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A Review of Social Capital as a Concept

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Abstract

There is a debate about what social 'capital' as a concept entails. This review article is a contribution to that debate. The article explores the various ways the concept of social capital has been used in the literature. The first is that users of the concept employ it to refer to social norms and moral values and the roles they play in society. This first conceptualisation of social capital emphasises the importance that values and norms have for the effectiveness of the various forms of capital. The thinking is that if moral values and social norms are lacking in guiding the operation of the other forms of capital, little or no progress will be made in society. The next perspective is that social capital is generated in people's daily interaction in the community. This view attaches importance to associational life in society. Finally, the paper evaluates the debate about whether social capital can be regarded as a 'capital', given the fact that other forms of capital are tangible while social capital is intangible. It is demonstrated in this paper that inasmuch as other types of capital are valuable because they are able to generate expected outcomes, so is social capital a 'capital' because it enables the achievement of certain goals in society.

Keywords: Social Capital, Social Norms, Moral Values, Shared Relationship, #SDG17.

Introduction

Opinions are divided about what 'social capital' as a concept should mean, or even whether it makes sense to use it as a concept because the ideas embedded in it seem to be encapsulated in other existing concepts. The other contention has been on whether social capital can be regarded as a capital, just like other notions of capital such as human capital, physical capital or economic capital, among others. However, the concept has gained some relevance in social discourse as economists, sociologists and political scientists have attempted to operationalise the concept to provide answers to a broad range of questions in these various fields. Thus, the concept has been applied in different studies dealing with families, youth

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behavioural problems, schooling and education, public health, community life, democracy and governance, economic development and general problems of collective action. It has also been deployed as a concept to explain organisational success (Adler and Kwon, 2002).

This paper is a contribution to the debate about what social capital is. Relying on diverse authors' perspectives on the subject over the years, the concept of social capital could be approached from three different perspectives. The first is whether social capital could be seen as a capital. The second is the implication that day-to-day living, interpersonal interactions and communal co-existence has for the generation of capital, which have values in the political realm. The final implication is that social capital is a capital too. Like every other form of capital, which may be deployed to certain ends, those who possess it are able to use it to achieve some goals.

The paper is divided into three parts, apart from the introduction and the conclusion. In the first, the debate about whether social capital is a capital is engaged with a focus on situating the idea of social capital among other forms of capital. The contention here underscores the fact that there is a lacuna that the postulators of social capital seek to fill; and it is that human capital and physical capital may not translate into development when there is moral deficiency and gross disregard for social norms in society. Social capital is demonstrated in this section to refer, in the literature, to moral values or social norms. In the second section, the idea of social capital as a product of shared relationship is discussed. The point made in this section is that postulators of the theory believe that political institutions, agencies, legal frameworks, and the coercion which comes with them, are not sufficient to guarantee development in a socio-political setting. However, daily interactions and shared relationships provide the building blocks for democratic consolidation and development. This is further taken, in this paper, to imply the need to improve the social structure and associational life in a community, in the quest to address many ills plaguing society. The third section addresses the debate about whether social capital can be regarded as a capital. It is argued in the section that inasmuch as other capitals are means to achieving certain ends, then social capital may be regarded as capital because it also a means to achieving ends.

Social Capital, Other Forms of Capital, and the Challenge of Morality

The idea of social capital is located in the discourse on capital generally. It is seen as one of the various types of capital that an individual, organisation, or a nation may put to use in engendering development. While some of the other forms of capital are seen as tangible, social capital is seen as intangible. The idea of capital itself suggests resources or assets, which may be tapped and converted into wealth or development. It is any wealth, in the form of physical cash or assets, which

reflects the financial strength of an individual, organisation, or nation, and that may be used for development or investment.

For instance, some forms of capital are physical capital and human capital. The idea of physical capital is employed to refer to tangible assets like land, buildings, equipment, machinery and money, which can be put into production to create wealth or development. However, physical capital is not enough to guarantee development. It needs to be supported by other forms of capital. On the part of a nation, for instance, 'the ability of a country to exploit its natural resources and to initiate and sustain long-term economic growth is dependent on, among other things, the ingenuity and the managerial and technical skills of its people' (Todaro and Smith, 2009, p. 72). It is this realisation that necessitates the emphasis placed on human capital in the quest for development.

The notion of human capital is informed by the view that national development depends on the quality of citizens a nation has, with quality referring to competencies – such as skills, knowledge, creativity, level of education, experience, and personal attributes, among others. However, there seems to be a lacuna in the things that human capital emphasises, and the gulf lies in the fact that the notion of human capital merely lays emphasis on the capability of individuals and fails to identify the moral values and the social norms that are crucial for providing the enabling environment for development. The notion of human capital takes for granted, for instance, that every nation is given to social justice and that a country will hire only the best hands who possess the right sets of capabilities when there is a national task to be done. But experience shows that in many countries, especially the developing or underdeveloped ones, as a result of nepotism, people who do not have the required capacities often get the job. For instance, in Nigeria and in many developing countries, where clientelism dominates, what is witnessed is that political, religious, ethnic considerations, among others, influence, largely, who gets what, without regard for competencies.

The postulators of social capital realise that the availability of the right capitals may not provide the necessary conditions for development. This is because there is a challenge that the lack of a moral environment has for the operation of human capital in its endeavour to translate other forms of capital into development. They are of the view that the moral values and social norms cherished in a society have consequences for the development of society. According to Fukuyama (2000, p. 3), social capital is about norms and the role they play in society. It is 'an instantiated informal norm that promotes cooperation between two or more individuals'. Social capital refers to norms that ought to guide a collective and the benefits accruing to all when everyone abides by these norms. In this regard, one of the earliest promoters of the concept of social capital defined it as assets that 'count for most in the daily lives of people: namely goodwill, fellowship, sympathy,

and social intercourse among the individuals and families who make up a social unit' (Putnam, 2000, p. 2).

Social capitalists understand that social norms and moral rules are essential in social and daily life. These are considered important for engendering social stability and harmonious coexistence of groups and individuals. The emphasis on norms is due to the realisation that 'no form of social life can endure unless appropriate conditions are secured for the achievement of social cooperation' (Oladipo, 2001, p. 80). Norms are, thus, seen as fundamental requirements for the functioning of institutions and the lubrication of the interaction between individuals and groups making up the polity. The entrenchment of norms is seen as a determining factor in the level of decency of a society and, at the same time, determinant of the amount of social cooperation that is possible.

Norms are important in determining the way people relate to one another in society. This has to do with promoting human flourishing, which relates to engendering sets of convictions that enable people to live together on terms that are mutually beneficial and with the aim of producing certain outcomes (Lanre-Abass, 2001). Subscription to a set of norms relates to what members of a society ought to do and constitutes the basis with which actions and inactions of members of society can be evaluated or judged. Commitment to norms guides and constrains individuals in relating to one another. It provides a common ground that intersects the various fault lines – ethnic, religious, and class – by providing a framework for people's actions and, through these, ensuring mutual respect for every member of society.

Not all norms are, however, instrumental in enhancing cooperation in the society. Any norm that will so qualify must lead to cooperation in groups and be related to traditional virtues like honesty, truth-telling, the keeping of commitments, reliable performance of duties, the meeting of obligation, reciprocity, and the like (Fukuyama, 1997; 2000). Any norm that does not enhance social cooperation cannot be regarded as social capital. Norms should ensure that members of a particular group (for example, ethnic group, or religious group) relate well with themselves, but, more importantly, norms should enable members of a particular group to connect to other members of other groups in a polity. This means that norms subscribed to by a particular group should leave no room for 'a gulf between members of a group and those on the outside' (Fukuyama, 1997, p. 431). This is important because 'strong moral bonds within a group in some cases may actually decrease the degree to which members of that group are able to trust outsiders and work effectively with them' (Fukuyama, 1997:430).

A society, which lacks social values that enable them to relate well and cooperate with others within the body polity, has certain challenges. This has further implications for a state's ability to secure cooperation for development, as

there is the inability to develop social capital that will allow a group to connect seamlessly with the members of other groups. Multi-ethnic and multi-religious states are particularly bedeviled by this plague because the various ethnic and religious groups have their own sets of cherished values and norms, with elements that are conflicting with some values of other ethnic and religious groups.

Norms are also essential in guiding leaders. Leaders in the polity ought to possess the right sets of values that enable them to govern in line with social expectations. This is important if people in the polity will exude confidence about the political institutions and display political trust. Crucial to leadership is a good sense of judgement, which enables the leader to ensure that he does not allow his personal ambitions and desires of those in his camp to defeat his values. When a leader fails this litmus test of leadership, the consequence is loss of political trust and public displeasure. Of a truth then 'discontent with political leaders and lack of faith in the political system are principal factors that inflame public distrust toward the government. Much of that criticism involves the honesty and ethics of government leaders' (Putnam, 2000, p. 205).

Renshon (2000), in this regard, argues that leadership capital itself is a major element of social capital, which is indispensable to the well-being of any polity. For Renshon, social capital consists of two essential composite elements: citizenship capital and leadership capital. While the former refers to those internal and relational aspects of citizen psychology that reflects citizens' connections to each other, their institutions, and their leader, the latter consists of competence or capacity, character, integrity (which refers to a leader's fidelity to a consolidated set of ideals), and capacity for performance..

In a democracy, political leadership matters a lot because the person, qualities, and actions of a political leader go a long way in determining what becomes of the practices, institutions, and values of democracy while he is in power. This is so because 'given the number, scope, importance, and timing of policy issues in modern democracies, it is impossible and impractical to await the results of periodic elections to take action' (Renshon, 2000, p. 202). This leaves a lot of political decisions to political leaders, and it matters that those leaders are able to arrive at decisions that will promote the common good. Underlying such enormous political trust is the ability to display adherence to the right moral values and social norms.

In addition, democracy thrives on such values like freedom, equality, the rule of law, liberty, and separation of powers and so on. Any leader that must emerge in a democracy must be one whose style of administration will allow these values to thrive. An autocratic leader who sees himself as being above the law, beyond correction, corrupt, without respect for the rule of law and the opposition cannot harness the gains of democracy. In a democracy, a leader must assume

office with the aim of protecting the values and institutions on which democracy is founded. Where these are not in existence, he must see to their establishment; where they are weak, he must ensure that they are strengthened. No good leader can afford to have a perverse notion of politics, narrowly conceived as the competition for political office and its spoils, or as an opportunity to acquire wealth and prestige (for oneself and one's cronies).

The good moral standing of a leader in society, in addition, has implications for mending damaged relationships between groups, thereby establishing a new philosophy on which a new group psychology could be established. In other words, a leader can be instrumental in uniting disparate groups. For instance, Chief Obafemi Awolowo played a key role in uniting the multi-ethnic Yoruba groups in Nigeria. Also, Nelson Mandela's ascendancy to the office of the president of South Africa after years of apartheid was instrumental in uniting South Africans by tackling the problem of institutionalised racism and inequality.

Social Capital as Shared Relationships

Apart from the prominence that social capital theorists attach to moral values and social norms, the postulators of the theory are also of the view that the political realm, as represented by political institutions and agencies, cannot totally guarantee the best conditions sufficient for generating the set of norms that will provide the right atmosphere for development in human community. For them, social norms and moral values are generated and entrenched in people's daily interactions, and in the relationship they share with others. Renshon (2000, pp. 199-200) explains that

> social capital locates the foundations of democracy not primarily in citizens' beliefs, nor in their institutions, but in the relationships of each to the other. Constitutions may provide a framework and institutions a setting, but in the view of social capitalists it is the engagement of citizens that provides the building blocks of successful democracy.

The postulators further believe that social norms and moral values are founded on deep-seated convictions and not on coercion, which characterises the political system. The generation of social capital is therefore anchored on the ability to improve on social structures and associational life.

The emphasis on the need to improve the social structures and associational life, in a way, could be interpreted as the need to seek solution to problems plaguing a community from the social realm. The social realm is believed to have a preponderant influence on the other realms in the polity. The social capital theorists recognise that in a community of humans, various spheres exist. These spheres include the social, the educational, the economic, the civil society, the

religious, and the military sphere. These spheres are, however, not exclusive to one another; they overlap and influence one another. With the understanding that 'social interactions can have negative as well as positive effects' (Arrow, 2000, p. 3), social capital theorists see the social realm as a realm that is germane in influencing or shaping other realms.

It is therefore expected that a good society, with the right social capital, will produce good people and that these individuals will ultimately help influence and transform events in the political realm, and other spheres. The emphasis on the social sphere is because it is expected that increased participation and improved relationships in that realm will benefit other domains. This is because individuals belong to one society or the other and have their lives and consequently their actions and inactions shaped, constrained and guided by social norms and values of the societies they belong to. In other words, they have their personalities shaped by the kind of societies they belong to.

In the economic realm, for instance, it is believed that 'such things as trust, the willingness and capacity to cooperate and coordinate, the habit of contributing to a common effort even if no one is watching – all these patterns of behaviour, and others, have a payoff in terms of aggregate productivity' (Solow, 2000, p. 7). Social capital theorists, hence, try to use the theory to interrogate 'the way a society's institutions and shared attitudes interact with the way its economy works' (Solow, 2000, p. 7). The reason is that persons' actions are shaped, redirected, and constrained by the social context; and that norms, interpersonal trust, social networks, and social organisation are important in the functioning not only of the society but also of the economy (Solow, 2007).

Trust, one of the norms emphasised by social capital theorists, when generated at the social realm is believed to have a great impact on economic performance. This is because establishing and running an organisation does not depend only on property rights, contracts, and a system of commercial law; in addition, it depends on a proper sense of moral community. That is, an unwritten set of ethical rules or norms that serve as the basis of social trust. It is believed that trust, when possessed as a social capital, enables the reduction of what economists call transaction costs, which include costs of negotiation, enforcement, and the like. This makes the economic realm more efficient as a result of the reduction in extensive rules, contracts, litigation, and bureaucracy that otherwise would have been encountered (Fukuyama, 2004). Fukuyama (2000, p. 3) explains that:

> the economic function of social capital is to reduce the transaction costs associated with formal coordination mechanisms like contracts, hierarchies, and bureaucratic rules. It is of course possible to achieve coordinated action among a group of people possessing no social capital, but this would presumably entail additional transaction costs

> of monitoring, negotiating, litigating, and enforcing formal agreements. No contract can possibly specify every contingency that may arise between the parties; most presuppose a certain amount of goodwill that prevents the parties from taking advantage of unforeseen loopholes. Contracts that do seek to try to specify all contingencies – like the job-control labour pacts negotiated in the auto industry that were as thick as telephone books – end up being very inflexible and costly to enforce.

Apart from the benefits that accrue to the economic sector as a result of possession of social capital, some benefits are derived politically too. Because of the effect that society[2] has in shaping the individual, it is believed that some benefits will accrue to the political realm and ultimately benefit democracy. Before delving into how social capital influences the political realm, however, it is worth pointing out that it has been contended, and we think rightly, that not all forms of social capital are politically relevant. In other words, there are aspects of social capital that have no political implication. The concept 'political capital' or 'politically relevant capital' is employed to refer to aspects of social capital with some political implications. Either of these concepts is employed to refer to 'social capital that facilitates political engagement' (Lake and Huckfedt, 1998, p. 570). This, according to Lake and Huckfeldt, is 'a particular type of social capital that is produced as the consequence of political expertise and information that is regularly communicated within an individual's network of social relations' (p. 570). The expectation placed on politically relevant social capital is that it should enhance 'the likelihood of individual engagement in politics, enabling citizens to become engaged in ways they might otherwise not' (Lake & Huckfedt, 1998, p. 570).

However, there is a problem with Lake and Huckfeldt's conception of political capital, also referred to as politically relevant social capital. The shortcoming is that it limits political capital or politically relevant social capital to the implications that communication among, or information derived from, one's network has for political activities. This description of political capital, or politically relevant social capital, limits the scope of what may have implications for the political realm, because other than information, there are a few other factors generated at the social realm that can affect the political realm. For instance, norms, operational in a political setting, affect political decisions. The ability of citizens to determine whether individuals in government are trustworthy or not can affect the

[2] This is defined as 'a group of persons unified by a distinctive and systematic set of normative relations, whereby actions of one are perceived as meriting characteristic responses by others. To be part of the same society is to be subject to these norms of interaction' (Blackburn, 2000, p. 343).

way individuals vote. We may, hence, conceive politically relevant social capital as activities of the social realm that have implications for the political realm.

In what way is social capital instrumental in enhancing political participation? The relationship between the two is not linear. It is complex. It is often tied around issues involving networks, information flow, education, reduction of poverty, among others. Social networks are seen as avenues for channeling an individual's grievance to people in authority and at the same time seen as channels through which those in authority can address problems of specific groups in the polity. It is also believed that citizens who join organisations and voluntary associations have the opportunity to meet more people, are involved in more extensive systems of social relationships, and are more fully engaged in civil life. As such, they are considered as being likely to be better influenced by others to participate more in political activities. The argument is that 'dense networks of voluntary associations and citizens organisations help to sustain civil society and community relations in a way that generates trust and cooperation between citizens and a high level of civic engagement and participation' (Newton, 2001, p. 201).

These networks are said to 'create the conditions for social integration, public awareness and action, and democratic stability' (Newton, 2001, p. 201). Activities within these networks, it is claimed, are instrumental in enhancing trust, defined as 'the actor's belief that, at worst, others will not knowingly or willingly do him harm, and at best, that they will act in his interests' (Newton, 2001, p. 202). According to Newton (2001, p. 206),

> at the individual level, voluntary associations are said to teach trust and social understanding because they allow a variety of people, sometimes with disparate backgrounds and different values, to work together. By bringing together a mix of social types and backgrounds, they help people to understand and empathise with others, and create the cross-pressures that are said to result in moderation and tolerance. They teach empathy, the art of compromise and cooperation, and the ability to get along with different social types – they encourage the 'habit of the heart' of civilised social relations. They breed and enforce reciprocity – it is difficult to behave badly in business if you know you will meet your victim at the golf club dance on Saturday.

Apart from individuals deriving some benefits as a result of their membership of voluntary associations, the society also derives some advantages. According to Newton (2001, p. 206), on the social level, voluntary associations

> create the cross-cutting ties and social networks that bind society together by its own internal conflicts. They create social bonds between like-minded people and can build bridges between different

> social groups wherever there is an overlap. They are the basis for the vast universe of pressure groups that aggregate and articulate opinions, act as intermediaries between citizens and elites, protecting the former from the behaviour of the manipulative and exploitative latter. They give citizens a sense of security that comes from community and belonging. They form the organisational basis of a democratic culture and its social networks of communication. In short, voluntary associations create the bonds of social solidarity that are the basis for a civil society and democracy.

In other words, social capital emphasises commitment to community and interpersonal ideals and values. This is as a result of the realisation that 'it is only by coming together in civil associations that weak individuals became strong. The associations they formed could either participate directly in political life (as in the case of a political party or interest group) or could serve as school of citizenship where individuals learned the habits of cooperation that [they] would eventually carry over into public life' (Fukuyama, 2000, p. 7). The emphasis on voluntary association recognises, in addition, the importance of freedom for individuals to form voluntary cooperation with others.

Access to information is essential if individuals will be able to make enlightened political decisions about who to vote for and how to be politically engaged. Voluntary associations are considered as channels for the acquisition of vital information, which aid citizens in being up-to-date concerning political events. This enables them to understand and evaluate public policies and activities in the political arena. The information gathered as a result of social interaction, within voluntary organisations, can then further aid citizens in holding the government accountable. In addition to these is the fact that:

> people who belong to associations seem relatively better informed about politics than do non-members and those who belong to more associations possess more political knowledge still. When members of a group chat informally about politics and current affairs, they are likely to pass along quality information. Hence, participation in voluntary associations increases the likelihood of exposure to others with relevant political information (Claibourn and Martin, 2007, p. 194).

One may however argue regarding this, that in this age of information revolution, with the proliferation of social media and gadgets like smart phones and laptops that make citizens access the internet more frequently, information is made more readily available. Social interactions now take place on platforms other than voluntary associations (at least as we know it). Also, the fact that voluntary associations are instrumental in making available necessary information in itself

may not have any effect on governance except individuals make use of the information in criticising governance and in relating with government with the aim of influencing governance. It is, however, not all voluntary associations that can enhance the social capital in a polity. This is because associations that threaten cooperation, as well as associations that are criminal in nature cannot enhance the values, norms, and social cooperation of members of a polity. If a group promotes intolerance, hatred, violence, and other vices towards other members of other groups in the society, such a group cannot meaningfully enhance the social capital possessed by the larger society in which the association operates.

Also, if care is not taken, the proliferation of voluntary associations in society could decrease the confidence reposed in government. This is especially so in polities where the government is deficient in its functions. In polities like this, citizens look up to voluntary associations to fill the lacuna. Normally, the state has a duty to perform some basic functions – provision of security for life and property, maintenance of law and order, among others – thereby creating an enabling environment for citizens to pursue their legitimate businesses, which ensure they survive and flourish (Oladipo, 2001). Where the government is unable to fulfil these, citizens look elsewhere. The result is the transfer of trust to those organisations that are able to help citizens meet their basic needs.

In addition, networks could undermine social justice. This is because social capital, created in a particular network, may not be available to non-members. Distance excludes those who are far, and social isolation prevents some others from partaking. The result is inequality, clientelism, and the gaining of access through one's social connection to merited and unmerited positions. In addition, there could be the presence of nepotism, favouritism, intolerance, inbreeding, and non-transparent, personalistic arrangements (Fukuyama, 1997). The unfortunate fallout of this is that 'whenever merit is set aside by prejudice of whatever origin, individual citizens as well as the nation itself are victimised' (Achebe, 2012, p. 78). On the part of the nation, one of its many effects is the loss of group psychology. Individuals and groups suffering from social injustice begin to question the motive behind the existence of the umbrella group to which they belong and they begin to withdraw their allegiance and loyalty to the group.

Let us examine the argument that social trust engenders political trust. This may not be the case. Having a trust in people with whom one shares one social relation or the other may not lead to reposing trust in government. Whereas social trust may be engendered by the support one has received from the social groups or associations one belongs to; political trust depends on a whole set of other variables such as 'pride in the national political system and a belief in open government' (Newton, 2001, p. 204). Other variables include the quality of political leadership, how effective the rule of law is, confidence in political institutions, and the performance of the political system. High inflation, poor economic

performance could further deflate political trust. In the case of many developing countries, endemic corruption and misrule, election rigging, manipulation of national census reports, among others, have greatly diminished the trust placed in government and the state.

Social Capital as Means to an End

There is, however, the contention that social capital cannot be regarded as a capital in the real sense. The view is that unlike physical capital, social capital is intangible. The response to this is that social capital, albeit intangible, should also be seen as a capital. The reason adduced for this is that just as the possession of other forms of capital is a means to an end, social capital is also a means to an end. The possession of social capital is expected to produce a number of political, social and economic results. The expectation is that it will enhance 'life chances by mobilising social rewards, reinforcing commonly shared standards, and gaining connections and assistance to achieve economic, political, and social ends' (Furstenberg, 2005, p. 810). James S. Coleman's description of this is that:

> social capital is defined by its function. It is not a single entity but a variety of different entities, with two elements in common; they all consist of some aspect of social structures, and they facilitate certain actions of actors – whether persons or corporate actors – within the structure. Like other forms of capital, social capital is productive, making possible the achievement of certain ends that in its absence would not be possible (Coleman, 1998, p. S98).

Sharing the same perspective is James Farr. He is of the view that:

> in a way both compact and capacious, the concept of social capital boils down to networks, norms, and trust. Upon inspection, networks prove dense and valuable, norms pervade individual actions and social relations, and trust appears psychologically complex. Like other forms of capital – namely, physical or human – social capital aids future productivity of individuals and groups in society, though not mainly economically. And it has as its conceptual cousin, 'community.' Putting these elements together, social capital is complexly conceptualised as the network of associations, activities, or relations that bind people together as a community via certain norms and psychological capacities, notably trust, which are essential for civil society and productive of future collective action or goods, in the manner of other forms of capital (Farr, 2004, pp. 8-9).

Social capital enables some benefits to accrue to individuals, on the one hand, and to the community, on the other. For the individual, some benefits spring up as a result of their belonging to particular groups. The idea of social capital

places emphasis on social networks, support systems, and collective and individual resilience (Welshman, 2006). The idea is that social networks can provide support to individuals belonging to those networks so that they can achieve certain personal goals. In other words, networks that people share can ensure that some resources or assets accrue to them. These, in turn, provide some encouragement to the individual and are instrumental in enhancing the quality of the individual by raising their overall achievement level. In countries where formal systems of support are limited, social networks are considered as an important resource (Palmer, 2011).

Social systems, it is claimed, are instrumental in the promotion of academic achievement by providing help that enables members and their offspring to have access to good education and ensures that students go on to complete their education. In turn, education is considered important because of the relationship that exists between education and political participation. The relationship is such that 'better educated citizens are more likely to be engaged by the political process, and they are more likely to become involved in various political activities' (Lake and Huckfedt, 1998, pp. 568-569). Not only this, the level of education attained by individuals in society is said to be of consequence to political participation. This is so because 'well-educated citizens are more likely to possess a knowledge base that makes it easier to unravel the intricacies of the political process, and they are more likely to possess the cognitive skills that make it easier to absorb and process complex political information (Lake and Huckfedt, 1998, p. 568). Education is considered as being important in the formation of social capital because 'educational institutions do not simply transmit human capital, they also pass on social capital in the form of social rules and norms' (Fukuyama, 2000, p. 15).

In addition to the benefits that accrue to individuals by virtue of their social ties, on the political lane, it is believed that good standing in society acts as collateral for the individual. 'Like conventional capital for conventional borrowers,' says Robert Putnam, 'social capital serves as a kind of collateral' (Putnam, 1993, p. 189). To scholars who promote this notion of social capital, social capital is fungible and is such that social standing in a particular association or group impacts positively on the welfare and development of the individual as a result of the network he has formed with others within the group. Whereas an individual needs to be creditworthy in order to access bank loans, he merely needs good social standing to be helped by his social network. The idea that scholars who hold this view try to convey is that just as other forms of capital act as collateral, so does the social status of an individual enable him to access informal loans that would normally require collateral. Local social networks are thus seen as useful in the alleviation of poverty and, by extension, the engendering of development.

Conclusion

The focus of this paper has been the conceptual clarification of 'social capital.' This has been done by scanning through literature to see how scholars have used the term and the implications that have been drawn from such usage. This work reveals three important perspectives associated with the usage of the concept. They include the role that social norms and moral values have in society, how interpersonal relationships generate capitals that can be relied on for development, and the thinking that social capital could lead to some ends like other forms of capital.

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