

THE INSTITUTIONAL ORIGINS OF SOCIAL CAPITAL

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ABSTRACT

This article reflects on the institutional origins of social capital. The premise is that the effective institutionalization of the greater good through efficient services and strategies of survival will nourish the urge to conform and comply with the organizational regime of the state. It is suggested that social capital is conceived in shared values – based upon generalized trust and an understanding of the rights and duties of the individual. In successful (libertarian) democracies, the connective tissue of social capital is displayed in the degree and extent of public participation. Under conditions of poverty, the assumption that strong norms of trust and high levels of public participation affect a state's prospects for effective and responsive government becomes even more relevant. The question is whether the measurable prevalence of social capital will ensure or increase the durability of the state's distributive and extractive projects. However, the quest to find an instrument of measurement is still in a contested terrain. This article reflects on issues of conceptual clarity and descriptive data of attitudes related to delivery and trust.

INTRODUCTION

Institutions are the culmination of patterns of behaviour, or systems of legitimate enforceable rules, recognized and valued by society and embedded in social relations. Institutions shape social, political and economic behaviour and from a broader social and political perspective, institutions determine the capacity for governance. Governance is the exercise of political, economic and administrative authority to manage a state's affairs and effective governance can only take place if government institutions function properly and

are responsive to the needs of individuals in society. Strong and effective leadership relies heavily on the organizational and institutional capacity of the state to distribute the greater good, and in a developmental state, such as South Africa, institutional weakness not only undermines political attempts at addressing poverty and inequality, it also compromises the relational bonds within society as well as between the state and society. High levels of social trust and public participation (mainly through interest representation, but also as regards compliance and involvement in the survival strategies advanced by the state) are key elements of social capital (see Warren, 1995; Rahn, 1997). It could be suggested with some confidence that social capital can be linked to and precede individual (political) development, shared values, effective democratic participation and governance and perhaps also, eventually, economic prosperity (cf. Brewer, 2003:7; Putnam, 1993).

However, both the social origins and the instruments of measurement (of social capital) are still exposed to the volatility of scholarly concern and contest. Newton (2005) refers to social capital as a conceptual cousin of civil society, and Fine (2003) draws on theories of political economy in a search for conceptual clarity and consensus. The fact of the matter, however, is, that no society will mature into a civil society without acquiring the connective tissue (bond between societal interests) which endow consensus with durability. With this assumption as the basic premise, the concept of social capital will be reflected upon.

SOCIAL CAPITAL: THE CONCEPTS

Putnam (1995:67) defines social capital as "... features of social organization such as networks norms and social trust that facilitate coordination and cooperation for mutual benefit". Social capital, sometimes also referred to as community-based ethics, enhances social solidarity but can, according to Sen (2003:5) have dichotomous features. A strong sense of group affiliation can have a cementing role within that group, while encouraging harsh treatment of non-members seen as *others* who do not *belong*. If this dichotomy is accurate, it may be problematic to treat *social capital* as a general purpose asset, rather than as an asset for some relations and a liability for others (Sen, 2003:5). Since the possibility of exclusion and victimization so some socially targeted groups, such as minorities, immigrants or even women, are increasingly more serious in a developmental state, greater note should be taken of them in the study of social capital – especially in a multicultural society, such as South Africa, which may also solidify the sense of recognition of neglected cultures.

The central concepts to social capital are shared values and public participation. Shared values, based upon generalized trust and an understanding of the rights and duties of the individual, make peaceful and the co-operative relations between citizens possible in private, economic and public life. Participation in informal social life as well as in the activities of organized institutions, provide the important foundations of social existence that falls outside the control of government. At the same time, this engagement promotes an understanding of or an involvement with, and participation in the common affairs of citizens. Maloney, Smith and Stoker, (2004:508) however, claim that social capital and civil society is as much a top-down, government lead phenomenon, as a bottom-up individually driven one, because forms and practices of government can encourage

trustworthy behaviour and attitudes on the part of their citizens. High levels of social trust and co-operation mean that a state has well established and effective social institutions, which make it easier for government to work effectively and in the public interest. The quality of government helps to create a structure, in which social institutions can operate effectively, which in turn, enables a climate of social trust and co-operation to flourish. The result could be a circle of high trust, well established social institutions and good government that sustains itself with high levels of popular support.

Having said that though, what would be the logic behind declining levels of trust? Obviously only multivariate analysis will be appropriate for an investigation into varying levels of trust. Distrust in South Africa, likely, will correlate with race and ethnic divisions, polarizing socio-economic discrepancies, fundamentalism, political loyalty towards master-narratives such as liberalism and liberationism (as opposed to the Constitution) and the insider-outsider classification of political contests. This article will, in the following section, just very briefly, touch upon some of the basic features of measuring the prospect of social capital developing, and also, then, the prevalence of social trust which should precede it

MEASURING SOCIAL CAPITAL: POVERTY AND SOUTH AFRICA

The search for empirical and statistically significant support for some key theoretical assumptions about social capital may well be rather elusive, especially so when such assumptions are the result of extrapolations from a developed political economy to a developing political economy (where poverty may or may not be endemic). It seems that, as always, the instrument of measurement, and even more so the structure of the question items, are critical for the reliability and validity of measured outcomes. Newton (2005) refers to various studies which utilized batteries of scalable items and eleven point rating scales, and which indeed do reflect correlations and statistical significance between the dominant variables of analysis preceding social capital. It is in this context that the chicken and egg-hypothesis raises its head, and specifically so in the context of whether the measured trust is A(for example) a consequence of the successful intervention of the state or is it a social indicator conceived in individual relations?

The question, at first glance, seems irrelevant, until the subject of the role of the state in poverty-stricken societies becomes an issue. It may well be a logical conclusion that the state should endeavour to provide a wide range of services and survival strategies to all members of society on an equal basis, and that the pursuit of equality is conceived in sufficient consensus about the extractive regime which nourishes the state's resource base. Once the state is perceived to be an impartial mediator between contending interests, and just distributor of the greater good, the connective tissue of consensus and commonality within society, but also between the state and society will grow to become an invisible regime of contained behaviour. If it sounds somewhat romantic, it is because it may well be. But so are the very visible features of libertarianism, the organic origins of civility in liberal democracies.

In a study done by Kenneth Newton (in 2000) that analyzed the association between social capital and political support in 79 countries, it was found that there was a

significant association between social trust and confidence in parliament as well as trust and satisfaction with democracy. South Africa (together with countries such as Albania, Bulgaria, Croatia and Bosnia), expresses much higher levels of confidence in parliament than their social trust scores suggest, perhaps because respondents in these countries do not always disentangle confidence in parliament from a belief in democracy as a principle of government. According to Schneider, Teske, Marchall, Mintrom and Roch (1997:82), the design of government institutions and their policies and procedures can create incentives for individuals to behave in ways that increase social capital, just as the designs of representative institutions can affect the political support they get. Social capital, political performance and political support therefore affect each other. However, it seems that service delivery precede trust in government and under conditions of extreme poverty, and that may well be the Achilles heel of developing political economies such as South Africa.

ATTITUDES TO SERVICE DELIVERY

Roberts (2006:105-109) uses the table below to reflect upon the discrepancies in the provision of quality services to varying socio-economic status aggregates in South Africa. Needless to say that the provision of basic, but fundamental survival strategic services such as water, electricity, housing and health care, not only reflect on the distributive capacities of the state, but also determines the operational perimeters of a

Table 1: Attitudes to poverty and inequality after a decade of democracy in South Africa

Mean score	Wealthy/ comfortable	Just getting by	Very poor/poor	All
Water/sanitation	3.6	3.3	2.9	3.3
Electricity	3.8	3.4	3.0	3.4
Refuse removal	3.8	3.5	3.3	3.5
Affordable housing	3.1	2.8	2.5	2.8
Health care	3.1	2.7	2.6	2.8
Treatment for STDs (including HIV/AIDS)	3.1	2.6	2.8	2.8
Crime prevention	2.3	2.2	2.3	2.3
Job creation	1.9	1.8	1.6	1.7
Land reform	3.3	2.8	2.9	3.0

The mean scores presented are based on: 'very dissatisfied' = 1; 'dissatisfied' = 2; neither nor = 3; 'satisfied' = 4; and very satisfied = 5. Discrete missing values were assigned to 'do not know' responses. Values in bold are those falling below the mean.

Source: SASSAS (2003), as cited in Roberts (2006: 109)

democratic regime. If it is assumed that the greater good comes about as a consequence of the efficiency of the state – in the provision of such services – it could also be argued with a significant degree of confidence that the sociological faultlines between polarized socio-economic aggregates will be bridged by the connective tissue referred to as social capital.

For explanatory purposes, it should be emphasized that the extent to which the state is considered to be, firstly, *efficient* and, more importantly *accessible*, is also a measure of the prospect of social capital (connective tissue) developing or even being prevalent in the relationship between state and society. As for the contrary, state inefficiency not only corrodes the connective tissue between state and society, but the receding state leaves behind an unoccupied space wherein *authority* is held captive either by opportunistic interests or by political and economic monopolies. The discrepancy between services rendered to the poor and those rendered to the wealthy or comfortable then becomes the breeding ground for real (but relative) deprivation or even imagined sociological pathologies.

The table above reflects on a phenomenon which is typically associated with developing states such as South Africa, and to a certain degree it is also reminiscent of a universal pattern. The poor and those more deprived of basic survival strategies – be it strategies provided by the state or survival embedded in individual entrepreneurship – will probably always perceive their access to resources as being structurally impeded by either the state or dominant (and affluent) social aggregates. However, under *conditions of poverty* – a fundamental variable in any political and social analysis of South Africa's development – the institutional capacity of the state to extract sufficient resources with which to address relative deprivation becomes impeded to the extent that it reflects on the *political will* of the state to distribute the greater good. The distributive capacities and interests of the state, is closely related to the legitimacy of treasury's extractive ventures into the privately initiated survival means of society. Poverty, thus, is the single most destructive variable impacting on the fermentation of the connective tissue in state-societal relations.

Thus, whereas the discrepancy between how the wealthy and the poor experience services rendered may well conform to a general theory about resource allocation, it is the context (of endemic poverty) which suggests that a comparative analysis of the prevalence of social capital between consolidated market economies and developing countries will end up being an inappropriate means of analysis (cf. Fine, 2001: 45). Having said that, though, both *job creation* and *crime prevention* fall below the median (2.5), and both are significant operational variables of poverty. These variables relate to the means of survival, more so than the connective tissue between state and society. However, it suggests the context in which survival strategies are provided and generated, and therefore explains the depth of survival and security (poverty) in society.

In South Africa, social capital is the base for action to address conditions of extreme poverty and inequality and its importance should be recognized in any strategic framework of government. Social capital helps to promote democratic government while democratic government helps to promote social capital (Paxton, 2002:254) and social capital, in the extent to which public participation is encouraged and trust valued, may

help to improve the performance of government and affect political support. Declining trust not only indicates dissatisfaction with institutions, but also creates a political environment that makes it more difficult for government to succeed. Social trust is a necessary foundation for democratic government and the question can be asked to what extent social capital is valued in South Africa.

Trust: how does selected institutions in South Africa measure up?

Perhaps no other operational attribute of the prevalence of social capital induces as much scholarly consensus as the notion of the levels of trust being a fundamental indicator of the connective tissue, not only between state and society, but also between the social aggregates within society. When comparing the 2001 survey with that of 2003, there seems to be a general improvement in the institutional trust within South Africa, but perhaps not sufficiently so to argue for an increase in the overall prevalence in social capital. The variation in percentages as regards gender also seems to be insignificant in a greater context. Analyzing the racial aggregates, considering South Africa's political history, may not be particularly interesting, but it has telling consequences for the state's project of nurturing social cohesion. The importance of race as a variable is further emphasized by its correspondence with higher socio-economic status, higher quality services, and control over material resources.

Table 2: Trust levels by gender and race of selected institutions in South Africa (percentage that 'strongly trust' or 'trust')

Institution	Male	Female	Black African	Coloured	Indian/Asian	White	Total	2001 survey
Nat. Government	38	52	62	36	43	25	55	52
Prov. Government	49	50	54	36	46	31	49	
Local Government	44	41	46	34	45	28	43	38
Parliament	55	51	59	40	42	21	53	
Business	53	47	51	39	53	46	50	43
Police	41	42	43	37	28	40	41	40
The SABC	70	71	76	64	65	45	71	
Churches	80	82	82	81	62	78	81	81
SANDF	59	53	60	46	40	39	56	49
The courts	48	46	49	38	38	37	47	45
The IEC	59	54	62	43	47	30	56	63

Source: SASSAS (2003), as cited in Daniel et al. (2006: 32)

CONSTITUTIONAL PROVISIONS AND SOCIAL CAPITAL

Democracy is no guarantee of either trust or a participative community. To have a democracy does not mean that a government exists that functions well. The challenge for societies that are characterized by ethnic, cultural or class divisions may have democratic constitutions, but may not work well as democracies (Putnam, 1993:33). New constitutional formats can be created, but it is not easy to develop trusting societies or force public participation.

According to Brewer (2003:12) the behaviour and attitudes of public officials are important considering that social capital is closely linked to administrative efficiency and performance (based on a statement by Putnam in 1993). In South Africa, the preferred behaviour and attitudes of public officials are prescribed by the basic values and principles governing public administration, outlined in Chapter 10 of the *Constitution of the Republic of South Africa, 1996*. Section 195(1) of the Constitution, 1996, states that public administration must be governed by democratic values and principles such as, amongst others, the following:

- high standards of professional ethics;
- efficient, economic and effective use of resources;
- a development-oriented public administration;
- impartial, fair and equitable service delivery;
- promotion of public participation and responsiveness;
- accountable and transparent behavior towards service delivery.

Even though the existence of legislation and other policies to promote appropriate attitude and behaviour of public officials does not guarantee that these principles would be adhered to, it is important to recognize that public officials' contributions are important and needed because their engagement in public affairs make them better citizens and better servants of public interests. This aforementioned statement is strengthened by a study done by Brewer (2003:12) that showed that public officials and other citizens do not differ in their civic attitudes and behaviour. It was found that public officials and other citizens do not differ in their general levels of social trust, social altruism, support for equality, level of tolerance, humanitarianism and level of public participation. Although this study was done in the United States of America, some elements could also be true for South Africa.

GENERATING SOCIAL CAPITAL

In developing political economies and recently conceived democratic systems, such as South Africa, the onus is on the state to formulate, condition and nurture social consensus (*cf.* Newton 2005). However, consensus may well be a very temporary phenomenon, unless it becomes embedded in the connective tissue of social capital. It is the fabric of social organizations and shared interests and values which provide social capital with durability. This connective tissue stabilizes and pacifies the contest for scarce

resources and induces the interest of compliance as a measurable resource for survival. Do Soto (2000: 143) reflects on the formalization of survival strategies and authority operative beyond the weak institutions of developing states and new democracies stress the importance of (weak) governments which have to "...convince the poorer citizens – who mistrust government and survive on tight parochial arrangements – and some mafia (authority beyond the reach of the state) who protect them – to buy an entry ticket into a much bigger and looser game".

'Buying a ticket' implies active involvement, participation and, crucially, compliance with the rules of the political game determined by the state. An important contribution to improving social capital will be made by proactive interventions to promote public participation and the enhancement of community driven approaches to developmental processes. But, the state (and often a weak state) will have to ensure compliance through both incentives and a measure of coercion. It should be a priority of government to formulate and institute policies and coordinated programs aimed at strengthening the asset base of the poor in respect of labor, human capital, productive capital and social capital. Social success, including the quality of public services and community based activities, may crucially depend on the participation of the community and the identity within a community (Putnam, 1993:27). In South Africa the quest for a common identity seems to be heavily exposed to historical divisions of class, race and ethnicity at the operational sphere of local governance (see table 2).

CONCLUSION

The process of conditioning a network of social bonds through efficient policies of social and political development will have to be founded upon the activities of the local sphere of governance. It is at this juncture that South Africa statistically reveals the lowest levels of confidence and trust. South African municipalities operate from a very low revenue base and within the realm of a continuously challenged extractive capacity (through non-payment). It is also at this sphere of government that opportunism, corruption and crime have the most severe consequences for trust and social consensus. If understanding the complexity of fermenting social capital requires a multivariate analysis, so does addressing the absence thereof.

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