

## 4.2

# Building Bridges: Social Capital and Urban Harmony



▲ Arab men playing backgammon, Old city, Jerusalem, Israel  
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In recent years, increasing attention has been paid to the question of whether the absence of social networks, or what is known as “social capital”, is affecting the quality of life in cities. Indeed, a great paradox of big cities is that proximity and high densities do not necessarily provide for strong social ties and networks. It is the very freedom, privacy and anonymity offered by city life, in fact, that weaken “social capital” – the networks of civic engagement that facilitate cooperation and mutual benefit in society.

Recent studies have shown that residents of large metropolitan areas are significantly less likely than residents of small towns and villages to attend public meetings, to be active in community organizations, to attend religious activities, to sign petitions, to volunteer, to work on community projects or even to visit friends.<sup>1</sup> One study of eight countries in Latin America found that levels of trust and community participation – two dimensions of social capital – tend to be significantly higher in rural areas than in large metropolitan areas, although the poor in some cities exhibit high levels of

community participation, but not high levels of trust. The highest levels of social capital in the region were found in the rural areas of Costa Rica and Honduras, while Managua, the capital of Nicaragua, exhibited the lowest levels of trust and community participation.<sup>2</sup> (Fig. 4.3.1)

Diversity and residential mobility have been blamed for the lack of cooperation and social engagement in urban neighbourhoods.<sup>3</sup> When people move frequently, as urban residents often do, or if they do not share a common identity, they are unlikely to cooperate with each other or to be involved in the same social activities.<sup>4</sup> Other factors also inhibit the development of social capital, including crime, which may prevent people from going out and meeting others; political affiliation, where people who support a particular party or politician may have more access to resources than those who do not; and disputes over resource allocation. These factors become more important in cities where inequalities are high and where access to resources of the state are politicized.

## Social capital can help reduce vulnerability in urban areas

Scholarly interest in social networks, social cohesion and solidarity is hardly new. Since the 19<sup>th</sup> century, social scientists have elaborated on the ways in which industrialization and urbanization erode the solidarity and ties among family and community members. In the mid-19<sup>th</sup> century, for instance, Mark Twain, the American journalist and satirist, described New York City as “a splendid desert – a domed and steepled solitude, where a stranger is lonely in the midst of a million of his race”. Karl Marx described the vulnerability of individuals in a modernizing urban world as *alienation*, a concept further elaborated by 20<sup>th</sup> century urban sociologists in studies of social networks. The value of such networks and social relationships became known as social “capital”, elevating the study of social networks from the social into the economic sphere.<sup>5</sup> The central idea behind social capital is that “*networks of social contacts may represent a form of capital resource ... with important potential returns on investment*”.<sup>6</sup>

Human beings have a variety of assets, which may or may not translate into income, but which nonetheless play an important role in determining levels of poverty and vulnerability within a household or a community. These assets include: human assets (such as skills and good health); natural assets (such as land); physical assets (such as access to infrastructure); financial assets (such as savings and access to credit); and social assets (such as networks of contacts and reciprocal obligations that can be called upon in time of need, as well as political influence over resource allocation).

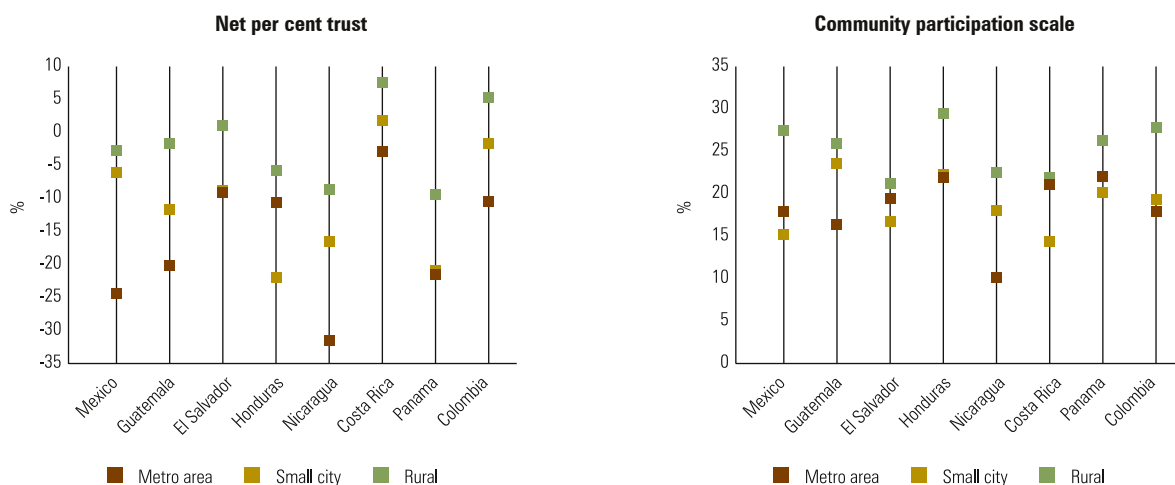
Social capital is now recognized by the international community<sup>7</sup> as a key asset, among others, that determines the progress of societies and one that promotes social harmony and cohesion. Social assets, which form part of a household’s social capital, play an important role in reducing the

vulnerability of individuals and communities. While human capital is the aggregate pool of skills and capabilities acquired through education and other forms of investment in people, social capital is the feature of social-life networks, norm and trust that enable a group of people, a community, a city, or a nation to channel their collective energy for a shared objective. In essence, social capital refers to “the glue that holds groups and societies together”.<sup>8</sup>

The social capital of a household has much to do with quality of life, and even survival. Links to family-based networks, occupation-based groups of mutual help, rotating savings and credit groups, and other associations – all part of a household’s social capital – can be the source of transfers in cash or in kind in the event of an emergency or job loss. For instance, people with little or no income may be protected from material deprivation by a network of friends or relatives who provide material support in times of need or crisis. When these assets are lost or weakened, as they often are when people live in urban settings far from close or extended family networks, individuals and communities are at risk of descending into absolute poverty. One study, for instance, found that migrants who had no social contacts in Kenya’s capital city of Nairobi had less access to information about livelihood issues, such as housing and employment, than those migrants who had a more robust network of friends and relatives in the city.<sup>9</sup> In other words, “connected” migrants have a better chance of obtaining employment and housing in cities than those who are “unconnected”. Lack of access to housing, basic services or employment, in turn, further impacts poverty levels.

Social capital is also critical as a form of protection against further marginalization. In many slums around the world, for example, social capital manifests itself in the form of

FIGURE 4.2.1. LEVELS OF TRUST AND COMMUNITY PARTICIPATION BY COUNTRY AND SETTLEMENT TYPE IN LATIN AMERICA



Source: Rosero-Bixby, 2006.

local associations and networks that residents mobilize to resist evictions or to negotiate for better services. The critical difference between successful economies and those that fail, some suggest, is the inherent level of trust. “High-trust” societies, or those that have high levels of social capital, tend to recover from crises much more quickly than those in which individuals and communities distrust each other or do not cooperate.<sup>10</sup> A recent World Health Organization report has also shown that social capital is one of the most important factors for improving the social determinants of health in urban settings.<sup>11</sup>

The spontaneous manifestation of social capital as collective action in communities surfaces powerfully when they are hit by natural disasters or other calamities. When all inhabitants of a community or a city face an emergency, they become an extended network of mutual aid; this form of social capital has been observed as a universal pattern that cuts across regions, nations and time periods. Cognizant of the spontaneous collective reaction of societies to natural or man-made disasters, the UN’s Office for the Coordination of Humanitarian Affairs (OCHA), has developed a strategy to use this energy to rescue people until national and international aid arrives.

In view of climate change and the increasing frequency and destructiveness of natural disasters around the world, social capital should not be neglected as a policy instrument in mitigating the potential damage caused by crises. Customary social capital is a survival strategy in cities such as Colombo, Nairobi, and Bangalore, where traditional funeral societies – groups formed to take care of funeral expenses and to mitigate the financial burdens borne by grieving families – and savings groups compound residents’ savings and provide a measure of protection against emergencies; in Johannesburg, where membership in religious organizations, informal savings clubs, bulk buying and communal eating arrangements help residents make the most of their resources; and in the slums of Ankara, where reciprocal labour pooling for the preparation of traditional bread and other durable food items ensures that all families have the staples they need.

### “Ties that bind also exclude”

Social capital that is manifested in self-help or other community-centred groups may help communities survive, but it may also reinforce structural inequalities in society. Self-help groups that have little or no contact with government agencies may, in fact, be perpetuating their own poverty, because they are unable to tap into public resources that would enable them to achieve sustained development. In many cases where such collective efforts provide the best security for residents, formal institutions have failed to develop and social capital becomes a substitute for the state. This helps explain why many societies that have high levels of social solidarity remain poor.

Studies conducted in Latin America, for instance, show that despite high levels of solidarity among communities, particularly indigenous communities, lack of connections to powerful people outside of the community prevents

them from prospering. Even when they manage to attract government services, such communities typically do not develop sufficient productive activities to lift them out of poverty.<sup>12</sup> A 1996 participatory poverty assessment by the World Bank in Kenya, for instance, showed that the more than 30,000 self-help groups in the country remained isolated solidarity groups caught in poverty traps.<sup>13</sup>

Similarly, women’s groups may find themselves trapped in enclaves that ensure that they remain outside of power structures dominated by men. Qualitative studies and programme experience have shown that women have a much higher capacity to be engaged in the welfare of their communities, but their participation is mostly informal, local, and cyclical.<sup>14</sup> Formal structures, such as associations and local authorities, which are mostly dominated by men, intimidate women, unless and until they have a critical mass of women represented. Another significant dimension of women’s networking resources depends on their life stage. While single, young women just out of primary and secondary schools often prove to be resourceful activists within their neighborhoods, once they marry and have children, their involvement decreases. However, it is also evident that the same women mobilize their networks again when their children are no longer dependent on them.<sup>15</sup> It is for these reasons that policies that do not take into account the gender patterns of social capital are either destined to fail entirely, or to fail to bring women’s knowledge and skills to the table as vital community resources.

In other cases, social activities are localized to a particular group, such as workers agitating for higher wages, and are ultimately resolved at the group level, rather than involving counterparts (such as trade union movements) elsewhere. In these cases, the group’s negotiating power is restricted by size and level of sophistication, and is less likely to affect policy or to result in broader forms of collective identity or solidarity.<sup>16</sup>

Overuse of the self-help tradition may also encourage governments to abdicate their responsibilities towards poor or under-served groups. As governments cease to fulfill their functions, informal networks, militia or guerrilla movements become substitutes for the state, as has happened in many strife-torn countries in Africa and Latin America.<sup>17</sup> In Nairobi, for instance, militia groups operating in low-income neighbourhoods are known to provide all sorts of services to slum residents, including security. The most notorious of these groups, known as the Mungiki, control various sections of low-income estates, both as criminal gangs and as a form of “community policing”.<sup>18</sup>

World Bank studies have also shown that practices reliant on social capital can have negative social outcomes, ranging from social exclusion, corruption and inequality to the perpetuation of social stratification. “Social capital can explain much social exclusion because the ties that bind also exclude”, writes Deepa Narayan of the World Bank’s Poverty Group.<sup>19</sup>

In socially stratified or deeply unequal societies, the invocation of social capital often fosters the maintenance of the status quo. Those who belong to social networks that



▲ An insurance booth in South Africa: Funeral societies and savings groups in low-income settlements can be the source of transfers in cash or kind in case of emergency.  
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already have access to resource allocation decisions of the state or the private sector are much more likely to exclude other groups from powerful networks, such as membership in exclusive clubs or associations restricts the benefits of social capital to a particular group of individuals. If social capital is formed around ethnic identities, it may also serve to polarize societies where ethnicity has been politicized, as evident in many conflict-ridden African countries in recent years. In these cases, decisions by powerful groups serve to reinforce exclusion rather than to foster inclusion and equal treatment of others. When powerful groups use their social networks to practise corruption and cronyism, social capital can actually be detrimental to society. In some countries, resource control by powerful social networks prevents economic growth from translating into greater equality.<sup>20</sup> The challenge is to understand how social capital operates under different circumstances so that negative consequences can be minimized.

## Using social capital to transform communities

Studies show that social capital can only become a tool of real social transformation and equity when it is used not just to “get by” but to “get ahead”. Social capital for the purposes of getting by has a strong bearing on the **survival** of individuals or communities, but social capital formed for the purpose of getting ahead has a bearing on the **development** of communities.

The strengthening of social capital among and across groups for the positive social transformation of societies and promotion of the public good requires a combination of policy responses that include providing access to information and information technology, including residents in participatory planning and governance, and restructuring economic policies to ensure equity. In an ideal scenario, good governance coupled with high levels of cross-cutting ties among social groups lead to positive economic and social outcomes. However, in countries where there is a high degree of exclusion and inequality, excluded groups may organize

## Identifying bonds and bridges in slum and non-slum areas of Addis Ababa



▲ Boys play football in one of the suburbs in Addis Ababa, Ethiopia.  
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UN-HABITAT conducted its first Urban Inequities Survey (UIS) in Addis Ababa, Ethiopia, in 2004. The survey, carried out in collaboration with Ethiopia's National Statistical Office and the Municipality of Addis Ababa, was administered to 1,500 households with the goal of understanding how, on a socio-economic level, people living in the city's slums and its planned neighbourhoods experience the city differently.

Two areas of Addis Ababa – Bole, a wealthy neighbourhood, and Akaki Kaliti, a slum inhabited by the city's poorest residents – proved particularly relevant to studying contrasts in how residents from different socio-economic backgrounds experience social relationships and build social capital. UIS data from both areas illustrates pat-

terns familiar to social capital researchers: residents of the slum, Akaki Kaliti, attested to the interdependence of neighbours and described more social bonding overall within the community than did residents of the wealthy neighbourhood, Bole. In Bole, however, residents expressed a greater openness to diversity and described more behaviours that bridge social networks rather than rely strictly on members of their own close groups. While 83 per cent of all Addis Ababa residents surveyed belong to *idirs*, community groups that fund funerals and provide aid to families in emergencies, it is the routine habits of daily life – taking care of neighbours' children, gathering information from and visiting friends, trusting and networking with others – that describe the powerful influences of social capital in communities.

The UIS measured bonding social capital with several indicators of neighbourly trust and sociability among friends. More UIS respondents from Akaki Kaliti than from Bole consistently reported that people in their neighbourhood are willing to help them, that neighbours can be counted on if money is urgently needed, and that they can depend on neighbours to take care of their children in emergencies. Residents of Akaki Kaliti also reported that they are more dependent on their neighbours for information about government policies, jobs, education and other opportunities in the city than residents of Bole, who look to their neighbours and friends as the best sources of such information half as often. The survey revealed that sociability, too, differs among respondents from the two communities. More residents

of Akaki Kaliti than Bole had met someone at a public place or coffee shop over the previous month, received visitors at home, or paid a visit to someone else's home, though fewer residents of either place were likely to participate in home visits than to meet in a public place.

Bridging social capital – which creates opportunities for members of a group to connect with others who are different, and who may have more resources – is more prevalent in Bole than in Akaki Kaliti, as indicated by UIS data on the groups with whom people in each community network and interact regularly. While respondents from both

communities claimed low levels of trust in people from groups not their own, those from the wealthy neighbourhood had met or visited with people of different ethnic, tribal or religious groups twice as often in the previous month as those from the slum. Respondents from Bole were also more likely to vote for political candidates from other ethnic groups or tribes, and more people from Akaki Kaliti claimed that diversity in the community causes problems.

Clearly, residents of the slum rely heavily on neighbours and friends from their own ethnic and tribal communities, interacting in enclaves of similar-

ity. Residents of the wealthy neighbourhood are less beholden to close neighbourly ties and have more opportunities and inclination to reach out to those unlike themselves. Helping poor communities like Akaki Kaliti develop bridging social capital through education and outreach may generate more resources and give residents – especially young people – perspectives on what opportunities might be available to them outside of the neighbourhood. Such efforts, however, must also work within the tightly knit, interdependent networks on which poor communities depend, and acknowledge the distrust of people from different groups that exists in many enclaves.

TABLE 1: INDICATORS OF BONDING SOCIAL CAPITAL - PER CENT OF RESPONSES IN ADDIS ABABA URBAN INEQUITIES SURVEY

Components and indicators	Addis Ababa Total (%)	Bole (%)	Akaki Kaliti (%)
<b>Trust in neighbours:</b>			
Those who believe that people in his/her neighbourhood are willing to help one if one needs	28	29	42
Those who believe that neighbours/friends could be counted on if urgent money is needed	50	46	52
Those who can count on one or more people who could provide this money	49	46	52
Those who believe they can count on neighbours to take care of their children during emergencies	50	40	52
<b>Neighbours/relatives/friends as sources of vital information: Those who believe that neighbours and friends are the best source of information on ...</b>			
Government policies	30	15	44
Jobs, education and other opportunities in the city	38	14	45
<b>Sociability: Over the last month, those who ...</b>			
Met someone at a public place/coffee shop, etc.	38	27	46
Received visitors at home	23	16	31
Paid a visit to someone else's home	29	19	39

TABLE 2: INDICATORS OF BRIDGING SOCIAL CAPITAL - PER CENT OF RESPONSES IN ADDIS ABABA URBAN INEQUITIES SURVEY

Components and indicators	Addis Ababa Total (%)	Bole (%)	Akaki Kaliti (%)
<b>Trust in diverse social groups: Those who strongly believe that ...</b>			
People from same ethnic group could be trusted	13	19	17
People from other religious groups could be trusted	4	10	4
<b>Networking with different groups:</b>			
Those who met or visited people of different ethnic/tribal group in the last month	21	30	14
Those who met or visited people of different religious groups in the last month	15	22	10
Diversity in community causes problems	48	39	46
Those who would vote for candidates of other ethnic group/tribe	68	74	57

Source: UN-HABITAT Urban Inequities Survey: Addis Ababa, 2004.

to challenge the power of the dominant group. If excluded groups manage to build bridges across social groups, they prosper; if they do not manage to transcend social barriers to gain access to public resources, societies become embroiled in conflict, violence or even anarchy.

When used positively, however, social capital can help develop community consciousness and confidence, thereby increasing communities' ability to negotiate with authorities for more or better resources – a strategy known as “linking” social capital. Linking social capital is most critical in the transformation of societies because it enables marginalized or excluded communities to gain access to state resources and to people with power, authority or influence, which can have a positive impact on their development. Linking social capital is especially critical for poor urban communities because it enables them to gain access to formal organizations, including the state, and to negotiate more effectively for resources.<sup>21</sup> Cities are particularly relevant environments for fostering linking social capital, as people have at least physical access,

if not economic and social access, to public institutions and government officials.

Strengthening of social capital has become one of the three pillars of programme interventions in developing countries, along with the strengthening of financial and human capital. Social cohesion – the potential of individuals to engage in the wider social, political, economic, and cultural environment – has also been seen as a key component of democracy, national development and social transformation. Development agencies have become more aware, too, that the presence of strong social networks can have a positive impact on governance institutions, and that knowledge and information can mitigate risk and improve the livelihoods of the poor. Not knowing about their rights, services they could access, plans for their areas or options available for tackling certain problems puts the poor at a disadvantage and increases their vulnerability. Providing access to traditional and new media, therefore, may reduce the vulnerability of populations in many countries.



▲ School children in Durban, South Africa.  
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Indeed, the growing use of information technology in sub-Saharan Africa has proven invaluable for reducing poverty and increasing the number of opportunities available to the urban poor. A study in Nairobi's slums found that many dwellers in the city are using mobile phone technology to operate small businesses, to keep in touch with rural family members, and to obtain information on the availability of housing and other basic services.<sup>22</sup> Access to information about employment opportunities is critical to the survival of poor urban communities. In Rio de Janeiro, for instance, Viva Favela, a donor- and private sector-funded web site, is enabling impoverished urban youth to find jobs. Improving access to information about employment opportunities, health facilities, schools, laws and other resources is a critical tool for developing social capital among the urban poor, as lack of access to such information – rather than discrimination *per se* – has been identified as one of the reasons why poor communities remain poor. The work of non-governmental organizations with the urban poor on issues of advocacy is important, as are official channels of news and information, such as public radio and other media.

Citizen participation in public affairs is also a form of social capital that can be mobilized to improve the lives of the urban poor. In Brazil, for instance, participatory budgeting has helped to shift the allocation of public resources from rich to more needy communities, while e-governance models that rely on citizen participation have been adopted by various European governments. These approaches have led to social transformation, less inequality and greater transparency.

Community participation in national and local development initiatives is also critical in ensuring that programmes and projects are sustainable. Myriad evaluations of Grameen Bank's micro-credit schemes in Bangladesh, for instance, reveal that the success of the programme resulted not only from the financial, but also the social assets of small groups of women who enforced social control mechanisms to prevent defaults on loan payments.

The power of linking social capital is its capacity to bring about social, economic and political transformation. The unprecedented growth of civil society organizations and people's movements in recent years is a manifestation of the formalization of social capital into organizations or federations that can effectively demand change in policies at the local, national and international levels. As individuals, the urban poor have little power, but collective action through mobilization and organization make their voices heard. The United Nations Development Programme (UNDP)'s experience in South Asia shows that once mobilized, people choose the direction in which they want to move and are better able to address the root causes of their deprivation.<sup>23</sup> Federations of slum dwellers in India, Kenya and South Africa, for instance, have had some success in gaining public recognition as legitimate voices of the urban poor that can negotiate on behalf of slum communities. Community-led efforts are most likely to be successful if they rally around a common goal, and if they are combined with activities that lead to economic empowerment and poverty reduction.

## NOTES

<sup>1</sup> Putnam, 2000.

<sup>2</sup> Rosero-Bixby, 2006.

<sup>3</sup> Montgomery, et al., 2003.

<sup>4</sup> Some countries, such as Bhutan, are also looking more closely at non-tangible social indicators, such as "happiness levels" to formulate development policies. Bhutan 2020, the country's long-term development blueprint, notes that Bhutan's approach to development is firmly rooted in its rich tradition of Mahayana Buddhism that stresses "individual development, sanctity of life, compassion for others, respect for nature, social harmony, and the importance of compromise". The blueprint also cautions that while modernization and urbanization have their benefits, they may erode the values and assets that Bhutan has built over the centuries and may lead to negative consequences, such as high levels of urban poverty and environmental degradation. Bhutan's National Human Development Report 2000, for instance, states that the country considers Gross National Happiness to be far more important than Gross Domestic Product because its focus is on "enriching people's lives, improving their standard of living, and augmenting people's economic, spiritual and emotional well-being". The report further argues that economic indicators do not adequately capture many aspects of Bhutan's largely rural economy, which is non-monetised, and fail to reflect the kingdom's vast and diverse natural resources and its rich cultural and religious heritage.

<sup>5</sup> Bazoglu, 1992.

<sup>6</sup> Policy Research Initiative (PRI), 2005.

<sup>7</sup> That the concept of social capital has multiple definitions is both a blessing and a curse. In this text, we formulate a synthesized definition, mostly drawn from the work of Robert Putnam, who defines social capital as "the feature of social life networks, norm and trust", and the definition of Michael Woolcock, as "calling on friends and relatives", marked by a more minimalist approach. See Putnam, 2000 and Woolcock, 2005.

<sup>8</sup> Narayan, 1999.

<sup>9</sup> Warah, 2005.

<sup>10</sup> Fukuyama, 1995.

<sup>11</sup> WHO Centre for Health Development, 2008.

<sup>12</sup> Narayan, 1999.

<sup>13</sup> Narayan, & Nyamwaya, 1996.

<sup>14</sup> Bazoglu, 1992.

<sup>15</sup> Bazoglu, 1992.

<sup>16</sup> This phenomenon has been observed in China, where workers' disputes remain confined to the "cellular" level of the factory, and often remain isolated and directed at local officials rather than at systems and structures. See Lum, 2006.

<sup>17</sup> For a detailed analysis of the various scenarios, see Narayan, 1999.

<sup>18</sup> Anderson, 2002.

<sup>19</sup> Narayan, 1999.

<sup>20</sup> Li, Squire, & Zou, 1998.

<sup>21</sup> Woolcock, 2000.

<sup>22</sup> Warah, 2005.

<sup>23</sup> UNDP, 1998.