



**USAID**  
FROM THE AMERICAN PEOPLE

**CAUCASUS**

FORECAST Project

# Social Capital: A Literature Review

# 2011

This Literature Review provides a general overview of the field of Social Capital (SC). It provides a background briefing on the scholarly discussion, to complement the research that Caucasus Research Resource Centers (CRRC) conducted on Social Capital in Georgia between November and December 2010, intended for individuals who want to better understand the ongoing discussion in the field. The situation of Social Capital in Georgia is described in a Briefing Paper, recommendations are provided in a Final Report, and there is a Hands-On Guide as a short summary. These reports are available directly from CRRC, and derive from a research project initiated by USAID and organized by World Learning.

The Literature Review includes a wide range of materials from scholars and donor agencies, such as the World Bank, USAID and Organization for Economic Cooperation and Development (OECD) in order to present comparative studies, best practices, assessment tools, successful models and lessons learned related to Social Capital. This document also discusses literature on Social Capital in the post-communist region and in Georgia.

Please direct your comments to [robia@crccenters.org](mailto:robia@crccenters.org).

*This study is made possible by the generous support of the American people through the United States Agency for International Development (USAID). The contents are the responsibility of CRRC and do not necessarily reflect the views of USAID or the United States Government.*

## ***Introduction***

The term Social Capital is a multifaceted concept that is often considered to be a measure of the strength of civil society. The phrase is intended to refer to both structures of norms within social organization that facilitate coordination and cooperation for mutual benefit. Thus, Social Capital is invoked as contributing to a very diverse set of structural outcomes including governmental performance, economic performance and regime outcome (democratization), as well as individual-level outcomes such as the quality of health, happiness and well-being. The concept of Social Capital became a common topic in the social sciences during the early 1990s.

This literature review is divided into six sections. The first section discusses different interpretations and conceptualizations of the phrase Social Capital. The second section provides an overview of various ways in which Social Capital has been operationalized and measured. The subsequent sections discuss Social Capital in post-communist societies and in multicultural societies. The fifth section outlines Social Capital involving the state and political participation, followed by a section on Social Capital, economic growth and poverty. The sixth section is dedicated to the relationship between Social Capital, happiness and well-being, and the final chapter concludes with more discussion about literature from donor agencies.

## ***Conceptualizing Social Capital***

The term Social Capital was first used in the 1980s (Onyx and Bullen, 2000) and popularized by Bourdieu (1980, 1986), Coleman (1988) and Granovetter (1973, 1985). Despite the great amount of research that has been conducted on Social Capital, a consensus definition of the concept remains elusive. Even a casual reading of the literature will show that the sociological concept can take many forms related to connections within and between social networks. Nevertheless, definitions of Social Capital tend to share the core idea “that social networks have value” and it is generally understood that Social Capital is a property of the group, rather than a property of the individual. Moreover, there is some consensus within the social sciences towards a conceptualization that highlights the role of social networks, civic norms and trust.

Bourdieu was one of the originators of literature on Social Capital. Using a sociological approach influenced by Marxism, he identified three different aspects of Social Capital related to the concept of class: economic (e.g., money and property), cultural (e.g., education and knowledge) and Social Capital (e.g., social connections and group memberships). For Bourdieu, the concept of Social Capital was bound to notions of class and social struggle whereby Social Capital becomes a resource during social struggles because it allows an individual to advance her interests. Bourdieu defines Social Capital as, “The sum of the resources, actual or virtual, that accrue to an individual or group by virtue of possessing a durable network of more or less institutionalized relationships of mutual acquaintance and recognition” (See Table 1). In addition to his focus on the relational or dynamic aspects of Social Capital, Bourdieu maintained that the concept of Social Capital has two components. First, it is a resource connected to group membership and social networks. Second, it is produced by the sum of relationships between actors (Bourdieu, 1986; Bourdieu and Wacquant, 1992). Despite Bourdieu’s contribution to the field of Social Capital, he neglected the role of organizations and made few attempts to provide an operational definition of Social Capital.

By the late 1980s, the American sociologist, James Coleman (1988), advanced Bourdieu's concept of Social Capital, yet promoted a broader notion of the concept that encompassed social groups, organizations and societies. For Coleman, Social Capital is not a single entity, but rather a combination of different factors that consist of social structures and that affect the behavior of actors within those social structures. Coleman's concept of Social Capital is thus defined by its functionalistic approach. Specifically, Coleman argues that Social Capital can take on three forms: 1) obligations and expectations that depend on trust within the social environment, 2) the capacity for information to flow and provide a basis for action, and 3) the presence of social norms and sanctions due to a rejection of those norms.

In addition to Bourdieu and Coleman, many other scholars have focused on the structural aspects of Social Capital. Krishna and Shrader (1999) divide Social Capital into macro and micro levels. The macro level refers to the institutional context in which organizations operate (Olson, 1982; North, 1990). This includes rule of law, political regimes and legal frameworks. The micro level includes contributions that horizontal organizations and social networks make to development.

Putnam drew heavily upon the work of previous scholars such as Coleman. However, his own work brought the concept of Social Capital into the political mainstream. In "Bowling Alone" (2000) Putnam argues that the United States has experienced a collapse in civic, social, associational, and political life since the 1960s which has had serious negative consequences—an apolitical and individualistic society. Putnam offers one of the most widely used definitions of Social Capital as, "features of social life – networks, norms, and trust – that enable participants to act together more effectively to pursue shared objectives" (See Table 1). He thus views Social Capital as a multidimensional entity that pertains to both structure and agency. Furthermore, Putnam distinguishes between two types of trust: 1) "thick" trust in which individuals trust people they know (e.g., intimate social networks) and 2) "thin" trust in which individuals trust people they do not know (e.g., other community members).

Besides trust, Putnam discusses another differentiation within the concept of Social Capital: bridging, bonding and linking (Woolcock 1998). Bonding (exclusive) Social Capital refers to relations amongst relatively homogenous groups such as family members and close friends with strong ties (e.g., fraternal organizations and church based women's reading groups). Bridging (inclusive) Social Capital refers to relations with distant friends, associates and colleagues (e.g., civil rights movements and ecumenical religious organizations). According to Putnam, ties within bridging Social Capital tend to be weaker and more diverse, yet more important for "getting ahead". Linking Social Capital denotes connections between individuals and groups that belong to different social strata (hierarchies) with differing levels of power, social status and wealth (Cote and Healy 2001). Unlike bridging and bonding, linking is concerned with relations between people who belong to different social strata. Raiser et al. (2001) similarly suggest that Social Capital is a cultural phenomenon in which social norms promote cooperation and trust in public institutions. Thus, it signifies the extent of civic-mindedness within a society.

However, other scholars take issue with elements of Putnam's conceptualization and approach. For Harriss (2001), Putnam does not provide a thorough understanding or theory of trust, but rather confuses various concepts, such as interpersonal trust, cultural traditions, and a belief in the legitimacy of institutionalized norms, as well as confidence in these norms. Additionally, some authors find Putnam's omission of power and conflict in his discussion of Social Capital to be problematic (Fine 2001, Harriss 2001).

While Social Capital is largely understood to be a multidimensional concept, much of the literature in the field focuses on the role of trust. Fukuyama (1995, 1996, 1999) is most well-known for specifically linking Social Capital to trust. He integrates Social Capital and trust into an economic framework that is distinct from the sociological or political science perspective utilized by Coleman and Putnam, respectively. Fukuyama views Social Capital as an informal norm that promotes co-operation between individuals. It reduces transaction costs in the economic sphere and it promotes the kind of associational life that is necessary for democracy in the political sphere. Moreover, Fukuyama finds that low Social Capital and increasing mistrust encourages crime and corruption in the United States. He argues that low-trust societies often have a great deal of Social Capital (trust) in the family (similar to the concept of bonding), thus hindering the organization of large corporations. He uses China, Italy, and France as examples of countries in which trust within society is low, yet trust within a close circle of friends and family is high, thus limiting the ability to expand beyond small, family-owned businesses into the global marketplace. Fukuyama's counterexample is the United States, Germany and Japan which he considers to be high-trust societies.

Others attempt to combine structural and individual aspects of Social Capital. For Uphoff (2000), structural Social Capital refers to structures such as networks, associations and institutions (e.g., neighborhood associations). Cognitive Social Capital refers to generally accepted attitudes and norms of behavior, shared values, reciprocity and trust. In a project sponsored by the World Bank, Collier (1998) introduces a map with three building blocks: social interaction, its effects, and the mechanisms by which it has these effects. He distinguishes between four types of social interaction: one way relations of an agent with others, networks, clubs and hierarchical organizations. The effects are divided into three types: those relating to knowledge, those relating to opportunistic behavior and those relating to free-riding. Furthermore, Collier identifies two mechanisms by which social interaction achieves each of these effects. He argues that even though the resulting schema is not the only way to conceptualize Social Capital, more simplicity would be at the price of leaving out some aspect.

Thus, the concept of Social Capital has been defined many ways (see Table 1). While some scholars remark upon the vagueness of the concept as it is used in research (Woolcock 1998 Woolcock and Sweetser 2002; Durlauf 2002; Fine 2001), Social Capital is a complex multidimensional concept that often brings together disparate but interrelated research across a variety of disciplines.

**Table 1: Definitions of Social Capital<sup>1</sup>**

Authors	Definitions of Social Capital
Baker	'a resource that actors derive from specific social structures and then use to pursue their interests; it is created by changes in the relationship among actors'; (Baker 1990, p. 619).

---

<sup>1</sup> Adler, P., Kwon, S. "Social Capital: Prospects for a new concept." *Academy of Management Review* 27(1) (2002): 17-40. Claridge, T. 2004, 'Social Capital and Natural Resource Management', Unpublished Thesis, University of Queensland, Brisbane, Australia.

Belliveau, O'Reilly, Wade	'an individual's personal network and elite institutional affiliations' (Belliveau et al. 1996, p. 1572).
Bourdieu	'the aggregate of the actual or potential resources which are linked to possession of a durable network of more or less institutionalized relationships of mutual acquaintance or recognition' (Bourdieu 1986, p. 248). 'made up of social obligations ('connections'), which is convertible, in certain conditions, into economic capital and may be institutionalized in the form of a title of nobility' (Bourdieu 1986, p. 243).
Bourdieu Wacquant	'the sum of the resources, actual or virtual, that accrue to an individual or a group by virtue of possessing a durable network of more or less institutionalized relationships of mutual acquaintance and recognition' (Bourdieu and Wacquant 1992, p. 119).
Boxman, De Graai. Flap	'the number of people who can be expected to provide support and the resources those people have at their disposal' (Boxman et al. 1991, p. 52).
Burt	'friends, colleagues, and more general contacts through whom you receive opportunities to use your financial and human capital' (Burt 1992, p. 9). 'the brokerage opportunities in a network' (Burt 1997, p. 355).
Knoke	'the process by which social actors create and mobilize their network connections within and between organizations to gain access to other social actors' resources' (Knoke 1999, p. 18).
Portes	'the ability of actors to secure benefits by virtue of membership in social networks or other social structures' (Portes 1998, p. 6).
Brehm Rahn	'the web of cooperative relationships between citizens that facilitate resolution of collective action problems' (Brehm and Rahn 1997, p. 999).
Coleman	'Social Capital is defined by its function. It is not a single entity, but a variety of different entities having two characteristics in common: They all consist of some aspect of social structure, and they facilitate certain actions of individuals who are within the structure' (Coleman 1990, p. 302).
Fukuyama	'the ability of people to work together for common purposes in groups and organizations' (Fukuyama 1995, p. 10). 'Social Capital can be defined simply as the existence of a certain set of informal values or norms shared among members of a group that permit cooperation among them' (Fukuyama 1997).
Inglehart	'a culture of trust and tolerance, in which extensive networks of voluntary associations emerge' (Inglehart 1997, p. 188).

Portes Sensenbrenner	'those expectations for action within a collectivity that affect the economic goals and goal' seeking behavior of its members, even if these expectations are not oriented toward the economic sphere' (Portes and Sensenbrenner 1993, p. 1323).
Putnam	'features of social organization such as networks, norms, and social trust that facilitate coordination and cooperation for mutual benefit' (Putnam 1995, p. 67).
Thomas	'those voluntary means and processes developed within civil society which promote development for the collective whole' (Thomas 1996, p. 11).
Loury	'naturally occurring social relationships among persons which promote or assist the acquisition of skills and traits valued in the marketplace. . . an asset which may be as significant as financial bequests in accounting for the maintenance of inequality in our society' (Loury 1992, p. 100).
Nahapiet Ghoshal	'the sum of the actual and potential resources embedded within, available through, and derived from the network of relationships possessed by an individual or social unit. Social Capital thus comprises both the network and the assets that may be mobilized through that network' (Nahapiet and Ghoshal 1998, p. 243).
Pennar	'the web of social relationships that influences individual behavior and thereby affects economic growth' (Pennar 1997, p. 154).
Schiff	'the set of elements of the social structure that affects relations among people and are inputs or arguments of the production and/or utility function' (Schiff 1992, p. 160)
Woolcock	'the information, trust, and norms of reciprocity inhering in one's social networks' (Woolcock 1998, p. 153).

## ***Measuring Social Capital***

The previous section demonstrated that the concept of Social Capital can have a variety of meanings. The selection of indicators used to measure Social Capital is largely dependent on the way Social Capital is conceptualized.<sup>2</sup> For example, trust is often considered a component of Social Capital. Fukuyama (1995) equates trust with Social Capital. Putnam et al. (1993) view trust as a source of Social Capital and Coleman (1998) perceives trust to be a form of Social Capital. These different understandings of the relationship between trust and Social Capital give rise to different measurements of the concept. For Fukuyama, indicators of trust would be sufficient to measure the concept of Social Capital as a whole, whereas for Coleman, indicators of trust would be one part of the measurement for Social Capital. Moreover, since Social Capital is a complex and

<sup>2</sup> See Table 2 by Adcock and Collier in Appendix. This diagram explains the schema for conceptualization and operationalization.

multidimensional concept, it is often measured by different sets of indicators, rather than by any single measure.

The concept of Social Capital also has constructs that are inherently abstract. Constructs are subconcepts of the general concept of Social Capital (e.g., trust). Since constructs are inherently abstract, creating a set of indicators by which to measure them and thus Social Capital requires subjective interpretation (Grootaert et al. 2002; Narayan and Cassidy 2001). In other words, Social Capital is impossible to measure directly and proxy indicators must be used to the general concept (e.g., trust or group membership).

Many international agencies such as OECD, USAID and the World Bank have supported several research initiatives to measure Social Capital. Much of this research includes attitudinal questions from the General Social Survey (GSS) which contains questions on trust, fairness and helping that are indicators used to measure Social Capital. For example, “Generally speaking, would you say that most people can be trusted or that you can’t be too careful in dealing with people?” Many authors measure Social Capital by using these types of attitudinal questions.

Glaeser et al. (2000) use trust and trustworthiness as two indicators of Social Capital and use attitudinal survey questions to find that trust and trustworthiness arise when individuals are closer socially. Knack and Keefer (1997) conceptualize Social Capital as trust and civic cooperation. Therefore, they measure Social Capital using two indices. The first index uses an average of answers to questions such as “Is it ever justified to cheat on taxes?” in order to gauge the level of civic cooperation in a country. The second index measures trust and is operationalized by the percent of survey respondents in a country who reply that “most people can be trusted”. Narayan and Prichett (1997) measure Social Capital as a weighted average of answers to three questions: 1) membership in various groups, 2) the characteristics of these groups and 3) trust-related attitudes. Additionally, Inglehart (1990) operationalizes Social Capital as a combination of interpersonal trust, reluctance to endorse revolutionary change and life satisfaction using the World Values Survey.<sup>3</sup> Finally, the New Zealand National Statistical Office suggests that any efficient measurement of Social Capital would involve three types of measurement: population data, attitudinal data and participation data. Attitudinal data is required because the concept relies on the fact that people share common goals and norms. Thus, gathering population, attitudinal and participation data would mean asking people about their sense of identity, sense of belonging, belief systems and ideologies.

In addition to attitudinal questions about individual behavior, some scholars advocate measuring Social Capital as a variety of institutions from the formal (courts) to the informal (families). Coleman’s (1998) research examined the role of Social Capital in social inequality and educational achievement. He argued that social relations within the family and wider community were forms of Social Capital that encouraged mutual obligations, expectations and trust. Thus, he measured Social Capital as a function of the amount of attention children received and other factors influencing educational performance. To measure the former, Coleman used the physical presence of parents per number of children in the family as an indicator. For the latter, he measured the number of times a child had to change schools due to family relocation.

---

<sup>3</sup> The term ‘operationalize’ refers to the process of moving from a concept to a set of indicators that can be scored and measured. See Table 2 in the Appendix.

Furstenberg and Hughes (1995) measure within-family Social Capital as an average of five variables: the presence of a father in the home, frequency of activities involving children and parents, parents' expectations of school performance, mother's encouragement of child, mother's attendance at school meeting, and how many of the child's friends the mother knows. For within-community Social Capital, they average seven variables: whether or not the child has changed schools, membership and frequency of church attendance, whether or not a person sees a close friend weekly, whether or not a person believes that they have someone to turn to in troubled times, friend's educational expectations, school quality and parent's perception of neighborhood quality.

In addition to measuring Social Capital by attitudinal indicators or a variety of institutions, comprehensive measurements of Social Capital have been developed. Grootaert and Bastelaer (2002) led a Social Capital Initiative that was undertaken by the World Bank to measure and understand the impact of Social Capital. This work produced a Social Capital Assessment Tool (SATC) which combines quantitative and qualitative instruments to measure Social Capital at the household, community and organization levels. Similarly, in *Bowling Alone* Putnam employs a composite index of four indicators of Social Capital that represents civil and political participation (known as "Putnam's Instrument"). This is an index of the strength of civic community based on the percentage of the population voting in referenda, newspaper readership, and the number of associations for voluntary, cultural and sporting activities per head of the population.

Other authors have employed multivariate methods such as principal component analysis, factor analysis and latent class analysis to measure and investigate Social Capital. Owen and Videras (2006) argue that higher income influences Social Capital accumulation due to a higher opportunity cost of time. They use latent class analysis to measure Social Capital since the concept is directly unobservable and multidimensional, and thus has multiple manifestations of civic engagement, as well as trust and fairness. They measure an individual's Social Capital using 18 questions data from the General Social Survey that are common proxies for networks, trust and norms, and employ sixteen questions about membership in voluntary organizations and two questions about whether people can generally be trusted or not. Their approach categorizes individuals into types of Social Capital using a latent class model.

Similarly, Sabatini (2006, 2008) uses principal components analysis as another multivariate method to reduce a set of indicators of Social Capital to a single variable. Paxton (1999) employs factor analysis for several indicators of trust. Finally, more than ten years after *Making Democracy Work*, Sabatini reexamines Social Capital in Italy. Sabatini takes an unusual approach to the measurement of Social Capital because he rejects the notion of trust as an indicator of the concept. Rather, he considers trust to be an epiphenomenon that is a function of Social Capital, rather than Social Capital being a function of trust. He provides a multidimensional conceptualization of Social Capital and employs almost 200 indicators of four dimensions of Social Capital: strong family ties, weak informal ties, voluntary organizations and political participation. Sabatini utilizes indicators from multipurpose surveys carried out by the Italian National Institute of Statistics and creates a cross-section of data disaggregated at the regional level. He then performs principle component analysis on these four dimensions.

Some of the main difficulties with measuring Social Capital include the fact that it is conceptualized in different ways by different scholars and thus can be variously measured. In addition, some types of macro indicators for Social Capital that are popular in empirical research often lead to confusion about the nature of Social Capital itself. Crime rates, teenage pregnancy and participation rates in

tertiary education have been used as indicators of Social Capital even though they are not directly related to any of the key components of Social Capital, but are rather possible outcomes of Social Capital. Finally, one of the most important problems regarding the measurement of Social Capital involves aggregation. Trust is one of the most commonly used indicators of Social Capital and it is a cognitive concept that represents an individual's perception of their social environment. However, aggregated individual trust which becomes translated into social trust has a weak link with the social and historical circumstances in which trust and Social Capital are located (Foley and Edwards 1999, Fine 2001).

## ***Social Capital in the Post-Communist Region***

Numerous studies have shown that Social Capital is comparatively low in the post-communist region than in other regions of the world (Gibson 2001). For example, organizational membership (a commonly used indicator of Social Capital) in Eastern Europe and the former Soviet Union is half of what it is in other post-authoritarian regions such as Latin America, and lower than Social Capital in established democracies such as those in Western Europe and North America.<sup>4</sup> This suggests that there is a certain weakness of Social Capital in the post-communist region, including Georgia.

Literature on Social Capital in the post-communist region can be grouped into two main categories. One body of work argues that the history and legacy of communism is the reason for low Social Capital throughout the region. The second body of work argues that the reason for low Social Capital in the region is due to structural factors, rather than cultural factors that resulted from previous communist rule.

Howard (2002) is one of the most well known authors who have examined the weakness of Social Capital and civil society in the post-communist region. He falls into the first camp and analyzes the low level of civil society, specifically, in Russia and the former German Democratic Republic (GDR). He argues that three factors account for the low level: 1) a legacy of mistrust of the public sphere and of participating in it, 2) a persisting relevance of personal friendship networks (i.e. friends and family) in which people do not join public organizations to make friends or expand their social personal networks, and 3) the pervasive disillusionment that followed the initial euphoria surrounding the fall of communism. Howard asserts that these three factors prevented the formation of Social Capital (e.g., civic engagement and public-spiritedness) which could have encouraged the growth of civil society (i.e. the autonomous sphere that can provide political leverage to society vis-à-vis the state and prevent the state's encroachment).

Many authors agree with Howard's assessment that the experience of communism or socialism (depending on the language used by the scholar) inhibited the growth of Social Capital in the post-communist region because it destroyed interpersonal and external trust (Kideckel 1998, Nichols 1996, Raiser et al. 2001, Gill and Markwick 2000). Similarly, Jowitt (1992) argues that state socialism created distrust and cynicism among the populations in the Soviet Union and satellite states. Thus, after the dissolution of the Soviet Union, people who had been forced into associations were no longer eager to voluntarily engage in civic networks and spontaneous citizens' interaction. This led

---

<sup>4</sup> See Marc Morje Howard. "The Weakness of Postcommunist Civil Society," in *Journal of Democracy*, Vol. 13, No. 1 (2002), pp. 157-169.

to a “Leninist culture” including a strict separation between public and private spheres, low trust, and a suspicion of politics that is pervasive throughout the region. Nichols (1996) takes this argument one step further by explaining the post-communist region’s halted process of democratization on the idea that state socialism destroyed Social Capital. Thus, post-communist societies had to begin transition without any stock in Social Capital. Similarly, Hasanov (2007) conducted focus groups and a survey in Baku and Khachmaz and Masalli districts of Azerbaijan and demonstrated that public mistrust is widely spread in the country due to previous experience with a “totalitarian” regime and socialist way of life.

Rose (1999) distinguishes between “premodern,” “modern” and “antimodern” Social Capital. “Premodern Social Capital” is based on informal, face-to-face ties of family and neighbors. “Modern Social Capital” involves a structural shift in society’s networks of institutions towards more formal institutions and provides an environment in which civil society can operate. “Antimodern Social Capital” involves informal networks that exist at the basis of formal organizations and promote individual welfare. Rose argues against the notion that there was no Social Capital during the Soviet Union or in post-communist countries (especially Russia). Rather, he maintains that there was (and is) a particular type of Social Capital: “antimodern Social Capital”. It was the basis of Social Capital that existed under state socialism, especially since many goods and services were produced in households and informal networks and families sought to isolate these goods from the state. Similarly, Paldam and Svendsen (2002) created the terms “missing” and “negative” Social Capital to refer to illegal social networks (e.g., corruption) that transformed from necessary survival strategies during the Soviet Union.

Paldam and Svendsen (2002) also focus on a lack of bridging Social Capital in Central and Eastern Europe and coin the terms “missing” or “negative” Social Capital. They argue that post-communist societies display a high level of bonding Social Capital in which their relations between family and friends is strong. However, these societies show a low level of strong relationships between different social strata.

Other scholars have concentrated their study of Social Capital in particular countries within the post-communist region (Geremek 1992, Smolar 1996, Lomax 1997). Ekiert and Kubik (1999) emphasize the strength of postcommunist civil society in Poland—long considered to be exceptional within the postcommunist region. However, they primarily focus their discussion of Social Capital and civil society on protest rather than more typical forms of participation. Similarly, Lühiste (2006) use regression analysis to show that Estonia, Latvia and Lithuania confirm the hypothesis that the more an individual trusts other people, the stronger his or her trust in political institutions.

Nikolayenko (2005) uses data from the World Values Survey to compare the determinants and effects of Social Capital (interpersonal trust and membership in voluntary organizations) in 15 EU member states and post-communist countries that have obtained EU membership. She shows a decline of Social Capital in both mature and nascent democracies during from 1990 to 1999, partially due to a disenchantment with traditional voluntary organizations (e.g., labor unions, political parties and professional associations) which have not translated into participation in new types of voluntary organizations in post-communist countries. Raiser et. al. (2001) use data from the World Values Survey in 1990 and 1995 to show that indicators of Social Capital (trust and civic participation) are significantly lower in Central and Eastern Europe and the former Soviet Union than in OECD countries.

The second body of work within the literature on Social Capital in the post-communist region asserts that structural factors are at fault for the region's low level of Social Capital, rather than the legacy of communism and Soviet rule or cultural factors. Babajanian (2008) argues against the notion that the main barriers to participation and Social Capital are due to cultural factors such as interpersonal trust and the mentality of post-Soviet citizens. His research in seven rural communities shows that there are strong endowments of Social Capital as evidenced by interpersonal relations, dense networks of mutual support both within smaller groups (e.g., kinship and friendship networks) and between different groups in a community, as well as high levels of social participation in all of the studied communities. Babajanian argues that this is due to the absence of effective state support and the presence of extreme poverty by which mutual assistance is a crucial resource that many households draw upon to survive. However, the presence of high Social Capital in a community may not necessarily translate into citizen participation because the governance environment plays a key role in affecting the nature and forms of community participation.

Babajanian maintains that the Social Capital framework used by development agencies in community-driven development projects in post-Soviet countries may not be adequate for promoting citizen participation. This is because citizen participation cannot be fostered in the absence of an enabling governance environment such as in Armenia where poor governance, a weak rule of law and pervasive corruption affect all spheres of economic and social life thus posing a constraint on citizen participation. In Babajanian's view, bottom-up community-driven initiatives should be combined with top-down efforts to democratise both formal and informal institutions of the state and state leaders should create space for public participation. Rose (1998) found a similar situation in Russia where the nature of governance affects the expectations and experience of citizens, thus determining the choice of social networks that individuals rely upon to get things done.

Murphy (2003) examines theories of Social Capital with relation to two Canadian-sponsored democratization initiatives in the Russian north (Yakutsk and Evenkiya) where there is an underdeveloped framework of independent, horizontally and vertically integrated organizations that foster free expression. Murphy claims that civil society and Social Capital are largely absent because they have no place in a Russian political system dominated by a small core of industrial interests. He concludes that citizen participation is likely to be minimal until there is a political system that tolerates different interests. Thus, Murphy argues that Putnam disregards the problems of broader political culture in restricting Social Capital. Some scholars suggest that Putnam and Howard's understanding of Social Capital automatically assumes a certain degree of cooperation between the society and the institutions of the state. However, this does not apply to post-communist countries, and post-Soviet countries in particular, where state-society relations have been ruptured. Therefore, these authors fail to recognize that informal networks at the micro-level are produced and reinforced by the macro-level institutions.

Within this body of work are scholars who find that predominantly Western notions that Social Capital is low in the region are untrue or exaggerated. For Marsh (2000) various regions in Russia have different amounts of Social Capital and thus it cannot be claimed that Russia as a whole has low Social Capital. Separately, Ledeneva (1998) asserts that there were large amounts of Social Capital in terms of networks and norms in Soviet Russia, even if Social Capital was low on other indicators. Some other scholars reject the notion that there is low trust throughout the region, but rather skepticism that dominates post-Soviet transition. Kolankiewicz (1996) argues that levels of trust in postsocialist transition countries are actually high.

Murray's (2006) paper was written as a conceptual framework for a research project entitled "Integrated Development of Agricultural and Rural Institutions" (IDARI) in Central and Eastern European (CEE) countries. Murray questions the use of the concept of Social Capital to CEE and maintains that the social and economic transition in CEE had a profound effect on how individuals interact. That is, how each person uses social networks will determine their level of Social Capital. Similarly, Busse (2001) argues that the nature of Social Capital is dependent upon historical and structural conditions. Additionally, her ethnographical research in Novosibirsk, Russia shows that reports about the nonexistence of Social Capital in Russia are exaggerated. Additionally, for Letki (2003) certain forms of interpersonal trust in the region exist due to the need to survive economic hardships and the experience of political arbitrariness. Thus, distrust of state structures should not be mistaken for distrust of fellow citizens.

Other scholars have found links between regime type and government performance and Social Capital. Radnitz, Wheatley and Zurcher (2009) investigate the determinants of Social Capital by analyzing a survey in Tajikistan, Kyrgyzstan and Uzbekistan. They use simple bivariate (Pearson) correlation and structural equation models to test whether networks, norms and trust are empirically related and the extent to which four factors (culture, regime type, perceptions of government responsiveness and development interventions) predict levels of Social Capital. Their results show that trust and norms diverge from networking. Interaction is higher under less repressive regimes (e.g., in Kyrgyzstan) and is further increased by development interventions. The activities of NGOs appear to have a structural impact by increasing networking among individuals who receive aid even though NGO activities may not affect the cognitive aspects of social relations (i.e. norms and trust). This runs counter to the criticisms of NGO activities in the former Soviet Union.

Radnitz, Wheatley and Zurcher also find that trust and norms are higher under conditions of greater repression (e.g., in Uzbekistan). One explanation they posit is that although a high police presence in Uzbekistan discourages people from extensively interacting in public places, people maintain trust in those with whom they already frequently interact because the lack of interaction in the public sphere solidifies people in their pre-existing social circles without exposing them to new people or ideas. In Kyrgyzstan, a relatively less oppressive state, people have more opportunities to interact due to the country's political openness and partial transition to a market economy. However, impersonal exchanges do not necessarily engender greater trust or stronger social norms. In fact, the authors suggest that the opposite may occur when people are forced into greater contact with new ideologies or competing ethnic groups. Finally, the authors determine that culture (and ethnicity) does not affect any indicators of Social Capital, while perceptions of responsiveness correlate with higher levels of trust.

In a similar vein, Letki (2003) shows that exposure to the democratic processes and development of democratic institutions has an important positive influence on political participation. The descriptive analysis of the levels of participation in particular East-Central European countries implies that they are conditioned by numerous factors, such as the structure of party competition, ethnic composition or the experience of elections. The lack of experience of free elections makes people less likely to have political preferences (e.g., Russia, Belarus, Ukraine) and the lack of civic rights to participate in the electoral process has a naturally similar result (the Estonian Russian minority).

Pahl (2000) takes this argument further by describing a difference between private and public spheres. He focuses specifically on friendship and warns that while informal social networks in Russia and China are strong, they stand in marked contrast to the formality and weak relationships

in public life. Lukatela (2005) uses data from the 1995 and 2000 World Values Survey to examine the relationship between Social Capital, education and democratization in Western and Eastern Europe. The author remarks that social trust is a characteristic of the most successful transitions and that a Social Capital—and specifically a trust-building mechanism based on reciprocity—was an integral part of transition for the Eastern European states.

## **Works about Georgia**

In a 2005 study funded by the World Bank, Tskitishvili et al. examined formal and informal employment issues and the use of personal and social networks among internally displaced persons (IDPs) and the general population (GP) in Georgia. They conducted focus groups, 20 in-depth interviews and a survey of 1,000 IDPs and 1,000 people from the general population. They sampled from the adult (18 years and older) population in Tbilisi, Kutaisi and Zugdidi and used the last birthday method for respondent selection.

In this study Social Capital refers to social networks, memberships in formal groups, participation in community events and activities. The authors show that the personal networks of IDPs appear to be more successful at helping IDPs obtain government-related employment, whereas the personal networks of the GP are better at helping the GP obtain employment in the private sector. For both IDPs and the GP, friends, relatives and acquaintances were most often used to obtain employment. The study also shows IDPs were more likely to be a member of a professional association, whereas a member of the GP was more likely to be a member of a religious or church group. Participation in and monetary contribution to community projects was much higher than group membership. A significantly lower percentage of IDPs (17.3%) than the GP (25.7%) believe that, in general, people can be trusted. The rates of employment between IDPs and the GP were found to be significantly different with a higher unemployment rate among IDPs, especially between 1991 and 1999. This difference is most likely due to displacement from their former employment and displacement to a collapsed economy with few employment opportunities. Even though it was hypothesized that IDPs would have lower levels of Social Capital, this study did not confirm this. IDPs reported as high a level of Social Capital as the GP.

In addition to this project on Social Capital between IDPs and the GP, a few other scholars have remarked upon the generally weak nature of Social Capital in Georgia. Slade (2006) investigates the institutional vacuum that was created during the post-Soviet transition in which Social Capital (trust, cooperative behaviour and social networks) came to exist in a negative form consisting of coordinated underground activities and criminal brigades. Closson (2009) asserts that informal social networks have replaced legitimate channels of communication in the public sphere because of the weakness of the Georgian state.

Additionally, one specific study on condominium associations was conducted in 2010. From July 15 to 17, 2010 David Tvalabeishvili, Tevon Cooke and Dorothy Bell visited 11 of the 12 Condominium Associations (CAs) in Tbilisi, Georgia. They found a variety of sophistication and engagement in groups who had gathered small money for repair projects (elevators, roofs and common spaces) in cooperation with their municipality.<sup>5</sup> Tvalabeishvili et al. visited apartment blocks and found that

---

<sup>5</sup> Tbilisi Municipality had a cost share program where it will pay 70% of the repair cost for a building if an association organizes to pay 30%.

some of the CAs were vital; however, the investigators found that group cohesion often suffered from poverty and a lack of familiarity among residents. Older women tended to represent the CAs and financing within the CAs was sometimes unclear. People who did not participate in the CAs felt unsure about where money given to the organization might go. An additional commonality among all the CAs was that most of them had some knowledge of how to work with the municipality.

In 2006, an international fellow at the Caucasus Research Resource Centers, Sergo Baramidze, conducted a research project in 2006 examining barriers to agricultural cooperation in rural Georgia. Despite initiatives by both the Georgian government and international organizations, there are overgrown farms and plantations and fallow land throughout Georgia. Baramidze found that in Georgian rural communities, peasants and small-scale farmers tend to be self-reliant and not interested in agricultural cooperation due to five main factors: 1) peasants and small-scale farmers are unfamiliar with the benefits of cooperation, 2) farmers are not educated about the principles of community resource management, 3) there is no concrete plan for the development of small farm cooperative markets in rural communities, 4) villagers distrust each other too much to cooperate, and 5) a lack of financing exists for agricultural development.

As a result of the study, Baramidze suggests incorporating traditional practices such as adopting certain aspects of former Soviet Georgian farms (*kolkhoz*) or transferring the unique method of delegating toasts to members of a dinner table (*alaverdi*) to the business life of rural communities.

## ***A Few Works in Georgian and Russian Language***

Durglishvili, Jgerenaia and Kiladze (2009) use information from 30 in-depth interviews and 20 recorded oral stories to show that informal factors and individual skills were determinants of socio-economic success in Georgia and that this is inadequate for the country's declared democratic course. Nadareishvili (2005, 2007) recommends that studies of Social Capital include an analysis of its components (e.g., social links, networks, norms, as well as the normative functioning of a social system) in the framework of the set theory. The author has also analyzed the formation of "negative" Social Capital and social phenomena such as estrangement and corruption, and maintains that social stability is achieved through the synergy of formal and informal social relations.

## ***Social Capital in Multicultural Societies***

One branch of literature on Social Capital is dedicated to an examination of the phenomenon in multicultural societies. One branch of this literature argues that multicultural societies have a dearth of Social Capital, while another branch claims that there is no association between the multicultural nature of a society and Social Capital.

Alesina and La Ferrara (2000) are interested in how much the degree of heterogeneity in a community influences the amount of participation among different types of groups. Using survey data on group membership in the United States, the authors find that participation in social activities is significantly lower in more unequal and in more ethnically fragmented localities. Alesina and La Ferrara also find that individuals who express views against ethnic mixing are less prone to participate in groups the more ethnically heterogeneous their community is. In a later project,

Alesina and La Ferrara (2002) find that the strongest factors associated with low trust are a recent history of traumatic experiences, belonging to a group that historically felt discriminated against, and being economically unsuccessful in terms of income and education. However, the authors found that religious beliefs and ethnic origins did not significantly affect trust. Alesina et al. (1997) also show that shares of spending on productive public goods in the United States such as education, roads, sewers and trash pickup in cities are inversely related to the city's ethnic fragmentation, even after controlling for other socioeconomic and demographic determinants.

In contrast to these authors who find negative relationships between ethnic or cultural heterogeneity and certain indicators of Social Capital, Fearon and Laitin (1996) argue that peaceful relations between ethnic groups are more common than large-scale violence. They use a social matching game to show that two mechanisms—fear of spiraling retribution and trust in in-group policing—support interethnic cooperation. Chen (2000) examines transnational ethnic social networks based on ancestral and kinship ties as a form of Social Capital that facilitates economic growth. He finds that transnational ethnic Social Capital lubricates economic transactions between groups and induces more responsive and efficient policy initiatives. Similarly, Johnston and Soroka (2001) find that in Canada, diversity is not an enemy of Social Capital, and in fact, there is no linear relationship between Canadian ethnicities and weak associational involvement or uncivic attitudes. In contrast, Johnston and Soroka claim that the most diverse provinces are never the most uncivic places and associational participation and interpersonal trust tend to increase as one goes west (towards more ethnically diverse populations).

Finally, Helliwell (1996) assesses regional and ethnic group differences in social trust and memberships in both Canada and the United States. He finds that respondents who qualify their nationality by any of seven adjectives—a feature more prevalent in the United States than in Canada, (black, white, Hispanic and Asian in the United States; French, English and ethnic in Canada) have lower levels of trust than those who consider themselves Canadians or Americans either first or only.

### ***Social Capital, the State and Political Participation***

Much of the literature on Social Capital has linked the concept with the state, government performance or political participation as either a cause or an effect. Brehm and Rahn (1997) examine pooled General Social Surveys from 1972 to 1994 in a latent variables framework and argue that civic engagement and interpersonal trust have a reciprocal relationship. Kumlin and Rothstein (2004) use a survey conducted in 1999 by the Quality of Government Institute at Göteborg University in Sweden in order to analyze the causal mechanism between variation in the design of welfare state institutions and Social Capital in Scandinavia. The authors found empirical support for the idea that welfare state institutions have a capacity for both making and breaking Social Capital. An indication of the latter is provided by the finding that personal experiences with selective, needs-tested welfare state institutions seem to reduce interpersonal trust. An indication of the former is provided by the finding that experience with universal institutions tends to build trust.

Boix and Posner (1998) argue that the cooperative capacity of a community is a function of the degree of social and political inequality that a group has experienced throughout history. Similarly, Bjornskov (2003) analyses the causal relationship between Social Capital and corruption using data

from Transparency International, Heritage Foundation, Freedom House International, World Development Indicators and European Values Survey. He finds a strong causal link between higher levels of Social Capital and less corruption. According to him, economic development is a cause of less corruption and higher income inequality is associated with lower levels of Social Capital. This is particularly common for all societies without a communist past.

Evans and Letki (2005) argue that social trust does not appear to make democracy work in Eastern and Central Europe; however, the concept of Social Capital may include mechanisms responsible for generating trust and it is important to better understand these mechanisms. However, Farrel and Knight (2003) propose that institutions affect trust. John and Morris (2003) maintain that the creation of Social Capital is a continuous process and certain events during the teenage years generate and influence behavior. The authors show that age 16 is a crucial time when changes in lifestyle influence the willingness to volunteer.

Heller (1997) studies Social Capital as a product of class mobilization and state intervention among industrial workers in Kerala, India. He argues that organized factory sectors promoted the provision of redistributive goods, while unorganized (informal) factory settings facilitated class organization. This produced a synergy between a society mobilized along class lines and a democratically accountable state that has been the efficient and comprehensive in the provision of social services and development of human capital resources. Huang (2003) uses the World Values Survey and game theory via the prisoner's dilemma to show that cooperation among prisoners only exists if there is trust between the players. Additionally, Huang uses the model to show that social trust generally improves economic performance. Paxton (2002) uses data from the World Values Survey and the International Yearbook of Organizations to argue that the relationship between Social Capital and democracy is reciprocal. She also finds that certain types of associations more effectively promote democracy.

Uslaner (2003) also uses the World Values Survey to argue that a majority of political parties are elite institutions that are focused on winning the elections and formulating public policies and that Social Capital seems more of an obstacle than a help to the party's mission. Too much participation can make it more difficult for the party to win an election. Moreover, parties do not depend upon trust, yet a trusting environment helps parties reach agreement on controversial policy issues. Sides (1999) employs the World Values Survey and other cross-national data to show that there is a positive and reciprocal relationship between social trust and the quality of democracy. However, the effect of democracy on social trust is much greater than social trust's effect on democracy. Van Schaik (2002) uses indicators of Social Capital in the European Values Study Surveys to state that Social Capital is a multi-faceted phenomenon. Social Capital in terms of active group membership (and volunteering) contributes to regional economic growth in Europe. He also claims that the number of factors that policymakers can influence are related to the degree of associational activity. However, the mechanism between active membership and regional economic growth is unclear.

Phillpot (2002) analyzes the feasibility and validity of measuring Social Capital and identifying its role in explaining the different governmental performance between provinces in Papua New Guinea (PNG). By looking at four indicators of effective government institutions: education outcomes, the level of community awareness, the number of community-based organizations, and the level of women's participation in local government, a calculation of correlation coefficients between each of these Social Capital indicators, and the provincial development ranking from spacial analysis. Phillpot claims that there is a clear relationship between the level of Social Capital and the

performance of provinces in PNG. The comparative analysis of the provinces shows that more emphasis should be given to encouraging Social Capital to improve government performance at all levels in PNG.

Silvey and Elmhirst (2003) assert that more studies of Social Capital should include attention to gendered and intergenerational conflicts and hierarchies within social networks, as well as the broader context of gender difference within which social networks exist. They examine gender roles, norms and relationships in two studies. Their analysis is based on one study of female migrant networks linking rural origins with industrial destination areas in different regions of Indonesia (from the village of Tiuh Indah in North Lampung in Southern Sumatra) who work in factories in Tangerang, West Java. They conducted a second study of young factory working women in Indonesia, specifically those from areas throughout Sulawesi and Central Java who lived and worked in an industrial manufacturing zone on the outskirts of Ujung Pandang, South Sulawesi. Both case studies show that while gender roles may well be subject to some changes, particularly in respect to women taking on activities traditionally designated as male, gender relations seem to be characterized by continuity.

In *Bowling Alone*, Putnam (2000) builds upon Coleman's (1988) 'Social Capital in the Creation of Human Capital' (1988) which focused on business practices in New York's diamond district in which Coleman argues that Social Capital a variety of different entities. Putnam argues that the United States has undergone an unprecedented collapse in civic, social, associational, and political life since the 1960s with serious negative consequences. Though he measured this decline in data of many varieties, his most striking point was that virtually every traditional civic, social and fraternal organization -- typified by bowling leagues -- had undergone a massive decline in membership while the number of people bowling increased drastically. Thus Social Capital in the U.S. is depleting, making life and accumulation of wealth harder. This is leading to an apolitical and individualistic society.

Finally, Putnam, Leonardi and Nanetti (1993), in their landmark book *Making Democracy Work*, argue that the performance of political institutions is influenced by citizen engagement in community affairs. The authors claim that the regions in Italy with high levels of "civicness" (i.e. dense horizontal networks of associations) have regional governments that provide for the public interest more than regional governments without these networks. This helps to explain distinct differences in terms of institutional effectiveness between Northern and Southern Italy. Thus, Putnam et al. link civic associationalism to better government performance in Northern Italy. They invoke path dependency to show that the divergence in institutional effectiveness between the regions is due partially to the monarchical tradition of Southern Italy as opposed to the republican tradition in the North. However, this argument has been challenged based on perceived over-reliance upon Norman activities in the 13<sup>th</sup> Century and tenuous link to democracy.

## ***Social Capital, Economic Growth and Poverty***

There is a depth of literature about the field of Social Capital and economic growth and poverty. The concept is either considered a cause (independent variable) of economic growth or as an explanandum of economic growth (dependent variable).

Social Capital has been viewed as a dependent variable with regard to economic growth or other economy-related variables. Labonne and Chase (2010) use panel survey data collected from 2,100 households in 135 rural communities in the Philippines in 2003 and 2006 to assert that reduced transaction costs such as road construction are likely to lead to an increase in face-to-face interactions. Grootaert (2001) provides a synthesis of the main findings of the Local Level Institutions Study (LLIS) by the World Bank which was designed to systematically investigate the role of local associations in the provision of services to households and to examine the extent to which such associations help households increase their welfare in three countries: Bolivia, Burkina Faso and Indonesia. He determined that heterogeneous associations bestow larger benefits on their members, than less diversified associations. The findings suggest that memberships in local associations lead to higher incomes.

In another World Bank funded project, Richards and Bah (2004) present the findings of a study to assess the social context and the capacity for collective action, or Social Capital, in rural communities recovering from war in Sierra Leone. The authors arrived at the conclusion that so long as major institutional reforms remain unaddressed, Sierra Leonean rural communities will continue to form Social Capital in ways that serve to reproduce poverty and disadvantage. The issue is not that rural Sierra Leoneans lack Social Capital, but that there are no rights to protect poor people's access to their own assets and thus it is difficult for them to borrow, invest or accumulate.

Some scholars have investigated Social Capital as an independent variable or cause of an economic outcome. Routledge and von Amsberg (2002) see Social Capital as influencing frequent trade. They study its affects on welfare in a simple trade environment and argue that the interaction between growth and labor migration is particularly salient for developing economies where large-scale migration from rural to industrial areas is common. Similarly, Torsvik (2000) perceives trust as needed to enhance economic growth and production since they are based on reciprocity. Additionally, Grootaert (1998) claims that certain forms of Social Capital can have strong positive effects on economic growth and contribute to creating sustainable development. At the same time, he warns that an inappropriate path of development can destroy Social Capital, setting off a vicious circle of social and economic decline.

In a game theoretical version of these arguments, Zak and Knack (2001) present a general equilibrium growth model to show that cheating is more likely (and trust is lower) when the social distance between agents is larger, formal institutions are weaker, social sanctions against cheating are ineffective, the amount invested is higher and the investors' wages are lower. Most importantly, the model shows that the amount invested decreases as social heterogeneity increases, adversely impacting income growth. Trust and the institutional factors that affect it significantly influence growth rates. Flores and Rello (2003) use various studies of rural organizations in Mexico and Guatemala to understand relations between Social Capital and the result of the efforts made by poor groups to reduce their poverty and social exclusion. The case studies show that Social Capital has been a key instrument in undertaking social and productive projects, improving living conditions and fighting social exclusion. Morris (2002) conducted a project on Social Capital and poverty in India for the UK Department for International Development. Morris finds that those states which were initially well endowed with Social Capital were also more successful at reducing poverty.

Other studies have determined certain relationships between Social Capital and economic variables without specific causal directions. Bezemer and Lerman (2003) explore the structure of the rural economy in Armenia and finds that the rural poor in Armenia have generally lower quantities and

qualities of physical, human, financial and Social Capital. The author uses survey of rural households in Armenia, implemented in 1998 by the World Bank's Environmental and Socially Sustainable Development Unit. The survey covered 75 villages and 7,000 people in 1,500 households. Bezemer shows that rural households draw their incomes from a range of sources.

Carpenter et al. (2004) conduct a comparative analysis of Social Capital and environmental management in two rapidly growing regions in south-east Asia: Bangkok and Ho Chi Minh City. They triangulate the form and function of Social Capital in these two cities by focusing on five low-income communities in Bangkok and Ho Chi Minh City. Carpenter et al. conducted household surveys on demographics and social networks and in-depth interviews. Their analysis indicates that trust and cooperative action may be more complex than the aggregation of household action to larger groups. Their findings indicate that participants' stated beliefs and attitudes may differ radically from their cooperative behavior and that such behavior may depend on the gender relations of the specific group. The analysis also indicated that residents in low-income settlements across the two cities are likely to participate in communal action around environmental improvements and that there remains an individual commitment to communal goals.

## ***Social Capital, Happiness and Well-being***

A number of studies have linked Social Capital to happiness and well being. Helliwell (2001) argues that there are important linkages from measures of trust and social connectedness to well-being. Helliwell and Putnam (2004) employ data from the World Values Survey, the US Benchmark Survey and a comparable Canadian survey to claim that Social Capital is strongly linked to subjective well-being. Marriage and family, ties to friends and neighbors, workplace ties, civic engagement (both individually and collectively), trustworthiness and trust all appear independently and robustly related to happiness and life satisfaction, both directly and through their impact on health. Likewise, Edmonson (2003) draws on ethnographic material to show that Social Capital is a source of support for health.

Balioune-Lutz and Lutz (2004) assess the effects of income, institutions and Social Capital on human well-being in Africa. Using the World Bank's World Development Indicators, data from Freedom house (2002) and cross-sectional time series data from a large number of African countries, the authors show that income has a positive contribution to human well-being. They argue that improvements in institutions contribute to higher literacy rates, but do not seem to affect life expectancy. Additionally, Balioune-Lutz and Lutz find the interaction between good institutions and high Social Capital to have a positive association with human well-being, suggesting that Social Capital (represented by low corruption) and institutions are complements.

Kavachi, et al. (1997) test the relationship between Social Capital and public health at the state level based on several studies in the field. These studies include a study of Italian-American community in eastern Pennsylvania, nine-year study in epidemiology of 6,928 adults living in Alameda County, California, data from National Opinion Research Center's General Social Surveys, and Census Bureau). They argue that the danger is a self-perpetuating cycle of growing income inequality, growing political inequality and diminishing Social Capital.

In another health study, Achat et al. (1998) examine the association between social networks and aspects of mental functioning (mental health, vitality and role-emotional functioning), as well as the relationship between social networks and mental functioning in the presence of stressors. Their research is based on a 1976 Nurses' Health Study and they find strong evidence of an association between social networks of women and the mental health, vitality and role-emotional functioning aspects of their health-related quality of life.

Finally, Cattell (2001) explores the dynamics between poverty and exclusion, neighborhood, health, as well as well being by considering the role of social networks and Social Capital. He based his analysis on qualitative research involving in-depth interviews with residents of two housing estates in East London, United Kingdom. The author argues that Social Capital is a helpful construct for identifying conditions which contribute to the quality of life. Social Capital is a useful tool in understanding the relationship between poverty, place of residence, health and well being. On its own; however, the concept is not wholly adequate for explaining the deleterious effects of poverty on health.

### ***Research on Social Capital by Donor Agencies***

Community driven development (CDD) projects have become popular in the former Soviet Union since the mid-1990s. They have advocated enhancing local self-reliance and empowering the poor. The central thinking behind many of these projects is a concept of Social Capital that refers to norms and networks facilitating collective action because it is believed that social networks based on shared norms, values and understanding can significantly enhance people's capacity to organize, cooperate to perform tasks that achieve mutual benefits. As a result, the World Bank, OECD and a variety of other donor organizations have funded projects aimed at assessing and measuring Social Capital.

The World Bank created an initiative on defining, monitoring and measuring Social Capital (the Social Capital Initiative-SCI) in many countries throughout the world. In another project funded by the International Bank for Reconstruction and Development and the World Bank, Dudwick et al. (2006) examine Social Capital. Their work is intended to assist development practitioners and operational staff in their efforts to understand the nature and importance of Social Capital in the communities in which they work. A companion document to this guide was created entitled "Measuring Social Capital: An Integrated Questionnaire" by Grootaert et al. It employs quantitative methods including a questionnaire that can be incorporated into household survey. According to their analysis, the authors provide concrete suggestions for using qualitative methods to explore six sometimes overlapping dimensions of Social Capital: (i) groups and networks, (ii) trust and solidarity, (iii) collective action and cooperation, (iv) information and communication, (v) social cohesion and inclusion, and (vi) empowerment and political action.

In a OECD-funded report from 2006, Gehmacher analyses the effects of ethnic and cultural diversity on Social Capital in Austria. He shows significant correlations, adjusted by age and education, between membership in associations (e.g., cultural and leisure activities and sports) and health. However, the causal direction is unclear. For example, it is unclear as to whether or not Social Capital improves health or whether or not better health makes people more sociable and willing to engage.

As part of a comparative series of national public attitude surveys on democracy, markets and civil society in Africa, Kuenzi (2008) uses Afrobarometer data from Nigeria and Ghana to examine which variables influence Social Capital and political trust in West Africa. Kuenzi suggests that organizational membership has a significant negative association with interpersonal trust in Nigeria and only a weak positive relationship with interpersonal trust in Ghana. Different factors appear to give rise to trust and membership. For example, the most important determinant of interpersonal trust in Nigeria and Ghana is trust in political institutions.

Kuenzi finds that several demographic variables also affect Social Capital. There is a significant negative relationship between education and interpersonal trust, although education is positively related to organizational membership. Ethnicity has significant effects on certain dimensions of Social Capital and political trust, especially in Nigeria. Those who belong to the largest ethnic groups are less likely to belong to a voluntary organization than those who belong to minority ethnic groups. In contrast, those in the largest ethnic groups tend to have higher levels of interpersonal and political trust. Media consumption has a strong positive relationship with organizational membership, but has little effect on the trust variables. The variables that influence political trust appear to have somewhat greater contextual and temporal stability than those that influence interpersonal trust. Satisfaction with the economy, identification with the ruling party, and perceptions of government performance all have consistent and positive effects on political trust in both Nigeria and Ghana.

As part of the World Bank Social Capital Initiative, Rose (2000) shows how to measure the Social Capital in African surveys according to surveys made in different African countries since 1985 as part of a poverty monitoring program by national statistic agencies in collaboration with the World Bank. The data for the survey is collected in interviews with as many as ten thousand individuals in several thousand households. According to Rose, every survey has some indicators of Social Capital, but coverage is not adequate and indicators of what happens at each step of the process are needed. An additional reason for not relying on existing data is that a great deal of analytic work would need to be done to construct approximate measures of Social Capital.

## References

- Achat, H., I. Kawachi, S. Levine, C. Berkey, E. Coakley, and G. Colditz, G. 1998. "Social Networks, Stress and Health-Related Quality of Life." *Quality of Life Research* 7(8): 735-750.
- Adcock, Robert, and David Collier. 2001. "Measurement Validity: A Shared Standard for Qualitative and Quantitative Research." *American Political Science Review* 95(3): 529-46.
- Adler, P., and S. Kwon. 2004. "Social Capital: Prospects for a New Concept." *Academy of Management Review* 27(1): 17-40.
- Alesina, A., R. Baqir, and W. Easterly. 1997. "Public Goods and Ethnic Divisions." *The Quarterly Journal of Economics* 114(4): 1243-1284.
- Alesina, A., and E. La Ferrara. 2000. "Participation in Heterogeneous Communities." *The Quarterly Journal of Economics* 115(3): 847-904.
- Alesina, A., and E. La Ferrara. 2002. "Who Trusts Others?" *Journal of Public Economics* 85: 207-234.
- Babajanian, Babken. 2008. "Social Capital and Community Participation in Post-Soviet Armenia: Implications for Policy and Practice." *Europe-Asia Studies* 60(8): 1299-1319.
- Balioune-Lutz, M., and S. H. Lutz. 2004. "The Contribution of Income, Social Capital and Institutions to Human Well-Being in Africa." Center for European Integration Studies, Working Paper B072004.
- Basina, Tetyana. 2006. "The applicability of the Social Capital Concept to Post-Communist Countries: the Case of Ukraine." Available online at [http://www.ku.dk/satsning/Europa/pdf/Tetyana\\_Basina\\_paper.pdf](http://www.ku.dk/satsning/Europa/pdf/Tetyana_Basina_paper.pdf).
- Bezemer, D.J., and Z. Lerman. 2003. "Rural Livelihoods in Armenia." The Hebrew University of Jerusalem, Center for Agricultural Economic Research, Discussion Paper No. 4.03.
- Bjørnskov, C. 2003. "Corruption and Social Capital." Aarhus School of Business, Department of Economics.
- Bjørnskov, C. 2003. "The Happy Few: Cross-Country Evidence on Social Capital and Life Satisfaction." *Kyklos* 56(1): 3-16.
- Boix, C., and D. Posner. 1998. "Social Capital: Explaining Its Origins and Effects on Government Performance." *British Journal of Political Science* 28(4): 686-695.
- Bourdieu, P. 1980. "Le Capital Social." *Actes de la Recherche en Sciences Sociales* 31: 2-3. Bourdieu, P. 1986. The Forms of Capital. In *Handbook of Theory and Research in the Sociology of Education*, ed. John G. Richardson. New York, Greenwood Press.
- Bourdieu, P., and L. Wacquant. 1996. *An Invitation to Reflexive Sociology*. Cambridge, Polity. Brehm, J., and W. Rahn. 1997. "Individual-Level Evidence for the Causes and Consequences of Social Capital." *American Journal of Political Science* 41(3): 999-1023.
- Bullen, P., and J. Onyx. 2000. "Measuring Social Capital in five Communities in NSW." *Journal of Applied Behavior Science* 36(1):23-42.
- Busse, S. 2001. "Post-Soviet Social Capital: Evidence from Ethnography." Paper Presented at the American Sociological Association Annual Meeting August, Anaheim, CA.
- Carpenter, J. 2000. Measuring Social Capital: Adding Field Experimental Methods to the Analytical Toolbox. In *Social Capital Economic Development and the Environment*, eds. S. Ramaswamy, J. Isham and T. Kelly.
- Carpenter, J.P., A. G. Daniere, and L.M. Takahashi. 2004. "Social Capital and Trust in South-east Asian Cities." *Urban Studies* 41(4): 853-874.
- Cattell, V. 2001. "Poor People, Poor Places, and Poor Health: The Mediating Role of Social Networks and Social Capital." *Social Science and Medicine* 52(10): 1501-1516.

- Chen, X. 2000. "Both Glue and Lubricant: Transnational Ethnic Social Capital as a Source of Asia-Pacific Subregionalism." *Policy Sciences* 33(3): 269-287.
- Claridge, T. 2004. "Social Capital and Natural Resource Management." Unpublished Thesis, University of Queensland, Brisbane, Australia.
- Closson, Stacy. 2009. "State Weakness in Perspective: Strong Politico-Economic Networks in Georgia's Energy Sector." *Europe-Asia Studies* 61(5): 759 -778.
- Coleman, J. 1988. "Social Capital in the Creation of Human Capital." *American Journal of Sociology* 94:95-120.
- Coleman, J. 1990. *Foundations of Social Theory*. Cambridge, Harvard University Press.
- Collier, P. 1998. "Social Capital and Poverty." The World Bank Social Capital Initiative Working Papers, 4, Washington D.C., The World Bank.
- Cote S., and T. Healy. 2001. "The Well Being of Nations. The Role of Human and Social Capital." Organisation for Economic Co-operation and Development, Paris.
- Diener, E., and E. M. Suh. 2000. *Culture and Subjective Well-Being*. Cambridge, Massachusetts, MIT Press.
- Dudwick, N., K. Kuehnast, V. N. Jones, and M. Woolcock, M. 2006. "Analyzing Social Capital in Context." The International Bank for Reconstruction and Development and The World Bank, Washington, D.C.
- Durglishvili, N., E. Jgerenaia, and G. Kiladze. 2009. "New Social Context and a Path to Success in Georgia." "ევროპული ძიებანი" *European Exploration* No. 3, Tbilisi.
- Durlauf, Steven N. 2002. "On the Empirics of Social Capital." *The Economic Journal* 112: 459-479.
- Ekiert, Grzegorz and Jan Kubik. 1999. *Rebellious Civil Society: Popular Protest and Democratic Consolidation in Poland, 1989-1993*. Ann Arbor, University of Michigan Press.
- Erlich, Aaron. "Barriers to Cooperative Ventures in Rural Georgia: Feisty Farmers." Weblog. Caucasus Research Resource Centers. 8 December 2006. <<http://crrc-caucasus.blogspot.com/2006/12/barriers-to-cooperative-ventures-in.html>>.
- Evans, G., and Letki. 2002. "Endogenizing Social Trust: Democratisation in East-Central Europe, Nuffield College Working Papers in Politics, 2002-WP9.
- Farrel, H., and J Knight. 2003. "Trust, Institutions and Institutional Change: Industrial Districts and the Social Capital Hypothesis." *Politics and Society* 31(4): 537-566.
- Fearon, J., and D. Laitin. 1996. "Explaining Interethnic Cooperation." *American Political Science Review* 90(4), 715-735.
- Field, J. 2004. *Social Capital*. London and New York, Routledge.
- Fine, B. 2001 *Social Capital versus Social Theory. Political Economy and Social Science at the Turn of the Millenium*. London and New York, Routledge.
- Flores, M., and F. Rello. 2003. "Social Capital and Poverty: Lessons from Case Studies in Mexico and Central America." ESA Working Paper 03-12, Food and Agriculture Organization.
- Foley, Michael and Bob Edwards. 1998. "Beyond Tocqueville: Civil society and Social Capital in Comparative Perspective." *American Behavioral Scientist* 42(1): 5-20.
- Fukuyama, F. 1995. *Trust. The Social Virtues and the Creation of Prosperity*. New York, Free Press.
- Fukuyama, F. 1996. "Social Capital, Civil Society and Development." *Third World Quarterly* 22(1): 7-20.
- Fukuyama, F. 1999, "Social Capital and Civil Society." Paper prepared for delivery at the IMF Conference on Second Generation Reforms, November 8-9, 1999, IMF Institute and the Fiscal Affairs Department, Washington, D.C.
- Furstenberg, F. and M. Hughes. 1995. "Social Capital and Successful Development Among At-Risk Youth." *Journal of Marriage and the Family* 57: 580-592.

- Gehmacher, E., S. Kroismayr and J. Neumüller (eds.) 2006. *Sozialkapital. Neue Zugänge zu gesellschaftlichen Kräften*. Mandelbaum, Vienna, Austria.
- Geremek, Bronislaw. 1992. "Problems of Postcommunism: Civil Society Then and Now." *Journal of Democracy* 3: 3-12.
- Gibson, J. 2001. "Social Networks, Civil Society, and the Prospects for Consolidating Russia's Democratic Transition." *American Journal of Political Science* 45(1): 51-68.
- Glaeser, E., D.J. Laibson, J. Scheinkman, and C.S. Soutter. 2000. "Measuring Trust." *Quarterly Journal of Economics* 115: 811-846.
- Graeme, Gill and Roger Markwick. 2000. *Russia's Stillborn Democracy? From Gorbachev to Yeltsi*. Oxford: Oxford University Press.
- Granovetter, M. 1973. "The Strength of Weak Ties." *American Journal of Sociology* 78: 1360-80.
- Granovetter, M. 1985. "Economic Action and Social Structure: The Problem of Embeddedness." *American Journal of Sociology* 91: 481-510.
- Grootaert, C. 1998. "Social Capital: The Missing Link?" Social Capital Initiative Working Paper No. 3. Washington DC: the World Bank.
- Grootaert, C. 2001. "Does Social Capital Help the Poor? A Synthesis of Findings from the Local Level Institutions Studies in Bolivia, Burkina Faso and Indonesia" Local Level Institutions Working Papers No. 10. Washington D.C., The World Bank.
- Grootaert, C., and T. van Bastelaer. 2002. "Understanding and Measuring Social Capital: A Multi-Disciplinary Tool for Practitioners." Washington DC, The World Bank.
- Harriss, J. 2001. "Social Capital Construction and the Consolidation of Civil Society." Development Studies Institute, Working Paper N. 01-16, London School of Economics.
- Hasanov, Rafail. 2007. "Social Capital, Civic Engagement and the Performance of Local Self-Government in Azerbaijan." Caucasus Research Resource Centers (CRRC)-Azerbaijan, [http://www.crrc.az/upload/Rafael\\_Hasanov\\_2007.pdf](http://www.crrc.az/upload/Rafael_Hasanov_2007.pdf).
- Heller, P. 1997. Social Capital as a Product of Class Mobilization and State Intervention: Industrial Workers in Kerala, India. In *State-Society Synergy: Government and Social Capital in Development*, ed. P. Evans, University of California Press.
- Helliwell, J.F. 1996. "Do Borders Matter for Social Capital? Economic Growth and Civic Culture in U.S. States and Canadian Provinces." NBER Working Paper No. W5863.
- Helliwell, J. 2001. "Social Capital, The Economy and Well-Being." *The Review of Economic Performance and Progress* 1(3): 43-60.
- Helliwell, J., and R. D.Putnam 2004. "The Social Context of Well-Being." *Philosophical Transactions of the Royal Society* (London). Series B, 359(31): 1435-1446.
- Howard, Marc Morjé. 2002 "The Weakness of Postcommunist Civil Society." *Journal of Democracy* 13(1): 157-169.
- Howard, Marc Morjé. 2003. *The Weakness of Civil Society in Post-Communist Europe*. Cambridge University Press.
- Huang, F. 2003. "Social Capital, Cooperation, and Human Capital." University of Pennsylvania, Department of Economics, mimeo.
- Inglehart, R. 1999. Trust, Well-being and Democracy. In *Democracy and Trust*, ed. M.E. Warren. Cambridge, Cambridge University Press. pp. 88-120.
- International Labour Organization Social Finance Unit. 2001. "Making Social Capital Work - The Role of Mutual Guarantee Associations." Geneva, Switzerland.
- John, P., and Z. Morris. 2003. "What are the Origins of Social Capital? Results from a Panel Survey of Young People." Paper prepared for PSA EPOP Conference, Cardiff September 2003.
- John, P., Z. Morris, and D. Halpern. 2003. "Social Capital and Causal Role of Socialisation." Paper prepared for the ESRC Democracy and Participation Conference, University of Essex 17-19.

- Johnston, R., and S. N. Soroka. 2001. Social Capital in a Multicultural Society. The Case of Canada. *In Social Capital and Participation in Everyday Life*, eds. P. Dekker and E. Uslaner, London, Routledge.
- Jowitt, Ken. 1992. "The Leninist Legacy. In *Eastern Europe in Revolution*, ed. Ivo Banac, Ithaca NY, Cornell University Press.
- Kawachi, I., B.P. Kennedy, K. Lochener K., and D. Prothrow-Stith D. 1997. "Social Capital, Income Inequality and Mortality." *American Journal of Public Health* 87:1491-1498.
- Knack, S., and P. Keefer. 1997. "Does Social Capital Have An Economic Payoff? A Cross Country Investigation." *Quarterly Journal of Economics* 112/4: 1251-1288.
- Kolankiewicz, George. 1996. "Social Capital and Social Change." *British Journal of Sociology*, 47(3): 427-441.
- Krishna, A and E. Shrader. 2000. "Cross-Cultural Measures of Social Capital: A Tool and Results from India and Panama." Washington DC, World Bank.
- Kumlin, S., I. Kawachi, B. Kennedy, and K. Lochner. 1997. "Long Live Community: Social Capital as Public Health." *The American Prospect* No. 35.
- Kumlin, S., and B. Rothstein. 2003. "Investing in Social Capital: The Impact of Welfare State Institutions." Paper prepared for the 2003 Annual Meeting of the American Political Science Association.
- Kuenzi, T. M. 2008. "Social Capital and Political Trust in West Africa." Working Paper No. 96, Afrobarometer.
- Labonne, J. and R.S. Chase. 2010. "A Road to Trust." *Journal of Economic Behavior & Organization* 74(3): 253-261.
- Ledeneva, Alena V. 1998. *Russia's Economy of Favours. Blat, Networking and Informal Exchange*. Cambridge: Cambridge University Press.
- Letki, N. 2003. "Explaining Political Participation in East-Central Europe: Social Capital, Democracy and the Communist Past." *Studies in Public Policy* No. 381, University of Strathclyde.
- Letki, N. 2004. "Socialization for Participation? Trust, Membership and Democratization in East-Central Europe." *Political Research Quarterly* 57(4).
- Lomax, Bill. 1997. "The Strange Death of Civil Society in Post-Communist Hungary." *Journal of Communist Studies and Transition Politics*. 13: 41-63.
- Lukatela, Ana. 2005. "The Importance of Trust-Building in Transition: A Look at Social Capital and Democratization in Central and Eastern Europe." Master's Thesis, Department of Political Science, Simon Fraser University.
- Lühiste, Kadri. 2006. "Explaining trust in political institutions: Some illustrations from the Baltic States." *Communist and Post-Communist Studies* 39(4): 475-496.
- Marsh, Christopher. 2000. "Making Russian Democracy Work. Social Capital, Economic Development and Democratization." *Studies in Russian History* 4.
- Morris. M. 2002. "Social Capital and poverty in India." Working Paper 61, UK Department for International Development.
- Murphy, Jonathan. 2003. "Civil Society and Social Capital in the Post-Socialist Russian North." Judge Institute of Management Studies University of Cambridge, United Kingdom, Prepared for the Havighurst Young Scholars' Conference November 7- 9.
- Murray, Catherine. 2006. "Toward An Analytical Framework." Humboldt University of Berlin, Germany, Paper presentation at the International Association of Agricultural Economists Conference, Gold Coast, Australia, August 12-18.
- Nadareishvili, V. 2005. "Psychological Aspects of Social Capital – Normative Regulation." "მაცნე" ("Macne") No.1 Tbilisi, Georgia.

- Nadareishvili, V. 2005. "Social Capital – Deviant Aspects." "მაგნი" ("Macne") No.2 Tbilisi, Georgia.
- Nadareishvili, V. 2007. "Discussion of the Epiphenomenal Nature of Cognitive Social Capital." "ფსიქოლოგია", ("Psychology") Vol. 20 Tbilisi, Georgia.
- Narayan, Deepa and Pritchett, Lant. 1997. "Cents and Sociability: Household Income and Social Capital in Rural Tanzania." World Bank, Washington DC, USA.
- Narayan, D., and M.F. Cassidy. 2001. "A Dimensional Approach to Measuring Social Capital: Development and Validation of a Social Capital Inventory." *Current Sociology* 49(2): 59-105.
- Nichols, Thomas. 1996. "Russian Democracy and Social Capital." *Social Science Information* 35(4): 631–64.
- Nikolayenko, Olena. 2005. "Social Capital and post-Communist Societies: Running Deficits?" Prepared for the presentation at the Annual Meeting of the Canadian Political Science Association, University of Western Ontario.
- North, D. 1990. *Institutions, Institutional Change and Economic Performance*. Cambridge, Cambridge University Press.
- Olson, M., 1982. *The Rise and Decline of Nations: Economic Growth, Stagflation and Social Rigidities*. Yale UP: New Haven.
- Owen, A.L., and J. Videras. 2006."Reconsidering Social Capital: A Latent Class Approach." Hamilton College, mimeo.
- Pahl, Ray. 2000. *On friendship*. Malden: Blackwell.
- Paldam, M. 2000. "Social Capital: One or Many? Definition and Measurement." *Journal of Economic Surveys* 14(5): 629-653.
- Paldam, M., and G.T. Svendsen. 2002. "Missing Social Capital and the Transition in Eastern Europe." *Journal for Institutional Innovation, Development and Transition*.
- Paxton, P. 1999. "Is Social Capital Declining in the United States? A Multiple Indicator Assessment." *American Journal of Sociology*. 105(1): 88-127.
- Paxton, P. 2002. "Social Capital and Democracy: An Interdependent Relationship." *American Sociological Review* 67(2): 254-277.
- Phillipot, R. 2002. "Provincial Performance and Social Capital in Papua New Guinea." National Centre for Development Studies, The Australian National University, Development Bulletin No. 60.
- Putnam, R.D., R. Leonardi, and R.Y. Nannetti. 1993. "Making Democracy Work: Civic Traditions in Modern Italy." Princeton University Press, Princeton, trad. it. *La tradizione civica nelle regioni italiane*, Mondadori, Milano.
- Putnam, Robert. 2000. *Bowling Alone. The Collapse and Revival of American Community*. New York, Simon & Schuster.
- Radnitz, Scott, Jonathan Wheatley and Christoph Zürcher. 2009. "Social Capital and Cooperation in Central and Eastern Europe" *Comparative Political Studies* 42(6): 707-732.
- Raiser, M., C. Haerpfer, T. Nowotny, and C. Wallace. 2001. "Social Capital in Transition: A First Look at the Evidence." European Bank for Reconstruction and Development, Working Paper No. 62.
- Richards, P., K. Bah, and J. Vincent. 2004. "Social Capital and Survival: Prospects for Community-Driven Development in Post- Conflict Sierra Leone." World Bank Social Development Papers, Paper No. 12.
- Rose, Richard. 1999. "What Does Social Capital Add to Individual Welfare? An Empirical Analysis of Russia." Social Capital Initiative Working Paper No. 15, The World Bank.
- Rose, Richard. 2000. "Measures of Social Capital in African Surveys", Centre for the Study of Public Policy. Social Capital Initiative Working Paper, The World Bank.

- Routledge, B.R., J. von Amsberg 2002. "Social Capital and Growth." *Journal of Monetary Economics* 50(1): 167-193.
- Sabatini, F. 2005. "Resources for the Study of Social Capital." *Journal of Economic Education* 36(2): 198.
- Sabatini, Fabio. 2006. "The Empirics of Social Capital and Economic Development: A Critical Perspective." FEEM Working Paper 15.06, Eni Enrico Mattei Foundation, Milan.
- Sabatini, Fabio. 2008. "Social Capital and the Quality of Economic Development." *Kyklos* 61(3): 466-499.
- Sabatini, Fabio. 2008. "Social Capital as Social Networks: a New Framework for Measurement and an Empirical Analysis of its Determinants and Consequences." *Journal of Socio-Economics* 38(3): 429-442.
- Silvey, R., and R. Elmhirst. 2003. "Engendering Social Capital: Women Workers and Rural–Urban Networks in Indonesia's Crisis." *World Development* 31(5): 865-881.
- Smolar, Aleksander. 1996. "Civil Society After Communism: From Opposition to Atomization," *Journal of Democracy* 4(1): 24-38.
- Slade, Gavin. 2006. "Georgia's Poisoned Soil – Will Zero Tolerance Policing Work?" *The Messenger*.
- Torpe, L. 2003. "Social Capital in Denmark: A Deviant Case?" *Scandinavian Political Studies* 26(1): 27-48.
- Torsvik, G. 2000. "Social Capital and Economic Development: A Plea for The Mechanism." *Rationality and Society* 12(4): 451-476.
- Tskitishvili, Gocha, Larry Dershem and Vano Kechakmadze. 2005. "Social Capital and Employment Opportunities among Internally Displaced Persons (IDPs) in Georgia." The World Bank.
- Tvalabeishvili, David, Tevon Cooke and Dorothy Bell. 2010. Unpublished document about Condominium Associations in Georgia.
- Uphoff, N. 2000. Understanding Social Capital: Learning from the Analysis and Experience of Participation. In *Social Capital: A Multifaceted Perspective*, eds. P. Dasgupta and I. Serageldin, Washington, D.C.: World Bank.
- Uslaner, E. 1999 Democracy and Social Capital. In *Democracy and Trust*, ed. M. Warren, Cambridge, Cambridge University Press.
- Uslaner, E. 2003. Trust, Democracy and Governance: Can Government Policies Influence Generalized Trust? In *Generating Social Capital: Civil Society and Institutions in Comparative Perspective*, eds. M. Hooghe and D. Stolle, D., New York, Palgrave.
- Uslaner, E. 2003. Political Parties and Social Capital, Political Parties or Social Capital. In *Handbook of Political Parties*, eds. R.S. Katz and W.F. Crotty, Sage.
- Van Deth, J.W., M. Maraffi, K. Newton, K., and P.F. Whitely (eds.) 1999. *Social Capital and European Democracy*, London, Routledge.
- Van Schaik, T. 2002. "Social Capital in the European Values Study Surveys." Paper prepared for the OECD-ONS International Conference on Social Capital Measurement, London.
- Woolcock, M. 1998. "Social Capital and Economic Development: Toward a Theoretical Synthesis and Policy Framework." *Theory and Society* 27(2): 151-208.
- Woolcock, M., and A. T. Sweetser. 2002. "Social Capital: The Bonds that Connect." *Asian Development Bank Review* 34(2): 26-27.
- The World Bank Social Development Department. 1998. "The Initiative on Defining, Monitoring and Measuring Social Capital." Washington, World Bank.
- Zak, P.J., and S. Knack, S. 2001. "Trust and Growth." *The Economic Journal* 111: 295-331.

## Appendix

Table 2: Conceptualization and Operationalization

