

IPS Roundtable, 31 March 2011: “Sizing up Social Capital”

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This is a report of the roundtable discussion with Professor (Prof) Robert Putnam, Li Ka Shing Professor, Lee Kuan Yew School of Public Policy, National University of Singapore and Peter and Isabel Malkin Professor of Public Policy, Harvard Kennedy School. Prof Putnam outlined the conceptual tools of social capital before sharing what he thought were the emerging issues with regard to building social capital in the American context that he is familiar with.

Social capital refers to networks and norms of trust and reciprocity. Social networks have value for individuals who were part of them, yet they also generate positive externalities to be enjoyed by other people who are on the margins of these networks especially when they are placed-based networks. Criminologists have found that the best predictor of low crime rate in neighbourhoods is the number of names of neighbours that people know.

Social capital is underpinned by the concept of generalised reciprocity, where one person does something good for another without expecting anything in return, with the belief that one would be able to tap on the reservoir of goodwill of the community when in need. Generalised reciprocity is more efficient than specific reciprocity as individuals did not have to remember who they have to return to favour, but just pay it forward.

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There are two types of social capital, bonding and bridging social capital. Bonding social capital occurs where people come together on the basis of similarity while bridging social capital connects people who are otherwise different. Bridging social capital is important in modern societies especially when they are diverse but it is harder to develop than bonding social capital.

Networks are powerful for several reasons. Networks facilitate information transmission but carry with them the dilemma of collective action and accountability, which is the following of private incentives that leaves everyone poorer off. With the Internet, information is transmitted rapidly, but there is little accountability as most connections are anonymous. In the real world, this is mitigated by ‘the shadow of the future’, which sees the risk of the ruining of one’s reputation within his or her social networks due to an act of misdeed. This leads to greater accountability.

Involvement in social networks affects individual preference schedules, and sense of identity, and can even increase levels of altruism. An individual without any particular affinity for a football club could find him or herself sympathetic towards its losses after spending time with individuals who are fans of it.

Prof Putnam then spoke on the challenges of building and maintaining social capital. Rapid social change tends to undermine social capital. While migration is good for economic growth, it is bad for social capital as it causes people to withdraw socially in the face of the unfamiliar. Social capital tends to be low in ethnically diverse communities for this reason. The greater the ethnic diversity of a neighbourhood, the less individuals would trust those like themselves, and those who are different.

The solution does not lie in closing the door to migrants. A successful immigrant society can be built over time by creating a greater sense of “we” with bridging social capital. This has been exemplified with the existence of hyphenated identities in America, which is difficult to imagine for European countries that are facing problems of integrating their immigrants.

Prof Putnam recounted the American experience in building social capital. The success of American society since 1900 came from the ability to replace older forms of social capital that disappeared as the rural populations migrated to urban city centres to find work amongst other social trends. Towards the end of the 19th Century and early 20th Century, the rapid growth of associations across America helped to boost social capital.

In that vein, the Singapore government’s replacing of horizontal forms of housing or ‘kampung’ with Housing Development Board flats was carried out in the right spirit, although the impact on social capital was less clear.

Today, class segregation and the impact of class on the life chances of American youth is a chief concern in America, as ethnic and religious cleavages have receded due to efforts in building bridging

social capital. Upper-middle class children have increasing levels of social capital which would allow them to get further in life. This comes from the greater number of associations they join over time and connections they make. The situation for working class children is the opposite and does not portend well for social mobility in America. In addition, in response to a question on the bifurcation and social stratification of American society in the discussion, Prof Putnam related that poorer Americans are not able to invest as much in their children as they are preoccupied with keeping their jobs and the house.

Prof Putnam ended his presentation with a comparison of the Singaporean and American context. The level of income inequality in Singapore was largely the same as America. Education Minister Ng Eng Hen’s recent personal narrative of the attainment of a very successful career in spite of his humble origins reflects the situation of social mobility many years ago and not today. Social capital is complex in the sense that one would be trying to fix a problem that one cannot yet see. Although such social trends tend to involve a time lag of 30 to 40 years before becoming visible, it would be too late to wait until then to fix the problem.

In the discussion, a participant asked Prof Putnam to elaborate on the critical ingredients of building social capital. Education, he said, is possibly the single most important tool that any government has in building social capital. Existing literature suggests that horizontal spaces are more conducive to building social capital, but in reality the impact of physical space on social capital is limited to the willingness of individuals to interact within that space. Singapore’s Ethnic Integration Policy of implementing ethnic quotas to

prevent the formation of enclaves is very much the textbook example of the effort to build social capital in this regard. Whether this has actually worked bears further research. The building of social capital should be made to seem fun to encourage participation. Prof Putnam further cautioned against the accidental destruction of social capital with public policy initiatives, raising the example of slum clearance in America in the 1950s.

A participant raised a question on the apparent sudden anti-immigrant trend in America today, in the backdrop of a long history of welcoming migrants from all over the world. Prof Putnam related that the trend that had been in place for centuries was that Americans took some 20 to 30 years to get used to every new group of immigrants, but that migrants eventually became a part of the community. Immigrant groups include the Dutch, Germans, Irish, Jews, Italians, Poles, and more recently the Asian Americans and Latinos. So, Americans do adapt to having immigrants and fresh waves of them every now and then.

In response to a question on the relationship between social capital and economic inequality, Prof Putnam said that the two indicators were positively correlated robustly, although the direction of causality was less clear. Most assumed that economic inequality caused poor social capital but there was evidence that suggested otherwise. Prof Putnam said that there appeared to be a consistent pattern whereby economic inequality levels in the US have lagged social capital levels since the 1900.

A participant expressed that it was difficult for individuals to find time in the hectic pace of modern society to join clubs and associations and asked if this was more destructive to social capital than race and

religion. Prof Putnam said that the average American had substantially more free time today than in 1965 and 1975, but spent it on individualistic activities such as the watching of television and on the Internet. There were categories of exceptions that did not make up the majority, which include Americans with advanced degrees under the age of 30 years. It was the choice of individual over group-type activities rather than the lack of free time that is the issue at hand.

Upon reflection, Prof Putnam's research on social capital has significant implications for Singapore considering its ethnic, religious, and more recently, increase in national diversity with the surge in immigration rates. The way forward lies in building bridging social capital, and the openness which local-born Singaporeans have by redefining the sense of what Singapore is. What stood out is the fact that the building of bridging social capital does not begin with a discussion of issues of division between contending groups, or the ways in which the groups were different and trying to meet each other. It results from more time spent together and lived experiences shared with one another.

While tools of social engagement such as inter-racial and religious dialogue and discussions on migration may serve to illuminate and address issues, they should be coupled with other social capital-building measures. The successful building of bridging social capital occurs when individuals are brought together in a manner that causes them to focus on common interests with little reference to why they might be different on another level.

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