

Electronic Journal of Sociology (2007)

ISSN: 1198 3655

Defining social capital

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Abstract

Social capital is becoming an increasingly familiar theme in a number of academic fields, yet significant inconsistencies in conceptualisations of the term remain (Ziersch et al., 2005). This paper makes the case for a straightforward definition of social capital which is in keeping with the spirit of Hanifan's (1916) original use of the term.

Whilst there is a widening acknowledgement of the importance of social capital, there remain significant inconsistencies in conceptualisations of the term (Ziersch et al., 2005). As it becomes an increasingly familiar theme in a number of academic fields, there is therefore a need for a specific, straightforward and universally applicable description of social capital.

The term is first believed to have been used in 1916 by L. J. Hanifan, a state supervisor of rural schools in West Virginia, USA. It was then subsequently rediscovered and reinvented several times over the course of the century before being popularised by the work of Robert Putnam (1995) in the mid-90s. His book, *Bowling Alone* (2000), presented a compelling account of America's dramatically declining social capital over the latter half of the 20th Century.

Putnam's definition has provided perhaps the most commonly held understanding of what the term actually means, describing it as: "*features of social organisation such as networks, norms and social trust that facilitate coordination and cooperation for mutual benefit*" (Putnam, 1995, p.67). Some authors, such as Ahern & Hendryx (2003) and Baker (2000), have opted for more vague descriptions of the concept, stating, for example, what they understand it to 'refer to' rather than committing themselves to a rigid definition. Fukuyama offers the more specific but significantly different definition of social capital as: "*an instantiated informal norm that promotes cooperation between two or more individuals*" (Fukuyama, 1999, p.1) rather than the resources which this norm provides access to.

A key notion is that social capital exists only within relationships (Fukuyama, 1999); it is a feature of the social context (Bolin et al., 2003), as opposed to human capital, which is an individual attribute. This accounts for the 'social' in social capital. Alternative

explanations which emphasise the resources obtainable through social connections however seem to suggest that the term describes resources which are accessed through social relationships but exist independently of them (Bourdieu, 1986; Baker, 2000).

All definitions are based on the principle that social capital provides advantages to those who have access to it (Burt, 2000). These advantages can range from better prospects in finding a job (Granovetter, 1973) and reduced risk of depression (Kaplan et al., 1987) to much more mundane things which enable the functioning of our everyday lives.

Putnam's definition is widely used, but incorporates a particularly broad range of factors. If social capital is to be regarded as a single specific phenomenon, describing it as comprising of social networks, the norms which knit those networks together and the trust on which those norms depend presents an obvious problem. Social capital should be expected to take many forms, just as economic capital takes many forms; with economic capital however those forms share a fundamental characteristic, allowing them to be described by a single term based on that shared characteristic. Social networks and social trust, for example, whilst playing essential roles in a single wider process, are fundamentally different in nature. By this definition social capital would be nothing more than a collection of phenomena which when coexisting created a certain effect.

Although it is essential to define the term by what it *is* rather than what it *does* (Woolcock, 2001), an accurate definition of social capital must stem from an understanding of its function (Coleman 1988). If it refers to social connectedness, norms of cooperation and reciprocity, neighbourliness, trust, and civic involvement, the answer to defining social capital is therefore to look at their common effects. Ultimately, all of these factors contribute to providing access to resources – they encourage and enable people both to obtain and provide access to resources for each other. This can take any number of forms, such as: directions to the supermarket, a shoulder to cry on, the loan of a bus fare, the loan of a screwdriver, information about a new job opportunity, a warm smile in the post office queue, or an introduction to a potential new client.

If social capital exists only within relationships however, these resources themselves cannot be said to constitute social capital, because many of them (such as a screwdriver) clearly exist regardless of whether someone is providing access to them for somebody else. Furthermore, norms are not inherently useful in themselves; trust and norms of cooperation and reciprocity are only useful because they encourage and enable people to do useful things for each other.

If we accept that social capital relates to these useful things which people do for each other, but the resources which these acts provide access to are not social capital in themselves, then one element of the process logically remains: the act itself of providing access to useful resources. Whereas a resource obtained by the use of social capital may exist independently, these acts cannot be owned by any individual and truly exist only within relationships. They can be thought of more simply as acts of help. In this context it is necessary to separate the idea of help from the idea of generosity. Help in this sense is anything which directly benefits the recipient – however much and in whatever form.

These benefits are the reason why we have relationships and constitute a valuable resource in themselves. We build connections with other people so that we may receive the benefit of a virtually endless list of possible acts of help, without some of which we would be able to achieve very little at all. Social capital can therefore be understood quite simply as *a resource comprised of the benefits of social connections and relationships*.

This definition is in keeping with the spirit of Hanifan's (1916) original use of the term, when he referred to good will, fellowship and sympathy among the individuals of a social unit: *"The individual is helpless socially, if left to himself... If he comes into contact with his neighbor, and they with other neighbors, there will be an accumulation of social capital,*

which may immediately satisfy his social needs.” (Hanifan, 1916, p.130). As very few of our non-social needs can be met in modern society without some form of help from other individuals, the fulfilment of social and non-social needs are effectively products of a single process.

Norms of reciprocity create the willingness to help others; they enable the generation of social capital. Once created, it is this store of available help, or benefits, which constitutes social capital, rather than the norms which stimulate its development. These norms of reciprocity may also provide access to help which is not currently available; for example, where someone would be willing to lend money to a neighbour but does not currently have the money to enable them to do so. In this case the loan of money may not be real but the willingness to lend it represents potential help and therefore is still valuable. These kinds of potential benefits of relationships, which are stored but not currently fully ‘live’, can be termed *latent social capital* (Bramoullé & Saint-Paul, 2004).

One of the essential characteristics of social capital is that, like a public good (Office for National Statistics, 2001), it will be under-produced if supply is left to the market alone (i.e. the community) (Coleman, 1988); this explains the need for social capital generating initiatives. Fukuyama points out that: *“cooperation is necessary to virtually all individuals as a means of achieving their selfish ends, it stands to reason that they will produce it as a private good”* (Fukuyama, 1999). This is certainly true, however the generation of sufficient social capital to enable basic functioning does not necessarily constitute optimum production.

Both individuals and communities could achieve a lot more if levels of private production of social capital were raised by public interventions. This is because social capital production is affected by something similar to what economists call ‘the free rider problem’ (Rutherford, 1995). Whilst the social capital consumers’ most pressing needs will effectively force them into contributing to the supply, most will naturally tend to desire a greater level of access to social capital than they would wish to supply to others if left to their own devices. Social capital is not strictly a public good however, because, although there is a principle of generalized reciprocity at work (Putnam, 2000), in some of its forms individual consumers can be excluded from a source of supply.

Another important issue is the distinction between bridging and bonding social capital. When we go for a drink or play poker with a group of friends from work, or send a Christmas card to our next door neighbour, we are generating bonding social capital. When we connect with people outside of our natural, or instinctive, pool of acquaintances we are generating bridging social capital. So if one evening a man decides not to play poker with his blue collar work-mates, but for the first time to attend an opening at a private gallery (and maybe even to do a little schmoozing while he is there), he is building bridging social capital (in this case at the expense of strengthening his bonding social capital).

Bridging social capital is built when we reach out to (or are reached by) those who are in sufficiently different circumstances from ourselves to be considered unnatural acquaintances. These differences might be class, race, religion, sexuality, education or a whole number of things. As a basic example, however many of his fellow workers the factory worker befriends or interacts with he is increasing his access to bonding social capital, but if he exchanges a friendly greeting in the lift with the millionaire factory owner, or befriends him, or has a sordid affair with his wife, then he is increasing his access to bridging social capital.

Of course, in reality some of the fellow workers he befriends may still be unnatural acquaintances because they are of different race, religion, or sexuality etc. It is not always easy to see where the boundaries are – in certain circumstances, for example, it will seem

far more natural for someone to befriend a person of different race or sexuality than it will in others. Largely what determines how natural acquaintances two people are will depend on the culture and society in which they live.

The distinction between bridging and bonding is important because they serve different functions. Putnam cites Xavier de Souza Briggs' (1998) definition that bonding social capital is good for 'getting by' whilst bridging social capital is good for 'getting ahead'. In other words, bonding with our natural neighbours and acquaintances is helpful to our everyday lives within our current circumstances, but bridging social capital can help us to change those circumstances for the better. Going back to our simple example, the factory worker will have a better day at work and a better social life at the evenings and weekends if he befriends lots of his colleagues, but he will have a better chance of promotion if he befriends the owner of the factory.

Putnam also identifies a private and public face to social capital – those aspects which affect the individual and those which affect the wider community. Whilst a well-connected person may use social capital to find a new job opportunity, a person with very little access to social capital can still benefit from living in a social capital-rich community, even if it is just because their neighbours clear the snow from the road, or campaign to get better street lighting.

Social capital works on a principle of generalised reciprocity – not so much 'You scratch my back and I'll scratch yours', but more 'I'll scratch your back because one day I may need something scratching of my own (or to borrow a screwdriver or whatever)'. At a community level, social capital is like a battery that everyone charges up so that it will be there whenever one of them needs to plug something in. No-one keeps a formal account of who added what and how much they may withdraw – some, of course, will never add their charge but will plug in regardless, whereas others will add far more than they ever take out.

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