



Explanation of the different levels of social capital: individual or collective?

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Abstract

One of the key questions about social capital is where or at what level of society it resides. Does it reside with the individual like human capital? Or is it a property of society more generally? Or in fact, is it both the property of individuals and of society? The question of whether social capital is the property of the individual or collective is closely echoed by discussions of whether social capital is a public or private good. The basis of social capital is individual actors and their relationships, but also the social structures within which they are embedded. The relationships of individuals have microconsequences for individuals as well as macroconsequences for the collective (Lin and Erickson 2010). As such, social capital has individual and collective aspects, although there are mixed perspectives in the literature.

Keywords: social capital, theory, levels, individual, collective, private good, public good

Property of the individual, collective, or both

While the full gamut of views can be found in the literature a general agreement has emerged in recent years that social capital has both an individual and an aggregate component (Buys and Bow 2002; Newton 1997; Slangen, van Kooten, and Suchanek 2003). This is because an individual has a degree of control over some aspects of social capital, but little control over other aspects.

Property of the individual	Property of the collective
Becker 1996	Fukuyama 1995
Bourdieu 1986	Granovetter 1985
Erickson 2004	Henrich et al. 2001
Flap 2002	Newton 2001
Glaeser, Laibson, and Sacerdote 2002	Putnam 1995
Lin 2001a	
Yang 2007	

Table 1. Some examples of authors positing social capital as individual or collective property

An individual can invest in personal relationships to build their social capital. Someone can attend networking events, join community or interest groups, or they can volunteer their time in the community. These activities will help them to meet new people and form new

relationships. They can be friendly, offer assistance, do favours for others, and be trustworthy and kind. This will build goodwill and a positive reputation. They can spend time with their network connections and share experiences and perspectives. These actions build aspects of social capital such as networks, trust and reciprocity, and shared language and understanding, i.e. all three dimensions of social capital: structural, relational, and cognitive.

It's not just positive actions that affect an individual's social capital. Negative actions can have the most severe consequences for social capital, particularly those actions that represent exploitation or betrayal of trust. These actions tend to have significant and lasting impacts. It can take a long time to build strong relationships, goodwill, and trust, but it can be destroyed in an instant.

While an individual can invest in or destroy their social capital, an individual does not own their social capital *per se*. Instead it resides in their social relationships. It could be described as shared ownership but in fact social capital requires the inclination and availability of others to be realised. Therefore, it differs from the typical concept of ownership. Regardless of the established obligations, goodwill, or trust, an individual may or may not provide the desired assistance at a given time. For example, if your interests conflict with theirs, or if they do not possess what you require, or if they are unavailable when required, or if they decide for any or no reason that they don't want to provide the desired assistance at that time.

In this regard social capital is somewhat intangible, certainly less so than other forms of capital. You can't put

it in the bank and draw upon it as required. But you can build up the potential stock of social capital such that you increase the likelihood of being able to draw upon it when desired. Therefore an individual may feel a degree of ownership of 'their' social capital as well as a degree of control despite the fact that social capital resides between social actors.

To illustrate these feelings of ownership and control, consider the following reflection about social capital.

I am proud of my social capital because I have worked hard to build it. I have invested time, energy, and in some cases money in my social capital. I know how to build more of it, and I know that if I am not careful I could destroy much of it by a single action. I am confident I am significantly better off because of my social capital and I can cite numerous examples of how I have benefited from it. I know I don't fully own it, and I cannot fully control it. I know others benefit from my investment in social capital, in some cases more than I do. I feel that investing in social capital makes my life better, my community better, and the world better. It may sound like it is exploitative of social relationships, but I invest in social capital because it is mutually beneficial. In fact, I give as much as I can where appropriate to do so. I give time, information, skills, and any other resource I have that is useful to other people. Often a small investment results in a large return. A minute of my time may save someone an hour. A small piece of information may save someone hundreds of dollars. "A few kind words may brighten someone's day". By acting in this way there is therefore a positive return on investment for my social groupings, and society more generally, and in the long run for me as well.

However there are aspects of social capital that individuals have limited control over. These aspects tend to change more slowly, and they are generally culturally embedded. In fact, if you review the aspects of each dimension of social capital (see Table 4) you find that they are more characteristics of the collective rather than the individual. For example, when high levels of relational social capital are present, the resultant trust and associability become a public rather than a private good, that is, available to anyone who is part of the group or organisation to draw upon (Coleman 1988; Leana and Van Buren 1999; Oh et al. 2006; Putnam 1995). The same is true of cognitive social capital considering shared language, narratives, values, beliefs, and attitudes are a characteristic of a group rather than an individual (Taylor 2007). The one exception may be bridging social capital, an aspect of the structural dimension, since it provides opportunities primarily for the individual who is located at the 'bridge', so could be considered a private good (Taylor 2007).

An individual contributes to each aspect, and the extent of influence varies greatly depending on a range of factors, but ultimately the listed aspects of social capital are not individual characteristics or properties, and individuals have limited control over them.

For example, if a group, organisation, or community has a general culture of distrust then people may be less trusting despite an individual's previous trustworthy behaviour. Another example is rules and procedures, an important aspect of the structural dimension of social capital, which typically an individual has little control over. An individual also has little control over social norms and sanctions, especially in larger social groupings.

These collective attributes are not static, they can be influenced and change over time. Generally, the speed of change, and the extent of individual influence, depend on the size and interconnectedness of the social grouping. Smaller or more connected groups tend to change more quickly than larger groups. This is primarily because it takes less time for the change of norms, values, expectations, etc to be observed and accepted by individuals. At a societal level these aspects of social capital are often described as 'rooted in history' because of the very slow nature of change through a society.

Public good, private good, or both

From this discussion we can conclude that social capital has both individual and collective components and is both a private and public good. It has characteristics of a private good because an individual can invest in their social capital, has some degree of ownership and control, and can derive benefits as exclusive private property (Alguezaui and Filieri 2010). It is however also a public good since many aspects of social capital are beyond the control of individuals and affect and benefit larger groups of people, not just those who created it (Kostova and Roth 2003).

There is however no consensus in the literature, especially from the early authors on social capital. For example, Coleman (1988) argued that social capital is a public good, while Fukuyama posited that it is in fact a private good (Fukuyama 2001, 2002). Fukuyama (2002) suggested that social capital is not a public good but a private good that produces extensive positive and negative externalities. This was supported by Dasgupta (1999, p. 325) who stated that 'social capital is a private good that is nonetheless pervaded by externalities, both positive and negative'. The goods produced by social capital can also occur at different levels of the social structure (Paxton 1999). It can be a private good or a public good depending on the level (Aldridge, Halpern, and Fitzpatrick 2002). Onyx and Bullen (2001) supported this, identifying that social capital appears to be both a private and a public good.

Micro, meso, macro level social capital

There are divergent views in the literature; some authors posit social capital at the individual level, some the community level and others have a more dynamic view. Social capital has been located at the level of the individual, the informal social group, the formal organization, the community, the ethnic group and even the nation (Bankston and Zhou 2002; Coleman 1988; Portes 1998; Putnam 1995; Sampson, Morenoff,

Private good	Public good	Both
Alguezaui and Filieri 2010 Dasgupta 1999 Fukuyama 2001, 2002	Andrews 2010 Bourdieu 1986 Coleman 1988 Houghton, Smith, and Hood 2009 Leana and Pil 2006 Subramanian et al. 2003 Yasunobu and Bhandari 2009	Buyt and Bow 2002 Kostova and Roth 2003 Newton 1997 Onyx and Bullen 2001 Putnam 2000 Slangen et al. 2003

Table 2. Some examples of authors positing social capital as a private good, public good, or both

and Earls 1999). Kilby (2002) stated that social capital exists at various levels as one feels belonging to family, community, profession, country, etc, simultaneously and these levels overlap and interact. This is one of the theoretical cornerstones of Bourdieu's sociology – the idea of society as a plurality of social fields (Siisiäinen 2000).

Social capital is identifiable at any level of social grouping, from the individual level to the level of the nation, and it exists at any level where there is identification and belonging, i.e. a social grouping. This could include identification or belonging to factors such as location, class, race, religion, profession, hobbies, interests, and a range of other factors.

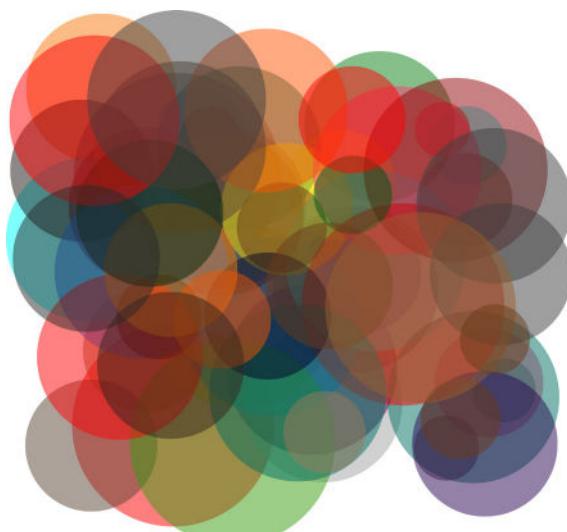


Figure 1. The nature of societal structure and organisation is too numerous and complex to describe or illustrate

For example, based on geography I may feel belonging to my neighbourhood, my city, my state, and my country. In addition, I may also feel belonging to the neighbourhood where I grew up, where I went to college, and where I lived previously. I also share social capital with my family, with people I went to school and college with, and who I work with, or used to work with, who go to my church, who are in my sporting team, who are members of the same professional organisation, etc.

Among these groupings there is potential for overlap and interaction. For example, the norms, values, beliefs etc in my family influence my actions in my other social groups. My brother may also play on the same sporting team, my neighbour may work for the same company, and I may see my old boss at professional events. The

norms, values, beliefs, shared language and shared understandings embedded in each grouping interact in complex and dynamic ways. This is not just between groupings, when one member interacts with a member of another group, but dynamically as any one member belongs to numerous groupings simultaneously. All these different social groupings are too numerous and their interactions too complex to describe, especially when we include their distribution in time and space.

To simplify this complexity, we can define the level of interest that is relevant for any given application as either micro (individual), meso (group or organisation) or macro (community or societal). This classification is useful in the analysis of social capital (refer to Figure 2).

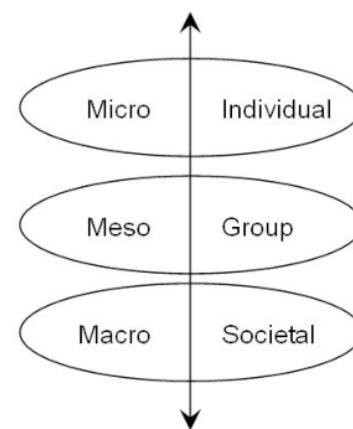


Figure 2. Illustration of the interaction of levels at which social capital exists

Because actual reality is not divided into levels, analysis at one level is inevitably embedded in the other two (Turner 1999). This represents one of the main challenges of social capital theory and its research – simplification is required to make sense of the complex social environment but over simplification can obstruct meaningful findings.

Table 3 summarises the three levels of social capital analysis. This is a generalisation of the different views expressed in the literature. Individual studies do not necessarily fit neatly into one category and various approaches have been used to study social capital that do not fit into this schema. This overview is provided for descriptive purposes to help gain a general understanding of the different conceptual approaches to social capital theory.

Level	Public good	Both
Micro	Individual	Property of individuals Private good
Meso	Group or organisation	Property of individuals and the collective Private and public good
Macro	Community or society	Property of the collective Public good

Table 3. Generalised overview of levels of analysis of social capital

Individual (micro) level social capital

At the micro level the focus is on individuals and the relationships between individuals. Social capital at this level tends to be conceptualised as the property of an individual and therefore as a private good (Yasunobu and Bhandari 2009). The focus tends to be on the structural dimension and analysis at the micro level tends to make the distinction between bonding, bridging, and linking social capital. This is not to say that the other dimensions are omitted, but they are often conceptualised as they relate to the individual.

At the individual level social capital is conceptualised as accessible resources embedded in the social structure or social networks that will bring benefits to their owners (Lin 2001b). It is the number and quality of social ties, and the resources those ties have access to. Put simply it is to have a good relationship with a lot of people who have access to valuable, and different, resources. A good relationship denotes strong norms of trust and reciprocity. You could think of this as goodwill, favours, obligation, or solidarity. As previously discussed a social tie is more valuable if the other person has access to more resources, and if an individual's ties have access to different resources. Resources can be physical (such as a tractor or financial capital) or can be social (such as connections to other people). Consider the difference between knowing 100 different people who own a tractor, compared to knowing someone who has a tractor, someone with a harvester, someone with a cold store, someone with financial planning experience, someone with contacts in different markets, someone with mechanical engineering experience, etc. Clearly the nature and diversity of resources that your ties have access to is very important.

You may be thinking at this point that measuring social

capital would be easy if you just measure the number of ties someone has, some index of the quality of those ties, and the resources that are available through the network. Zhao (2002) conceptualised this as: network size, network density, and embedded network resources. This approach is known as the network approach, building on the work of Burt, Lin, and Coleman.

The individual level is the preferred level of analysis for many economists since it suits the reductionist paradigm that dominates economics, and many other disciplines. The individual level of analysis has been criticised for the over simplification of the complex social environment.

Group or organisation (meso) level social capital

At the meso level social capital investigation tends to focus on a target social group as the context for analysis. This may be an organisation, a stakeholder group, a sporting league, or any other social grouping. The analysis may focus on internal social capital, external social capital, or both internal and external.

Internal social capital resides in the relationships among the members of the group or organisation (Akram et al. 2016; Huber 2009) whereas, external social capital exists in the shape of relationships with external actors that may be individuals or other social groups (Wu 2008; Zahra 2010). The internal/external distinction can be a useful analytical tool for social capital at the group or organisational level.

At the group or organisational level social capital is conceptualised more as a public good than a private good, with more emphasis on norms of trust and reciprocity (Aldridge et al. 2002). The group, as a mechanism for collective action, creates shared experiences and a sense of belonging and togetherness in a common cause.

Internal Ties	Individual/Internal Assets and resources made available through social relationships that an individual can use to their personal benefit.	Collective/Internal Assets and resources made available through relationships within the social structure of the collective (i.e., group or organization) that can be utilized by the collective.
External Ties	Individual/External Assets and resources made available through social relationships that span boundaries, and through which both the individual and the collective can draw upon and benefit.	Collective/External Assets and resources made available to the collective through network ties that span boundaries to other collectives, and through which the collective many benefit.
Individual Social Capital		Collective Social Capital

Table 4. Levels and Characteristics of Social Capital (adapted from Payne et al. 2011)

Groups form rules and guidelines, and shared norms and beliefs that strongly influence individual behaviour. Groups also tend to have a hierarchical structure, so emphasis tends to be placed on the role of leadership in creating or shaping group norms.

At the group level social capital is typically conceptualised as both an individual asset and a collective asset and therefore as both a private and public good (Yasunobu and Bhandari 2009). By focusing on a social grouping as the context for analysis it is possible to significantly reduce the complexity of the social environment by specifying the area of interest.

The most commonly used framework for studies at this level is the distinction between structural, cognitive, and relational social capital created by Janine Nahapiet and Sumantra Ghoshal (Nahapiet and Ghoshal 1998).

Community or societal (macro) level social capital

Social capital analysed at the community or societal level tends to be conceptualised as a public good that is the property of the collective rather than the individual. It is therefore a community level resource or 'collectively-owned capital' (Bourdieu 1986). At this level social capital is understood to change slowly over time and be strongly rooted in history and culture. Macro level social capital theory tends to focus on trust, trustworthiness, civic norms, association membership, and voluntary activities.

Measurement at the societal level tends to be difficult due to the challenge of collecting data from a statistically significant proportion of the population. Studies typically use indexes that are "best fit" and often not rigorously related to the theory because the data was often not collected with the intent to investigate social capital. This is because of the high cost of obtaining data from a significant proportion of the community.

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