Social Capital for Holistic Development: Issues and Challenges in India

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Introduction

“Social Capital” has been there ever since society began. Only its form and functions, and the level of importance attached to it by us have changed over the years. As a concept, if not as a term, social capital was late in entering sociological analysis (Jayaram, 2014). The notion of social capital is said to have first appeared in Lyda Judson Hanifan’s discussions of rural school community centres during 1916-1920. “Social capital” is said to have first appeared in a book published in 1916 in the United States by Hanifan who discussed how neighbours could work together to oversee schools (OECD, n.d.). He was particularly concerned with the cultivation of good will, fellowship, sympathy and social intercourse among those that ‘make up a social unit’. The concept became widespread with the contributions from Jane Jacobs (1960s) in relation to urban life and neighbourliness, Pierre Bourdieu (1980s) with regard to social theory, and then James S. Coleman (1980s) in his discussions of the social context of education moved the idea into academic debates. However, it was the works of Robert D. Putnam that launched social capital as a popular focus for research and policy discussion.¹

For long social capital was a missing link in the theories of economic development as asserted by the World Bank itself² and the term is still unfamiliar to the general public (Prakash and Selle, 2004; Karimzadeh et. al., 2013). The definition and measurement of social capital remain two issues which are yet to be resolved in the literature; there is a problem of mapping the concept of social capital into an operational measure which can be used to carry out systematic studies (Morris, 1998).

In recent times with the increasing importance of human and social development on the one hand and the rising recognition to civil society and its constituents, social capital has become a topic of debate. The notion of social capital is a useful way of entering into debates about civil society – and is central to the arguments of Robert Putnam and others who want to ‘reclaim public life’. It has entered debates about economic performance on its ambitious claim to be an independent, and hitherto underappreciated, factor of production (Isham, et.al, 2002)). It is also used by the World Bank with regard to economic and societal development and by management experts as a way of thinking about organisational development. With

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¹ Robert David Putnam (1941- ) is a political scientist and Malkin Professor of Public Policy at the Harvard University John F. Kennedy School of Government. In 1995 he published “‘Bowling Alone: America’s Declining Social Capital” in the Journal of Democracy. In 2000, he published Bowling Alone: The Collapse and Revival of American Community. Critics such as sociologist Claude Fischer argue that Putnam concentrates on organisational forms of social capital, pays much less attention to networks of interpersonal social capital, neglects the emergence of new forms of supportive organisations on and off the Internet, and the 1960s (period of his study) are a misleading baseline because the era had an unusually high number of traditional organisations. Since the publication of Bowling Alone, Putnam has worked on efforts to revive American social capital, notably through the Saguaro Seminar, a series of meetings among academics, civil society leaders, commentators, and politicians to discuss strategies to re-connect Americans with their communities. These resulted in the publication of the book and website, Better Together, which provides case studies of vibrant and new forms of social capital building in the United States.

Social capital is critical and crucial in modern modes of social relationship and educational growth like “social networking”, we examine its nature, some of the issues surrounding its use, and its significance for educators.  

Social Capital – The Concept

Social capital remains a contested concept, enriching and challenged by the changing forms of solidarity, cooperation, development functions etc (Samal, 2007). Hanifan used the term social capital to describe, “those tangible substances that count for most in the daily lives of people” (EC, 2005). He was particularly concerned with the cultivation of good will, fellowship, sympathy and social intercourse among those that make up a social unit. Bourdieu opines that Social capital is the “the aggregate of the actual or potential resources which are linked to possession of a durable network of more or less institutionalised relationships of mutual acquaintance and recognition”.

Relationships emerge out of actions, reactions and interactions, and not simply physical specifications. As Putnam says that “Whereas physical capital refers to physical objects and human capital refers to the properties of individuals, social capital refers to connections among individuals – social networks and the norms of reciprocity and trustworthiness that arise from them. In that sense, social capital is closely related to what some have called civic virtue. The difference is that “social capital” calls attention to the fact that civic virtue is most powerful when embedded in a sense network of reciprocal social relations. A society of many virtuous but isolated individuals is not necessarily rich in social capital”. The World Bank is of the opinion that, “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”. Connectivity becomes a working proposition from togetherness or collective action. Woolcock and Narayan (2000) define social capital as “the norms and networks that enable people to act collectively”.

The OECD defines social capital as “networks together with shared norms, values and understandings that facilitate co-operation within or among groups”. Values may change yet they are valuable always (OECD, n.d.). They influence and shape personalities, they impact security of life by providing avenues of inclusion and action. Vanneman et.al. (2006) define social capital as “conceptual umbrella covering several more well-defined forms such as networks, group memberships, civic and political participation as well as subjective aspects such as confidence in institutions and trust in people.”

As mentioned earlier social capital is not one single phenomenon. Michael Woolcock, a social scientist makes the following distinction –

- **Bonding (exclusive) social capital** which denotes ties between people in similar situations, such as immediate family, close friends and neighbours. This is more inward looking capital
- **Bridging (inclusive) social capital**, which encompasses more distant ties of like persons, such as loose friendships and workmates. This is more outward looking capital.
- **Linking social capital**, which reaches out to unlike people in dissimilar situations, such as those who are entirely outside of the community, thus enabling members to leverage a far wider range of resources than are available in the community.

We may also note that in recent times, social capital is fast becoming a ‘strategising’ and an ‘up-scaling’ capital. Thus, the meaning of the term ‘social capital’ varies depending upon it use as a goal, a means or a goal and a means, simultaneously (Joshi, 2014).

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1 Even Parent-Teacher Associations and Alumni/Alumnae Associations are forms of social capital, formally organised. A group that gathers at the bar every (Thursday) evening, is highly informal. See for details, Putnam (n.d.).
Determinants and Importance of Social Capital

Social sciences have argued that social capital, defined broadly as the capacity of people in a community to cooperate with others outside their family, is an important determinant of various economic outcomes. The list of such outcomes includes the provision of public goods, economic growth, formation of large firms and organisations, financial development, trade, as well as methods of state intervention (Subramanian, 2011).

First, social capital allows citizens to resolve collective problems more easily. People often might be better off if they co-operate, with each doing his/her share with consensus. Second, social capital greases the wheels that allow communities to advance smoothly. Where people are trusting and trustworthy, and where they are subject to repeated interactions with fellow citizens, everyday business and social transactions are less costly. Torsvik (2004) is of the view that the kind of trust needed to enhance production can be based on reciprocity or in pre-social motivation, and it is reasonable to expect civil social capital to foster both kinds of trust; and these two kinds of trust need to be kept apart for sound policy decisions. A third way is which social capital improves our lot is by widening our awareness of the many ways in which our fates are linked. When people lack connection to others, they are unable to test the veracity of their own views, whether in the give or take of casual conversation or in deliberation that is more formal. Without such an opportunity, people are more likely to be swayed by their worse impulses.

The networks that constitute social capital also serve as conduits for the flow of helpful information that facilitates achieving our goals. Social capital also operates through psychological and biological processes to improve individual’s lives. Community connectedness is not just about warm fuzzy tales of civic triumph. In measurable and well-documented ways, social capital makes an enormous difference to our lives. Other important benefits:

1. **Focussed child development and family management**
2. **Healthy environment**: safe and clean streets, offices, homes and public transports and other spaces
3. **Better dealing with social evils** like corruption, crime and underground economy, ill-treatment to the ‘disadvantaged’
4. **Better organisations**: healthy work atmosphere, pronounced productivity and performance
5. **Social integration** e.g. enabling the progressive assimilation of the disadvantaged and minority groups in the mainstream by providing them with avenues and opportunities for participation in economic, social and political spheres, helping combat youth problems, crimes, drug abuse and other social problems (ESCAP) less through state intervention more through family/community support systems. In the present context of “faster and more inclusive growth”, citizens’ social profile and standing must be taken into account for any social inclusion measure to be successful. Therefore, it is important to identify and examine the sets of actions adopted by powerful actors in local society to produce exclusion and to stifle the success of social inclusion measures (Xiaoyun and Banik, 2013).
6. **Better equipped to fight social and economic ills** such as black money and corruption. Controlling the generation of black money in our economy requires a combined effort by all citizens of a country. Political, economic and social factors need to be favourable. The value system matters most (Raghavendra, Hans and Udayachandra, 2013).
7. **Balancing the role and functions of state and the market** – with the arguments that in the context of mobilising for change, privileging either state, civil society, or market would be a rash prejudgment. People will always need goods, government and also good governance. An alert and active civil society can bring about a balance between state and market (Hans, 2013). Then there can be “minimum government with maximum governance”.

Social capital, thus, is unique when compared to natural capital and human capital. It is an important cog in the wheel of poverty dynamics. Assets have always been the important theme in paradigm of...
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redistribution growth theory (Addison et al., 2009). However, social capital takes us beyond assets – it takes us from thinking ‘distribution’ to thinking ‘relationship’. It makes much sense in the context of investment of “next generational human capital” too.

Social Capital in India

India has been planning for “inclusive growth”. The challenges of achieving growth that is more inclusive can be met by policies that encourage more and more social, political and financial inclusion (Serrao, et al., 2012). Inclusive growth needs better accessibility and connectivity of growth points. India is trying to achieve that. In 2009, India’s rank in Social Capital Achievement (SCA) was 96th (score 0.48) in a list of 199 countries while Denmark ranked 1st (0.83). A country’s SCA score is caught in a static moment of assessment; the time scale of measurement is frozen and not dynamic. A country’s current rating, therefore, is not necessarily predictive of future social capital achievement. For example, Denmark moved from 15th in 2005 to 1st place in the SCA rankings. The United Kingdom dropped from 5th to 16th and the United States from 9th to 14th.

The 2012 Global Prosperity Index released by the Legatum Institute (base: London) finds Gujarat to be scoring highest on social capital in India. It ranks 15th among 142 nations. It ranks alongside Germany and scores better than several developed nation. India ranks 138th globally in the Social Capital sub-index; however, disaggregation of the data at the sub-national level reveals large differences within the country. Within India, the states of Gujarat and Uttarakahand have the highest social capital scores and rank 15th and 18th, globally, in this sub-index, next to Germany and Belgium, respectively. In the state of Gujarat, 77% of respondents can rely on friends and family for help and 51% have donated money to a charity.

Majid Karimzadeh, Faraz Ahmad, Bahman Karimzadeh (2013) carried out a study in Aligarh (Uttar Pradesh) with a sample size of 200 households in order to make a significant contribution to the study of social capital and its impact on quality of life. The findings of this study show how social capital components are influencing quality of life. This study indicates a positive correlation between quality of life and all dimensions of social capital (view towards locality, locality solidarity, social trust, social communication and social participation) which means higher social capital will lead to higher quality of life in India. However, the strong effects come from view towards locality, local solidarity and social communications. The results also show that there is a different level of quality of life in poor areas as compared to middle and well off areas which can be explained by the lower social capital level in poorer areas. It is believed that social capital should be given more consideration for improving quality of life and neglecting its importance may lead to failure in the achievement of the full possibilities of development in different regions.

In recent times, efforts to enhance social capital in the country are seen in promoting group efforts and management in socio-economic development. For instance, the government has developed an intensive strategy to ensure social inclusion through participatory identification of the poor and universal social mobilisation. The National Rural Livelihoods Project (NRLP) has invested to support implementation of the National Rural Livelihoods Mission (NRLM) in 12 high poverty States that account for 85 per cent of the rural poor in the country. The aim is to create best practice sites and to develop them as local immersion locations that generate a pool of social capital for catalysing social mobilisation of the poor and building quality institutions. According to official data, there already a total of 47 resources blocks cutting across States including Chhattisgarh, Maharashtara, Jharkhand, Madhya Pradesh, Rajasthan, Jammu and Kashmir and Haryana, covering nearly 2,000 villages. In these states, nearly 13,000 Self-Help Groups have been supported. The strategy aims to cover a significant five Lakh BPL households.

Challenges to Social Capital – from social stratification to social networking

We have umpteen cases where fellow citizens are not helping victims of heinous crime or accident even while being present in the scene. Incidents of communal rioting, showing/seeking favours within same castes/religious groups, violence in the name of honour killings, culture/moral policing etc are on the rise. India has

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5 The growing acceptance of concepts like inclusion and exclusion is indicative of inadequacies of conceptual tools to explain and assess inequality and discrimination in social sciences and hence shortfalls in social capital (Hans, 2010).
several instances of each of the above, where Indians tend to only trust, collaborate and empathise with people who share their religious, ethnic or class identity. The dilemma of identity versus plurality can hardly be ignored.

*The Legatum Institute’s 2012 Prosperity Index reveals that Indians are the least likely people in the world to help strangers, and this weak social capital could be affecting the country’s overall prosperity, writes Hemal Shah (2012).* For a diverse nation that has millions of minorities, this paucity of social capital is debilitating. British writer and scientist Matt Ridley has propounded the idea that human society progresses when “ideas have sex” – the free exchange of ideas between different communities is vital to the advancement of a society. Given India’s insulated fragmentation along various fault-lines, this becomes particularly challenging for our society (Mantri and Gupta, 2012). Some of the reasons for this are –

- lack of mutual respect and confidence, disintegrating family, generation gap, informal social ties since 1970s;
- declining values in political and governance mechanisms, electronic entertainment: role of TV (about 40% decline in the involvement of groups); and
- rising sub-urban sprawls, mall culture, changing work patterns: 24/7, shift/part time jobs, desynchronisation of work and leisure and so on.

Even with regard to information and communications technology, we have both positive side and negative side. Positively, there has been a democratisation of communication and access to information; and negatively there is the ruthless digital divide accompanying the ICT and the reinforcement of the existing class inequalities (Jayaram, 2014). Grassroot organisations such as the SHGs also face challenges in the realm of social insurance (Joshi, 2008).

What needs to be done? In simple we must –

- bridge gaps and filling social capital deficit by confidence building measures, mobilisation activities, control over electronics and technology
- uphold livelihood rights, water rights, forest rights, and right over common property resources
- ensure protection of children and women from exploitation/victimisation
- raise the dignity of labour and social status for minorities/SCs/STs
- enhance organisational support/structure for the rural poor
- enforce quality assurance, accountability and incentives/disincentive for workers even across sectors.

The agency capacity must be strengthened to make social capital more productive and for development performance to improve (Krishna, 2004). At the same time, we must put in place an alternative delivery system with a different model of legal service providers in rural and tribal areas e.g. lawyers’ cooperatives. As a subject, social capital must be started in school curriculum itself (Menon, 2013). We must move beyond protest movements to movements of formation and transformation in society. Transformational journey develops qualities of leadership and learning (Bhatin, 2012). We must create an environment where the poor and the marginalised get empathised not simply sympathised. Will the top rich be able to identify in some way with those in the bottom of the pyramid? If it does not happen then the situation will remain the same: lip sympathy for the marginalised; inadequate resources for social welfare; and continuous weakening of the human, solidaristic bondage between the rich and the poor in a scenario of superfast growth of the prosperity of the former (Kabra, 2008). With regards to ICT, the ultimate test of its impact should be a rise in quality of life along with enhancement of efficiency of resources, ensuring thereby the blending of automation and active participation by the masses. Participatory interactive ICT is the need of the hour (Hans, 2011). Here we need to concentrate on upscaling social capital.

Even in India, we have new/emerging forms of social capital, e.g. hybrid associations like SHGs. A new breed of social entrepreneurs is visible (Hans, 2011). From self-employment to group employment and
management, the journey is very interesting indeed. It is exciting mainly because of group management’s immense opportunities for exploring, experiencing and experimenting, sharing and caring, inventing, innovating and informing, and also because it does not silence the voice of dissent within the group and there is no status quo. It becomes a growth group (Hans and Raghavendra, 2012). The role of civil society is seen in issues other than environmental. It is fast emerging as a force in democracy. Moreover, since volunteerism (or the third sector) is growing in a big way, the new indices of social capital measurement (apart from the old ones like membership, meetings, altruism, philanthropy etc), must take into account the features of volunteerism too. The key factors of social capital and volunteerism converge: trust, democracy and mutual help. This may require innovation, but that is an essential handmaid. In fact, innovation and social capital are mutually reinforcing.

In the global context, Indians and far-away Indians are slowing converging in “Greater India”. Diasporic development through activities (e.g. foreign investments, health tourism, sports tourism, entertainment tourism etc) and transnational networks are gathering momentum. A bottom-up approach with ethnicity and religion as social capital and people’s participation as a tool is working today (Hans, 2009; Joshi, 2014). The reciprocity of Indians and Indians Abroad is historical as well as social, cultural, and economic.

The positive relationship between social capital and innovation is established in the study by Soogwan Doh and Zoltan Acs. In their cross-country study using both Human Development Index and Global Entrepreneurship Index, they found that social capital interacts with entrepreneurship and the strongest relationship is between associated activities and entrepreneurship. This is consistent with the need to build social relationships in today’s networked economy (Doh and Acs, 2009). For innovation to flourish, societies require high levels of social capital (Legatum Institute, 2013). Further, the measurement needs to be region-specific. The broad parameters should be trust, activities and norms.

Indians are progressing from the conventional 3 Rs (reading, writing and arithmetic) to 3 Cs: critical reasoning, creative thinking and communication. In all these areas of action, the role of civil society is of utmost importance because there cannot be a healthy substitute for community. It is simply not just ICT, or use of mobile phones and being a ‘netizen’ or a social networking person. Building healthy relationship, not exploiting the other for selfish ends is the moral principle of social capital development.

Communities foster goodwill and solidarity faster. It promotes working relationship and can watch over selfishness better, and ensure that social capital stands and works for collective action with trust, which is a critical part of good relationship (Stone, 2003). We must choose our links with care. We have to carefully study the possible impact of the membership in the associations on civil society. We must have the knowledge of the criteria of distinction. Not all associations are the same; not all have the capacity to generate mutuality and co-operation. Those that are able to generate internal solidarity may succeed in ways like sympathy, self-regarding and parochial, making way for group selfishness, ethnic conflict etc. We must ask, “What are the conditions and mechanisms that translate the social capital generated by associational life from inside to outside and that makes social capital available for strengthening the pursuit of the public good? (Prakash and Selle, 2004). We must debate and argue, never ceasing to be argumentative for augmentation of social capital. We will continue to have challenges because of our diversities and also because no socio-economic process is always unilinear.

Conservative may criticise that social engagement is eroding. Social capital however, may change its form

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6 Richard Scheffler, Director of the University of California, Berkeley’s Petris Centre of Healthcare Markets and Consumer Welfare, have developed the Petris Social Capital Index measures different features within a community. It is said to be an innovative and validated measure that accesses public data, including how community voluntary organisations affect the social capital (Science Today, August 22, 2011).

7 One of the efforts at developing region-specific social innovation index is “Resindex” (Regional Social Innovation Index) by the innovation evaluation initiative in the Basque Country of INNOBASQUE (Basque Innovation Agency), and directed and developed by SINNERGIAK Social Innovation (UPV/EHU) in collaboration with the Agency. Resindex emphasises three aspects namely cooperative capacity, social governance and conditions for sustainability; and social innovation is treated as the outcome of the concurrence of the three elements (SINNERGIAK, 2013).
not necessarily its functions, altogether. Rather than joining groups in our neighbourhoods, like senior citizens association youth clubs etc, we’re now joining groups made up of people who share our beliefs – fighting for environmental protection or gay rights, for instance – rather than our locality. These groups – such as a branch of Greenpeace or Amnesty International – can exist in the “real” world. However, they may also exist only virtually on the Internet, which is arguably creating whole new “communities” of people who may never physically meet but who share common values and interests. Not everyone, however, is convinced that these new forms of community have the same value as forms that are more traditional. We may quote Stevens et.al here:

“In many countries there would seem merely to have been a shift from support of traditional organisations and institutions ... to newer forms of voluntary association...”

In addition, some feel that social capital is a vague term and hard to measure. Further what about the underclass (outside the mainstream of society) lacking both human capital and the right sort of social capital? Capital after all involves some amount of sacrifice in the present (OECD). It also involves risk and uncertainty. Wealth creation will occur most robustly under favourable legal and political conditions that reward risk and investment. These legal and political conditions stand upon and reflect appreciative cultural values and social arrangements. Those cultural values and social arrangements will in turn, be validated and legitimated into the future by the results of wealth creation. New activity in the economic sub-system and new relations in law and politics resulting from these innovations in the cultural/social subsystem will evidence the effectiveness of emerging new arrangements for the growth of productive output and the accumulation of financial capital. But the base is socio-cultural subsystem which allows for changes or tension in that sub-system triggering a break with status quo arrangements upholding lower levels of social capital or even social capital formations that are dysfunctional from the point of view of robust economic development (Young and Lindstorm, n.d).

Conclusion

This paper attempted to relook at the concept of social capital, and to discuss various tools of measuring social capital formation and its contribution. We have examines the role and challenges to social capital formation in India, and evaluated the factors such as inclinations, institutional networks, information flows etc that promote/deter social capital formation in India. One of our findings is that notwithstanding technological upsurge in capital formation in general, the importance of social capital as an explanatory factor in the regeneration of ‘disadvantaged’ groups remains undiminished in a country like India with distinct and diverse territorial communities.

Appropriate initiatives, incentives, infrastructures and institutions – even if by reforms and redirections – are required to deal with imbalances in socio-economic structures and opportunities. Our failure will be tested if or not we bridge gaps and not allow trust to decline. Trustworthy and trusting citizens are good citizens (Kenneth, 2004). Whether in society, polity or economy trust is the base of social capital. Our cities, our villages, our political and social fora, our economic institutions, our policies and programmes, our laws and leaders, our thinking and behaving – all need to be “social capital friendly”. It is never going to be easy. Nevertheless, we must try. The first step is to have trust in bonding and bridging. Our schools, colleges and universities, training and research centres must create environment for building social capital and promoting social entrepreneurship. There should be no room for vested interests that may make social capital sterile (barren). If we accept that we are the members of civil society and it can work for us then it is also our responsibility to keep the society strong and clean for working and networking. We must inculcate the values of group working for societal welfare: work in the group; work through the group for inner growth and outer growth, and for holistic development.

References
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