Social Dimensions of Economic Development

Neil J. Smelser

February 1997
### Environment Department Papers
#### Social Assessment Series

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Foreword

Sociological knowledge—concepts, methods, and applied sociological work—has made a substantial contribution over the last decade to many development activities carried out by the World Bank, improving them. Deeper interdisciplinary linkages have been forged between the environmental and social components of the Bank’s work for sustainable development. Also, the World Bank is employing increasing numbers of professionally trained sociologists, social anthropologists and environmentalists. This equips the Bank to address the socio-cultural dimensions of economic development, often seriously underestimated in the past.

As part of building-up the institution’s in-house skills for social understanding and cultural perceptiveness, the World Bank is organizing a continuous series of sociological workshops for its staff. Last year, the Bank’s Senior Adviser for sociology and social policy, Michael Cernea, invited Professor Neil J. Smelser to give the Keynote Address at a retreat of the Bank’s group of sociologists and anthropologists. Professor Smelser’s paper not only broadened our knowledge of how socio-economic change occurs and how to shape the content of induced change, but also enhances our ability to chart the operational path toward that goal. We have decided to publish his lecture so that others may also benefit from it.

Professor Smelser argues in this paper that non-economic variables are intrinsic to the structure of development problems that traditionally have been addressed with technical and economic tools alone. By revealing how economic subsystems work—and must be regarded—as parts of the larger, encompassing social system, instead of being treated as socially disembedded units—the author emphasizes how the social science theories from disciplines such as sociology, economics, anthropology, among others—can be mutually reinforcing instruments, rather than mutually exclusive bodies of knowledge. The paper helps us understand how projects that recognize the connections between the ecological, cultural, and economic sub-systems of each society are able to achieve better results. It also contains valuable suggestions as to how to improve the practical cooperation and the intellectual dialogue between sociologists and economists.

We are delighted to make available in print, for a wide audience, the lecture given by one of the most eminent sociologists of our time, Professor Neil J. Smelser, as an Environment Department publication.

Andrew Steer
Director, Environment Department
The World Bank
1. Introduction

My assignment in this essay is to introduce several distinctively social dimensions associated with processes of economic development. I will cover four broad topics from the point of view of development:

- changes in social structure, including organizational structure;
- changes pertaining to the diversity of developing societies;
- political changes, in particular the development of democratic forms; and
- changes referring to the integration or solidarity of societies.

I will not single out the less developed, the newly-developing, or the developed societies for special focus. Rather, I will strive for the most general principles, and illustrate from societies at different levels of development. Toward the end I will introduce a final topic of special interest to the World Bank community: issues in the application of social science knowledge to policy decisions.

By way of setting the stage further, let me characterize economic development proper, as most economists would look at it.

The fundamental definition of economic development refers to the more productive combination of resources such as to yield increases in various indices of economic activity—production levels, gross national product, energy output or consumption, or others. Beyond these fundamental measures, however, economists look at the special role of a number of other variables, including but not exhausted by the following listing:

(a) the extent and role of international trade;
(b) the extent and role of capital, including international capital;
(c) entrepreneurship;
(d) the composition of development by sector—agricultural, manufacturing, service;
(e) the population and quality of labor supply available; and
(f) the economic policies—monetary, fiscal policies, labor, and welfare—of the state.

It is notable that, even at this economic level, a great many assumptions are made about institutional and other realities of the surrounding society. It is assumed that there exist institutions of the market at some level of development; that there is an infrastructure for holding and transferring funds (even if not a fully-developed banking structure); that there is something like a legal structure, if for no other purpose than
to secure the institutions of property and guarantee peaceful interchange; and that there is some kind of *central political apparatus* (if not a fully developed state) such that economic policies can be generated. In a word, it is impossible to think about economic development, even in very restricted terms, without invoking assumptions about the *rest* of society and its social structures. These assumptions are often implicit, but they must be there.
2. Structural Differentiation

We can go beyond this logical assertion and raise the empirical question of how and in what directions social structures are reorganized during processes of economic development. In this connection, I would like first to introduce the concept of structural differentiation, which is also sometimes referred to as increasing specialization of structures or increasing social complexity. This concept should be clear enough to economists, because in the economic sphere, differentiation refers to the division of labor, which is an honored idea going back at least to Adam Smith. It is still a truth, moreover, that, as Smith argued, increases in productivity and wealth give rise to, or are accompanied by, and/or are caused by dramatic extensions in the division of labor.

If the differentiation is along industrial lines, we see the production process becoming more complex, with the appearance of new managerial, worker, engineering, marketing, personnel, and research roles in firms; as agriculture becomes rationalized, more distinct roles also appear; markets, too, become differentiated into wholesale, retail, brokering roles, etc.; and the service industries likewise proliferate new roles. All these economic roles are invariably more specialized than the functional roles that preceded them. I think we do not know of any cases of economic development that have not been accompanied by a corresponding differentiation of new economic roles.

At an earlier stage of thinking about differentiation, the concept had primary meaning at the societal level. Differentiation was observed in the context of the unit of the nation or state, and differentiation was regarded as "internal," as it were, to that unit. But Adam Smith, Karl Marx and others were also aware of the international division of labor—in the notions that nations gained comparative advantage through specialization and that the same classes were being generated in different societies (the international bourgeoisie, the international proletariat). I do not think, however, that those thinkers could have imagined the degree to which the specialization has become internationalized at the end of the twentieth century. Multinational firms now locate parts of their labor force in one country, parts in another, and assemble their products in still another. Banks are thoroughly internationalized. And finally, through accelerated processes of migration of labor across national boundaries, the internationalization of labor specialization asserts itself in still another manner. We will return to this theme of internationalization and its implications many times later in this essay.
We also know that the process of differentiation extends beyond the economic into other spheres of society. Consider the following examples:

- The very process of forming a wage labor force—which typically supplants peasant family labor, domestic industry, and diffuse craft industries—involves a split, or differentiation of economic roles from family roles. Work is removed from the family, and the family tends to become a more specialized institution geared to intimacy, reproduction, and domestic work mainly by women, but with an overall diminution of work roles in the family. That institution tends to become economically dependent on externally-generated wages earned by its members who work in the market.

- Economic development is typically accompanied by the development of mass education systems, primary at first but secondary and post-secondary later. These are best understood as societal contrivances to generate literacy and skills of workers, and to solidify new kinds of value-commitments (for example, values of national loyalty) in developing societies, but, for my purposes, it is important to note that schools are more specialized organizations than systems of family training and apprenticeship, and involve the proliferation of new roles such as teacher, student, and academic administrator.

- Development tends also to be accompanied by a more structurally differentiated state, with a civil service, a more identifiable system of police, courts that break away from systems of informal community justice, and so on. I mention only this structural aspect at the moment, but will refer to the political complexities associated with development later in the essay.

- Finally, with development we frequently witness the emergence and specialization of still other institutional forms. Consider the relationship between religious morality and law. Typically, though in very different forms, developing countries tend to produce secularized systems of law that become differentiated from the religious traditions of the countries. The West has certainly witnessed this over a period of centuries. We see a most interesting example of the resistance to this separation of religious morality and law in the contemporary Middle East, and we see fundamentalist efforts to subordinate law and governance to religion in developed societies as well. But, as a general rule, organized religious life tends to become separated from other institutional spheres—we call that secularization—in developing societies.

It is difficult to over-estimate how profound this differentiation is as a dynamic force in society. It occasions the movement of people geographically, as the demands for relocation to industrial and other sites express themselves. It also means the shakeup of people's daily routines and ways of surviving in society change, as they must move into different geographical and institutional settings. Furthermore, differentiation means that group and political life are profoundly affected. Karl Marx predicted that the
differentiation between property-owners and wage-laborers would be the basis for new classes and decisive political conflict between them; what Marx did not predict was an even further differentiation of the labor force into dozens of skill levels, into multiple manual-worker and service-worker roles would serve to dilute that class bifurcation and blunt the revolution-ary implications that he saw. But the general point remains: differentiation into specialized roles is the basis for the precipitation of social groups deriving from those roles; that those groups may become conscious of their economic and social positions in society; they may mobilize in their own interests and in doing so they become politically significant in the society.
3. Diversification

The idea of differentiation mainly concerns roles and institutions that have functional significance — structures that have to do with "getting societal tasks done." Moreover, differentiation tells us much about groups and group conflicts that are precipitated from a panoply of structured roles.

Cross-cutting these functional structures, however, is another range of social categorizations, both ascribed and self-assigned, that also constitute bases for assignment to functional roles, personal and group identification, prejudice and discrimination, and the political process. The key word here is ascription. Among ascribed categories are race, ethnic membership, native language, region or locality, age, gender, and religion (the latter a mixed category, because religion involves a mixture of ascription and personal choice). Among non-ascribed bases for personal and group identification is membership in social movements. Some of these are based on the ascriptions noted — as in the case of feminism and regional political groups. Some are issue-based, as in the case of the peace movement, the environmental movement, the animal rights movement, and other groupings based on cultural choice, such as life-style and counter-culture. Sometimes these categories overlap with functional structures — when women are assigned to certain occupations or to greater responsibility for child-care in the family, or when occupations are segregated by race (slavery is the extreme case). Despite this overlap, a distinction can be made between functionally differentiated roles and these other social categories. The former describe the differentiation of society, the latter its diversity. Even this distinction is not always a clean one, because part of the cultural diversity of modern societies arises from distinctive cultural groupings derived from functionally-based groups (e.g., working-class culture, peasant culture, and yuppie lifestyle).

If we look in retrospect at sociological (and some anthropological) thinking about economic development and modernization, we can observe several major intellectual traditions have tended to downplay diversification, or the ascriptive bases of social organization. The following are examples:

- Émile Durkheim, one of the most influential thinkers about the developmental process, regarded the march of progress as the progressive advance of functional differentiation (and its accompaniment, organic solidarity, social integration through the interdependence of different parts), and the retreat and diminution of the ascribed,
primordial bases of society (what he called mechanical solidarity). In his classic, *The Division of Labor in Society*, he argued unambiguously that the march of differentiation was eclipsing the family, the religious basis of life, and the importance of local community, language, and customs.

Karl Marx, representing a very different intellectual tradition, also founded in the modernizing (capitalizing) process an incessant logic that brought economic classes, as functionally-derived phenomena, to the forefront. He saw ethnic and racial identities as a kind of false consciousness (because they worked against class consciousness and class unity), and ultimately passing phenomena. They were regarded as *diversions* from true identity, exploitable by capitalists. Religion was also regarded as diversionary false consciousness and a false basis for group identity.

Max Weber reckoned that the modern West was characterized above all by the irresistible forces of *rationality*, which invaded all sectors of society—economy, bureaucracy, law and administration, and religion. Weber did acknowledge the potential for the reaffirmation of the non-rational, however, in his return to the notion that modernity bred disenchantment, and in his recognition that the rationalization of society would witness the resurgence of charismatic social movements.

In reflecting on these past traditions, it might be remarked that we—as social thinkers and social scientists—should have known better. After all, had not the West lived through centuries of *religious* diversity—from the Reformation through the nineteenth century—which defined the parameters of social conflict right up to the clear triumph of industrialism/nationalism as the organizing bases of social identity and social conflict? (The ignoring of that might be excused by noting that social scientists *themselves* were part of the modernizing impulse, and, by and large, shared the anti-religiosity, anti-privilege, anti-traditionalism of the modernizing impulse, and that they *wanted* those relics of a non-rational past to recede if not disappear.) In addition, religiosity has not only not receded but has become extremely salient in contemporary times, as areas
such as Northern Ireland, Lebanon, Iran, the former Yugoslavia and other Balkan areas, as well as fundamentalist movements everywhere confirm. Race, ethnicity, and localism also have persisted—also less noticed than they should have been—throughout the modernization of the West. And now, in contemporary times, these ascribed bases of conflict—in developed, developing, and less developed countries—the "ascribed" bases of race, ethnicity, religion, language, locality, gender, and age have come forward as salient bases of group identification and politics—so as to give life to labels such as "cultural diversification," "multiculturalism," and "the new tribalism." This has been one of the great surprises of development in the late twentieth century. We do not know how long this great reassertion of ascription and neo-primordialism will last. Furthermore, we do not understand fully the causes of this aggressive impulse toward diversification and neo-primordialism. Any ultimate explanation, however, will have to take account of at least the following features:

- Certain categories have become more salient by virtue of realistic demographic and economic changes. For example, long-term demographic trends—mainly reduced fertility and mortality—have led to dramatic increases in the number (and therefore political significance) of the elderly in developed societies—and elsewhere, as in China, in the future, no doubt. The institutionalization of retirement has also given clearer visibility and commonality of experience as an "older" category removed form the active labor force. Furthermore, the mobilization of the elderly on their own behalf has raised the political consciousness of other age groups, especially in relation to taxation and welfare issues. In addition, the mobilization and political significance of the feminist movement cannot begin to be understood apart from the greatly increased—but in many respects still disadvantaged—participation of women in the paid labor force since World War II, which created new interests and new consciousness among women.

- In many respects cultural diversification has resulted from an actual diversification of populations in many nations through international, inter-regional, and intra-national movement of peoples. This, in turn, has resulted from changes in demand for labor (for example, guest-workers), from wars and other political crises that have produced migrant populations, and from increased tourism. There seems every reason to believe that these movements will increase, even accelerate.

- The political dynamics of localities—both urban and non-urban—generate polarization among "newcomers" and "natives." These dynamics are overdetermined by several sub-processes—the tendencies for newcomers simultaneously to compete economically and to self-segregate culturally, both of which add to their visibility and their threat; the tendencies for natives to react defensively in order to preserve economic positions, political power, and ways of life; and the interaction of these two tendencies to produce cultural and political polarizations.

- The role of the media, especially television. The most common verdict on the media is that they are culturally homog-
Diversification, and their spread through the whole world is cited in support of this verdict. Their effects are, however, evidently more complex. Television brings cosmopolitan reality to localities, thus "diversifying" them, at least during that long and never-completed transition from localism to universal cosmopolitanism. Similarly, the international presence of the media tends to diversify, not to conquer the developing world. Moreover, the media, particularly in the United States, tends to "tame" diversity by including it explicitly into programming and advertising, thus elevating issues such as race, gender, and sexual preference to greater salience for the general viewing public, and imparting greater "diversity" of exposure to their audiences.

- The reaction of national and local political authorities. Later on I will mention how difficult it is for polities—especially democratic ones—to deal with political groups that present their demands in cultural terms. In fact, there is evidence that polities often conspire in the unsuccessful attempt to downplay the political salience of categories such as race, ethnicity, and gender. However, the realities of politics sooner or later force them to recognize these groups as political entities in their own right, and when they do, then tend to heighten the political salience of these categories. I can think of no better illustration of this principle than the recent history of affirmative action in the United States, but we see it in the politics of most countries of the world.

- The weakening of the nation-state as a focus of cultural identity. The combined effect of the internationalization of the economy (with a corresponding loss of control of nation-states over their economic fortunes) and the development of regional political alliances (such as the European Union, and, to a lesser extent, North America) has no doubt given advantage to sub-national regional, ethnic, and language movements in their programs to claim political loyalty. And, again paradoxically, as these very movements gain momentum and legitimacy, they become active forces in the weakening of the nation-state as an object of loyalty.

- It has been suggested, finally, that the tendencies to localization, including the dissolution of former empires and states, are, in fact, a protest against the growing scope of world markets and global politics, perhaps even some kind of reassertion of the limits on human bonding, which can not extend itself indefinitely in scope, superficiality, and diversity. This argument, while worth considering, is very difficult to demonstrate, and perhaps beyond proof. However, it does make sense to interpret the reassertion of localism and local autonomy as an effort on the part of human groups to gain control in a world that seemingly becomes increasingly uncontrollable.
4. The Political System and Democracy

Earlier I mentioned that more complex political structures are an accompaniment of economic development. I now wish to carry that discussion further, and raise the issue of the relationship between development and political democracy. I do so by calling your attention to three aspects of political development that are identified with three corresponding bodies of literature in political science and sociology.

The first is the tacit assumption found in some of the political development literature of the late 1950s and 1960s that built in, not always explicitly, the ideas that political developments in the less developed parts of the world move in a democratic direction. (This was, perhaps, a part of the general assumption in much of the modernization literature that development has a common if not universal trajectory, and that it would work in the direction of a convergence of the modern West.) Such an assumption is found in the work of Gabriel Almond and James S. Coleman (The Politics of Developing Areas, 1960), who spoke of the emergence of new forms of "interest aggregation" "interest articulation," which sounded very much like modern pressure groups and political parties. Whatever the degree of explicitness of this assumption of political convergence, it is now clear that it is oversimplified if not erroneous that the fortunes of democracy are highly contingent, and that the growth of democracy should not be conceived of as correlated with economic development in anything like a linear way.

The second body of literature is that which emphasized "nation-building" as the focus of political development. This literature includes the work of many of those associated with the University of Chicago Committee on New Nations, with the comparative work of Reinhard Bendix, and with the work on political participation and mobilization by Samuel Huntington in the late 1960s and 1970s. That tradition survives in the work of sociologists such as John Meyer, who interpret the spread of mass educational systems, for example, primarily as the result of the nation-building impulse. In this literature the main stress is on political development as a kind of project, in which political leaders are entrepreneurs in developing political structures that will, for example, guide economic development, but, perhaps above all, will develop those structures that will assure political mobilization and stability of a population that has been transformed in terms of its wishes and political aspirations by the broader processes of development.

The third literature, more recent, is also associated with the work of Samuel Huntington, in a book called The Third Wave of
**Democracy.** While, as Tocqueville noted, the drive toward democracy was and would become a "providential fact," the past quarter-century has witnessed a remarkable surge. The new "third wave" was initiated by the revolutionary seizure in Portugal in 1974—a wave affecting dozens of nations throughout the world, and reaching a climax with the events of Tiananmen Square in Beijing and surging through the former Soviet Union and the Eastern European countries. This renewed, though perhaps silently, the quiet hopes of modernization optimists that there was, finally, that hoped-for convergence of capitalist development and democracy.

In my view, the work of the mid-century modernization theorists and that of the state-building theorists have always stood in a somewhat uncomfortable if silent tension with one another. That tension is this: the concept of "democracy" and the ideas of "interest aggregation" and "interest articulation" suggest a bottom-up process that is politically central, whereas the "state-building" logic connotes a kind of entrepreneurship, if not pushing around, from the top. Beyond that, there is another way in which the world-wide impulse toward continued economic growth poses something of a threat to the stability of democracy. That is to say, the drive toward both economic growth and political democracy acts almost universally to increase the economic and political expectations on the part of individual citizens and groups in society. Both these forces translate into political pressures on governments to sustain growth and productivity in their own countries. Political leaders struggle to accommodate such demands in the interest of their own survival, and the spiral is completed as they strive to generate continued growth. In all events, democracy throughout the contemporary world remains a fragile creature, requiring constant bolstering up by a civil society, whose institutions are not always firmly in place, with the result that democracy is at least as likely to fail as it is to succeed. But this raises the more general point—to which I now turn—relating to the integrative role of the state in the contemporary world.
5. The State and Social Integration

When we begin to think of the problem of social integration, we should first remind ourselves that that phenomenon can be determined by a number of different mechanisms, not a single mechanisms. Thus, we may think of the following types of integration:

- **Economic integration**, or the interdependence of specialized economic agents via the market. This is the type of integration stressed by Adam Smith, which Durkheim criticized, but at the same time acknowledged it by placing differentiation so centrally in his own theory of integration.

- **Political-legal integration**, involving the role of government in the maintenance of social order through the regulation of behavior and the resolution of conflict.

- **Cultural integration** (including religion, common values, common ideology, and common language). This is the kind of integration associated with Talcott Parsons' argument that all societies are characterized by a significant level of consensus on common, society-wide values.

- **Integration through stratification-domination**. This form, while bearing a relation to political-legal domination, is not the same. The pre-modern (and pre-nation-state) system of "feudal orders" is an example.

- **Kinship integration**, which binds persons related by blood, marriage, and adoption to one another. In some historical situations kinship is fused with stratification-domination, as in the case of hereditary monarchy.

- **Territorial integration**, or the binding together of people by virtue of their common residence and proximity.

Over the broad historical and comparative sweep, we can point out that one or another—some combination—of these has served as the main form of integration in different societies and cultures. What is historically remarkable is that the modern national society, or nation-state—which was consolidated in the intellectual and ideological work of writers like Thomas Paine and in the political and social work of the French Revolution—is an apparatus or invention that fused almost all these types of social integration in the state itself. That is to say; the modern state became the basis for geographical boundedness (frontiers or borders), political sovereignty; monopoly of force and violence by military and police forces; economic self-sufficiency; cultural
integration or solidarity; common language; and the political identity of a citizenry. This was the essence of the French Revolution's *la patrie*, which was node of *fraternité*. It was the ultimate locus of solidarity in Durkheim's theory. It is also clear that the national state has served as the basic unit of analysis for the different social sciences—the nation for political science, the national economy for economics, the society for sociology, and the culture for anthropology. Only the last, stressing cultural integration, does not focus on the national society as such (probably because its practitioners most often studied stateless societies), but the link between culture and the nation is comfortably made when we refer to German, Japanese, or American culture.

This "strong" or "closed" notion of the national society was a product not only of the intellectual efforts of social theorists and social scientists. It also emerged from the more or less organized projects of modern national societies themselves, which in their recent histories have pursued policies of securing the monopoly of force and violence to themselves, national cultural integration through schooling, language policies, and the media, and loyalty and identification by cultivating and appealing to—even inventing—nationalistic sentiments and national traditions. In a word, national societies themselves have worked toward that unity of national economy, polity, society, and culture—to make the "imagined communities" of modern national societies into real communities.

It is my further thesis that, by virtue of a number of the features of economic and social developments stressed in these remarks, the modern nation-state—everywhere in the world, I would argue—is experiencing a profound modification. To put it most dramatically: the peculiar fusion of solidarities exemplified by the state has proved not to be a natural one, but we are in fact witnessing a growing disjunction, a systematic moving apart of these bases of integration from one another and from the state, and a corresponding weakening of the state as an integrative instrument. Let me mention the most salient evidence:

- The economic division of labor of industries is no longer national but is increasing international in character, as indicated at the beginning of this essay. I refer to the policies and activities of multi-national corporations, banks, and international agencies such as the International Monetary Fund and World Bank, fluctuations in world production, trade and capital flows, and fluctuations in exchange rates. These developments have succeeded, in effect, in removing much of the capacity to control the economic forces affecting nations from the hands of the political and economic leaders of nations themselves. Yet certainly in democracies and in other kinds of polity as well, their political survival depends in significant part on their capacity to affect if not control the economic fortunes of their citizenry. The contradiction here is between the international economic forces that affect nations and their diminished political capacity to control them.

- To a lesser degree, regional political alliances of states, notably in Western Europe, have diminished, by slow degree, the political and economic self-sufficiency of member nations.
Social Dimensions of Economic Development

- With the international movement of peoples, the augmentation of ascribed diversity with nations—discussed above—and the survival of national minorities in newly-founded states (conspicuously in the Balkans and in the former Soviet Union), the map of cultural solidarity coincides less and less with the maps of both territorial and national political integration.

- The political demands of these sub-national cultural groupings and social movements associated with diversification tend to be framed in the language of absolute entitlements rather than items for political compromise, and this poses special difficulties for democratic polities, whose leaders posit their political livelihood on their capacity to forge compromises.

- With the diffusion of the mass media, as well as the technological possibilities for instantaneous invisible communication (via fax and internet) and encryption, national boundaries also tend to dissolve, in this case with respect to control of information flows. These technological possibilities also suggest the possibility of internationally-based informal economies that escape the notice of national authorities even more than domestic ones do.

Put concisely, the major contradiction is that nationally-based systems of political-legal and territorial integration are being increasingly besieged by economic and political developments mainly "from above" and by cultural developments mainly "from below" the nation-state. Those developments present a special problem for the vitality of political democracy. One of the hallmarks of that system of governance, as it has evolved, is that political authorities at the state (and often local) levels are elected by and ultimately accountable to national electorates. But by virtue of the erosion of certain aspects of the state's integrative capacities, democratic representatives of national peoples become progressively less able to govern and assure integration, because they lose control of many of the fundamental instruments of integration. In a word, they are, more and more, being held accountable for matters for which they cannot be accountable.
6. Social-Science Knowledge in the Generation and Execution of World Bank Policy

What follows is a radical change of subject, but it occurs to me that in light of the audience who reads this essay, I might conclude with a few words about the art of applying social-science knowledge.

As I understand it, the kind of model that frequently informs World Bank policy goes something like the following. Based on some theory of systematic interconnections among economic variables, an intervention consists of some action intended to affect one or more aspects of economic life—capital investment, government expenditures, taxation, interest rates, etc.—and this will help induce the economy to produce one or more results—control of inflation, decreased dependence on imports, and, ultimately, economic growth and stability. Without passing judgment at the moment on the adequacy of this line of thinking, I would point out that the invoked "theory" is represented as a body of knowledge governed by known causal relations among a specified set of variables. Policy, then, is deliberate action taken to push, affect, or otherwise alter one or more of the variables in order to produce some economic result.

One question that arises immediately is the following: Is this kind of model the appropriate one to be invoked or employed in social or political interventions, themselves also aimed presumably at encouraging economic development and stability? Three reasons come to my mind to suggest that it is not.

1. It is an open question as to how appropriate the model is for economic interventions themselves, because we know that many "uncontrolled" social and political processes become activated and may undermine the intended result of, for example, loans aimed at developing infrastructure or improving the economic performance of developing countries. World Bank evaluations of its own policies have uncovered ample evidence of such unintended and negative consequences.

2. Our knowledge about the interconnections among political/social processes and economic processes is, unfortunately, not as precisely formulated or understood as the relations among economic variables.

3. Most important, the causal mechanisms that are at work in the relations among political/social variables are not of the push-one-button-and-expect-definite results variety. Effects of interventions are likely to be more the result of pro-
To conclude, I will extend a brief observation to my colleagues in anthropology, political science and sociology on the topic of measurement of social variables and institutions.

I would imagine that scholars in these disciplines who are associated with the World Bank are forever hearing—mainly from economists—about the fuzziness and softness of their own fields, particularly when it comes to generating quantitatively precise measurements. I would suggest that we can respond to such criticisms in four ways:

First, to point with pride to institutional areas in which our disciplines have made significant advances in measurement—voting and other kinds of political participation, educational attainment, social mobility, and other social statistics such as marital formation and dissolution. These are accomplishments, but they also present serious methodological problems, particularly in comparative analysis.

Second, to acknowledge frankly those instances when we as social scientists evidently fall short in efforts to measure some variables—for example, social cohesion or integration, value consensus, and a lot of others—acknowledging at the same time that these are extremely vital if not very well measured aspects of the economic, political, and social process.

Third, to counterattack, because, in truth, the measurements of many so-called economic variables, especially when viewed in comparative context, cause as many methodological headaches as other kinds of measures. I refer to variables such as labor-force participation, unemployment, and gross domestic product in societies that are not highly monetized.

Fourth, to invite help from any quarter where we can find it in order to improve measurement and precision in the social sciences. After all, methodological excellence is a public good, and its collective development constitutes a gain for all parties involved in the scientific enterprise, regardless of their discipline or field of interest.
References

For readers who might wish to consult works of my own that relate to economic sociology, social aspects of economic development, and social change, I append the following list of books:


The following articles are also relevant:


About the Author

Neil J. Smelser is Director of the Center for Advanced Study in the Behavioral Sciences, Stanford, California. From 1958 to 1994 he was on the faculty of Sociology of the University of California, Berkeley, serving as University Professor since 1971.


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