Economic Sociology or Economic Imperialism? The Case of Gary C. Becker

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ECONOMIC SOCIOLOGY OR ECONOMIC IMPERIALISM?:THE CASE OF GARY C. BECKER

Economics must be the handmaid of sociology.—Wicksteed, The Common Sense of Political Economy

INTRODUCTION.

Becker was one of the first economists to branch into what were traditionally considered topics belonging to sociology, including racial discrimination, crime, family organization, and drug addiction. (Cf. Freakonomics.) He is known for arguing that many different types of human behavior can be seen as rational and utility maximizing. He is also among the foremost exponents of the study of human capital. Becker is also credited with the "rotten kid theorem". According to the Nobel Prize citation, his work can be categorized into four areas: * investments in human capital * behavior of the family (or household), including distribution of work and allocation of time in the family * crime and punishment * discrimination on the markets for labor and goods.

His prime axiom - that all actors in the social game are economic persons who maximize their advantages in different cost situations - allows Becker to study so many different social phenomena that their sheer variety is mind-bogling: racial and sexual discrimination, human capital, social capital, crime and punishment, marriage and divorce, the family, drug addiction, and other in his eyes only apparently non-economic dimensions of society.

Thus, Becker does not restrict himself only to analyzing market behavior; rather he expanded the domain of economics by applying an economic approach in understanding problems beyond those characterized by market transactions. The orthodox economist's way of thinking about behavior is one where economic agents, both as individuals as well as parts of a larger community, face resource limitations that force them to make choices. At an individual level they make rational choices that are co-ordinated through the market or some other mechanism. In other words, economists apply an optimization principle subject to resource constraint and use equilibrium conditions for coordination of individuals' actions.

This notion refers to an abstract market, whose 'extreme abstraction' (Slater and Tonkiss 2001:16) or ontological indeterminateness allows for its putatively universal application to all social domains. Since neoclassical economics taken over by Becker construes society as Bastiat's "great market place," it becomes a set of ordinary or explicit and social or implicit 'markets' (Becker and Murphy 2000).An adversary of Becker quoting his statement to the effect that "The economic approach ... now assumes that individuals maximize their utility from basic preferences that do not change rapidly over time and that the behavior of different individuals is coordinated by explicit or implicit markets ... The economic approach is not restricted to material goods and wants or to markets with monetary transactions, and conceptually does not distinguish between major or minor decisions or between "emotional" and other decisions. Indeed, the economic approach provides a framework applicable to all human behavior - to all types of decisions and to persons from all walks of life" comments that "nothing now escapes explanation in terms of the maximizing agent - structural organizations, firms or contracts, parliaments and municipal authorities, marriage (conceived as the economic exchange of services of production and reproduction) or the household, and relations between parents and children or the state. This mode of universal explanation by an explanatory principle that is itself universal (individual preferences are exogenous, ordered and stable and hence without contingent genesis or evolution) no longer knows any bounds. Gary Becker does not even recognize those bounds Pareto himself was forced to assume in the founding text in which, identifying the rationality of economic behaviour with rationality as such, he distinguished between strictly economic behaviour, which is the outcome of 'a series of logical reasonings' based on experience, and behaviour determined by 'custom', such as the act of raising one's hat on entering a room 34 (thus acknowledging another principle of action - usage, tradition or custom - unlike methodological individualism which recognizes only the alternative between conscious and deliberate choice, satisfying certain conditions of efficacy and coherence, and the 'social norm', which also requires a choice for it to become effective"(Bourdieu 2005:210).

HUMAN CAPITAL.

Becker's research was fundamental in arguing for the augmentability of human capital. individual make choices of investing in human capital based on rational benefits and cost that include a return on investment as well as a cultural aspect. His research included the impact of positive and negative habits such as punctuality and alcoholism on human capital. He explored the different rates of return for different people and the resulting macroeconomic implications.
Pierre Bourdieu begins his statement on the theory under consideration on a kind note, so the reader may be forgiven for being taken by surprise by what follows – namely, an assult on human capital from the perspective, paradoxically, of other forms of capital to which Bourdieu himself subscribes:
Economists might seem to deserve credit for explicitly raising the question of the relationship between the rates of profit on educational investment and on economic investment (and its evolution). But their measurement of the yield from scholastic investment takes account only of monetary investments and profits, or those directly convertible into money, such as the costs of schooling and the cash equivalent of time devoted to study; they are unable to explain the different proportions of their resources which different agents or different social classes allocate to economic investment and cultural investment because they fail to take systematic account of the structure of the differential chances of profit which the various markets offer these agents or classes as a function of the volume and the composition of their assets (see esp. Becker 1964b). Furthermore, because they neglect to relate scholastic investment strategies to the whole set of educational strategies and to the system of reproduction strategies, they inevitably, by a necessary paradox, let slip the best hidden and socially most determinant educational investment, namely, the domestic transmission of cultural capital. Their studies of the relationship between academic ability and academic investment show that they are unaware that ability or talent is itself the product of an investment of time and cultural capital (Becker 1964a, p. 63-66). Not surprisingly, when endeavoring to evaluate the profits of scholastic investment, they can only consider the profitability of educational expenditure for society as a whole, the 'social rate of return,' or the 'social gain of education as measured by its effects on national productivity' (Becker 1964b, pp. 121, 155). This typically functionalist definition of the functions of education ignores the contribution which the educational system makes to the reproduction of the social structure by sanctioning the hereditary transmission of cultural capital. From the very beginning, a definition of human capital, despite its humanistic connotations, does not move beyond economism and ignores, inter alia, the fact that the scholastic yield from educational action depends on the cultural capital previously invested by the family. Moreover, the economic and social yield of the educational qualification depends on the social capital, again inherited, which can be used to back it up. (1986)
Our Criticism of Becker's, and others' for that matter abuse of the concept of capital does not mean denying the importance of reality of the issues hiding behind all these buzzwords. Except that for their exploration it is essential to carefully separate what was hastily combined

as a result of often imperfect economic knowledge, as exeplified by such famous economists as Theodore W. Schultz or Gary Becker, sociologists and political experts who all show gaps in their knowledge of economy manifested in ignorance of the relationship between such categories as the capital, rent, quasi rent and most of all property. It is on the latter - in economic respect - we focus later in the text.

W. Petty back in the late seventeenth century attempted to estimate the monetary value of the entire population of England at that time, including human into capital. Because just as in the case of fixed capital also humans incur expenditure which are the source of the ability to provide services. With sales of services expenditure is paid back at a profit. William Petty estimated the value of the assets of the seventeenth-century England, whose conclusion was that the value of labor resources exceeds approximately 70% the value of fixed assets.

Similarly, for Adam Smith knowledge embodied in man and his learned skills were one of the forms, which manifests itself in the fixed capital. He distinguished between two types of capital. First, goods created turnover capital that produce revenue as a result of sales during the production cycle. The fixed capital consists of the tools, buildings and knowledge embodied in employees and their skills. This understanding of 'human capital' resulted from the assumption that capital is constituted of the means of production produced with the use of material resources

Employee earns his qualifications and skills while studying or training. At the same time he must receive funds for maintenance. Material resources, capital spent on these resources are real expenditure creating fixed capital, which therefore is somehow embodied in man.

Skills lead to greater efficiency and productivity of the worker, which in turn depend on the division of labor. According to our formerly mentioned socio-economic approach we are actually dealing here with the economic ownership effect.

Further development of the concept of accumulation of knowledge and skills of human beings is associated with the name of J.B. Say. According to Say work may be either productive and not productive. This second type can bring intangible effects, such as a lecture which is used by the student. Processing such effects (lecture) by, as Say understood, its consumption increases the production fund. However, this fund is a form of capital, from which its owner may derive income or profit. In other words, the 'capital' which one man has in the form of knowledge, skills, was transformed into an intangible result. In the process of accumulation and consumption, this effect was turned into a 'capital' of another person. In the 'Treatise of political economy'

Say also alluded to other aspects that currently form the human capital theory. He suggested a method for estimating the value of 'human capital' according to the achieved income in the period of earning. He also touched the problems of emigration of human resources from the point of view of losses for the left country. A more theoretically reasonable is, however, the approach to this issue from the point of view of the socio economic theory of property which turns the attention to the national nature of expenditure and training of labour force, whose holders emigrating leave the nation without the possibility of benefiting from the results of education and, taking in the form of their private labour power the effects of this education they transfer them to the other nation, including its specific classes. So accurate picture of the socioeconomic nature of the relationship taking place cannot be drawn by any theory of human capital.

Observations on the quality of human resources may be encountered in a pragmatic approach to business processes by A. Marshall. He lists the characteristics of work as a production factor, to which he particularly includes: lack of the existence of the capital market for labor and integral bond of employee with the work done by him. Marshall also argued, touching implicitly the economic issues of ownership, that during training of workforce from the

initiative of the employer external benefits arise from which effects the employer can not fully benefit.
Arthur Cecil Pigou said: “Equally with investment in material capital, there are investments in human capital. Upon recognition of this fact the difference between saving in the consumption and savings in production is blurred. To some extent, consumption is an investment in an individual production capacity”. And again, this claim touches the economic and sociological issues of the property theory, but since it does so in a cryptic way, it hides more than it discloses.
On the basis of modern neoclassical theory the pioneer of the use of the term was Jacob Mincer in the article ‘Investment in Human Capital and Personal Income Distribution,’ published in The Journal of Political Economy in 1958.
Apart from this economist, among the best-known works regarding human capital are those by Th. Schultz and naturally G. Becker, particularly the book titled ‘Human Capital,’ published in 1964.
In terms of economic and sociological forms of ownership one should also consider condition, often cited as explaining and justifying the introduction of the concept of human capital, and consisting of the special characteristics of knowledge. Unlike MANUAL labor and other production factors, the use of knowledge leads to its expansion and self-development, ‘as far as physicians acquire more experience, their knowledge base grows, similarly to their equipment in human capital. Economics of scarcity is replaced by spontaneous generation. Portable and knowledge that can be shared can be transferred and shared. This transfer does not prevent the use of the given knowledge by its original holder. Transfer of knowledge may, however, reduce its scarcity value to its original holder <enwikipedia.org / wiki / Human_capital>>.
Similarity of concepts of human capital and one of the key objects of economic and socio biological ownership - the labour power is demonstrated by the concise definition of the former: human capital is embodied knowledge and skills (Becker et al., 1990).
This affinity is also shown by the otherwise surprising and rarely quoted use of the term ‘human capital’ by non other than Karl Marx, who wrote in relation to one of the ways of production of feudal economic formation of society: “One of the ways in which the nobility disposed of its human capital was letting them (the carriers - note. JT) or allowing for an annual fee (fodder) per journey and earn a living in a random way” (Marx, 1859).
This type of serfdom of feudal peasant was expressed in the necessity for donations to the owner of labour rent, although he, as a partial holder of its own labour power, to some extent freely disposed of it”(1859).
Viewing the working class and other employee classes as owning their own labour power points to the most fundamental, in our view, flaw of human capital theory which, contrariwise, treats them in effect not as employees but as their own employers! From its perspective, after all, the classes concerned own their own human capital, hence should be treated as capitalists. And indeed, on the basis of the theory under consideration both the workers and their class opponents earn “rates of return” on their respective capitals. By the same token, the theory accomplishes a genuine feat – erases out of existence the crucial class cleavage in the capitalist economic capitalist formation of society. All the above-mentioned classes own capital, after all. Albeit it does not directly detracts from the cognitive merits of the theory, which must be demonstrated or called into question separately, the ideological nature of the just mentioned conclusion is crystal clear.
Returning to the former, scientific focus, it may be noted that the fundamental theory of G. Becker has been undermined by the micro-economic approach to information theory. Among others, AS Fine points out, in its framework the category of information asymmetry was applied to completely disregarded by Becker's financial markets, and similarly, the

application of this approach to the labor market revealed its shortcomings, calling into question the notion of efficient wages and with it the whole concept of human capital, especially its empirical conclusions about rates of return on investments for education, which - as noted by Fine - was enough to ensure that the theory of human capital was renounced by one of its most ardent supporters (2001: 20, 46).

It is, on the other side, another rather harsh critic of the theory under consideration who condemns its ideological function manifested in its capacity "to justify inequalities (...) (with reference to) .. two people working a similar number of hours at the same company, one of which earns 10, 100 or 1000 times more than the other. The concept of human capital justifies this glaring inequality, as well as any other, which can always be said to result from the 'non observed' and 'non observable' differences in human capital in both people' (Hyde). According to the researcher the human capital theory plays equally apologetic functions under the legal doctrine, not adding an ounce of explanatory power.

The discussed theory has not become part of the accounting practice, for example, when AT & T Corporation reduces employment by 40 thousand employees that we will call conceptual, it 'does not writes down any share capital; it only subtracts their salaries from the amount of corporate spending.".

Hyde goes on to say that 'the theory of human capital plays no role in the tax law or accounting practice, and its absence facilitates preference of lay-offs and reduction over other methods of cutting corporate costs." The theory is also absent in employment discrimination[1] cases in which requirements of education regarding individual positions are pushed aside because of their 'divergent effect' on different racial groups. Such educational requirements can not be maintained as a stimulus for further individual investment in human capital.

On the other hand, human capital theory hides behind the justification of otherwise not defensible features of the labor law, such as competition limitation, the obligation of employees to pay back employers for training costs and trade secrets. The theory of human capital is a fundamental obstacle on the road towards the realization of our most urgent legal and economic needs: to understand the economics of information, particularly ownership of the information when it is nobody's property. (Hyde). Without challenging the validity of the argument of the author, one has to accuse him, in turn, of legal formalism of the concept of property, showing in the use of the above-mentioned notion of nobody's property behind which most likely some sort of common property is hiding. Avoiding this kind of juridical or common sense fiction, adopted in this study socioeconomic theory of property allows also, as we shall see, the inclusion in the sphere of analysis of phenomena neglected by the concept of human capital, such as discrimination Discrimination based on gender, ethnicity, etc. connections, networking, personal credentials, etc. All can be incorporated into the framework

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[1] This is linked to more general point pointed out by Steel: „In ignoring the relevance of values, neoclassical analysis overstates the relevance of preferences. Thus, for illustration, Gary Becker's The Economics of Discrimination (1957) and Harry Johnson's "A Theoretical Model of Economic Nationalism in New and Developing States" (1965) might be indicted for having "fostered the illusion that 'raising the cost' of discrimination (or nationalism) is the simple and sovereign policy instrumen"(Steel 2004). Along the same lines, Steel stresses that „"in restricting explanations of behavioral patterns to changes in prices, incomes, and other "economic" variables to the neglect of any appraisal of values, neoclassical analysis was destined to draw implausible conclusions. Thus, in their analysis of beneficial and harmful addictions, Gary Becker (1930–) and George Stigler (1911–) "take the elasticity of the individual's demand curve for music or heroin as given and, it would seem, immutable" (Hirschman 1984: 90). Thereby, the normative aspects of education are excluded from the "positive" remit of neoclassical economics. The implicit assumption—that, though responding rationally to price incentives, both the Philistine and the drug addict are beyond redemption or, rather, have no call upon our abilities to educate—denies any consideration of the uniqueness of man within the animal kingdom. The uniqueness is that man is able to reflect upon his values (or opinions): Man is the only animal that laughs and weeps; for he is the only animal that is struck with the difference between what things are and what they ought to be. (Hazlett 1819)" (Steel 2004). For getting people to indulge less in those odd 'tastes' " (Hirschman 1984: 90).

of our theoretical approach. For it does not negate the importance of phenomena dealt with under the slogan of human capital or relative achievements of the theory such as drawing attention to diversity - in our categories - of labor power, unlike the unedimensional concept of the factor “labour” or extension of the field of study onto long-term (or even lifetime) earnings, as opposed to only the current wage. On the other hand, due to the fundamental theoretical reasons we can not remain uncritical to it.
According to the theory under investigation the rational worker invests in training which will maximize the economic return (earnings) on investments while free competition among firms for labor skills guarantees a price for that labour
The theory’s focusing on individuals means that explanatory variables are personal properties while taking structure largely for granted. As a result socio-economic success or failure hinges upon the characteristics brought into the marketplace by the individual workers. This model of earnings determination, however, is unsustainable. Beck, et al (1979). focus on the issue of fixed returns, the assumption by human capital theorists that economic returns to worker characteristics are uniform.
In order to do this, they rely on sectoral economic differentiation models based on theories of economic dualism. These models[2] divide the industrial structure into distinctive sectors within which employers and workers face fundamentally different conditions and operate according to fundamentally different rules. Beck, et al. distinguish two sectors:
1.) The core industrial sector: This is dominated by large corporate enterprises which came to constitute an oligopolistic system of production. It includes those industries that comprise the muscle of American economic and political power. The firms are noted for high productivity, high wages, high profits, intensive utilization of capital, high incidence of monopoly, and high degree of unionization. E.g., automobile, steel, and rubber industries.
2.) The peripheral sector: This is characterized by small firms, operating in a more or less open, competitive capitalistic environment. They are concentrated in agriculture, nondurable manufacturing, retail trade, and subprofessional services. The peripheral industries are noted for their small size, labour intensity, low profits, low productivity, intensive productivity, intensive product market competition, lack of unionisation, and low wages. unlike the core sector industries, the periphery lacks the assets, size, and political power to take advantage of economies of scale or to spend large sums on research and development.
Theories of dual economy suggest that these sectoral differences have important implications for the opportunity structures and work experiences faced by individual employees.
Beck, et al. perform empirical analyses on data from the 1975 and 1976 General Social Surveys. The sample consisted of 1,683 members of the experienced civilian labor force. The independent variables were:

1.) Human Capital Variables: parental education and occupational prestige, age, respondent's education (investment)
2.) Demographic Variables: gender and race
3.) Occupational Variables: occupational prestige, union membership, employment status, work stability, and industrial sector (core vs. periphery)

The dependent variables were the natural logarithm of annual earnings and a binary variable coded for earnings below the poverty threshold. The results, in a nutshell, are:

1.) There are important differences in the labor force composition , work experiences, and earnings of the sectors. Core workers have larger, more homogeneous annual earnings than do periphery workers. They also have, on the average, more schooling, better educational credentials, parents with better education and higher occupational status, and they are more likely to be male and white than female and non-white. Also, core

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[2] They are similar to that by Galbraith.

members are more likely to be in higher prestige occupations, to be employed full time, to work more hours per week, and to belong to a union.

2.) There are persistent sectoral differences in economic outcomes which cannot be explained by the racial, sexual, human capital, or occupational characteristics of their respective labor forces. (Baron)

As regards the notion of human capital, one cannot but overlook its ambiguity. Becker in the slogan written for the Small Encyclopaedia of Economics, writes that the material forms of capital are not the only ones; education, computer course, spending on health care, lectures on the virtues of punctuality and honesty are also capital. However, because they raise earnings, improve health or develop a person's good habits over the majority of the person's life. Therefore, economists claim spending on education, training, health care, etc. to be investment in capital. These are called human capital ... 'The ambiguity here lies in the inability to determine whether the author refers the concept of equity to education, health, etc. or to the efforts to gain or improve these.

This definitional vagueness is not eliminated by the fact that Becker claims further that education and training are the most important investments in human capital. Such a dual approach also applies to certain concepts related by substance to the Becker theory of human capital, in particular the notion of the family or household.

HOUSEHOLDS .

On the basis of his own questionable assumptions Gary Becker stated that 80% of the resources of rich countries is human capital. Material resources, facilities and natural resources are only 20%. In his 'Treatise on the Family' the US economist and sociologist emphasized the role of the so-called basic cell of society in the creation of human capital. According to Becker, it is in the family that young children acquirethese basic characteristics that make that society properly functioning, characteristics such as solidarity between siblings, solidarity between parents and children, respect for others,punctuality, love of order, etc. All these basic features are acquired in the family.

And that as a standard, these tasks and many others fall on the shoulders of women (Becker stresses that the mother is a cook, seamstress, teacher, nurse, an economist, judge, etc.) the author of "Treatise on the Family" claims that he was able to even give a number that indicates the importance of mother: according to him through their work they produce at least 30% of national income.

These statements are a part of Becker's theory of the household according to which 'households' are no longer treated as passive consumers of goods and services purchased in the market sector, but as active producers of such non-market goods, as health or prestige. These goods are the result of a combination of market goods, the time available to household members and the variable 'environmental', such as education, capacity and others' (Becker 1990: 162). These statements involve a number of problems.

While what has been called Becker's economic imperialism has been often criticize, we also have to admit the undeniable merit of his analysis in its extension onto activities in the household. Leaving the answer to the question primarily to economists to what extent such activities should be counted to national income, and similar economic indicators, we cannot leave without a comment many specific characteristics of their recognition by Becker. In the above part of the book of the US economist and sociologist, the Polish translator used the term "commodity". In that same book there is talk about commodities, which are a direct source of utility' (Becker 1990: 236). Well, the English equivalent of the term "good" is "good" rather than "commodity", the latter term means commodity, and if we apply it to 'good', then to mass produced good on a large scale, which, as is easy to notice, does not

apply - however we would recognise their creations - to households. Classic examples of the products described in the language of economists as commodities are the products of agriculture or extractive industries: wheat, oil, units of which are indistinguishable from each other and therefore exchangeable for others that are natural candidate for the role of the object of trade in the markets of futures and other derivative instruments.
The fact that the author himself had doubts about his own terminology, is provided by the 'Treatise on the Family' in which the term 'commodities' is indeed consistent, but always in inverted commas, which naturally causes more than solves problems.
Becker writes, for example: "Time and goods are contributions to the production of 'commodities', which are a direct source of utility. These goods can not be purchased on the market, but they are produced and consumed by households using market purchases" (Becker 1990: 31).
Becker, therefore, on the one hand distinguishes market goods or non-market goods, but he blurs the distinction by introducing the ambiguous term of 'commodities' or quasi-goods. However, goods and services produced and consumed within the families or households are not any goods, because they are devoid of their basic feature, which is exchange value. production for profit. Goods and services in question are an element of natural economy, not market economy. It is a sector of the economy of a real fundamental economic and social significance3 ; and from this point of view, it's good that Becker - though of course he was not the only nor the first - paid analytical attention to it, however, theoretical categories through which he considers this sector are neither adequate nor fortunate. Becker uses in that context the word 'work' (housework, division of household labor).
Activity, whether a man's or woman's or a child's within the family is not work nor labour - unless it has the nature of commercial activity, is used to get the basic means of sustenance.
This theoretical and conceptual confusion has its source equally in the dogmatism of our awardee, seeking to expand what he posits the extension of the principles of economic theory onto non-economic fabric of society. This materializes in reality not as much in expansion but in narrowing of the point of view and forcing phenomena and processes within these structures into an overly tight frames of these initial ones, expanding horizon of analysis, which reveals lack of clarity in the issue of understanding of the concept of economy and its relationship to the concept of production of material goods etc. One of the consequences of a lack of having an adequate theory of society as a whole is a conflation in the Becker description of 'production' of a household of real economic activities with the activities which by no means belong to economy, which is seen in this enumeration: Goods produced in the household are numerous and include, for example, quality of meals, offspring quality,

[3] Data from 12 OECD countries from different years in the period between 1985-1992 shows that the average time for an adult's paid job was 24 hours per week, while the average duration of 'work' in the household was more, because 26 hours per week (Goldschmidt-Clermont and Pagnossin-Aligisakis 1995 ; Ironmonger 1995). Becker has therefore the basis to claim (even if the statement contains questionable parts) that 'in the entire history the volume of expenditure of time assigned to paid work never permanently exceeded the volumes of time spent on other types of human activity. Even if the working week was six days 14 hours a day, still half of the global time was devoted to sleeping, eating and other activities. Economic development led to the great secular shortening of the work week, so that now in most countries it is not more than fifty hours, i.e. is less than one third of total disposable time. As a consequence issues of allocation of time not used for commercial activity and efficiency of this use may be at present more important for economic welfare than the issues of working time itself; interest of economists in the issues of working time is, however, still uncomparably greater. Fortunately, there can be observed some turn in the direction of restoring appropriate proportions. A longtime time tendency of shifts in the volume of time devoted to earnings-oriented work is decreasing – in part because the young come late to the labour market due to longer periods of education. (Becker 1990: 161).

prestige, recreation, companionship, love, health ,..(..).. 'good health', the offspring, marriage or ‘interurban visits’ (Becker p. 257, 353). Hhis glossing over the economic disparities between economic and non-economic activities and leads to false analogies: ‘Great companies are much more common than large households because scale benefits from specialized investments and division of labour are more important for companies (Becker 1991: 301).

FAMILIES.

Closely connected with the theory of household production remains - on its part also linked to the concept of human capital - Becker's theory of the family.
This concept, with its central thesis on the distribution of ‘work’ between the spouses, thanks to which one of them (in a typical situation the husband) may specialize in commercial activities, while the second - in the household activities, which allows both to focus on that in which they show, in economic theory words, comparative advantages which serves to explain the phenomenon of higher wages that men are to achieve compared with singletons. In contrast, no one bachelor is able to establish such a division of activities and from the nature of things is loaded with both paid work and household duties, which must limit his investments in his own human capital. Because of the relative impairment of unmarried men compared to married men, the latter according to Becker's model should be more productive and hence earn more (Loh, 1996).
Becker's family theory does not work, however, when confronted with empirical data. According to this theory working men with not working wives should receive higher salaries compared with those who also work, but whose wives also work. They have greater opportunities for human capital accumulation through greater specialization. However, in a situation when both spouses work, the possibilities of specialization are decreased, and the excess wages earned by such men compared to unmarried men should accordingly also be reduced (Gray, 1997)
The results of multiple regression, however, have not confirmed the existence of such interdependencies between the size of the premium and the number of hours devoted by the wives to the household.
It was assumed that more educated wives are more likely to specialize in paid work, thus forcing 'their husbands to take on more household duties reducing size of this premium. It was found that compared with single men, married men whose wives did not complete secondary education earn 11.8 percent less have secondary education - earn 4.3 percent more have incomplete higher education - earn 7.1 percent more have complete higher education - 11.5 percent more (Cornwell & Rupert, 1997).
It is clear that, contrary to Becker's notion, married men gain from marriage with educated women. But how to explain these results, contrary to the implications of the theory of Becker according to which the work of wives means the transfer of most of the domestic yoke on the shoulders of men, which reduces their commercial focus preference. Well, first, families with higher income, which is often associated with higher education usually employ nannies and other domestic servants, and, secondly, which is even compatible with more general assumptions of Becker's approach, families with higher education realize the existence of higher costs of abstaining implied by time spent on household production, therefore choosing to have fewer children. Both these factors make the yoke of domestic toil in the better-educated families actually smaller (Loh, 1996).
Attention is also drawn to another factor that may act in the same direction - better career opportunities of men who have educated wives thanks to the help (advice on transfers, tasks, etc.) which the wives are able to afford them in this field (Korenman & Neumark, 1994).

In another study, checking Becker's theory it was taken into account the class differences based comparing with each other the differences of salaries of married men and single men on the basis of, on the one hand, the so-called. self employed (i.e. the representatives of the petty bourgeois class), on the other hand - employees. According to the theory by Becker's if married men are actually more productive than the unmarried men, then this higher productivity should be revealed with higher earnings regardless of where and how they earn for a living. Meanwhile, regressions showed that there is a significant difference in this respect, to the detriment of ‘self-employed. Whatever the reasons for this state of affairs (among the possible reasons the following were hinted: later marriages of businessmen arising from the time they have to devote to the establishment and operation of their businesses, which means reduction of benefits from marriage, lowering revenue by business people for tax reasons embracing, which reflects the class economic specific situation of this class their earnings from work, both incomes and losses from economic activity also losses) does not correspond to the Becker thesis of the family theory. Finally, the third large study regarded the comparison of the salaries of men who lived before the wedding with their subsequent spouses and those who did not go through such cohabitation. According to Becker's theory wages should be higher in the first case due to the longer period of investment in human capital. Even if in the period of cohabitation there was no formation of any division of labor, the knowledge accumulated during this period by both partners on their strengths and weaknesses gives them a privileged starting point for developing such a specialisation at the beginning of the formal period of cohabitation (Loh, 1996.) Meanwhile, empirical data suggest that both groups receive remuneration with the same difference in plus compared to unmarried men, which undermines the concept of specialization of Becker's.
It is worth quoting the results of a test of identical twins, which, not necessarily upholding the theory formulated by Becker, however confirms the thesis of the higher salaries earned by married men compared to unmarried men. This type of twins were selected for the study due to their identical genetic equipment and the environment in which they grow up, which means having identical physical and mental capacity, and thus, which can be reasonably assumed, productivity. . This allows one to conclude that if between these brothers there is a difference in earnings, the reason is marriage.
As the study of 136 pairs of monozygotic twins showed (85 per cent of them were married and in 23 percent of the cases, one of the twins was married, but his brother) married men with these characteristics controlling the impact of education have 26 percent higher wages than their unmarried brothers.
Similar results were obtained, taking into account other factors whose impact on the studied phenomenon was neutralized, such as the status of divorcee, a widower, spouse's work experience, the career, number of children (Antonovics & Town, 2004).
Gary Becker was as is well known both the economist and sociologist. Strange therefore that he did not pay attention to common property (in the socio-economic sense) as the basis of the family in the sense defined by him. He stated: “The family is an organization with a very high level of internal, mutual, connections. It has the following characteristics: any redistribution of income within it does not impact on consumption or on the welfare of any of its members because it immediately entails compensatory transfers from the head of the family. Both the head of the family and its other members act as if all 'loved' each other ‘(even if they were selfish) in the sense that they maximize not their individual ‘own’ income, but income of the family”(Becker 1990: 436).
In the above definition a formula appeared referring to the fact that ‘even the selfish family members are sometimes willing to do, as if their attitude towards others was altruistic.
This tendency to simulate altruism, Becker christened with the rotten kid theorem. This theorem, according to the naturalistic trend detectable in Becker, was used by the American

economist and sociologist to among others ‘explain why biological selection can in the course of time work in favour of altruistic behaviour (Becker 1990, 432).
Interestingly enough, in another work the author challenged the validity of his theorem, showing that it does not apply ‘when parents do not provide children with gifts or inheritances. This may be because their altruism is weak, but even parents with strong altruistic tendencies may not give gifts or inheritances, if they expect that their children will be much richer than themselves. Children are more affluent than their parents, when economic growth is fast and if their equipment in the skills and other characteristics is higher than that of their parents.
Inheritances are large in rich families, quite common in middle-class families and irrelevant to the poor. One of the reasons is the fact that children's equipment is usually greater than their parents' in poor families, but are often lower in rich families’ (Becker 1991: 364).
Empirical evidence for the concept of altruistically motivated transfers and altruistic ties having an impact on consumption in families are at best mixed (Cox 1987, Cox 1990, Cox & Rank 1992, Altonji et al. 1992, Altonji et al. 1997).
The rotten kid theorem itself was negatively reviewed in research.
That's not all, although in the above formulation Becker used the term ‘as if’, then in the ‘Treatise’ he calls altruism the same behaviour without any adjectives, which blurs the qualitative differences between different types of actions and may be accepted only on the basis of extreme type of behaviourism: “Because the altruist maximizes his own utility , he may be from the perspective of utility called selfish, not altruist..(..).. I give a definition of altruism, which concerns the behaviour - choices of production and consumption, rather than a philosophical discussion about what really motivates people”(“Becker 1991: 279).

MARRIAGE.

As has been indicated above, Becker's research on human capital has had many implications for the family such as the marriage market, divorce, fertility. Becker argued that such decisions are made in a marginal cost and marginal benefit framework. For example, he found that wealthier couples have higher cost to divorce and thus a lower divorce rate. A major focus of Becker's research was the impact of higher real wages in increasing the value of time and therefore the cost of home production such as childrearing. As women increase investment in human capital and enter the work force the opportunity cost of childcare rises. Additionally, the increased rate of return to education raises the desire to provided children with formal and costly education. Coupled together, the impact is to lower fertility rates. A more controversial issue was Becker's conclusion that parents often act altruistically towards selfish children by highly investing in a child in an effort to indirectly save for old age. Becker believed that the rate of return from investing in children was often greater than normal retirement savings. However, parents can not know for sure that child will take care of them. Since they cannot legally bind a child to care for them they often resort to manipulation through instilling a sense of "guilt, obligation, duty and filial love that indirectly, but still very effectively .commits children to helping them out." Becker even went so far as to say that social security can cause families to be less interdependent by removing the motivation of parents to use altruistic behaviors in incentivizing their children to care for them.
It is thus not only us, but also other authors that are rather unsympathetic to Becker’s approach.One such insightful commentator asserts that analysis of the family places considerable explicit or implicit reliance on rational choice theory. This theory conceptualizes experience as a process in which individuals are continually confronted with a variety of options for behavior, each of which offers outcomes with differing amounts of costs and benefits.

An individual's assessment of the relative desirability of these options is determined by her preferences, which are positive or negative valuations of states of affairs that reflect personal desires and values.
The common basis on which this assessment is assumed to proceed is utility, the amount of net satisfaction that each outcome will provide. […]
Economic theorists maintain that "(m)arriage is a relationship of exchange that can be modeled in economic terms even if neither spouse's motives are crassly pecuniary, or indeed pecuniary at all."
Economics characterizes individuals as participants in the "marriage market."
An individual will marry if a cost-benefit analysis indicates that his or her expected utility from doing so will exceed the utility derived from remaining single.
Marriage has the potential to offer superior net benefits because individuals may be able to combine their resources and efforts to produce more nonmarketable household commodities than either individual could produce alone.
In this setting, the term "commodities" includes anything of value - not only financial assets, but also items not conventionally included in economic output, such as the number and quality of children and sexual satisfaction.
Each individual seeks to "choose( ) the mate who maximizes his utility" by assessing potential partners in terms of those attributes that are relevant to productivity in the market and in the household, such as "intelligence, education, health, strength, fecundity, height, personality, (and) religion."
An efficient marriage market will develop "shadow prices" for such traits.
That is, the market will assign imputed values to characteristics that reflect their marginal productivity, thereby signaling the expected gains in utility that will accrue to someone who marries a person with such characteristics. Such a market will match up "superior" persons with one another, since these partnerships will produce the greatest joint output for the individuals involved and for society as a whole.
The optimal sorting in the marriage market occurs when "persons not married to each other could not marry without making at least one of them worse off."
Each individual can be seen as a potential buyer as well as seller of spousal labor - that is, labor that would benefit one's partner in marriage.
Both men and women participate in the market for spousal labor; women demand mate spousal labor and provide female spousal labor, while men demand female spousal labor and provide mate spousal labor. Each person also has a supply of market labor, which may affect the value of the spousal labor that the individual can offer. […]
Men and women who marry therefore maximize their expected utility by entering into a "long-term contract" in which they agree to "produce children, food, and other commodities in a common household." […]
Economic analysis thus generally conceptualizes marriage as a rational joint venture that involves bargaining over and implicit exchange of resources. intrinsic value. the rational choice theory […] treats as the fundamental unit of analysis a discrete individual with a unique set of preferences and values. This individual is regarded as sovereign in the sense that she is the only person deemed competent to determine what is of value to her. Other persons are in no position to criticize the worth of the ends that she has, because "value is created or determined through preference."
Economic analysis therefore represents a "subjectivist and individualist" theory of value that leaves it to each individual to determine by her own lights what aspects of the world are desirable or undesirable.
Becker, Landes, and Michael criticise the "common belief that marital dissolutions are evidence of marital failure that should be avoided if at all possible."

Instead, they argue, divorce should be seen simply as a response to new information about the gains from marriage compared to other alternatives.
Similarly, economic theorists emphasize that marriage is not unique but is governed by the same principles that apply to any other long-term contract.
This posture toward marriage and divorce is consistent with the view that allegiance to any attachment ultimately must rest on the individual's belief that it is utility-maximizing, regardless of whatever religious, cultural, or other imperatives have come to be associated with it. Viewing an actual or potential spouse as a source of utility that can be compared with other sources is not a particularly romantic perspective.
It is precisely romanticism, however, that creates the risk of blinding an individual to the fact that an attachment is not actually in his or her best interest. well. the internal stance would seem to offer an account of marriage that is at odds with economic theory. (…) this moment of marriage is characterized by the understanding that one is part of a collective unit to whose welfare one may be committed quite apart from a calculation of individual costs and benefits. Such an orientation is associated with "prosocial" attitudes and behavior such as empathy and CO-operation, which appear to prompt one person to forgo private advantage for the sake of another. Ordinary language, for instance, distinguishes between selfinterested and other-regarding attitudes and commonly draws a distinction between selfish and unselfish behavior. Herbert Margolis' description of the way in which altruism seems to diverge from individual rationality serves also as a general description of the common understanding of a prosocial orientation: a person "could have done better for himself had he chosen to ignore the effect of his choice on others."
Such behavior would appear to be inconsistent with a portrait of persons as individuals inexorably devoted to maximizing their own utility. This raises the question whether economic analysis offers an adequate account of the internal moment of marriage. (…) economic theory purports to accommodate such behavior by emphasizing the ways in which prosocial or other regarding conduct in fact provides individual rewards. One approach maintains the assumption of independent utility functions and narrowly egoistic benefits. It emphasizes the subtle and often intangible rewards that accrue to an individual as a result of altruism or CO-operation, such as social approval, avoidance of guilt, or the satisfaction that comes from doing one's duty. In addition, prosocial conduct may simply reflect enlightened self-interest, in the sense that an individual may anticipate reciprocal assistance and consideration from others in the future. In each instance, the action is self-interested because the discrete individual gains or expects an increase in her own consumption of goods independent of the consumption of any other person.
A second approach is to acknowledge that individuals sometimes have prosocial preferences, so that they gain satisfaction from the happiness of others. In such instances, persons' utility functions may be described as interdependent.
If I am generous to someone for whom I care, I forgo my immediate material self-interest for the sake of the joy that I gain from seeing their pleasure. Helping another therefore is a way of helping myself as well. In sum, economic theory maintains that the various forms of prosocial behavior simply reflect subtle ways in which individuals pursue personal rewards. […]
Recent empirical and theoretical work, however, calls into question the contention that economic theory entirely captures the phenomenon of other regarding behavior. Several experiments in social psychology profess to refute the claim that CO-operation and altruism depend on incentives for some form of egoistic gain, and to establish that individuals are not uniformly attentive to private costs and benefits in all kinds of relationships. These studies suggest that persons sometimes act on the basis of a social identity that goes beyond the discrete individual to include other persons as part of the self. Furthermore, refinement of public goods theory suggests that the concept of interdependent utility functions may not

adequately capture what occurs when individuals forgo personal advantage for the sake of a larger collective good. This overall body of work thus makes a strong case that people are capable of both self-and other-regarding behavior, that the latter is not easily reducible to the former without a loss in comprehensibility, and that a sufficiently rich theory requires appreciation of both separation and attachment as basic dimensions of social existence. […] social CO-operation does not arise in a straightforward way directly from the pursuit of individual self-interest. It seems to depend upon the development of individuals into something we call a joint or collective psychological unit. […] First, people in a close relationship make less of a distinction between self and other in allocating resources.
This appears to result from a perception that resources are communal[which of course is a socio-economic explanation but very different from thestandard one discussed earlier-referring again to common property – note:J. T.] , rather than from an expectation that generosity will be directly reciprocated.
Second, a participant in such a relationship tends to adopt much of the perspective of the other, so that observations of events by partners tend to move toward congruence.
Third, research indicates that persons in close relationships tend to identify with and attribute to themselves the characteristics of the other.
These findings indicate that inclusion of the other in the self influences the ways in which persons both process information and select behavior. […] Persons oriented to a communal relationship with a person are less likely to keep track of that person's inputs into a joint task for which a reward will be provided than are persons who seek an exchange relationship with that person.
When one person provides a benefit to a subject in an experiment after the subject previously helped that person, this action decreases the attraction of the subject to the person when the subject seeks a communal relationship with her. (Regan 1999)

SOCIAL CAPITAL.

Becker has also been in the vanguard in deploying the notion of social capital. Why is this? The answer is that social capital allows Becker to accommodate an even wider range of economic and social phenomena whilst retaining a continuing commitment to methodological individualism or economic rationality.
In effect, social capital becomes a catch-all for anything that improves life but that has not already been covered by those elements of personal capital that provide the starting point for understanding capital. (2001).
Regarding the category currently being discussed, while in the work of authors such as Pierre Bourdieu and James Coleman, the concept of social capital related, more or less strictly, to the benefits or, in the language of Weber, economic chances of others arising from the participation of an individual in a certain type of relationship or social collectivities in the pen of Robert Putnam's social capital became more of a characteristic of whole groups and even nations. However, as aptly noted by Alejandro Portes and Patricia Landolt (1996), collective social capital cannot simply be the sum of individual social capitals. If social capital it to be a resource generated by a network of social relationships, then the resources 1 For example, the proponents of the category ‘capital of trust’ Risto Harisalo and Ensio Miettinen entirely mistakenly attribute Marx with the view according to which the accumulation of capital will inevitably lead to the impoverishment of the living conditions of working people. received by certain individuals must be achieved at the expense of other individuals. Long before Schumpeter talked about creative destruction, Marx emphasized with awe the achievements of modern bourgeois, however, not ignoring the negative aspects of the overwhelming power of capital.

Meanwhile, modern proponents of the category of social capital do not remain faithful to this dialectical approach, emphasizing only the positive results of social ties, whose inclusiveness for some means exclusiveness for others.

Another weakness of the concept, related to the lack of clarity as to what in reality is capital is the wrong association of sources of social capital with the benefits it would bring. This leads to circular reasoning, as the presence of social capital is often derived on the basis of existence of benefits gained by an individual or a group. And so for instance, in the example suggested by Portes and Landolt a student who earns money for school fees thanks to parents or relatives is regarded as the holder of social capital. Such a conclusion does not include, however, the existence of less fortunate classmates than our student that can also count on support from sympathetic family, although not having sufficient means to make such expenditures.

Some other logical and methodological errors can be discovered in several quantitative studies on social capital. These claim to show that social capital (trust, civic norms, etc. in civil society) is associated positively with income and income equality-see Knack and Keefer's (1997) study of a sample of twenty-nine market economies-and with poverty reduction in Indian states, for which see Morris (1998). Social capital is associated negatively with infant mortality and income inequality in thirty-nine US states (Kawachi et al., 1997). World Bank researchers assert that the social capital of rural households-social capital understood as networks and associations- is positively and causally associated with household expenditures and welfare in African and Latin American countries (Grootaert et al., 2002; Grootaert & Narayan, 2004). The aforementioned studies, however, "tend to equate correlation with causation. It is also possible that when social capital is treated as one factor operating along with many others-and especially with class-related factors such as the strength of working-class power-it may have weak association with its purported social outcomes. A study of health and social capital in sixteen wealthy countries suggests this to be the case (Muntaner et al., 2002). Besides, there is also the possibility that both social capital and its supposed effects (e.g. economic growth) are a result of a third factor, such as state intervention or specific class relations"(Das 2006). This fallacy is not accidental – social capital writers almost unanimously tend to overlook or marginalise the class societal structure. More specifically, they refer to it, but in their own, perverted way since, as the exponents of other purported, excluding economic, forms of capital,they by definition endow with it all social classes, a possible difference lying only in its size in particular class cases. It is rather boring to be forced to reiterate that the owners of sole labour power in no way cannot be compared, or, worse still, equated with the owners of industrial, financial, , commercial, transportation, service or money capital, that is, the only genuine forms of capital. Of course, it is theoretically possible for a worker to inherit a large sum of money which, put in the bank, brings him income so substantial that it becomes for him the main source of the means of subsistence, more important than his or her wage. In such case, however, we are dealing with a mixed class: both capitalist and employee class.

It might seem that the above-mentioned "class gap" in the literature on social capital is somewhat mitigated by the fact that "in the literature, there is a discussion of poor people. But even in this discussion, in which social capital is said to be the 'capital' of the poor (2) (World Bank, 2001), the class character of social capital is not examined. There are at least two reasons for this neglect. For one thing, the class character of the poor themselves is usually left out: the fact that the poor generally belong to classes-wage-earning and semi-proletarian classes-whose material interests are in conflict with the classes having ownership/control over resources (Wright, 1995) tends not be considered. In addition, social-capital scholars often assume that as the social capital of society develops, the poor will benefit-and indeed, that they benefit from social capital more than the non-poor. This assumption is arguably the social-capital version of the neoclassical trickle-down theory of poverty"(Das 2006).

CONCLUSION.

It is commonly believed that Becker's main accomplishment lies in the extension of the scope of an economic analysis to include numerous traditionally considered as non-economic phenomena. This extension, however, reveals some major gaps in Becker's tool kit , just as neoclassical economics on which he draws, the key concepts of property and labour power are missing which cannot but create a variety of inconsistencies and ambiguities. In the process of considering particular Becker's conceptions, i.e. human and social capital, the family, marriage and household a host of other specific drawbacks of Becker's economic approach to social processes have been indicated. It is not Becker's most general intention, i.e. investigating economic conditioning of social structures that is questionable; on the contrary, this is one of the basic tasks of economic sociology. What is unacceptable about his approach, however, is the easiest possible way of looking for such relationships – a mechanical forceful application of economic notions to intrincically non-economic structures yielding cognitive pain rather than gain.Becker' economic reductionism over-simplifies the interelations between the economy and its social setting. Their thorough examination, totally lacking in Becker's "economic approach", requires, however, disposing of an adequate theory of the economy which Becker, unfortunately, cannot be accused of.

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