

Review: Ben Fine, *Social Capital versus Social Theory: Political Economy and Social Science at the Turn of the Millennium* (London and New York: Routledge, 2001).

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Since the early 1990s, 'social capital' has become one of the key terms in the development lexicon, adopted by multilateral lending agencies, government social policy department, non-governmental organizations, and academics alike. As Ben Fine notes in his book, what is remarkable is how the concept of 'social capital' has been so quickly adopted and promoted by academics and activists as an analytical, empirical, and policy panacea (189). In this book, Ben Fine seeks to uncover the reasons why it has become so popular, despite the fact that it is a rather chaotic concept whose meaning remains considerably obscure. He convincingly argues that in order to understand why 'social capital' has become so popular so quickly, it is necessary to understand the broader processes taking place in the academe. For Fine, the ready acceptance of 'social capital' across the social sciences represents the colonization of other disciplines by economics and its predisposition for rational choice theory and abstract modelling.

The book focuses largely on academic debates and on the policy implications of 'social capital.' As such, the book is a whirl-wind tour of the many different uses and meanings of the concept. In the first and last sections of the book, Fine lays out his arguments regarding the disconcerting developments taking place within the field of economics and tries to provide some reasons as to why academics have tried to import this problematic concept into their own work. The second and third sections of the book are the richest in content and are the most useful for those who may be interested in applying the concept of 'social capital.' Take heed, however, as Fine does his best to convince the reader that any notion of 'social capital' should be avoided at all costs, because it is an inherently problematic concept that rests on impoverished notions of both 'social' and 'capital.'

Fine asserts that the popularity of 'social capital' owes to a revolution happening in and around the discipline of economics. He is particularly concerned about the introduction of the 'new classical economics,' which is engendering a 'second revolution' in the discipline of economics that appears to be reversing the central tenets of the field established by the marginalist revolution of the 1870s. While the marginalist revolution posed a sharp analytical separation between the economy and the rest of society, this new 'information-theoretic' approach seeks to address both the economic and the non-

economic and their interaction, by taking "the old economics as its starting point" and then reintroducing "the social as a result of informational imperfections and the historical as path-dependence" (14). Fine argues that this new-found capacity of economics to theorize the 'non-economic' has allowed it to colonize the other social sciences, which have been poorly equipped to respond to this trend due to onslaught of post-modernism and the general retreat from 'grand theory' and 'meta-narratives.' The 'social capital' literature poses two main problems for social theory. First, the conceptualization of the economy and society upon which this approach rests cannot adequately theorize the sources of social conflict or power, since all actors within the 'economy' are assumed to be engaged in equal acts of exchange. Second, this method which seeks to integrate the 'economic' and 'non-economic' allows analysts to import the 'social' into economic analyses through the backdoor, having artificially excised it from their notion of the economy in the first place. According to Fine, this method has dangerous analytic consequences for our understanding of the social relations of capitalism.

In the second section, Fine provides an in-depth account of the origins and evolution of social capital, contrasting his own perspective on capital with the work of Gary Becker, Pierre Bourdieu, James Coleman and Robert Putnam. Fine's Marxist understanding of capital stands in a stark contrast with 'social capital' theory. He claims that:

Any use of the term social capital is an implicit acceptance of the stance of mainstream economics, in which capital is first and foremost a set of asocial endowments possessed by individuals rather than, for example, an exploitative relation between classes and the broader social relations that sustain them (38).

By contrast, within the Marxist perspective capital has always been theorized as a historically-specific social relation of class exploitation. Some notions of 'social capital' are less problematic than others, however, and Fine offers Bourdieu as a second counterpoint to the recent literature on social capital. Also inspired by a critical perspective, Bourdieu's work displays an analytical commitment to the idea that various 'capitals' are socially and historically limited to the circumstances that create them. Fine rather polemically asserts that while "Bourdieu has fallen victim to social capital fetishism" (59), his attention to issues of social power and the importance of historical context distinguish his work from the economic literature which has followed. In light of the above-mentioned trends in economics, Bourdieu's insights on social capital

have generally been totally ignored or acknowledged in a mere footnote as per the dictates of academic custom.

Fine demonstrates that the analytical foundations for the current uses of social capital have not been established by Bourdieu, but rather Nobel-winning economist Gary Becker. Becker is famous for his attempt to use an economic approach to accommodate a wide range of economic and social phenomena, but his approach remains tied to an understanding of society as a market of individuals as utility-maximizers engaged in rational acts of exchange. Within such an approach, 'social capital,' is posited to inhere within the group or community, unlike 'human capital' which is possessed by the individual. It is Becker's understanding of 'social capital' which is picked up by James Coleman in his influential studies of educational attainment in the United States and later by Robert Putnam in his famous comparative study of development in northern and southern Italy. Putnam's work has been particularly influential in its attempt to draw causal relations between 'social capital' – trust, norms and horizontal networks which are fostered especially through civic associations – and government performance. Although Putnam's work has been devastated by a series of criticisms, the concept came to have enormous appeal to policy makers, such as the economists and social theorists of the World Bank, who have since placed 'social capital' front and centre in the policy agenda.

The third section of the book builds on Fine's earlier work on social capital,¹ addressing its role in development studies, specifically confronting the impact made by the World Bank, which has heavily promoted social capital in its own work and that of others. Fine argues that the work of former IMF-economist, Joseph Stiglitz, has been influential in advancing the 'post-Washington' consensus, which remains impoverished as an analytical agenda because the 'social' remains an extraneous non-economic facilitator to the economy. While the 'post-Washington' consensus appears as if it is a progressive improvement on the Washington consensus, it merely builds on the previous anti-statist Washington consensus by emphasizing the importance of building effective institutions for capital. The result is policy prescriptions which attempt to chart a course between neo-liberalism and statism, but remain wedded to neo-liberal notions of the role of the state in the economy. As Fine argues, much of the 'social capital' literature similarly remains ambiguous as to important policy issues such as privatization.

To provide a summary and overview of the blossoming literature on social capital is a daunting task, which Fine performs admirably. In the introduction, Fine himself admits that the challenge of dealing with newly emerging literature has led towards a slightly unbalanced presentation which emphasizes some aspects of the 'social capital' literature and minimizes others. To provide a coherent account of the literature, Fine returns to the same criticism again and again, repeating that 'social capital' rests on impoverished notions of both the 'economic' and the 'social' which are better analyzed by approaches within political economy. While Fine may be ultimately correct in his arguments on theoretically impoverished nature of the social capital literature, his point may be better demonstrated by presenting Marxism as a *critique* of political economy, for it is important to emphasize that political economy itself is a diverse field which itself has been much affected by rational choice theory. This is an important distinction to make in light of the fact that Fine's argument rests on a contention that the Marxist paradigm has a more sophisticated understanding of both the social and the economic than rational choice theory. In failing to address this distinction, Fine's strategy to resurrect Marxist political economy will fail to convince all readers, especially as the debates on the relationship between the 'economic' and the 'social' are far from settled, as indicated by the debates which rage over base and superstructure within Marxist political economy. This debate is particularly important as 'social capital' has been attractive to many progressive scholars because it attempts to understand specific relationships between the 'economic' and 'social' in underdeveloped regions and communities, which have received less attention than the West within Marxian political economy.

Nonetheless, Fine's book is the first distinctly Marxist critique of the concept of social capital, which will be of interest for Marxist and non-Marxists alike. Fine's book has valuable insights on the transformations taking place within the academe entailing the retreat from social theory towards the abstract modelling characteristic of the economic sciences. The book is essential reading for progressive thinkers and scholars who are concerned about the incursion of rational choice theory in the social sciences.

¹ B. Fine, "The Developmental State Is Dead - Long Live Social Capital." *Development and Change*, 30 (1999), p. 1-19.