

A Plethora of Social Capitals

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Outline if there's time

- Introduction – Wittgenstein / Gellner
- Definitions of social capital (soccap) from literature
- Comments on disciplinary approaches
- A few conceptual imbroglios
- Some weird vignettes (intuition pumps)
- Turner's theory
- A conclusion

Introduction

- Ludwig Wittgenstein from the Tractatus Logico-Philosophicus to Philosophical Investigations (the 2 most significant philosophy books in 1st half of 20th century)
- Positivism breaks down because many terms have a family of conflicting and overlapping meanings. “Game” can mean 2 or more players (but solitaire), not serious (but the NBA and NHL), involve physical skills (but mind games), etc. (and this was written before Morgenstern and von Neumann). Philosophical analysis involves elaborating and reflecting on the different

Karl Marx

- Capital is based on the difference between two cycles of market exchange. The first is the Commodity-Money-Commodity exchange. The second is the Money-Commodity-Money' exchange. Money invested in the second cycle is what Marx calls 'capital'. (Capital, Vol. 1)

Pietro Sraffa

- Capital is the part of production that is not spent in consumption but saved for future production.
- In a corn economy, corn saved over in order to constitute further production in the following year (Sraffa - the production of commodities by means of commodities)

Max Weber

- There is a form of monetary accounting which is peculiar to rational economic profit_making; namely, "capital accounting". Capital accounting is the valuation and verification of opportunities for profit and of the success of profit_making activity by means of a valuation of the total assets (goods and money) of the enterprise at the beginning of a profit_making venture, and the comparison of this with a similar valuation of the assets still present and newly acquired, at the end of the process; in the case of a profit_making organization operating continuously, the same is done for an accounting period. In either case a balance is drawn between the initial and final states of the assets. "Capital" is the money value of the means of profit_making available to the enterprise at the balancing of the books; "profit" and correspondingly "loss", the difference between the initial balance and that drawn at the conclusion of the period. "Capital risk" is the estimated probability of a loss in this balance.

Talcott Parsons

- But the economy has adaptive needs of its own. In order to produce, it must acquire disposable resources for productive purposes. If wealth is the stock and income the flow of resources at the disposal of the society, there should be a corresponding body of disposable resources available to the economy for its own specialized uses. We suggest that the concept of capital as ordinarily used by economists constitutes precisely this stock of flow or resources available for production.
- In essential respects the resources available for economically productive and non_productive uses are interchangeable. For the economy the functional problem is the process of determination of the proportion of the society's resources to be made available for economic production. There is a boundary process concerned with the determination of this share. More particularly, there is an input of capital into the economy and a return to those who decide to relinquish resources they control from alternative uses. This boundary involves the adaptive processes of the economy itself; it concerns the capital market and the relations between capital, interest and related

Francis Fukuyama

- Social capital is the trust that enables economic transactions to take place. People agree that there will be payment of debts, delivery of goods, etc. (Trust) A number of game theorists have worked on ways in which social capital in this sense is determined by game strategies or by structures of repeated exchanges or by norms.(World Bank, 2000)

Kenneth Arrow

- I would urge abandonment of the metaphor of capital and the term “social capital”. The term “capital” implies three aspects: (a) extension in time; (b) deliberate sacrifice in the present for future benefit; and (c) alienability....it is especially (b) that fails. The essence of social networks is that they are built up for reasons other than their economic value to participants. (Arrow, 2000: 4)

Pierre Bourdieu

- Social capital is the aggregate of the actual or potential resources which are linked to possession of a durable network of more or less institutionalized relationships of mutual acquaintance or recognition. (cited in Portes) In Bourdieu's theories of Distinction and of Educational reproduction, social and cultural capital are used by the bourgeoisie and by state Mandarins to pass on their advantages to their children.

Alejandro Portes

- social capital stands for the ability of actors to secure benefits by virtue of membership in social networks or other social structures. (6)
- Whereas economic capital is in people's bank accounts and human capital is inside their heads, social capital inheres in the structure of their relationships. To possess social capital, a person must be related to others, and it is those others, not himself, who are the actual source of his or her advantage. (7)

Jonathan Turner

- [Social capital is...] those forces that increase the potential for economic development in a society by creating and sustaining social relations and patterns of social organization (1999:95)

Robert Solow

- Generically "capital" stands for a stock of produced or natural factors of production that can be expected to yield productive services for some time. Originally, everyone who talked about capital had in mind a stock of tangible, solid, often durable things such as buildings, machinery, and inventory. (6) Human capital was developed by extension. "In principle you might try to calculate the annual earnings of human capital - what people are paid over and above their base, uneducated earning capacity "(7)

Joseph Stiglitz

- First, social capital is tacit knowledge; it is partly the social glue that provides cohesion but also a set of cognitive aptitudes and predispositions...Second, social capital may be thought of as a collection of networks...Third, social capital is both an aggregation of reputations and a way to sort out reputations...Finally, social capital includes the organizational capital that managers have developed through their styles of administration, incentives and command, their labor practices, hiring decisions, systems of dispute resolution, style of marketing, and so on.
(World Bank 2000:60-61)

Michael Balkwill

- Social capital refers to the networks of repeated social interactions that reinforce social norms; especially trust. These networks enable people to get together to effectively meet shared objectives and to increase the community's productive potential. (2000:5)

Michael Woolcock

- 1 Social capital refers to the norms and networks that facilitate collective action...2 any definition of social capital [should] focus on its sources rather than consequences...3 soccap is relational...4 its sources are multidimensional. Woolcock distinguishes bonding, bridging, and linking social capital.

The economists

Generally economists are sensitive to mechanisms for using incentives to structure activities.

Financial incentives are preferred since they are considered to be generalizable and equitable. Two sub-types

1 Presuppositions and background for economic transactions

See soccap as reducing transaction costs

See soccap as enhancing information flow

See soccap as increasing predictability

2 Soccap as regular capital but of social character

Focus on the role of social capital specifically for future productivity considering it as an investment

As with all investments, need to calculate a rate of return so there has to be at least nominal \$ measurement

Sociologists of Education

- See soccap as generational transfers of skills to specific children
- Transferred skills lead to increased social status and therefore increased income
- Transfers can come from parents or from peers or from schools
- Transfers are zero-sum and competitive

Network theorists

- What counts is just the total number of friends – the wider your network, the greater your social capital. (Quan-Haase, 2001)
- If you have a tie that crosses a “structural hole”, then you can really cash in. (Burt)
- British (not Americans) emphasize not just ties but specific contents (Perri 6: 2001)

Social Workers

- Increasing Soccap means increasing general social welfare. Since they believe in Maslow's hierarchy, this means mainly helping the poor, the downtrodden, the excluded. So soccap is increased by greater social transfers (usually by the state). (This can also be seen as correcting for serious decrements caused by market or state activity)

Adjectival Ambiguity

- Adjectives in English (and French) are quite ambiguous.
- They could imply possession:
 - Social capital is any capital that is owned collectively by the group. If any individual has any title to it then it is not social capital
- They could imply use:
 - Social capital is any capital that is used by most people in the community regardless of who has the title or owns it. So churches and church halls in rural communities are social capital. Sometimes shopping centres are social capital when people use them to meet, raffle cars for the cancer society, sell tickets for

Privatized soccap production?

- Under any economic definition, for-profit corporations can produce and contribute social capital. Under most social work definitions and some sociological definitions, for-profits produce only private capital. However strict adherence to almost any of the definitions.

Conglomerating

- Many of the social capital definitions apply to individuals or groups and organizations considered as individuals where ownership and alienability matter. Much ownership involves excluding others. Even collectivized assets used as capital must be oriented towards specific valued ends (cf. Weber). So it is not clear how these should be aggregated.

The (possibly) non-social state

- State involvements may decrease social capital – Coleman is probably right that structuration of incentives matters more than amounts of transfers for both organizations and individuals. Even transfers to 3rd sector or voluntary organizations might reduce social capital

Ku Klux Klan Vignette

- Robert Putnam comes to North Bay to do a workshop with the KKK. Following his instructions, they consent to trust each other more and to interact more effectively. Has soccap increased?

Dean of Arts Vignette

- I want to become Dean. However Susan will have three more votes than me. I therefore shake forty faculty hands, and buy rounds of drinks in the pub. However she also shakes faculty hands and buys drinks. She becomes Dean by three votes. Has soccap increased by our increased social interaction?

Roberts' Rules Vignette

- Two new faculty members join the Department of Political Science at Laurentian who happen to be experts at Roberts Rules. As a result, all department meetings take 50% longer. Has the increased quantity and density of interaction increased soccap?

Turner's baroque theory

- Looks at primarily economic effects
- Macro, meso and micro levels
- Distinguishes long-term and short-term outcomes
- Refers to different geographical aggregations

Macro

- Differentiation, structural autonomy, and cultural distinction for each of five spheres
- Kinship
- Religion
- Economy
- Polity
- Law

Meso

- Corporate units
 - Organizational units
 - Spatial units
- Categorical units
 - Age and gender
 - Territory, religion, ethnicity and social class

Micro

- Interpersonal social capital
 - Interpersonal emotional arousal
 - Interpersonal knowledge

Bridging

- Turner's theory shows "bridging" as generally related to long-term processes. Bridging is fostered by:
 - Differentiation of the polity and the economy,
 - Abstraction of religion,
 - Generalization of legal principles,
 - Minimizing of kinship effects
 - Rationalization of corporate organizations
 - Changes in face-to-face relations

Summary & Conclusion

- Notwithstanding the academic problems with “social capital”, as SPC Chair, I support the use of “social capital” in a Wittgensteinian sense. It problematizes the relationships between the social, the economic and the political. It may help for participants in these discussions to realize the different and conflicting dimensions.