"It’s not what you know, it’s who you know."
Introduction

In this paper we introduce the concept and the main ideas concerning social capital. The paper is not an exhaustive attempt at covering all that social capital is but rather to serve as a platform for discussion from which we could distil some of the key ideas and ideals of social capital.

Now why are we interested in the concept of social capital? Social capital holds out the promise of improving access to resources amongst and across different groups and people. So we are interested in social capital because we consider it a new way of thinking about how resources can be mobilized and distributed (and possibly more equitably distributed) within society. Another reason that we are interested in social capital is to see how we may use it to achieve better economic, political and social outcomes. It is important to stress that the teleological approach that we adopt to social capital is what shapes our notion of social capital. That our aims are for better social, political and economic ends means that we see social capital as a tool for change specifically in poor communities in the Western Cape and in South Africa at large.

Social capital then is concerned with relationships and trust; how people interact over time and institutionalise certain forms of behaviour through the observances of norms. Social capital encompasses both formal and informal relationships and networks including volunteer organizations, clubs and civic associations.

One of the main questions that should be asked is: How can social capital be defined and used as an analytical tool in South Africa even though it is a cultural concept with its origins in the west? It is our hope that this paper will open the door for discussion around social capital and its potential application in communities with diverse cultures in SA.

Defining Social Capital

Social capital is a relatively new concept. Scholars from diverse backgrounds have researched it and as a result there are many different definitions that reflect the discipline and background of the researcher. Social capital brings together three major disciplines; sociology, political science, and economics (Anhier and Kendall 2000; Szreter, 2000).

The different approaches of sociologists and economists can been characterized as follows: Economists focus on individual actors with freedom of action who make rational self-interested calculations in the market. Sociologists view actions as part of a collective, constrained by social structure, motivated by non-rational feelings, traditions, and values, occurring everywhere (Swedberg, 1999). The social capital paradigm is an attempt to bridge the two disciplines. Social capital sends a key message that culture and community matter to economic and human development (Fukuyama, 1995). From the political science perspective, social capital describes the underlying social relationships from which civil society\(^3\) emerges. Thus it brings

\(^3\) If ‘civil society’ describes the non-governmental institutional arrangements of society in governance (Kilby, 2002).
together a single explanation for the functioning of markets, government, and social development (Kilby, 2002).

At the core of social capital is the idea that there are “features of social organization such as networks, norms and social trust that facilitate coordination and cooperation for mutual benefit” (Putnam, 1995: 67). Included in this definition are family relationships, kinship networks, friendships, acquaintances, civic attachments and institutional ties (Stone et al, 2002). Ostrom (2000:176) says that “Social capital is the shared knowledge, understandings, norms, rules and expectations about patterns of interactions that groups of individuals bring to a recurrent activity”.

Some researchers exclude trust (since they consider it an outcome of social capital) defining social capital as “the norms and networks [within society] that facilitate collective action” (Woolcock 1998:155). Others, however, consider it an essential part of social capital (Uslaner, 1999). For them, social capital primarily reflects a system of values, particularly social trust. Most definitions incorporate both aspects that social capital is both a value held (i.e. trust) and a network. Patulny (2004) adds a third dimension when he says that the practices that result from the trust and the networks should also be included in the definition of social capital. He substantiates this by citing Putman’s et al (1993) usage of time-use data as an indication that the definition of social capital should incorporate the practices of social capital. However, the relationship between trust, networks and the social capital practices has not been clearly demarcated. This is an area that requires more research.

Many times social capital is defined as a sociological variable i.e. referring to the relationships between people. Thus the ‘level’ or ‘stock’ of social capital depends “on the quality of the set of relationships of a social group” (Szreter, 2000: 57). It is relational, not something owned by any individual but rather something shared in common. It is also considered a type of social glue or lubricating agent in association with other resources.

A key point is that the value of social capital is not absolute, but rather is relative. Nevertheless, there are researchers who imply that social capital only has beneficial consequences. Any ascribed beneficial or detrimental aspect of social capital will depend on the perspective of the observer and those whose interests are being served (Pantoja, 1999).

The notion of social capital has some resonance with the traditional South African ‘norms of reciprocity’ of ‘ubuntu’. ‘Ubuntu’ is a conceptualization of humanness that means, “I am because you exist”. It is seen as an expression of community life and collective responsibilities and invokes notions of caring for and sharing with each other (Maluccio et al, 1999).

Social capital has also been subject to criticism. It has been said to be ‘a notion riddled with contradictions’ (Fine, 2001:156). Amongst the chief criticisms is that it is only a buzz word with little empirical support, having a lack of definitional clarity, problematic measurement issues (such as aggregation, measurement over time,
causality, dependent on context) and the huge diversity of fields that use it (Portes, 1998; Baron et al, 2000; Fine, 2000).

These negative aspects can be contrasted with the positive aspects (as stated by Baron et al, 2000) that are mentioned below, which include the following:

- It re-inserts issues of value into the heart of social scientific discourse
- Social capital has a heuristic role as well as analysis and prescriptive roles.
- It shifts the focus of analysis from the behaviour of individuals to the pattern of relations between agents, social units and institutions placing the activities of individuals within the social domain.

**Trust**

The most important value that brings about and maintains social capital is trust. Trust is used as a determinant of social capital within a society. Many studies use trust as the main variable in defining and understanding social capital (Uslaner, 1999).

Two types of trust are identified in the literature, generalized and particularized. The former is based on norms and beliefs about society in general and the latter is based on information and rational choice about the nature of a particular group. Generalized trust diminishes with greater uncertainty and particularized trust increases with interaction (Uslaner, 1999).

The facets of social capital can be viewed from two angles, namely the structural dimension (which facilitates social interaction) and the cognitive and attitudinal dimension (which predisposes people to act in a socially beneficial way). Trust belongs to the latter. These two parts work interactively, and are mutually reinforcing.

What is meant by trust is the understanding that the person or member of the social group will act in a manner that is mutually beneficial and that the norms established by the relationship will ensure that they adhere to these norms. Obviously this differs from community to community. In a racially diverse country like South Africa the challenge from a macro perspective is how to create a universal South African social capital i.e. a common set of relationships between South Africans. But macro social capital evolves out of individual and community relationships, so we would have to start with the individuals within the society.

**Bonding, Bridging and Linking Social Capital**

One of the key ideas of Social Capital is the relationships and the value that is embedded in them. Three types of relationships are identified. Relationships that are highly personalized which result in bonding social capital and relationships that are more impersonal (and horizontal) which can be described as bridging capital (Woolcock and Narayan (2000); Putnam (2000) . ‘Bonding’ social capital represents the construction of social networks with those like us (intra-group ties), whereas ‘bridging’ social capital denotes the construction of such networks with those unlike us (extra-group networks).

The bonding networks come together around numerous social domains and more within the close networks of family and friends. It also can be compared to
Granovetter’s (1985 cited in Szreter, 2000) ‘strong’ ties whereas bridging capital corresponds with his ‘weak’ ties. The bridging network is characterized by generalised trust and charitable volunteering action since it refers to those relationships on the outer perimeter such as being part of a community forum.

The primary bonding network is the family unit, though other social domains represent potentially distinct bonding networks, whether formal (work/professional, religion, union member) or informal (family, friends). Each network is characterized by its own distinctive forms of internal trust, driven in turn by values and voluntary efforts peculiar to/on behalf of the network. In addition, each network has a potential confounding or reinforcing effect upon the others. While social capital is relational, its influence is most profound when relationships are among heterogeneous groups (Narayan and Cassidy, 2001).

The third type of relationship is one between different social groups (vertical) which is known as linking social capital. Linking social capital is characterized by the connections between those with differing levels of power or social status e.g. links between the political elite and the general public or between individuals from different social classes (Woolcock 2001).

If we start seeing relationships as important then we need frameworks and a place of gathering (conceptually, culturally and physically) where we can foster these relationships.

We also need to look social capital generation by the state and from members (civil society) of a community. An example of the intervention of the state is the Japanese Ministry of Trade and Industry which takes an active approach to the generation of social capital to develop their industries whose phenomenal success is well documented. They bridge and link the various companies within industry. Trade organizations like the South African Chamber of Commerce (Sacob) and the various professional associations can generate social capital at a meso level by acting as arenas for bridging, bonding and linking social capital.

**Level of analysis**

Social capital is both an individual and a community attribute. As an *individual attribute* it refers to a person’s potential to activate and effectively mobilize a network of social connections based on mutual recognition and maintained by symbolic and material exchanges (Bourdieu, 1986). Social capital as an *attribute of society* is a quality of the networks and relationships that enable individuals to cooperate and act collectively (Putnam *et al.*, 1993).

Social capital operates at various levels and the relationships differ. The levels at which Social Capital can be analysed include the micro (individual/household/neighbourhood) (Bourdieu, 1986), meso as in institutions and organizations or macro as in nations and states (Patulny, 2004).

Uphoff (2000) identifies two forms of social capital. The first is ‘structural social capital’ which refers to relatively objective social structures such as networks, associations and the rules and procedures they embody. The second form, known as
'cognitive social capital', encompasses more subjective intangible elements such as generally accepted attitudes and norms of behaviour, shared values, reciprocity and trust.

Causality and analysis using Social Capital
Another important debate about social capital is the direction and degree of causality. There are three contending frameworks in the research on social capital. The first is social capital thesis (claiming substantial cause on behalf of social capital); the second, the structuralist or institutionalist position (asserting causal priority for structures, and claiming social capital to be a residual effect of structures); and thirdly, the intermediate position, implying contingent causal value (Krishna, 2002).

Power and Social Capital
It is claimed that social capital is a public good and that everyone within society has access to it (Putnam et al., 1993). This position has been criticized. Portes and Landolt (1996) state that like any other resource, social capital should be defined independently of the use to which it is put. Thus social capital can have negative or positive outcomes. As a consequence of this it follows that social capital can be unfairly positive for some and negative for others depending on the balance of power.

A of lack of considering power as an important shaping feature of social capital might lead us to advocate horizontal associations while neglecting vertical relationships (as shown by the political influence of the state).

Although, social capital can be used to help explain the emergence and persistence of power relationships it nevertheless provides a constructive base for doing something about it (Baron et al., 2000; Woolcock, 2001).

Social capital and measurement
How does one measure social capital? Many researchers have used quantitative data to measure social capital. While there is high consistency in the definitions of social capital at a general level, including the forms and dimensions it embraces, at an operational level the interpretations of what social capital is and is not are diverse. Correspondingly, methods used to measure social capital are varied, reflecting the diversity of its interpretations. Paxton (1999), for example, noted the wide gap between the concept of social capital and its measurement.

The concept of social capital has been mired in confusion due to its spread across fields and discord in its measurement. This is a major problem, not only when conducting research, but also when citing and developing research. A definition of social capital suitable for rigorous empirical work must identify observable variables that can be used as proxies for social capital (Portes, 2000).

When it comes to measurement, a number of domains are typically identified (Putnam, 2000). These include:
• **Community engagement** - various types of social networks and volunteering effort;
• **Community efficacy** – a shared sense of empowerment and capacity to effect change at the community level;
• **Volunteering** – typically understood as the voluntary commitment of unpaid time and effort outside immediate family for the benefit of others;
• **Political participation** - patterns of active citizen engagement, voting etc.;
• **Informal social support networks** including their structure, density, size and composition by age, class, gender, ethnicity etc. (e.g. who knows who);
• **Informal sociability** – regularity of social contact with others (speaking, visiting, writing, emailing);
• **Norms of trust and reciprocity** - mutual “credits”, expectations and obligations as well as sanctions on opportunistic or anti-social behaviour (also understood as the formal or informal social “rules” that guide how network members behave towards each other); and
• **Trust in institutions** (public, corporate, voluntary).

In economic literature the extent of household membership in various groups has been used to proxy the households stock of social capital (for example see Narayan and Pritchett 1997 and Grootaert, 1998).

**The role of the state**

The state is seen as either a generator (Levi, 1996) of social capital or not much of a contributor to social capital (Woolcok, 1998). Skocpol (1996) argues for a central role for the state in creating social capital. Maloney, Smith and Stoker (2000) argue that the state has a substantial role in creating the conditions for social capital. Evans (1996) considers the state’s contribution to social capital as general and from a distance. For some the state is more able to destroy social capital rather than promote social capital (Fukuyama, 1995). (For a South African example, see the destruction caused to social capital with the forced removals brought about by the Group Areas Act of the previous regime).

To effectively build social capital, local government must share decisions with citizens, shifting its emphasis from controller, regulator and provider to new roles as catalyst, convener and facilitator (Warner, 2001). However we must not oversimplify the role of the state because the state has many faces (departments, institutions-police, and social services) and so they influence and impact upon social capital in different ways.

**What are the implications of social capital for government policy?**

There are a range of ways in which government might look at promoting the accumulation of social capital for beneficial purposes at the individual, community and national level. At the individual level, the available levers include (for example):
• Greater support for families and parenting;
• Mentoring;
• New approaches to dealing with offenders; and
• Volunteering.

At the community level, the available levers include (for example):
• Promoting institutions that foster community;
• Community IT networks;
• New approaches to the planning and design of the built environment;
• Dispersing social housing; and
• Using personal networks to pull individuals and communities out of poverty.

At the national level, the available levers include (for example):
• Community Service learning in schools;
• Community service credit schemes; and
• Measures to facilitate mutual trust.

Conclusion
This paper attempts to draw on some of the key debates and ideas within the social capital literature. A key point raised in the paper is that social capital should be thoroughly researched so that issues of definition and meaning can be clarified before measurement tools are developed and programs and policies are implemented. In this way we will be better placed to identify the types of social capital formation that should be fostered in respective communities.

References


