality of product and absence of price-fixing for example, there is a focus upon the regulatory and legal environment, quite apart from a systemic understanding of the economy itself - one which should but which may not conform to some sort of ideal competitiveness and integrity between buyers and sellers. By shifting focus from private to public consumption, there is a simultaneous shift from consumption itself or, at least, incorporation of other issues, (Fine forthcoming-d, chapter 10).

Finally, this has extremely important but ambiguous political and ideological implications. Does it involve a strengthening or dilution of attention to (public) consumption? On the one hand, in setting the issue of private consumption within the public domain of public issues, very powerful and wide-ranging discursive and material pressures are potentially brought to bear, the demand and

struggle for basic needs for example - what they are the rights to have them. On the other hand, however, there is a corresponding displacement from focus upon the private and upon consumption, which means that notions of private consumption remain resilient and even prosper. There can be no better illustration than the postmodernist preoccupation with consumption and identity whilst, by the same token, notions of public consumption are most precarious. They either become translated into something else that is broader in scope and content or, as observed at the beginning of this point, become confined to the dictates of what constitutes private consumption by other means. In short, social policy is about collective provision but this does not set it apart from private provision, which is a form of collective provision by other means.

Sixth, to some extent, albeit in a more or less limited way, the previous considerations have been recognised in the literature. I select two illustrations with the added motive of also demonstrating the incorporation of a colonising economics into social policy analysis. Atkinson (1999) has been prominent and honourable in contesting the neo-liberal (transatlantic) consensus in the field of inequality. In the third WIDER Annual Lecture, "Is Rising Inequality Inevitable? A Critique of the Transatlantic Consensus", he rightly observes that patterns of inequality conform neither empirically nor theoretically to the neo-liberal, inevitability, view. As a result, he opens up the potential for redistributive policies through a mutually supportive combination of labour market norms and redistributive taxation. But the analytical framework for doing so is entirely drawn from the new micro-foundations without being rooted in social and historical realities. Something "social" is offered as an explanatory factor, shifting pay norms and public choice, but the corresponding models, however more complicated they might be made, are remarkably free of the socio-economic forces and conflicts that are known to underpin the emergence and evolution of welfare states.

Atkinson's self-confessed story has its origins within economics but wanders outside. This contrasts with Esping-Andersen's framework of welfare regimes. It begins with structure and power and how these are differentially translated into different outcomes. But, in his later work, the response to criticism (for neglect of household and gender) has been to converge upon the insights offered by a colonising economics. In what almost appears to be a self-parody, he comments:

The intensity of the trade-off depends on several factors: number and age of children, whether mothers work part-time or full-time, and whether husbands help ... Lamentable as this may be, it is perfectly consistent with a standard neoclassical joint-decision model of household behaviour (Esping-Andersen 1999: p.58).

But such flirtations with mainstream economics are not confined to the new household economics. For, the household derives its welfare from the state, the market and its own activities. It is "the ultimate destination of welfare consumption and allocation. It is the unit 'at risk'", p. 36.

This leads to the following section heading, "THE FOUNDATIONS OF WELFARE REGIMES: RISK MANAGEMENT", with opening sentence, "social policy means public management of social risks". It is followed by a standard account for the welfare state that is associated with mainstream economics, not least in terms of market failures including reference to information failure.⁷ This is a departure from what I take to be the foundations of welfare regimes - the programme- and country-specific responses to the contradictory economic and social reproduction of capitalist societies.

Seventh and last, some principles under which to examine social policy and to assess its potential sources and impacts. Social policy is a social and historical construct both in material and interpretative content. As such it is chaotic, contested, contradictory and subject to conflict in practice, ideologically and theoretically. Here, emphasis has been placed on a dual displacement - from private to public consumption, and from public consumption to broader social, political, economic and ideological issues. It is possible to traverse in the opposite direction and acknowledge that the welfare state is a funnel and filter for a complex range of economic and social phenomena as well for ethical principles.

Further, social policy is not just a product of capitalism but of particular stages in its development. Consequently, it is necessary to provide for a political economy of capitalism, including attention to its underlying structures, processes and tendencies, and how these are reproduced and transformed. The second half of the twentieth century is not only marked by the extent of the internationalisation of capital but also by the extent of state intervention. Further, the last quarter century of the millennium has witnessed, simultaneously with a growth slowdown, an apparent hegemony of finance over industrial capital. Paradoxically, the most recent literature on the limits to the welfare state acknowledge the power of international (finance) capital but in a way that is crudely unsatisfactory and exaggerates and generalises the power of finance.

Public consumption and social policy are concerned with economic and social reproduction. Consequently, demographic issues are to the fore in terms of household formation, and fertility and mortality rates, etc. But this does not mean that the household should be taken as an analytical starting point any more than our understanding of capitalism need be based on the individual firm. Rather, the demography needs to be related to the political economy of capitalism and its periodisation, as I have argued in Fine (1992).

The relationship between social and economic reproduction, and the fluidity between them, is partially captured by the notions of commodification and decommodification. These are, however, totally inadequate as used in the welfare regimes approach. For, each goes much deeper

⁷ For, from the World Bank, "a new definition and conceptual framework for Social Protection grounded in Social Risk Management", with explicit reliance upon the new information-theoretic microfoundations, see Holzmänn (2000).

than a simple understanding based on more or less (labour) market dependence. Whilst capitalism has a tendency to commodify, this also creates a countertendency for the very same process of undermining non-capitalist provision also strengthens it, not least through the provision of cheap means of production and consumption. For the new household economics, this is simply a matter of reading off outcomes in terms of a more or less socially sticky comparative advantage. By contrast, outcomes both in the division of labour between commercial and non-commercial, and in the formation of labour market structures and dynamics, are highly contradictory and contingent.

Finally, it is inconceivable in light of the foregoing principles that a general theory of social policy, even with regime varieties, could be appropriate. Both across countries and across specific programmes within countries, conditions are too diverse to allow for such regularity. Even the pressure for, and impact of, privatisation programmes are highly diverse by country and by sector. The same is more so for social policy. There is no alternative but to examine the peculiarities of the benefit system in its relations to a full range of factors, and the same applies to housing, health, education and other components of welfare systems. Such a result is hardly surprising since not only is welfare provision highly diverse, so are its determinants in the economy, labour markets, politics, trade unions, etc. Indeed, the conclusion is heavily supported by the wealth of programme and policy studies across countries and over time. As research on social policy becomes increasingly interdisciplinary, it should be reinforced by an economic content drawn from political economy and at the expense of a colonising economics and its veiled forms of methodological individualism.

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