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‘Social Capital: Stumbling Block or Stepping Stone for Democratisation?’ A Micro-Level Study of the Relationship

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Abstract

This paper examines the relationship between social capital and the process of democratisation on the grass-roots level. The results of the empirical study¹ on the local level, conducted in Warsaw, Poland, tend to confirm the general tendencies shown in social capital surveys on the national level. The new argument in the debate on the interdependence of social capital and democratisation is made upon the observation that despite the generally high ratio of social capital among the city inhabitants questioned in this study (in the dimensions of trust, social networks and membership in voluntary organisations), the engagement in civic actions and local policy-making has remained low. The survey did not reveal the presence of 'negative' social capital, which is considered a stumbling block for democratisation. Social capital may influence urban life, and – all the methodological constraints notwithstanding – could be discussed as an element in the debate about the consolidation of democracy (as the notion of democratisation under the conditions existing in Poland). The conclusions of this discussion paper include the hypothesis that the prerequisite for social capital, i.e. the stepping stone for further democratisation, could be strengthening the quality of institutional actors on the local level as a first step to the fortification of regional and national players. If local governments can manage to involve individuals in civic actions, the result may be beneficial for the process of democracy consolidation. Additionally, through their own development and commitment to societal co-operation, these local actors will enhance their own institutions. The paper's theoretical framework, which relates social capital to democracy, as well as its bottom-up analytical approach, has been drawn from the literature on civil society, new institutionalism and urban studies.

Introduction

The issue of social capital is currently one of the most often discussed problems in the social sciences. In his introductory book on this topic, John Field writes that 'it has taken off like a bushfire in the social sciences, it has started to catch on in the policy circles, and it has also flared up from time to time in the mass media'.² On the same subject, Lin argues that 'in fact, there is a looming danger that the free flow of understanding, application, and interpretation of social capital may soon reach a point where the term might be used in whatever way it suits the purpose at hand and thus be rendered meaningless as a scientific concept, which must meet the rigorous demands of theoretical and research validity and reliability'.³

Some authors, like Adam and Rončević⁴, do not embrace the term 'social capital'. They cite the basic problem of its definition, operationalisation and measurement, and have even identified a specific structure common for all publications referring to the topic. The structure consists of the presentation of the concepts that form the 'canon' of reflections about social capital, including the writings of Bourdieu, Coleman and Putnam; the author's critical remarks and his/her own definition of social capital; and a case study.

In the following essay, however, I will not break with the tradition mentioned above. I will start by emphasising some of the problems linked to the issue of democratisation. 'Theorists have long argued that when a country has a vigorous associational life it is better able to create and maintain a democracy. When citizens interact often, join groups, and trust each other, their relationship aids democratization by crystallizing and organizing opposition to a non-democratic regime. Once a democracy is established, these relationships expand civic access to information and political ideas, which increases governmental accountability'.⁵ The

1 The research project was realised with Dominik Owczarek, Faculty of Psychology, Warsaw University.

2 Field, John: *What is social capital?*, New York: Routledge, 2003, p. 1

3 Lin, Nan: *Social Capital: A Theory of Social Structure and Action*, New York: Cambridge University Press, 2001, p. 7.

4 Adam, Frane/ Rončević, Borut: *Social Capital: Recent Debates and Research Trends*, in: *Social Science Information*, 2003 (vol. 46), No. 2, pp. 155–183. For the critics of 'social capital approach' see also: Fine, Ben: *Social Capital versus Social Theory: Political Economy and Social Science at the Turn of the Millennium*, New York: Routledge, 2000 and Arrow's and Sollow's contribution to: Dasgupta, Partha/ Serageldin, Ismail (eds.): *Social Capital: A Multifaceted Perspective*, Washington D.C.: World Bank, 2000.

5 Paxton, Pamela: *Social Capital and Democracy: an Interdependent Relationship*, in: *American Sociological Review*,

second issue, i.e. the problem of consolidating the democratic regime, as well as the interdependence of this process with the issue of social capital in Poland, will be the focus of this paper. Special emphasis will be placed on the institutions as the core element of both concepts: social capital and democratisation.

In the first part of the paper, I will outline the theoretical background of the social capital concept as well as the understanding of democracy according to this perspective on democratisation. Next, some contemporary data concerning the different dimensions of social capital, like the level of trust, participation in voluntary organisations and engagement in civic activities on the national level, will be provided. Stepping down to the local level, I will then present the case study conducted in the city of Warsaw, Poland. The analysis of the quantitative study comprises the starting point to the concluding remarks and stresses the importance of institutions for the consolidation of democracy.

Social capital: theoretical overview

The aim of the paper is not to engage in the normative debate about what constitutes the essence of democracy. I will therefore adopt the minimum, 'procedural' definition of democracy, which has its origins in Joseph Schumpeter's writings: 'The democratic method is that institutional arrangement for arriving at political decisions in which individuals acquire the power to decide by means of a competitive struggle for the peoples' vote.'⁶ The definition has been criticised for its disregard of outcomes and social values, but at the same time is useful as a basis for further discussion. Philippe Schmitter and Terry Lynn Karl have collected the seven 'procedural minimum' prerequisites for democracy suggested by Robert Dahl and have added two more. The conditions are:

- 'control of government decisions about policy is constitutionally vested in public officials;
- elected officials are chosen in frequent and fairly conducted elections in which coercion is comparatively uncommon;
- practically all adults have the right to vote in the elections of officials; - practically all adults have the right to run for elective offices in the government;
- citizens have the right to express themselves without the danger of severe punishment on political matters broadly defined;
- citizens have a right to seek out alternative sources of information. Moreover, alternative sources of information exist and are protected by law;
- citizens also have the right to form relatively independent associations or organizations, including independent political parties and interest groups;
- popularly elected officials must be able to exercise their constitutional power without being subjected to over-riding (albeit informal) opposition from unelected officials;
- the polity must be self-governing; it must be able to act independently of constraints imposed by some other overarching political system'.⁷

I subscribe to Laurence Whitehead's concept of democratisation, which he describes as a 'long-term, complex, dynamic, and partially open-ended' process oriented towards the implementation of democratic regime rules, whose contextualisation and 'recognition of the normative as well as empirical content of such processes' are of paramount importance.⁸

According to Susan Rose-Ackerman, social capital constitutes the underpinning of a properly functioning democracy both on the local and national levels. 'Citizens who engage with others may help to direct government to better policies, refrain from free-riding, pay taxes, obey laws and pro-social informal cus-

2002 (vol.67), No. 1, pp. 254–277.

6 Schumpeter, Joseph: *Capitalism, Socialism and Democracy*, New York: Harper and Brothers, 1942, p. 269.

7 Schmitter, Philippe C./ Karl, Terry Lynn: 'What a democracy is... and is Not' in: Diamond, Larry/ Plattner, Marc F. (eds.): *The Global Resurgence of Democracy*; Baltimore: John Hopkins University Press, 1993, p. 45, in: Whitehead, Laurence: *Democratization: Theory and Experience*, Oxford: Oxford University Press, 2002, p. 10.

8 Whitehead, Laurence: *Democratization: Theory and Experience*, Oxford: Oxford University Press, 2002, p. 187.

toms, and actively seek solutions to collective action problems'.⁹ This type of thinking is reflected in the original the social capital concept; however, for the first time, a definition has been created on the basis of the metaphor of economic capital.

As Lyda Hanifan wrote: 'in the use of the phrase *social capital* I make no reference to the usual [understanding] of the term *capital*, except in a figurative sense. I do not refer to real estate, or to personal property or to cold cash, but rather to that in life which tends to make these tangible substances count for most in the daily lives of people, namely goodwill, fellowship, mutual sympathy and social intercourse'.¹⁰ The idea of social capital was not extensively developed until the second half of the last century and rapidly gained popularity after the publication of Robert Putnam's article 'Bowling Alone: America's Declining Social Capital'. According to Putnam, the falling stock of America's social capital has been the main cause of political disengagement and has led to the mistrust of politics.

I will refer here primarily to the understanding of social capital present in the social theories of James Coleman¹¹ and Robert Putnam.¹² James Coleman refers to the term 'social capital' as the pool of social and structural resources that individuals could use primarily for their own means, but also as a means of co-operating in the group. This strictly functional interpretation excludes everything that cannot be 'useful' for individuals in the pursuit of their own interests. In these terms, social capital can also be interpreted as an individual asset rather than an intrinsically social good.

'Social capital is defined by its function. It is not a single entity, but a variety of different entities having two characteristics in common: they all consist of some aspect of a social structure, and they facilitate certain actions of individuals who are within the structure'.¹³ This understanding of the social capital concept is highly popular among game- and rational choice theorists, in that this view of social interaction and human behaviour is linked to the form of exchange.

Putnam, inspired by Coleman, defines social capital as 'features of social organization, such as trust, norms and networks that can improve the efficiency of society by facilitating coordinated actions'¹⁴ and goes beyond the simple aggregation of individual social capital. He sees social capital as a collective resource, a characteristic of the community. Putnam introduced a distinction between two forms of social capital: bridging (inclusive) and bonding (exclusive).

Bonding social capital inclines 'to reinforce exclusive identities and maintain homogeneity; bridging social capital tends to bring together people across diverse social divisions'.¹⁵ Both forms contribute to the development of public involvement at the community level. Bonding connections, however – often described as "strong ties" –, can evolve into a 'negative' form that actually stifles development and promotes hierarchical patron-client relations. In that sense, co-operation and networks, which are at the core of the concept (e.g. according to authors like Nan Lin and Ron Burt) become negative. John Field¹⁶ as well as other

9 Kornai, Janos/ Rose-Ackerman, Susan (eds.): Building a Trustworthy State in Post-Socialist Transition, New York: Palgrave Macmillan, 2005, p. 5. An interesting study concerning the reciprocal influence of social capital and democratisation both on national and local level (the cities of Wrocław and Lviv) has been conducted by Martin Aberg and Mikael Sandberg: Social Capital and Democratisation: Roots of Trust in Post-Communist Poland and Ukraine. Burlington, Ashgate Publishing, 2003.

10 Hanifan, Lyda: The Rural Community Center, in: Annals of the American Academy of Political and Social Science, 1916 (vol 67), pp. 130–138, also in: McLean, Scott L./ Schultz, David A./ Steger, Manfred B. (eds.): Social Capital. Critical perspective on Community and "Bowling Alone", New York: New York University Press, 2002, p. xi.

11 See: Coleman, James: Social capital in the creation of human capital, in: American Journal of Sociology, 1988 (vol. 94), pp.95–121 and Foundations of Social Theory, Cambridge: Belknap Press, 1994.

12 See: Putnam, Robert: Making Democracy Work: Civic Traditions in Modern Italy, Princeton: Princeton University Press, 1993 and Bowling Alone: The Collapse and Revival of American Community, New York: Simon & Schuster, 2000.

13 Coleman, James: Foundations of Social Theory, Cambridge: Belknap Press, 1994, p. 302.

14 Putnam, Robert: Making Democracy Work: Civic Traditions in Modern Italy, Princeton: Princeton University Press, 1993, p. 167.

15 Field, John: What is social capital?, New York: Routledge, 2003, p. 32.

16 Field, John: What is social capital?, New York: Routledge, 2003, p. 65.

authors¹⁷ state that weak ties – i.e. horizontal linkage – could make better use of the new resources and more efficiently serve social diversity and democratic governance as well as reinforce trust and reciprocity among community members; these ties rely less on shared values, however.

Putnam's studies focus primarily on the community level and use the degree of civic participation in voluntary organisations as a key measure for the construction of the social capital index. His theory has also met with criticism due to its bottom-up perspective, which stresses the role of volunteering and neglects the role played by political activities and institutions, upon which I will elaborate later in this paper.

Both approaches to social capital – Coleman's and Putnam's – utilise the term of 'trust' and the norm of reciprocity as the key elements of social capital that ease people's voluntarily co-operation. For authors like Fukuyama and Dasgupta, trust plays an important role in lowering the 'transaction costs' and becomes a basis for social capital 'production'. Fukuyama¹⁸ and Etzioni¹⁹ contend that e.g. local government is not suited to help in the construction of social capital; Evans²⁰, Skocpol²¹ and Potapchuck²² do not share this view, however. The issue of trust also reveals one of the many conceptual problems in social capital theory. One of the fundamental difficulties is expressed in the concern about the conditions of social capital and the place of trust in this chain.

Coming to the grass-roots level

In the following part of the essay, I concentrate on the micro level. The question that Robert Putnam posed in his publications dealt with the role that social capital plays in the maintenance of democratic political institutions. Here I would like to reverse this question and ask if the institutions at the grass-root levels, e.g. in form of local government, could, through an active approach, promote civic involvement in local policy-making. Studies suggest that engagement in civic activities like voting or other forms of collective action might not depend only on informal relationships but also on the quality, nature and specific characteristics of the local institutions. In other words, the incentives for the consolidation of the democratic regime could be initiated by these institutions.

At this point, I implement Putnam's definition of social capital, which includes the conceptual categories of trust, social networks, civic activities and civic participation in organisations.

The empirical research for this study was conducted in the specific urban context of ten gated communities in Warsaw and is based on a sample of three hundred respondents. Questionnaires were distributed to participants during six weeks in August and September 2006. The research included the dimensions represented in the given social capital definition in the form of separate quantitative indicators that measured the level of generalised and institutional trust, the density of the social networks on the neighbourhood level, the community, local district, city and state, civic activities (e.g. participation in elections and activities for the benefit of the local community) and participation in organisations. These dimensions are commonly found in social capital research²³ and their methodological limitations have already been widely

17 Lin, Nan: *Social Capital: A Theory of Social Structure and Action*, New York: Cambridge University Press, 2001; Dasgupta, Partha/ Serageldin, Ismail (eds.): *Social Capital: A Multifaceted Perspective*, Washington D.C.: World Bank, 2000; Potapchuck, William/ Crocker, Jarle/ Schechter, William/ Boogaard, Dina: *Building community: Exploring the role of the local government*, Washington D.C.: Program for Community Problem Solving, 1997. For the literature explicitly regarding the problems of bonding social capital in Central and Eastern Europe, see writings by: Nicholas Rose.

18 Fukuyama, Francis: *Trust*, New York: Free Press, 1995

19 Etzioni, Amitai: *The spirit of the community: The reinvention of American society*, New York: Simon&Schuster, 1993

20 Evans, Peter: *Government action, social capital and development: Reviewing the evidence of synergy*, in: *World Development*, (vol. 24), No.6, pp. 1119–1132.

21 Skocpol, Theda: *Unravelling from above*, in: *The American Prospect*, 1996 (vol. 25), pp. 20–25.

22 Potapchuck, William/ Crocker, Jarle/ Schechter, William/ Boogaard, Dina: *Building community: Exploring the role of the local government*, Washington D.C.: Program for Community Problem Solving, 1997.

23 See: Paldam, Martin: *Social Capital: One or Many? Definition and Measurement*, in: *Journal of Economic Surveys*, 2001

discussed.²⁴ To these factors I have added place attachment, the degree of perceived threat in the place of residence, and cultural and economic capital.

Gated communities are the enclaves of apartments or homes surrounded by walls; they often feature surveillance cameras and security guards. They currently account for over 80% of newly constructed apartments in Poland's biggest cities (there are no official records on that figure, however). The residents' primary motivation for settling down in such areas, according to the comparative research conducted by Lang&Danielson, is the need for security, i.e. crime prevention and the reduction of risk connected with unwanted social exchange.²⁵ The form of the closed territory within the city also entails a high social cost. In fact, there is no social/community component in the 'gated communities' in the Warsaw metropolitan area. The term 'community' is misleading here – these enclaves contain almost no community associations that could enhance the quality of social life or exercise any control over the lives of the residents. The few existing organisations do not possess any real authority to intervene in building infrastructure issues or private life, unlike e.g. in United States. It is expected that the social capital ratio will remain low in these communities.

The results of this research showed that the gated community residents often possess a lot of 'unproductive' social capital that is based on fear, distrust and a desire to separate from other city inhabitants. On the other hand, it could not really be interpreted as a 'negative' form of social capital as described in the theoretical introduction given earlier in this paper. According to current urban studies theories, neighbourhoods like those under investigation here – with the critical mass of an urban middle class – should be beneficial for the whole area in terms of economic, human and social capital. Middle-class residents not only have an interest in the different civic actions but also possess the social network contacts to access politicians and policymakers. Their role, e.g. in local policy-making, in which social capital could be used as a 'stepping stone' for the benefit of the democratic regime, should be a leading one.

Selected empirical results

Exploratory factor analyses conducted on the database created during the research enabled the identification of a smaller number of distinct dimensions. Through regression and correlation analyses, it was revealed that the residents of gated communities tend to be a homogenous group that ranks above the national average in terms of the level of social capital.²⁶ The study showed that over 67% of the population that took part in the research had subscribed to at least one voluntary organisation, but that the inhabitants of these urban areas had not been active in the local arena. In the dimensions of trust (generalised and towards institutions) and political participation, despite their high educational status (over 30% of survey participants held a university diploma) and economic level, the respondents did not exhibit any statistically important difference from the national sample. The study showed that the inhabitants of the gated communities had not developed the bridging social capital that functions on the local level. Instead, they tended to concentrate on the neighbourhood level, which consists of their immediate neighbours, and looked for social contacts outside their local districts regarding their personal interests, hobbies, etc.

This observation may be connected with the historical factors and problems in the transition period after the collapse of socialism in 1989. These issues could be linked to the consequences of the destruction of

(vol. 14), No.5, pp. 629–653.

24 See: Flap, Henk/ Voelker, Beate (eds.): *Creation and Returns of Social Capital. A new research program*, New York: Routledge, 2004.

25 Lang, Robert/ Danielsen Karen: *Gated Communities in America: Walling Out the World?*, in: *Home Policy Debate*, 1997 (vol. 8), No. 4, p. 867.

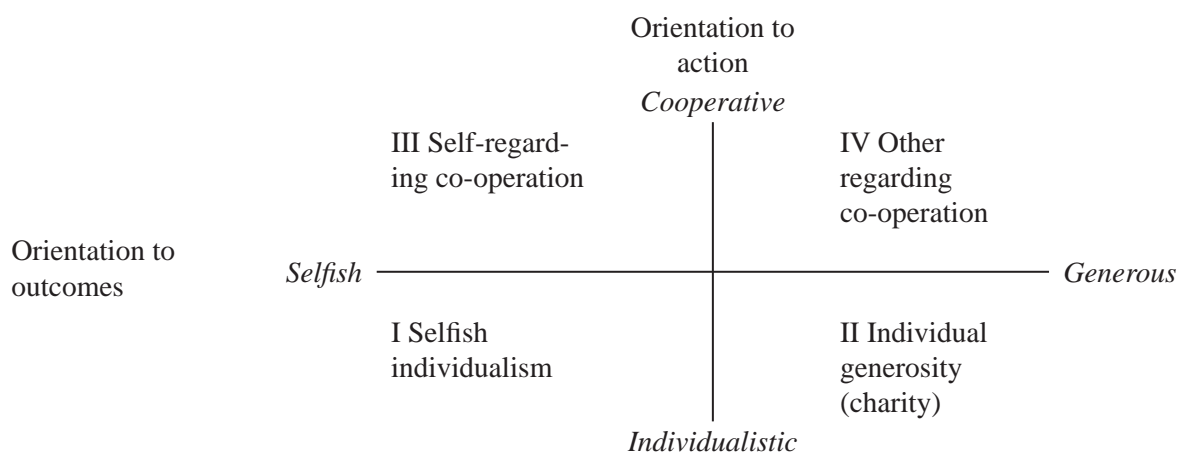
26 I have used the unpublished data set of Prof. Martin Paldam, Aarhus University, Department of Economy, from the 'Social Capital' research programme, taking place between 1997 and 2004. Some social capital dimensions data (like generalised trust and trust in institutions) are gathered and published on a regular basis by the Eurobarometer Survey: http://ec.europa.eu/public_opinion/index_en.htm.

societal ties during the socialist period, as described by Piotr Sztompka.²⁷ It has been determined that over 50% of eligible Polish voters do not regularly bother to go to the polls on the national level, and for the local elections, the turnout is even worse. Voting, campaigning, attending meetings and membership in associations is still not a part of the fabric of civic culture for the majority of Poles. There are also some other explanations based on the micro rather than on the macro level: 'mobile middle-class households may not be inclined to be a part of neighbourhoods or communities, but where and when they feel a need to promote a local interest, and especially when change in the social or physical environment is perceived as a threat to the status of their home, they too function as a community of interest on a local basis'.²⁸ This observation does not change the fact – and even stresses on the normative level – that some of the urban residents harbour an elitist attitude towards the rest of the city's residents.

At least two problems emerge: how to resuscitate the declining trust in political institutions, especially on the local level, and how to make people responsible. And how might local policy-making institutions foster a co-operative attitude regarding 'the other'?²⁹

Conclusions – coming to the grass-roots level

Consolidating the newly established democracy to the level of a fully functioning local community (which Evans describes as 'embedded autonomy'), i.e. one that has achieved synergy between the state and society, democratic governance and a level of autonomy that includes developed civic networks and social capital that serves as a 'stepping stone', seems to be a mere pipe dream for the social/political scientist. In the case of the described urban areas and in the context of post-socialist society, one of the means that could promote this aim might be strengthening the quality of local governance institutions. These might be able to facilitate – by various means – civic involvement in local policy-making and, subsequently, the processes of democratisation. Any improvement of the local government structures should reinforce horizontal social capital and put effort into transforming the 'unproductive' and already existing social capital both at the individual and group/organisational levels to benefit the local community. From the study, the argument may be advanced that social capital that lacks institutional support will not evolve into a factor that could potentially support the process of democratisation.



Virtuous and vicious circles in community development (Uphoff 1996: 341)

27 Sztompka, Piotr: *Trust: A Sociological Theory*, Cambridge: Cambridge University Press, 1999

28 Smelser, Neil/ Baltes, Paul (eds.): *International Encyclopedia of the Social and Behavioral Sciences*, Amsterdam: Elsevier, 2001, 'Neighbourhood', p. 10495.

29 Uphoff, Norman: *Learning from Gal Oya: Possibilities for Participatory Development and Post-Newtonian Social Science, Practical Action*, 1996, p. 341.