ON THE IDENTITY OF SOCIAL CAPITAL AND
THE SOCIAL CAPITAL OF IDENTITY

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Abstract:

Social capital identifies with norms and networks of trust, reciprocity and cooperation that allow individuals to overcome social dilemmas for the pursuit of a mutual benefit. In this paper, we argue that neoclassical (mis)treatments of social capital in economics that stress the maximization of personal utility, have offered a framework of narrowly-defined motives and relations of human (inter)action, which ignores individuals’ capacity to serve wider public benefits of social welfare, based on a sense of social obligation and shared identity. Then we attempt to re-instate the ‘social’ in social capital by exploring alternative principles of rational behavior based on the concept of social embeddedness. Socially-embedded individuals both shape and are shaped by society, which requires that they identify with multiple collective agencies characterized by different norms and networks, and that they freely engage in a reflexive process to assess different values and objectives through mechanisms of social mobilization and political debate. In this way, the individual creates norms and participates in networks not for the sake of her personal interests, but for the sake of her personal identity. This allows her to make choices that not solely depend on exogenously-given individual preferences and social rules, but also on what kind of person she wants to be and what kind of society she wants.

I. Introduction

In recent decades, social capital has been identified with features of social organization, namely norms and networks of trust, reciprocity and cooperation, which allow individuals to overcome social dilemmas for the pursuit of a mutual benefit. In the late 20th century, economists used the term to represent the type of social resources individuals invest in to support cooperative behavior and collective activities of the non-economic sphere, and thus produce the public goods that enhance individual well-being and economic development. However, critical views to social capital argue that the neoclassical principle of rationality has maintained dominance with economics, and thus treatments of social capital tend to obscure the meaning of the ‘social’ and the ‘capital’ by ignoring the political and ideological consequences of an economic monomania that overlooks collective content and context of human interaction and cooperative behavior. By virtue of the utility-maximization principle, norms and networks are reduced to an exogenously-determined means by which individuals ultimately serve private benefits.

In this paper, we endorse the view that neoclassical (mis)treatments of social capital have offered a framework of narrowly-defined motivations, conditions and relations of human (inter)action. Nevertheless, we do not support the extreme position taken by some critics that the concept of social capital as such is deemed superfluous and redundant, and should be abandoned altogether. We believe that the concept of social capital is useful in providing a pluralist and holistic view of economic behavior by highlighting social and political aspects of human agency, and particularly individuals’ capability to

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serve wider public benefits of social welfare based on a sense of social obligation and shared identity, endogenously determined by collective mechanisms of human (inter)action. For this purpose, we attempt to reinstate the ‘social’ in social capital by moving away from a neoclassical interpretation and exploring alternative principles of rational behavior based on the concept of social embeddedness. Socially-embedded individuals both shape and are shaped by society, which requires that they identify with multiple collective agencies characterized by different norms and networks, and that they freely engage in a reflexive process to assess different values and objectives through mechanisms of social mobilization and political debate. In this way, the individual creates norms and participates in networks not for the sake of her personal interests, but for the sake of her personal identity. This allows her to make choices that not solely depend on exogenously-given individual preferences and social rules, but also on what kind of person she wants to be and what kind of society she wants, a capability that *homo economicus* has essentially been deprived of.

We begin in Section II by briefly examining the implications of neoclassical assumptions when applied to norms and networks that fall under the label of social capital. We discuss how these analyses have (de)formed the face of social capital enough to raise a series of compelling criticisms concerning problems of theoretical consistency, empirical operationalization, and policy applications. Nonetheless, a conceptual history dating back to the 18th century reveals that alternative, socialized or socialist views to social capital exist and challenge the tenets of the economic approach that dominates contemporary research, offering more pluralist and less individualist interpretations of social capital. In Section III, we attempt to restore the social identity of social capital by exploring alternative non-neoclassical treatments of human agency and interaction based on the concept of social embeddedness. We move beyond a narrowly-defined concept of *homo economicus* to examine the motivations and conditions that influence human behavior and (inter)action via individuals’ efforts to determine their personal identity by participating in multiple social contexts and social spheres that are characterized by a diverse set of values and objectives. Finally, we make some concluding remarks in Section IV.

**II. The identity of social capital: a source of ambiguity, inconsistency and exploitation or of pluralism, diversity and empowerment?**

*A. Neoclassical (mis)treatments of social capital*

The ‘economic approach’ to social capital can be summarized in the work of Becker and Glaeser. Becker, drawing from his earlier work in the 70s, introduces a notion of social capital that incorporates the influence on personal utility of past actions by peers and others in an individual’s social network and control system. He argues that “men and women want respect, recognition, prestige, acceptance, and power from their family, friends, peers and others … As a result, people often choose restaurants, neighborhoods, schools, books to read, political opinions, food, or leisure activities, with an eye to pleasing peers and others in their social network” (1996: 12). Hence, individual utility and welfare will depend not only on the different goods consumed, by also on her stock of social capital (5). In other words, social capital represents the resources derived from one’s social environment that are available to her and are invested in the production of commodities that will satisfy her basic wants (164-165). If for reasons of simplification we assume a single commodity \(Z\), which is produced with a set of material inputs \(x\) and social resources \(R\), then maximizing individual utility \(U\) is equivalent to maximizing the output of this commodity, subject to her social income \(S\) (165):

\[
\max U = Z(x, R), \\
\text{s.t. } p_x x + p_R R = S
\]
The set of social resources $R$ could represent the social characteristics of the individual’s peers or members of her social environment, such as income or prestige. The individual then could either show respect towards characteristics shared by her peers and simulate their patterns of behavior (so $Z'(R) > 0$), or, alternatively, could be envious of these characteristics, show disregard and even go against her peers (so $Z'(R) < 0$). Under these circumstances, an increase in social capital can either raise or lower individual utility. For example, peer pressure on a teenager to smoke or drink may reduce her utility, whereas a family’s utility is higher when neighbors help if a burglar tries to break in its home (12-13).

A micro-approach to social capital was also adopted in the work of Glaeser and his colleagues. According to the authors, “[t]he theory and empirical work on social capital generally focus on community-level aggregates and downplay individual heterogeneity. … [I]f economists are going to understand social capital, then we must start with an analysis of the decision-makers who actually invest in social connection” (Glaeser, Laibson, Scheinkman and Soutter 1999: 2). They therefore begin with an individual-based definition of the concept: “an individual’s social capital is that individual’s social characteristics – including charisma, status and access to networks – that enable that person to extract private returns from interactions with others” (3). Private returns include market returns (e.g. higher wages or better employment prospects for socially competent persons), as well as non-market returns (e.g. improvements in the community, or health, or even direct happiness). In a later paper, Glaeser, Laibson and Sacerdote (2002) argue for an individual-based approach to the mechanisms that create social capital, based on a model of optimal individual investment decisions. Similar to Becker’s treatment of social capital, Glaeser and his colleagues introduce social capital as an argument in the utility function $U$ of an individual agent. The intertemporal maximization problem is expressed as (F441):

$$\text{max } U = \sum \beta^t \left[ S_t R(S_t) - wC(I_t) \right]$$

s.t. $S_{t+1} = \delta \phi S_t + I_t$,

where $S_t$ is the stock of individual social capital at time $t$, which is the choice variable; $\hat{S}_t$ is the stock of aggregate per-capita social capital, which is exogenously determined; $S_t R(S_t)$ is the per-period utility flow payoff, reflecting both market and non-market returns, while assuming $R(S_t) > 0$ to capture complementarities across individuals; $w$ is the opportunity cost of time; $I_t$ is the level of investment in social capital; $C(I_t)$ is the search cost of social capital; $\delta$ and $\phi$ are depreciation factors, arising from time and spatial mobility, respectively; and $\beta$ is a discount factor. The comparative static results imply that social capital investment rises with $\beta$, declines with $\phi$, declines with $w$, declines with $1-\delta$, declines with age $t$, and rises in communities with more $\hat{S}$, so that higher returns to social capital will induce higher rates of investment. The authors proceed to empirically test these hypotheses in the US by regressing individual group membership – number of memberships of the individual across various groups – on the set of factors that, according to their model, determine social capital. Results confirm most hypotheses, with the exception of aggregate per-capita social capital: individual social capital is not well explained by community social capital when the latter is measured by regional dummies of residence. Even if community social capital is measured as the average membership in one’s social group, the relationship with individual social capital weakens when background characteristics of other members (education, age, marital status, and income) are used as instruments. According to Glaeser and his colleagues, this finding reinforces the view that “individual incentives, not group membership, drive social capital accumulation decisions” (456).

Becker and Glaeser appeal to an economic model of investment to explain the creation of social capital, similar to frameworks of investment applied traditionally to the accumulation of physical and human capital. Becker explicitly expresses the view that the economic model of utility maximization can be

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1 This finding is against Becker’s view that “[o]nce a social network is given, people have little control over the production of their social capital, for that is mainly determined by the actions of peers and relevant others”; but “while individuals do not have much direct influence over their social capital, they often have an enormous indirect influence over it, since they try to become part of social networks that benefit rather than hurt them” (1996: 13).
applied to explain and predict all facets of economic and non-economic behavior (cultural, biological, psychological), in any time or place (1996: 25-26). Also Glaeser and his colleagues conclude that social capital can be studied with the tools of price theory (1999: 2, 33). One of the reasons why they adhere to this approach is perhaps found in their statement that “[i]t is hard to know whether these social behaviors are preference-based or incentive-based, and this distinction will not matter for our analysis. Whether members of a social network like each other or view themselves as playing a repeated game, their social network creates cooperative, socially efficient outcomes” (2002: 443).

However, such an approach is problematic in that it overlooks the role of individual and collective motivations that derive from a sense of identity and commitment to social values. Consequently, it ignores the aggregate processes of socialization and political participation within which collective identities and shared values form and evolve, reducing them to a mere outcome of or constraint to individual utility maximization. Hence, the economic model fails to capture profound aspects of human behavior, associated with the historical and cultural, social and moral content of social norms and networks. Moreover, instead of recognizing the embeddedness of economic behavior and exchange within the context of social relationships and institutions, the economic model implies that social relations are embedded in the economic system. As Staveren stresses, it merely assumes that “economic actors who happen to have social preferences as well as individualistic and material preferences are believed to invest in social relationships if, and only if, there is an expected net individual benefit from doing so” (2001: 2).

Criticisms from a more radical perspective claim that, as a result of the domination of economics and neoclassicism across the social sciences, interpretations of peoples’ social relations, capacities and outcomes usually credited with the term social capital are in principle of individualist origin. This has negative effects both on scientific inquiry and political action. On the one hand, it is argued that the term social capital has been appropriated by theoretical and empirical economic analyses that presume a neutral, i.e. a historically and socially independent, context of human behavior and interaction, which leads to reductionism, ambiguity and inconsistency. On the other hand, social capital, alongside such terms as globalization, knowledge-based economy, organizational culture, and flexibility, is considered a vehicle for the historical and social promotion of the political and ideological agenda of those dominant classes, including academics, entrepreneurs, international organizations and policy-makers, that aim at preserving their own interests in a system of capitals, which sustains relations of subordination and exploitation.

First of all, with regard to consequences in scientific analysis, critics claim that social capital is rife with conceptual ambiguities and empirical problems, rendering it vacuous, over-versatile or even superfluous (see, for example, Edwards and Foley 1998; Portes 1998; Fine 2001; Durlauf 2002; Sobel 2002; Durlauf and Fafchamps 2004; Fine and Lapavitsas 2004). According to these studies, definitions and methods employed to describe and operationalize the meaning of social capital merely reflect a mix of disparate ideas, and confound often conflicting and inconsistent aspects of social activity in one single term. In sum, social capital incorporates: (i) ‘good’ and ‘bad’ types of association, by bundling up cartels, which engage in rent-seeking and lobbying activities to monopolize output, with choir groups, which gather to socialize (gossip) or enjoy music; (ii) ‘causes’ and ‘effects’, by referring to both inputs (trust and norms) and outputs (social participation and cooperation, as well as positive economic and political outcomes); (iii) ‘functional’ and ‘causal’ notions, by assuming that norms and networks are constructed so as to facilitate cooperation and efficiency, whilst accepting that these outcomes are also a by-product of cooperative behavior; (iv) ‘instrumental’ and ‘non-instrumental’ individual motivations, by considering norms and networks as means for personal material benefit, whilst treating them as ends in themselves; (v) ‘quantitative’ and ‘qualitative’ aspects of association, where the quantity of trust or memberships is used to make quality assertions with less reference to the types of groups, their motivations and consequences; (vi) ‘descriptive’ and ‘normative’ treatments, which in some cases refer to individual rational choice as a universal framework for human behavior, and in other cases include broader concepts of socialization, mobilization and political debate; (vii) ‘formal’ and ‘informal’ types of association, as the former refers basically to the social organizations that take on a more formal constitution through
processes of institutionalization and consolidation of membership and activity, whereas the latter relates more to interpersonal relations that develop at a more local level between friends, neighbors, colleagues, and community members; (viii) ‘bonding’, ‘bridging’, and ‘linking’ types of connectedness, which, respectively, point to relationships within groups, between groups, and across hierarchies; and, finally, (ix) ‘individual’ and ‘collective’ forms of association, which include both the social capacities and resources held by the individual in virtue of her membership in different organizations and networks, as well as the sense of civic-spiritedness and social obligation manifested by individuals in virtue of their participation in civil society and the state.

We speculate, though, that to isolate one of these features of social capital for the purposes of scientific research or policy application is to overlook the inherent complexity and multi-dimensionality of social relations and their influence on economic behavior. As we discuss in more detail in the next section, individuals cooperate for the provision of social goods (including the norms and networks that cultivate participatory behavior) for various reasons and motives – economic, social and moral. By creating incentives to strengthen one can weaken the other, disempowering cooperative behavior altogether. The plurality of incentives, motives and ideas for collective action captures conditions of deliberation and agency, social interaction and public debate, that give individuals and groups the opportunity to voice their needs and formulate their strategies for serving wider public aims and policy objectives. As Woolcock and Narayan argue, one, single true measure of social capital is not possible, because: (i) definitions are multi-dimensional, incorporating different levels (micro, meso and macro), units (individuals, groups and regions/countries), types (trust, norms and networks), and cultural/historical contexts (families, tribal/ethnic groups and states); and (ii) the nature and forms of norms and networks change through time as the balance shifts between informal groups and formal organizations and institutions, from traditional, less developed societies, to modern, more developed countries (2000: 239). What type of social capital emerges and how it influences public welfare depends on the wider economic and political context that determines people’s capacity to participate and organize, and to assess and change values and objectives. We return to this issue in the next section.

However, critics with a more radical view insist that social capital tries to explain too much with too little, and is overloaded with a series of multiple and often contradictory conceptions with serious consequences on our understanding of the ‘social’ and the ‘capital’. Such generalizations not only obnubilate the distinction between conditions and mechanisms that determine individuals’ social capacities and their ability to collectively promote public welfare; they also obscure the distinction between the ‘social’ and the ‘capital’ in such a way that it conceals the fact that they are ultimately incompatible and thus make for an incongruous notion in their union as ‘social capital’. This brings us to the ideological consequences of using the term (social) capital to identify social groupings, movements and outcomes, and the term (social) capitalist to members of these groups. As Smith and Kulynych (2002) argue, social capital functions as a key word that carries unspoken assumptions and connotations that can powerfully influence the discourses they permeate. In this sense, language has wide-ranging analytical and ideological consequences on the meaning of social capital and enshrines a certain definition of social reality, particularly one that not only lacks consistency, but also ignores historical context and normative considerations (151-152). In particular, ‘capital’ is a concept with essentially monetary and accounting meanings, and is associated with capitalism, an economic system in which individualism, competition and wealth play a significant role, and the distribution of resources determines power relations and subordination of labor to capitalists (150, 171, 177). Moreover, according to the authors, language does not only reflect the world we live in, but works to sustain that world (166). By giving the word ‘capital’ such broad and pervasive meaning is to make economic, social and political relations that characterize capitalism appear natural, inevitable and legitimate (150-151, 174-175). Hence, scientists are compared to investors that recognize the productive importance of social assets; public decision-making becomes primarily a technical problem where method and efficiency replace substantive debate and justice; and citizens are viewed as consumers who maximize their utility and utilize social resources for serving this end (163-165). This downplays and undermines important aspects of scientific discourse, civic virtue, and policy intervention.
Smith and Kulynych believe that this is a result of broader intellectual, economic, social and political developments that took place in the late 20th century and are related to economic imperialism, the ‘depoliticization’ of politics, and the valorization of capital (2002: 162-166). According to Fine (1999, 2001, 2002), Harriss (2002), Shuurman (2003), and Fine and Lapavitsas (2004), the leading factor that has placed social capital on the intellectual map and policy agendas around the globe in the late 20th century was, unexpectedly, the World Bank. The World Bank was heavily committed to social capital, which emerged as a concomitant to the post-Washington consensus. Social capital would be interpreted as the ‘missing link’: on the one hand, it was used to explain cross-country differences in development, and, on the other, it supplied policy-makers with an additional tool to confront problems of development that involved the expansion of participation in and financial support to grassroots associations, self-governed networks, NGOs and community projects. Till then policies based on the Washington consensus promoted the removal of state protections and restrictions on market forces, measures that would soon become associated to income disparities, currency crises, political instability, the atomization of the social fabric, and problems of crime and corruption. The post-Washington consensus appeared as an antidote to these economic and social problems by offering merit to the role of state mechanisms, community bonds and social institutions. In other words, development was no longer a matter of changing economic relations, but also of altering the non-economic norms and institutions surrounding the economy (Fine and Lapavitsas 2004: 22). This would promise a ground-up alternative to the top-down policies and would function as a counterweight to the unfettered individualism in the market, while simultaneously providing the means to gain advantages from market exchange (Portes and Landolt 2000: 529).

Nonetheless, these authors argue, the post-Washington consensus does not distance itself from its neoliberal predecessor, because it is inspired from contemporary information-theoretic approaches of the new microeconomics, which justify state intervention to rectify market imperfections that emerge as a result of informational asymmetries and transaction costs. In this context, social relations are not only seen as a response of rational maximizing individuals to market imperfections; they are themselves viewed as a product of optimization and exchange. Such trends reflect the universalization of the ‘economic approach’, and the economic(s) imperialism it implies, which, apart from promoting reductionist views of the economy and society, had serious policy implications. For one, individuals and communities would be held responsible for their problems of underdevelopment, because they do not have the ‘right’ kind of social capital, exonerating state officials and international organizations from their own responsibility for redistribution and welfare. Second, it provided the World Bank and international organizations in general with the rhetoric and the ideology to justify intervention more widely and selectively across civil society in order to offer support to whatever social groupings in any area of social capital these organizations found conducive to serving the objectives of their narrow agendas and allowing only for marginal change and challenge to their economic policies.

As critics argue, contemporary social capital literature has apparently failed to confront such problems, because it has given little attention to issues of power and conflict, treating social capital as if it were context independent. Putnam’s work has exerted profound influence in this direction. In his infamous study of Italian regions, which draws from a history dating back to the medieval era, he purports that the North enjoys higher levels of economic and political performance, because it is endowed with a richer stock of associational activity and cooperative networks, compared to the South, where interpersonal trust and norms of reciprocity are scarce and hierarchical networks and patron-client relations prevail (Putnam 1993). This is consistent with a neo-Tocquevianlean approach, which rarely explores the impact of surrounding conditions of political repression, economic distress, intense social conflict, and shifting patterns of cultural hegemony that might force groups to engage in defensive and offensive action to resist and restore stability and democracy (Edwards and Foley 1998; 132). Indeed, Putnam appears to want it both ways: on the one hand, he wants an activated and engaged citizenry that is cultivated through the socialization performed by civil associations; on the other hand, he includes only those associations with a civic transcendence that rises above the divisiveness of protracted socio-political and cultural conflict (Foley and Edwards 1996: 46). In his Italian study, he claims to have drawn inspiration from Coleman’s
work. From a rational choice perspective, Coleman views social capital less as an attribute of the community, and more as the relational stock of resources available to the individual in the form of trust, norms of reciprocity and obligations that allow her to enhance her welfare. In contrast to Putnam’s romanticism on the positive aggregate outcomes that social capital brings about, Coleman does recognize that a given form of social capital that is valuable in facilitating action for improving the welfare of individuals belonging to a certain group may be useless or harmless to non-members (1988: S98).²

Bourdieu (1986), on the other hand, views social capital as resources individuals obtain through their social ties and serve to secure social status and privilege, and to sustain prevailing structures of class and power. He conceptualizes social capital in terms of networks, and engages in a more systematic treatment of the structures and processes that facilitate the reproduction of power and privilege (Smith and Kulynych 2002: 155). He emphasized the social construction of the content of social capital, which is irreducibly attached to class and other forms of stratification, as well as the exercise of economic and other forms of exploitation (Fine 2002). His approach has been neglected in the literature, because it is far too radical for the neoclassical postures currently attached to social capital. Fine observes that economists do not address the obstacles posed by power relations and social conflict, since “[they] tend to view social capital positively, as a means both to understand the response to market imperfections and to correct them” (2001: 123). Rather, he contends, social capital as networks of association and reciprocity can be exploited to sustain power relations and inequalities within society. Indeed, he cites studies in which hierarchical social structures support synergy relations across the public-private divide that reinforced relationships founded on patronage and clientelism rather than fostering more inclusive forms of civic engagement. Ultimately, the rich gets power, while the poor is left with social capital (Fine 2002).

Nevertheless, according to critics, a serious weakness even in Bourdieu’s analysis appears to be the establishment of a ‘plethora of capitals’. Social capital is identified by way of contrast with non-social forms of capital including natural capital, physical capital, human capital and financial capital, which results in a collective definitional chaos surrounding not only the meaning of ‘capital’, but also the meaning of the ‘social’. It becomes unclear where the physical-type ‘capital’ as such ends and when the social-type capital begins (Fine and Lapavitsas 2004: 27, 28). Indeed, Fine claims that the economic approach to social capital reflects a sort of capital-fetishism, i.e. an indiscriminate application of the capital notion to any activity, regardless of the different forms, conditions and scope activities undertake. This follows from “an explicit understanding that capital is first and foremost to be understood as asocial, as the broadly defined physical (productive) properties of available resources and, ultimately, their capacity to provide an equally asocial contribution to utility” (2001: 26). To the contrary, Fine argues, capital is profoundly social and historical in content, because “it is embroiled in social relations, in social structures, in social reproduction involving social power and conflict, and is attached to definite economic and social tendencies”, such as the commodification of labor, the rise of social movements and the emergence of the welfare state (33). Therefore, any use of the term social capital, implies that capital is a set of asocial endowments possessed by individuals, rather than the broader social relations that sustain structures of economic production and social stratification. Eventually, the social is applied to capital because it has been artificially torn away in the first instance, and brought back in to capture in a superficial and superfluous manner economic outcomes that derive from non-economic, non-physical features of society (26, 38).

² To be fair, Putnam does speak of the presence of vertical and horizontal networks (even though he fails to make such a distinction in his empirical work). The former are highly characteristic of hierarchical, paternalistic and clientelistic social relations, and are based on cooperation achieved by coercive action and force, exercised by the privileged to exploit the rest of the population. The latter are assumed to be positively associated to good government and improved economic performance, by expanding collaboration, respecting individuality, and defining social obligations (1993: 175). Nevertheless, his historical determinism does not suffice to explain how and why vertical associations appear and crowd out action for generalized cooperation and welfare represented by horizontal associations. This might be a result of the little attention offered to contextual factors that are at play and determine human interaction and its impact at the aggregate level.
By indiscriminately collapsing social relations into capital, we fail to see capital as a set of exploitative and authoritarian relations, and move closer to a neoclassical interpretation of the ‘social’ (Fine and Lapavitsas 2004: 24). Thus, Fine (1999, 2001, 2002) suggests, we should reject social capital altogether and construct a rigorous theory of the social and of capital and of capitalism, by building upon the intellectual ‘traditions’ that we have, and by appealing to these notions’ ‘genuine’ counterparts within political economy and social theory. Otherwise, he claims, we run the risk of creating illegitimate, bastardized and hopelessly eclectic forms of the social and of capital (Fine 1999: 16). For Marxists, capital is, on the one hand, an irreducible economic concept; on the other, it is a notion that incorporates its social consequences that rely on exploitative and authoritarian relations of capitalists over the working class and labor. So where does the physical-type ‘capital’ end and the non-physical or social-type ‘capital’ begin? A possible response here could be that capital is an economic concept and as such offers benefit to those that have ownership, at the expense of others, by establishing relations of domination and oppression. We agree that the system of production, property rights and power relations do play a role in how social capital is formed, distributed and used to achieve certain outcomes. However, we believe that by restricting ‘capital’ to the properties of certain ideological perspectives and systems, considered to be legitimate, genuine, and hopeful, be them neoclassical or Marxist, we ignore the existence and truth of alternative meanings. These meanings, apart from contributing to a more pluralist scientific environment, can represent views that distance themselves from practices of calculation and manipulation, and support resistance and socialization by focusing on the political and ideological circumstances under which individuals develop and exercise power over means of production, not only for exploitative and authoritarian relations, but also to ensure mass mobilization and public welfare.

Furthermore, language has ascribed a myriad of identities to the concept of ‘capital’ determined socially and historically. In a passage by McNally, cited in Smith and Kulynych, language appears to be social and historical in the sense that it entails individuals’ immersion in a social and historical field of meanings, which are always contested and never closed, and thus offer alternative ways of expressing and articulating experiences (2002: 151). By the same token, social capital can be subject to many ‘meanings’. Multiple meanings of the ‘capital’ and the ‘social’ are consistent with a language that is dynamic by incorporating a plurality of principles and contexts. There is no single definition of ‘capital’, or a single definition of ‘social’ that can confine social capital to a single context, including the neoclassical and the Marxist one. Hence, ‘social capital’ can, in certain contexts, promote the valorization of capital as a means for producing individual profit at the expense of public welfare. However, we must not ignore that alternative conceptions do exist and argue against such private pursuits of profit and welfare. We further examine some of these approaches in the following subsection where we discuss the content of ‘social capital’ within a more ‘socialized’ or ‘socialist’ context. In this sense, social capital is far from a concept that vouches for the ‘depoliticization’ of politics, and, if anything, reinvigorates the debate on longstanding, but still unresolved questions of ‘what is social?’ and ‘what is capital?’ Alternative meanings do exist and not only challenge traditional streams of thought, but also address novel political and social phenomena and inquiry. Such definitions are included in dictionaries, ordinary discourse and popular social science, while academic inquiry does address the many and often conflicting aspects of terms as they have evolved historically.

For example, social capital’s appeal in the late 20th century coincided with general disillusionment with both market-oriented neoliberalist regimes of the West and centrally-planned communist regimes of the East that failed to secure world peace, economic development and social welfare. Indeed, Bowles and Gintis argue that social capital appeared to be a response to the many that were disenchanted with utopias of either the left or the right, and came to believe that market failures are the rule rather than the exception and that governments are neither sufficiently informed to correct all market failures (2002: F419). Moreover, Hyden points out that in development discourse in the 1990s the concepts of social capital and civil society acquired relevance in the new perspective set out by intellectual trends focusing on what is generically referred to as ‘political culture’ (1997: 4). These trends attribute a distinct role to human agency and democratic participation, and differ from the neoliberal ‘rational choice’ theory in that they acknowledge the influence of institutions on human choice. According to the author, proposals for
strengthening local communities and institutions under the label social capital and civil society arrived from two directions, based on perceptions commonly shared by both leftists and rightists: on the one hand, ‘top-down’ approaches had failed to work, since the state was viewed as an instrument of exploitation, rather than growth and redistribution; and, on the other hand, problems of political apathy and lack of organization had to be resolved to ensure democratic participation and interest in public affairs and promote development objectives. Within this context, social capital echoed as a rejoinder of the economic, the social and the political, and gave promise to a new reality that confronted the defects of its alternatives, without the conflicts, threats and crises of the past.

Nonetheless, the concept of social capital was destined to be swept away by the neoliberalist movement that prevailed in research and policy during this period, and emerged from the collapse of Eastern communism and the apparent triumph of Western economic systems. For example, the idea of the Third Way, which emerged during the 1990s as a response to the rise of neoliberalism and the end of socialism, would appear progressive by adopting a rhetoric that favored social solidarity, stakeholder participation and civic responsibility. A more thorough investigation reveals its appeal to Christian-democratic values that center on the role of the family, a citizenship not rooted in political philosophy, and a state operating at most as a facilitator (Schuurman 2003: 998). Thereafter, as most concepts and disciplines across the social sciences, social capital has been subject to the distortions of neoclassical approaches, and has witnessed the transformation of its heuristic value into a rhetoric that favors predominant economic interests and political ideologies.

These views express skepticism with regard to the capacity social capital has as widespread trust and civic engagement to overcome conditions of conflict and power and resist the pervasive forces of parochial groups. Hence, Fine wonders: “if conflict undermines the notion of social capital, than why not take conflict and its theoretical underpinnings as a starting point, rather than a social capital that has been rendered both ambiguous [if used to sustain power] and redundant [if it cannot overcome power]?” (2001: 123). A response to this sort of skepticism may come from Heller (1996), who conducts a study in the region of Kerala, India and offers evidence that state-society synergy can produce social capital and equitable growth even in an environment of extreme social divergence and social conflict. He observes that despite hostility from the national state, social castes and communal groups striving to secure particularistic interests and patronage politics, the mobilization of industrial workers has led to the adoption of progressive policies and high levels of development with a more programmatic, redistributive and encompassing character. That is, far from being a means to sustain existing oppressive and exploitative social relations and modes of production, social capital can mediate between conflicting interests to produce social change and reform. In fact, as Paterson states: “If we ask … how and when social capital is created, perhaps the answer lies in moments of sharp social conflict, where power relations are shifting, and where the outcome is not determined in advance because there is a myriad of possible new networks to be formed. Each segment of civil society is forced to choose new allies … and thereby create new bonds of social capital” (2001: 54).

Of course, it is plausible to think that development practitioners, policy-makers and international organizations seek ways to exempt themselves from dealing with problems of poverty and conflict and pursue their narrow agenda of political and ideological interests, by transferring responsibility to social groups and populations of the underdeveloped segments of the world that rarely have control over resources to promote widespread development and welfare. Indeed, as Smith and Kulynych argue, “the juxtaposition of social (collaboration and interdependence) with capital (independence and self-reliance) allows us to continue to view the poor as not only in need of traditional individualist values, but also as largely to blame for a lack of a stock of social power” (2002: 172). As we discuss in more detail in the next section, we believe that both types of traits are crucial: on the one hand, collaboration and interdependence that characterize embedded social relations are needed to place boundaries on traditional individualist and competitive values; on the other hand, independence and self-reliance ensures a degree of autonomy that allows individuals to avoid conformism and communitarianism (not only in its more conservative conception of primordial relations, but also in a more general conception of particularistic
interests and patron-client relations that operate against public welfare). Formal national and transnational bodies do share responsibility in leaving issues unresolved to serve narrow interests; but this does not leave populations with no means to collectively pursue and demand resolution to social problems and redistribution of resources and welfare. Populations do have ‘powers’ of which they are often convinced they have been deprived as an extension to their conditions of destitution. These powers depend on what people mean to each other, what they can do for each other, and what they are capable of doing with each other, shifting emphasis from the strengths that the ‘individual’ has access to, to those that lie in the ‘social’.

Finally, that capital has become associated with power; that these sources of power are not exclusively monetary and have many forms – political, cultural and social; that they can fall in the hands of people that do not belong to the dominant class of capitalists in its traditional sense; and that this power can be used not only to discriminate, manipulate and exploit, but to also further mass mobilization and public welfare, is a social and historical artifact and will be reflected in interpretations, experiences and language. For example, I might not be a CEO or a major stockholder in a multinational enterprise; however, when I enter the classroom to give a lecture, I possess ‘power’ to either manipulate in favor of my personal advancement and social status, or to place it in the service of science to promote theory and discourse, and enhance students’ skills and knowledge. Hence, the consequences of my power, or (cultural) capital, will depend on how I use it for the benefit of science, my students or my career. This in turn will depend on values that determine my role as a researcher, a teacher, and a professional. Pleas to return to traditional conceptions of the ‘capital’ and the ‘social’ simply ignore the existence of alternative interpretations within contemporary social and historical contexts. At the end of the day, it is not words or capitalists that possess power; it is people. This does not constitute a return to individualist interpretations of power, where ‘power to’ merely points to individuals’ right to maximize their personal utility by means of social resources they obtain access to, and where ‘power over’ simply draws attention to individuals’ external constraints imposed by social groups and structures upon self-regarding preferences. Rather it emphasizes the capacities of human agency where persons have an idea of the power they do possess, individually and collectively, and make decisions on how this power will be exploited either to preserve their own personal social status, or to serve generalized values of solidarity and public welfare.

Critics of social capital are correct in pointing out the flaws and dangers of an individualist approach to social features of organization and behavior. Such an approach leaves it to rational, maximizing individuals to resolve market and state failures by means of social norms and relations they create for achieving a mutual benefit. Ironically, at the same time, it tends to see individuals as alternative forms of capital, eliminating their subjectivity and inscribing them as calculable and manipulable. Prevailing conceptions and social groups will impose their own ‘meanings’ and ‘interpretations’ of ideas and experiences. However, we argue that social capital does not necessarily reflect individualist views characterized by ambiguity, inconsistency and exploitation that reveal bad behavior on behalf of both researchers and policy-makers (Fine 2010). There are studies in the social, political and anthropological literature, which show that ‘social capital does not arise from instrumental motives, nor from constraints on free choice, but from intrinsic motives, unconstrained but socially embedded motives that are part of the very social values that social capital represents’ (Staveren 2000: 3). Moreover, collectivist approaches that emphasize the determinist, conformist and exploitative influences of structural factors on the economy cannot explain how human agency interacts with social structures in promoting social change and welfare, and thus leaves little room for reflection, diversity and reform. We therefore seek for alternative non-neoclassical approaches that offer a more balanced view between ‘structure’ and ‘individual’. To inform our current debate, we begin by examining the conceptual history of social capital, tracing back to the 18th century, to re-discover alternative uses, meanings and applications by social theorists, economists, activists and development practitioners in organizing community action and social movements to combat the negative social consequences of capitalism.
B. Social capital from a ‘socialized’ or ‘socialist’ perspective

Social capital is not a new concept. The idea of involvement and participation in groups for the achievement of individual and community well-being fundamentally traces back to social theorists of the 18th and 19th century, including Durkheim, Weber and Marx. Durkheim places emphasis on association to combat the negative consequences of anomie and self-destruction, and on values, moral imperatives and commitment to inform individuals of non-instrumental goals in the establishment of contractual relations. Weber discusses the idea of enforceable trust and the different mechanisms used by various groupings to ensure compliance, including bureaucracies, legal systems, and social norms. Marx distinguishes between an atomized class-in-itself that perpetuates the one-dimensional econocentric culture of capitalism, and a mobilized class-for-itself that resists the prevailing forces of this culture to fulfill a vision of rekindled community life in post-capitalist society (Portes 1998: 2; Woolcock 1998, 161; Caroll and Stanfield 2003: 398). Woolcock (1998) argues that Durkheimian, Weberian and Marxist traditions within classical sociology, influenced by the economic debates of that period, wished to stress the significant role played by groups and society in economic life to oppose the views of utilitarians and classical political economists, such as Mill, Bentham and Ricardo, that adhered to Adam Smith’s concept of the invisible hand as the ultimate norm for achieving social welfare within the institution of the market.

Still classical political economists, including Adam Smith and Ricardo, inquired into the social associations that influenced economic life and operated beneath or beyond the market (Farr 2003: 23). Indeed, Smith himself argues of the market’s limited self-regulating and welfare-enhancing capacities, and its reliance on certain moral sensibilities (Woolcock 1998: 160), which include virtues of self-discipline and *sympatheia*.3 The later critics of classical political economy in the 19th century, from Clark to Marshall, Sidgwick and Marx, would analyze to a greater extent the role of associations – corporations, cartels, companies, guilds, trade unions, friendly societies, mutual aid societies, communes, cooperatives – which had competing or complementary economic purposes; operated as substitutes or supplements to market operations; and emerged as a means for serving particularistic interests or as the social space for cultivating solidarity and promoting social transformation (Farr 2003: 23). Moreover, as Farr points out, in their efforts to challenge classical political economy, some of these critics had already deployed the term ‘social capital’ to speak of ‘capital from the social point of view’, and contrast it with the individual point of view adopted by capitalists and associated with the maximization of personal profit by means of the physical and labor resources they employed (2003: 22). He notes, however, that the term deviated from contemporary treatments of social capital, and reflected various and often conflicting assumptions and understandings of the functioning of the capitalist system, incorporated in different analytical frameworks: labor theory of value (Marx), utilitarianism and marginal utility theory (Sidgwick and Marshall), or a marginalist theory of production and distribution (Clark). To illustrate, for Marshall, the stock of capital from the social point of view constitutes a fund for production that includes all things other than land (i.e. the free gifts of nature), which yield income and are held for trade purposes, such as machinery, raw material or finished goods, theatres and hotels, home farms and houses, together with similar things in public ownership, such as government factories (1997 [1920]: 79). For Marx, social capital is related to a notion of aggregate groupings of individual capitals, which is not restricted to simple summation of physical resources owned by capitalists; it extends to comprise the circulation of capital, as well as the general circulation of commodities, revealing the fetishism of commodities and capitals that is

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3 *Sympatheia* is the philosophical term used by Smith, derived from its Greek counterpart, which often directs us to the modern-day word ‘sympathy’. Nevertheless, an etymological analysis from ancient Greek, which is also evident in Smith’s definition of *sympatheia*, better refers to its Latin equivalent and contemporary English term ‘compassion’ (‘com’ *Lat.* = ‘syn’ *Gr.* + ‘passion’ *Lat.* = ‘pathos’ *Gr.*). Hence, *sympatheia* goes beyond feelings of sympathy, that is, feelings of enjoying another person’s character or company, and encompasses the act of sharing this person’s feelings in misfortune and happiness. Indeed, in accordance to Smith’s interpretation: “...How selfish soever man may be supposed, there are evidently some principles in his nature, which interest him in the fortune of others, and render their happiness necessary to him, though he derives nothing from it except the pleasure of seeing it...” in *Adam Smith: The Theory of Moral Sentiments*, ed. D. D. Raphael and A. L. Macfie, Clarendon Press – Oxford, 1976, SECTION I: Of the Sense of Propriety, Ch. I: Of Sympathy.
characteristic of the capitalist system of production and tends to conceive resources as ‘things’ rather than as social relations upon which the system is sustained (1992 [1884]: 427-428). 4

Hence, social capital is also not a new term. A conceptual history presented by Farr (2003, 2007) reveals additional references to the term during the early 20th century from the socialist front. Hanifan is coined in the literature as the earliest reference to the term in its contemporary meaning more broadly conceived (Schuller, Baron and Field 2000). He links social capital to ‘the community center idea’ that pointed to the significance of community programs and civic education to confront deplorable school conditions, inequalities of wealth and education, racial segregation, migration, and social isolation. In his words, social capital does not identify with the more usual treatment of capital related to real estate, personal property, or cold cash; it is associated with those elements that make these tangible substances worth pursuing, namely “goodwill, fellowship, mutual sympathy and social intercourse among individuals and families who make up a social unit, the rural community, whose logical center is the school” (Farr 2003 [Hanifan 1916]: 6). Hanifan’s efforts inspired social center and community civic movements to provide practical community projects to develop an active citizenry, especially by motivating young students at school. These movements deployed metaphoric speech of economic origin, including social capital, to spread the word of the necessity of mobilizing collective resources in dealing with pressing social problems. According to Farr, the leaders of the community movements acknowledged their debt to Dewey and his work on citizenship training. Dewey points to the negative consequences of capitalism yet appropriates its vocabulary to bring the ‘social’ and the ‘capital’ together. This constituted a terminological strategy used to achieve critical and rhetorical effect, and to emphasize the importance of a community’s social resources and democratic goods of sympathy and cooperation (Farr 2003: 9-14).

For Dewey, democracy is a mode of associational living and community membership that cultivates a sense of public duty and citizenship, and provides resources of sympathy and cooperation for sustaining a native fund of power to individuals to collectively deal with the maladies of capitalism, such as poverty, unemployment, isolation, ignorance, racism and nationalism, arising from unbridled individualism, property rights and competition. Sympathy is more than a feeling; it is regarded as a cultivated imagination of common identity with other people, their needs, values and priorities; a collective resistance towards social divisions and cleavages that prevent segments of the population from pursuing their well-being; and the basis for the realization of universal relations of persons incorporated in what we call society or humanity. Dewey also drew attention to Bellamy and his view of a ‘socialized economy’ to restore and preserve individuals’ rights to freedom, justice and equality, which are often violated in a system of unregulated market exchange and private capital. In Bellamy’s work, published during the last decade of the 19th century, social capital is tied to the notion of a social fund, as the total accumulated wealth a society creates by “all laboring heads and hands”, net the amount directed for serving immediate needs of consumption. This by no means relates to Marshall’s more quantitative and calculative conception of social wealth, for Bellamy stresses that the social fund is a collective product of the ‘social organism’, i.e. of associated labor and exchange. Within this context, “social capital conveyed a democratic and egalitarian vision based on solidarity: namely, labor and social wealth should be shared cooperatively”, and is thus better conceived as a kind of ‘socialized’ or even ‘socialist’ capital (Farr 2003: 15-16). The social-fund concept of social capital is contrasted against concepts of the wage fund that extends to discrepancies between surplus and wage earnings, as well as to conditions of exploitation of labor power and subordination to capitalists.

4 We must note that civil society, an often cited corollary to social capital that constitutes the space within which norms and networks of association and citizenship are nurtured and developed, is, for Marx, equated with the bourgeoisie and engenders the values and relations that sustain capitalism and solidify the power of the dominant class. Marxists have stressed the need for more radical action and strong social movements capable of challenging existing power structures and promoting fundamental change. However, Gramsci bypasses Marx’s economic determinism and argues that civil society is the key arena for conflict and change by offering the space for the development of counter-hegemonic associations that represent alternative norms and beliefs and thus can overthrow the control of the dominant class over society (Hyden 1997: 7, 12).
Alternatively, within the context of the socialization of wealth and resources, social capital is viewed as a product of social ownership and property, in opposition to capitalist notions of private ownership and property. The relevant entry in the *Encyclopedia of Political Economy* cites a collection of references, by which “[t]he concepts of ‘social ownership’ and ‘social property’ refer to productive property collectively owned by a ‘society’ or a ‘group’” (Phillips 2003). The use and management rights of this property are exercised by workers or consumers or both, and are defined not so much in terms of legal entitlements to property, but by economic rights to manage and use. On the other hand, in the Mondragón group of companies in Spain, as well as the other cooperative and worker self-managed systems, the concept of social capital is used to refer to the collective, non-transferable portion of cooperative property, i.e. the inalienable and indivisible portion of the surplus retained by the co-ops for reserves, investment and expansion of the collectively owned and managed means of production. The entry adds that “[t]he existence of social capital confers on individuals the rights to work; to compete for any job consistent with a person’s capabilities; to participate in management; and to derive economic benefits solely from work but not from property”.

Additionally, in a few cases, social capital has been used to represent a sub-group of capital goods that coincides with the public physical infrastructure of a nation. Such definitions date back to the late 1950s, when Dube, Howes and McQueen define social capital as the schools, universities, churches and related buildings, hospitals, roads and streets, airports, sewer and water systems, and other buildings and installations appertaining to public institutions and departments of government. However, they argue, it is not so much the industrial component of capital which is ancillary to the social, but the other way round. Moreover, social capital is not a mere means to industrial organization; it is worth having in itself as an expression of civilisation in a higher sense (Schuller *et al.* 2000: 2-3). In a similar fashion, social capital and public capital have been used interchangeably in scientific and government documents in countries such as Japan (see, for instance, Ihori and Kondo 2001), although recent work on the stock of social capital tend to adopt contemporary interpretations as norms and networks (e.g. Inoguchi 2000; Takashi and Akiyoshi 2002). Earlier references to public capital as ‘social capital’ perhaps reflects values which are held by government and society in these countries, and view public infrastructure not just as a means to promote industry, but also as a social obligation and a source for national pride. Such accounts also appear in historical texts, where expanding public infrastructure (transportation, communication and education), especially during the reconstruction of a country, becomes a policy priority in boosting both the economy and civil society (see Skoulatos, Dimakopoulos and Kondis 2000: 10).

Conceptions of social capital as social fund or social property or social infrastructure differ from contemporary treatments more relevant to works of Hanifan and Dewey. However, we can say that these are generally concomitant to an idea of a socialized economy with dense networks of association in community, organized activities of cooperative work, and heightened social capacities like sympathy and solidarity, which constitute elements referred to as social capital in its contemporary sense (Farr 2003: 16-17). It was not until the 60s and late 70s that social capital was explicitly identified with social norms and networks in order to address the role of social relationships in the economy. From the perspective of urban planning and development, Jacobs, a writer and activist, argues that safer streets and better jobs depend on a city’s social capital, i.e. on neighborhood trust and networks, rather than on investments of public tax subsidies or maximum individual liberty, purported by economic theories of urban renewal (1992 [1961]: 5, 22, 138). That is, the regeneration of cities with high levels of crime and poverty depend on networks of casual, public contact at a local level (32). Such networks, in turn, derive from “a feeling for the public identity of people, a web of public respect and trust, and a resource in time of personal or neighborhood need” (56), and follow from “the experience of having other people without ties of kinship or friendship or formal responsibility to you take a modicum of formal responsibility for you” (82). They

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5 Marx speaks of a kind of socialization of capital whereby individualized private property, in the form of stock companies and financial capital, is inevitably supplanted by social private property and ownership. Hence, capital is endowed with the form of social, rather than private, capital, and private production takes place without control of private property. According to Marx, this signifies the abolition of the capitalist mode of production and the transition to a new form of production (Law and Mooney 2006: 139).
also mediate between formal public organizations and the privacy of the people of the city to inform urban policy for overcoming social problems and promoting development (57).

Then Loury (1977, 1987) pioneered the theory of social capital in economics by developing the idea that family background and personal relationships can influence an individual’s productivity. Social capital is identified with “non-transferable advantages of birth which are conveyed by parental behaviors bearing on later-life productivity” (1987: 254). Another source of social capital is provided by ‘communities’, which represent “private voluntary associational behaviors common to all societies, in which persons choose their companions, often on the basis of common ethnicity, religion, or economic class” (255). However, Loury is particularly concerned with the inequality in the distribution of social capital and its capacity to produce and reproduce the socio-economic class structure. He points to the fact that when there is social segregation in associational behavior on the basis of racial or ethnic group, as well as class lines, then equal opportunity does not necessarily lead to equal distribution of outcomes across groups. This is because historically generated differences between groups attenuate in the face of racially neutral procedures, as they create inequality of family circumstances and differential access to a community’s quasi-public resources, like education, health, as well as peer influence, contacts, and friendship networks. For instance, suppose persons compete for jobs in competitive labor markets, based on equal opportunity and individuals’ productive and not ascriptive characteristics. If the individual’s acquisition of productive characteristics is influenced by the economic success of her parents or the economic status of the minority in which she belongs, then “the notion of equal opportunity does not extend to the realm of social backgrounds” (254). Past discrimination will impose less favorable influences from parents and community on the individuals’ access to training resources.

Concerns with regard to the unequal distribution of economic and social resources were also raised by Bourdieu (1986). From a neo-Marxist perspective, he attached the social construction of the content of social capital to class and other forms of stratification and exploitation, power and conflict. First of all, social capital is “linked to possession of a durable network of more or less institutionalized relationships of mutual acquaintance and recognition … which provides each of its members with the backing of collectively-owned capital, a ‘credential’ which entitles them to credit, in the various senses of the word [in the economic, social and cultural domain]” (1986: 249-250). Even though profits from group membership are the basis of solidarity, this does not mean that they are consciously pursued as such, even in the case of groups like select clubs, which are deliberately organized in order to concentrate social capital and secure the material and symbolic profits of membership. In particular, networks are the product of investment strategies that transform contingent relations, such as those of neighborhood, the workplace, or even kinship, into relationships that become necessary and elective, and imply durable obligations subjectively felt (feelings of gratitude, respect, friendship etc.) or institutionally guaranteed (rights) (250-251). Most importantly, Bourdieu asserts that “the volume of the social capital possessed by a given agent … depends on the size of the network of connections he can affectively mobilize” (250), which, in turn, “presupposes an unceasing effort of sociability, a continuous series of exchanges in which recognition is endlessly affirmed and reaffirmed” (251). He adds that the volume of social capital also depends on “the volume of the capital6 (economic and cultural) possessed in his own right by each of those to whom he is connected” (250). This means that social capital is never completely independent of economic or cultural conditions, which are determined by the possession of (material) assets and social status (class), and are reinforced through social exchange that is usually reciprocal with those of the same social status and exploitative with those of different status.

On the whole, despite the fact that social capital is associated with more conservative, individualist conceptions across the social sciences during the end of the 20th century, a deeper investigation into the

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6 Briefly, capital, according to Bourdieu, is accumulated labor, appropriated at a private basis by agents or groups of agents; economic capital is capital immediately and directly convertible into money and may be institutionalized in the form of property rights; cultural (or symbolic) capital includes dispositions and cultural goods (e.g. books, pictures, instruments, machines etc.) that may be institutionalized in the forms of educational qualifications; and social capital is made up of social obligations or connections and may be institutionalized in the form of a title of nobility (1986: 242, 244).
conceptual history of social capital reveals a series of social theorists, activists, development practitioners and educators, who applied the term from a more leftist, socialist point of view to argue and mobilize against the negative consequences of capitalist modes of production, by substituting norms of self-interest, competition and private property with values of solidarity, cooperation and social property. As Schuurman argues, contemporary social capital debate could provide valuable insights on the content and context of trust, norms and social relations cultivated in new forms of politics and global governance, in which the role of civil society organizations and social stakeholders from an emancipatory point of view would not be limited to an anti-hegemonic strategy, but would also act to reconnect the social to the political (2003: 1008).

Nevertheless, one inquiry does remain, as discussed by Farr: even if the term does not constitute an oxymoron, conceived within the context of the socialization of capital resources, it may still be rendered redundant, since, at the end of the day, all things are ‘social’. In his words: “What was especially social about so social a thing or relation as capital?” (2007: 55). Perhaps, as Farr discusses, social capital, used figuratively, does rely for its metaphoric power on the dominant economic discourse within a capitalist social system. However, this does not mean that it is a form of capital identified with its social consequences within a capitalist system. Actually, the heuristic use of economic metaphors was adopted by a number of social movements and activists, and appears in ordinary discourse and popular social science to emphasize the importance of a prospective and productive fund created by shared, public work. This social fund is derived not only from our capacity to work with others, but also to identify with others: on the one hand, we can imagine ourselves in others’ places and consider their welfare in ours, and, on the other, we can resist those forces that deny or deprive identifiable groups from creating this social fund and securing public welfare (2003: 13, 26; 2007: 56). Farr adds that, beyond genealogical warrant, social capital deserves further attention to address old problems with new initiatives, in both theory and practice (2003: 27).

We agree that new studies – and new terms – are needed to examine individuals’ social resources and explain how they ‘invest this capital’. Social capital draws our attention to the role of institutions, norms and networks in shaping the productivity and distribution of resources by transmitting the objectives and values that determine the structure and effectiveness of the economic system. Moreover, it allows us to anticipate that these elements function not only to reproduce and perpetuate a certain pattern of production and redistribution, but also to create a forum within which individuals and groups interact and debate to change their current circumstances and promote joint objectives that are more efficient and just. Capital can be put to bad uses as well as good uses (Streeten 2002: 11).

On the whole, current studies on social capital are attached to neoclassical assumptions that undermine its analytical scope in theory and in practice by obscuring the collective content and context of individual choices and social outcomes. Also language carries much weight in communicating the political and ideological agendas of mainstream research and policy, by sustaining prevailing social structures and their understanding of the economy and society, and posing constraints on autonomy and opportunity for change. However, we believe that a term that has been used to convey notions of individuals’ social capacities in pursuing shared values and common objectives for social welfare, should not fall into disrepute, be held in contempt and ostracized from scientific discourse on grounds that it has been occupied by mainstream paradigms for purposes of expanding their sovereignty in the society and economy. Yet if social capital is to become a useful heuristic in representing individuals’ social capacities for public welfare, then it must move away from individualist interpretations, where opportunities for ambiguities and exploitation lurk, and explore alternative rationalities that provide a more pluralist and holistic conception of human behavior, which could function as a source for diversity and empowerment of social actors. We undertake this task in the following section.
III. Restoring the ‘social’ identity of social capital

A. Social capital and social embeddedness

In his study, Schuller expresses the view that even though individuals could personally benefit from higher levels of social capital, if they consciously acted toward this end by increasing social contacts and participation in social networks, in an individualistic and instrumental manner, this kind of behavior would lead to a paradox: they would ultimately obtain less of a type of social capital identified with shared values and reciprocity, and ensure at best some short-term benefits (2007: 24). Here we argue that this constitutes no paradox, but merely reflects an interpretation of social capital from the economic perspective of ‘capital’, which ignores the ‘social’ component.

To resolve this apparent paradox, it is important, first of all, to distinguish the type of cooperation produced by elements of social capital from that predicted by standard game theory. Putnam argues that game theory fails to incorporate the broader social context within which the game is played and which is determined by factors embedded in people’s social connections (1993: 165-167). In Blackburn’s words, one must distinguish between the empirical game and the theoretical game (1998: 168). The empirical game relates to the payoff matrix, whereas the theoretical game describes how an individual interprets possible options and strategies, depending on the different contexts of choice she faces in practical thinking. Hence, by moving beyond the setup of a prisoner’s dilemma, where non-cooperation is the dominant strategy, and changing the theoretical game to introduce ethics, where concerns of sympathy or identification with the common good dominate, then cooperation is more likely (180-181). Within this context, social concerns are not superficial guises for self-interest, but are identified with the object to which action is directed, such as the preservation of the environment or the survival of the whales. Furthermore, sharing goods with others does not necessarily constitute a ‘zero-sum game’, but follows from an individual’s perception of their real use and advantage, which identifies with that of the other members of the group (138-139, 143, 155). Nevertheless, Blackburn provides no rational basis for trust and cooperation. Individuals might choose to create a social context of cooperative relations, intentions and habits; but the reason they do so cannot be based on rationality as they are considered to be no more rational than individuals who choose a society with less trust and cooperation. Society then merely becomes the space where different patterns of behavior are transmitted and consolidated, rather than evaluated, discussed and reformulated.

One rational basis for committed action is provided by Anderson. She argues that in a prisoner’s dilemma cooperation cannot be counted on as long as individuals continue to abide to an act-consequentialist principle of rational choice, and thus judge the value of their action in terms of its expected marginal causal impact. She proposes an alternative, non-preference-based and non-consequentialist principle, the so-called universalization principle, where committed action is based on reasons that “it is rational for us (any group of people regarded as a collective agent) to adopt, and thus that it is rational for any individual who identifies as a member of that group to act on” (2001: 24). When parties to a prisoner’s dilemma identify with one another as members of a certain social group (their families, their colleagues, various associations and clubs, their nation, caste, or religion), then they will reach a collectively desirable solution if they refer to one another as ‘we’ and treat their joint strategy as their object of choice. In this sense, the constitutive principle of a collective agent is that whatever can count as a reason for one member of the collective must count as a reason for all, reasons universalizable to their memberships. Therefore, in a context where one regards oneself as a member of a social group, the principle of expected utility will in general be invalid, because it is not universalizable among the members of the group. For instance, following Anderson’s example based on the paradox of voting, it is evident that from the standpoint of the individual, who maximizes expected utility, a trifling inconvenience might prevent her from voting since it would suffice to outweigh her negligible contribution to the general outcome of electing a particular candidate. However, from the standpoint of the collective agency, where individuals identify as, say, members of a political party with a joint aim and strategy to elect a particular candidate,
to act on the principle of expected utility is self-defeating and would not serve the common goal of electing the party’s candidate (24-30).

Whether an economic agent identifies as an individual or as a member of a group depends on the social and institutional context within which she interacts with others. The social and institutional context is, in turn, determined by the interrelationship between certain forms of social organization and integration: exchange promoted in markets; redistribution performed by a welfare state; and reciprocity related typically to activities of the voluntary sector. According to Adaman and Madra, in any given society, non-market forms of redistribution and reciprocity could influence individuals’ behavioral patterns to show resistance towards the use of markets for certain goods and services, and avoid reducing the value of commitment related to their provision (2002: 1052). They adopt a substantivist / institutionalist approach, which draws from earlier work by Polanyi. Polanyi argues that the economy is embedded in social relations in such a way that not only are markets shaped by the context of social life, but they are unable to operate without it. For to allow the market mechanism to be the sole director of the fate of human beings and their natural environment would, incidentally, “dispose of the physical, psychological and moral entity ‘man’ attached to that tag” (1944: 73). Hence, market exchange could not stand on principles of economic liberalism alone; it must also draw on the intervention and support of the working and the landed classes, protective legislation, and restrictive associations, that is, on institutions of reciprocity and redistribution, in order to promote the principle of social protection and the conservation of man and nature (132).

Contemporary social capital discourse has neglected the intellectual efforts of social and institutional economists, such as Polanyi. It thus fails to relate norms and networks to the increasing role of political and cooperative relationships in integrating the division of labor and promoting the logic of reform as a response to the displacement of social values by the self-regulating market economy (Carroll and Stanfield 2003: 400-401). Earlier work on social capital by Woolcock (1998) includes one of the few attempts to establish the type of social relations that are conducive to social reform and development. He introduces concepts of ‘embeddedness’ combined with ‘autonomy’ to determine the characteristics of social relations that contribute to beneficial development and welfare outcomes. On the one hand, he argues, economic exchange is embedded in social relationships, cultural practices and political contexts. On the other hand, he stresses the need for a complementary set of autonomous social ties, alongside embedded social relations and exchange networks. Such a combination will have favorable consequences at both the micro and macro level. At the micro level, it will allow individuals to overcome constraints imposed by the high degree of density and closure that characterize embedded social relations within local community groups. This, in turn, will open the way for individuals to explore opportunities and capabilities offered outside their own community, and to participate in larger, more extensive exchange networks that are more effective in motivating mass mobilization and organizing social reform. At the macro level, it will allow individuals to offset the obstacles created by embedded social ties among powerful (public and private) institutional actors that function as vehicles of corruption, nepotism, or exploitation, and open the way for establishing state-society synergy relations to promote reform and development. In this manner, policy makers would not only be connected to key industrial leaders, but would be accountable to social stakeholders and obliged to commit to pursuing collective goals and rewarding officials on the basis of merit (1998: 163-164). In other words, ‘embeddedness’ emphasizes the importance of what is often referred to as ‘bonding’ social capital that supports intra-group ties and builds cohesion amongst members to enhance their effectiveness in achieving collective goals; ‘autonomy’ stresses the importance of ‘bridging’ social capital that prevents exclusion, discrimination, and subordination of others in society by serving narrow interests against the public good. The synergy view of social capital implies that more generalized forms of social capital that transcend local or special-interest groups and bridge ties across multiple, diverse groups must be established to serve wider developmental and welfare objectives.

For Streeck (1998), this requires the resocialization of values and objectives: improved economic performance in terms of both efficiency and equity requires a restructuring of collective identity and
shared values; it cannot be normally sought for economic reasons (204). First of all, he argues that the embeddedness of economic transactions implies that “there is no such thing as a self-sufficiently ‘rational’, efficient economy apart from and outside society, into which the latter may or may not decide to intervene; and that how ‘rational’ an economy is depends on the social institutions within which it is enclosed” (198). Consequently, social institutions that are to support rational economic actions must have other raison d’être than economic efficiency alone. Even though they may be legitimized by distributional or general welfare objectives, and result in higher economic output or improved performance, they are social and political in character and must seek further justification based on motives, values and priorities beyond the maximization of individual advantage. Moreover, changes in response to values and priorities set by social institutions, that is, changes in the kind of actor one wants to be, are accomplished through socialization and political participation, rather than individual interest maximization. For “if individuals prefer short-term over long-term gratifications, constraints that force them to forego the former and seek the latter cannot be ‘sold’ to them as increasing economic performance: Unless and until their preferences have been resocialized in response to the constraints, they can always rightly insist that for them, at least performance is clearly not improved” (210).

This means that (individual) liberal values rely on other types of values that belong to the social realm. As Staveren stresses, ethical capabilities that belong to the value domains of justice (redistribution) and care (reciprocity) are necessary for one’s functioning in the domain of freedom (exchange) and the economy as a whole, because they motivate individuals to follow the distributive rules that are needed in the economic process, and to offer the care needed by others for their own functioning (2001: 148). To illustrate, Staveren appeals to the activities of a labor union to investigate underlying motivations of workers for a fair distribution of income between capital and labor. She argues that workers cannot rely solely on their individual self-fulfillment, expressed by the freedom to exercise their own free, personal will. In order to increase their total wage sum and productivity, workers should base their claims on values of solidarity and fairness promoted in the domain of justice, as well as values of sympathy towards the general interest cultivated in the domain of care (158-159). She concludes that, “it is only when actors have multiple capabilities in different value domains that behavior makes sense and can be considered rational in a meaningful way” (150). This leads to a concept of what she terms meaningful rationality, which requires that economic actors invest in all virtues of each of the value domains by developing capabilities to express values of freedom, justice and care; to experience emotions of pride, rightness and affection; to deliberate by making choices, agreeing on a legitimate distribution, and incorporating others’ contingent needs; and, finally, to interact by competing in exchange, following agreed rules, and sharing what one has to give (150-151). The interesting point to note from this analysis is that virtues are intrinsically valuable, pluralist, incommensurable, and contextually defined (108, 152).

Staveren’s concept of meaningful rationality adopts an Aristotelian approach, which differs from the Kantian view endorsed by Anderson’s universalization principle. This means that, on the one hand, for Anderson (2001: 25-37), actors participating in market exchange appear to be economically-oriented, and less (if at all) morally- or socially-oriented, which is thought to be characteristic of non-economic behavior; on the other hand, for Staveren (2001: 152-153), market actors are motivated by moral and social as much as economic considerations, so that the economy is embedded in morality. Nevertheless, we can still say that groups primarily function in a certain domain and support the value systems of that domain, while being accountable to groups of other domains that promote different value systems. For instance, firms can be seen to operate primarily in the domain of market exchange and freedom, and at the same time be liable to institutions of redistribution and reciprocity, such as the welfare state and labor unions, to ensure justice and solidarity.

Furthermore, Kant’s principle is one amongst the many principles individuals can choose from to justify committed action, not only within a collective that incorporates the members of a specific group, but also one that encompasses all of humanity. This is not inconsistent with Staveren’s definition of care, which includes values of trust, sympathy and loyalty developed on the basis of contingent needs arising from human vulnerability (2001: 38-39). Even though such values appear to be embodied mainly in institutions
of interpersonal relationships – family and friends – or the *oikos* (57, 182), their distinctive feature is not individual or group interest, but responsibility toward others (42). This does not prevent us from extending emotions and deliberations of care to a larger group of people with whom we share common needs as human beings and for whom we promote freedom and justice, based on generalized norms and networks of reciprocity and cooperation. As Nussbaum states, it is consistent with an Aristotelian approach to accept that the value of contextual responsiveness and the value of ‘getting it right’ are not only compatible, but also mutually supportive. Making the right decision depends on understanding not only of the local complexities of the context, but also of the interests, needs and capabilities shared among individuals as human beings (2002: 257-258).

On the whole, according to Davis, a socially-embedded conception of the self emphasizes the individual’s ability to act upon and change social frameworks (2003: 108). On the one hand, individuals choose to participate in social groups with characteristics they believe fit their own, and thus choose a social image that coheres with their own self-image; on the other hand, by choosing to associate with certain groups, individuals will change their own characteristics and interact with members to modify the characteristics of the group and the social image that it portrays (2006b: 381-384). The concept of socially embedded individuals, who are seen as subjects of human action, is counter to the standard neoclassical concept of atomistic individuals, who choose only as determined by their preferences, given constraints, and are thus treated as objects of human action. Moreover, the embedded individual view sees individuals as active beings able to provoke social change, contrary to neoclassical theory, which has eliminated the individual altogether: not only does it deprive her of a sense of autonomy in making choices, but also black-boxes her reasons and motives for action into non-existence (2003: 108; 2007: 203).

**B. Social capital and social identification**

We observe that the social and institutional context of human (inter)action is characterized by multiple spheres of agency, which dictate the range, limits and norms of conduct between the private and public sphere, and where principles of expected utility, individual preference and market exchange become one of the many that determine human behavior. What principle of choice it is rational to act on depends on a person’s identity, or, how a person sees oneself. For when one identifies as a member of a group, then the question to be asked is not ‘what should I do?’, but ‘what should we do?’ The social capital literature has hardly addressed the issue of how one identifies with a collective agency, that is, how the ‘I’ becomes a ‘we’. The process by which an individual identifies with others, on the one hand, depends on the multiple social organizations, groups and contexts within which she participates and interacts; on the other, it determines her capacity to change these social formations through reflection and debate. These issues lie at the core of how social norms and networks are built and distributed, not only to reflect and sustain the oppressive, exploitative and competitive world we live in, but also to expand and disseminate the social resources that give us the power to change the world we live in towards one that will serve widespread cooperation, solidarity and public welfare.

According to Anderson, practical identification with others requires that: (i) we see ourselves as solving a problem by joining forces, not adhering to parochial ascriptive identities, or prior acquaintances and relationships; (ii) we take others on trust when common knowledge of their willingness to participate is absent, and regard ourselves as part of an imagined common agency in hope that others will reciprocate and cooperate; (iii) we conceive ourselves as a committed member of multiple social groups and distinct spheres of social life that express multiple commitments, not grounded in individual preferences, as reasons for action; (iv) we have the freedom to move between multiple social groups and spheres and to balance the various and often incompatible obligations they demand from their members. To elaborate, Anderson speaks of women that might accept a lesser share of family resources in the private sphere of the household, not so much because they have little bargaining power, according to a theory of expected utility, but because of social norms and values that inspire them to place their family’s interest above their own. Nevertheless, in societies where women’s public role is not recognized and their contribution to the
household is devalued, bargaining theory would suggest that women obtain employment outside the household to improve their position by gaining access to income in the productive sector of the economy. We must note though that the ramifications of such recommendations go far beyond what the theory itself implies, because participation in the labor market also offers women the chance to obtain new identities outside the home as workers of a firm and citizens of a community (2001: 30-37).

Furthermore, Anderson recognizes the tension between different social groups and spheres, which is not restricted to one’s conflict with parochial identities (e.g., women’s claims for a position in the public sphere outside the household); it also extends to one’s attempt to organize and coordinate conflicting obligations (e.g., women’s attempts to balance between family and work, between being a mother and a manager or stateswoman). To reconcile different demands and claims across groups, she suggests that “we transcend our various parochial identities and identify with a community that comprehends them all” as in a Kantian’s concept of a ‘social union of social unions’ (2001: 37). However, she gives no practical example of how this takes form and is to be achieved by individuals confronting multiple social spheres.

Staveren conducts a comparative empirical study in parts of the developed and developing world to examine how women strive to balance between different roles and obligations. She theorizes that the tension is caused by the incommensurability of values and commitments across different domains (2001: 174). In her study she observes that in both developed and developing countries women want to have jobs, but worry about compromising caring at home; they want to care, but worry about their access to resources; and they want to force political change, but worry about their own independence in the market and at home. She concludes that the problem is not so much determining individual preferences, managing time constraints, calculating opportunity costs and submitting to social / cultural constraints, as a theory of expected utility would imply; it is more of how to combine the roles in a meaningful way by developing different institutions in the domains of freedom (market), justice (welfare state), and care (interpersonal ties) that would allow us to mediate different commitments, distinguish different emotions, deliberate over different values, and interact with each other on these shared values (144, 175). For instance, women in Utrecht (Netherlands) appeared to combine work and home through the institution of part-time employment. However, women in countries such as Nairobi or Yemen, have capabilities that are limited to care at home, because of serious constraints to participate in the public sphere (175-176). In both cases, collective action and political debate had a prominent role in evaluating and reformulating institutions and values that would allow women to promote alternative solutions and balance their obligations between work and home.

The question that arises is how individuals manage to evaluate and balance priorities and objectives dictated from different social groups and multiple social spheres. We appeal to Davis’ work on personal identity to further investigate the way individuals reconcile and organize multiple social identities. He defines personal identity as individuals’ constant effort to negotiate the competing and often conflicting identities assigned to them by social structures. In his view, individuals work to sustain a personal unity and coherence in the face of potential fragmentation of the self imposed by a social identity structure replete with conflicting demands and expectations (2006a: 359). Of course, even though personal identity is defined in terms of social identity, that is, how individuals relate to others, it is not reducible to it, since it emphasizes the idea of an individual as a reflexive, self-scrutinizing agent (Davis and Marin 2009: 505). For Davis, a reflexive individual has the capacity to revise and redefine her personal identity by evaluating the values-objectives relation across different social contexts or social group involvements. In particular, the reflexive individual: (i) assesses how values (e.g., fairness) are associated with different types of actions and objectives on her part in each of the social contexts or social groups she is involved in (e.g., employment, neighborhood, community, family etc.); (ii) judges how cases are similar and different according to context; and (iii) acts on her single, general view of how these values are associated with certain types of actions on her part (2006b: 385-386). Hence, personal identity is defined as individuals’ active and reflexive negotiation of their complex social identities (Davis and Marin 2009: 504-506).
In Davis’ work, there are mainly two factors that determine an individual’s capacity for reflexive behavior and self-scrutiny, and her ability to engage in a process of creating and re-creating her personal identity: consciousness at the individual level and freedom at the aggregate level. Consciousness is defined as a cognitive orientation of individuals towards themselves, where the object of inward orientation is not some pre-existing self within them, but various social identities that they obtain in virtue of their different interactions with others. Such an inward subject-subject cognitive relationship involves a series of mental activities or intentional states, such as believing, wishing, liking, fearing, valuing and understanding, which go far beyond the outward subject-object orientation of preferring and expecting predicted by standard choice theory in economics. This makes room for reflection to produce reasons for action, that is, reasons for endorsing one desire over another. In this sense, consciousness offers the opportunity to deliberate over one’s desires and choices at the individual level (2009: 74-78). At the aggregate level, Davis purports that individuals should have the freedom to be reasoning and self-scrutinizing beings. Since personal identity constitutes a basic human capability, individuals should have the freedom to pursue alternative ways of being (Davis 2006b: 379; Davis and Marin 2009: 506-507). Davis and Marin do not overlook the fact that many individuals in the world are deprived of this capability due to the relatively rigid social identity structures that operate in their lives. Following Amartya Sen, they argue that open democratic societies can offer a solution, because they transfer individuals’ efforts to pursue their personal identities to the public arena, and provide strategies of open engagement and exchange that maximize the capability space and expand individuals’ opportunities to choose what is best for them. Indeed, by investing individuals with social and political rights, and developing their identities as ‘citizens’, democratic systems encourage: (i) pluralism of different points of view and lifestyles; (ii) open public discussion of issues of common concern, including capabilities and identities; and (iii) political commitment and participation in public action for the transformation of society (2009: 501-507).

Overall, Davis suggests what he terms a collective intentionality theory, where an obligation-based deontological principle of rationality rather than an instrumental principle is used to explain the ways individuals associate with particular groups. To elaborate, “[i]n this theory, when individuals form collective intentions in interaction with others, they ‘voluntarily bind’ themselves to others through the content of those intentions, and this creates a sense of obligation by which they guide their behavior in groups” (2006a: 360). There are similarities with principles of collective agency proposed by Anderson and Staveren, who emphasize active and reflexive aspects of human action, as well as the role of a kind of consciousness and autonomy, albeit from a different perspective. For example, we recall Anderson’s view that identification with others requires the freedom to move between multiple social groups and reconcile their often incompatible demands. Also, Staveren stresses the importance of public discourse in the reformulation of values, capabilities, identities and institutions to serve individual and social needs more fully and effectively. We must note though that in Davis’ theory personal identity is seen as a post-modern process of self-creation that operates within a modernist structure of the self. As a result personal identity, defined as the way one organizes multiple social identities, is reinterpreted to reflect one’s effort to reconcile a post-modern concept of the individual with a modernist object concept of the individual. The post-modern concept implies a decentered, fragmented subject of human action, variously situated within different, interrelated social contexts, and under constant change through human interaction. The modernist conception, also at the core of neoclassical theory, implies a centered, stable unified agent, determined by identity representations that have been socially constructed and historically accumulated over centuries to classify and coordinate individuals in different groups (Davis 2007).

Such an approach attempts to combine contextual aspects of individual behavior that create change, open-endedness and indeterminacy, with more universally-defined aspects that are stable, predictable and determinate (2006b: 386). Within an ever-changing process of personal identity, individuals maintain continuity and sustain stability of the self in two ways: on the one hand, they revise preferences, priorities, emotions and deliberations in a way that ensures consistency in their commitment to a set of functionings; on the other hand, they create certain social institutions as a means of social-institutional scaffolding for activities that are difficult to carry out, including the construction of personal identities (2009: 85-87, 91-92). However, he makes no mention of the content and context of the set of functionings and social
institutions that individuals create and commit to. To say that individuals historically reflect on their actions and values to negotiate and reconcile different identities assigned to them by different social structures, says nothing about what these actions, values and structures were, are and will be. As mentioned previously, Davis argues that individuals determine their personal identity by acting on their general view of how values of different social contexts are associated with certain types of actions from their part. Yet he fails to describe this ‘general view’ of things that individuals possess and apply as a point of reference for assessing their multiple social identities.

Nevertheless, we argue that there could be principles and objectives to human agency and social welfare that are expressed by certain functionings and are shared across different groups. These universal principles and objectives should not be seen within the context of a pre-cultural or a-historical experience, determined by stable and commensurable knowledge; they should be seen as the result of sharing a common humanity. According to Nussbaum (2002), a common humanity refers to the demands of human need and frustrations of human capability, which an individual anticipates and confronts upon reflection in any particular situation and context, such as experiences of mortality and reactions of the physical body, as well as expressions of practical reason and affiliation. To say that certain aspects of individual behavior are part of human nature does not mean that their study should be based on neutral scientific fact, outside of human experience and interpretation, or on a subjectivist and relativist perception and explanation; it should rely on the practice of distinguishing the elements that are broadly and deeply shared across peoples. Hence, in Nussbaum’s view, we cannot claim to be sufficiently responsive to the context before us if we study it with an interest for the set of local traditions and norms it represents, and fail to see the humanity in it. For whatever it is, “it is concretely human” (258).

One might argue that these functionings are affected by the various social structures within which individuals are embedded. How would then one explain individuals’ capacity to voluntarily overcome a social environment where atomistic conceptions, individualist principles, instrumental rationalities and opportunistic behavior prevail, and pursue one where values of reciprocity and cooperation are realized, a sense of social obligation is cultivated, collective intentions of interaction are created, and goods are produced for the benefit of social welfare? For Davis, it was factors such as self-consciousness and freedom, particularly within open democratic societies, that enable individuals to assess values and institutions, and choose their personal identity. However, limited attention is given to the way individuals confront institutional and structural factors that challenge their capacity for consciousness, autonomy, democracy and self-scrutiny, such as constraints to women’s participation in the public sphere, exploitative labor contracts, and restrictions to social and political participation. In such cases, individuals conform to market operations either because they do not diverge from a consciousness oriented toward market values and objectives, or because, even if they are conscious of the limitations of market norms and institutions, they are not free to make alternative choices, due to the dominance of social structures that make divergence costly through legal conviction and/or social isolation. This observation should not be interpreted as a structuralist conception of individual choice. It merely points to the fact that identification should not be restricted to awareness of the self; it should extend to awareness of social structures so that individuals determine what and who they are up against when they make choices.

Thus, if we are to promote a human agency where individuals will examine and pursue alternative forms of behavior and action, we need to go beyond a concept of self-consciousness, where inward cognitive processes of self-creation enable the individual to manage multiple social identities and determine her place in social contexts, and move toward a concept of social consciousness, where individuals not only have knowledge of their place in society, but also speculate on the kind of society they want, individually and collectively. Furthermore, we need to go beyond an idea of autonomy that views the individual as ‘free’ to change her own financial restrictions and social imperatives, and endorse one that sees the individual as ‘free’ to change the meaning and context of autonomy itself from one bound to material resources and social structures of a monetary economy to one that would liberate her in exploring alternative conceptions and structures that would be less materialistic and more socially-oriented. Finally, we must go beyond a conception of social change, where changes in social institutions and structures
follow from a process of feedback relations between our self-image and social contexts, toward a conception where social change is brought about by individuals that act collectively to pursue institutions and structures that would promote autonomy and democracy as values in themselves, and not only as part of a social-institutional scaffolding for personal identity.

This means that the capacity for reflexive behavior should include not only changes in the way each individual negotiates her multiple social identities, but also in the way she negotiates, individually and collectively, prevailing conceptions of consciousness, freedom, and democracy. For example, a woman could refuse to see herself as confined to the boundaries of the private sphere of the household, regardless of whether this leads to rejection and isolation at a personal and social level. However, this sort of reasoning is possible only within social structures where women are exclusively seen as wives and mothers constrained to their household obligations. The problem here is not merely one of choosing amongst alternative subjectivities to determine personal identity. Above all, it involves demanding our right to be a subject instead of an object, and resist dominant social groups that deny us these rights. This can be further pursued by social mobilization that organizes individuals with similar concerns and objectives, and coordinates collective action towards the restructuring of established social institutions and values.

Therefore, a process of personal identity, defined in terms of one’s effort to manage complex social frameworks, can only partly explain why individuals create collective intentions to human (inter)action. Our identity is not solely determined by conceptions of what sort of person we want to be, but also what kind of society we want to live in. Social change does to a certain extent depend on personal change, since conflicts between different social groups, obligations and roles reflect at a personal level and affect our perception of ourselves and our position in society in relation to identities assigned to us by social structures. Nevertheless, identity and change are also influenced by general perceptions of a common, shared humanity, on the one hand, and by conflicts with dominant social structures promoting the interests of the few, often in an inhuman manner, on the other.

IV. Conclusions

In the present analysis, we examined the progress made in economics to restore the role of norms, networks, values and collective action in determining economic behavior by introducing the concept of social capital. Even though models in contemporary economics incorporate acts of altruism and commitment within the wider social and cultural environment, they maintain some of the core assumptions of the standard neoclassical model, which promote individualist and instrumental principles of rational choice and thus reduce altruism, norms and cooperation to ahistorical and asocial concepts of individual strategic interaction. To assume that social capital remains an individual characteristic is to underplay the collective features of social norms and networks, such as shared values, social identity and collective agency. Some critics take the extreme view of suggesting that we should abandon the term altogether on grounds that it is redundant as it does nothing more than address old concepts with new terms; it is superfluous by adding the epithet ‘social’ to the word capital, a notion which already entails the social consequences of the distribution of resources and wealth within a capitalist system of production; it is ambiguous in that various definitions of the ‘social’ and the ‘capital’ can be applied to serve specific research purposes; it is inconsistent since it places social features of organization and behavior within an individualist framework; and it has serious political and ideological consequences by using socially appealing values of trust, reciprocity and cooperation to obtain conformity to prevailing norms and networks that promote narrow interests against public welfare.

However, a deeper investigation into the conceptual history of social capital reveals a diverse set of definitional concepts and analytical contexts of the term social capital that provided a more socialized and socialist view, which distances itself from the neoclassical, individualist notion developed by the
economic approach. We thus believe that it is possible for social capital to constitute a path for a more pluralistic economics by reinstating the social and moral aspects of economic behavior. This can only be achieved if we move beyond the gravitational force exerted by traditional assumptions of neoclassical theory. For this purpose, we appeal to alternative, non-neoclassical approaches to human behavior, based on the concept of social embeddedness. Within such a context, deliberation in the course of collective action is interpreted not in terms of individuals’ commitment to pursue their personal utility, but in terms of their capability to determine their personal identity. Individuals’ needs and opinions are not constrained, but represented, shaped and modified through interaction and debate. People’s values and objectives are not determined solely by their consequences, but are served as ends in themselves. The value of freedom, which prominently figures in modern economic theory, depends on values of justice and care that determine the social context of interrelationships within which free, market exchange will be pursued for the social protection and conservation of man, woman and nature. It is pursued not only because of the utility and efficiency it produces, but also because it is important in itself, particularly in developing individuals’ capability to manage their multiple social identities and commitments. That is, to be free means to be able to make choices not only with respect to the options one confronts, as implied in a utility-maximizing framework, but also in relation to the kind of person one wants to be when confronting these choices.

These alternative approaches stress that it is not the individual acting for the sake of her personal interests, but for the sake of her personal identity or ‘individuality’. However, we speculate that the process of identification cannot solely be driven by individuals’ efforts to negotiate their multiple identities assigned by different social structures to ensure their personal commitment to a set of functionings; it also involves negotiations between different structures and functionings evaluated against the property that we are all human beings, in order to determine the needs and capabilities that are shared across peoples and ensure social welfare, autonomy, justice and democracy. That is, our identity does not only depend on who we want to be, but also on what society we want. Hence, the only sort of individual that anyone can be is one who identifies with multiple collective agencies, including one which consists of a community incorporating all these multiple spheres of action and encompasses the whole of humanity. This perhaps points to concepts of bridging the bonds across groups by establishing generalized norms and networks of trust, reciprocity and cooperation. If social capital should be seen as shared values for committed action within and across groups, then it would provide for the generalized norms and networks of trust, reciprocity and cooperation needed for people to join forces and pursue common aims by acting collectively and identifying with a wider social unit through social interaction and public discourse.

In this paper, we focused more on setting a general framework of human behavior by employing concepts of social embeddedness that are consistent with a social and moral interpretation of social capital as norms and networks of reciprocity and cooperation. However, more research needs to be done across various paradigms (feminist, Marxist), as well as across disciplines (political science, sociology, philosophy) to further inform our analysis on the type of social capital that will ensure plurality and humanity. At this juncture, we believe that social capital is useful in re-invigorating the debate on ‘What is capital?’ and ‘What is social?’, in order to re-determine and re-define concepts and tools, not least because they might allegedly have failed in variants of neoliberalist and communist systems applied across countries; but to avoid the dogmatism and elitism from both extremes of the continuum, and allow more diverse and pluralist approaches that reflect the dynamics of economies and societies at a local and global level.
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