

## REVIEW ESSAY

### **Social Capital: The World Bank's Fungible Friend**

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*The Role of Social Capital in Development: An Empirical Assessment*, by Christian Grootaert and Thierry van Bastelaer (eds), with a Foreword by Robert D. Putnam. Cambridge: Harvard University Press. 2002. Pp. 382. £45 (hb). ISBN 0521812917

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*A critique is offered of social capital and its supposed 'role in development', on the basis of the World Bank's latest volume promoting that notion. It is argued that Robert Putnam's call, in his Foreword, for a 'lean and mean' definition has signally failed. Attention is focused upon social capital's fungibility, in five different, if connected, senses: its breadth of application across the social sciences, its ease of application from one context to another, its general transferability from one practice to another, its power to be selective in what it does and does not include, and its exclusion of meaning and context in its analytical categories. In all of these respects it remains plump and benevolent. This is illustrated by consideration of the contributions to the volume. It is argued that tautology is never far from the contributions' conclusions, and that there is a marked neglect of how social capital is created. The idea that analysis based on social capital marks a more progressive World Bank is questioned as well as the ability of more progressive and radical applications to redirect its use and impact.*

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As I have argued elsewhere (2001), social capital has risen dramatically across the social sciences in the 1990s. In particular, it burst into prominence within and through the World Bank, in the context of the shift from the Washington to the

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This review essay was written whilst assessing the voluminous literature on social capital that has emerged over the past two years. Only certain issues and references can be addressed in the space available, with some attempt to emphasize less recognized aspects. For review of earlier contributions, see Fine (2001, 2002) and Harriss (2001) for a similar perspective. Thanks to Terry Byres for invaluable comments on an earlier draft.

post-Washington consensus, and from naked neo-liberalism to more state-friendly and interventionist positions. It seeks to provide the social as opposed to the economic face of adjustment. In the volume under review, its role in development is assessed by a group of authors associated with the World Bank. That role is portrayed as crucial and, as will become obvious, not least with respect to agrarian change.

In his two-page foreword to the World Bank's latest volume promoting social capital, the eponymous Robert Putnam – reputedly the single most-cited author across the social sciences in the 1990s – asserts that ‘experts in the field are now converging toward a “lean and mean” definition of *social capital*, focused on social networks and the associated norms of reciprocity and trust’ (p. xxi). It is to be suspected that this unsubstantiated view, one that identifies experts with those holding to Putnam’s own approach, reflects both a pride and a nice-to-be-scared horror at the conceptual monster that Putnam more than any other has been responsible for releasing. Putnam himself refers to ‘one of the hottest concepts in social science globally . . . a very far-reaching expansion – virtually an explosion’ (p. xxi). So it’s time to get lean and mean in order to defend social capital against the charge of a definitional chaos that is acknowledged, even as it is consolidated, by its ardent proponents as they shift its use to suit their own particular purposes. But, on the second page of his foreword, at least indirectly, Putnam is unable to restrain his predilection, and that of the literature, for a plump and benevolent definition of social capital. He welcomes the correctly observed burgeoning scope of application:

While early work had focused primarily on governance, macroeconomic rates of growth, and (in closely related) work school performance and job placement, we now are beginning to see how social capital can influence everything from infant mortality rates to solid waste management to communal violence. (p. xxii)

Is it surprising that the definition of social capital should career out of control when simultaneously seeking to encompass so many aspects of economic and social life?

#### SHOULD SOCIAL CAPITAL BE DECONSTRUCTED?

Thus, one way in which social capital has proven itself to be to be remarkably fungible is in its breadth, if not depth (see below on intellectual degradation), of application across the social sciences, by discipline and by topic. In other words, whatever issue X, why not throw social capital at it? Or, perhaps ABC should be substituted for X. In an entirely different context, the postmodern predilection for exposing social construction, Hacking (1999) in his *The Social Construction of What?*, wittily provides an ABC of the different areas to which the discourse of postmodernist deconstruction has been applied. It ranges from A (authorship) to Z (Zulu nationalism) – although X itself is omitted in deference to its standing for everything else. S is not reserved for social capital, but for serial homicide,

although the epidemic of mugging of criminology by social capital raises questions of whether people murder and/or get murdered for lack of social capital.

Aversion to slavish imitation deters me from replicating Hacking's exercise for social capital, but it would be a far from onerous task. Significantly, Hacking's target in lampooning social construction are those for whom the generation of meaning becomes the be all and end all, for whom 'X is taken for granted; X appears to be inevitable' is a signal for questioning the origins of meaning. But where does this leave social capital? Does it obviously exist so that it can be measured, as the book under review believes in seeking to make 'an empirical assessment' (its subtitle)? Or is it an ideal construction, a figment of the World Bank's and others' imagination? It certainly is invented, whatever its correspondence to material reality, since its constituent elements are invariably adopted and adapted from a shifting range of universal, taken for granted, factors without regard to context – associations, networks, trust, values, interactions, and so on.

#### SOCIAL CAPITAL IS ACCEPTED ANY PLACE, ANY TIME

This points to the second form of social capital's fungibility, its more or less seamless ease of application from one *context* to another.<sup>1</sup> Context itself is an extremely complex and multidimensional factor. At the very least, it involves both place and time. Putnam's own classic, slavishly cited, contributions are indicative. His initial work – to explain developmental differences between Italy's North and South, deploying social capital as an analytical afterthought, furnishing a theoretical fix for his empirical account – has been transposed to 'Bowling Alone' in the USA (Putnam 2000). There is a dramatic shift in place, and time, for the Italian job is perceived to have its roots in the twelfth century as opposed to the loss of civic America in the twentieth.<sup>2</sup> But this fungibility of social capital across *historical* time (differences in epochs and/or societies however much separated by time and space) is wedded to a further temporal element, the simple passage of *chronological* time over which social capital is capable of having effects. For, in the passage from twelfth-century Italy to twentieth-century USA, there is a far from subtle shift in perspective about how quickly social capital can be won and lost and do its business. In Putnam's own words, in a passage that in use of the regal we and third person refers exclusively to himself, since no other has experienced this fungible voyage from the 'immutable' historical to the contemporary policy panacea:

<sup>1</sup> As Molyneux puts it: 'Thus, the social capital of bowling clubs and sewing groups in the United States is clearly not the social capital of the poor in Latin America . . . [and] can only be adequately grasped in relation to specific political and social formations and development strategies, both local and global' (2002, 170).

<sup>2</sup> Mutti (2000) acutely observes that Putnam on Southern Italy is part of an established intellectual tradition of locating it in terms of particularism, what it does not have, the exceptional that impedes development, especially its failure to be rid of familism and clientelism. The shift to the US can be seen in similar, if nostalgic, terms of a society exceptionally bereft of its civic values.

While some early work was understood to imply that stocks of social capital were immutable except on a time-scale of centuries, we are now beginning to explore ways in which individual behavior and collective choice can have important effects on social capital over even relatively short periods. (p. xxii)

Indeed, in his later work, Putnam (2002b) perceives September 11th as providing the USA with the opportunity to renew its lost social capital, building on the shock increase in trust granted to politicians in its wake. No doubt, the second Gulf War serves as another potential input. Paradoxically, it is frequently recognized that much more attention has been paid to the consequences of social capital than to its creation. Here we have one process of creation – bomb and/or be bombed!

#### PLACING CONTEXT IN SOCIAL CAPITAL OR SOCIAL CAPITAL IN CONTEXT?

That is too crude a jibe, no doubt, because context involves not only time and place, but a third aspect of social capital's fungibility – that of meaning, deconstruction of which is surely a legitimate exercise even if taken too far by Hacking's account. Here, social capital's fungibility has displayed its panache for selective exclusion as well as for amorphous inclusion. Specifically, in absolute terms in the World Bank volume, and heavily so in the social capital literature more generally, there has been the excision of the French sociologist, Pierre Bourdieu, both in name and content. Bourdieu undoubtedly pioneered the current emergence of social capital in the early 1980s. For him, though, social capital was about the 'resources' attached to power, repression and their highly contextually specific forms of reproduction and transformation in classes, and bound to other forms of capital (economic and the symbolic and cultural which have primarily become subsumed under the fungible social capital in subsequent literature). However fungible it might subsequently have become in principle, social capital in practice has been carefully steered away from any such radical content. In tracing the origins of social capital, in place of Bourdieu and apart from Putnam, we are now referred most of all to the rational choice sociologist Coleman, and to those far from prominent social theorists, Loury, Jacobs and Hanifan (the latter curiously cited as H. L. Judson by Grootaert and van Bastelaer in their introduction).<sup>3</sup>

Of course, Bourdieu's own concept of social capital is not without its flaws. As argued in Fine (2001, Chapter 4), he also deploys a highly fungible notion of social, and other types of, capital both across time and place and, for given context, in terms of a questionable analogy with the monetary form of capital, for which the different types of capital become exchangeable with one another.<sup>4</sup>

<sup>3</sup> See Woolcock (1998) for a critical account of social capital, written prior to his joining the World Bank, and containing a history of the concept together with appropriate references.

<sup>4</sup> For Swartz, 'Bourdieu's concept of capital does not permit him to distinguish capitalist from noncapitalist social relations' (1997, 80).

On the contrary, whilst finance does enjoy a precise and, within bounds, universal mechanism for allowing flexibility – use of the market – this is notably absent from the functioning of other putative ‘capitals’. This might explain why Bourdieu is emphatic about the universal applicability in principle of social capital and the like, from the Court of Louis XIV to the distinctions of twentieth-century taste, and yet is insistent on specificity and context in practice through the notions of habitus and field.

This metaphorical appeal to exchangeability, as if money, is highly significant for it reveals that there is, third, some sort of idea of general fungibility in the use of the term social capital that allows it to move effortlessly from one sphere of application to another. Indeed, proponents of social capital often refer to it as a metaphor and perhaps, to some extent unwittingly, this is what they are getting at. This issue bears pinning down in a more elaborate and roundabout way.

#### RESIDUAL, BLACK HOLE, CIRCULAR – AND THOSE ARE ITS GOOD POINTS

One may initially observe that, possibly echoing Putnam’s expert appeal for the lean and mean, Grootaert and van Bastelaer advise against too great a level of fungibility:

There could be a temptation to extend the concept of social capital too broadly, turning it into a catch-all category designed to capture any asset that does not fall under the conventional categories of natural, physical, and human capital. A concept that encompasses too much is at risk of explaining nothing. The challenge for research, therefore, is to give meaningful and pragmatic content to the rich notion of social capital in each context and to define and measure suitable indicators. (p. 5)

Apart from indicating the narrow basis on which the contextual is to be constructed – judicious selection of variables from one case study to another – a genuine problem is identified. If social capital encompasses everything, over and above the unquestioned traditional economists’ categories of capital, it becomes an empty residual explanatory factor and is, thereby, rendered. As it were, social capital is whatever is left after other forms of capital and explains what is not explained by them. Inkeles perceptively comments that:

Coming on the intellectual scene only after material capital and human capital had staked their claims, social capital is a residual category. It gets what is left over. But the situation is not that bad, because there is a great deal left over. (Inkeles 2000, 246)

And for Montgomery, ‘social capital remains a black hole in the astronomy of social science’ (2000, 228).

Despite good intentions to avoid circular reasoning, and corresponding definitions, Grootaert and van Bastelaer still tend to fall victim to its simple charms. Social capital is ‘rich’ because it can be anything beyond the traditional categories

of capital, but not all of its wealth will always be present in all circumstances. So social capital still serves as residual explanatory factor but, like God or the devil, moves in mysterious and diverse ways, for good or for evil, from one context to another. Definitionally, the lean and mean also proves elusive. In a table detailing the use of social capital across the book's chapters and entitled 'Classification of scope, forms and channels of social capital', Grootaert and van Bastelaer range over micro, meso and macro, and informational, collective action, structural and cognitive. That pretty well covers social theory in broad terms! Throughout the volume, there is also appeal to other categories of social capital – the bridging, bonding, linking, vertical, horizontal and its dark side (negative or perverse social capital where it is used for undesirable ends). This all reflects a futile attempt to impose some general classificatory order over a category that is free to roam wherever its users care to take it.

In this light, not surprisingly, tautology is never far removed from the contributions' conclusions. Collier's opening to the collection is an outstanding, if deeply depressing, example of the economist's art of speculative or make-believe theorizing. We begin with the insight that social capital as social interaction is variable according to composition and structure. A marriage is composed of the same people, whereas a singles bar is subject to shifting personnel. From here, it is a short step to including social capital in a production function, one that varies as social interactions accommodate externalities or not through teaching, copying, trusting, pooling and so on. Ultimately, we are led to the following 'implication for a pro-poor policy':

The distributional consequences of different mechanisms suggest that public policy should focus on promoting mechanisms that are distributionally most progressive and attempt to redress the regressive aspects of the other mechanisms. (p. 39)

I remain uncertain over whether this means we are in favour or not of marriage and singles bars. Less speculatively, other chapters in the volume find that the presence of social capital, however understood or measured, has an ambiguous effect depending upon the presence or not of other factors or, presumably, context? This is so for: Gugerty and Kremer on donors' attempts to build social capital through their programmes in Kenya; Krishna and Uphoff on watershed management in Rajasthan; Pargal et al. on waste management in Dhaka; and Bebbington and Carroll on federations of the rural poor in the Andes. Readers of this journal may note the entry of agrarian matters. But what do these issues have in common, contextually, apart from the common foisting of social capital upon them?

For, in each case, the reason for the ambiguous effect of social capital is different, although, not surprisingly, there is some emphasis on the necessary presence of grass-root participation and its attachment to higher level decision-making and factors. Essentially, this is equivalent to the conclusion that for social capital to be effective, some further factor X must be present. In a sense,

this view is confirmed by the more upbeat case studies. For Isham and Kähkönen, for example, in their study of community-based water projects in Central Java (the agrarian again):

Our results indicate that in villages with high levels of social capital – particularly in villages with active village groups and associations – household participation in design is likely to be high and monitoring mechanisms are more likely to be in place . . . Donors may want to avoid investing in community-based piped water systems in villages with low levels of social capital. (p. 185)

Now, what results of this sort mean is either tautology – participation is high where it is high if associational activity or the like is sufficiently close to water provision – or that some other form of association and its associated activity gives rise to spin-off effects to water. This latter option is precisely where social capital is at its most fungible. For, why and how should one set of social interactions be transferable to another? Such is the enigma that has been widely noted in various ways to surround social capital, especially in pointing to lack of attention to how social capital is created and how it has its effects, quite apart from its differentiation by context.

The same issue arises in slightly different ways in other papers in the collection. Knack's exercise in growth and poverty accounting, with the inclusion of a variety of social capital variables, is highly questionable on its own terms.<sup>5</sup> In any case, as Temple has concluded:

What can a policy-maker in Mexico or Turkey actually do, confronted with the evidence from the World Values Survey that they govern a low-trust society? Standard recommendations, such as attempting to eliminate corruption and improve the legal system, are nothing new, and make good sense quite independently of any emphasis on social capital. (Temple 2000)

But, whatever the validity of the empirical conclusions and their policy implications, the point being emphasized here is that social capital depends for its explanatory purchase upon its *generation* as a resource in one activity or context and its *use* in another.

This is confirmed, unwittingly, by Collier's contribution from within mainstream neoclassical economics. It is based entirely on the idea of social capital as arising purposefully or for other reasons in the context of asymmetry of information between contracting parties, with more positive outcomes potentially being built out of cumulative individual interactions, especially in order to make the market allocate resources more efficiently. The problem with this is that nothing new can ever arise, as we always end up in an equilibrium defined by the exogenously given. So social capital in this perspective lacks a place for innovation

<sup>5</sup> See papers by Durlauf (2002a, 2002b), for example. The latter concludes: 'The empirical social capital literature seem to be particularly plagued by vague definition of concepts, poorly measured data, absence of appropriate exchangeability conditions, and lack of information necessary to make identification claims plausible' (2002b, F474).

and entrepreneurship, even within its chosen framework of methodological individualism. Collier's account is remarkable *either* for not allowing for fungibility between one activity and another, for individuals to go beyond the circular limits of their literally received knowledge or experience, *or* for the latter to be more or less completely generalizable. Thus, for example, on the one hand, social capital arises out of 'copying and pooling' of information on the basis of individual interactions (p. 26). This can only replicate what already exists. On the other hand, a choir generates trust amongst its participants, 'trust is the output, which is durable', even if the choir is disbanded (p. 24). Albeit on narrow terms, choir-generated trust becomes a resource that can be put to use in unspecified but novel, non-choir, applications. By the same token, game theory can only lead to outcomes that are pre-ordained by the game itself. It cannot break out of them, let alone bring about 'development', however that might be specified as a process of transformational change.

#### GENDER ON THE DARK SIDE

More specifically, if in similar neoclassical vein, for Fafchamps and Minten (2002), the more agricultural traders in Madagascar know and interact with one another, the better they do. They do specify a mechanism of sorts, 'a reduction in the high transaction costs typical in agricultural commodity markets . . . social capital enables traders to deal with one another in a more trusting manner, allowing them to grant and receive credit, exchange price information, and economize on quality inspection' (p. 152). But there is an enormous degree of fungibility presumed here – from familial or other relations through trust to credit, price and quality, quite apart from the uncritical acceptance of beneficial effects. Why should the association not be for price-fixing and creation of entry barriers?

This is not to suggest that such positive mechanisms do not operate in this and other cases, only that explanation of their presence and effects must move beyond statistical correlation both to broader context and causal mechanisms. The classic, frequently reproduced, example of a community of trusting traders is that of diamond dealers in New York and elsewhere, who rely upon one another not to cheat over the quality and quantity of these valuable commodities. Yet, no account is ever given of the current and historical circumstances that allow these communities to be reproduced and which sustain the diamond price itself. The market is attached to the longest standing international cartel, organized by de Beers and its predecessors, without which the diamond price would simply collapse. The cartel grew out of the control gained over the Kimberley mine from the 1870s onwards, and has equally long been attached to the crudest forms of colonial and post-colonial exploitation of labour. Take all this away and away go the trusting traders also. Further, as DeFilippis suggests of the Jewish community that controls the New York diamond industry:<sup>6</sup>

<sup>6</sup> By way of contrast, for an outstanding study of the changing nature, meaning and personnel of a market for illegal foreign exchange in Kinshasa, see de Herdt (2002).



Aside from the complete denial of exploitation that takes place *within* ethnic enclave economies, the problem with this, and every other enclave like it, is that it completely closes off the market, to anyone who is not part of the ethnic group creating the enclave. A brilliant, hard-working, innovative Irish Catholic immigrant for instance who wanted to enter the diamond trade in New York would have an exceptionally difficult time doing so. (DeFilippis 2001, 792)

Similar considerations apply to Fafchamps and Minten. They simply report without comment from their detailed survey of 850 traders, 729 in a second round that: 'On average, Malagasy traders are thirty-seven years old, male, and married with three children' (2002, 127).

But why is the datum that 68 per cent of Malagasy traders are male so much taken for granted that it warrants no further investigation, with one comment by way of exception:

Other variables have little effect on the development of social capital . . . The gender of the trader shows a negative sign in all regressions, but it is significant in only one. Women may be less successful than men in developing social capital in Madagascar because they have to spend more time on household chores and childrearing. (p. 144)

No doubt,<sup>7</sup> but here the entire broader context of gender relations is simply set aside, necessarily undermining policy conclusions, inevitably designed to reduce 68 per cent male trader transaction costs. For, in their study of female micro-vendors in Phnom Penh, Kusakabe et al. (2001) report that those with more associational social capital do prosper. But it comes at the expense of accepting gender subordination, in closing:<sup>8</sup>

Creating association itself even if it is a women's association does not in itself make the members challenge the existing unequal gender relations. Even though collective action might foster social capital, it does not necessarily lead to higher awareness of women's subordination. It can even work for the opposite. With the effort to be integrated into the mainstream society and economy, members can opt for acting and thinking that conforms to a [sic] dominant gender norms and identity. (p. 35)

<sup>7</sup> I hesitate to engage with these socially constructed regressions, but the absence of gender effects may be due to simple self-selection bias in a market context – necessarily disadvantaged women who do survive as traders may enjoy some compensating but unobserved advantage.

<sup>8</sup> Mayoux, in context of micro-finance in Cameroon, points to rosy views of household, kinship and community, 'the uncritical treatment of relations within households, families and kin groups' (2001, 450). Indeed, 'men's social capital within communities frequently serves to reinforce gender subordination in relation to access to community resources and markets as well as within the household . . . This meant in effect that women's savings were being recycled as low-interest loans to men' (2001, 454). Further, there is the need to address, 'power relations between women themselves' with exclusion of the poorest and most disadvantaged women with 'increased inequalities within communities and within groups because of the emphasis on group repayment'. See also Rankin (2002), Kanji (2002) and Molyneux (2002).

This raises a further aspect of the general fungibility of social capital, that it can be negative as well as positive as has now been universally if, at times, reluctantly accepted. This is hardly surprising since, in analytical framework, social capital is isomorphic to rent seeking and corruption. Such is implicitly recognized in the conclusion of Gugerty and Kremer:

Where programs try to impose collective decision-making on what is more naturally an individual household activity, such as agricultural production, they may promote rent seeking as much as social capital. (Gugerty and Kremer 2002: 232)

To be provocative, it is not clear what is different between rent seeking and social capital, except you downplay the one you do not favour. For social capitalists, the dark side of the force may or may not arise depending upon context. This is formalized in the World Bank account of Woolcock and Narayan (2000). They consider that the state and social capital can complement or substitute for one another. They posit a two-dimensional framework of dysfunctional states on one axis and more or less bridging capital on the other, giving rise to four quadrants: social and economic well-being for ++; coping for -+; conflict for --; and exclusion and latent conflict for +-. This provides a two-dimensional map of states of the world across time and place!

However, the idea that social capital is positive or negative depending upon context is unacceptable in anything other than an idealized world in which win-win cooperative games present themselves as enduring outcomes. However, and however much, social capital incorporates social relations and processes, it is thereby embedded, to use the vernacular, in matters of exclusion and inclusion, power, conflict, exploitation, oppression, hierarchy and conflict. Not surprisingly, these are notable for their absence from the World Bank volume, from the social capital literature as a whole, and generally present only in the more tempered terms of vertical or bridging.

### SOCIAL CAPITAL'S THIRD WAYISM<sup>9</sup>

In case the reader has forgotten, this closes a discussion of social capital as generally fungible – at least in principle. In practice, social capital reveals a fourth slippery side to its fungibility. This is its power to be selective in what it does and does not include. Critical literature has been explicit and correct on this. As already observed, power and conflict and the like have tended to be put aside in pursuit of positive-sum outcomes. This has not entailed an absence of politics (although the role of trade unions, the state and formal politics other than electoral participation are rare), but its redefinition or altered vision, as recognized by many and sharply delineated by Walters (2002), who sees social capital as 're-imagining politics'. With its being located at both individual and collective

<sup>9</sup> Prabhakar cites Tony Blair, "the third way" will build its prosperity on human and social capital' (2002, 55).

(cultural) levels, ‘social capital assesses politics in terms of social norms of performance rather than ideological legitimacy’ (p. 386), not least because ‘a key presupposition of social capital theory is of the actor as a self-interested maximizing individual’. In the context of a state/society duality, social capital also holds out the promise of self-governance, as opposed to ‘an image of politics as a system defined by the poles of elites and the governed. With social capital, this stark polarization gives way to an image of the polity as a much more *horizontal* space of multiple communities’ (p. 388). This involves a shift from a ‘bio-politics’ – governing health, education and welfare in all its aspects – to ethopolitics, that of the population’s trust, civility, volunteering, communalism, etc., which become manageable aspects of the system. ‘Social capital brings the ambition of positivity and calculability to ethopolitical discourses . . . it offers a quantitative rendering of the ethical field, all the better to enhance its governability. It purports to make trust and civility measurable’ (p. 390) – rendering a field day of critical opportunities for those trained in the tradition of Foucault.

The result is that a new division can be added to the traditional ones between normal and pathological, sane and insane, social and anti-social, employed and unemployable, and excluded and included. It is the civic and uncivic (p. 392). But, unlike previous political theory and its notions of modernization, ‘with social capital, this stagist, developmental trajectory is not evident. Across space and time, all societies are analysable in terms of social capital’ (p. 395). Consequently, for the World Bank and other international agencies, ‘it could be that social capital will offer them another way to express concern for social injustices, but in such a way that they are not required to address the thorny matter of economic exploitation’ (p. 394).

#### SOCIAL CAPITAL RIGHT OR WRONG?

Another aspect of selective fungibility is how the social capital literature has responded to its own dark side – unremitting, unanswered and unanswerable criticism, with Putnam the most notable individual in this respect. In general, in parallel with the excision of Bourdieu’s more radical approach to social capital, criticism is simply overlooked. Otherwise, reference is only made in a symbolic not a substantive way, as a means to legitimize. The reception of my own work is representative (if understandably drawn to my attention). Where reference is made, it is to one or other minor aspect or a sentence or two on the whole, as if a rock thrown at a regal procession that is merely used as a stepping stone to yet one more definition and empirical application. Such intellectual shenanigans are standard fare for the World Bank across the totality of its work, with social capital as no exception. Thus, Woolcock and Narayan (2000) close their contribution by appealing for openness and participation amongst those engaged in studying social capital, but essentially exclude any reference to the critical literature. In the volume under review, reference to critical literature is notable for its absence.

The omission of criticism has been raised from a practice to an article of faith amongst World Bank social capitalists. In a contribution from the World Bank,

rare for its openness and self-reflection, Bebbington et al. (2002) chart the history of social capital within the World Bank, commencing with a visit from Putnam, and the motives and strategy for promoting it.<sup>10</sup> Simplifying, if only slightly, it is suggested that to convince economists of the importance of the social, an intellectual compromise was needed in order to be able to induce them to engage. Working backwards from the dependence of poverty alleviation upon appropriately situated social and economic policy in general, of the World Bank's in particular, and of its scholarship and outlook, we are inevitably drawn to the conclusion that the world's poor depend upon the fortunes of social capital as an idea within the World Bank. To criticize is both to fail to understand the internal workings of the Bank and how the fate of the poor depend upon it. This chain of logic leads directly to the idea that Collier's contribution to the volume is a service to the poor and is, thereby, above criticism. It is surely a moot point whether this in any way represents a challenge to, let alone a socialization of, the Bank's economists as opposed to subservience to their imperial designs on non-economic issues.

#### IT AIN'T SOCIAL AND IT AIN'T CAPITAL

Apart from fungibly excluding certain variables and criticisms as is already apparent, social capital has also excluded careful consideration of meaning and context in its categories of analysis, not surprising in view of its universality. It is, as a fifth fungibility, applicable across all contexts. Such carefree disregard of the attentions of postmodernism is most evident in the *social* and *capital* of social capital itself. In what sense does the term address specific social relations, structures and processes? The answer is only with severe limitations in view of the previously observed omissions. Further, the presumption is that social capital is social, whereas other capital (physical, natural, human, environmental, financial or whatever) is not. This is to conform with mainstream economics in two ways. On the one hand, social capital is a residual mopping up the unexplained waste of conventional economic analyses. On the other hand, capital (and, by implication, the capitalist economy) is a more or less perfectly functioning market shorn of social relations, and made up of trading individuals. Thus is capital seen merely as a resource except, of course, when it is social.

In this vein, Smith and Kulynych assess social capital as a keyword. Use of the term 'capital' promotes and reflects its greater acceptability, but also veils its inequalities and iniquities as we all become (human and social) capitalists. Thus social capital both implicitly celebrates the individualism, competition and pursuit of wealth that is characteristic of capitalism and also seeks to promote antithetical civic virtues:

Moreover, as suggested by Putnam's use of the term *social capitalists* as well as by his claim that working-class solidarity is a form of social capital, the

<sup>10</sup> See also Bebbington (2002).

term *social capital* imposes a universalizing logic on political activity that minimizes the historical context that gives much of this activity its meaning and impedes normative theorizing. (Smith and Kulynych 2002: 151)<sup>11</sup>

Such criticism is most apposite. For Grootaert and van Bastelaer reveal the logic of their position on social capital by reference to that standard-bearer of a physicalist and individualistic interpretation of capital, Robinson Crusoe:

Although every other form of capital has a potential productive impact in a typical Robinson Crusoe economy, social capital doesn't (at least until Friday emerges from the sea). (p. 5)<sup>12</sup>

Yet such disregard for the meaning of the social and of capital runs much deeper as a result of the universal application of social capital across so many contexts. The result is to homogenize, like trust, across difference societies and instances as if each of the multi-dimensional aspects of social capital (from friends and family to confidence in government and moral values) always had the same meaning and significance, even leaving aside the omission of other critical elements such as power, class and conflict.

In this light, consider how the volume under review encompasses an understanding of the social and the contextual for social capital. It does so by an opposition between the structural and the cognitive. These, in turn, are reduced to association membership and values, respectively. So much for social structure and ideology! It is indicative, moving on from social capital's fungibility to its use, of the degradation of intellectual endeavour in whatever it touches. Social capital is truly analytically barbaric, not least because it is parasitic. It takes existing literature and its corresponding concepts. It strips them of their complexities, diversities and traditions. It reconstructs them in its own bland image. Such is already evident from the discussion of the social, capital, Bourdieu, context and so on. But it applies equally to network theory, trust, community, governance, civil society, etc.<sup>13</sup> Whilst none of these concepts is unproblematic, the tensions within them have been revealed and exploited from a number of perspectives. Without exception, whenever these and other issues and approaches are attached to social capital, they lose so much of what has been gained.

The result often takes the form of one of two extremes. At one, precisely because social capital can be anything and is in vogue, it can be used to legitimize and promote an analysis by association (with reciprocity for social capital). This

<sup>11</sup> Further, 'Moreover, for Putnam to conceptualize . . . [working class] solidarity as a form of social capital makes a mockery of . . . aspirations that working-class solidarity can help birth a new world not plagued by capitalist economic, political and social relations' (Smith and Kulynych 2002, 169).

<sup>12</sup> Like many others, Grootaert and van Bastelaer see human capital as a model for social capital to follow, with its initial difficulties being overcome through acceptance but with no sense of the overwhelming deficiencies of each (p. 345).

<sup>13</sup> Thus, in referring to civil society and social cohesion and inclusion, Molyneux suggests 'Social capital is arguably weaker, both as a conceptual construct and as a policy instrument, than either of these alternative conceptual clusters' (2002, 174), and is also conducive to loss of traditions associated with anti-authoritarian forms of struggle in a Latin American and gender context.

is so even though the analysis makes no use of social capital at all – except in a title, an abstract, a key word – and can be entirely absent from the substantive text itself. The volume provides an exemplary illustration in the contribution of Bates and Yackovlev on ethnicity and violence in Africa. Their opening paragraph suggests, ‘ethnic groups promote the forces of modernization: phrased more fashionably, they constitute a form of social capital’ (Bates and Yackovlev 2002: 310). They close without ever mentioning the term again, although the influence of social capital in veering towards stating the obvious is marked:

The most desirable institutions would be those that weaken the prospects of winner-take-all outcomes and assuage minorities’ fear of permanent political exclusion, thereby countering the logic that leads political violence to replace political protests in ethnically diverse settings. (p. 331)

At the other extreme, contributors fall over themselves to mention social capital at every possible opportunity, not least because it is everything everybody does together and can be minutely categorized by bonding, bridging, linking, horizontal, vertical, dark or whatever. The result in the case of Coletta and Cullen is again a study of ethnic conflict. For Cambodia, they suggest:

Violent conflict often shapes social capital in favor of bonding relationships and a survival orientation in the emergency period, postconflict market penetration may easily reverse this pattern and lead to more outward-focussed, bridging social capital in the medium-to longer-term transition. (p. 392)

And, for Rwanda, neatly complementing economic and social analysis to border once again upon tautology, they tell us:

This perverse manipulation of social capital made possible the mass recruitment of Hutu . . . Tutsi elimination would benefit Hutu who participated in killings by decreasing number of competitors for land, homes, cattle, and other possessions. (p. 299)

Lest this be insufficiently clear, Putnam and Goss (2002: 11–12) cut through the gobbledygook to get to the point: ‘In other words, bonding without bridging equals Bosnia’.

## BEWARE BANKS BEARING SOCIAL CAPITAL

Is all the foregoing ivory tower intellectual idealism standing in the way of a more progressive World Bank and social capital movement, one that marries social analysis and policy to a reformed economic counterpart? Such is the implicit stance of many who have made insightful criticisms of social capital from within their own areas of expertise. They are to be distinguished from the intellectual opportunists who have jumped onto the social capital bandwagon. Those who have genuinely sought to use social capital progressively and critically are by now sufficiently common not to be perceived as idiosyncratic. They

proceed by observing the definitional chaos, inconsistencies and weaknesses, the measurement problems in principle and in practice, and the conceptual inadequacies and omissions in use of social capital as an approach to a particular topic or field. They do not then reject social capital but suggest that it be reconstructed on the basis of correcting these deficiencies, something that only serves both to reinforce social capital's stature and its corresponding conceptual flaws as it becomes more chaotic and fungible.

These laudable efforts in principle will not wash in practice for three reasons. First, undertaking this corrective surgery in each case, let alone across all, would leave social capital altered beyond recognition both in content and milieu in every sense – no Coleman, no Putnam, no World Bank and a heavily reconstituted Bourdieu. No universal application but attention to conflict, power, class, context, etc. and most of all, to the political economy of capitalism.

Second is to overlook the divorce between the rhetoric of the World Bank and its policies in practice. Whilst social capital is a highly significant marker in the passage from the Washington to the post Washington consensus, policy has been little transformed by the process even where social capital is explicitly incorporated. Fox and Gershman (2000: 408) note the neglect of gender and ethnicity across a selection of World Bank development projects around social capital. Further, 'most of the case studies found that project managers either ignored or were hostile to existing forms of pro-poor social capital' (p. 413).<sup>14</sup> The case studies in the volume can scarcely conceal the link between social capital and privatization. For Pargal et al.:<sup>15</sup>

The most important policy implication of our work is that the introduction of public-private partnerships or self-help schemes is more likely to be successful in neighbourhoods in which the level of social capital is high. Social capital proxies or determinants can thus be used as predictors of success when targeting neighbourhoods for different social or public good-oriented interventions. (p. 205)

So social capital is about community self-help to support the World Bank to privatize.<sup>16</sup>

Third, irrespective of the more progressive and intellectual rigorous contributions that might be made, social capital has been captured in content and momentum by a 'social capital' of its own making. It has its own bridging, bonding, leaders and networks, trust and distrust, values and a legitimizing dark side, and

<sup>14</sup> See also Hewison (2002) and Jayasuriya and Rosser (2001).

<sup>15</sup> And, for Isham and Kähkönen, no water unless you have the right amount and pro-privatization type of social capital: 'The allocation of investment resources for water services may need to be adjusted to take account of the fact that water projects are less likely to be effective in villages in which the level of social capital is low. Donors may want to avoid investing in community-based piped water systems in villages with low levels of social capital' (2002, 184).

<sup>16</sup> Is it a coincidence that social capital has come to the fore just as the World Bank is proposing to reallocate billions of dollars for infrastructural funding from IDA (International Development Assistance), which makes concessional loans to governments, to the IFC (International Financial Corporation), which lends exclusively to the private sector? See Bayliss and Hall (2001).

so on that guarantee that it will endure until it serves out its role as a passing fad or is broken from outside.

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