Social capital and social capital indicators: A reading list

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Social capital has been posited as an important factor in the relationship between low socioeconomic status and ill health.

A strong relationship has been found to exist between health and socioeconomic status (the lower the socioeconomic status, the poorer the health) but the factors that mediate this relationship have not been ascertained. The phenomenon cannot be solely explained by the lack of traditional material factors (housing, food, etc) and theorists have turned to concepts like social capital in an attempt to explain these trends. For good reviews of the literature relating to the relationship between socioeconomic status and ill health, see:

> Evans R, Barer M and Marmor T (Eds.) (1994) *Why are Some People Healthy and Others Not?: the determinants of the health of populations*. New York: Aldine de Gruyter.
>
> Marmot, MG and Wilkinson, RG (Eds.) (1999) *Social determinants of health*. Oxford University Press: Oxford.

In recent times, the concept of social capital has become one of the most popular exports from sociological theory into everyday language and has evolved into something of a 'cure-all' for the problems and challenges that confront societies and their modern development. The perceived novelty and persuasiveness of the idea of 'social capital' derives from two sources. First, the concept focuses on the positive aspects of human inter-relationships and puts aside their less attractive aspects. Second, it places these positive consequences in the broader framework of capital, and focuses on non-monetary capital as a source of power and influence. Alternative sources of capital then attract the attention of decision-makers seeking less costly, non-economic solutions to social problems.

Social capital has also emerged in some articles as an overarching phrase for a range of concepts, which researchers have cited as elements reflecting the presence or the absence of social capital. Some of these include 'social connectedness', 'social cohesion', 'community competence', 'social networks', 'social inclusion', 'social support', 'social isolation' and 'social exclusion'. Debates have ensued about their various definitions, discriminating characteristics and their relationships to social capital. Further discussion and elucidation of all of these concepts is required.

There are essentially two different definitions of social capital, which result in different measures of social capital.

Social capital was defined independently by Pierre Bourdieu and James Coleman in the 1980s, as being 'the social ties or membership of particular communities that made resources, advantages and opportunities available to individuals'. Bourdieu's analysis was initially published in French in 1980, and focused on the benefits accruing to individuals by virtue of participation in groups, and on the deliberate construction of sociability for the purpose of creating this resource. He defined the concept as "the aggregate of the actual or potential resources which are linked to possession of a durable network of more or less institutionalised relationships of mutual acquaintance or recognition" (1985). His definition makes clear that social capital can be broken into two elements: first, the social relationship itself that allows individuals to claim access to resources possessed by their associates, and second, the amount and quality of those resources.

Coleman (1988) defined social capital by its function as " a variety of entities with two elements in common: they all consist of some aspect of social structures, and they facilitate certain action of actors – whether persons or corporate actors – within the structure" (1988). He used the example of the Jewish diamond traders of New York to illustrate the concept. The merchants were able to have their diamonds appraised through their local networks without the need to resort to costly legal contracts to safeguard against being cheated, because of the strength of the ties between their community members and the ready threat of exclusion if trust was violated. Thus, the traders were able to increase their economic advantage because of their social networks. In this case, social capital does not refer the resources that are accumulated, but to the production and reproduction of social processes within and between groups in society that allow individuals to draw on "collective capital".

The fundamental difference between the Bourdieu and Coleman definitions lies in how and why the social processes develop. For Bourdieu, social processes are constrained by underlying economic organisation, while for Coleman, they are created by the free will of individuals. Bourdieu argues that it is the presence of profit that is the very reason for the solidarity that makes group existence possible in the first place and in this sense, he argues that it is structural economic organisation that underlies the creation of social capital. For Coleman (1988), social capital is created by rational, purposeful individuals who build social capital to maximise their individual opportunities. He therefore sees social capital as a form of contract made between individuals unconstrained by underlying economic factors. Social capital here has an 'economic rationalist' flavour where individuals freely choose to build networks to further their self-interest. The key component of Coleman's definition is that individuals must have trust that others will reciprocate their actions and will feel some social obligation to do so. The differences in definition between these two authors are important because any measurement using the Bourdieu definition would have to include an understanding of the material conditions that drive the formation of social processes, whilst an analysis using the Coleman approach needs only to consider motivation at the individual (or aggregated individual) level.

The two key articles that describe the original sociological definitions of social capital are below.

Bourdieu, P (1985), The Forms of Capital, Chapter 9 in Richardson JG (Ed.) *Handbook of Theory and Research for the Sociology of Education*. Connecticut: Greenwood Press.

Coleman, J (1988), Social capital in the creation of human capital. *American Journal of Sociology* 94 (supplement), s95-s120.

Portes (1998) has distinguished three functions of social capital that apply in differing contexts within society: as a form of social control (e.g. to control the actions of children and youth), as a source of family support (family and kin support for the raising of children), and as a source of benefits through extrafamilial networks. Each function and its contextual elements bring differing challenges for the measurement of social capital.

More recent theorists, such as Robert Putnam in the USA and Eva Cox in Australia, have built upon the Coleman definition of social capital and have described a more general measure of social trust and social inclusion across a whole society. Their definitions still rely on networks and social linkages, but they aggregate the social capital of individuals to give a description of the "collective social capital" of the population of an area. What it means to add together a range of social processes that exist between individuals and groups has not been clearly defined, but Cox (1995) has argued that, in total, social capital is a measure of "satisfaction with the way we interact". She argues that it is dissatisfaction and a lack of co-operation in society that adversely affects democracy and leads to social deterioration.

Putnam (1993) has also used the aggregation of individual social capital to explain differences in democracy and economic development in regions of Italy. He found that 'horizontal' relations in the northern region, (characterised by widespread participation in group activities, social trust and co-operation), created the conditions for good government and social prosperity, while 'vertical' relations in the southern region, (characterised by a concentration of power by landowners, less social participation and a more individualistic allocation of opportunities), led to social inequality. Putnam traced the roots of this development back to medieval times and concluded, "communities did not become civic because they were rich…they became rich because they were civic." In his analysis, he focused on the creation of civic norms, which led to the socioeconomic order. This is the reverse of Bourdieu's description of the relationship. Putnam's arguments have been criticised as being circular and tautological – "as a property of communities and nations rather than individuals, social capital is simultaneously a cause and an effect. It leads to positive outcomes, such as economic development and less crime, and its existence is inferred from the same outcomes" (Portes 1998).

Cox, E (1995) A Truly Civic Society: Boyer Lectures 1995. Sydney: ABC Books.

Putnam, R. (1993) Making Democracy Work: Civic Traditions in Modern Italy. Princeton: Princeton University Press.

Putnam, R (1995) Bowling Alone: America's declining social capital. Journal of Democracy. 6,1 (Jan): 65-78.

Portes A, (1998) Social capital: its origins and applications in modern sociology. Annual Review of Sociology. 24, 1-24.

Different understandings of social capital therefore lead to different measures.

Measures using Bourdieu's definition

Research using either of the definitions attempts to examine the social relationships that allow individual members of groups to accumulate resources via membership of those groups. Research using the Bourdieu definition of social capital has not specifically focused on health, but Portes and Light (1995) demonstrate its usefulness in their review of the determinants that favour successful integration of different immigrant groups into the USA. These researchers found that the social structure into which new immigrants arrived was an important factor in determining how long they stayed, and consistently highlighted the role of community networks as a source of vital resources. Chinese people in San Francisco, for example, were more likely to integrate successfully than Dominican people in New York, because their ethnic social networks allowed them informal access to resources such as credit, child support, English language training and job referrals.

Duncan (1995) also uses this definition in her examination of social capital in poor rural communities in the southern states of the USA. She uses an historical and ethnographical approach to describe the social dynamics in Appalachia and the Mississippi delta that reflected low levels of social capital. Unlike Putnam, she argued that the relations in these areas arose from a particular set of historical social and economic conditions, and that substantial change through changed norms would not occur until the underlying economic conditions (work, education, access to resources) changed.

Studies that have used Bourdieu's definition of social capital reveal that social relations are complex and cannot be quantified simply by using individual indicators, because they are not merely the property of individuals. An examination of social capital using this definition therefore requires more qualitative methodologies.

Portes and Light (1995), in World Bank Group (1999) *Social capital for Development*. At http://www.worldbank.org/

Duncan, CM (1999), *Equality and social capital in poor rural communities*. Paper presented at 'Social Capital and Poor Communities: Building and Using Social Capital to Combat Poverty 'Conference, New York City, USA, March 1999.

Measures using Coleman's definition

Many more attempts to measure social capital have been made using the Coleman definition, because its individualistic focus means that social capital can be treated in the same way as other risk factors that are able to be measured in individuals. In this research, the social processes that reflect social capital are measured by combining measures of an individual's level of trust with measures of membership, and the measures are generated by asking questions in social surveys. (An explanation of measures of trust and membership that have been studied to date is included below).

This paper gives only an overview of measures and some examples of their use, as new measures are being developed all the time. Some researchers have described certain components of social capital, (generally cited as trust, civic participation, social engagement and reciprocity) and attempts are being made to measure each independently (see Kawachi and others). A more detailed review of the measures described here can be found in:

McGrail, KM, Ostry, A, Salazar Thomas, V and Sanmartin, C (1998) *Determinants of Population health: a synthesis of the literature*. Health Canada.

World Bank Group. (1999), *How is social capital measured?* The World Bank, Washington. http://www.worldbank.org/poverty/scapital

Rosenfeld E (1997), *Social support and health status: a literature review*. SACHRU: Adelaide SA.

Trust

Trust is used because, under Coleman's model, the contract between individuals requires the trust that acts by individuals will be reciprocated at some time in the future. Trust is usually ascertained from a question in a social survey such as the World Values Survey or the General Social Survey in the USA. Examples include, "Generally speaking, would you say that most people can be trusted or that you can't be too careful in dealing with people?" or "Do you think that most people would try to take advantage of you if they had a chance or would they try to be fair?" These questions may be supported by additional questions that attempt to expose attitudes towards reciprocity or fairness, such as "Would you say most of the time people try to be helpful or that they are mostly looking out for themselves?"

Membership

Membership is important for a description of social capital because it reflects a degree of civic engagement and the nature of "horizontal" relations between individuals that establish trust. Measures of membership have included membership of voluntary associations or civic organisations and hours spent volunteering. Surveys directly ask the extent and characteristics of individuals' associations and activities, typically by asking questions such as "Do you help out a local group as a volunteer?" or "Have you attended a local community event in the past 6 months?"

Putnam (1995) has used voter turnout, newspaper readership and membership of choral societies and football clubs as broader measures of social cohesiveness. The prevalence of telephone services and the extent of social mobility have been used as proxy measures of social networks in Tanzania (World Bank Group 1999). Religious affiliations and family structure have also been used as measures of membership. Membership measures have not focused on membership of national organisations, such as environmental groups or unions, because they are considered hierarchical and bureaucratic and thought therefore not to generate much social capital (McGrail *et al.* 1998). Informal networks (such as neighbourhoods or networks of friends) have not been the focus of Coleman-based models because they are perceived to be too difficult to measure formally (McGrail *et al*. 1998).

Surveys of trust and membership

Some studies have developed extended surveys to measure both trust and membership. These can be found in the references below. The paper by Kreuter *et al.* (1997) contains tables of questions that could be used as indicators, under the headings, 'Potential indicators for trust', 'Potential indicators for reciprocity', 'Potential indicators for civic involvement' and 'Potential indicators for social engagement'. The questions used by a researcher would depend on the types of concepts they were trying to reveal through the survey. There is currently no generic format for an indicator of social capital.

Bullen P and Onyx J (1998), Measuring Social Capital in Five Communities in NSW. At http://www.mapl.com.au/A2.htm.

Baum F, Modra C, Bush R, Cox E, Cooke, R and Potter R (1999), Volunteering and social capital: An Adelaide study. *Australian Journal on Volunteering* February, 13-22.

Kreuter M, Lezin N and Koplan A (1997), *National Level Assessment of Community Health Promotion Using Indicators of Social Capital*. Health 2000: Georgia USA.

Kreuter M, Lezin N and Baker, B (1998), *Is Social Capital a Mediating Structure for Effective Community-based Health Promotion?* http://www.techined.com/soccap.htm

Aggregation of measures at a spatial level

Once these measures have been established for individuals, many studies have aggregated the individual measures into an areal unit of collective social capital. This ecological variable is then compared to other characteristics in the area such as high crime or mortality rates. Examples of aggregation and methodologies for combining measures into a social capital indicator can be found in the references below. Kawachi has operationalised a spatial social capital indicator for health.

Kawachi I, Kennedy BP, Lochner K and Prothrow-Stith D (1997), Social capital, income inequality and mortality. *American Journal of Public Health* 89(8): 1187-1193.

Kawachi I, Kennedy BP and Glass R (1999) Social capital and self-rated health: a contextual analysis. *American Journal of Public Health* 87(9): 1491-1498.

Kawachi I, Kennedy BP and Wilkinson RG (1999) Crime: social disorganisation and relative deprivation. *Social Science and Medicine* 48: 719-731.

Family social capital

A final measure that has been used, separate from more general measures of social capital, is family capital. Family capital measures focus on aspects of family structure and functioning and their outcomes for children's wellbeing and development. Individual children are seen as being able to access less social capital from certain family situations e.g. with only one parent, or with many children (McGrail *et al*. 1998), or who have been highly mobile (Hagan *et al*. 1996). Attempts have also been made to extend the analysis to extended family members and to quantify the numbers of contacts between members. Quality of contact has also been measured through surveys examining parental encouragement and expectation of achievement. Literature on children's social capital is generally found in a wider range of disciplines, such as health, sociology, education, welfare, anthropology and psychology. Examples can be found in Coleman's 1988 article (reference above) and in the articles below:

Parcel TL and Menaghan EG (1994) Early parental work, family social capital and early childhood outcomes. *American Journal of Sociology* 99: 972-1009.

Runyan DK, Hunter WM, Socolar RS et al (1998) Children Who Prosper in Unfavorable Environments: the Relationship to Social Capital. *Pediatrics* 101(1): 12-18.

High P, Hopmann M, LaGasse L, Sege R, Moran J, Guiterrez C, Becker, S (1999), Child Centered Literacy Orientation: a form of Social Capital? *Pediatrics* 103: e55.

Hagan J, MacMillan R, Wheaton B (1996), New kid in town: social capital and the life effects of family migration in children. *Am Sociol Rev* 61:368-85.

Zubrick SR, Silburn SR, Vimpani G and Williams AA (1999), *Emergent demand for measurement indicators of social and family functioning*. (unpublished, funded by a Commonwealth Family and Community Services' grant)

Jack G and Jordan B (1999), Social capital and child welfare. *Children & Society* 13(4): 242-256.

There are four criticisms of social capital indicators based on the individualised notions of the Coleman model.

<u>1. Social capital indicators lack clear definition</u>

Attempts to measure social capital have been widely criticised because the defining concepts, such as 'trust' and 'networks', are vague and ambiguous. It is consequently unclear which determinants are being measured in social capital research. Labonte (1999) captures this lack of definition eloquently when he writes of social capital, "There is 'something' going on 'out there' in people's day-to-day relationships that is an important determinant of the quality of their lives, if not society's (communities?) 'healthy' functioning…it is the 'gluey stuff' that binds individuals to groups, groups to organisations, citizens to societies" What exactly this 'something' is remains moot'." Lomas (1998) highlights that "There are few known and validated ways to measure such things as community competence, social cohesion, or a sense of worth at the level of the community". Leeder and Dominello (1999) also argue that, "Champions of social capital have several kilometres to travel before a definition emerges that will render it a practical matter for policy development".

Portes and Landolt (1996) have also argued that a distinction needs to be made between the sources of social capital (network, etc.) and the resources or advantages that derive from them. To illustrate this point, they put forward the case of two tertiary students in need of money for tuition. One has acquired the money from parents while the other has a highly supportive social network that cannot meet the expense. Whilst both have stocks of social capital which could be measured using an indicator, the social capital of these individuals has resulted in different outcomes. Anthropologists studying inner city and ghetto areas in the USA have also demonstrated high levels of social capital in some areas, with many people relying on friendship and kin networks for survival, but the assets obtainable through these networks are not enough to remove people from poverty (Stack & Fernandez-Kelly in Portes & Landolt, (1996)). The definition of social capital is again critical to an understanding of what is being measured and how social processes lead to the acquisition of resources.

Labonte R (1999) Social capital and community development: Practitioner emptor. *Australian and New Zealand Journal of Public Health* 23(4): 430-433.

Leeder S and Dominello A (1999) Social capital and its relevance to health and family policy. *Australian and New Zealand Journal of Public Health* 23(4): 424-429.

Portes A & Landolt P (1996) The downside of social capital. *The American Prospect* 26 (May-June): 18-21, 94.

Lomas J (1998), Social Capital and Health: Implications for Public Health and Epidemiology. *Social Science and Medicine* 47(9): 1181-1188.

<u>2. Collective social capital is not the same as individual social capital</u>

A second criticism of social capital research is that it confuses its unit of measurement by aggregating information about individual social capital (such answers from social surveys) to a measure that claims to represent a broader collective unit. Portes and Landolt (1996) criticise Putnam for making individual social capital, the property of groups or even nations. They state "collective social capital…cannot simply be the sum of individual social capital". The sources and benefits of social capital available at the individual network level ('the gluey stuff' that binds individuals to groups) may be very different from those available at the social level of institutions and governments ('the gluey stuff' that binds citizens to institutions). For example, very different ideas of trust may be evoked in Coleman's network of Jewish diamond traders if they are asked about the network through which they are deriving social capital, or society as a whole. The two reveal different types of information about social relations and both may be lost in the process of aggregation.

<u>3. The presence of social capital may not always result in positive outcomes.</u>

Social capital research assumes that the presence of social capital always leads to positive outcomes. Some authors involved in research using indicators claim that all members of a society benefit from social capital even those who do not contribute. Of these, Kawachi (1997) claims social capital has a "property of nonexcludability". Social capital is, however, not always a positive attribute and is often used to exclude others. The strong social capital associated with many ethnic groups indicates that strong ties that supply resources can also be used to restrict outsiders or limit individual members' freedom. For example, in Australia, one may argue that the strong social capital in belonging to the non-indigenous group has led to a range of exclusions for Aboriginal and Torres Strait Islander people. At a more local level, ethnic minorities have found themselves excluded from many communities and workplaces by other groups exhibiting strong social capital. The Mafia, youth gangs and drug cartels are also extreme examples of groups with high levels of social capital whose existence does not benefit all, "even those who do not contribute".

Portes and Landolt (1996) also make the important point that some members of highly bound groups may find the norms of those groups stifling and may find they are unable to break from the network for fear of being ostracized. This is a negative outcome of strong social capital.

<u>4. Solutions based on an individualised notion of social capital may not work or may reinforce inequality.</u>

Finally, Leeder and Dominello (1999) warn that the idea of social capital may be used for "socially perverse purposes". In particular, they focus on government strategies that "look to the family for the growth of social capital". Policies oriented to these types of strategies may send those in institutional care, such as the chronically ill, back to family settings and may encourage women out of the workforce in the name of making a devoted contribution their children and to social capital. It is not difficult to imagine that social capital in the hands of some exponents might become another requirement for individual health (like smoking or regular exercise), or develop into a community development project that attempts to change a cohort of the population, but ignores the structural factors that underlie their health problems.

Labonte (1999) has argued that social capital research has merely replaced the idea of community development in policy making. He believes that solutions based on current 'social capital' approaches of empowering people are as likely to fail as the many community development interventions that have gone before - if maximising social capital is seen as the means to increase economic growth, and as a substitute for adequate infrastructure. This problem is clearly demonstrated in a paper examining recent attempts to improve social circumstances in poor housing estate areas in Sydney (Randolph *et al*. 1999). The authors conclude that the community development effort in Waterloo failed because a more substantial "all of government" approach was needed. They argue jobs, welfare policy, education, skills training, health and social services are required to bring disadvantaged households back into the main stream.

Randolph, B & Judd, B. (1999) *Social exclusion, neighbourhood renewal and large public housing estates*. Paper presented to the Social Policy Research Centre Conference, "Social Policy for the 21st Century: Justice and Responsibility". University of New South Wales, July 1999.

A useful critical review of all the aspects of social capital discussed in this paper can be found in:

Portes A, (1998), Social capital: its origins and applications in modern sociology. *Annual Review of Sociology*. 24, 1-24.

Conclusion

Social capital, or the social processes of groups that bestow advantage on individuals, has an important role to play in explaining inequalities, by drawing attention to real and important phenomena. However, the concept encompasses a set of processes that are not new and have been studied under different labels previously. There is also little evidence to date that social capital will provide a ready remedy for major social problems, as promised by some of its proponents. Researchers and policy makers will need to examine carefully the underlying theoretical basis of the definition of social capital they use, in order to decide whether it resides solely in the actions of individuals or whether it is underpinned by economic conditions. This then will determine the types of measurements needed, and should lead to a critical examination of whether concepts measured in individuals, can adequately explain phenomena that exist across populations. This debate is crucial, because ultimately, it will determine whether policy interventions should focus on change at the individual network level, or more broadly on change in underlying socioeconomic conditions.