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Social Capital: an assessment of its relevance as a conceptual and policy tool

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General introduction to Voluntary Sector Working Papers

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Abstract

Social capital as a conceptual and policy tool has become common currency amongst academics, policy makers and politicians. Its importance has been recognised in popular discourse to the extent that ‘networking’ has become a verb. Yet in spite of its rapid rise in popularity, there is much debate about the utility of social capital as a policy and conceptual tool. This paper provides an overview of academic debates about social capital, considering critiques both of the concept and of its use in policy. There is specific discussion of the relationship between social capital and, inter alia, associationalism, social exclusion and inequality, democracy, and gender. The paper finally illustrates how social capital is a key component within the policies of the New Labour Government.

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About the author

Aoife came to the LSE directly from an undergraduate degree in social policy at Trinity College, Dublin. Since graduating LSE, Aoife has worked as a mental health outreach worker with Revolving Doors Agency, a voluntary sector organisation researching effective means of engaging with people with mental health problems who have come into contact with the criminal justice system.
1. Introduction

Social capital as a conceptual and policy tool has become common currency amongst academics, policy makers and politicians. Social capital now features prominently in the policies of major international organisations including the OECD (2001) and the World Bank. The World Bank has established a website dedicated specifically to the discussion of issues related to social capital1. In Britain, ideas linked to social capital underpin the ideological foundations of the policy of Tony Blair’s New Labour government.

Robert Putnam, credited with popularising the term and invigorating the debate around it in his bestseller *Bowling Alone: The Collapse and Revival of American Community* (Putnam 2000), provides evidence as to the impact of an earlier version of his thesis published in 1995: ‘…I was invited to Camp David, lionised by talk show hosts, and (the secular equivalent of canonisation in contemporary America) pictured with my wife Rosemary on the pages of People’ (2001:506). The impact of his work spread beyond academic and policy boundaries into the realm of popular culture.

Yet while the concept has made its way into popular discourse much debate remains within academic quarters as to its utility: conceptually, analytically and from the point of view of policy making. For some authors (for instance, Putzel, 1997; Dolfsma and Dannreuther, 2003; Johnston and Percy-Smith, 2003) the fact that social capital is being written into policy before a common definition has been agreed represents a cause for considerable concern.

This paper aims to provide an overview of the concept and some of the major criticisms that have been made of it, as well as considering the place social capital occupies in New Labour policy.

The first section of the paper discusses the concept of social capital, examining in particular concepts such as bonding, bridging and linking capital. It then focuses on the role of social capital in the promotion of “good governance”. The role of associations in the generation of social capital is also considered. This is followed by a review of some of the major criticisms of the social capital concept, which focus on the role of social capital in addressing social exclusion, the place of inequality in the social capital discourse and, then, the place of gender in the social capital discourse.

The second section of the paper begins with a consideration of the relationship between the policies of third way politics and the social capital discourse. The influence of the social capital discourse on Britain’s New Labour administration will be examined, looking specifically at its
impact on the state-voluntary sector relationship and policy in relation to neighbourhood renewal.

In conclusion, it is posited that while social capital does have much to offer as a conceptual and policy tool, its many critics are right to raise concerns that it is being allowed to overshadow the more traditional concerns of policy makers.

2. Exploring Social Capital

Described by Narayan (1999) as the social glue that holds groups and societies together, social capital is about the norms of trust and reciprocity that arise from social networks (Putnam, 2000). Putnam posits that these norms create the conditions under which a society can take collective action and serve as the key ingredient of an effective civil society.

Social capital has been credited with achieving reduced crime, improved health, better labour market outcomes, higher educational attainment and more effective democracy (Kearns, 2003). Knack and Keefer (1997), in their cross-country analysis, underline the important role of social capital in economic outcomes. For example, there was a strong correlation between trust and growth, with Korea scoring highest in their study of 29 countries (figure 2:1265). Other authors, such as Grootaert (2001), posit further that social capital may represent a key factor in understanding the massive growth of East Asian economies which traditional understandings of growth indicators may struggle to explain. For Nelson et al. (2003), social capital has a vital role to play in establishing peaceful intercommunity relations in areas of conflict. Their research is based on the effective impact of concord organisations in the US, Northern Ireland, South Africa and Israel and Palestine, four areas of long-standing conflict. They point to common histories of disenfranchisement and of economic inequality allied to political limitations, and indicate the possibilities created by effective intercommunity engagement.

Some critics have traced the ideas entwined in the current debate back to the founding fathers of sociology, Durkheim, Marx and Weber (Portes, 1998). Their argument is that the idea that involvement in groups is beneficial to individuals and society is nothing new. Whilst Coleman and Bourdieu are credited with introducing the concept into modern discussion (Barron et al, 2000, Lowndes, 2003), it is the contributions of Robert Putnam that have popularised the value of social capital beyond academic circles into the wider sphere of government and policy makers.

Social capital establishes systems of informal accountability as well as of reciprocity which can act as a means of informal social control (Portes, 1998). Groups establish norms that are both internalised by group members and maintained through means such as gossip, a kind word or a
raised eyebrow. These means of accountability are effective because they are administered by a group member who is one of ‘us’ rather than one of ‘them’ (Bowles and Gintis, 2002). Whilst his writings focus primarily on communitarianism rather than on social capital specifically, Etzioni discusses the utility of ‘community censure’, as a means of reducing reliance on the state as a source of social order (1996:5). Grootaert (2001:11) discusses the role of ‘peer-monitoring’ in the interaction of social relationships and economic outcomes. Through established norms and mechanisms of accountability, social capital can reduce the potential losses involved in risk-taking behaviours and also lower transaction costs. Fukuyama’s (1995) work on social virtues identifies trust and social norms as of central importance in predicting economic outcomes. For Fukuyama “high stocks” of social capital within a society not only represent a society’s well being, but also a competitive advantage.

Thus, social capital is about involvement in social networks, and the value that arises from that involvement. So who benefits from social capital? There are two schools of thought within the social capital discourse.

2.1 A Public and Private Good

Putnam (2000), representing the first school of thought, argues that the norms of trust and reciprocity that arise from social networks, and the positive externalities, or spin-offs, arising from them, accrue not just to those individuals taking part, but to the group as a whole. Putnam and others argue that social capital is a public good or a shared asset; it does not belong only to individuals but to groups and societies. Thus, its presence represents a public good beneficial to all.

Yet other authors discuss social capital as a private good, accruing to individuals. Saegert et al. (2001) and Flap and Volker (2004) note that, like other forms of capital, social capital can be inherited at birth - an endowment of the ties formed by our families. From this point of view, social capital is central to the reproduction of class relations (Harriss, 2002). Scholars from this school of thought argue that all people are situated within social networks, but that some social networks are of greater value in terms of personal advancement. Social capital is owned by groups and societies, but certain individuals have a greater ability to realise its value (De Fillipi, 2001). Foley and Edwards (1999) argue that the value of social networks to an individual is dependent not only on access, but also on the resources available to the individual, such as education, wealth and location, in terms of utilising these connections.

Social capital can be used to multiply stocks of other forms of capital. Here social capital, like financial capital, is related to power: those with most have the most power to achieve their desired ends, those with least capital have least power. Examining social capital in this way
allows us to use it as a tool for understanding the interplay between social capital and social exclusion, and furthermore the potential of social capital to engender empowerment (Wong, 2003).

This, in turn, leads us to consider bridging and bonding forms of social capital and their potential to foster inclusion or exclusion within and between groups.

### 2.2 Bonding and Bridging Social Capital

It is argued that there are two distinct types of social capital, which arise in accordance with the type of group interaction in which an individual is engaged.

Bonding capital refers to the strong, dense social ties formed between like groups such as family or members of an ethnic group, often living in the same locality (Kearns, 2003). This bonding capital is described by Kearns as particularly important to the poor in terms of ‘getting by’. The manifestation of bonding capital may be ‘emotional or practical – e.g. getting a loan or a lift’ (ibid.8). The ties involved in this type of network are what Leonard and Onyx (2003) call ‘thick’ social capital.

Bridging capital then is ‘thin’; it refers to ‘horizontal trust and reciprocal connections between heterogeneous people from different walks of life, and is more valuable and effective than bonding social capital’ (Edwards, 2004:10). It is bridging capital, therefore, that is credited with contributing to social inclusion (Edwards, 2004, Narayan, 1999). Granovetter (1973), in his work _The Strength of Weak Ties_, found that weak ties are an important resource in opening opportunities for upward mobility. He found truth in the adage ‘it’s not what you know, it’s who you know’. Kearns’s (2003) example of ‘old boy’s networks’ illustrates this point. These networks are particularly associated with the alumni of public schools and elite third level institutions: it is argued that members of such groups are likely to be of assistance to each other even though they may not know each other personally. Members offer such support safe in the knowledge that they will in turn be able to cash in on the shared resource pool of the group at some time in the future. The classic example involves access to employment.

So, while bonding capital is about getting by, bridging capital is about “getting ahead”. However, the potential cost associated with bridging capital is greater. As ties are looser or even not yet existent, the risk of non-return is higher (Flap and Volker, 2004). Here it is instructive to consider social capital as correlated with other forms of capital. A person with greater stocks of, for example, financial capital, may find it easier to take such risks, as they are cushioned by their financial capital. For a person who has very few resources, the decision to expend those limited resources, with no sure knowledge that they will be returned, will be far more difficult to make.
Whilst strong bridging social capital is seen as positive in terms of promoting social cohesion, strong bonding social capital alone is often described as negative:

_While primary groups and networks undoubtedly provide opportunities to those who belong, they also reinforce pre-existing social stratification, prevent mobility of excluded groups, minorities or poor people, and become bases of corruption and co-option of power by the dominant social group._ (Narayan, 1999: 13)

The exclusionary potential afforded by bonding social capital accounts for the ‘dark side’ of social capital (Putzel, 1997). As Putzel notes, the Po Valley in Italy, the base for Putnam’s study of strong civil society, was also an area of strong support for Mussolini’s fascist regime. Putnam himself has noted the negative impacts of strong social capital amongst organisations such as the Ku Klux Klan, or NIMBY² movements (2000: 21). Not all social capital is good. Bridging capital turns the dangers of unchecked bonding capital into a resource contributing to a more inclusive, socially cohesive society, thereby preventing ‘divisive social cleavages’ (Narayan, 1999: 13).

However, it is posited here that bridging social capital is truly effective in the promotion of inclusion across boundaries only where it promotes the interaction of networks from truly diverse backgrounds. Arguably, from the point of view of addressing disadvantage and social exclusion, the bridging capital that may exist, for example, between a working class Loyalist youth club and a middle class Nationalist youth club in Northern Ireland will have a much higher level of positive externalities (i.e. positive spin-offs for society at large, beyond those youths directly involved) than one between two youth groups from similar socio-political backgrounds from different parts of Belfast. This form of vertical bridging capital across power differentials has been labelled ‘linking’ social capital (Woolcock 2002: 26; see also Narayan, 1999). Linking social capital is also relevant when considering cross-sectoral links such as those between communities and local authorities.

2.3 Social Capital and Associationalism

The value of bridging social capital over bonding social capital has led to greater emphasis on the value of membership in organisations.

Informal sociability, for example meeting friends at the pub³, is still recognised as being important, both in generating social capital, and in indicating its presence. However, Putnam’s (1993) study of civil society in Italy also led him to argue that a healthy democracy, rich in civic
2.4 Social Capital and Democracy

High stocks of social capital have been credited with the promotion and maintenance of effective democracy. Political engagement, it is argued, is highly correlated with social capital. Thus, declining social capital has been linked to a decline in political participation. Social capital has also been promoted as a tool for improving the performance of government. According to Putnam (1993) the best predictor of good government is the ‘civicness’ of a society.

Social capital discourse posits that social capital and political engagement form a virtuous cycle. Increased social capital leads to increased political engagement, which, in turn, leads to further social capital. However, some authors have argued that while social capital does lead to certain forms of engagement such as community-based voluntary activity, its link to more traditional forms of political participation such as voting and registering to vote is questionable (Fuchs et al., 2001). For such authors the decline in political participation is more likely to be correlated with a decline in the types of organisations which traditionally mobilised political involvement through an explicitly political agenda. In support of this argument, Wollebaek and Selle’s (2002) research suggests that membership in non-political associations needs to be accompanied by membership in semi-political or political organisations in order to have an effect on a person’s political engagement. Fahmy (2003), in his study of Civic Capacity, Social Exclusion and Political Participation in Britain, found a weak correlation between associational membership and civic engagement, but argues that this is weaker than may be expected in social capital theory.

Others such as Uslaner and Dekker (2001) argue that political engagement is far more likely to arise as a result of reduced inequality. If we look at this argument from a simplistic point of view, disadvantaged citizens may feel more inclined to vote in an election where their options
included a representative who wanted to address income inequality, and whose past record of following through on electoral promises meant that citizens trusted this representative. Those who are less excluded feel more enfranchised.

Following on from this example it is appropriate to consider the arguments of Foley and Edwards (1999). They argue that trust is the result of effective government, not its precursor: ‘social trust is the result of a social, economic or political system that works well …not the cause of their felicity’ (ibid: 162). As Johnston and Percy-Smith (2002) argue, Putnam may be failing to distinguish between causal and symptomatic relationships; active citizenship may be the result of effective political institutions and not vice versa.

2.5 Social Capital: in Decline?

Part of the attraction of Putnam’s writing is its ability to explain simply the rise of social problems. Putnam (2000) is concerned about a fall in social capital in America. He identifies civic engagement and involvement in associations as falling - hence the “bowling alone” metaphor. Putnam found that while associations such as bowling leagues were once representative of the associational character of American life, more recently the growing popularity of bowling has been paralleled by a decline in the number of bowling leagues. For Putnam, this is representative of the increasing individualisation of American life. While the sport has gained in popularity, the number of people participating on a group basis has declined. He fears that this trend is not recent and laments that ‘…it is now past time to reweave the fabric of our communities’ (ibid: 402).

Putnam’s research has been the subject of much criticism. For example his use of the General Social Survey as a dataset has been questioned (Maloney et al, 2000). It is suggested that the General Social Survey focuses too much on formal social activity to the neglect of less formal modes of sociability. Therefore, much of an individual’s involvement may fall below the watermark of such methods of data collection. MacGillivray and Walker (2000) make an interesting argument that certain techniques for measuring social capital may actually either develop or reduce social capital within communities. They suggest that allowing communities to design and implement the measurement of social capital is important because of the risk that research “done to” communities may actually reduce stocks of social capital.

Studies from this side of the Atlantic seem to suggest that Putnam’s ‘collapse of community’ thesis is of less relevance in Britain. Maloney et al.’s (2000) study of civic involvement in Birmingham suggests a significant increase in civic involvement as evidenced by the number of voluntary associations. They found a one third increase in the number of voluntary associations in Birmingham between 1970 and 1998 (2000: 219). Their measurement included a number of
categories including sports clubs. They suggest that the 1998 measure includes a significant underestimation in the number of sports clubs, and that if they were to be disregarded, there would be a doubling in the number of voluntary associations over the 28-year period.

Hall’s study of social capital in Britain would seem to support the wider applicability of the findings of the Birmingham study. Hall found that ‘aggregate levels of social capital have not declined to an appreciable extent in Britain over the post-war years’ (1999: 457). In terms of associational membership, Hall found that with the exception of traditional women’s organisations, there were positive rates of growth across all types of organisation, which generally exceeded the rate of population growth.

### 2.6 Social Capital, Social Exclusion and Inequality

Gordon et al. (2001: 59) summarise social exclusion as ‘non-participation in common social activities; isolation; lack of support; disengagement; and confinement’. The Social Exclusion Unit has cited the government definition as:

> …a shorthand term for what can happen when people or areas suffer from a combination of linked problems such as unemployment, poor skills, low incomes, unfair discrimination, poor housing, high crime, bad health and family breakdown. (2004: 4).

As discussed already, it has been posited that social capital can contribute to the promotion of social inclusion. It has therefore proved popular amongst policy makers as a means of addressing the needs of disadvantaged communities. It is intertwined with terms such as empowerment, capacity building and community governance. In spite of this, many commentators have been sceptical about this new shift in emphasis to the role of social capital in addressing the problems of broken communities (Levitas, 2000; De Filippis, 2001). They are not necessarily arguing that social capital is not an important issue. Rather, they propose that it is being given too much attention to the detriment of already established understandings of why some communities fail to thrive.

Proponents of the use of social capital as an analytical and policy tool argue that through the development of policies which facilitate active citizenship, these communities will be given opportunities to assist in their own rise from poverty. The problem that many commentators have identified with this approach is that communities who have fallen victim to structural inequality are in danger of being portrayed as the authors of their own demise (Levitas, 2000; Everingham, 2003).
It has been argued that the creation of opportunities for community involvement are in danger of shifting the balance too far away from traditional concerns relating to structural inequality (Franklin, 2003, Edwards, 2003). These issues require much greater levels of financial capital investment by government, compared to the lower cost alternative of investment in social capital (Mayer, 2003, O'Connell, 2003). Mayer argues that social capital has the potential to serve as a smokescreen, disguising and legitimising a shift from policies concerned with the traditional consideration of poverty and inequality to more loosely defined, politically flexible concepts such as social inclusion and responsibility. From this point of view, Everingham (2003: 114) posits that social capital has been taken on by governments and policy makers as a ‘shortcut through sociology’, a quick fix answer to social problems which does not permit sufficient attention to their causes.

The concern is that social capital, with all its potential for empowerment and inclusion, may in fact be contributing to discourses around the deserving poor. As Levitas concludes:

*So-called social capital is expected to take the place of economic capital. The imputed absence of social capital is potentially stigmatising and laid at the door of (mainly) poor people themselves.* (2000: 196)

Levitas’ criticism arises in her appraisal of the communitarian ideals associated with New Labour. Deacon (2000), in his analysis of the influence of US politics on New Labour thinking, discusses the influence which American discourse on the underclass has had on the demands that British social policy is making of the poor. Other commentators such as Byrne (1999) have argued that the agenda of promoting responsibility within and among communities lies parallel to ‘welfare-to-work’ strategies. According to Byrne, the slimmed down welfare state of New Labour has placed disproportionate blame and responsibility at the door of poor communities for problems which are present in society as a whole.

Levitas’s (1998) threefold analysis of social inclusion discourse is instructive here. She examines the various strands that inform social inclusion theory and identifies three ideologically different strands within the discourse. These are RED, SID and MUD. RED, or redistributive discourse, is described by Levitas as primarily concerned with the promotion of social inclusion through the amelioration of poverty and inequality. SID refers to the social integrationist discourse which advocates social inclusion through labour market participation. The final strand of the discourse is MUD or the moral underclass discourse. MUD frames social exclusion as the result of ‘the moral and behavioural delinquency’ of the socially excluded themselves (1998:7). Social capital has relevance for all three strands of the discourse - for SID and RED which arguably inform third way policy, but also for MUD which ties in with the more morally conservative elements of communitarian thought.
This leads us to a further criticism of the role of the social capital concept as a tool for rebuilding broken communities. Whilst Putnam identifies declining social capital across American society as a whole, much of the policy influenced by social capital on this side of the Atlantic is directed towards marginalised communities specifically (Morrison, 2003). The basic premise is that disadvantaged communities are poor in stocks of social capital and that, if they partake in schemes aimed at improving their social capital, they will be less disadvantaged. The problem identified with this focus on marginalised communities is that it fails to bridge the stocks of social capital within these communities to those beyond their borders. The importance of bridging and linking social capital, and their inherent vertical relationships, in terms of the promotion of social inclusion, has already been discussed. Salmon (2002) draws upon the example of the town of Oldham, an area of high unemployment and social disadvantage, to discuss the problems surrounding the relationship between social capital and marginalized communities. He acknowledges that the social capital concept may have had much utility when thinking about networks in traditionally working class areas by providing access to valuable information regarding employment opportunities (and hence access to social and financial capital).

However, for deprived neighbourhoods the utility is less obvious. As he asserts, one of the primary reasons that Oldham is so deprived is the lack of opportunities for employment in the area. Social capital among the unemployed in areas such as this, he argues, will be of little utility in terms of access to paid work; it cannot translate into job related information as the majority of the community are outside the labour market. Thus, placing too much focus on the generation of social capital within marginalised communities reduces the focus on broader policies, and thereby risks reinforcing segregation from wider society (Morrison, 2003).

For other authors the problems associated with focusing social capital-based strategies on disadvantaged communities are more than ineffective - they are in fact destructive. Whilst the norms and trust arising from social networks are generally viewed to be positive for members of the network5, they can also be constraining in their demand for conformity (Svensden and Svensden, 2003). Portes (1998: 17) discusses the impact of group solidarity formed as a result of the common experience of adversity and opposition to mainstream society. Within these settings, individual success stories are understood to undermine group cohesion where solidarity has been based around the shared experience of subordination by the mainstream. In this way, dense social networks amongst marginalised groups are understood to exert ‘downward levelling norms’; those who seek advancement beyond the group are seen to betray their roots. Therefore, those who do achieve advancement leave the group, so that the value of their information and diversified networks is not shared with the group. In this way, focusing on the creation of social capital within broken communities, instead of between all communities, is in danger of contributing to the further marginalisation of already disadvantaged communities.
Further criticisms of the utility of social capital as a tool to promote social inclusion arise around the difficulties of creating social capital in an environment of inequality\(^6\). For many researchers, economic inequalities act as an obstacle to investment in social capital by individuals and communities. As Oppenheim (1998: 14) suggests: ‘if there is an ever widening gap between the affluent and the impoverished, the sense of shared citizenship becomes harder to maintain’. Boix and Posner (1998) and Mayer (2003) draw similar conclusions. The cost of participation - both the financial and opportunity costs - is commonly cited as the reason that poor communities are less likely to be either able or willing to be engaged in activities such as associational membership or civic engagement. Gordon et al.’s (2000) study of poverty and social exclusion in Britain found that only 63% of the population could afford to take part in the full range of social activities. The findings of the Home Office Citizenship Survey 2001 support the finding that people from lower socio-economic groups are less likely to be involved in voluntary and community activities. All forms of involvement (civic and social participation, and formal and informal volunteering) are found to be higher amongst those in higher management occupations. The difference in involvement in civic participation fell from 47% for higher management occupations to 30% for those in routine occupations and just 24% amongst those who had never worked or were long-term unemployed (Attwood et al., 2003: 98, Table 5.4). For formal volunteering, the findings were similar with participation at 51% amongst higher management occupations and just 27% for those who had never worked or were long-term unemployed. These figures may seem to contradict the assertions of authors who argue that policies aimed at encouraging labour market participation amongst excluded groups serve to discourage civic participation. However, the flexibility of labour markets, and the fact that many of the employment opportunities available to low skilled workers are associated with unsociable hours, for example, may help to explain lower rates of participation.

If the impact of ‘welfare-to-work’ is considered from this point of view, some tension arises between the dual pursuit of the social integration and active citizenship approaches of New Labour. Welfare to work has formed a key element of third way policy, as will be discussed later. The drive to push people into paid employment has meant that less time is available for community engagement (Levitas, 1998). Skidmore and Craig (2004) argue that poverty reduction strategies based on a ‘welfare-to-work’ type approach as opposed to a redistribution approach are detrimental to people’s ability to volunteer. Their assertion is supported by findings from the Institute for Volunteering which indicate that there is a need to achieve a better work life balance to facilitate more opportunities for people to benefit from the socially inclusive potential of volunteering (http://www.ivr.org.uk).
2.7 Social Capital and Gender

Social capital can at first glance seem gender neutral. However Putnam and others have been criticised for implicit and explicit gender bias within their writing.

The movement of women into the workforce has, in part, been presented as a reason for declining levels of participation. Putnam and Leigh (2002: 17) lament that during the 1950s and 1960s ‘women were our best social capitalists, keeping school organisations, reading clubs and neighbourhood associations afloat’. Putnam (2000: 203) responds to criticisms of this ‘women as wreckers’ analysis arising from earlier works, concluding that ‘civic engagement has declined almost equally for both women and men’. He acknowledges that whilst a move to the workforce has been detrimental to certain forms of social capital, new networks created through the workplace have afforded new forms of social capital for women. This, however, does not address the full weight of criticism which has been levelled at Putnam and others by authors such as Lowndes, who claim that a bias towards formal sociability means that women’s social capital is not captured by research. Lowndes (2000: 534) is critical of Putnam’s measurement of social capital, claiming that there is a bias towards male-dominated activities, and arguing that women contribute to society through their own gender specific ‘circuits’ of social capital. These may be considered domestic or private in the mainstream discourse on social capital, and are therefore not acknowledged as within civil society. Lowndes cites the associations chosen for study in Putnam’s (1993) Making Democracy Work. Of the associations which Putnam studied, 73 per cent were sports clubs, which Lowndes describes as traditionally male domains, whilst only one per cent were concerned with health and social services. The forms of trust and reciprocity that Lowndes refers to are valuable social capital – school runs, reciprocal child care arrangements, babysitting, emergency care, and escorting children to and from activities. It may be that trusting someone enough to care for your children or knowing that you can call on them in an emergency represents a higher level of ‘norms of trust and reciprocity’ than singing together in a scheduled choir meeting or discussing ornithology. Studies such as Bould’s (2003) Bringing Up the Kids Together indicate that the shared experience of mothering, which she terms ‘co-mothering’, represents the mainstay of dense social networks in suburban America.

In a separate paper Lowndes (2003) discusses the importance of acknowledging gender specific forms of social capital in order to understand differentiated forms of civic engagement between men and women. Lowndes asserts that while women are more likely to be involved in local politics, men are more likely to hold formally elected positions. She goes on to consider the commonly used adage ‘behind every good man there is a good woman’ (ibid.: 21). She posits that many male politicians depend on the work of female grassroots party members to elicit support and that many married male politicians depend on their wives’ school gate contacts for local information. From this point of view it may be argued that women are just as active in
supporting ‘male circuits’ of social capital as they are in maintaining their own circuits at the community level.

In a similar vein, Norris and Inglehart (2003) point to gaps within research regarding the position of women within voluntary organisations as compared to that of men. For instance, is there gender differentiation in terms of passive membership versus board positions? Associations cannot necessarily be credited with the promotion of a socially cohesive and egalitarian society if modes of, and awards for, participation are highly differentiated by gender.

Everingham (2003) raises interesting issues relating to women’s circuits of social capital and welfare to work strategies. She argues that women are being encouraged into the workforce at the expense of their traditional involvement in community. This argument at first seems similar to the ‘women as wreckers’ claim, yet it draws a different conclusion. Everingham is suggesting that women face a difficult choice between taking up paid work, as they are increasingly being encouraged to by government policy, and maintaining their unique circuits of social capital as described by Lowndes. The choice is either to be the responsible citizen who goes out to work, or the responsible citizen who stays at home and is dependent on a breadwinner. Everingham identifies this scenario with traditional modes of welfare such as the male breadwinner model.

One final point needs to be made in the consideration of gender and social capital. The findings of the 2001 Citizenship Survey (Attwood et al., 2003: 80) show that while men were slightly more likely than women to be involved in civic and social participation, men and women were equally likely to have been involved in volunteering activities (both the formal and informal type). If we add to this picture the women’s circuits of social capital discussed by Lowndes, it may be that women’s’ participation is equal to or greater than that of men.

By implication these considerations of the place of gender in the literature (or indeed its absence) underline that by failing to fully consider gendered circuits of social capital, the discourse is failing, firstly, to capture the full range of social capital and, secondly, to acknowledge the interplay between gender inequality and social capital.

3. Social Capital and the Third Way

The politics of the third way have a particular affinity with the discourse surrounding social capital. A discussion of what constitutes third way politics is presented below, followed by a discussion of the relationship between New Labour and the voluntary sector in light of the influence of the social capital discourse.
3.1 The Third Way – the Politics of New Labour

Often defined as a politics which responds to the new social and economic realities of a globalising world (Driver and Martell, 2000), third way politics is manifest in the changing political climate evident in the United States, Australia (Everingham, 2003; Johnson and Tonkiss, 2002) and across Europe (Giddens, 1999).

In a globalised market place, the welfare state is increasingly portrayed as inhibiting economic performance (Driver and Martell, 2000). Third way politics does not have a state-market preference. According to Giddens (1999: 9), the role of the state in the third way is to ‘protect its citizens from the buffetings and fluctuations of the market’. The third way moves beyond the traditional dichotomies of left versus right and state versus market. To this end, the notion of ‘active citizenship’ plays a major role in the agenda of the third way. So, the third way embraces both the state and the market, but importantly it also embraces community (Etzioni, 2000; Lowndes, 2000). “Community” is perceived to offer a means, supported by the state, both of cushioning the effects of the market and of promoting non-state solutions to social problems, in addition to preventing the emergence of those social problems.

Whilst Clinton’s New Democrat administration heralded the realisation of third way politics in the United States, in Britain Tony Blair has championed the road for third way politics through New Labour. New Labour was elected to government in 1997 after a landslide victory over the Conservative Party, which had previously been in power for almost two decades. New Labour offered a new take on the politics of the left. ‘Old Labour’ had been about redistribution, tax and spend and welfare rights. With New Labour came a new pragmatism. The dogmatic dichotomy between the ‘nanny-state’ of the left and the market-led preferences of the right, that had defined twentieth century British politics (Bowles and Gintis, 2002), was to be replaced by an era of partnership between the state, the market and civil society. New Labour was not to be led by ideals but rather by an understanding of “what works”. As David Blunkett, then Home Secretary, asserted in his speech at the relaunch of the Active Communities Unit: ‘we actually look the reality in the face of what can be done by government and how best to achieve it’ (Blunkett, 2002). This pragmatic approach has been termed ‘post ideological’ by Powell (1999: 14), in that its policies are created in response to need rather than based on the traditionally pro-state ideology of the old left.

The traditional left had been concerned with achieving equality of outcomes by redistributive means. Rather than engage in financial redistribution, New Labour sought to invest in the redistribution of opportunities (Driver, 2000, Driver and Martell, 2000). New Labour wanted fair (meritocratically fair) and efficient (Popple and Redmond, 2000), not equal, outcomes. As Driver (2000) asserts, a significant element of this redistribution of opportunity was to be achieved by
investing in social as well as human capital. The right to welfare was to be allied with the responsibility to be engaged in the labour market. Citizens of the state, as governed by New Labour, would be active in the labour market and active in their communities8.

3.2 New Labour, the Voluntary Sector and Volunteering

For New Labour, the “pragmatist party”, the voluntary sector was to play an important role on two fronts. First, it might provide public services more effectively and, perhaps, more cheaply than the Government itself. Second, it could open up opportunities for membership and voluntarism amongst citizens.

In line with a desire to move away from the idea of a ‘nanny state’ which is associated with the Old Left, a mixed economy approach to welfare provision has been adopted. Increasingly, rather than remain at the front line of service provision, the state has retreated to the role of funder or purchaser of services on behalf of its citizens. Voluntary organisations have become, in certain fields, significant providers of services for a number of reasons. The potential of the sector has been recognised in various reports, including those by the Deakin Commission, CENTRIS, and Demos (Kendall, 2003), and also in government policies and papers such as The Compact (Home Office 1998) and the Treasury’s Cross Cutting Review (2002).

In the literature, the comparative advantages of voluntary sector provision over state or market provision are suggested (see, for example, the discussion in Kendall, 2003). Most importantly the voluntary sector is portrayed as being free from the bureaucratic shackles which were so commonly identified as a reason for the need to move away from traditional modes of welfare state provision (Kramer, 1994, Billis and Glennerster, 1998). Second, reliance on the voluntary sector is recognised as a means of cost reduction (Bolton, 2003). Deakin (1995) identifies ‘value for money’ as a consistent theme in government discussion of the utility of the sector in service provision. In addition to taking on the role of front line service provider, the voluntary sector is playing an important role in the realisation of the third way’s promotion of membership and voluntarism at community level and, therefore, of social inclusion.

The third way has sought to address the ‘moral hazard’ (Giddens, 1999: 11) criticisms of state welfare provision levelled at the left by neo-liberal commentators9. Saegert et al. (2001) point to a growing consensus among policy makers, influenced by the social capital discourse, that the state provision of services has had a key role to play in the de-skilling of communities in terms of their involvement in solving their own problems. In essence, they identify further depleting stocks of social capital amongst already disadvantaged communities10. Prime Minister Blair (2002: 12) also asserted that ‘the state can sometimes become part of the problem, by smothering the enthusiasm of citizens’. The response of government to this thinking has been to
decentralise the provision of services, not just to the local authority level, but also to voluntary sector providers. The Active Communities Unit\textsuperscript{11} clearly sets out the government’s vision for communities to be more actively involved in tackling the issues which face them: ‘the government’s vision for active communities is of strong, active and empowered communities, capable of doing things for themselves’.

Whilst this relationship is not new (indeed broadly similar initiatives had started to take shape under the Conservative administration), the value of the relationship has been increasingly recognised at government level, and has been given expression by the Compact\textsuperscript{12} – a non-binding agreement of best practice between the state and the voluntary sector (represented by the National Council of Voluntary Organisations). A national compact is in place and local compacts have been drawn up by local authorities and their respective voluntary sector partners. This localisation of compact agreements serves to highlight the Labour government’s preference for bottom-up decentralised government.

It is likely that the development of the state-voluntary sector relationship has had positive outcomes, not just for both sectors, but more importantly for those at the receiving end of services. Important developments relating to the user-involvement movement have emerged out of the voluntary sector and may be copied by statutory providers - some key example of this exist within mental health provision.

However, the relationship is not without its critics. The voluntary sector, like civil society more generally, has long been championed as providing a voice for disenfranchised and marginalised groups within society. As funding arrangements focus more and more on government contracts, it is argued that the sector is in danger of being co-opted as a tool of government\textsuperscript{13}, compromising its independence (Halfpenny and Reid, 2002) and its advocacy role (Harris, 1998). Official reports repeatedly highlight the important role of the sector in terms of the empowerment and involvement of service users. Yet some would argue (for example, Scott and Russell, 2001) that contracts are most often awarded on the basis of price rather than on the “added value” element associated with the generation of empowerment, involvement and, of course, social capital\textsuperscript{14}.

Additionally, the contract culture has been associated with a growing trend towards the “devoluntarisation” of service providers (Roberts and Divine, 2003; Skidmore and Craig, 2004). As upward accountability to local authority funders becomes an increasingly prominent feature of the voluntary sector landscape, standards of professionalism once associated with state provision are now expected of contracted providers. The result can be an increasingly professionalised staff to the extent that many voluntary sector organisations are now bereft of openings for volunteers. Where such openings do exist they are often in fundraising or office...
tasks such as envelope stuffing. The reduced level of face-to-face interaction appears at odds with social capital discourse and the government’s desire to develop opportunities for active citizenship. It seems that the very factors that made the sector such an attractive partner to the State in service provision, its civic virtues, are in danger of being eroded by that very partnership.

A note of caution must be sounded here. Halfpenny and Reid (2002) criticise the academic literature for focusing too narrowly on professional organisations. The official statistics relating to the sector account for more than just the big household names within the voluntary sector with which we are all so familiar. It is likely, however, that there are many more grassroots type organisations which do not show up on the statistical radar and are often missed out by researchers and academic commentators on the sector.

It is possible that, whilst the larger service-providing voluntary organisations are subsumed into a shadow state role, these smaller organisations may fulfil the government’s second agenda of social capital generation. The promotion of social capital through these types of organisations has been achieved via the injection of funds into groups within disadvantaged communities through, for example, the Community Empowerment Fund, Community Chest and The Active Community Funding Scheme (Demos, 2003). The impact of the funding relationships between the voluntary sector and the state must not therefore be written off as wholly negative.

The promotion of volunteering is another aspect of government policy which has been significantly influenced by the social capital discourse. As discussed above, the social capital literature suggests that involvement in organisations such as voluntary associations is a key generator of social capital, and of the norms of trust and reciprocity that it entails. The Institute for Volunteering Research estimates that financial support from the public sector for volunteering is in the region of £400 million. Of this, it is estimated that half went to direct expenditure on the promotion of, and support for, volunteering. The Active Communities Unit, operating out of the Home Office, has been the government agency with responsibility for the promotion of volunteering. Its policy objectives include an increase in volunteering by 6% by 2006, and the development of volunteer centres in all areas of the country by 2009. There has certainly been some success in terms of the promotion of volunteering. The Home Office reports a five percent increase in community participation between 2001 and 2003 (2004:106). In terms of the promotion of social inclusion the Home Office is looking at ways in which the volunteering experience can be opened up to a more inclusive range of participants, including those from minority ethnic and socially disadvantaged backgrounds.
3.3. New Labour and Neighbourhood Renewal

The generation of social capital in disadvantaged neighbourhoods has been identified by the government as a key factor in the alleviation of social problems from crime, to poverty, to unequal educational attainment to poor local authority performance. Social capital in this context is at the core of much of the policy arising from both The Social Exclusion Unit and The Neighbourhood Renewal Unit which operate out of The Office of Deputy Prime Minister (www.neighbourhood.gov.uk, www.odpm.gov.uk).

One prominent example of policy influenced by the social capital discourse is the National Strategy for Neighbourhood Renewal, which emanates from The Social Exclusion Unit. This strategy aims to close the gap between areas of pronounced disadvantage and the rest of Britain. Its ambitious target is that within 20 years nobody in Britain will be disadvantaged by where they live (Social Exclusion Unit, 2001: 8). The consultation report (Social Exclusion Unit 2000: 8) for the strategy argued that previous policy has placed too much emphasis on structural housing issues; in fact it was the erosion of social capital, amongst other issues, such as economic ghettoisation, a failure of core services and a lack of concerted joint action, which would prove much more valuable tools for understanding neighbourhood decline. The strategy outlines a number of ‘key ideas’. Four of these key ideas relate specifically to social capital and community capacity. The report advises that spending by bodies such as the Arts Council and Sport England should be more clearly focused on promoting social inclusion in deprived areas (ibid.: 10). Community capacity building is highlighted, advising that investment should be directed at ‘building people’s capacity to help themselves’ and at ‘building local leadership’ (ibid.: 10). It is advised that funding structures should be rationalised in order to make it easier for local organisations to access funding. Finally, the involvement of community and voluntary organisations in service delivery is identified as important. In a separate section of the report ‘Leadership and Joint Working’, it is advised that failure to involve the community in neighbourhood management has been central to the failure of previous neighbourhood renewal policies. The key ideas of the report were very quickly written into government policy with the launch of A New Commitment to Neighbourhood Renewal in January of 2001, by Tony Blair. The strategies outlined are being implemented at national level by the Neighbourhood Renewal Unit.

One of the key strands of the Neighbourhood Renewal Strategy, as informed by the consultation framework report of the Social Exclusion Unit, is the idea of “bringing people in”. Efforts to achieve this have been made through the development of Local Strategic Partnerships or LSPs (Social Exclusion Unit 2000: 8) and most recently by Local Area Agreements (LAAs). These locally based strategies acknowledge that ‘action needs to be joined up locally, in a way that is accountable to communities’ (ibid.: 28). The aim of these LSPs is to
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promote the social capital-based ideals of community involvement and consultation in terms of local level decision-making. The idea is that the government and its agencies through such consultation can promote and engender trust related to government and thereby promote civic participation. Representatives of the public, voluntary, community and private sector can take part in the development of localised strategies for Neighbourhood Renewal. A total budget of £900 million was set aside for the 88 communities which qualified initially for LSP funding.

Other initiatives arising from the strategy include the establishment of a £750 million programme of investment in sports facilities for use by schools and the wider community (ibid.: 38). This type of programme is aimed at opening up shared public space to facilitate engagement with communities.

It is evident that the social capital discourse has been highly influential in terms of government policy. It is visible in investment in inter-sectoral relationships between government and the voluntary and community sector, and in efforts to promote volunteering. Neighbourhood regeneration policy has been informed by the ideals of community engagement, of promoting opportunities for active citizenship and opening up public spaces in order to facilitate interaction.

4. Conclusion

Social capital is a contested concept. Some claim that as a concept it offers nothing new, that similar ideas are evident in the writings of the founding fathers of sociology. Some argue that it is a vital tool in the empowerment of communities, while others suggest that it is evidence of the inequity of power relations. Some portray social capital as a good thing, claiming that its presence is an indicator of a healthy society; others are keen to point to examples of bad social capital. Some have equated social capital with civic virtue, and yet others have found evidence to suggest that social capital alone does not lead to increased political participation. Some present evidence that social capital is in decline and others provide evidence to the contrary, suggesting that not only is it not in decline but rather that its indicators are growing. Some argue that the generation of social capital has a role to play in combating social exclusion; others suggest that this view is too simplistic. Some present social capital as a gender-neutral concept, whilst others have strongly contested this argument.

Yet, in spite of the contested nature of the concept, this paper has shown how social capital has been used as a tool to inform a wide range of social policy in the UK. The relationship between the government and the voluntary sector, the promotion of volunteering and neighbourhood renewal strategies are just some examples.
Is this a bad thing? No. Social capital has much utility as both a conceptual and policy tool. It would seem, however, that much of the criticism levelled at the concept relates to fear that it is being used as an ideological tool. This fear relates to the issues such as those raised by Levitas (1998), of a creeping acceptance of the moral underclass discourse. The fear that responsibility is being shifted from the mainstream majority to the excluded minority arises frequently throughout the literature.

Some of the issues discussed throughout the paper highlight important topics for further research. Most notable amongst these are issues of measurement, an apparent failure to adequately capture certain circuits of social capital, particularly women’s social capital, and the failure more generally to capture informal circuits of social capital. These are important issues in avoiding the use of social capital discourse as a tool of blame, and establishing whether it really can act as a valuable tool in explaining why some communities fail to thrive. It will be important to monitor government policies which seek to strengthen social capital in order to ascertain whether the fears and criticisms of commentators are justified.

This paper has illustrated that social capital is a necessary but not sufficient answer in the debate surrounding how we should respond to the many social problems to which social capital is credited as holding the key. It must not be allowed to overshadow more traditional concerns such as poverty and inequality as the source of society’s problems. Social capital’s utility is as a complement to, rather than a substitute for, the traditional concerns of social policy.
Notes


2. This is the popular acronym ‘not in my back yard’, describing mobilisation of residents to prevent developments perceived as undesirable from taking place in their locality.

3. Hall (1999: 428) used meeting friends at the pub as a social capital indicator in his study of social capital in Britain.

4. Knack and Keefer’s (1997) study found there to be no difference in the level of social capital generated by politically neutral or non-neutral groups.

5. This may be argued even in the case of organisations such as the Ku Klux Klan or less formal networks such as football hooligans. While the social capital generated within these groups may have negative externalities for society as a whole, for those within these networks membership is beneficial.

6. Knack and Keefer (1997) found that the positive impact of trust and civic norms on a country’s economy is greater where income inequality is lower; O’Connell’s (2003) study of social capital in Europe found that more effective political institutions, more cohesive societies and higher economic performance were more strongly related to economic equality than to the presence of dense social networks.

7. Edmonson (2003) describes the important role of talking between neighbours in Connemara, in the West of Ireland. She is critical of the failure of the majority discourse to address these kinds of context specific forms of social capital. Her assertions are relevant here.

8. Citizenship education has now been introduced into the national curriculum (Rogers and Robinson, 2004)

9. Deacon (2000) in his comprehensive analysis of the influence of American policy on the third way in Britain discusses the impact of prominent neo-liberal authors in the US (including Charles Murray) on political parties of all persuasions here in Britain.

10. Rothstein (2001) provides an important analysis of the impact of universalistic provision in Sweden. He argues that it is the stigmatising influence of targeted programmes that inhibits social capital. His evidence from Sweden offers a positive correlation between universalistic state provision, civil society and social capital.
11. See www.homeoffice.gov.uk/comrace/active.index.asp

12. See www.thecompact.org.uk.


14. New Labour has instituted ‘Best Value’ practice into British government which does purport to address the need to encourage the acknowledgement of added value elements. For a discussion of this see Bovaird and Halachmi (2001).

15. www.ivr.org.uk/audit.htm

16. The purpose of these centres will be to facilitate local volunteer engagement, and organisational support.

17. Arguably some of this may be attributable to the volunteering option of the New Deal welfare to work strategy.

18. See for example www.neighbourhood.gov.uk

19. Interestingly the role of sport in particular, as a specific generator of bonding social capital, receives little discussion in the literature. Membership of sporting organisations is a key factor in Putnam’s measures of associational membership, but arguably more research is merited into the specific role of sporting organisations in the creation of social capital. Ireland’s Gaelic Athletics Associations, for example, draws members from all 32 counties and is reputed to capture a diverse mix of active participants both in terms of gender and social class.

20. The LSP scheme mirrors in one sense much of the work which originally took place in Single Regeneration Budget (SRB) and other partnerships (Social Exclusion Unit 2001: 44).
References


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**Web Resources**

www.bettertogether.org

www.BowlingAlone.com

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www.hm-treasury.gov.uk

www.homeoffice.gov.uk

www.ncvo-vol.org.uk

www.renewal.org.uk

www.sportengland.org

www.socialexclusion.gov.uk

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www.worldbank.org/poverty/scapital/

www.volunteering.org.uk.