Social Capital and the Political Economy of our Discontent

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INTRODUCTION: WHO KIDNAPPED SOCIAL CAPITAL?

Robert Putnam (1995, 1996) framed his initial investigation into what he dubbed the “strange disappearance” of social capital in America as a detective story with the intrepid social investigator ferreting out a prime suspect. As a literary device, this worked well because one by one a series of “suspect” variables was entered into the analysis to assess their individual culpability in the kidnaping of America’s social capital. Charles Heying (1997 [this issue]) criticizes such an analytical strategy for failing to consider the cumulative effects of all “suspects.” We would add that it has also subtly diverted the investigation into an analytical cul-de-sac limited to debating the evidence against individual “suspects” and whether or not a “crime” has even been committed. Before turning our attention to such questions, we need to look more closely at the concept itself. Our purpose here has been to ask, What is social capital? Does the concept actually yield a distinctive analytic payoff, or is it just a new way to discuss existing social science categories? Is the phenomenon of social capital as significant an influence on individual and collective actions as the intensity of the current debate suggests?

WHAT IS SOCIAL CAPITAL? WHAT DOES IT DO?

Coleman (1990) defined social capital functionally—that is, social capital is whatever facilitates individual or collective actions. Defining social capital functionally makes it impossible to separate what it is from what it does. This functional definition has a number of implications for the contemporary debate. First, if defined functionally social capital is a very context-dependent concept. In other words, what constitutes social capital in one setting may not in another,
and what facilitates action in one historical period may not do so in another temporal context. Second, the context dependency of social capital, defined functionally, makes it seem vague and unspecific, which has prompted efforts to distill its core features or find context-independent aspects that can be operationalized and measured in any situation. Kenneth Newton (1997 [this issue]) has taken up this challenge when he decomposes social capital into norms, networks, and resources.

All this makes the concept very hard to operationalize and research empirically within and across the wide range of settings in which it has been said to operate. Furthermore, extant survey research typically offers measures that can at best only be considered proxies or stand-ins for social capital. Thus the level of conceptual confusion in the recent debate has been magnified by a certain operational opportunism that unfortunately has focused attention on specific measures.

**TAKING STOCK OF THE SOCIAL CAPITAL ARGUMENT**

In taking stock of what we have learned about social capital from the contributions to this thematic issue, a few insights emerge. First, Coleman (1990) was clear that social capital is nested in structures or relations between individuals and groups, not within individuals. This is perhaps a useful distinction to retain. Yet social capital cannot be conceived in purely structural terms because even in its structural sense it carries a cultural freight ("expectations," "obligations," "trust") that is nested in structure but not simply reducible to structure. Second, what is equally clear about the cultural component of social capital is that it is appropriated by individuals but is not simply an attribute of individuals. Social capital, as used in much popular debate on the topic, has been oversimplified and reduced to an older conceptualization of culture as the ideas, values, and attitudes get internalized by individuals through a socialization process that resembles a sponge soaking up water. This kind of socialization by absorption is not what Youniss, McLellan, and Yates (1997 [this issue]) emphasize in their article; rather, they focus on the mesostructural and experiential factors that link youth into a something "bigger than themselves," thereby shaping their notion of themselves and of their role in society.

Even when social capital is treated in structural terms, operationalized as memberships, for example, it is not simply membership per se that produces social capital. Nor is it, with all due respect to the neo-Tocquevilleans, the simple fact of association that makes it available to individuals and collectivities, as if simple dyadic relations themselves "produce" social capital. Rather, a cultural component implicit within some but not all memberships imbues them with a certain "value added" that makes social capital accessible to individuals who identify with or participate in the group or some more abstract collectivity. The specific value added is the content of the relationship or its meaning. This additional component comes from the social context in which relations take
place. It is precisely this sociocultural component of social capital that provides the context within which it acquires meaning and becomes available to individuals or groups in a way that can facilitate an individual or collective action not otherwise possible.

Membership, moreover, may include formal memberships in a specific group emphasized by Putnam and others but also, and perhaps more importantly, the symbolically mediated affiliations or identifications made possible by what Newton (1997) called “abstract trust.” The content or meaning of such affiliations is determined in no small part by the broader historical context with all its socioeconomic, political, and cultural elements. For example, a person living in Sea Level, North Carolina, or an equally small and geographically isolated community may find his individual identity as gay to be disempowering because of the sociocultural context in which he lives. However, by connecting with the national gay/lesbian social movement community and appropriating some of the social capital they have produced, that person’s identity as a gay man can begin to be a source of empowerment, facilitating various forms of individual action. Indeed, merely knowing via the news media that the national movement community existed would be of some benefit to such a person.

The following of examples illustrates how such processes happen in everyday life. Two relative strangers who meet may share a heightened level of trust once they establish that they are both gay, or Christian social conservatives, or veterans, or Harvey Gantt supporters, or even Red Sox fans. Establishing these connections may be facilitated by shared symbol systems displayed in apparel, jewelry, reading material, or even bumper stickers. However, in such cases the heightened trust derives from the broader sociopolitical cultural context, which mediates the face-to-face interaction by shaping what it means to be gay, a Christian social conservative, or a Harvey Gantt supporter in eastern North Carolina. Such individuals may not be more trusting in general, but by virtue of their membership in one of these “imagined communities,” they are able to appropriate the abstract trust that inheres in the symbolically mediated relations between members of imagined communities. In such cases, the meaning that enables the potential for trust to be appropriated into actual trust may be shaped by the sorts of national social movement sectors, Minkoff (1997 [this issue]) examines, or by more distant or proximate forms of interaction.

Furthermore, the trust that exists between two such people does not derive from a shared identity in the sense that their individual identities correlate strongly. Rather, this kind of trust, which can and does facilitate actions not otherwise possible, stems from their access to and appropriation of the same cultural reserves from which they construct their separate identities. In this way, they share sociocultural capital and the experience of tapping the same symbolic resources for identity construction, but they do not share an identity per se, only the intersubjective practice of working with similar materials.

As our examples might suggest, the same sociopolitical cultural context that facilitates trust within imagined communities may well facilitate distrust across them. Richard Wood (1997 [this issue]) touches on this dynamic in his article.
when he argues that conflict is the lifeblood of the kinds of politicized community organizations he researched. Conflict also plays a key role in constructing collective identities (Taylor & Whittier, 1992). To some degree, for example, what it means to be a Christian social conservative in the contemporary United States is defined in terms of its opposition to the secular trend in general and certain other imagined communities, including those of gays and lesbians, in particular.

UNEVEN ACCESS TO DIFFERENTIAL STOCKS OF SOCIAL CAPITAL

The context dependency of social capital gives rise to at least two consequences not adequately specified in the recent debate. First, access to social capital is not evenly distributed throughout American society, and second, the value of social capital is inextricably linked to the fate of the social sectors in which it is nested. We consider each of these briefly in turn.

First, access to social capital varies according to one’s social location and is constrained by a number of factors. Geographic and social isolation constrain the structural availability of social capital, as does the lack of financial resources needed, for example, to go on-line and link into a national social movement or other imagined community. More pervasive and everyday institutions also structure access to social capital. For example, it is widely known that the long-term earning potential of college graduates exceeds that of high school graduates, which in turn exceeds that of high school dropouts. A social capital interpretation suggests that Woody Allen was probably right when he quipped that 90% of success is just showing up. Increased educational attainment generally enables one to experience more diverse social relations and gain access to wider networks of weak ties than their former peers who went directly from high school to full-time employment. In the process, they learn to conduct themselves in a wider range of social settings, which in turn enables them to further expand their network of weak ties, thereby increasing their access to a specific and important form of social capital (Granovetter, 1973). Increased access to social capital and the legitimacy conferred by credentialing (Collins, 1979) may better explain long-term differences in earnings than how well college graduates actually mastered the curriculum of a given program of study while in school. Of course, it should go without saying that a variety of socioeconomic factors constrains one’s access to the social capital available through higher education, not to mention access to the elite subset of universities that confers the most “valuable” credentials.

It is worth noting at this point that Granovetter’s (1973) “strength of weak ties,” implicit in the previous illustration, runs counter to the traditional interpretation of Tocqueville, which privileges voluntary networks composed of social ties that are both dense and strong. The Tocquevillian argument leans on what Kenneth Newton (1997) calls the “thick trust” characteristic of the Durk-
heimian version of how relationships get built, which posits the necessity of dense networks of strong ties. Contemporary neo-Tocquevillians have generally ignored a variety of kinds of ties that can have wide-ranging importance. The crucial role of wide-ranging weak ties has been repeatedly demonstrated across a variety of social phenomena, from social construction and diffusion of nationalism (Anderson, 1983), religious and ideological movements (Wuthnow, 1989), social movements and revolutions (Tarrow, 1994; Tilly, 1978), interlocking directorates (Mintz & Schwartz, 1985), and the origins of sexual communities (D’Emilio, 1983). The articles by Minkoff (1997), Youniss et al. (1997), and Wood (1997) illuminate different aspects of this process.

Second, not all social capital is created equal. In other words, the value of a specific form of social capital for facilitating some action depends in no small part on the socioeconomic location of the social capital within society. Some social capital is nested within sectors of society that are expanding and prospering, and others are tied to declining sectors. Appropriating the social capital nested within declining sectors of society may provide short-term benefits, but doing so over time weds that actor’s prospects to those of the sector in general.

MacLeod’s (1995) analysis of employment over a 10-year period among two groups of low-income inner-city youth illustrates this well. The predominantly White peer group relied on a substantial reservoir of connections to secure employment. These connections derived from their extended family’s long tenure in the neighborhood and employment in what had, in the not-too-distant past, been stable blue-collar jobs and from a certain amount of discrimination against Blacks and other “newcomers” to what had historically been a White ethnic neighborhood. This social capital enabled Whites to land jobs despite being high school dropouts with criminal records and having substance abuse problems and abysmal work histories.

Despite such access to rich resources of social capital, their long-term employment prospects were diminished because the social capital they accessed embedded them more deeply in a declining sector of the economy. The blue-collar jobs they got became increasingly unstable through the 1980s and into the early 1990s. These jobs were often “under the table,” with no prospects of persisting and no opportunities for advancement. Indeed, many of these jobs did not officially exist. In contrast, the predominantly African American peer group studied by MacLeod whose families were either relatively new to the neighborhood or to the United States did not have access to comparable reserves of work-, family-, or neighborhood-related social capital. They had few preexisting connections into the world of full-time work, so they sought the human capital of getting an education. In the process, they forged connections through school and school-related activities, and appropriated school-related social capital—that helped link them into the expanding service sector of the job market. These young men did not achieve the level of success they had aspired to as teenagers. However, as a group their prospects in the early 1990s greatly surpassed those of the other peer group whose specific family, neighborhood, and blue-collar
employment based social capital was no longer able to help them overcome their other problems.

The uneven access to social capital across societies and the uneven significance of such access illustrated here point, once again, to the risks of social analysis that focuses on social capital while ignoring the larger socioeconomic and political context in which social capital is set. The social capital argument has assumed such prominence in part because of an unstated realization or assumption that mainstream explanations are inadequate to understand the profound and pervasive implications of contemporary economic, political, and social restructuring worldwide. In the final section, we look to such factors to offer an alternative explanation of the apparent decline of social capital and, indirectly, of the current popularity of the social capital argument itself.

THE POLITICAL ECONOMY OF OUR DISCONTENT

In the introduction to this article, we mentioned the detective story format that has characterized much of the recent debate over social capital. Putnam’s search has led all the way back to Lazarsfeld and Merton’s (1971) “narcotizing dysfunction” of the mass media, specifically of television, as the root cause of America’s dwindling reserves of social capital. We are, instead, reminded of the apostle Paul’s sage admonition about the “root of all evil,” and, like “Deep Throat,” advise intrepid investigators to “follow the money.”

What is striking in recent accounts of the decline of social capital and the sources of citizen disenchantment in the United States and elsewhere is the glaring omission of reference to two of the most far-reaching changes in late 20th century life, both in the United States and worldwide—namely, the twin phenomena of economic restructuring and the dismantling of the welfare state. Anthropologists have documented the breakdowns that beset cultural groups under extreme economic distress, despite seemingly strong traditions of reciprocity and mutual aid grounded in what Newton (1997) refers to as the thick trust characteristic of face-to-face interactions (Turnbull, 1972). In extreme cases, children have banded together to prey on adults, and the stronger and more ruthless adults forge alliances with them for their own survival and gain. In less extreme circumstances, the circle of reciprocity narrows from community to clan and finally to the nuclear family, as people draw back resources from the wider social group in an effort to protect at least the immediate family (Sahlins, 1972). In the face of adversity, social capital, we might say, is at once withdrawn from circulation and rechanneled in ways that break down the ability of a society to organize itself for collective action.

There is no reason to think that such dynamics do not apply as well to industrial democracies. Indeed, one characteristic of U.S. society that has worried social analysts since the days of the colonies is the relative rootlessness of many individuals, brought here in search of a better life, who are forever on the move in that quest at the expense of the social integration and broader
networks of support available in a more settled society. The breakdown of families and the instability of some communities in this traditional reading of the American experience have less to do with a lack of civic and moral values than with the mix of economic insecurity and weak social structure characteristic of a highly mobile, although no longer frontier, society.

The welfare state, more in the United States than in Europe, was crafted precisely to deal with individuals at the margins. In Europe, by contrast, welfare state programs, put in place by working-class parties or by conservatives eager to fend off a working-class challenge, were consequently more universalistic in scope. The focus on the poor of the U.S. programs has made them particularly vulnerable to challenge by middle-class majorities and politicians willing to scapegoat the poor to prove their budget-cutting determination. The two programs in the United States comparable to the European ones in universality, Social Security and Medicare, have both proven more impervious to recent attempts to slash government spending.

Although growing discontent among intellectuals and activists on the left and the visible deficiencies of the welfare state in both Europe and the United States revived the civil society argument in the West (see Cohen & Arato, 1992), the withdrawal and downsizing of state commitments since the 1970s might be seen as one important source of the growing public perception that government does not work and of the generalization of civil society and small government arguments from the corporate boardrooms and intellectual circles in which they first gained force to public consciousness (although it is worth noting that the so-called civil society movement in the United States is still largely an affair of business, political, and philanthropic elites).

Increasing fiscal and political constraints on the capacity of government to solve economic and social problems—joined with a ferocious economic restructuring that has overturned communities and shattered the work lives and expectations of millions over the past 20 years—simply cannot be ignored as we attempt to understand the sense of malaise that afflicts public discourse in the United States and around the world. As many social welfare and safety net functions are devolved to ever smaller units of government, an insidious incentive structure has begun to take shape. Jurisdictions are already competing with one another to attract businesses and jobs. Increasingly, corporations are playing jurisdictions off against each other to see who will offer the most attractive package of tax breaks and infrastructural support. To attract jobs, jurisdictions take on increased public works costs, and long-term increases in public school enrollment (and cost) while trading away part of their tax base in the form of tax concessions to the prospective employer. Add to this the devolution of social welfare responsibilities to more local levels, and jurisdictions will experience an increase in costs. The incentive structure facing local politicians will exert more and more pressure to import tax payers and export tax consumers. The potential for divisiveness and conflict across neighboring jurisdictions in such a situation is clear and would only heighten the current sense of incivility.
CONCLUSION

The source of our sociocultural malaise lies in the political-economic trend of the past quarter century, which has been fed by three increasingly significant tributaries: economic restructuring, welfare state downsizing, and the devolution of government. We would argue that policies to mitigate problematic aspects of the current situation will fail if they continue to overlook the political economy of our discontent.

Several contributors to this issue take up these themes with important new twists. Sheri Berman’s (1997) analysis makes quite clear that the nature of civil societies is shaped significantly by an ongoing, nation-specific process, which we have described elsewhere as political settlement (Foley & Edwards, 1996). This process, as it plays out over time, shapes the variable configurations across nation-states of political institutions and civil societies. In the United States, for example, numerous studies have shown that the welfare state was the single most important element in the growth of the nonprofit sector over the course of the 1960s and 1970s. With the withdrawal of state support in the 1980s, the nonprofit and voluntary sector was forced to retract, and there is little prospect that voluntary efforts will arise to supplement still-falling levels of public support for the poor, the arts, education, libraries, and community services of all sorts (see Salamon, 1995). Recent concern with civic renewal and the strengthening of the voluntary sector thus are certainly welcome, but unless they face up to the impact of workplace, corporate, and governmental restructuring on individuals, families, and communities, they are not likely to address the problems that have generated the current sense of malaise.

Rather than seeking the source of the current malaise within civil society, as contemporary neo-Toquevillians tend to do, Berman (1997) calls our attention instead to the capacity of existing political institutions to respond to the new challenges confronting American society. In this view, the current discontent with politics is amplified to the extent that the polity fails to be responsive to the spectrum of citizen needs. Such discontent is mitigated in cases where the political settlement affords average citizens opportunities for genuine participation, as Kent Portney and Jeffrey Berry’s (1997 [this issue]) research indicates. Similarly, without such venues of genuine participation, citizens will seek grassroots and national access by other means, as the contributions by Richard Wood (1997) and Debra Minkoff (1997) make clear.

Charles Heying (1997) directs attention to the impact of economic restructuring on the character and capacity of civil society. Specifically, he considers the undeniably important role of business elites in the voluntary sector, showing that as company interests shift from a local to a national and then to a transnational focus, so do their commitments. The result has been decreasing support for local community organizations and community betterment and a growing sense of crisis in the nonprofit sector. Lane Kenworthy (1997 [this issue]) underscores this point by demonstrating that economic incentive structures, often implemented by state efforts to negotiate a political settlement to prior
economic conflicts, are an important and beneficial source of cooperation in contemporary industrial democracies. Contrary to the neo-Toquevillian presumption that trust is a prerequisite of cooperative relations, specific forms of government regulation produce economic cooperation independent of trust.

The last question we must consider concerns whether or to what extent social capital for all the recent debate provides any new theoretical tools to enhance our analytical leverage and further our understanding of contemporary democracy. The essays collected here make clear that social capital adds to theory by bringing mediating levels of social structure into the new cultural analysis in a systematic way. Societies can no longer, if they ever could, be adequately understood in terms of the individual and society. The structural aspects of Coleman's (1990) social capital point analytic attention to the embeddedness of cultural factors—such as identities and aspirations—in the mesolevel social structures such as neighborhood, church, family, school, and voluntary associations. These are the relational contexts in which understandings of how the world works, orientations toward it, and how to engage it are embedded, produced, and reproduced in a continuous process of construction, negotiation, and appropriation. Nevertheless, such an understanding must be qualified in at least three ways. First, social capital is not limited to dense networks of strong (face-to-face) relational ties, as clearly implied by James Coleman and explicitly argued by contemporary neo-Toquevillians. Second, the reserves of social capital that are available to facilitate all sorts of individual and collective actions are unevenly distributed and differentially accessible. Access to social capital depends on the social location of the specific individuals or groups attempting to appropriate it in much the same way that other forms of capital are differentially available. Finally, the social location of the social capital itself affects its "use value," regardless of who appropriates it.

REFERENCES


