

## Social Capital as Social Relations: the contribution of normative structures

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### Abstract

This paper presents a framework for social capital that highlights the normative structures through which it is manifested. The primary focus is on the ways that norms structure the relationships in which social capital is embedded. To this end, we introduce four types of normative structures which condition social capital: market, bureaucratic, associative, and communal. A field site in Japan is used illustrate how different aspects of social capital interact. This case analysis also serves to make an important distinction between the availability and use of social capital. The central arguments are that 1) social capital is organized in different ways by the normative structures in which it is embedded; 2) there are important interactions between these different aspects of social capital that are often overlooked by simpler frameworks; 3) a useful distinction can be made between *available* social capital and *used* social capital; 4) access to social capital can be used to analyze power relations; and 5) distinguishing different aspects of social capital makes areas visible that are overlooked by other understandings of social capital. We conclude by identifying the utility of our perspective for informing public policy and guiding future research.

## **Introduction**

Researchers have employed the concept of social capital across a wide range of disciplines, extending from economics to political science and sociology. It has proven to be a useful and versatile concept, with its applications varying from amending game theory (Glaeser, et al., 2000), analyzing educational opportunities (Coleman, 1990), investigating the effects of networks on consumption and taste (Warde and Tampubolon, 2002), enhancing economic development (Knack and Keefer, 1997), and informing public policy (Stone, et al., 2003; Woolcock, 2001). Since social capital operates through relationships, it can function as an asset to facilitate information flow, exert influence on agents, support individuals' social credentials, or reinforce identity and recognition (Lin, 2001; Tiepoh and Reimer, 2004).

Despite this wide range of applications (or perhaps because of it), a fitting pan-disciplinary conceptual definition of social capital remains elusive. The concept is used to describe a vast range of social phenomena, yet there is inconsistency regarding its use and little consensus regarding its meanings. This has contributed to a major weakening of its explanatory strength (Wall, et al., 1998), and led many to question the value of the concept (Frane and Roncevic, 2003; Foley and Edwards, 1999; Portes, 1998). Some describe social capital as being “fashionable” or “trendy” (Adam and Roncevic, 2003) and suggest that it has reached a point of overuse. According to them, “...instead of listing the fields of applications of social capital, it

would perhaps be easier to describe where it has not been applied” (Adam and Roncevic, 2003:1). Similarly, others have noted that debates surrounding social capital risk becoming issues of semantics, with the concept becoming a substitute for less ostentatious terms such as “generalized social trust” or “civic engagement” (Foley and Edwards, 1999; Tarrow, 1996). Certain understandings of social capital risk promoting nostalgia; as exemplified by the resurrection of the “civic culture” debate within the field of political science (Jackson and Miller, 1998), and Putnam’s proclamation of the decline of social capital in the United States (Putnam, 2000).

Additionally, the potential for negative effects linked to social capital is often understated (Foley and Edwards, 1999), with two of the concept’s central originators (Putnam and Coleman) both being criticized for overly functionalist frameworks that fail to address power and conflict (Schuller, et al., 2000). Finally, others have noted that discussions of social capital often lapse into tautology, with the concept varying between or simultaneously understood as source, dimension, and outcome (Adam and Roncevic, 2003; Foley and Edwards, 1999). This circularity has caused confusion regarding social capital’s cause or effect status (Foley and Edwards, 1999; Portes, 1998), leading to questions concerning its manifestation, availability, and use.

In this paper we seek to clarify the concept of social capital by providing an elaboration that lives up to its intricate nature. We begin by conceptualizing social capital as rooted in social relations. In order for people to accomplish goals, their

relations must be coordinated with respect to both structural and normative aspects. To build a house or cook a meal, for example, we must not only get together, but know how to conduct ourselves appropriately. While networks provide both identity and structure to social relations (a point to which we return), it is the norms that provide the 'rules' of interaction within these networks. It is within the blending of these normatively structured relations that much of the complexity of social capital is to be found.

In the first section of this paper we present a social capital framework. We begin by outlining our definition of social capital and highlighting the importance of normative structures. We then introduce four types of normatively structured social relations in which social capital may be embedded. In the second section we draw upon an example from one of our field sites to illustrate the meaning and value of this framework (Reimer, 2002a). We argue that 1) social capital is organized in different ways by the normative structures in which it is embedded; 2) there are important interactions among these types of organization that are often overlooked by simpler frameworks; 3) that a useful distinction can be made between *available* social capital and *used* social capital; 4) that access to social capital can be employed to analyze power relations; and 5) that by distinguishing the ways in which social capital can be organized, our framework makes issues visible that others may overlook. We conclude by identifying several research and policy implications emerging from this perspective.

### **Social Capital: networks and norms**

As Woolcock points out (2001) there is an emerging consensus regarding the definition of social capital – a consensus borne out of considerable debate and empirical investigation. We follow his lead with only slight modification by defining social capital as the social networks and their associated norms that may facilitate various types of collective action. This definition avoids the confusion that has been introduced by the inclusion of specific types of outcomes into the definition of social capital itself (Glaeser et al., 2000; Molyneux, 2002:168; Woolcock, 2001).

Our approach to social capital is also inspired by a concern for rural revitalization and the importance given to social capacity and social capital as keys to that revitalization<sup>1</sup>. From this perspective, capacity refers to the ability of people, groups, or organizations to organize their assets and resources to achieve objectives they consider important. Social capital is one type of asset or resource that can be used to achieve these valued outcomes. Such an interpretation fits well with Coleman's (1990) original emphasis on social relations, Woolcock (2001:13) and Fullilove et al.'s (2000) emphasis on collective action as a basic component of social capital, and the foundation upon which Bourdieu's (1986) resource outcomes are based.

Since social capital is embedded in social relations, its identification becomes particularly difficult, for it may be considered as the means by which an asset is

created and the asset itself. For example, as one prepares a business plan with various partners, social capital is simultaneously built and used. With each successful transaction, the existing social capital is reinforced and at the same time, used for productive ends. Thus, we find in the literature, that social capital is treated as stock in some cases (networks, institutions) (Bourdieu, 1986; Putnam, 2001) and flow in others (social participation, collective action) (Foley and Edwards, 1999:142; Woolcock, 2001). It is often unclear whether these are distinguished by many authors (Portes, 1998).

This lack of clarity is exacerbated by the fact that although social capital is considered ‘capital’ it may be established, developed, and maintained outside economic relations. Most analysts recognize this, but appear vague when dealing with the sociological aspects. In their efforts to measure social capital, there is a tendency to adopt limited indicators such as participation in voluntary associations (Campbell et al., 2002: 41; Kawachi et al., 1999; Putnam, 2001) or trust (Matthews, 2003; Stolle, 2003). As Stone (2001) cautions, the confusion is compounded when the indicators are integrated into the definition of social capital itself.

To avoid this confusion, we will treat social capital as a stock that can be drawn upon primarily, but not exclusively, for economic ends. Although this goes beyond the narrow interpretation of ‘capital’ it is consistent with most of the interpretations used

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<sup>1</sup> This framework is the result of collaboration between many NRE researchers. Important contributions have been made by L. Peter Apedaile, Tom Beckley, Diane Martz, Solange Nadeau,

in the literature (Franke, 2005; Stone and Hughes, 2002) and recognizes the multi-functional nature of social relations – relations that must be developed and nurtured in a variety of contexts (Foley and Edwards, 1999). As a result, understanding social capital requires an understanding of social relations: their formation, transformation, vulnerabilities, and resilience.

Most of the literature on social capital focuses on the structural characteristics of those social relations. Both theoretical and empirical analyses have focused on characteristics such as bonding, bridging, and linking types of networks, for example (Burt, 2005; Flora et al., 2004; Stone, et al., 2003; Woolcock, 2001), density (Nooteboom and Gilsing, 2004), centralization (Hawe et al., 2004) and strength (Granovetter, 1983) – analysis that investigates whether one is socially connected and where those connections are directed rather than the nature or substance of the connection.

We agree that the connections and linkages between people and groups play crucial roles in the creation, maintenance, and outcomes of social capital. However, a discussion of social capital must also consider how individuals in networks relate to each other, and the norms which maintain and organize the connections. In order for the coordination of behavior to occur, it is essential that people have reasonable expectations regarding what others will do. These expectations are a component of what is meant by norms, values, and understandings – the ‘rules’ by which people

coordinate their actions along with systems of sanctions and incentives that ensure consistency in those actions.<sup>2</sup>

Many authors have attempted to recognize the importance of norms through the concept of 'trust'. This approach has resulted in studies incorporating trust as a measure of social capital or as one of its key elements (Halpern, 2005: 32-35; Hooghe and Stolle, 2003; Matthews, 2003). This attention to trust can be attributed to two of the original proponents of the concept. Coleman (1990) includes trust as a crucial component in the functioning of social capital, while Putnam (2000) proposes trust as a principal component of the concept itself.

We agree that trust is an important element within discussions of social capital, but suggest it is more fruitful to understand high levels of trust as a result of relatively stable expectations supported by norms. In informal situations, trust tends to be a matter of shared perspectives: a case of 'I know, and I know that you know, and I know that you know that I know' (Hannerz, 1996: 110). However, the nature of trust is different in relations characterized by asymmetrical levels of knowledge or power. As Giddens (1990: 22) comments, modernity has necessitated that individuals adapt their notions of trust to include expert systems of technical accomplishment or professional expertise which they may or may not understand. Thus, while one may trust a friend to help in times of difficulty (as the result of past personal interactions),

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<sup>2</sup> Nahapiet and Ghoshal (1998) highlight these normative systems in terms of 'relational embeddedness' and the 'cognitive dimension'.



we also extend our trust to others because of the roles they occupy. For instance, we often extend our trust to the medical community in the form of the surgical team about to operate on us, and to ‘the government’ in our expectation that elected political officials will fulfill their political functions and proceed in our best interests. Essentially, trust emerges when we expect that others will act in certain ways. Trust is therefore not a defining characteristic of social capital, but is rather a consequential component of normative structures. It is a spin-off of norms, since it refers to one’s expectations that individuals will follow the formal or informal rules regarding social relations.

With this in mind, our framework focuses on the differing norms inherent in social relations from which trust emerges rather than placing an emphasis solely on ‘trust’ (Foley and Edwards, 1999). Norms guide how we perform and behave. They may be formal - often with explicit sanctions and mechanisms of enforcement - or they may be informal, such as those found in the colloquial behaviour of groups or cultures (Halpern, 2005: 10; Mooney et al., 2000: 8-9). They also tend to rest on different systems of expectations and sanctions (Halpern, 2005: 11). The expectations given to a family member to repay a loan, for instance, are different than those we extend to a bank. In the former we make use of informal sanctions or non-financial compensation if the trust is betrayed. In the latter we call upon the formal institutions of our legal system to remedy any violations. In each case, trust arises from the effective operation of norms. To this end, we introduce the term “normative

structure” into the discussion.<sup>3</sup> Normative structures are the relatively comprehensive ways in which people organize their interactions, each with its own general set of associated norms that condition the co-ordination of social behaviour (Fiske, 1991). A greater understanding of social capital lies in an exploration of these normative structures and the social relations organized by these structures.

#### *Four aspects of social capital*

Most discussions of social capital assume that the concept is of a singular nature. As such, there has been a shortage of theorizing on the possibility that social capital is differentially manifested depending on the types of social relations and normative structures in which it is embedded. Within most theories, social capital operates according to the same criterion, irrespective of the relationships involved in a particular interaction. These perspectives should be questioned.

In Portes’ (1998) synthesis of a variety of different works, he recognizes social capital as deriving from four sources: value introjections, bounded solidarity (both of which are based on consummatory norms), reciprocity exchanges, and enforceable trust (both of which are based on instrumental motivations). These four sources are ultimately assumed to have an effect on the social capital derived from the relation. In a perspective closer to ours, Warde and Tampubolon (2002) differentiate between social capital that emerges from formal, associational relations and that of informal,

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<sup>3</sup> As cautioned by Foley and Edwards (1999:149) we do not interpret norms as “portable” individual attributes but characteristics of social relations in particular contexts.

friendship relations. They note that the two types of social capital can produce different outcomes. Along similar lines, our particular framework considers social capital as being reflected in and conditioned by the varying types of normatively structured social relations in which it is embedded.

Based on Fiske (1991) and Polanyi's (1944) anthropological material, we differentiate four very general types of normative structures that guide behaviour in social relations: *market*, *bureaucratic*, *associative*, and *communal*. These four types of normative structures represent four relatively comprehensive ways in which people organize their interactions to accomplish tasks, legitimize their actions, distribute resources, and structure their institutions. Each of these has its own general set of associated norms that condition the co-ordination of social behavior.<sup>4</sup> Since social capital is reflected in and derived from these relations, it is conditioned by the same norms and sanctions as those relations.

*Market relations* are those in which the classical norms of 'open' and 'free' exchange of goods and services occur between relatively free actors (Reimer, 2002a). This may take the form of bartering in which goods or services are exchanged, or it may involve the mediation of money, where goods and services are exchanged through transactions of some currency (Biggart and Delbridge, 2004).

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<sup>4</sup> These four types bear a close relationship to the four 'systems of exchange' proposed by Biggart and Delbridge (2004) with the notable exception of their 'Moral' system. Our identification of 'bureaucratic' types of relations highlights a type that extends their 'Moral' system to exchanges based on general principles without the evaluative component.

These may take place within formal or informal situations. Market-based social capital is created, built, and maintained through fair trade of goods or services, sharing of information about markets and prices, and the demonstration of appropriate negotiation skills in the process.

*Bureaucratic relations* are the ‘rational-legal’ relationships originally explored by Weber (1978). They are impersonal and formal, with the distribution of resources based on generally-applied principles and status positions rather than productivity. The charters and by-laws of government and corporate organizations are key points of reference for identifying the allocation of rights and entitlements. Bureaucratic-based social capital is built through the formulation of these charters along with the maintenance of legitimacy, either formally or informally.

*Associative relations* are based on shared interests. Clubs, social action groups, internet chat rooms, spectator events, hobby groups, and food banks are examples where these relations predominate. Associative-based social capital emerges when interests coincide and where there is a common contribution to the goals on the part of members. It is built through the successful accomplishment of those goals, the achievement of objectives en route to them, or the reinforcement of promises to achieve those goals. The classical measurement of social capital in terms of volunteer group participation and charitable giving is primarily sensitive to this type of social capital. Much of the empirical investigation, therefore, focuses on the

analysis of social capital based on associative relations (Campbell, et al., 2002; DeFilippis, 2001; Putnam, 2001).

*Communal relations* are based on a strong sense of shared identity. Membership and collective action within communal relations are often dependent on ascribed characteristics of birth, ethnicity, or location but they may also emerge as a result of shared life experiences or intense socialization. Family, friendship, cult, and gang activities are common examples of such relations. The rights and obligations of members are strongly associated with this identity, and are largely developed and maintained through customs (Hamilton and Biggart, 1992). Generalized reciprocity is often a key feature of these relations (Sahlins, 1972). Social capital based on communal relations is built and maintained through the exchange of favours and the reinforcement of identity either directly or indirectly.

Other classifications of norms and social relations are possible. However, this four-fold approach is compelling since it covers a wide range of behaviour, identifies important distinctions in the organization of social action, and is consistent with frameworks developed in several disciplines (Fiske, 1991; Polanyi, 1944). Our empirical work (Reimer, 2002a, 2006) confirms that these differences are also reflected in the creation, maintenance, and use of social capital emerging from them.

Social capital is effectively an asset based on social relations. Since these relations are structured by networks and norms, social capital reflects these characteristics without being identical to them. It is for this reason that we refer to social capital as based on (or embedded in) market, bureaucratic, associative, or communal relations, rather than proposing four unique and self-contained types of social capital. The four relations themselves represent ideal-type relations, presented for their heuristic value.

These four normatively structured relations do not often operate independently. All four usually occur concurrently in a given situation, although only one or two may be dominant. This may be seen in an office setting where workers' behavior is primarily guided by market and bureaucratic norms, even as they may be supported by the communal and associative ones inherent in informal social relations. Still, this is not always the case, since one relation may inhibit another. Volunteer group participants in our field sites, for example, often complain that the inflexible demands of their bureaucratic-based funding agencies undermine their original objectives, or divert them to a more limited set of goals. We develop and enforce regulations in our municipal decision-making to guard against communal-based patronage allocation of contracts and resources.

By considering the norms and social relations within which social capital operates, we can more adequately represent the complexity of those processes and thereby understand their dynamic nature. This perspective also provides valuable insights

regarding the distinction between availability and use of social capital, the diverse nature of trust in social relations, the role of power, and the opportunities for measurement of social capital itself.

The following briefly outlines an example of social capital processes from one of the field sites in our New Rural Economy Project (NRE)<sup>5</sup>. This analysis illustrates the way in which the ability to use social capital provided the means by which local people reorganized their assets in new ways, and the way they blended the different types of social relations and normative structures to overcome challenges they faced along the way.

#### **The herb discussion group: from growing basil to writing business plans**

In one of our Japanese field sites a group of about twelve women had been coming together for a number of years to share their interests in herbs and cooking. The women grew their own herbs and regularly met to discuss the planting, drying, and use of herbs in cooking. Their informal meetings revolved around discussions on what plants to use, how to grow them, and the exchange of recipes, seeds, and cuttings. Over time, their collective interest in herbs and cuisine grew.

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<sup>5</sup> Our project systematically selected 32 field sites from across Canada (Reimer, 2002b) and has been working in these sites since 1997. Colleagues in Japan selected 2 other sites using similar criteria. Analysis that parallels the Japanese example has been conducted in other NRE sites (Devarenes, 2006; Morin, 2005).

Once their children left home several of the women began to look for new activities that were not directly related to their previous domestic labour and their responsibilities in their homes. They decided to explore the possibility of opening a small restaurant in the village. Given their interest in herbs, they chose to specialize in French or Italian cuisine. In rural Japan, however, few people were familiar with such cooking, so they turned to their communal relations for help. One of the women contacted her cousin who had studied French cuisine in Tokyo and he agreed to train the women in basic French cooking. With this first step accomplished, they were then faced with the challenge of building the restaurant itself.

When trying to procure the land for their restaurant and garden, the women ran into two interconnected difficulties. Japanese law prohibits women from owning land or farm property therefore they were unable to legally purchase a plot for their restaurant. Similarly, since none of the women owned any property in their name, they could not offer collateral to the bank in order to secure a loan. To solve these problems, they turned to their local economic development officer who combined the skills and resources related to market and bureaucratic requirements with the more personal relationships in the community. Following the advice of the officer, some of the women convinced their husbands to become involved with their business venture. Working with their husbands, they were then able to finance and organize the land and capital for their restaurant.



Once the restaurant became established, the women hired each other as co-managers along with a few additional workers. Several of their husbands chose to stay actively involved in the venture, while others decided to remain included in name only. The women, as co-business owners, collectively worked out strategies to attract customers, wrote business plans, managed the restaurant, and negotiated with employees and partners. They even opened a section of the restaurant for the sale of local crafts – thereby extending their market-based relations to new community members.

Their hard work and determination paid off. The women have established a successful business which draws both local and urban customers who seek to enjoy a French meal. They have surpassed their business targets and their restaurant has become a local visitor destination that has been marketed by the municipal council as a ‘rural experience’ for urban people. As the success of their business has grown, the relations between the women have changed as well. In the process of taking their collective interest and turning it into a marketable venture, they have gone from being an informal group meeting occasionally to discuss herbs, to becoming formalized business partners. Along the way, they have established new networks while finding novel ways of using their pre-existing ones to overcome specific challenges and to learn new skills.

## **Discussion: Application of our framework to the case study**

### *Interactions among types of social relations*

This case study illustrates the dynamic and interactive nature of social capital embedded within the four types of relations. In their focus on herbs and cooking the women were initially organized on the basis of communal and associative relations. Norms and sanctions for participation were informal, and the group met on an ad hoc basis. As with most friendship groups, there were few, if any, sanctions for missed meetings, no records were kept, and topics for discussion were wide-ranging and only moderately focused. Once they decided to start a business, however, they needed to reorganize themselves with a view to the demands of market and bureaucratic relations. This included the development of personal skills relating to financial and legal record-keeping, marketing, and organizational management and it also included restructuring their relationships to meet business and government demands. Agendas were established for their meetings, formal decisions recorded, attendance became more important, and their relationships were transformed to those of business partners in addition to friends. In the process, several of the original members of the group dropped out since these new criteria for participation and norms of organization became too demanding or inconsistent with their preferred way of relating.

Communal and associative-based relations were utilized in the transformation to bureaucratic and market-based ones. In order to fulfill the formal requirements of

bureaucratic and market-based relations, the women turned to family and community members for help. Using their friendship with the local development officer, they learned which forms to fill, how to complete them, and how best to represent their interests. When they faced the gender-bias of property ownership, they turned to their husbands to overcome the obstacle. By the time their business had become successful they were collectively proficient in the financial record-keeping and marketing skills necessary for market relations, learned the business management and role requirements for bureaucratic relations, and had greatly increased their stock of social capital by extending their networks based on both these normative systems. They not only transformed the bases on which they related to each other, but they had also learned the norms and requirements for relating to business people and government officials. This gave them new bases of power, and the ability to extend their networks to other community members as employees and craft-store business partners. The original members of the herb discussion group reorganized their strengths in all four normative systems to achieve these objectives.

Complex interactions such as these and transfers of social capital within different relations are often overlooked or ignored in other approaches towards social capital. For instance, Putnam's (2000) indicators of social capital (such as membership in choir groups and bowling leagues) focus mainly on participation in voluntary organizations – where associative-based norms predominate. Putnam theorizes that social capital is currently declining in the United States and most other Western

countries, shown by the public's decreasing participation in voluntary organizations. Such a perspective, however, does not reflect an analysis of social capital beyond associative groups. It may be that people utilize social capital based on market relations, as opposed to associative or communal norms. From this perspective, the total stock of social capital may not have diminished but instead simply shifted to other normative structured relations. By paying heed to the full array of social relations in which people organize themselves we are better able to analyze how social capital can become manifested in other areas beyond those of voluntary organizations.

To elaborate, Putnam (2000) suggests that the greater inclusion of women in the work place may account for the decline in social capital. Whereas he interprets this as an example of a decrease in social capital, our framework would instead interpret this as a shift in the areas in which social capital is now being manifested and used. Although working women may be making less use of social capital embedded within associative relations than women in previous generations, they are most likely making additional use of social capital within market relations as a result of their increased inclusion in the workforce. Using Putnam's framework, the transformation of the Japanese women's herb discussion association to a formal business would be perceived as a decline in the community's overall social capital. From our perspective, their social capital did not decline but has been reorganized to include

market and bureaucratic-based social relations in addition to, or perhaps instead of, communal-based ones.

*Social capital enhances and inhibits*

As with the Japanese example, social capital embedded in one type of relation may enhance social capital within another. Using the norms developed from their common interest in herbs, the women reorganized themselves to learn the necessary skills for effective functioning in market and bureaucratic relations. In the process, they built their own market-based social capital and mobilized others with those skills to facilitate the change.

By using networks where bureaucratic and communal-based normative structures predominated, the women were able to enhance their stock of social capital embedded within market relations. Through the bureaucratic norms reflected in their relationship with the development officer, they used their associative-based social capital to enhance their skills and networks related to market-based relations. They then used their communal-based social capital to integrate their husbands into the process. This allowed them to by-pass the legal obstacles. Furthermore, they drew upon their communal-based social capital to learn the necessary culinary skills for the French menu. This case study offers a rich example of how bureaucratic, market, associative, and communal-based social capital embedded within diverse relations can reinforce each other.

There are numerous other examples in the literature. Coleman (1988) provides a detailed account of the way in which communal and market-based social capital reinforce one another in the Jewish diamond trading community in New York City. He describes how trust among the merchants permits them to freely lend each other bags of stones for inspection before a sale, allowing them to by-pass formal insurance and other costly safe-guards. It is their level of trust which ensures that no stones are substituted for ones of inferior quality. Coleman explains that the trust shared among the Jewish diamond traders results from the merchant community being very close with respect to social interactions (such as going to the same synagogue), along with ethnic and family ties. Employing our terminology, the communal-based social capital of the traders enhances the market-based social capital, making the system operate with lower transaction costs through the effective functioning of communal norms and relations. An individual who did not have access to the same communal-based social capital shared by the Jewish diamond traders would be at a significant disadvantage in the New York diamond trading market.

The social capital found in the various relations does not always enhance one another, however. In our rural research we often find examples where the associative-based social capital of voluntary groups is undermined by the demands of bureaucratic-based organizations. Bureaucratic norms require that people relate to

one another on the basis of roles, and resources are distributed according to generally applied criteria or regulations. Associative norms on the other hand mean that people relate to one another on the basis of the contributions they make to a common interest, and resources get distributed with respect to the advancement of that interest. Thus we often hear of volunteers who willingly contribute time and energy to the group objective, but prefer not to formalize their assistance by sitting on committees or documenting their activities. In the Japanese example, several members of the original group were unwilling to formalize their relationship to the others, subsequently dropping out of the business venture as it developed. In small towns with only a few people in the volunteer pool, the legitimate bureaucratic demand for proposal competition or accountability can easily become too great a burden for the associative-based social capital available. The result is that those groups without the bureaucratic-based social capital often remain disadvantaged when seeking support from bureaucratic agencies.

*Social capital may be available but not used*

By highlighting the central role of social relations for social capital, our approach allows us to introduce an important distinction between the availability and use of social capital. In our empirical work (Reimer, 2002a; Tiepoh and Reimer, 2004; Reimer, 2006) we measure the *availability* of market, bureaucratic, associative, and communal-based social capital through the social institutions, businesses, and associations that exist within our research sites – organizations that reflect the

existence of networks and norms which are potentially useful for individuals and groups within the community. On the other hand, the *use* of social capital is measured by focusing on the activities of individuals – their use of various forms of social support and their participation in a variety of activities. Our empirical work has demonstrated that there is a weak relationship between available social capital and the use of social capital (Reimer, 2002a; 2006), thus we cannot assume that available social capital is always used. Such a distinction is imperative for an analysis of social capital because it stimulates questions regarding why some aspects of social capital are used while others are not. Part of the answer to this question lies in variable access to social capital (Foley and Edwards, 1999).

Structure, norms, and power affect access to social capital. The use of social capital may be inhibited by insufficient knowledge about networks or institutions, one's location in the network, or the lack of ability to function within the normative structures they require (Foley and Edwards, 1999). Where this is the case, social exclusion is the result. Access may be denied on the basis of 'political influence, work schedules, lack of resources, racial discrimination, costs, distance, and a lack of education' (Desjardins et al., 2002: 24). In Loury's critique of the individualistic focus of neoclassical economic theories, he employs the concept of social capital to explain how certain individuals are better able than others to access various resources due to their social positioning. In his words, '[e]ach individual is socially situated, and one's location within the network of social affiliations substantially



affects one's access to various resources. Opportunity travels along these social networks' (Loury, 2000: 233).

Opportunities are also structured by social norms. As we mentioned, Japanese law typically prevents women from becoming involved in certain market-based relations. Thus, the women found themselves excluded from property ownership and venture capital based on property. Although market services within the community existed and were available, they were inaccessible to the women prior to the aid they received from the economic development officer and their husbands. By using more informal norms available within the community, the women were able to overcome the exclusion imposed by the more bureaucratic norms reflected in the general regulations.

This example illustrates the dynamic nature of social capital. This dynamism includes shifting the power relations that are embedded in all social relations (Massey, 1994). Thus, power is likewise reflected in differential access to social capital. One cannot assume that social capital is equally available to all persons since this ignores important power relations. By ignoring such relations, occurrences of exclusion are overlooked, as are measures for overcoming instances of exclusion.

### **Concluding Remarks**

The preceding has outlined our theoretical approach towards social capital. We have attempted to address certain valid criticisms of the concept by constructively

confronting reoccurring conceptual deficiencies while ascertaining and amalgamating strengths found within the literature. We have aimed to produce an integrated, operational concept of social capital; one that is worthy of its subtle yet complex character. In the concluding paragraphs, we will identify key points and issues related to our social capital framework while proposing directions for further research and our framework's potential for informing public policy.

Social capital is conditioned by the normatively structured social relations in which it is embedded. By identifying how social capital is embedded within different relations, new questions emerge regarding the relationships between the different bases of social capital and their relative dominance within specific contexts. We suggest, for example, that rural communities have become disadvantaged in the last 50 years since the dominant bases for the distribution of resources and legitimization has shifted to market and bureaucratic relational forms. Markets in both goods and services have moved to the national and global levels while government services have become more rationalized. This has meant that the traditional strength of rural governance and action in more local associative and communal relations has diminished since people are required to give priority to these external commitments over local ones. Those communities that have been able to reorganize themselves to support market and bureaucratic norms and develop the related skills are most likely to thrive in this environment.

Social capital in one relation interacts with, enhances, or conversely, inhibits social capital within other relations. A major charge against the concept of social capital is its ambiguous status as a dependent or independent variable (Foley and Edwards 1999; Portes 1998). By recognizing the complex and non-linear nature of social capital, we have addressed how simple circularity does not take into account the complex nature of social relations. While conceiving of social capital as primarily an asset, we have emphasised how the relationship between social capital and outcomes resulting from its mobilisation is not a linear one – the outcomes of successful use can lead to both the creation and enhancement of subsequent social capital. Through analysing and explaining circumstances where mobilisation of social capital leads to the manifestation of additional social capital (akin to what Putnam describes as “virtuous circles”), our framework is able to demystify the complexity of certain social phenomena where others may search for simpler cause-and-effect relations. In fact, much of our research program is orientated to understanding how different aspects of social capital are reinforced or inhibited through interactions between these various relations, and identifying the conditions under which they might enhance or inhibit one another. In this way, we will be better able to maximise the ability for community members and groups to operate with respect to the four aspects of social capital in their endeavours to improve their conditions.

Additionally, we propose a conceptualization of social capital that is value-neutral.

Although for various groups social capital can be a valuable asset to be employed for

achieving various goals, these goals may not necessarily benefit the community at large. Social capital can be mobilised to assemble a neighbour crime watch group, for example, simultaneously being employed by a street gang to undermine the organisational objectives of the former (Woolcock and Narayan, 2006).

Issues of conflict and power relations are often overlooked in discussions of social capital (Halpern, 2005: 22-25), especially those which only consider used social capital or which do not make a distinction between available and used social capital. Such perspectives may identify the social capital used by certain groups or individuals, but they typically fail to include an analysis of how other groups and individuals can be excluded from access to social capital. While social capital allows us to consider perspectives that take into account social networks and norms, the point has been made that the concept can have the effect of being merely another example of 'deficit theory syndrome' (Morrow, 1999: 760). In other words it can be framed as simply another resource which marginalized individuals and communities may be seen as lacking. Instead, our framework can inform policy and programs dealing with issues such as community development, social exclusion, civic engagement, and poverty since it moves beyond the general suggestion that communities build their stocks of social capital. We argue policy programs should first consider how they might better utilize the social resources already present in a given community.

From a community perspective, programs can take into account different aspects of social capital instead of focusing primarily on the social capital based within associative relations. By doing so, options become available that may be overlooked by more limited interpretations of social capital. As within the Japanese case study, for example, strengths in associative or communal-based social capital may form a basis for building capacity in market or bureaucratic-based action. This framework can indicate where time, energy, and money should be invested by determining which type of social relation is most effective at fostering social capital to achieve the desired outcomes of a particular program. The framework also directs attention to available aspects of social capital that may remain unused. By exploring social capital based on all four types of relations, local communities can find innovative ways in which existing strengths may be activated for meeting old challenges.

Furthermore, our framework reinforces arguments that national and regional policies and programs must remain flexible to local conditions, power relations, and forms of social exclusion (Épenda, 2003; Jean and Épenda, 2004). The complex and dynamic nature of the relationships among the various types of social relations must be considered when striving for general objectives. A community with strengths in market or bureaucratic-based social capital, for instance, should be approached differently than one with associative or communal-based strengths.

In addition, the weak relationship between the availability of social capital and its actual use suggests that increasing the availability of social capital will not necessarily lead to its being used. Programs focusing on issues related to social exclusion such as poverty reduction or unemployment should focus on matters of access to services rather than simply service creation. By understanding these processes we can better achieve a variety of outcomes, such as improving the economic well-being of communities, increasing access to health services, and increasing the efficiency of employment programs.

On a final point, as previously mentioned, an analysis of social capital must consider both networks and norms.<sup>6</sup> Thus, when examining social capital, it is important to examine social networks and identify the significance of various structures for coordinating behavior. For the sake of brevity and precision, the current explanation of our framework has centered predominantly on the under-examined subject of norms and normative structures. This present focus is not to preclude the importance of rigorous analysis on the networks in which social capital operates. In fact, our framework allows for a constructive integration of an examination of both norms and networks – we have found previous work on bonding, bridging, and linking relations particularly relevant in this regard (Flora et al., 2004; Stone et al., 2003; Woolcock 2001). An integrated approach stimulates additional research questions regarding transfers and interactions of social capital among and between groups and

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<sup>6</sup> Halpern (2005) would add a consideration of ‘sanctions’ to this list. This appears to be good advice if the relationship between particular norms and possible sanctions is found to be uncorrelated.

individuals. We might ask, for example, “How is social capital manifested within bonding, bridging, or linking relations?” “Which types of network structures are most consistent with social capital within market, bureaucratic, associative, and communal relations?” “Which of the four normative structures are conducive to the development of bonding, bridging, or linking relations?” We have noted that in rural areas, market relations are becoming more salient over time, replacing the previous importance of communal and associative relations. In what ways has this had an effect on the qualities of connections which people maintain between one another?

Evidentially, we promote our framework for the purpose of informing research as well as public policy. In summary, further routes of research and inquiry would include, but are certainly not limited to an 1) examination of the conditions by which one type of social relation enhances or inhibits other types and how groups can increase their abilities to maximize desired outcomes, 2) exploration of how access to social capital embedded within particular relations is restricted or privileged to certain individuals and groups and under what conditions access is gained, 3) identification of which bases of social capital are most effective at accomplishing specific outcomes, 4) examination of the way in which shifts in the importance of certain relations affect particular groups or communities and how they are adapting to these shifts. A genuinely integrated approach towards social capital would allow for constructive investigation and inquiry on these multiple themes and beyond.

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