

**Paper Title:**

**Social Capital and Neoliberal Solidarity: Romancing the Market and  
Marketizing the Social**

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The concept of social capital has become highly present in contemporary sociological, political, and economic discourses. This term refers to a high level of social relations based on mutual trust between individuals that eases the processes of production and exchange of economic values, and reduces transaction costs. Many sociologists use this concept to analyze the status of a society's solidarity. They also use social capital to explain the success or failure of collective action within societal groups, such as cooperatives<sup>1</sup>.

However, several scholars have argued that the rise of social capital, like the concept of civil society, has been associated with the neoliberal wave of the last few decades. In her book *Genealogies of Citizenship: Markets, Statelessness and the Right to Have Rights*, Margaret Somers provides an analysis of the concepts of civil society and social capital. She analyzes the circumstances of their rise in the last few decades within her narrative about what she calls "marketizing the social." Somers argues that both civil society and social capital aim at establishing anti-statist sites and emphasizing society's autonomy from the state. She explains that civil society re-emerged in the 1980s thanks to revolutions against tyranny and communism in Eastern Europe. Civil society groups sought to create an effective political space independent of both the state and the market. However, civil society has been controlled and integrated into the framework of social capital, is an essential part of the market and is considered an area for creating economic value through social relations, by conservatives and right-wing currents<sup>2</sup>.

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<sup>1</sup> Jerker Nilsson, Gunnar L.H. Svendsen, Gert Tinggaard Svendsen, Are Large and Complex Agricultural Cooperatives Losing Their Social Capital? , *Agribusiness*, Vol. 28 (2) 187–204 (2012).

<sup>2</sup> Margret Somers, *Genealogies of Citizenship... Markets, statelessness and the Right to have rights*, New York, Cambridge University Press, 2008, PP. 213-24.

Similarly, Ben Fine argues that the concept of social capital should be contested and rejected because it neglects the state, class, power, and conflict. Hence, social capital “has heavily constrained the current progressive departure from the extremes of neoliberalism and postmodernism at a time of extremely aggressive assault by economic imperialism.”<sup>3</sup>

Moreover, Fine argues that social capital is a misleading concept when analyzing market performance. He illustrates that the limited perspective of neoliberal economists depends on social capital to capture the non-market and non-material factors of market imperfections. Fine also argues that the concept directs attention away from challenging the status quo and promises that it can be partially improved and that many economic, psychological, and social problems can be overcome, only if people in local communities trust each other and pull together<sup>4</sup>.

Alternatively, other scholars oppose the political imagination that assumes “a zero-sum relationship between government involvement and private cooperative efforts.” For instance, Peter Evans claims that a pattern of state-society synergy could be applicable but requires specific circumstances<sup>5</sup>. Evans argues that governments can take creative action to foster social capital and use it to achieve development. He claims that development is more successful and the state benefits if mobilized citizens and organized communities are linked with public institutions. According to Evans, citizens’ collective action cannot be successful without basic governmental interventions, such as building dams or the exercise of the rule of law. Evans opposes considering the state as an enemy of efforts to cultivate social capital, even by excluded and oppressed groups. “Even in

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<sup>3</sup> Ben Fine, Social Capital, Development in Practice, Aug., 2007, Vol. 17, No. 4/5 (Aug., 2007), pp. 566-574.

<sup>4</sup> Ibid.

<sup>5</sup> Peter Evans, Government action, social capital and development: Reviewing the evidence on synergy, Volume 24, Issue 6, June 1996, Pages 1119-1132.

relatively authoritarian regimes, alliances with “reformists” within the state can offer resources to popular organizations that are unavailable anywhere else,” he argues<sup>6</sup>.

To conclude, based on the previous review, it could be claimed that social science scholars and teachers should be aware of the negative aspects of the concept of social capital while teaching or using it in their research. Such a concept has some aspects that could enrich collective action and cooperative relations within society, while other aspects might only emphasize state withdrawal from the economy in favor of neoliberal fundamentalism. In addition, it could be claimed that states operating in the context of neoliberalism benefit from the neoliberal aspects of concepts such as social capital and civil society as alternative tools for their own communitarian and national logic.

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<sup>6</sup> Ibid.

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