

# Social Capital Theory

## Creating Greater Neighborhoods with Community Networks



*Johan Svartnäs, Lund, Sweden*

Masters of Architecture Student, Lund School of Architecture

*"-Everybody needs networks with other people! It's impossible to make communities without networks."*

**-Jane Jacobs**

# 1. Introduction

What is social capital, and why is it important? How is social capital related to equality and diversity? And what can the government and local citizens gain with and through social capital?

To understand the concept of social capital let us first take the example of what physical capital is, which most people already know. Physical capital is physical objects; it could be a tool like a screwdriver. We invest in tools and can repair things faster with tools than without them. But about 30 years ago economists began telling us about human capital. Just like you can invest in tools you can invest in training and education just like we do in all of our universities. Those who are interested in social capital are essentially saying that, yes tools are valuable, training is valuable but there are also features of the organizations where we work and in the communities we live that also can make us more productive (or less productive).

## 2. The term social capital and its historical development

Because the concept of social capital may seem novel and perhaps academic, we will begin with a few words about the term itself and its historical development. During the twentieth century the concept of social capital has been reinvented about six times, independently and in different fields by different people. But the story starts about a century ago, in 1916.

A young progressive educator and reformer in West Virginia, L. Judson Hanifan, was the first to coin the term “social capital”. He did this while trying to explain the community he worked in. Hanifan was no radical, but he pointed out that the grave social, economic, and political problems of his community could only be solved by strengthening the networks of solidarity among the citizens (Putnam 2002). He observed that old customs of rural neighborliness and civic engagements like communal activities, such as fruit cuttings and barn raisings, have fallen into disuse. The abandonment made people become less neighborly, the community stagnated and people became more isolated into their own family.

Later Hanifan outlined both the private and the public benefits of social capital. He meant that a community as a whole always benefits by cooperating. When the people of a community are well acquainted and have formed a habit of coming together this social capital may easily be directed towards the community’s greater wellbeing. Hannifan’s thoughts and ideas about social capital contained virtually all of the critical elements of the later interpretations of this concept, but attracted no notice from other social commentators of his time and were for long totally forgotten.

During the rest of the twentieth century the term was independently reinvented at least six more times. In the 1950s Canadian sociologist John Seeley talked about the gain of security and collateral while people gained memberships in clubs and associations. Urbanist Jane Jacobs used the term in the 1960s to emphasize the collective value of informal neighborhood ties in the modern metropolis. In the 1970s American economist Glenn C. Loury used the term to highlight the

problems caused by segregation and inaccessibility in the African American society. French social theorist Pierre Bourdier used the term to describe potential resources in durable networks and memberships in groups. German economist Ekkehart Schlicht used it in 1984 to underline the economic values of organizations. Sociologist James S. Coleman used the term to highlight the social context of education. Since then the leading theoretician in social capital has been Robert D. Putnam – an unpretentious Harvard professor in Public Policy, which by many has been called “the world's most influential political scientist of today” (Lewin 2006).

In my paper I have chosen to put my main focus on, and to get inspired by, the two people I think relates to our field of Architecture the most. First of all I have listened to the world famous American-Canadian Urbanist Jane Jacobs who is famous for the book “The Death and Life of Great American Cities” (1961) but also has written the book “The Economy of Cities” (1969). And secondly I have picked out the most recent words from the highly honored political scientist Robert Putnam, because of his own theory in social capital, published in his now modern classic “*Making Democracy Work*” (1993) in which he, for 20 years, explores Italy and its democratization process. His later book “*Bowling Alone*” (2000) which was a great success, also relates to the topic. In the book he shows with many facts and data why, surprisingly, the American social capital has been decreasing the last 30 years.

### 3. The idea of social capital

The core idea of social capital is so simple, almost embarrassingly simple. The core is that social networks have value! (Putnam 2002) That is not because of nepotism but simply because social networks help people get new jobs and improve their current jobs. The power of this effect is huge. In fact, the calculated dollar value in terms of a life time income of most people's address books are greater than the dollar value of all the degrees that they have. In one way that proves that social networks have financial value.

The different neighborhood networks and social networks are very valuable to the people in the networks. But it is also important to realize that social networks not only benefit the people in the networks, but they also benefit bystanders. One example comes from facts of criminologists: the best predictor of crime rates is how many neighbors know each other's first names (Putnam 1996). The amount of connections in a neighborhood has the effect of determining crime. There are a lot of people that benefit from a successful network even though they might not be aware of it (Putnam 2002). Some people aren't active in social activities that help to decrease the crime rate, like barbequing and picnics, but still they get the benefits of the network.

Yogi Berra, philosopher and baseball player, once articulated the core of social capital: *"if you don't go to someone's funeral they won't come to yours"*.

Our sense of who we are, our identity, is influenced by who we hang out with. That is an important part of the story. Not all forms of social capital are equally usable for different purposes. Some social capital is good for some things and not good for other things. There is also a powerful effect on the physical health of social networks that comes from informal social members, like people you hang out with, family and friends. Of course just saying that something is useful doesn't mean that it is always good for everybody. There are forms of social capital, like the Ku Klux Klan and al-Qaida, which is certainly social capital that is being used effectively but not for good purposes (Grootaert 2002). This is also true for all forms of capital – just like a screwdriver that is mostly used for good things, but you could also stab someone with it.

If you have the choice over the community where you will be born, you should choose to be born in a rich place with lots of social capital. That is the ideal scenario. But suppose you only had the choice of being born in a place that is financially rich but low in social capital, or in a place that is financially poor but high in social capital that is an easy choice – choose the one with high social capital. Even though financial poverty is very bad, the absence of social capital is even worse (Putman 2002).

It is also important to pay attention to social capital when it comes to kids. For example, it is said that the best predictor of how well kids do on test scores depend on social capital. Say for example that you want to improve the results in one school district you may use two different strategies. One is to increase teacher salaries, reduce class sizes and invest in new equipment like computers, or you can try to have more parental involvement in the kid's educational process. All the evidence says that in this case parental involvement is the most effective strategy (Putman 2002).

There are also new effects seen on the rate of tax evasion; it is much lower in communities with high social capital (Putnam 1996). The big effect on tax evasion comes from a sense that you ought to pay your taxes because other people in your community pay their taxes. This community feeling when people are connected to one another is more important than the fear you feel when the taxman is checking up on you.

Many studies show that the effectiveness of local government is powerfully affected by the quality and quantity of social capital in the community. One example is different levels of governance made in Italy (Putnam 1996). It was found that some districts were very effectively well governed and answered their mails and paid their bills on time and had admirable social functions. Then other regions were very poorly governed. How come? What is the secret ingredient in the soil that made some places better than others? The first thought of course is wealth, which turns out to be a little bit true. But the most important effect turned out to be choral societies. Singing groups are dense social fabrics of informal networks. People taking part in community life, like singing groups, football clubs

and so on which create a dense fabric in the civic society, tend to create governance that works much better than in other places (Putnam 1996). The same positive findings were evident in a lot of other places like Poland, the United Kingdom, Japan and the United States. However, low social capital has been seen negatively as a predictor of high corruption.

Social networks also have a very powerful effect on your physical and mental health, and how long you are going to live. Among all the other things that are going to affect your life expectancy, your age, gender, activity, if you smoke and so on, the most dangerous factor is social isolation. Your chances of dying during the next year is cut in half if you have joined one social group, and cut in three quarters if you have joined two groups according to Putnam. As a risk factor of premature death social isolation is as big of a risk factor as smoking.

## 4. The Role of Architects

Diversity represents the new guiding principle for modern city planning. The term normally has several meanings: a varied physical design, mixes of uses, and multiple social groupings coexisting in the public space and exercising their “right to the city” (Fainstein 2005). It developed as a reaction to the urban landscape created by segregation, urban renewal, massive housing projects, and highway building programs. It is now considered a truth that ensuring diversity is key. Diversity attracts human capital, which works like “the more you use it the more you have of it” (Jacobs 2011). Diversity encourages innovation and ensures fairness and equal access to a variety of social groups.

In order to create a successfully diverse and successfully vibrant city a good place to begin, according to Jane Jacobs, is by “trying to make neighborhood hearts, where the action is”! She suggests one should start with finding the anatomy that runs into the neighborhood. If people get fond of their area and their neighborhood, they tend to stay in certain places (Jacobs 1969). When people talk about their own hangout, often the word corner comes into mind: the corner store, the corner bar. Well actually this mostly means some sort of intersection and this is the most powerful place. Jane Jacobs means that this is the anatomy a heart has to have. It has to be located in the intersection between one or more of the main pedestrian paths leading into the neighborhood. Now, if the heart is successful, it is going to change and develop over time (Jacobs 1969). A neighborhood can be designed and planned to look great when it is new, but if the neighborhood hearts are in the wrong places or the public space doesn't become a successful part of the community it might soon be a place no one cares for and is left unmaintained and decayed.



## 5. The effects of bonding and bridging social capital

Social capital has proven to be crucial for slum dwellers' survival. Many people can satisfy their basic human needs only via informal personal connections (Matous 2010). While talking about the different forms of social capital, there are two types to consider: the bonding type and the bridging type. The bonding type happens between people with similar backgrounds in ethnicity, education, religion, social class, and age and gender. The bridging type happens between people with different backgrounds, as listed above, and is usually much harder to establish.

The bonding type is the one more likely to create new job opportunities. The underlying idea is that a person who knows somebody with a particular occupation is very likely to know other people with a similar occupational prestige/status or from the same social class (Verhaeghe 2003). Getting a job, has been one of the main failing factors in many relocation projects in slum areas in Manila, which is a very important factor in helping people to get settled and stay in a certain neighborhood. Getting people to stay and to like their own neighborhood is, according to Jane Jacobs, also the next important step in establishing safe and well-connected neighborhoods.

The other type, bridging social capital, is more likely to provide educational, health and safety services and become a much needed safety net in critical situations. This might be an even more valuable asset since knowledge sharing also leads to new occupation possibilities, discovering new market opportunities, and due to lower crime rates and increased health situations, it can actually save human lives.

By establishing associations on a small scale, this will increase the social connections in the neighborhoods. Furthermore, the participants will gain interest in local matters and eventually develop interest in politics on the bigger scale. Social capital, as the crux of these associations, will prove to benefit democracy and help suppress corruption in the future.

## References

Fainstein, Susan S.

2005 *Cities and Diversity*. Columbia University: Urban Affairs Review  
DOI: 10.1177/1078087405278968 (Vol. 41. No. 1. Sep)

Grootaert, Christiaan and Thierry van Bastelaer

2002 *The Role of Social Capital in Development*. Cambridge: University Press.  
ISBN: 0-521-81291-7.

Jacobs, Jane

1969 *The Economy of Cities*. New York: Random House, Inc.  
ISBN: 78-0394705842.

2011 *On the nature of economies*

<<https://www.youtube.com/watch?v=UPNPpdBCqzU>> [30 April 2014].

Lewin, Leif

2006 *Det sociala kapitalet och dess sönderfall*. SvD Kultur.  
<[http://www.svd.se/kultur/understreckt/det-sociala-kapitalet-och-dess-sonderfall\\_298922.svd](http://www.svd.se/kultur/understreckt/det-sociala-kapitalet-och-dess-sonderfall_298922.svd)>. [29 April 2014].

Matous, Petr

2010 *Measuring Social Capital in a Philippine Slum*. University of Tokyo,  
Department of Civil Engineering.  
DOI: 10.1177/1525822X09355533

Putnam, Robert D.

1996 *Making Democracy Work*. New York: Oxford University Press.  
ISBN: 9789171506054

2002 *Democracies in Flux*. New York: Oxford University Press.  
ISBN: 0-19-515089-9.

Verhaeghe, Pieter-Paul

2003 *Measures across Different Occupational Lists*. Ghent University:  
Department of Sociology.  
<<http://fmx.sagepub.com/content/25/3/238.full.pdf+html>> [02 May 2014].