

S U S T A I N A B L E J E R S E Y
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Sustainability Brief: Social Capital

'Social capital refers to the institutions, relationships, and norms that shape the quality and quantity of a society's social interactions... Social capital is not just the sum of the institutions which underpin a society – it is the glue that holds them together' (Bank, 1999). Such social glue is one factor that determines how well society is able to organize collective action to solve major problems. Without societal cohesion and focus it is very difficult to make significant change. As such social capital is a critical element of sustainability. It tends to be higher in sustainable communities by their very definition and can exist at all scales-local, regional and global. The inherent social capital of earlier societies has been in decline in America since the mid-20th century.

1 Background

Social capital is a relatively new academic concept though the relationships it describes have existed throughout human society. Social capital was first formally discussed in studies of rural school community centers by Lyda Judson Hanifan in 1916-1920 to describe 'those tangible substances [that] count for most in the daily lives of people' (Smith, 2000-2009). This was followed in the 1960s by Jane Jacobs' work on the life of urban neighborhoods and in the 1980s by Pierre Bourdieu's work on social theory and James Coleman's work on education – all of which added to the academic concept and interest. However social capital became a major research topic and entered the public realm through the work of Robert Putnam, author of *Bowling Alone*. This book and his subsequent work discussed the serious loss of social engagement in the United States and its impact on the quality of individual and community life. (Smith, 2000-2009) Putnam defined and presented proxy measurements to gage the level of social capital and thereby perform comparisons of communities, their social capital and its impacts on aspects such as crime, economic competitiveness, educational achievement and other social, economic and environmental conditions which are core to sustainability.

- The central premise of social capital is that social networks have value. Social capital refers to the collective value of all "social networks" [who people know] and the inclinations that arise from these networks to do things for each other ["norms of reciprocity"]. (Claridge, 2004)
- Social capital allows for collective action within communities that may be contrary to individual interests but which serves the common good.
- Social capital is defined quite differently based on the interests of the researchers, their areas of focus and the context of their studies." The central idea of social capital, in my view, is that networks and the associated norms of reciprocity have value. They have value for the people who are in them, and they have, at least in some instances, demonstrable externalities, so that there are both public and private faces of social capital. I am focusing largely on the external returns, the

public returns to social capital, but I think that is not at all inconsistent with the idea that there are also private returns.” (Putnam R.)

1.1 Social Capital Concepts and Impacts

The definitions of social capital have been broadened, analyzed and inserted into many other related fields of research such as economics, development theory and philosophy. There has been increasing concern about the loss of social capital, the reasons for this loss and how social capital can be maintained or created for its beneficial aspects. However the research has also discovered that social capital may also have negative impacts within a community which need to be better understood. Additionally there is considerable debate about the validity of the proxy measurements in general and in particular contexts.

1.2 Definitions

In this discussion social capital is important for its impact on the sustainability of communities. Their social sustainability as a functioning group and the related impacts to their physical condition and environment such as health, safety and education are critical elements in the comprehensive development of successful communities.

'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' (Coleman 1994: 302). These entities have varying impacts in the community with some more successful in the support of reciprocity and a sense of community. Participating in social capital entities changes both the individual and the community. The “psychological sense of community” was first defined in the mid 1970’s and refined in the mid1980’s to include four aspects:

- Membership (being part of a group)
- Influence (both influencing others and being influenced)
- Integration (benefits from the membership)
- Shared emotional connection (shared history)

Trust between individuals thus becomes trust between strangers and trust of a broad fabric of social institutions; ultimately, it becomes a shared set of values, virtues, and expectations within society as a whole. Without this interaction, on the other hand, trust decays; at a certain point, this decay begins to manifest itself in serious social problems... (Beem 1999: 20) (Smith, 2000-2009)

This trust and participation in social capital entities is supportive of responsibilities beyond the individual and is core to the care of the commons. Societies are only sustainable when the individual good and the community good are balanced with each other and the overall society, environment and economy.

Social capital is thought to have two distinct relationships- bonding and bridging. Bonding (or exclusive) ties are more inward looking and reinforce homogenous entities. Bridging (or inclusive) ties are more outward-looking and engage more disparate entities. (Putnam 2000). Both can be beneficial in creating closeness at different scales. Historical cities are an example: self-sufficient for most needs but requiring regional connectivity for special circumstances. Bonding however can also lead to an insider-outsider condition that is detrimental for the outsiders. Ghettos are a classic example of this dichotomy. Originally ghettos were a preferred condition which allowed for a specific group to share common values and physical proximity while existing in a diverse society. They then became associated with forced isolation of specific groups. But

even in this negative condition there can be positive results from social capital engagement. Close communities, ones with very high social capital, may also have a stultifying effect on the individuals within. The most successful communities tend to have a balance of diversity and cohesion in their neighborhoods.

1.3 Benefits of Social Capital

Social Capital provides significant benefits to the well-being of communities and individuals. Putnam was able to show positive impacts of increased social capital (described below) using his proxy measurements:

- Enhanced child development, opportunities, and educational achievement through family, school and community networks, and norms of reciprocity
- Enhanced public environments which are safer, cleaner and friendlier
- Enhanced economic prosperity for individuals, firms, communities and regions
- Enhanced health and happiness through social engagement in the community

These benefits combined with the bridging and bonding relationships are increasingly important as globalization shrinks the world through enhanced communication and travel but isolates the individual through the same conditions. Sustainable communities require high social capital to succeed and by their nature increase that capital in an iterative synergistic process which makes them desirable places to live and work and vital to comprehensive global sustainability.

1.4 Loss of Social Capital

Putnam and those who have followed him in the study of social capital have documented the loss of the activities that are considered proxies for social capital. Most of them have been in decline since the mid-20th century. With the loss of these activities our communities become less sustainable. Putnam developed social capital ratings for the US mainland states. He then compared the level of social capital with the following issues: school function, child welfare, child TV viewing, rates of violent crime, tax evasion, tolerance; levels of health, and economic and civic equality. High levels of social capital are associated with good conditions and low levels with bad conditions. Therefore the significant loss of social capital immediately creates a loss of other personal and social beneficial conditions. One of the greatest areas impacted is the commons – those areas for which no one has specific responsibility but for which individuals must accept responsibilities for the benefit of the community.

Circumstances that prevent or limit the availability of social capital for a community and its members can have a negative effect on the health and well-being of the members of that community. These negative effects on health and well-being can in turn have negative effects on the community as a whole. (Center for Disease Control) As an example, Putnam showed that every ten minutes of commuting reduces all forms of social capital by 10% (Putnam R. D., 2000).

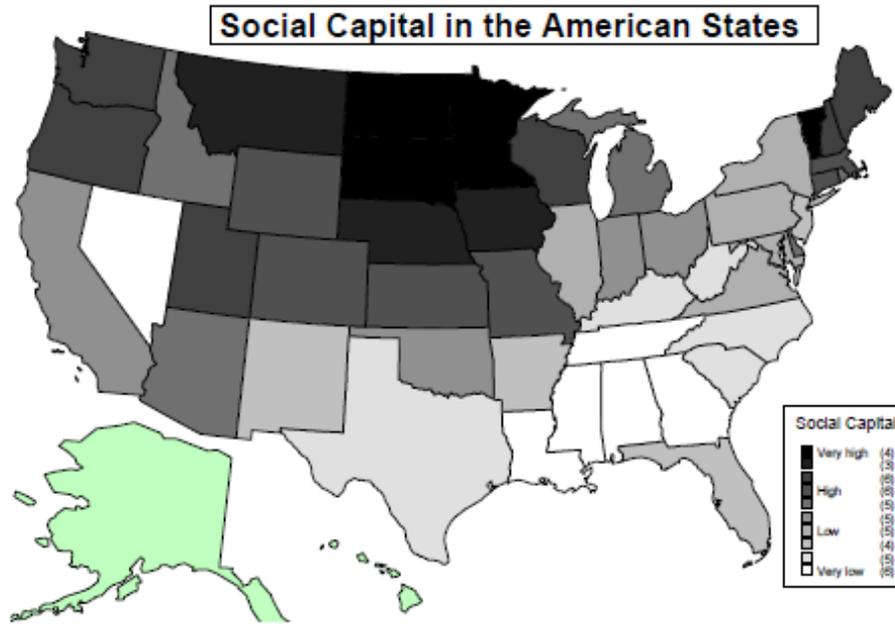


Figure 1: Putnam’s map of social capital

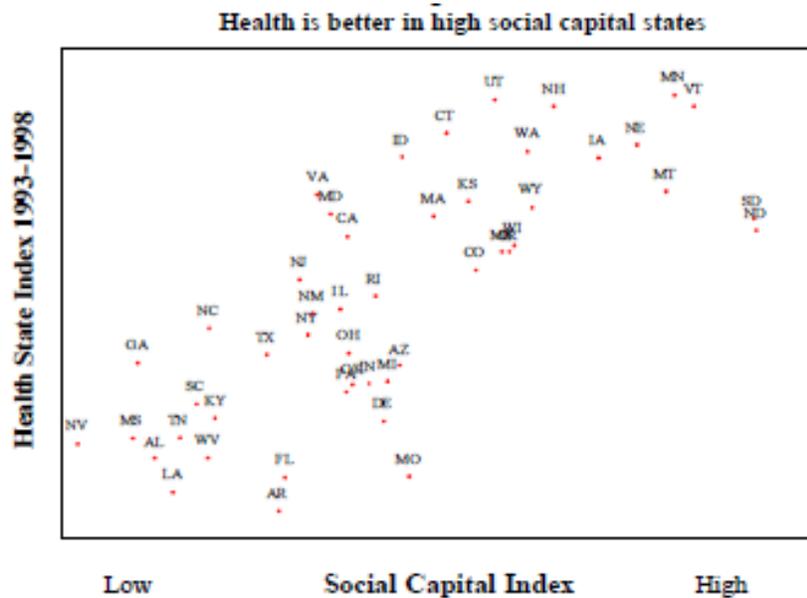


Figure 2 Putnam’s health and social capital assessment

Figure 1 shows GPI account trends for the 1950 – 2004 period. The results are alarming. While per capita GDP has risen dramatically – from \$11,672 in 1950 to \$36,595 today, per capita GPI has stagnated in the \$14,000-\$15,000 range since the late 1970s. This implies that since the late 1970s, the benefits of economic growth have been entirely offset by rising inequality, deteriorating environmental conditions, and a decline in the quality of our lives.

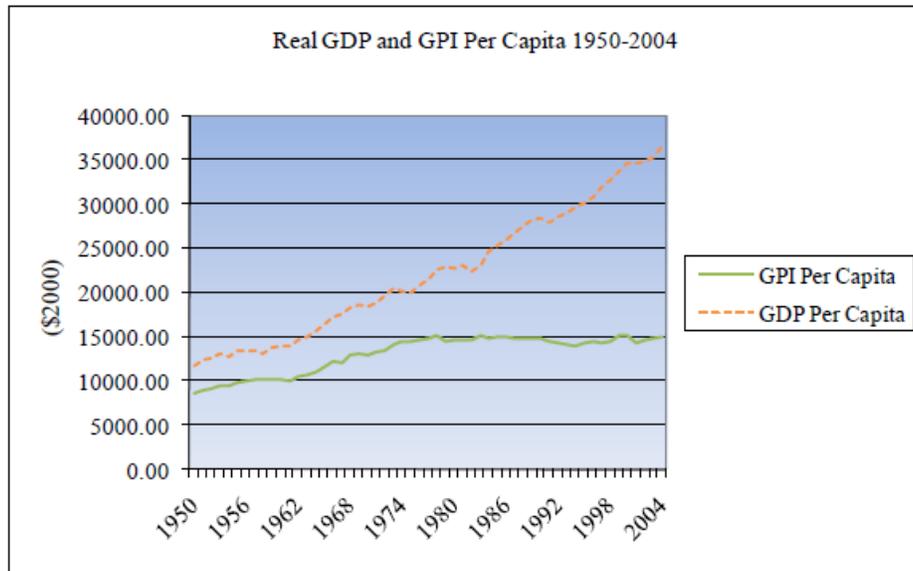


Figure 3 GPI Trends

The detrimental impacts from climate change, income inequality, urban sprawl, globalization, war have lowered the GPI but greater college graduation and volunteerism are raising it.

However the GPI (2006) reports that “volunteerism is on the rise, and represents some of the most valuable work performed in our country. The GPI estimates the value of volunteer work in America to be over \$130 billion. On a per capita basis, the value of work performed by churches and synagogues, civic associations, neighborhood groups, and non-profits rose from \$202 in 1950 to \$447 today, implying that over the past few decades, Americans have become more generous with their time.” (Talberth, 2012)

1.5 Current Trends

The reactions to the rise of social capital as a concept and area of study are evident in two recent books which are supportive of an increase in social capital as a critical part of the sustainability of our world. Patricia Illingworth promotes the value of social capital as a moral principle as globalization both connects and isolates the individual. As such the ethics can serve to benefit the individual, the community and global well-being and support both bonding and bridging at multiple scales. Luigino Bruni promotes a need for balance between the equality and freedom of the market and the need for relationships and their associated support structure. Similarly to Illingworth, he tries to make the responsibilities of the common good more palatable by proposing it as “gratuitousness” and as a mitigation of the isolation of the market.

2 Sustainability Issues

- New research into happiness and well-being is reinforcing the importance of the conditions that support social capital and the development of better measurements of it.
- New directions away from GDP as the sole indicator of community/state/national success, viability and sustainability incorporate indicators for social capital and environmental conditions

3 Sustainability Responses

3.1 Creation and Maintenance of Social Capital

If social capital benefits sustainability then it is important to create and maintain it to the greatest extent possible. It is argued that people's participation rarely happens spontaneously, but rather involves social preparation (Albee & Boyd, 1997). This is a process of supporting people to:

- Gather information about their circumstances and resources;
- Analyze the situation;
- Prioritize actions they wish to pursue;
- Join together into a group or an organization of their own choosing;
- Work out the means to implement these actions.

Such social preparation necessitates a systematic pattern of action-reflection-action, and is the fundamental core practice of participatory development (Albee & Boyd, 1997). (Hobbs, 2000) The successful creation of social capital is not truly understood. Additionally social capital can be exclusive rather than inclusive of groups or disruptive of communities where the connections are used for individual benefits of small groups.

The dynamics of participation in society (by which social capital is measured) have changed. The access to the internet has created global online communities while frequently creating local physical isolation of the individual. 'The concept of social capital contends that building or rebuilding community and trust requires face-to-face encounters. (Beem 1999: 20) (Smith, 2000-2009). The concept of sustainability and its physical manifestations create the conditions in society that encourage face to face relationships and as a result high social capital and the extensive benefits that are derived from it. Appropriate zoning and physical development can play a strong role in providing opportunities for personal interactions.

3.2 New measures of social welfare and sustainability

There are many new measures of sustainability being developed that include aspects social capital in their indicators. The Index of Sustainable Economic Welfare (ISEW) and the Genuine Progress Indicator (GPI) are two more well known that include the "non-market benefits associated with volunteer time, housework, parenting, and other socially productive time uses as well as services from both household capital and public infrastructure." (Beyond GDP) These are gaining credibility as realistic indicators of viable communities.

4 Implications

Social Capital appears to be a very important element in sustainable communities. Reliable indicators that encompass more than the current social parameters need to be developed and incorporated into the indicators for judging neighborhoods, municipalities, states and nations. The quality and quantity of public space, the availability of public amenities and the physical form and content of communities impact social capital yet specific parameters exist.

5 Defining & Tracking Sustainability

Based on the above, the following statement is offered as a definition in this area:

Our social capital provides a sufficient foundation to work together and achieve sustainability when:

- Community participation in formal and informal social activities is high and numerous diverse activities are available
- Community participation in governance is high with multiple opportunities for debate of differing views
- Community volunteerism is high and numerous opportunities exist
- Physical opportunities exist in the community for informal social encounters
- Social trust is high facilitating decisions and collaborative efforts

On a municipal level data can be gathered on the number of social clubs and participation rates, public activities and participation rates, community volunteerism, school extracurricular activities and participation rates and other proxies for social capital.

The social connection within a community is very hard to measure. Putnam developed proxies that represent the physical manifestations of the social capital within a community. Most of the data used for measuring aspects of social capital is derived from the General Social Survey (National Opinion Research Center) was started in 1972 and most recently recompiled in 2012. The GSS contains a standard 'core' of demographic and attitudinal questions, plus topics of special interest and is the only survey that has tracked American opinions over such a length of time. It allows research into a broad range of social capital issues and impacts. However there are many in the field who question the practicality and validity of the measurements utilized. Putnam's measures are still considered the most comprehensive but they are still proxies as there is no other method as yet. Putnam's indicators of social capital for the United States are:

- Measures of community or organizational life
- Measures of engagement in public affairs
- Measures of community volunteerism
- Measures of informal sociability
- Measures of social trust

6 Conclusions

The newest programs on sustainable communities recognize that many of the most important qualities aren't directly measurable at this time but many new indicators have been developed such as the GPI. Beauty, happiness, connectivity and a sense of well-being all are self-evaluations and perceptions just as color can be defined as a wavelength but there are no measurements that can prove what each individual actually perceives. Social capital is still in that category. Social capital definitions and measurements are proxies and works in progress but it is clearly accepted that higher social capital beneficially affects communities and makes them more sustainable. Lower crime rates, higher academic achievement, better health and better economic conditions are all associated with high social capital. These are all desirable aspects of communities that other individual policies may affect but not as a comprehensive approach.

However it must always be monitored as social capital can have negative impacts if the community becomes exclusionary in its relationships. There are many examples of internal wars in nations between strong ethnic and religious communities.

Sustainable communities should attempt to balance social capital with social equity thereby providing both cohesion and diversity from the neighborhood to the global scale.

Table 1: Preliminary Social Capital Sustainability Indicators and Targets

Definition	Preliminary Sustainability Indicators	Preliminary Targets	Scale of Analysis	Availability and Period of Data
Community participation in formal and informal social activities is high and numerous diverse activities are available	Community participation in informal and formal social activities Number and diversity of community activities	<ul style="list-style-type: none"> • Percentage of community participating in activities • Frequency of participation • Percentage change in participation • Increase or decrease in available activities 	Neighborhood, municipal, county, state and national	General Social Survey(NORC) -Annual
Community participation in governance is high with multiple opportunities for debate of differing views	Participation in voting Participation on public boards and committees	<ul style="list-style-type: none"> • Percentage of eligible voters who vote in elections • Percentage of community that holds some form of public position • Per capita annual public governance activities 	Neighborhood, municipal, county, state and national	General Social Survey(NORC) -Annual
Community volunteerism is high and numerous opportunities exist	Participation in non-profit volunteer programs	<ul style="list-style-type: none"> • Percentage of community engaged in volunteer activities • Increase or decrease in participation levels • Increase or decrease in average time spent in volunteer activities 	Neighborhood, municipal, county, state and national	General Social Survey(NORC) -Annual
Physical opportunities exist in the community for informal social encounters	Number and diversity of locations within public realm for active and passive activities	<ul style="list-style-type: none"> • Per capita area of parks, meeting halls and public space per community • Per capita number of annual public events • Percentage of participation in public event 	Neighborhood, municipal, county, state and national	General Social Survey(NORC) -Annual

Definition	Preliminary Sustainability Indicators	Preliminary Targets	Scale of Analysis	Availability and Period of Data
Social trust is high facilitating decisions and collaborative efforts	Residents in communities trust other residents even without knowing them and trust other contiguous communities	<ul style="list-style-type: none"> • Per capita increase of trust per GSS 	Neighborhood, municipal, county, state and national	General Social Survey(NORC) -Annual

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