DISCERNING DIFFERENCES IN SOCIAL CAPITAL: THE SIGNIFICANCE OF INTERPERSONAL NETWORK AND NEIGHBORHOOD ASSOCIATION STRUCTURE ON CITIZEN PARTICIPATION

Ronald S. Smith

Accepted by the Graduate Faculty, Indiana University, in partial fulfillment of the requirements for the degree of Doctor of Philosophy.

Robert Huckfeldt, Ph.D. Chair

Marjorie Hershey, Ph.D.

Doctoral Committee

Elinor Ostrom, Ph.D.

March 6, 2006

Roger Parks, Ph.D.

Everything in such a government depends on artificially contrived conventions, and it is only suited to a people long accustomed to manage its affairs, and one in which even the lowest ranks of society have an appreciation of political science. ~Alexis de Tocqueville~

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Chapter One
Social Capital and Self-Government

In 1831 a young French aristocrat, Alexis de Tocqueville, traveled to the United States with the "intention," he later explained, of "examining, in detail and as scientifically as possible, all the mechanism of that vast American society" (Pierson 1938, 32). Given the troubled course of democracy in France, Tocqueville was deeply interested in the workings of democracy in America. And though he came to appreciate that both the physical circumstances and the constitutional structure played crucial roles in the success of the United States' government, he became convinced that there was another, less obvious, component to that success. It appeared to him that a variety of social features—such as habits, shared norms, and interpersonal connections—provided a kind of foundation upon which democracy was dependent. This could explain why, he reasoned, other countries might try to duplicate the American system by adopting the "letter of the law," but "could not at the same time transfer the spirit that gave it life" (Tocqueville 1988, 165).

This work is, in a sense, a continuation of Tocqueville's attempt to scientifically understand the "mechanisms" of American democracy. In particular, to understand how differences in the structure of the social relationships within and across neighborhoods in South Bend and Indianapolis, Indiana, influence the willingness of individuals to be involved—involved in the political process, involved in the community, or even involved in leaving these neighborhoods.

In trying to understand involvement, political scientists have found it useful to think of participation as a rational calculation made by individuals of the costs of participation weighed against the potential gains. The likelihood of influencing the outcome of an election, for example, might be weighed against the time and effort needed to gather reliable information about the candidates. If the information is unavailable or too difficult to understand, the individual may just decide to skip the election. Consequently, much of the political participation literature, especially that driven by advances in survey research, has focused on trying to identify the various individual characteristics—gender, wealth, partisanship, interest levels—that are crucial to an individual's participation calculation.

Yet what also becomes clear in such a model is that not all of the costs, or the benefits, are completely contained within the individual. Everyone is dependant to some degree on his or her surroundings. Even such seemingly self-contained characteristics as literacy assume that certain conditions exist outside of the individual—such as relevant news coverage. Hence, a parallel emphasis to individual characteristics has been to try and identify those surrounding pressures and constraints on the individual's decision. The importance paid to context has varied over time, ranging from specific elements within the society, such as the pressure exerted by groups (Lipset 1960), to the more broad "participatory culture" of a country (Almond and Verba 1966). But, for the most part, this approach has agreed with Tocqueville's claim that a viable democracy includes more than just the forms of government. Robert Putnam, for example, found that the relative success of regional governments in Italy, despite their common form, varied

considerably. What mattered, he claimed, was the "civic traditions" within which each government operated (Putnam 1993).

Yet accounting for the influence of context on individual decisions is problematic. Identifying literacy, an individual characteristic, is fairly straightforward, but measuring the necessary context for literacy to be beneficial—the availability of news stories, or the relative credibility given to those stories—is not. Even more difficult is trying to gauge the importance of informal discussions within the society. A local debate at a PTA meeting or two neighbors chatting over the fence could be potentially as informative to the individual as any newspaper article, and possibly more influential due precisely to the nature of those social connections between the neighbors and its accompanying trust. Obviously there is no practical way to quantify every discussion, encounter, or influence a given individual is exposed to throughout the day. Hence elegance seems to encourage research focused on those more easily accessible individual characteristics. Yet a recent, and rapidly growing, body of research has reintroduced elements of social context as a set of resources available to the individual—a social capital.

The Structural Approach to Social Capital

It might be said that this renewed interest in context comes partially as a response to criticism of the powerful rationality models and their often overly "atomistic" portrayal of the individual decision-maker (Shepsle 1989, 134; Green and Shapiro 1994; Friedman 1996). In particular, the use of "social capital" provides a timely way of responding to calls to "embed" the individual back into their surrounding context of pressures, communication, and institutions (See Granovetter 1985). And, as such, it may potentially

play an important part in the creation of second-generation models of rationality that can comfortably account for both "innovative and normative behavior" in rational actors (E. Ostrom 1998, 9).

While the concept of social capital can conceivably have a "dark side" that encourages or supports undesirable behaviors (Putnam 2000, 350-363; Portes 1998, 16-18), scholars typically treat it as being beneficial: more social capital, it is argued, encourages political participation, empowers inner-city neighborhoods, or correlates with effective government. So beneficial, in fact, that portents of its decline are seen as cause for alarm. After all, if this "spirit" is lost, can democracy be far behind? Much of Putnam's recent work (see Putnam 2000) has keyed on this idea, prompting a remarkable amount of discussion in both academia and the general press over the nature and requirements of democracy.

However, social capital has not been without criticism. In particular, attempts to measure its impact have been faulted as being too broad, one-sided, a resurrection of cultural models, a tautology, and perhaps most serious of all, unable to demonstrate the posited relationships (see Jackman and Miller 1996; Portes and Landolt 1996; Foley and Edwards 1999). For the most part these problems with social capital hearken back to the difficulty in trying to measure the importance of an informal conversation or in trying to quantify the influence that membership in a neighborhood association has on one's willingness to be involved. Such difficulties have led to a methodology in which outcomes are viewed as evidence of the presence of social capital. In other words, because we cannot track every conversation at a neighborhood meeting, if people who attended the meetings tend to vote more, we assume that there was some kind of

information shared at those meetings that influenced the cost-benefit calculation of the attendees. Though often necessary, such an approach is hazardous because, among other things, it leads the researcher precisely into those circular arguments that have generated the criticism. We find ourselves claiming that a neighborhood's high level of social capital makes it easier for its residents to participate; and we know it has more social capital because its residents participate at higher levels than the surrounding neighborhoods.

I believe that a shift in both how we think of social capital and, correspondingly, in our methodology are needed. Theoretically social capital is often treated as a "black box"; a homogeneous good of which some is useful and more is even better. Incidentally, it is for this reason that the "dark side" of social capital has been difficult to integrate into the broader theory. Much of this homogenizing may be due to the use of a single label, "capital," to describe a variety of phenomena. Yet it would seem unreasonable to assume that a neighborhood organization was the equivalent of a political party, despite their similarities. One has geography and property as defining principles while the other, though it may count both as important, ranks political purposes as paramount. Hence it should not be surprising to find that a neighborhood association was more effective at addressing certain geographically based issues than the political party. But by the same token, that geographically based characteristic might be ineffective, or even destructive in other situations. Accordingly, it seems that the most useful questions are not those concerned with aggregate "amounts" of social capital, but rather, those concentrating on its morphology. How does the structure—the rules, institutions, and

patterns—of any given example of social capital affect the product and, consequentially, the effectiveness of that capital to a particular situation?

Methodologically this structural approach would then require that we shift our emphasis away from just outcomes, and instead focus on the relationship between the structure and the outcomes. This shift gives us the advantage of having a more explicit logic of causality as well as more easily falsifiable models. Instead of saying a neighborhood's high level of social capital, as evidenced by a neighborhood association, leads to increased political participation, we would be interested in whether the hierarchical organization of that association or its coercive powers were more influential in getting people out to vote and why.

In the following chapters I will use survey data from Indianapolis and South Bend, Indiana, to show that decisions to participate in politics, neighborhood associations, or even "voting with the feet," are shaped by the design of the social capital within which the individual is embedded. I should make it clear that I am interested in the success of democracy in America, and so am concerned with what might be thought of as "beneficial" forms of social capital—though it will become clear that by concentrating on capital morphology the term becomes relative. But because of this I am most interested in individual actions that are meaningful to democracy, especially at a local level, and the forms of social capital directly related to that local participation. Specifically, I will focus on interpersonal networks of communication and neighborhood associations.

Chapter two presents an overview of the concept of social capital, as well as the argument that social capital should be thought of as the combining of resources in

complimentary ways using social structures. The characteristics or structure through which the resources are combined determine what the impact of that capital will be. The first, and most basic, form of social capital, the interpersonal network, will also be introduced. Networks represent the patterns of communication and contact that individuals establish around themselves. As such they constitute the simplest form of social capital and provide an important tool for embedding the individual within their surrounding context. Though there are at least seven distinct structural dimensions that have been identified in the literature across which the network can vary, I will spend most of my time looking at how two of those, spatial distance and social distance, influence self-government.

Networks are especially useful examples of social capital because of the element of choice inherent in them. For while it is true that people do not have complete control over who they talk to, or how frequently they interact, they do exercise considerable discretion—more so than with many other aspects of social connectedness. Hence, instead of being forced to accept rationality models that assume individual freedom while at the same time ascribing behavior to a series of external incentives, interpersonal networks stress the possibility of "interior" solutions to collective problems.

The Importance of Structural Differences for Participation

Chapters three, four, and five draw on survey data to examine how structural features of networks and associations relate to different forms of participation. Voting is generally recognized as the key element in a democracy, yet the ability of individuals to shape collective decisions spreads beyond the occasional election. Indeed, involvement

in parent-teacher meetings or neighborhood groups may be where the greatest impact is made on issues most proximate to the individual. Hence in considering the impact of social capital on participation in the United States, I will also consider certain civic activities as well as the overtly political ones.

Chapter three uses survey information from South Bend, Indiana, to demonstrate that civic and political participation correlate differently across the two dimensions of the interpersonal network mentioned. Ties that breach social space—connecting individuals with political elites—are relatively efficient at encouraging political forms of participation. Ties that are concentrated within the physical space surrounding the individual, on the other hand, emerge as those most closely associated with neighborhood or civic forms of participation. In both cases, one could say that social capital does indeed help to explain participation—but what kind of participation varies with the capital structure.

Moreover, while contextual studies of participation have established that the individual is influenced by their surroundings, South Bend shows that in-neighborhood ties mediate the strength of that influence. Using aggregate measures of the social capital found in the neighborhoods, it is clear that simply living within the neighborhood boundaries may not be enough to grant access to their resources. Actual connections to the neighborhood are needed in order to fully benefit from those resources contained in its social structure. Hence people with more interpersonal ties to the neighborhood are better able to use the ambient resources than those without—regardless of the total amount of resources available.

Network ties, however, are ultimately limited by their structural simplicity. More complex forms of social capital with formalized leadership, prescriptive rules, or even coercive tools, are better suited to the more costly kinds of collective action. With that complexity, however, appear even more dimensions across which the structure can vary. And, just as with the networks, these structural differences calibrate the capital to specific kinds of actions.

Chapter four presents one example of this more complex form of capital, the neighborhood association. Though associations broadly have long been acknowledged as an important element of American democracy—enabling individually weak citizens to act collectively (Tocqueville 1988)—the recent flood of the neighborhood form of association, and their increasing involvement in matters more commonly associated with government, has created a "quiet revolution" in how public services are being provided on the local level (Barton and Silverman 1994, ix). Based on information collected from neighborhood associations in Indianapolis, Indiana, I can examine this relationship between the association's structure and its products. What I find is that those designed to provide public services do indeed tend to have the more formalized leadership structure and coercive tools needed to overcome the considerable incentives to free-ride. Whereas associations designed to magnify the voice of their members, or what I have termed as "advocacy associations," having no need to govern the daily affairs of their members, have concentrated on providing frequent meetings through which their membership can meet—though that internal activity doesn't transfer into external actions when compared with some of the other kinds of associations.

This greater complexity and coercion available to an association also forces a more explicit trade-off between decision-making and deprivation costs than what we see in the interpersonal networks. In other words, the ability of an association to coordinate action or discourage free-riding—and thereby lower the costs of decision-making—comes at the price of decreased independence. And some have expressed concerns that without the explicit safeguards we demand of government, neighborhood associations can use their coercive powers in ways from which their membership has little protection. Why, then, are individuals willing to tolerate that risk?

In order to address this concern it is necessary to recognize that it is but part of a larger, and more fundamental question: why, if individuals are unable to overcome the costs of collective action without an association, are they able to act collectively in the formation of an association in the first place? I believe that part of the answer has to be that there are other social structures that help to reduce the costs of forming or joining those associations. In chapter five I argue that interpersonal networks serve as a kind of intermediate step between the individual and the association.

A frequent method for measuring aggregate levels of social capital has been to tally the associations in an area. Though not without some merit, this is a necessarily incomplete method if we accept social capital as varying in form and function. Indeed, such a method could only be presumed to be accurate if the associations replaced or destroyed all the other forms of social capital in their vicinity. But rather than replacing other forms of social capital, I find that the associations depend upon and vary with them. In other words, the interpersonal network reduces the costs of joining associations, just as the associations then reduce the costs of larger-scale forms of collective action.

One example of this I draw on is that individuals are more willing to tolerate the coercive risks associated with the formalized leadership of a neighborhood association if there are effective informal monitoring systems and communication in the neighborhood. In-neighborhood ties, which are well suited to the communication of time and place specific information about the neighborhood, are consequently more important for service associations than for many of the other forms of associations. So, in answer, if I talk with my neighbors, I know that the likelihood of detecting undesirable, and possibly dangerous, actions by the association's leadership are significantly greater than if I had to meet all of those monitoring costs on my own. Hence, the risk that any individual faces as a member of an association can be softened by the network structure within which they are embedded. The picture that thus emerges from this compounding of capital is one of democracy being a complex web of dependencies, where lacking even the simplest strands would make meaningful participation problematic.

Exit as Participation

Chapter six notes that participation is incomplete, however, if we do not acknowledge that at times it makes more sense for the individual to simply leave the neighborhood than to try and resolve problems through collective action. Indeed, the essence of meaningful self-government is precisely that "every person is presumed to be the best judge of that person's own interest" (see Tocqueville 1988, 66-68 and 82; V. Ostrom 1987, 77). "Exit," then, constitutes a form of political behavior that not only allows the individual to immediately satisfy their own preferences, but can send powerful signals regarding those preferences to the government as well. Yet as with the other

forms of participation, the likelihood of exiting from a neighborhood is influenced by the social capital structure of the neighborhood. In Indianapolis, neighborhood associations designed to provide public services correlate with an increased satisfaction in the neighborhood. It is likely that these privately provided services are able to substitute for perceived inadequacies of the public sector and thereby sap the pressure to move. This may also help to explain why individual level models have had problems finding the predicted movement. However, a criticism of associations of this type is that the private provision of public goods is, by its very nature, exclusionary—creating walled communities of privilege. Hence though the associations may be beneficial—those benefits are confined to a narrow constituency. And indeed, the larger impact of these associations may be negative as nonmembers not only are denied the immediate services of the association, but are also damaged by the lack of improvement in public services that exit would have encouraged.

Thought I cannot here resolve the issue of the overall impact of service associations on neighborhoods, I am in a position to address one component of the argument: just how well is an association able to exclude nonmembers from its benefits? Obviously the structure of the association should matter, but so should the kinds of benefits being provided. Some types of neighborhood associations benefited their membership by magnifying their voice. This was achieved either through advocacy of their interests or by providing incentives for participation in the political process. Looking at this latter element, I can find no evidence that these incentives spilled-over into the surrounding community. Incentives for exit, however, appear to be another story.

Chapter six will show that individual measures of satisfaction with the neighborhood increase with the presence of service associations. In fact, the most pronounced increase in satisfaction occurs among the poorest segment of the respondents. This fact casts some doubt on the idea that such groups as Homeowners' Associations are creating walled communities of the privileged few. For clearly those most vulnerable in the neighborhoods feel that they are being benefited as well. The likely explanation is that many of the factors influencing satisfaction are very difficult to exclude from nonmembers. Hence having an association in one's neighborhood that discourages crime, increases property values, or maintains an aesthetically pleasing setting is beneficial to all, regardless of the association's wishes or intents. That said I do find some evidence that the benefits of service associations are again mediated by the in-neighborhood dimension of the interpersonal network—the stronger one's conduit to the neighborhood, the better accessible its resources become.

Conclusion

Social capital has attracted a broad audience in recent years, appearing in studies ranging from school choice (Schneider, Teske, Marschall, et al. 1997) to family migration (Hagen et al. 1996); from corporate advancement (Burt 1992) to school dropout rates (Coleman 1988); and from political participation (Lake and Huckfeldt 1998) to the successful management of common-pool resources (see E. Ostrom 1990; E. Ostrom and Ahn 2002). Certainly the strength of social capital is as a framework capable of explaining the actions of individuals within a variety of social contexts. Yet this very breadth can be dangerous if the concept simply becomes a theoretical catchall: unable to

build upon itself because there is no satisfactory criterion of just what qualifies as social capital, an agreed upon methodology for its analysis, or a common language through which to weigh disputes. And, unfortunately, the most rigorous studies of social capital have tried to avoid this problem by so narrowly defining the concept—as only interpersonal networks, for example—that breadth falls sacrifice to precision.

I believe a more productive approach is reached by concentrating on the morphology of social capital, or, on the connection between certain results and the unique mixture of resources and structures that produced it. As we will see in South Bend and Indianapolis, certain structures or patterns tend to associate with certain outcomes— spatially proximate ties corresponding with local involvement, for example. Crawford and Ostrom (1995) characterized a similar methodology as one of trying to understand the "grammar" of structures. The benefit of discovering such rules of grammar is that in combination these rules can then explain larger phenomena—creating a lexicon of sorts. Social capital desperately needs the accumulation of knowledge that such a lexicon could bring if we expect to seriously diagnose the needs of troubled inner city neighborhoods or to design successful self-enforcing irrigation systems.

However, by recognizing that not all patterns of social organization are equally beneficial we are also forced to recast democracy in a new, and more difficult, light. James Madison explained that it was important that the U.S. government rest on the "capacity of mankind for self-government" (*Federalist* # 39: Rossiter 1961, 240). Part of this stems from his recognition that there existed a "gradation" from "from the smallest corporation, with the most limited powers, to the largest empire with the most perfect sovereignty" (Ketcham 1986, 96). The design of the new government would be

successful in so far as it recognized this reality and structured itself around it. The

familiar product of those Philadelphia deliberations was a "compound republic," a type of

government new to the world, but a necessary one given the social structure of the

American people.[1]

By implication, then, any attempt to construct a democracy will be successful

only so far as it is tailored to the particular needs and social structures of its people.

Robert Putnam, for example, noted that patterns of interpersonal communication differed

between northern and southern Italy, and that those structural differences had broader

implications for the success of their particular design of government (1993). South Bend

and Indianapolis seem to suggest to us that individuals are able to meaningfully influence

the decisions affecting their lives when supported by a complex web of social

structures—structures difficult, if not impossible, to create *ex nihilo*.

Though this might seem to imply that democracy is only tenable in certain

Western societies already possessing the requisite social orderings, I do not think that we

have to understand it this way. Vincent Ostrom has argued that there are "cultural

foundations" upon which self-government can be built throughout the world (1997, Part

4), though the unique ways in which these are realized will likely differ from the

American experience. But just as Madison recognized that there were certain social

structures in America that if embedded within larger structures in just the right way

would "remedy" the republican disease, so likewise, other peoples and cultures can

develop self-governing systems as they identify and build upon their own social strengths

in these areas. The challenge is to understand the workings of different combinations of

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[1] In Madison's words, "no other form would be reconcilable with the genius of the people of America" (*Federalist* # 39: Rossiter 1961, 240).

social structures and their utility to self-government. And this is, I believe, the potential

of a structural approach to social capital.

Chapter Two
Social Capital Structure and Interpersonal Networks

While the call for democracy has occupied so much of the current world's attention, it seems appropriate to reconsider what Tocqueville called the "spirit" that gave American democracy its life; or, as he explained it, the norms, habits, and institutions that facilitated democratic participation (Tocqueville 1988, 165). This "spirit" has received considerable attention over the years, being recharacterized more recently as a kind of capital available to the individual by virtue of these social connections. This social capital, it has been argued, plays a pivotal role in such diverse issues as school drop-out rates, success in the job search, economic development, and the political participation necessary for a healthy democracy.

Yet the popularity of social capital has not come without criticism. Claims of inconsistency and overbroad application have led some to question not only the importance of social capital, but also whether the concept itself is not being used as a catchall for a variety of only weakly related relationships. Much of the confusion surrounding social capital, I believe, has come from a tendency to treat it as a homogeneous good—focusing almost exclusively on its "presence" or "absence" in any given situation. This chapter will argue that social capital is better understood as a broad category of goods, within which exists a remarkable diversity of structure and purpose. The most productive questions we can answer are those drawing connections between

structural characteristics and outcomes. Interpersonal networks, for example, are arguably the simplest forms of social connectedness we weave around ourselves. Yet even networks have at least seven distinct dimensions that will affect the kinds and quality of information they are able to transmit. Which of these dimensions is the most important for political participation: social distance, spatial distance, or the frequency of interaction, to name three? If we argue that social distance is the most important, then what distance grants more access to political information—in-group ties or ties that span groups? It is only as these kinds of questions are answered that the tautologies that have plagued social capital will disappear and a meaningful accumulation of knowledge can result.

Section I of this chapter will present an overview of social capital and the reasons scholars have connected it with the study of participation. Section II discusses capital more broadly and the reasons social capital should be considered as a category of capital distinct from financial or human capital. I will also argue for a definition of capital that can account for the causes and consequences of structural differences. Section III will look at how social capital can contribute to the theory of collective action. Finally, Section IV introduces the interpersonal network as an example of the importance of structure to social capital and presents seven "dimensions" along which the network structure can vary. It is precisely the particular mixture of these various features that determines a network's suitability for a given situation and, therefore, its usefulness.

I-The Rise of Social Capital

Though the term is relatively new, the idea behind social capital is not.[2] Key

figures in the Scottish enlightenment, such as Adam Ferguson and Adam Smith, argued

that the structure and resources found within the society—what Ferguson called the "civil

society"—had important consequences for the political and economic health of the nation

(Edwards, Foley, and Diani 2001, 2; Hont and Ignatieff 1985). James Madison

acknowledged that the 1787 American Constitution needed to accord with the "genius,"

or social nature, of the American people (Federalist #39: Rossiter 1961, 240).[3] And,

perhaps most famously, Alexis de Tocqueville contended that of the three principal

causes for the success of American Democracy—the physical situation of the country, the

laws, and the mores—the mores contributed the most (Tocqueville 1988, 277 and 308).

In America, Tocqueville explained, the individual is taught that he is free and thus

"must rely on himself to combat the ills and trials of life" (1988, 189). While this poses a

danger of extreme individualism and isolation, the American mores encouraged the

people to use that freedom to associate in the pursuit of common interests, such that "use

of this right [to associate] is now an accepted part of customs and of mores" (1988, 192)[4].

Hence by the term "mores," Tocqueville had in mind not only the habits, opinions, and

norms of the people, but also their patterns of interaction, networks of communication,

and the associations that supported and transmitted those "habits of the heart."

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[2] An economist, Glenn Loury (1977), has been cited as the first person to use the term in the current sense. See Lin (2001), chapter 2 and Edwards, Foley, and Diani (2001), chapter 1 for overviews of the concept's early development.

[3] In Eighteenth century usage the term "genius" referred to the spirit, nature, or category of some idea or object—akin to our modern use of "genus" (Boorstin 1958).

[4] In another place Tocqueville explains that this tendency to associate arises from embracing "communal freedom." The associations themselves come to serve as the key check on government encroachment. However, "until communal freedom has come to form part of the mores, it can be easily destroyed, and it cannot enter mores without a long-recognized legal existence" (62).

This study of the extra-governmental structure of America was important,
Tocqueville wrote, because it explained how the society could be "governed" when there
appeared to be an "absence of what we would call government or administration" (1988,
72). Namely, he concluded, these habits and patterns of self-organizing behavior led
individuals to try to address the problems on their own, in short, to self-govern. Hence,
whereas, "at the head of any new undertaking, where in France you would find the
government or in England some territorial magnate, in the United States you are sure to
find an association" (Tocqueville 1988, 513).

In recent years questions about the viability and vulnerability of democracies have
brought a renewed interest in why people are willing to cooperate with others and how
the social structure within which they are embedded influences those decisions. Under
the pioneering work of sociologists like Coleman (1988 and 1990), Bourdieu (1980 and
1986), and Lin (1982) a theory of social resources and structural access to those resources
assumed the name of social capital. For Bourdieu and Lin that capital was found in the
interpersonal networks of communication. Hence, the benefits of such connections to
any one individual depended on the size of one's network and the resources available to
each of the people with whom the individual was connected (see Bourdieu 1986, 249).
For them the essence of social capital was an individual's ability to get at resources they
would not normally have available to them.

Coleman, however, argued for a broader understanding of capital that included
not only interpersonal networks, but also other forms of social relations that "facilitate
certain actions of individuals who are within the structure" (Coleman 1990, 302). Hence
social capital could include everything from networks to norms to voluntary

organizations (Coleman 1990, 311; Coleman 1987), as long as the structure "[made]

possible the achievement of certain ends that would not be attainable in its absence"

(Coleman 1990, 302).

It was Robert Putnam's interest in Tocqueville, and his claim that certain social

structures and habits sustained democracy, that finally pushed the concept into

widespread use. Though Putnam had been studying social context and the role of

associations for a number of years (see Putnam 1966), it was by applying Coleman's

definition of social capital to explain why these associations mattered that Putnam

bridged these previously unconnected strands of research. In particular, Putnam was

willing to suggest that the falling political turnout rates of such concern to the

participation literature and the less widely recognized decline in civic organizations were

likely connected—and the connection was contextual.

To be sure, the weakness of strictly individualistic models to accurately explain

economic development, cooperative action, or the failure of developmental policies had

already given rise to calls to "embed" individuals back into their social context

(Granovetter 1985). The New Institutionalism of political science and economics, for

example, was seen as one such way of wedding powerful individualistic theories—such

as rationality—with an environment of institutional constraints and pressures (see March

and Olsen 1984; Shepsle 1989).

In 1993 Putnam published a work on Italy in which he argued that a history of

vertical social relationships in Southern Italy had left the people with habits and networks

that hampered voluntary cooperative action. By contrast, he claimed, Northern Italy's

environment of horizontal interpersonal connections engendered the habits and resources

necessary for effective democracy. This was followed by his now famous "Bowling Alone" paper on the state of associational life in America, in which it appeared that these linkages of which Tocqueville had written were declining—and with them, the heart of American democracy (1995).

By applying social capital to such broad and foundational issues, Putnam demonstrated that the concept was flexible enough to fill this conceptual gap between the individual and their environment in a variety of applications, while, at the same time, maintaining the coherent theory needed to facilitate communication across the disciplines. Interestingly, as has been pointed out, the appeal of social capital seems to reach across the ideological spectrum: addressing both the left's concern for community and the right's traditional distrust of big government (Harriss and De Renzio 1997).

The popularity of social capital, as recent literature reviews attest, has ballooned within the last few years—making it difficult to follow its evolution (see Foley and Edwards 1999; E. Ostrom and Ahn 2002). But, just a sample reveals that social capital has been applied to: development (Putnam 1993); interpersonal trust (Fukuyama 1995; Brehm and Rahn 1997), school choice (Schneider, Teske, Marschall, et al. 1997), family migration (Hagen et al. 1996); neighborhood associations (Portney and Berry 1997); household income (Robinson and Siles 1997); the internet (Riedel et al. 1998; Lin 2001, chap. 12); school dropout rates (Coleman 1988); fertility (Schoen et al. 1997); political participation (Lake and Huckfeldt 1998); corporate advancement (Burt 1992; Lin, Cook, and Burt 2001); public housing architecture (Bothwell, Gindroz, and Lang 1998); and the successful management of common-pool resources (see E. Ostrom and Ahn 2002).

Still, despite this widespread use, there remain important distinctions. As Foley and Edwards (1999) point out, sociologists still tend to define social capital as "primarily a social structure variable"—such as the number of network connections—that results in things like associations, safe neighborhoods, or job promotions. For much of political science, economics, and psychology, on the other hand, social capital is treated as a set of "attitudes, as measured by survey responses to items on social trust, norms of reciprocity and tolerance, and, occasionally, trust in institutions" (Foley and Edwards 1999, 148). This has led to criticism that the political science approach is but another name for the tautological political culture models of yesteryear (Jackman and Miller 1996), rather than a tool for the evaluation of contextual constraints on individual decisions. And though some differences should be expected as each discipline tailors the concept to address a different set of questions, it is also clear that there persists a wide disagreement about the fundamental nature and function of social capital. Should it be treated as an independent or a dependent variable, a collective or an individual good, an attitude or a structure, norms or associations (Portes 1998; Foley and Edwards 1999; Lin, Cook, and Burt 2001; E. Ostrom and Ahn 2002)?

The reconciliation of social capital into a flexible yet coherent framework is not only important to future scholarship, but also for the world in which we live as the concept has breached the boundary between theory and policy. A number of American think tanks and foundations, for example, have dedicated resources to investigating the public policy implications of social capital (see Lang and Hornburg 1998). Additionally, the World Bank has funded the Social Capital Initiative in an attempt to both understand the causes of poverty and to inform policy decisions.

II-The Basics of a Structural Theory of Capital

Conceptually, social capital holds great promise as a "common language" between the disciplines (Lin, Cook, and Burt 2001, vii). However, because of fundamental disagreement about the meaning of the parent term "capital," there continues to be some ambiguity about what a social form of that capital would be and how the two are related. Historically capital evolved as a term for property or possessions.[5] However within political economy the term came to refer more broadly to the total of the accumulated wealth of a corporation, country, or even an individual, with emphasis on the utility of that wealth to generate more wealth or new production possibilities. This has led to two usages of the term: as a referent to the sum of wealth or resources of an individual or community and in reference to that creative capacity.[6] Though the two usages are not mutually exclusive, I am using capital in the latter sense. Hence for my purposes capital is not an end, but rather a means of reaching some end. Capital will not be found in any one of the resources of which it is constituted, in an aggregation of those resources, nor can it be found in the outputs. Rather, capital is the combining of resources into certain patterns that create outputs, wealth, or opportunities otherwise unavailable.

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[5] The etymology of capital is the Latin *caput* or *capitulum* meaning the "head." It entered our economic vocabulary in two ways: referring to property granted from the King (held in *capite,* as in a "capital manor") and in reference to the original (the head) funds or principal of a corporation.

[6] Hernando de Soto (2000) provides a nice case study of this second meaning of capital, as well as confusion between the two terms, in his look at the developing world. In particular, places like Peru, he argues, have abundant resources (capital in the first sense) but the laws of contract and property hamper their usage (the second sense). If I cannot hold a clear and free title to my property, I can't use it for leverage in financing a business. Nor would having more houses fix the underlying problem as long as those barriers to generating wealth persist. De Soto struggles with what to call this situation of having one sense of capital without the other, alternatively using terms like "dead capital" (it is there, but unusable) and "undercapitalized."

This is problematic because almost all the work circulating today uses one of these elements—resources or outputs—as a blanket measure of capital, regardless of in which sense capital is being used. Rather, for this generative sense, the capital is better found in the "structural pattern" in which the constitutive resources are combined (Lachmann 1978, 4). The shift in emphasis is accordingly away from calculating totals of resources or outputs in favor of analyzing the patterns or structure that convert those resources into outputs. What form that pattern takes will be the result of historical pressures, current configurations of capital, and entrepreneurial initiative. Because resources are scarce, we must also recognize that incorporating them into one pattern may prevent them from being included in other configurations. For this reason, attempting to measure the amount of capital by calculating the total volume of resources available, while tempting, is inherently risky, as it is not their presence but their application that matters most from a capital perspective. In the sense that I am using capital, and here is perhaps the clearest distinction between the two senses of the term, an area rich in unused resources is just as capital-starved as an area with no resources (though their potential would obviously differ).

We are most familiar with capital in the context of economic processes, where financial or material resources are combined in order to enhance productive capabilities. As an example, and to illustrate certain common features of all the forms of capital, consider the case of a communications company that combines a variety of resources— buried cables, machinery, and personnel—to offer a communications service to customers. Each of these resources is important in this configuration because of their "complementarity" with the other resources (Lachmann 1978, 3)—without cables to

carry the signals the machinery would be of little value; without trained personnel the system would sit idle. These combined resources constitute the company's capital, and though analysts might assign a financial value to that capital, we must be careful to recognize that its nature remains fundamentally that of a heterogeneous combination and not the homogeneous aggregation reflected in that monetary value (Hayek 1952, 294; Lachmann 1978, 4). Indeed, all of this equipment and personnel are valuable to the company primarily for their ability to work together in generating new possibilities (the ability to place calls or receive information), and the subsequent profits.

With advances in fiber optic technology there comes a day when this company needs to decide if investments in new technology might not be in their best interest. Or, in other words, is it worth the cost to alter one of the resources constituting this capital in order to take advantage of new possibilities. The growth of capital, then, does not always mean "a simple multiplication of the instruments," which would imply that "every addition is complete in itself and independent of what existed previously" (Hayek 1952, 10). Nor is this calculation simply whether the fiber optics would be of greater worth over time than the old cables, but how will this upgrade alter the complementarity of the resources? Will such a change also necessitate new machinery and personnel, or can some of these resources be easily adapted to this new configuration? Thus an additional concern when discussing capital is the "specificity" of those resources, or how dedicated are they to a specific application (Williamson 1985, 52-54).

What is more, there are different kinds of specificity: the old cables have great physical specificity and would likely have to be abandoned or sold; whereas, personnel, though also specialized, are inherently more flexible—much of their specificity has come

through "learning-by-doing"—and thus could adapt to this new technology without a complete loss of their value. Indeed, high levels of human specificity are likely to become embedded within regularized institutional structures precisely in order to capture that value—in the case of economic processes these would be firms or "employment relations" (Williamson 1985, 96). This is also why we expect people to form regularized patterns of communication between themselves and those individuals with unique skills or knowledge rather than relying on random draws from the population at-large in order to satisfy their needs—interpersonal networks are a way of economizing on socializing costs.

For our communications company, then, their calculation of whether to purchase the new technology must weigh potential improvements against replacement costs for some of the resources, and minor adaptation or retraining costs for others. Note that the previous configuration of capital, in particular its specificity, is able to influence future possibilities. It may be that this company holds considerable advantages over a start-up company because of its ability to mix existing resources with new ones in the reconfiguration of its capital. Likewise, if the resource demands are general enough, and the company's capital is of a less specific nature, it may be able to adapt to a new situation without any reconstitution of its capital at all. Hence another interesting feature of capital is the ability of the structural form to adapt to the production of resources or outcomes other than those that were originally intended. The communications company might have a dramatic competitive advantage, for example, if it is able to convert some of its carrying capacity into the provision of Internet access.

In general, however, asset specificity will decrease the fungibility of capital. Hence there is a trade-off, not captured in homogeneous portrayals of capital, between the flexibility of capital and its ability to meet exacting requirements. For example, configurations producing resources high in specificity will be of little use in situations outside of their area of specialization—regardless of the total amount of that capital present. Likewise, a situation requiring a great deal of specificity might starve though it was located among abundant investments in the wrong kinds of capital. What "works" in one situation might fail in another, though its organization remained the same in both situations. This is why capital—particularly the way in which it is structured—cannot be treated as a black box, of which some is good and more is better. It is precisely the configuration of that box that determines which resources can be combined and what outputs are possible. [7]

Figure 2-1 about here

Conceptually it is helpful to think of capital as being composed of three elements as represented in Figure 2-1: the inputs or resources being used, a structure or configuration that combines the resources in complementary ways, and an output or product. Resources are combined in complimentary ways according to the rules, institutions, or patterns and an output is created. While all three of these elements are necessary to satisfy the definition of capital, it is this middle section that is the heart. Hernando de Soto, for example, notes that in Peru, despite sufficient resources, there is a

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[7] Friedrich Hayek argued that understanding the structure of capital was "much more important than [the capital's] aggregate 'quantity'" (1952, 6).

lack of wealth creation or new production possibilities. The people have sufficient assets in developed properties, he argues, but they are unable to leverage those assets (convert them to useful outputs) precisely because the laws governing their combination make it difficult or impossible (De Soto 2000). When studying capital, especially social capital, there is a tendency to pay the most attention to one end of this diagram or the other, leaving the middle unexamined. We can measure outputs, but that sidesteps the question of why those outputs exist in one situation and not another similar one. Likewise if we focus on the availability of resources as evidence of capital we are unable to explain why one resource was used instead of another, or why, as in Peru, they remained unused.

Though my primary interest is in the social form of capital, I believe that it is important that this initial discussion be intentionally broad enough to illustrate the common elements that define capital in all its forms. What has often seemed as very disparate strands of research can only be combined and begin to build upon itself once we agree on the important questions and so recognize that much of the previous work has been focused on specific cases within that broad framework and are not, therefore, mutually exclusive. Capital has often been portrayed as something that was inherently good, and therefore having some was always beneficial and more was even better. That capital may be inefficiently configured for a desired output; that capital might actually be lost or decreased by reconfiguring it; or that capital might be used to further "bad" or harmful activities were not questions that fit well in this depiction. Yet by approaching it as a structural pattern, the framework is broad enough to accommodate capital configurations that are beneficial or harmful, precisely by focusing attention on those factors that would distinguish between the two.

Turning to the focus of this work, social capital refers to the combining of complimentary resources through social structures in order to make possible things that would have been otherwise unattainable. It is distinct from other forms of capital—or capital found in other venues—not so much for the kinds of resources involved, but because of the markedly social configuration of those resources. So, whereas physical capital would be configurations that could be attached to a physical object or place, and human capital would consist of configurations located within the individual, social capital is to be found in-between individuals—in their relationships, their associations, and their societies.

Because social capital exists between individuals, it requires the cooperation or consent of others. Hence, Lin argues, the costs and constraints imposed by these relationships often make social capital more costly than capital solely located within the individual (Lin 2001, 134). This does not mean that other forms of capital will be more important, for the social configuration is valuable—and costly—precisely because it addresses those types of issues ill-suited to other kinds of capital. Indeed, the level of one's human capital, for example, may be undervalued if it is socially isolated. Studies on social capital and employment have found that the skill levels of the individual (their human capital) are mediated by their social connectedness; "who-you-know" has been shown to be a crucial component of successful job searches (Granovetter 1974), and social "position" or contacts are important conduits to promotion and increases in pay (Lin 2001, 81-87).

Structurally, then, social capital is characterized by the social element. This means that its core must consist of the combining of resources through some form of

interpersonal coordination. Typically, the strength of this form is precisely in producing

or reinforcing a kind of human behavior. Hence social capital is particularly useful in

addressing situations where cooperative human action would otherwise be discouraged—

such as the collective action dilemma (Olson 1971; Lichbach 1996). Ironically, a

collective action dilemma can occur when the complementarity of individual resources

are such that they would be benefited by combining them, voting in elections or

contributing time and resources to the local P.T.A., yet because it is difficult to exclude

people from those benefits, there are powerful incentives to "free ride" off of the efforts

of others—preventing the very formation of social capital (Downs 1957; Olson 1971;

Rich 1980).

III-Can Social Capital Solve the Collective Action Dilemma?

The emergence of the collective action dilemma as "*the* central subject of political

science" (E. Ostrom 1998, 1) can be directly traced to Mancur Olson's 1971 work, *The*

Logic of Collective Action. So persuasive was his argument, and so seemingly

inescapable its logic, that many began to argue that the dilemma constituted a market

failure—or a situation in which the "invisible hand" pushes us in wrong directions. This

seeming inability of self-directed actions to benefit all undermined the traditional

justification for the market, and by extension, self-government. The only viable solution,

some suggested, was one of the sword: an "external" hand with sufficient power to

coerce individuals toward the socially optimal outcome (see, for example, Hardin's

seminal 1962 essay in *Science*).

This, however, was not Olson's argument, for while he acknowledged the formidable costs of collective action, the success of labor unions and lobby groups convinced him that cooperative collective action was a real possibility. In trying to understand why, he focused on factors such as group size or the use of selective incentives as key to altering the incentives of the individual (Olson 1971). Subsequent research has found that though some of Olson's claims need to be qualified, his fundamental position that "internal" solutions are both possible and viable seems to hold true (E. Ostrom, Walker, and Gardner 1992; Lichbach 1996). Of interest for our purpose here is the attention that social capital has received as one of these "internal" solutions to the collective action problem (E. Ostrom 1990; E. Ostrom and Ahn 2002, 14-18; Putnam 1993; and Putnam 2000).

Potentially, social capital could shift incentives sufficiently to enable resolution by the very actors entwined in that dilemma. There are three ways that this might happen: first, the social capital can directly alter the cost-benefit calculation of the individual. This might happen because the resources produced by the capital ease the existing costs or magnify existing benefits. An intuitive example of this is found in the interpersonal networks people establish around themselves. If my friend knows a lot about a certain candidate and shares that information with me, then I have access to an informational "short-cut" that reduces the time and effort I would have otherwise had to expend. Downs notes that along this logic we should expect to see rational individuals seeking out informational "elites" as a way of reducing one's own costs (Downs 1957; Huckfeldt 2001).

Second, the capital might create additional benefits or impose additional costs unrelated to the key issue—Olson referred to these as selective incentives. For example, if I am embedded within a more complex form of social capital, such as a neighborhood association, and I know that compliance with the rules or norms of the group will bring goodwill, invitations to BBQs, and allow me to include my children in the local carpool, then that social capital is providing me a "selective benefit." Hence, though my core decision to join the association might center on the benefits to my property value from membership versus the expenses of membership, these other "side" benefits can influence that calculation. Likewise, if I know that a certain behavior on my part will bring sanctions (shunning, disapproval, or even exclusion from collective benefits), I will be subject to, what we might think of as, a "selective cost" created and imposed as a consequence of the social capital. As Olson explained, these "selective" benefits or costs are often separate from, and may even be unrelated to, the primary goal or product of the group. Selective incentives are useful precisely because they lack the non-excludability characteristic that leads to the dilemma in the first place (1971, 51).

And third, in addition to its product, the very structure of the capital within which the individual is embedded may prove important. It is both tricky and somewhat artificial to try to distinguish between these two things, as the product of capital is precisely that—a "product" of the capital structure plus the initial resources—but there is sufficient evidence to suggest that structure can have an influence independent of or in addition to that of the capital product. Structure can establish patterns of responsibility; increase the ability to monitor others; or create opportunities for repeated play. Yamagishi and Cook's (1993) experiments on the Prisoner's Dilemma found that altering the internal

structure of the game had a significant impact on the levels of defection, despite the fact that payoffs were held constant across the various configurations. Hence even though the "product" of successful cooperation was always the same, they discovered that the use of network ties within certain configurations facilitated the formation of, what they called, "bonds of obligation." The implication of this finding, they wrote, is that the "social structure" of the group may be the missing piece to understanding differing rates of cooperation among similar groups (1993, 246).

The headline here is that social capital is strong at precisely the point that rational choice models have traditionally been weak—that is, in explaining why context matters. This is most evident in work on the prisoner's dilemma, where actual defection rates are seldom as chronic as the incentives would predict. Yet by introducing social connections, communication, bargaining, or even rules, the levels of cooperation increase (Orbell, Schwartz-Shea, and Simmons 1984; Yamagishi 1988; E. Ostrom, Walker, and Gardner 1992).[8]

But we need to be careful not to let social capital assume away the costs of collective action—even its own costs. For social capital itself faces a variety of costs—a kind of "second-order" collective action dilemma from which individuals may be similarly tempted to free-ride. Though frankly this may appear to be presenting a dilemma as a solution to a dilemma, there is increasing evidence from experiments (Dawes et al. 1986; Yamagishi 1988; E. Ostrom, Walker, and Gardner 1992) and real world cases (E. Ostrom 1990) that shows that the defection problem is not as chronic in

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[8] Norms, or "morality," probably constitutes another factor decreasing the actual defection rates in such free-riding situations. For example, students who were taught that such generalized norms of cooperation were "irrational" tended to cooperate less than other students in cooperation games (Marwell and Ames 1981; Frank, Gilovich, and Regan 1993).

this second-order dilemma. Individuals appear to be more willing to invest resources in

maintaining rules and sanctioning systems than investing in the broader dilemma if they

see those rules as insuring fairness or enhancing future payoffs.[9]

Unfortunately, there has not always been a clear distinction between the two

levels of the dilemma in the social capital literature, leading to seemingly "circular"

arguments (Portes 1998, 19-20). Overcoming the dilemma of capital formation may

indeed result in the solving of the more general collective action dilemma—but this is not

necessarily so. Overcoming the barriers to successful capital formation could still

produce the wrong kinds of resources or inadequate resources for the solving of the more

general dilemma. Hence, for example, we should not immediately assume that the

successful formation of associations necessarily means the creation of a Tocquevillian

democracy. Rather, we need to understand the design of the capital and its consequent

product, before we can know what impact it will have on the broader dilemma it is

designed to address.

In trying to pin down, then, what exactly should be considered social capital,

authors have claimed a range of phenomena—from norms (Putnam 2000) to institutional

structures (E. Ostrom and Ahn 2002); from interpersonal networks (Lin 2001) to

transnational social movements (J. Smith 1998). And while there is a growing sentiment

that not all that is called social capital should be so considered (Foley and Edwards 1999;

Lin 2001), it is apparent that it can assume a remarkably diverse number of forms.

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[9] Interestingly, David Hume explained that the same "perception" problems that led us to free-ride
ultimately provided a "remedy" for itself by leading us—when the issues are distant—to form rules or
institutions that make it "in the interest even of bad men, to act for the common good" when their time is
upon us. This is, he claimed, the very origin of government (Hume 1948, 99 and 296).

Nor do I believe that we need to discard any of this remarkable diversity in order to create a more rigorous definition of social capital. Indeed, the middle element of capital, the structural pattern, would dictate a great variety due to both the differences in the constitutive resources, but also the complexity with which those resources are combined. A useful approach to understanding organizational complexity is offered by Crawford and Ostrom's (1995) "grammar" of institutions. Crawford and Ostrom define institutions as "regularities of human action" within a structure of "rules, norms, and shared strategies." This structure is "constituted and reconstituted by human interaction in frequently occurring and repetitive situations" (1995, 582). Or, for our purposes here, capital formations that combine fairly specialized human assets will tend to assume a structural form defined as "institutions." The less the specificity required by the interaction, the more easily a random draw of people will do. Those interactions relying primarily on the complementarity of physical assets are defined as "industries."[10]

Most broadly, then, the organizational form of social capital will center on some type of interpersonal coordination. At the least complex end of the spectrum these types of capital have been called things like shared strategies, focal points, conventions, or networks. Their similarity is that they consist of some agreed upon aim or outcome, and a set of instructions, or conditions, specifying what resources are to be used and how they are to be combined in order to reach that outcome (AIM in Crawford and Ostrom's 1995 grammar). Though such a capital configuration might appear simple in form, they are nonetheless effective. As mentioned earlier, there has been convincing evidence that

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[10] The types of resources involved and their organization into capital forms defines the differences between firms and markets and lies at the heart of industrial organization (see Coase 1937; Williamson 1985).

even simple communication aimed at coordinating outcomes can dramatically alter

behavior (. E. Ostrom, Walker, and Gardner 1992).

Structure becomes more complex with the addition of "deontic" operators—

expectations or prescriptions that a strategy "must" be followed (Crawford and

Ostrom1995, 584). Works that have looked at norms, identity groups, or communities

have focused on this type of social capital. A final degree of institutional complexity can

be added through the imposition of punishments or sanctions to a violation of the

obligations. These include the "institutions" with which we are the most familiar, but,

this also means that social capital can be found in the most complex social organizations

within which we are embedded: religions, families, corporations, and even certain

elements of government itself. Indeed, in this light, constitutional creation, which in

James Buchanan's words is the selection of "constraints" within which politics will

operate (Buchanan 1990), is the creation of a meta-social capital structure that will define

what resources exist, who possesses them, and the permissible forms in which they might

be combined.[11] Wherever individuals begin to interact with others in regular patterns we

can suspect that a type of capital formation has occurred in order to, in Coleman's words,

"[make] possible the achievement of certain ends that would not be attainable in its

absence" (1990, 302).

However, it is difficult to disentangle the importance of any one of these forms of

social capital from the others. As Tocqueville implied, the resources produced by one

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[11] Buchanan has been a pioneer in bringing constitutional level analysis to the forefront of theoretical concerns. Of note here is his 1975 work entitled *The Limits of Liberty*. While most of economics have focused on the "postconstitutional stage" (2000, 38) of human interaction, Buchanan notes that the constitutional rules and laws are a kind of "capital" (2000, 156-160) that may help or hinder postconstitutional actions. Clearly decisions about the allocation of property rights, the violability of contract, and the permissibility of communication and association will place serious limitations on the forms subsequent capital structures can take.

form of capital often became important components in other capital constructs. In other words, not only can the resources produced by social capital aid in general forms of collective action, but they may also be necessary for overcoming the second-order action problem involved in the formation of more complex capital itself. In the case of the compound republic, for example, the success that Tocqueville wrote about depended not only on a sophisticated meta-capital structure, or a properly designed constitution, but also on "much diverse knowledge and discernment" in the governed (Tocqueville 1988, 164). These essential "resources" were themselves produced by other kinds of social capital, such as associations. The resulting impression is of a complex web of mutual dependencies stretching throughout the society, where the ability to even create a compound republic is predicated on the presence of resources provided by pre-existing capital structures that are themselves depended on other forms of social capital.[12] Associations, for example, rely upon the interpersonal networks of its members for recruitment (Booth and Babchuk 1969). So likewise, associations additionally benefit the society by giving individuals experience in this art of capital formation, so that "once they have met," Tocqueville explained, "they always know how to meet again" (1988, 521).

Trust should also probably be seen in this light (such as in Brehm and Rahn 1997). Trust appears to be an additional product of successful capital structures (Foley and Edwards 1999, 150) that can itself be used to "insure" a greater variety of activities (see Fukuyama 1995; Lin 2001, 147-149). Successful and repeated network interaction

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[12] He continues that the problem is not that the theory is hard to understand, but that the "application" requires that people share certain understood limits, habits, and rules gained through experience. "Everything in such a government depends on artificially contrived conventions, and it is only suited to a people long accustom to manage its affairs, and one in which even the lowest ranks of society have an appreciation of political science" (Tocqueville 1988, 164-165).

in a neighborhood may result in a "trust" in one's neighbors that could serve as the basis for a neighborhood association—an activity that might otherwise have been too costly due to the uncertainty about whether the other people within the neighborhood were cooperating or defecting "types."

Yet in our studies of things like associations in America, we typically divorce the association from the environment that gives it life—and if guilty there, how much more so with something as complicated as democracy? Voting, for example, is often looked to as a sign of democracy. Yet given the importance of interpersonal networks for the communication of political information (Huckfeldt et al. 1995) and the value of "experts" within the network for informational short-cuts (Huckfeldt 2001), it seems unreasonable to expect people to be able to make consistent or informed political decisions in our age of information overkill without such supporting connections— regardless of how many elections people are allowed to participate in. Yet how often are such issues included in public discussions on voting or democratization?

To reiterate, despite its great diversity, there are sufficient similarities in some forms of capital to merit their classification as "social capital." Like all forms of capital, social capital contains the three recognizable elements: constitutive resources, a structure intended to combine those resources in complementary ways, and an output or product that would have been otherwise impossible. However, social capital differs from other forms of capital in the following characteristics:

- The resources are combined in social configurations. This means that
  the complementarity of the resources occurs between individuals. Any or
  all of the resources may be possessed by lone individuals, but the capital
  structure cannot. Hence, Robinson Crusoe may carry with him some
  resource gained from social capital—such as a habit of association—but

he cannot devote that resource to the formation of social capital while he remains alone.

• Because the resources tend to be heavy in human asset specificity they are not consumed with use and will likely become regularized in institutional structures. The structure, however, may deteriorate with disuse or be destroyed by abuse (see E. Ostrom and Ahn 2002, 21).

• Because of their social nature, the configurations are often intended to produce human action either by reducing transaction costs or by opening future possibilities. Usually this is action that would not have otherwise occurred due to incentives to free-ride.

• Because of its location between individuals, the formation of capital faces a collective action problem of its own. Often the solution to these second-order dilemmas will require the resources produced by other social capital configurations.

• Because the structural pattern is designed primarily for one category of resources, and those resources tend to have the same form (communication in a network is always shaped by words and a language), it is easier to adapt to alternate uses than some other forms of capital (it is relatively easy within a sports discussion network to have a periodic political discussion).

• As those resources tend to be difficult to quantify, there is no easily accessible "information system" about the value of social capital configurations (note Hayek 1945). In other words, in the example of our communications company money served as an "information system" signaling the value or usefulness of that capital—there is no "market" for associations.

• With no easily accessible "price system," the formation of social capital faces a number of exceptional challenges. Specifically, like human capital it will often be undervalued (note Schultz 1961). Most of the available signaling mechanisms will tend to be local, or bound by time and place, and so growth will be likewise constrained. The very reason that the aforementioned "institutionalization" of these resources occurs with such frequency is precisely to economize on the formidable transaction costs— information being chief among them. Thus information will tend to come from within the configurations themselves. Consequently, as E. Ostrom and Ahn (2002) point out, it will often be extremely difficult for some external agent to direct social capital because of this lack of accurate signals.

• Given that capital formation tends to be either indirectly driven by market forces or directly formed by entrepreneurs (see Lachmann , 53-55),

social capital, with its informational difficulties, will tend toward the latter. Hence, especially for the least complex forms of capital, widespread knowledge of how to form capital and broad incentives to do so will be essential. Societies or governments may encourage this type of behavior by creating a space for individual initiative and by granting "rights" to association and communication. But the resulting web is fragile, and eliminating certain categories of capital may unravel the mutual dependencies. As Tocqueville noted, though the most complex forms of social capital—such as corporations, religions, or governments— might not be immediately affected by the loss of widespread habits of association, the least formal will suffer the most. And the more resources are provided solely by those most complex forms, "the more will individuals lose the idea of forming associations and need the government to come to their help" (Tocqueville 1988, 515).

Because social capital is not an individual resource, but consists of the relationships, patterns, and institutions that we weave around ourselves, it has been especially difficult to measure—often forcing scholars to use either strictly individual measures, such as levels of trust in others or institutions (Brehm and Rahn 1997), or aggregated measures, such as levels of participation in bowling leagues or other associations (Putnam 2000). To be honest, as with other forms of capital, there may be no ideal indicator of the totality of the social capital available to an individual (see Lachmann 1978, xiv). Even so, one promising method for exploring the nature of social capital is found in the constructed patterns of interaction, influence, and communication, through which individuals link themselves. Though these interpersonal networks are probably the simplest form of social capital, their influence ripples out into the larger environment, both affecting more complex forms of social capital and the possibilities of self-governance itself.

IV-Interpersonal Networks as Social Capital

As an example of social capital, interpersonal networks serve as a good starting point for both their relative simplicity and their relevance for the collective action required by self-government. Thus though I will touch on more complex forms of social capital in later chapters, networks will provide a unifying theme throughout this work.

Because my focus is on the middle element from diagram 2-1—the structural pattern—it is helpful to both control the number of resources involved and the complexity with which they might be combined. I suspect that much of the current disagreement over social capital derives precisely from our choosing to focus on the most dramatic and complex examples available. Yet in highlighting the uniqueness and peculiarities of each of these complex cases, it is easy to miss the commonalities that stretch across the landscape and the patterns they reveal—hence creating the appearance of a conceptual "catch all" with little explanatory or predictive power beyond that specific instance.

Interpersonal networks are probably the most ubiquitous form of social capital, as they are simply sustained patterns of individual communication. Such a pattern between one individual and their discussant, or alter, is called a dyad. An individual may maintain a number of these communication relationships, or dyads, the totality of which would constitute their interpersonal communication network. I will generally refer to relationships as networks during the course of this analysis unless there is a specific need to distinguish between one-to-one structures and one-to-many structures.

In terms of Crawford and Ostrom's grammar (1995) discussed earlier, these social ties consist of "attributes," or resources; an "aim," or product; and "conditions," or

mutually understood procedures. I called networks "simple" because they typically lack both the deontic component and the enforcement component. In other words, these are completely voluntary relationships that can be easily formed or discarded based solely upon their usefulness to the individual. In actuality a network is a compromise between environmental constraints and individual choice, but if a network persists we can assume that it is there for a purpose. Moreover, this absence of both rules and resources dedicated to monitoring the relationship and imposing sanctions simplify the analysis by allowing me to assume a direct link between structural differences in the networks and the produced resources. In other words, I am assuming that the network dedicates no resources to the resolution of the second order dilemma.

Yet this "simplicity" of network social capital enfolds a remarkable amount of structural diversity. For there are at least seven different dimensions along which the network structure can vary: two are at the network level and the remaining five define the dyad. These dimensions give the capital shape, thereby determining the resources it can use and its capacity for outputs. The two network level dimensions are:

Network Size. Size refers most basically to the number of people with whom an individual communicates—or the number of dyads that comprise one's network. All other things being equal, we can assume that the greater the number of connections to other people, the greater the likelihood that the individual will have access to diverse knowledge and resources. Though reported network size can be an artifact of the instrument used to solicit the information (Marsden 1990, 441-444), Campbell and Lee (1992) found that the better "integrated" the individual was into their community—the more closely their interest's coincided with those around them—the larger their network

tended to be. Likewise, one's available time (Campbell and Lee 1992, 1083), context

(Finifter 1974), education, and age (Marsden 1987) all appear to be important constraints

on network size.

   <u>Redundancy of the Network.</u> Also called closure or density, redundancy refers to

the degree to which ties within one's network interconnect with each other—are each of

my friends connected with the same group of friends, or do they have their own unique

networks? Coleman has speculated that the greater the redundancy of the network the

easier it is to form norms through the mutual and overlapping obligations (1990 318-

320). Likewise Bourdieu (1986) and Lin note the advantage of closed networks for

"preserving or maintaining resources" (Lin 2001, 26-17). This ability of redundant

networks to establish norms, reduce the costs of monitoring, and increase

interdependence suggest that they will be better able to discourage free riding than other

configurations. We might expect greater levels of voluntary collective action in

redundant networks because of their ability to offer additional rewards for cooperation, or

to "amplify" the benefits of cooperation (Coleman 1990, 277). Indeed, experimental

work on generalized social exchange found that by creating a network "loop" in which

exchange was unidirectional, but actions affected others in a simple "circular chain,"

cooperation could be significantly increased (Yamagishi and Cook 1993). By the same

token, however, this degree of closure may isolate the network from the surrounding

context and make broader social mobility increasingly difficult (see, for example,

Podolny and Baron 1997). Furthermore, such "closed" networks may present difficulties

for individual freedom by limiting choice or facilitating coercion.

The five dimensions across which the dyad can vary are: the frequency of contact, duration, intensity, social location, and spatial location.

The Frequency of Contact. It is likely, all other things being equal, that the more frequently two people talk the greater the amount of information they can share with each other. Accordingly, frequency of contact has been one of the more commonly recognized aspects of the interpersonal network, though it is often combined with other structural features into a measurement of tie "strength" (see Granovetter 1973; Marsden and Campbell 1984; Marsden 1990). Frequency has been shown to influence issue agreement (Weatherford 1982), indicate "need" (Campbell and Lee 1992), and increase when talking with someone who is perceived to be an "expert" (Huckfeldt 2001). Marsden and Campbell (1984), however, caution that measurements of frequency tend to overemphasize the importance of kinship and neighbor ties. Lastly, it is likely in general that the less frequent the contact the more formalized the rules or institutions governing that interaction will need to be (Williamson 1985, 60, 72-74).[13]

The Duration of the Tie. The longer a tie has existed the lower should be the uncertainty regarding the relationship. Hence, the greater the number of times that two individuals have had to interact, the more accurate their knowledge of their alter's "type," the reliability of the information they provide, and the benefits arising from ongoing cooperation. Duration, like frequency, has often been incorporated into measures of tie strength (Marsden 1990), most likely because it serves as a proxy for either the amount of trust existing between the individuals, the emotional "closeness" of the individuals, or

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[13] Williamson argues that the impact of frequency will vary with the specificity of the goods involved. Non-specific and mixed transactions may be able to survive with little to no formalization, even in the absence of frequent transactions (they could rely on a "reputation market" or rating service, for example). See Williamson 1985, 74-78.

because it is indicative of success—assuming that only useful ties would be maintained over long periods of time. Podolny and Baron (1997) further speculate that duration, or the opportunity for sustained interaction, is conducive to the formation and enforcement of norms. However, given that ties can be maintained for reasons other than just "usefulness," duration will also tend to overemphasize the importance of kin relationship ties (Marsden and Campbell 1984).

Bond Intensity. Some have contended that an important consideration is the weight given to any particular tie. This weight, or intensity, has been variously described as the amount of trust, emotional importance, or intimacy of the bond (see Granovetter 1973, 1361; Marsden 1990, 455). Thus it does not describe a unique way of constructing a bond, but rather, an attitude held by the participants toward that specific bond. Intensity has been an important theoretical underpinning of the political socialization models, accounting for the relative importance of family for the transmission of political attitudes. However, there has been some difficulty in disentangling the impact of intensity from other characteristics of the interpersonal tie. While Kenny (1998) finds evidence that intensity does enhance discussant effects, Huckfeldt and Sprague (1991) found that intensity was outweighed by other factors among nonrelative discussants, such as the similarity of social ties and social position, in determining vote choice (also see Levine 2005).

Much of the confusion surrounding intensity may stem from the lumping of both a structural feature and a capital product under this one heading. One may feel intensely about a relative precisely because they are a relative, and not as a reflection of the reliability of the person as a source of information. Simple trust, on the other hand,

should probably be seen more as the by-product of useful ties, "where cooperation succeeds, trust may be presumed to follow" (Foley and Edwards 1999, 162). Different kinds of associations, for example, have been found to generate different kinds of trust (Stolle and Rochon 1998). Thus equating trust, or other products of social capital, with the structure of the capital has the potential to create tautologies that obscure precisely why a particular tie merits more trust than another (Portes 1998, 5).

Social location. Sociology has focused much of its attention on the social location of interpersonal ties. For example, Granovetter's "Strength of Weak Ties" (1973), despite its title, is not so much an argument about tie strength as it is about tie location—strong ties that spanned the same social distance would be just as valuable for his argument, if not more so (see Burt 1992, 27-28). The central concept is that as socially similar individuals are likely to have access to the same kinds of information, ties that can reach into different social locations will give the individual greater access to new or unique information. Or, as Nan Lin explains, "Social interactions tend to take place among individuals with similar lifestyles and socioeconomic characteristics." Thus "homophily" is the norm, and hetrophilous interaction, or reaching outside of one's group, is a more costly and difficult relationship to form, but a potentially more fruitful one (Lin 2001, 39 and 47). However, we should be cautious not to assume that greater hetrophily is necessarily better or that uniqueness is necessarily more useful. Robert Putnam (1993), for example, found that horizontal ties in Italy, or those that stretched through the same social strata, encouraged a more useful kind of participation for democratic systems than did vertical, or hierarchical, ties.

Two notable areas of emphasis within the social location literature focus on in-group versus out-group ties and ties that bridge social strata. It is worthwhile to say a word about each.

More commonly seen as the "strong tie" argument, in-group versus out-group research operates from the position that all the people in a group will tend to have very similar informational resources (which tends to be reinforced by the frequency of contact), whereas those ties that extend beyond the group, regardless of whether they reach across social strata or within, are more likely to bring new or "heterogeneous resources" (Lin 2001, 69). Granovetter (1973) calls such connections between groups "bridges," whereas Burt (1992) emphasizes the "holes," or the lack of contact between groups. In any case, individuals occupying social locations that give them access to far-flung groups are strategically advantaged as long as the other groups truly have complementary resources, or as Nan Lin explains, "the strength of a location…is contingent on the resource differential across the bridge" (Lin 2001, 72 original in italics). Thus out-group ties were found to be significant in the job search (Granovetter 1974); in determining the turnover of group membership (McPherson et al. 1992); and, the isolation or integration of individuals into the larger environment of public opinion (Huckfeldt, Beck, et al. 1995).

The second focus of social location has been upon the ability of ties to bridge social strata. Much of this research has concentrated on the ability of one's contacts to higher social levels to bring better jobs, promotions, or occupational prestige (see Lin 2001, 83-87 for a review). The power of these locational effects, however, vary with the number of strata in the society, the relative size of each level, the resource differential

between them, and one's own position within the hierarchy—great for someone at the bottom, as all ties must go up, less useful for someone at the top, as all must go down (Lin 2001, chapter 10). V. O. Key suggests that there is also a kind of political stratification within the society, which, interestingly enough does not necessarily coincide with other kinds of social stratification. Rather, political stratification is based upon political knowledge, opinions, and activity (Key 1961, 197-199).

For my purposes here social location will refer to a tie's ability to bridge political strata, placing the individual in contact with political or policy elites. Such vertical connections may be valuable for their ability to lower the costs of gathering political information or mobilizing for collective action (see Lazarsfeld, et al. 1948; Dahl 1961; Robinson 1976; Huckfeldt 2001). A contrary argument is presented by Robert Putnam's study of Italy (1993). Though some of his conclusions have been questioned (Jackman and Miller 1996), Putnam's exploration of the impact of social location on democracy argues that horizontal ties—those that bridged groups but not strata—were more useful for a democracy than were vertical ties—which tended to embed individuals into narrow patronage relationships.[14] Though it should be noted that our divergent hypothesis may be the result of differing definitions of social distance—I am concerned with ties that only breach political strata whereas Putnam was focused more on socio-economic strata

While each of these six dimensions of the network has been acknowledged in the literature to one degree or another, there is one additional characteristic of the network

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[14] Much of Putnam's work seems to have been influenced by Tocqueville's *Democracy in America* (see Putnam 1966, page 654 or Putnam 2000, pages 292-294, for example). On this issue of bridging ties, Tocqueville explained: "In aristocratic [or hierarchical] societies men have no need to unite for action, since they are held firmly together [by "very rich and powerful men" that can carry out great undertakings on their own]. But among democratic peoples all the citizens are independent and weak. They can hardly do anything for themselves, and none of them is in a position to force his fellows to help him." If democratic peoples didn't have the "right nor the taste for uniting" into groups and intergroups, such an order would be both vain and powerless (Tocqueville 1988, 514).

that has not. Indeed, since much of the network research has focused on the purely social impact of these relationships, there has been less focus on the physical or policy implications of the network, and therefore its geographical aspects. Thus I include one last dimension that will play a prominent role throughout the remainder of this work:

Spatial location. Including space as a dimension of interpersonal networks can be justified on two different grounds. First, space can serve as a barrier to communication. Both the likelihood of contact and the frequency of contact are decreased the further away someone lives from you. This would also seem to imply that we should expect geographical areas to have "clusters" of similar information just as we see among social groups or social strata due to difficulty in diffusion. Likewise, it would not be surprising to find physical barriers such as mountains, rivers, or oceans affecting the disposition and character of network ties. That being said, given the advances in communication technology, it is likely that space as a barrier to communication has decreased in significance in our modern world. So, whereas two neighbors talking over the fence may have been the most productive relationship at one time, telephones, email, and instant messaging now enable far-reaching network ties to survive and even thrive.[15]

The second justification is found in the nature of the environment itself. Rather than a featureless plain, individuals inhabit a geography with both shared characteristics and variety. Mancur Olson (1969), for example, has emphasized that because goods tend to have boundaries, people are faced with problems of differing size and scope.

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[15] The impact of the internet on communication and social capital in general is still unclear (see, for example, Putnam 2000, chapter 9). Kraut, Patterson, et al. (1998) found that internet use constituted a kind of "paradox" as the increased opportunities for communication resulted in greater isolation, decreased network ties, and feelings of loneliness among the participants. A follow-up study (Kraut, Kiesler, et al. 2002) found that the negative effects tended to dissipate over time and that the effects on social involvement, communication, and well-being were generally positive. Cummings, Butler, and Kraut (2002) note that in general on-line ties are less valuable to the individual than offline ones. The impact varies, however, depending on whether the ties supplement or substitute for offline relationships.

Moreover, much of the information regarding these specific time or place locations cannot be removed from its context or aggregated without destroying its usefulness (Hayek 1945). Space matters, then, because the network rests upon a landscape of valleys and hills where problems, needs, and solutions vary with that topography.

A group of people living on a flood plain might find their needs best addressed by networks that emphasized local ties within the physical boundaries of the flood plain in order to reduce barriers to collective action and create norms of reciprocity—"we'll help sandbag your house, because you helped us do ours." Yet this same configuration of social capital, namely a high concentration of ties located in the flood plain, would probably be less fruitful for someone located outside the plain and thus not sharing in the danger. Nor should we expect the person who moves into a neighborhood, yet maintains all their ties to their old neighborhood, to be as likely to become involved in that neighborhood's concerns or activities, regardless of their overall network size or "strength." Hence, in-neighborhood ties have been correlated with both the presence of neighborhood associations and individual activity in those associations (Crenson 1978; Oropesa 1987; Lake and Smith 1999).[16]

We should be careful to recognize that this does not mean that local or immediate ties are inherently preferable to far-reaching ties. As the literature on the job search, social mobility, and political participation have made clear, having diverse or far-flung networks can be beneficial for the transmission of "new" information. How likely, for example, is someone to exit from one neighborhood to another in search of better public services if they have no alternatives with which to compare? Rather, the important point is that the value of spatial location, as with each of these dimensions of the network, and

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[16] Compare with Swindell 1997, 108-110 who finds the opposite true in minority neighborhoods.

indeed, the structure of any kind of capital, is found in the ability of those combinations of features to address the specific needs or requirements of the place. Or as Hayek noted, it is not the "quantity" of capital that is important for our study, but the "interrelationships between the different parts of the elaborate structure of productive [instruments] which man has built to serve his needs" (Hayek 1952, 6).[17]

My subject matter in this work is American democracy; therefore I am most concerned with capital structures that can, in some way, contribute to meaningful participation. Hence, in addition to their relative structural simplicity, networks are also useful for this study because of their theoretical connection to collective action. Though interpersonal networks can accommodate many different kinds of initial resources, the most obvious are informational resources. Intuitively, it is easy to see that the ability to successfully form this kind of social capital is not trivial. An individual has a network of friends with whom he talks. He wishes to find a new job, or to vote, or to make a meaningful impact in his community, but lacks crucial information about who is hiring, the positions of the candidates, or associations that advocate his positions. While talking with his network he is presented with decisive information, and new possibilities are opened to him.

In the case of interpersonal networks the benefits, or outputs, will usually take the form themselves of informational resources. Information is important to collective action both as a barrier (or cost), and as a facilitator (or coordinating agent), for successful action. But the information provided by networks should be distinguished from other

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[17] Hayek is dealing with physical capital in this work, and so I altered his "equipment" to the more general "instrument." He further warns, in terms particularly relevant to the current study of social capital, that "all the essential differences between these parts were obscured by the general endeavor to subsume them under one comprehensive definition of the stock of capital" (Hayek 1952, 6)

forms of information precisely in that it is the product of a mixing or combining of complimentary pieces of information within that capital structure. Thus it can be either wholly new information or an update to information or attitudes that the individual already possessed. The crucial feature here, and the reason this should be considered as "capital," is that the structure accommodated the transfer or the updating of that information in a way that would not otherwise have been possible. A nice example of this, as already mentioned, is the ability of networks stretching across social space to aid in the job search (Granovetter 1974). Interestingly, this also seems to imply that the interpersonal network is particularly well suited to the transfer of that elusive time and place specific information so crucial to markets and other kinds of self-directed action (see Hayek 1945).

I am sympathetic to those works that have used participation rates or associational habits as evidence of social capital, however feel it important to make it clear that these, in and of themselves, are not social capital. These are, at best, the consequences of the outputs of social capital and hence an indirect measure. If these distinctions between initial resources, structure, and outputs are not made clear our analytics become even more muddied when we realize that an association—which may be the result of a simple form of social capital's ability to lower transaction costs—is itself a more complex form of social capital that can create even more new possibilities—say, mobilizing members to vote. Hence, instead of focusing on how structural differences in combining resources enhance or deter collective action, we are left with the unsatisfying claim that an area with many associations is "rich" in social capital, and they are rich because they have many associations. Why they have those associations while another area does not or

even why those particular associations are helpful are simply beyond the scope of that kind of approach.

There is one last consideration when talking about collective action that needs to be addressed. Namely, not all forms of mass behavior need be thought of as evidence of social capital. Some outcomes that appear to have been coordinated through rules or institutions may, in reality, lack that element of interpersonal coordination, and instead be individual responses to similar situational incentives. Hence the surge and ebb of a crowd, booing a speaker, doing the "wave" at a sporting event, or even mob behavior may all have elements of coordination, but are more remarkable for being fundamentally driven by the culmination of individual decisions rather than collective ones (Berk 1974; Granovetter 1978; McPhail and Wohlstein 1986).

Thus the interesting feature of social capital, and the reason it deserves to be distinguished from such individually arrived at forms of collective action, is precisely that it captures the possibility of cooperative "interior" solutions to collective action dilemmas rather than mechanical responses to external stimuli. Or, more concisely, individuals can cooperatively alter the situational incentives in which they are located through the introduction of additional resources, the use of rules, or the creation of institutions to reconfigure how those resources are combined. This is why social capital seems especially important in discussions of self-government.[18]

This opportunity for "interior" solutions also forces us to distinguish between, what has been called, environmental and contextual effects. Here environment will refer

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[18] Coleman notes that the standard approach to rational choice theory has been unable to properly incorporate or account for this ability to restrain one's actions through "precommitment" (Coleman 1990, 62). Likewise, Elinor Ostrom has called for second-generation models better able to account for institutions and the possibility of "interior" solutions to collective action problems (E. Ostrom 1998).

to those "extra-individual" factors that influence individual behavior. Context, however, will indicate those influences arising from "social interaction within an environment" (Huckfeldt and Sprague 1993, 289). Individuals may have little control over the broad context within which they are located, the family into which they are born, the partisan leanings of their fellow employees, or the general attitudes of public opinion where they live. Yet social capital offers them a way to modify, or filter, the more immediate contextual influences through the crafting of institutions.[19] Ada Finifter (1974), for example, found that Republican employees in a predominantly Democratic auto plant crafted protective friendship groups from among their fellow workers that emphasized ties with like-minded workers and thus isolated them from the conflicting context. We might, therefore, characterize these networks as voluntary relationships created and maintained within the broader contextual constraints (see Huckfeldt, Sprague, and Kuklinski 1995, 124-128).[20] But this is not all, for social capital provides a way to not only modify one's context, but also a way of reaching back out to that environment within which an individual is located. A land trust association, for example, aims not just to address social behaviors, but the needs of an environmentally sensitive area as well.

Though each of these seven dimensions of the network I have mentioned likely has an important story to tell about collective action, a detailed analysis of their relative impacts would be far more complex than this present work would allow. Accordingly,

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[19] Herbert Simon draws a distinction between the science of the "natural"—objects and phenomena as they exist in nature—and the science of the "artificial"—those objects and phenomena arising from human interaction with the environment. Social capital is thus an "artifact" or an "interface," in Simon's terminology, between internal preferences and the external world (Simon 1996, see chapter 1).
[20] Huckfeldt and Sprague elsewhere note that "associational choice is probabilistic" due to 1) "the constraints imposed by a context," such as the number of Republicans located in the factory, and 2) those choices must "[respond] to multiple preferences, with different weights," meaning that in a world of limited resources and limited time every choice may exclude other choices or possibilities. A Republican could form a tie with another Republican based on their ideological similarities, but that may preclude ties with shared interests of other kinds (1993, 290)

my focus in the following chapters will be on a couple of specific outputs and how certain variables of theoretical interest play out in the data.

In particular, I will argue that spatial location is a crucial dimension in the ability to transmit the local knowledge needed for civic or neighborhood types of activities. Individuals with more ties to the neighborhood should be more likely to be involved in local activities, all other factors being held constant. Likewise, I contend that ties stretching across social space are the most important for "political" activity, such as voting or participating in a campaign. The more connected one is to quality political information, the lower the costs to involvement in those politics. A final kind of activity I will look at is exit. Though exit should probably be better thought of as an individual response to situational incentives than a coordinated action, it presents an alternative to cooperative action that can serve as an important source of information about individual preferences. Social distance may be an important factor in the decision to move precisely because it can bring "new" information about tax and spend policies in other areas. For this same reason, spatial ties reaching outside of the neighborhood may be important for their ability to contrast conditions between alternate neighborhoods. However, ties within one's neighborhood may discourage movement not only because of their inability to transmit information about alternate neighborhoods, but because of their tendency to encourage local involvement. Investments in the local neighborhood increase the costs of moving. Moreover, those investments may internally resolve the very conditions pressuring the individual to move.

Conclusion

Clearly social capital has been a concept that has caught the imagination of a rich spectrum of scholars, spreading through sociology, psychology, economics and political science. Indeed, social capital holds promise of providing a much-needed theoretical bridge between the individual and the environment within which they are embedded. As such, the concept would play an important part in the development of second-generation rationality models that are better able to account for context and choice. However, the wide use of social capital has led to confusion and even self-contradictory portrayals of what the concept is exactly trying to capture. This has led to some frustration with tautological definitions, "catch all" applications, and empty policy predictions.

This chapter returned to the roots of capital theory to reestablish a broad definition of capital that emphasizes both its heterogeneous nature and the distinction between the structure of the capital and the capital outputs. One kind of capital, social capital, is defined as capital located primarily in social structures. As such, social capital itself is not found in any one individual, but in the connections we establish between ourselves. Hence, though an individual may be the sole possessor of constitutive resources or capital outputs, the social capital structure is found in those patterns, institutions, and rules that combine the resources from different individuals in order to create some output. By shifting our attention from homogenous portrayals of capital, and their preoccupation with aggregate amounts, we can begin to examine the organizational patterns that emerge in the combining of resources and how they are able to target specific problems. Moreover, such a depiction of capital opens up the possibility that capital may be lost through reconfiguration, used for "bad" purposes, or be ill suited for a

particular application. Thus the important questions are not "is there social capital present," but rather, "how is it organized," "does it fit the problem," "and why is it organized in a particular way."

Lastly, the interpersonal network was presented as a simple example of social capital and seven structural dimensions were discussed. Because networks can be used for different purposes, their usefulness must be understood in terms of how a given structural pattern relates to a particular outcome. This work will focus on how combinations of just a few of these dimensions impact various kinds of participation: civic, political, and "voting with the feet."

Figure 2-1: A Dissection of Capital into Three Elements
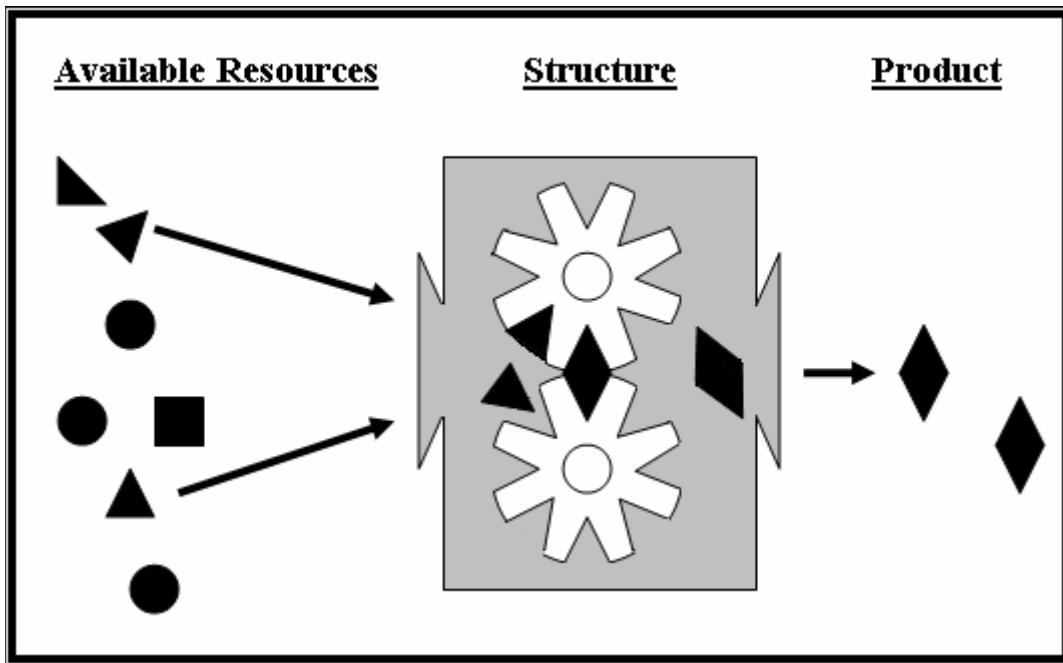
Chapter Three
Network influence on Participation[21]

Central to American government was Madison's challenge to rest the

"experiment" upon the "capacity of mankind for self-government" (Federalist #39:

Rossiter 1961, 240). Most recognizably this means that individuals should have

opportunities to participate in free, contested elections. However, a growing body of

literature has also made it clear that meaningful self-government entails more than just

voting, but also knowledge about and involvement in a broad array of activities. Social

capital provides a tool for addressing the costs associated with participation, and as such

becomes important in understanding individual decisions to participate in both the overtly

"political" forms, such as voting, and the complementary civic activities.

However, within the social capital literature there is a common assumption that

increasing amounts of social capital benefits both political and civic forms of

participation equally. I have earlier made the argument that capital consists of the

combining of resources in complementary ways. Hence, rather than treating it as a

homogenous good, our focus needs to be on the structural pattern of capital and the

relationship of that pattern to different kinds of collective action. This chapter, then, will

explore the proposition that certain configurations of capital will be better able to

facilitate or encourage some kinds of action than will others. Specifically, using network

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[21] Portions of this chapter were previously published as "Freedom and the Tragedy of the Commons" *Humane Studies Review* Vol. 14 No. 2 (Spring) 2002. Statistical analysis in this chapter was performed on STATA 6.0.

data from South Bend, Indiana, I will show that the dimensions of spatial location and social location have differing relative impacts on participation in political and local civic activities.

The first section of this chapter will consider the place of participation within a system of self-government and why a broad reading of participation to include civic and local forms of action is appropriate. Section II examines the interpersonal network as a form of social capital and discusses the South Bend study. Social capital is shown to have explanatory power beyond SES models by capturing social resources, not just those of the individual. Moreover, the specificities of the network are shown to matter for different kinds of action: political communication is more important for political action while neighborhood connections play a bigger role in local civic activities. Section III places the network as a conduit to the surrounding context. Hence, even in neighborhoods rich in civic activity, network ties mediate individual access to the surrounding resources. A conclusion discusses the implications of these findings for participation within a system of self-government.

I-The Kinds of Participation Useful to a Democracy

Most work on the role of citizenship in a democracy comes from the political participation literature, with particular emphasis on the act of voting.[22] Though voting is indeed a critical feature of self-government, the disproportionate attention it has received reflects a common misperception that meaningful participation is only a periodic or occasional event. Jean Jacques Rousseau, for example, contended that people were

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[22] See Conway 1991 for an overview. Also Miller and Shanks 1996. Dahl (1967) sees this emphasis on voting as the consequence of shifting politics from local levels—such as cities—to the nation-state, where size restricts one's ability to participate in more personal ways.

citizens only when they acted in some corporate capacity as the sovereign—as when voting—at all other times they were to be passive "subjects" of the state.[23] However, this compartmentalization of citizenship conceals what Tocqueville called, "the strangest paradoxes": individuals were excluded from the small decisions that most directly impacted their lives, yet were expected to make wise decisions regarding the "government of the whole state." "I should be inclined to think," Tocqueville mused, "that liberty is less necessary in great matters than in tiny ones," and that "liberal, energetic, and wise government" could never originate from a people unaccustomed to active participation in the government of small affairs (Tocqueville 1988, 694).

Indeed, it was precisely the magnitude of individual participation that struck Tocqueville in his study of the causes of democracy in America. For rather than compartmentalizing participation, the "complicated theory" employed in America "demands that the governed should use the lights of their reason every day" (Tocqueville 1988, 164). All people, from the halls of power to the loneliest backwoods cabin, felt the need to be informed about and involved, to some degree, in political discussions. Much of this arose, he speculated, from the administrative decentralization maintained by the federal form. Townships, counties, and states all exercised meaningful power, and in so doing invigorated the "civic spirit" of the people (Tocqueville 1988, 87-89). For, while it

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[23] See Chapter 6 "The Social Compact" of his work "The Social Contract." Rousseau explains that individuals unite into political bodies called "S*tates* when passive. *Sovereign* when active, and *Power* when compared with others like itself." Individuals likewise occupy different roles. When exercising the General Will to issue directives to the "state" they are "citizens" and collectively form the "sovereign." As such they are the supreme power and have no limitations. However, once those pronouncements have been issued, the individuals revert to being "subjects." Subjects are bound by the laws and directives of the state. Subjects are passive, and leave the business of government to the state, until they next time they actively congregate together as the sovereign. Rousseau saw England as a practical example of this concept. The English were only "free," or active, "during the election of members of Parliament; as soon as they are elected, it is enslaved [the people become passive subjects] and counts for nothing. The use which it makes of the brief moments of freedom renders the loss of liberty well-deserved" (Rousseau 1967, 99-100)

might be difficult to get people interested and informed about questions of national

policy, by giving them an "infinite number of occasions" to act upon questions related to

their immediate interests they were naturally drawn into public affairs. In short,

> Far more may be done by entrusting citizens with the management of
> minor affairs than by handing over control of great matters, toward
> interesting them in the public welfare and convincing them that they
> constantly stand in need of one another to provide for it (Tocqueville
> 1988, 511).

Perhaps the most noticeable sign of this vigor was the willingness of people to act

cooperatively in the pursuit of shared ideas or goals through the formation of

associations. "Americans of all ages, all stations in life, and all types of disposition are

forever forming associations," he observed. "In every case, at the head of any new

undertaking, where in France you would find the government or in England some

territorial magnate, in the United States you are sure to find an association" (Tocqueville

1988, 513).

Historically, the great desideratum of popular government has been to tie the

guidance of the state to the will of the people. However, as experience has shown, it was

no great leap from the protection offered by majority rule to the oppression of minorities.

How, then, could the former be preserved without inviting the latter feature of

majoritarian politics? The compartmentalization of citizenship advocated by theorists

such as Rousseau seemed to offer a partial answer by focusing citizen participation on

general issues rather than the specific day-to-day decisions that would likely excite

factionalism.[24] Yet "great improvements" in the "science of politics," led the 1787

American Constitution in a different direction (Federalist #9: Rossiter 1961, 72).

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[24] For someone like Rousseau this meant that specific policies or judgments should not be the province of
the sovereign (1967, 33-34), but of a neutral state apparatus comprised of individuals of "superior

Rather than seeing self-government in the consensus of public opinion—

especially on the national level—"sovereignty of the people" was understood much more

comprehensively as "every person is presumed to be the best judge of that person's own

interest" (see Tocqueville 1988, 66-68 and 82; V. Ostrom 1987, 77). And while both the

compartmentalized and comprehensive perspectives on participation value voting as

important components within a democratic system, they value it for different reasons. As

already noted, voting in the first case is seen as the embodiment of sovereignty and the

method for revealing the will of the people. This logically means that any other kind of

activity, or alternate form of participation, is suspect both because of its tendency to

foment faction but also its basic inequality. Whereas, following the Scottish

enlightenment, the more comprehensive understanding of participation understands

voting as a method of constraining public power and thus a compliment to, and indeed,

necessary condition for, the survival of alternate forms of participation. Factions were to

be tolerated, and even encouraged, because they allowed people to define and pursue

their own interests through joint action. This appears to be the unacknowledged

assumption behind James Madison's innovations in *Federalist #10* (See Adair 1957;

Branson 1979, 246-248).[25]

The decidedly individualistic emphasis of this comprehensive approach to

participation was appealing for a number of reasons. As the American experience with

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intelligence" able to "see all the passions of men without experiencing any of them" (42). Above all, the
formation of factions should be avoided. It is important," he warns, "in order to have clear declaration of
the general will, that there should be no partial association in the state" (31).

[25] Madison emphasize that there existed a "gradation" within the social order "from the smallest
corporation, with the most limited powers, to the largest empire with the most perfect sovereignty"
(Ketcham 1986, 96). Each level had necessary, and often unique, duties to which it was best suited.
Interestingly, he also said that voluntary associations were the "best agents" of them all (Branson 1979,
242).

the Articles of Confederation had made clear, an excessive reliance on methods of preference aggregation—such as majority rule—created ill-fitting solutions, instability and intrigue.[26] Yet by limiting the decision-making authority of government to only certain kinds of necessary activities the potential for abuse could be minimized. Moreover, by relying on individuals to address the remaining social problems, or form groups to do so, decision-making would be placed in the location best suited to understanding those individual preferences as well as acting on the time and place information contained therein (Hayek 1945). Such decision-making by individuals also "strengthens" decision-making skills throughout the society (Tocqueville 1988, 701). Moreover, it allows, and even encourages, solutions to be tailored to the size and scope of the problem, thus decreasing problems with externalities on the one hand and rent-seeking on the other (See Olson 1969). It increases what Polanyi has called the "span of control" (Polanyi 1998, 142) thus allowing people a more substantial control over those decisions that touch on their lives. And lastly, by leaving people free to experiment, and thus for diversity to persist and mistakes to be made and corrected, it provides the best response to an uncertain future (Tocqueville 1988, 225; Hayek 1960).

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[26] The use of aggregated individual data to evaluate social outcomes is the province of welfare economics and social choice. Important insights from these fields reveal that: the social welfare criterion presupposes centralized administration (Samuelson 1954, 388); it typically rests upon an assumption of "collective rationality," or, in other words, an assumption that the collective is an entity with preferences and orderings as consistent as those of an individual (Chipman and Moore 1978, 580-582); the process of aggregation itself faces a tradeoff between logicality and fairness, one of which must be sacrificed (Arrow 1951); the process of aggregation loses information necessary for the conclusions to make sense in an individual context (Sen 1979); and, the construction of a social welfare criterion, especially upon the basis of Pareto optimality, can be inconsistent with a system that values individual rights or freedoms (Nozick 1974, 164-167; Sen 1970; Sen 1976)

Participation in America, then, far from being compartamentalized, demands daily individual involvement.[27] So comprehensive did this involvement appear to an outsider that Tocqueville was led to wonder, "What political power could ever carry on the vast multitude of lesser undertakings which associations daily enable American citizens to control?"(1988, 515). Even so, it can be difficult to comprehend the centrality of self-organizing solutions and institutions to American government. After all, most of the associations found in American social life are concerned with minor, or even trivial, matters and only occasionally touch on what might be broadly recognized as "political" matters. Nonetheless, even these forms of collective action are necessary because of the web of interdependencies created by social capital. By combining some resources in complimentary ways it may be possible to create a new resource or potentialities that can then be combined with other resources to create even further opportunities. The existence of national organizations, for example, may depend on the viability of local feeder organizations that, in turn, depend on patterns of local network communication to mobilize and inform a constituency. To pull any particular strand out of this construct would unravel the remainder. Though these linkages make it difficult to disentangle causality, they also explain why Tocqueville considered seemingly "nonpolitical" activities to be the "first of their political institutions" (Tocqueville 1988, 292).[28]

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[27] Rather than being passive subjects, Tocqueville notes, Americans have "more varied social obligations" imposed upon them than anywhere else. Yet this sharing of power throughout the society can be perplexing to the visitor. "Everything is in motion around you, but the motive force is nowhere apparent. The hand directing the social machine constantly slips from notice" (1988, 72).

[28] Tocqueville is here specifically referring to religion. However, religion presents an ideal example of how these associations create outputs that are necessary for the success of the state—in this case by teaching the citizenry the value of self-control and cooperation were excessive selfishness or individualism would otherwise destroy the cooperation needed for limited government to work.

Recent years have shown an increasing appreciation of the breadth and depth of this participatory canvas in America,[29] as perhaps best attested to by the attention Robert Putnam's work has received. Even a cursory glance at current scholarship reveals surprising perspectives on why people participate and how such an active citizenry can influence the world around us.   Works have looked at correlations between religious involvement and political participation (Rosenstone and Hansen 1993; Verba, Schlozman, and Brady 1995); the impact of personal networks on various forms of participation (Huckfeldt and Sprague 1993; Lake and Huckfeldt 1998); the self-organizing capabilities and services provided by fraternal and voluntary groups (Beito 2000; Sckopal, Ganz, and Munson 2000); the robustness of self-organizing solutions to common-pool dilemmas, such as groundwater in California (V. Ostrom 1971; E. Ostrom 1990); a recognition of citizens as "coproducers" of public services, such as policing (Whitaker 1980; Steinberg 1989; Reid 1997b; Parks et al. 1999); that parents will use "exit" strategies to get their children into better schools (Schneider et al. 1998); the often complex relationship between "voice" and "exit" in neighborhoods (Hirschman 1970; Orbell and Uno 1972; Temkin and Rohe 1998); and the use of "informal law" to regulate natural resources or coordinate collective action (Ellickson 1991; Reid 1997a).

This is not to say, however, that such comprehensive participation is inevitable. Verba and Nie, for example, found that "upper-status" actors were overrepresented in the more demanding communal and partisan types of action. "Thus the more difficult

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[29] Schudson offers a provocative counter to this "comprehensive" view of participation. He notes that the U.S. seems to have gone through a series of "transformations" in our expectations of just what the good citizen should do. The "comprehensive" view that involvement in associations is necessary for a viable democracy—such as is argued in Putnam's work—is almost a romantic yearning for the past. Today citizenship is best thought of, he argues, as a "rights-bearing citizenship." The convergence of expanding government, the "proliferation of rights, and the intensification of private social life" has moved the struggle to influence the world around us into the courts (Schudson 1998, 241-242).

activities are engaged in heavily by upper-status citizens." By contrast, "those who limit their activity to voting come disproportionately from lower-status groups" (1972, 100-101). The reason for this disparity is likely the increasing costs associated with these extra-voting forms of cooperation. "Upper-status" actors have a resource advantage when confronted with these transaction costs. Yet, it is precisely for its ability to ease these same costs that social capital is of interest. Anthony Downs (1957) has argued that one of these costs—the cost of gathering needed information—can be eased through political communication. We should expect a rational citizen, he explains, to seek to decrease their own information costs by seeking out informed acquaintances with sympathetic views. Indeed, this use of "experts" might be characterized as the natural result of the specialization and division-of-labor resulting from the free flow of information. But, while such informational short cuts may ease the immediate burden upon any one individual, the success of this technique is qualified by that individual's ability to accurately recognize experts and then to effectively communicate with them (see Huckfeldt and Sprague 1993; Huckfeldt, Sprague, and Kuklinski 1995; Huckfeldt 2001)—or in other words, their success in forming social capital.

The remainder of this chapter will concentrate on two different kinds of participation important to democracy and how different configurations of social capital, as seen in the interpersonal network, are able to address the informational costs of each. The first is the recognizably "political" form of participation, such as voting, attending political rallies, contributing time to a political campaign, or posting political signs or buttons. The second area consists of "civic" types of activities, such as involvement in

homeowners' associations, parent teacher organizations, or service clubs.[30] Lastly, due

to the overly complex analysis that must result in trying to gauge the relative impacts of

each of these seven dimensions of interpersonal networks on these two activities, I will

instead concentrate on just two of these dimensions that are of special theoretical

interest—spatial distance and social distance.

II-The Differing Impact of Networks on Civic and Political Participation

Data for this chapter are drawn from a 1984 election survey conducted in South

Bend, Indiana. This data set is notable for its combination of both traditional network

measures and spatial data. Respondents were selected for the survey randomly from

within sixteen neighborhoods for a total of fifteen hundred respondents across a three-

wave panel. These neighborhoods were selected to maximize variation between

neighborhoods while minimizing the social variation within each. The result is at least

90 interviews per neighborhood such that responses may be used as an individual

measure or aggregated to provide neighborhood measures (see Huckfeldt and Sprague

1992).

Respondents were probed for the names of up to three other individuals that they

"talked with the most about the events of the past election year."[31] The respondent was

then asked a battery of questions concerning each of these discussants in order to map the

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[30] I recognize that this distinction between "political" and "civic" is an uncomfortable one at best,
especially since it seems counter to my point that "civic" types of involvement are necessary components
of a healthy polity (Verba and Nie also include activity in community organizations and work on
attempting to solve community problems as "political participation" (1972, 31)). However, a distinction is
useful for demonstrating that network specificities matter.
[31] The name generator read: "Can you give me the FIRST names of the three people you talked with most
about the events of the past election year? These might be people from your family, from work, from the
neighborhood, from church, from some other organization you belong to, or they might be from somewhere
else."

specificities of the tie, such as the frequency of contact, how the respondent came to know the discussant, and the residence of the discussant. As an introduction to networks, Tables 3-1 and 2 present some basic characteristics regarding these ties. Respondents were asked how they became acquainted with each of their discussants.

Table 3-1 about here

Table 3-1 presents the largest seven categories as a percentage of the total ties reported by the respondents. Not surprisingly, "Relatives" comprised the most frequently reported origin of interpersonal ties (spouse, sibling, cousin, parent, child, etc) with work and neighborhood coming next in order (compare with Marsden 1987). However, as I noted in the last chapter, we should not assume that all ties are of equal value to the respondent. Thus, also included is the average frequency of discussion with each category. Discussion is a scale of 0= "less than once a month" to 3= "every day" with 2.28, or slightly more than "Once or twice a week" being the average for the total sample. Note that though "Relatives" is the largest category, there is actually more discussion on average with those ties formed from "Work." Also worth noting is that while those ties originating from "Children in School Together" comprise a small number of the total ties, the discussion is more intense than in most of the other categories. And though there are likely a number of factors that influence the frequency of discussion, and thus it should not be taken as a strict measure of the quality of the tie, frequency is generally a good thing. The more frequent the contact the more likely the transmission of information, all other factors held constant.

I have argued that spatial location is an important factor that we need to account for both because of its access to local time and place information, but also because the very proximity makes frequent contact more likely. Table 3-1 included a "Neighborhood" category for ties, but that represented ties that were *formed* primarily through neighborhood contact and not a geographical rendering of tie locations. Clearly I could consider a tie with my neighbor to have originated through common church attendance without invalidating the fact that we were also geographical neighbors. Thus, Table 3-2 again presents the ties but this time based solely on neighborhood location. Interestingly, though the majority of ties (55%) reach outside of one's own neighborhood, the average discussion tends to be more intense, or frequent, within that portion of the network that lives physically closer to the respondent. If the social context matters and if the transmission of the right kinds of information is indeed important to successful collective action, then this pattern of capital would seem to suggest that individuals with more of their network located within their own neighborhoods should be more likely to get the information necessary to engage in local civic participation.

Table 3-2 about here

However, before exploring the details of the social context, let us look at the impact of those resources and capital available to the individual absent of current social connections. Table 3-3 presents an ordered logit model of the impact of respondent's income, their years of schooling, race, and age on civic participation. Civic participation

is a composite measurement of three survey questions regarding involvement in local

neighborhood, civic, service, and school groups (such as parent-teacher associations)

resulting in a scale of ascending activity from 0-6. Traditionally, Socio-Economic Status

(SES) variables, such as schooling and income, have proven powerful in explaining who

participates. Age and race are included as control variables.[32]

Table 3-3 about here

As expected, income and schooling are both statistically discernable and exercise

a positive influence on local civic involvement as has been contended by the SES

literature (Verba and Nie 1972; Rosenstone and Hansen 1993; Brady, Verba, and

Schlozman 1995; Verba, Schlozman, and Brady 1995). Because Table 3-3 was estimated

using a nonlinear logit model, the substantive interpretation is not as straightforward as

with OLS regression. The effect of any one of the independent variables is a

multiplicative function of its own coefficient as well as the coefficients and given levels

of all the other independent variables included in the model. Though there are a number

of ways of trying to present this information, perhaps the most intuitively accessible is to

plot the predicted probabilities of the variable of interest as calculated with the estimated

model while holding all other explanatory variables constant at some value (see Long

1997, chapter 3). Graph 3-1a plots the impact of schooling and Graph 3-1b of income on

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[32] Age is here both significant, and surprisingly, negatively correlated with civic participation. This seemingly runs counter to well established works (see , Verba and Nie 1972; Jennings 1979) that demonstrate increasing civic participation as individuals enter adulthood with a general tapering off in old age. My dramatically negative finding, however, is an artifact of the way the dependent variable is constructed. Namely, the dramatic variation in participation in Parent-Teacher organizations swamps the impact of the other measures of civic participation. And, unlike the others, activity in the PTA or PTO does not continue increasing with age, but, predictably drops off after one moves beyond the childrearing years.

civic participation while holding all other variables constant at their mean values. With less than a high school education the likelihood of civic involvement of any kind is about 30% holding all other influences constant at their mean. This dramatically climbs to over 62% if one has completed some post-graduate work. Likewise income accounts for over a 30% change in probability from those making less than $5,000 to those making over $50,000. Among other things, education is an important method for developing necessary skills, such as information gathering, processing, and evaluation, which can reduce some of the costs of participation. Similarly, the measure of income may indicate those individuals with more disposable resources or time that can be dedicated to collective action.

Graph 3-1 about here

However, if this is the essence of participation in America—that only the educated and the wealthy are able to confront the costs of participation—then the claim that "popular sovereignty" means that each person is to be the judge of their own interests is suspect. For only certain classes of people are able to accurately recognize their interests and act appropriately.

Theodore Schultz, however, has argued that rather than seeing schooling and income as simply representative of status, they too might be best understood as a form of capital, or what he termed Human Capital (Schultz 1961). As capital they can be created, or destroyed, and are thus not limited to only certain classes of individuals. Indeed, he estimates that 36% to 70% of the rise in the earnings of labor between 1929 and 1956 came from investment that expanded human capital. Though he also saw that the

development of this capital was kept "substantially below its optimum" by government barriers and underinvestment in education and similar types of training (13-14). Still, the picture is not quite as bleak as it first appears; through education and training greater portions of the population can be given access to the resources they need to be effective participants in the political process.

Still, the task of developing human capital resources within each individual to the point where they could unilaterally overcome barriers to action is unrealistic—the problems to be confronted are too broad, the skills too diverse, and the knowledge needed too diffuse. The alternative then is to strengthen the connections between individuals, allowing them to draw on the strengths, knowledge, and skills of others. This compounding of resources is the essence of the social capital argument, yet it is oddly absent from the simple SES explanation of participation.

How then will investments in the social context influence participation above and beyond the influence of human capital? One likely impact is indicated by the experimental work on collective action, which has found that simply allowing communication can increase cooperation rates. Thus I expect that the frequency of interaction within the network will likewise prove important for participation. The more frequent the contacts the greater the opportunities for the exchange of information, the shaping of ideas, and the mutual strengthening for collective action.

However, the effectiveness of social capital will depend upon the particular configuration being used and its appropriateness for the problem at hand. Thus, it is not just the amount of contact within the network that should be noted, but whether those contacts can transmit the right *kinds* of information. For political participation this may

be information on issues or candidates or election times. Weatherford speculates that the networks most effective at communicating political information will be those characterized by far-reaching ties, and thus a preoccupation with neighborhood ties would miss "a substantial portion of politically relevant social interaction (1982, 132). The reason for this may be that because political offices stretch across neighborhoods, and represent aggregations, the important kinds of knowledge are less likely to be concentrated in one's own neighborhood. Rather, the specialized nature of political knowledge is most likely to be held by experts, insiders, or elites. Thus ties that stretch across social boundaries will be the most valuable sources of political information.

On the other hand, civic action tends to be concerned with issues of a more narrow time or place—vandalism in a particular neighborhood or parent-teacher relations at a specific school. So while "political" issues, or elections, tend toward broad problems (aggregations or means), civic issues tend toward the specific or unique. Hence it seems likely that the network structure best attuned to this tacit knowledge (see Hayek 1945) would be one whose ties were concentrated within the local neighborhood. The South Bend study, by coding discussants by neighborhood, gives me the ability to compare the relative impacts of spatial and social distance on political and civic activity.

Table 3-4 presents an ordered logistical regression of the previous model of human capital with the addition of variables representing the degree of discussion with that portion of the network found within one's own neighborhood, the portion outside of one's own neighborhood (the dimension of spatial distance), a variable representing the quality of political discussion found in the network (the degree of expertise or social distance), and the respondent's reported political participation.

Table 3-4 about here

Schooling, income, and age remain significant as in the previous model. Notice, however, the impact of the network factors: the amount of "political" knowledge being transmitted through the network—which might be thought of as the number of contacts with political elites—has no statistically discernable impact on local activity. This is intriguing, especially given the claims that it is political elites who drive local involvement and policy (Agger et al. 1964; M. Smith 1974). But it also should cause us to step back from the common assumption found within the social capital literature that equates declining rates of political participation and civic participation. For, if access to political experts is important for political participation, then its lack of significance for local civic participation is particularly noteworthy.

Table 3-4 also indicates that the amount of contact with discussants outside of one's own neighborhood has no discernable impact. Yet, in harmony with previous findings (Crensen 1978; Oropesa 1987; Lake and Smith 1999), the frequency of discussion with those discussants within one's own neighborhood does have a significant and positive influence on local involvement. Intuitively this makes sense. The person who moves into a neighborhood and talks with their neighbors has a greater likelihood of creating networks that can transmit useful local knowledge than one who moves in and maintains their social ties elsewhere. Hence, we shouldn't read too much into physical location as a variable until we know the degree of integration or interaction with those around them.

However, this finding also taps into an ever-present problem with this type of analysis—causality. Do associations arise in an area when investments reach a point sufficient to overcome transaction costs or do associations arise because an area is rich in people who "like" to associate? Though I cannot resolve this, I think it important to take special notice of the relationship between communication and collective action in these South Bend neighborhoods. If the driving mechanism of collective action were "types" of actors—in other words, people who are predisposed to communicate with others are also the kind of people who involve themselves in collective action—then civic participation should have been correlated with discussion *both* inside and outside of one's own neighborhood. Yet the frequency of discussion with elements of the respondent's network that extended beyond the local neighborhood had no statistically discernable influence. In short, this seems to support context over type (La Due Lake and Smith 1999). Interestingly, while past policy debates have often singled out the "flight" of certain types of individuals (educated, wealthy, or white) from the inner cities as the cause of rising civic apathy in these areas, this finding seems to suggest that inadequate interpersonal links within the neighborhoods may be the more fundamental problem in getting people involved in their local affairs.

Graph 3-2 about here

Graph 3-2a and 3-2b presents the predicted probabilities of introducing social capital measures into the model of Table 3-3.

Substantively political activity is responsible for the greatest change in likelihood—all other variables held constant at their mean. This seems reminiscent of Tocqueville's observation that people involved in political associations gained a "taste" for associating:

> A political association draws a lot of people at the same time out of their own circle; however much differences in age, intelligence, or wealth may naturally keep them apart, it brings them together and puts them in contact. Once they have met, they always know how to meet again (Tocqueville 1988, 521).

However, in-neighborhood communication accounts for a 25% change in probability between someone with no contact with others within the neighborhood to someone who lives next to their entire network and communicates with them daily.

How, then, do these same network elements relate to political participation? Past work has emphasized the importance of political communication, or political expertise, within the network for overcoming the considerable costs of collective action (Huckfeldt 2001). Accordingly, I would expect social distance, in this case, to be more important than spatial distance. Table 3-5 presents an OLS model of the influence of human capital and our same network characteristics on political participation. Political participation is a composite measure of eight survey questions regarding involvement in voting, campaigning, political meetings, contributions, and letter writing resulting in a scale of ascending activity from 0-24.[33]

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[33] All questions were coded so that 0=never, 1=rarely, 2=sometimes, and 3=regularly. The eight questions were: "vote in elections," "give money to help a party or candidate," "work for candidates in an election," "work for a party," "contact public officials about problems here in the South Bend/Mishawaka area," "write letters to the editors of newspapers," "wear campaign buttons," "put political bumper stickers on your car," "put campaign signs in your yard or window."

Table 3-5 about here

Whereas in-neighborhood communication was important for neighborhood level

action, here it is not statistically discernable. Interestingly, neither is out-of

neighborhood communication discernable. What does matter is the amount of political

information found within the network. Political expertise is both statistically discernable

and substantive. I am more likely to vote, to participate in campaigns, or attend political

meetings when I have political "experts" that I regularly talk with.[34]   Each additional

friend that I perceive as having access to quality political information increases my

reported political activity by one and a third additional activities (such as voting or

posting a campaign sign in my yard). This certainly seems to support Weatherford's

speculation that political discussion networks would tend to be characterized by "weak

ties" or ties that were able to breach social distance in order to reach those experts (1982,

130). The importance of these kinds of ties for political participation may be two-fold:

first, I can use this expert as a heuristic or informational short cut. They have paid the

price to gather and analyze information, thus saving me the costs of doing so myself.

Second, having people with whom I interact that are politically active may subject me to

pressures, norms, or expectations to also be involved.

Civic activity is also significant, though none of the human capital measures

are.[35] Given the previous model and the importance of income and schooling for civic

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[34] Political expertise is the sum of three dummy variables, each indicating the respondent's perception that each of their discussants "knew a great deal" about politics (with 0=no and 1=yes).

[35] Civic activity is the sum of three measures of civic participation (activity in service clubs/civic groups/business groups, school service groups/parent-teacher associations, and neighborhood

activity, it is likely that these human capital factors are loading through the civic activity variable.

The importance of this civic activity variable deserves a bit more attention. One of the assumptions driving the growing interest in social capital, and its possible decline, has been precisely these kinds of spillover effects (see Putnam 2000). Just as the trust engendered by repeated interaction within community associations radiated out into a greater generalized trust (Stolle and Rochon 1998), so likewise civic involvement appears to make people more willing to participate in formal political participation—or at least be more aware of political issues (see Putnam 1966). Part of this may be that involvement in civic activity gives people a "stake" in their community. They become involved in politics because they have both learned how to act collectively with others and because they wish to protect those civic projects they have created—it personalizes politics.[36] Here we see that if I join and become involved in an additional civic activity (increase my civic score by 2) I will report engaging in one additional political activity (and am almost half way to reporting another).

The most striking contrast between these last two models is that though both rely on social capital to explain participation—and it is a positive correlation in both cases—

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organizations) each scaled so that 0=does not belong, 1=belongs, but is not active, and 2=belongs and is active, for a range of 0-6.

[36] Similarly, Tocqueville expressed admiration for the American emphasis on local government precisely for its ability to draw people into active participation by personalizing the activities of the state: "It is difficult to force a man out of himself and get him to take an interest in the affairs of the whole state, for he has little understanding of the way in which the fate of the state can influence his own lot. But if it is a question of taking a road past his property, he sees at once that this small public matter has a bearing on his greatest private interests, and there is no need to point out to him the close connection between his private profit and the general interest…the free institutions of the United States and the political rights enjoyed there provide a thousand continual reminders to every citizen that he lives in a society (Tocqueville 1988, 511-512).

they rely on different **kinds,** or configurations**,** of that capital. Simply saying that "social capital" is an important component of participation or that the failure of collective action somewhere is due to a lack of "social capital" is to miss the very reason that a particular configuration of resources was effective or ineffective in each situation.

III-Neighborhood Ties as a Conduit to Neighborhood Resources

To this point I have stressed the importance of tie location for different kinds of participation. In particular, I demonstrated that the individual "connected" with their own neighborhood through interpersonal ties is more likely to be involved in neighborhood level civic activities than one lacking that access. This view, however, needs to be qualified. Ties to the neighborhood can be beneficial for a number of reasons. Repeated interaction, for example, can lead to norms of reciprocity or obligation. Also, with regards to information, local ties are valuable for their ability to transmit the tacit information so difficult to capture by other means. Yet the value of these neighborhood connections is limited not just by the number of ties, or the frequency of contact, but also by resource availability. In short, even the best pipeline will be of little value if there is nothing to pump through it.

How, then, does neighborhood context mediate the value of in-neighborhood connections. Or, how is the value of an individual's network related to neighborhood dynamics? Granovetter (1973) and Burt (1995) have both stressed that the value of any configuration, such as "weak ties," depends on the resources into which it taps. Thus I expect networks rich with in-neighborhood communication to be of less value in

neighborhoods lacking resources and activity than in those neighborhoods buzzing with discussion and participation.

Table 3-6 presents an ordered Logit model of how network ties relate to the larger context of neighborhood participation. The contextual measure, "mean neighborhood activity," is the mean of my previous measure of civic participation for all respondents located within a particular neighborhood.[37]

Table 3-6 about here

The contextual variable is significant and positive. Living in a neighborhood that is active in civic activities—homeowner's associations, PTA, civic groups—increases the individual's likelihood of also being involved in similar activities. However, the in-neighborhood communication also remains significant and positive. In short, simply living in an active neighborhood does not completely explain the individual proclivity to be involved. Graph 3-4 presents the predicted probabilities for civic involvement given mean neighborhood activity and tie strength.

Graph 3- 2 about here

With no in-neighborhood ties in their network, the individual likelihood of civic involvement increases from 28% to 47% as the neighborhood shifts from a mean of no surrounding involvement to one where your neighbors are actively engaged in multiple

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[37] To avoid biasing the contextual measure, the respondent's value of civic participation was excluded when calculating the neighborhood mean for that respondent.

kinds of activities. Note that with a large number of connections to the neighborhood the

individual likelihood to become involved still increases as the neighborhood mean

increases, but it is higher for all positions. In other words, with a large number of

neighborhood ties to an inactive neighborhood the individual likelihood of involvement is

about 47%. This climbs the more involved the surrounding neighborhood becomes until

an individual with strong connections to a mobilized neighborhood has a 70% likelihood

of being involved in those activities. Thus, though it is clear that the context is important,

it can be amplified or suppressed depending on the individual's level of connection to the

neighborhood. This finding certainly falls within the scope of previous work, such as

Huckfeldt, Beck, et al 1995, that has found the network to serve as a filter to the larger

macro environment within which the individual is located. However, it also

reemphasizes the importance of embedding the individual within a context through

individual level factors.

Conclusion

A theory of collective action has been called "*the* central subject of political

science" (E. Ostrom 1998, 1). This claim is no more obvious than when discussing

systems of democratic government, whose very foundation is one of citizen participation.

Yet why do some citizens become involved in their communities or the political issues of

the day, while others seem isolated, powerless, and apathetic? Of late, social capital has

become an important part of these discussions for its ability to embed the individual actor

within an environment of resources, institutions, and opportunities. However, despite the

warnings of Coleman (1990) that social capital is not perfectly fungible across settings,

there has been a tendency to portray social capital as a panacea for what ails democracy. Such a simplistic portrayal of the concept both sacrifices the explanatory value for why social capital should matter and also flirts dangerously with the tautology that successful communities are successful because they have social capital, and they have more social capital because they are successful.

This chapter has argued that the important questions that need to be asked of social capital are what types of resources are involved, how are those resources combined in complementary ways, and what are the outputs, or created resources and opportunities, that are created by each configuration? As a particular example, the political system of the United States requires a comprehensive participation, one not just overtly "political"—such as through the communication of political expertise and voting—but also consisting of civic and communal types of collective action. We should not expect both of these types of action to be equally influenced by "social capital," but rather, should expect certain configurations of that capital to be more useful for one or the other. Using interpersonal network data from South Bend, Indiana, I have demonstrated that configurations that emphasize the communication of political information are more useful for "political" action, and configurations that emphasize the transmission of localized knowledge are more useful for community or civic types of activities, holding other factors constant.

Moreover, I have also shown that aggregated measures of social capital, such as that present in a neighborhood, can be misleading if we cannot account for the individual ties to that location. Hence, individuals located in neighborhoods rich in civic activity or important information receive few advantages if they can not access those resources.

Networks, then, might be considered the most basic form of social capital for they provide access to or isolation from the surrounding context (see Huckfeldt, Beck, et al. 1995).

Lastly, these findings seem to underscore Tocqueville's argument that democratic citizenship was not one of compartmentalized participation, but one where people were expected to exercise their "reason" every day in a variety of ways (1988, 164). Ultimately, he argued, the necessary support for a limited government was an active citizenry and the key to an active citizenry was to be found in the "primary schools" of local activity (1988, 63). To this we might add that the prerequisite for local activity is an appropriately configured social network.

Table 3-1	**Origin of Network Ties and Average Amount of Discussion by Type**	
Tie Origin[38]	**% Of Total**	**Average Discussion**
Relatives	47%	2.387
Through Work	25%	2.469
Neighborhood	10%	1.93
Casual Social Situation	5%	1.92
Through Church	4.8%	1.89
Friend of a Relative	4.7%	1.89
Children in School Together	2%	2.11
	N=2589	Average= 2.28

Discussion is calculated as 0=less than once a month, 1=once or twice a month, 2=once or twice a week, and 3=every day.

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[38] Other categories not included in this table were "Republican party/organization," "Democratic party/organization," "Politics (in general)," "School," and "Other organization" (each of which accounted for less than 1% of the total number of ties).

Table 3-2	Network Size and Average Discussion Amount Relative to Respondent's Own Neighborhood		
Network location:	**% Of Total**	**Average Discussion**
Inside own neighborhood	44.9%	2.52
Outside own neighborhood	55.1%	2.08

Table 3-3	The Influence of Human and Fiscal Capital on Civic Participation		
Variable	Coefficient	Standard Error	P>|z|
Income	0.1819152	0.0390224	0.000
Schooling	0.2042284	0.0316702	0.000
Race	-0.3302055	0.2778354	0.235
Age	-0.011722	0.0044709	0.009
Ordered logit. N=987 Pseudo R^2=0.0608			

Graph 3-1 Influence of Human Capital Measures on Civic Participation

Graph 3-1a: Predicted Probabilities of Civic Involvement for Schooling
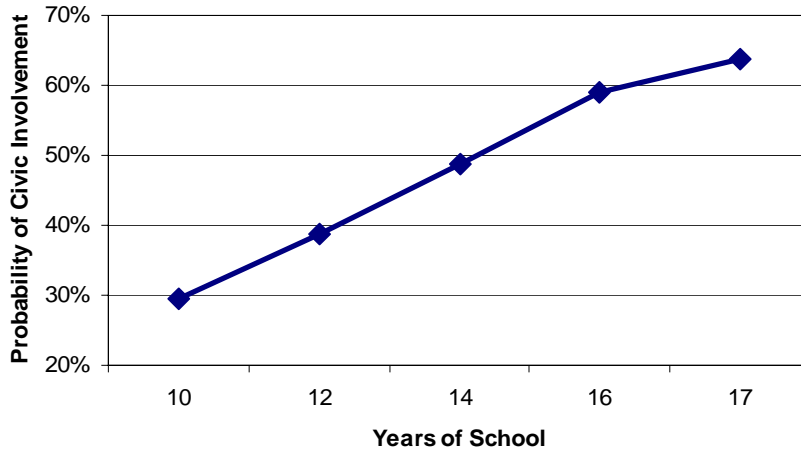
Graph 3-1b: Predicted Probabilities of Civic Involvement for Income
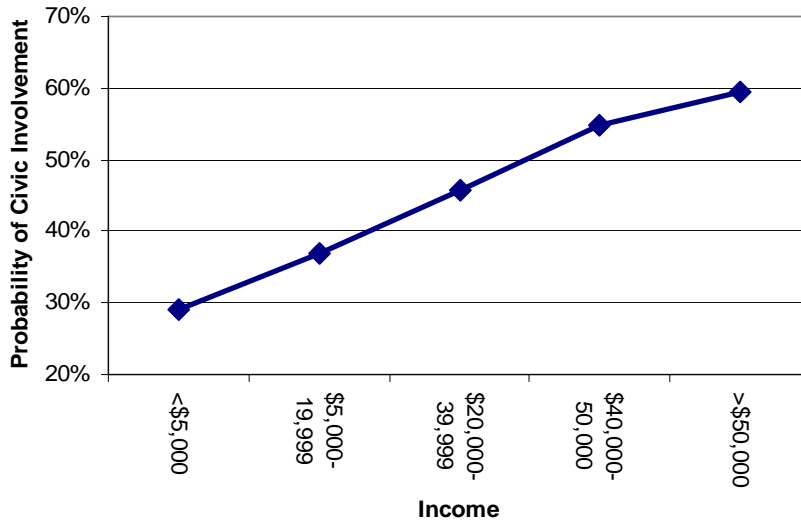
Table 3-4	The Influence of Social Capital on Civic Participation		
Variable	Coefficient	Standard Error	P>|z|
Outside frequency	0.0638841	0.0511761	0.212
Inside Frequency	0.1081427	0.0513263	0.035
Political expertise	-0.0479066	0.076275	0.530
Political activity	0.0877904	0.0159013	0.000
Schooling	0.2306245	0.0367056	0.000
Income	0.161014	0.0455642	0.000
Race	-0.6026712	0.3168507	0.057
Age	-0.0151083	0.0053502	0.005
Ordered logit. N=761 Pseudo R^2=0.0797			

Graph 3-2 Influence of Social Capital Measures on Civic Participation

Graph3-2a: Predicted Probabilities of Civic Activity given Political Activity
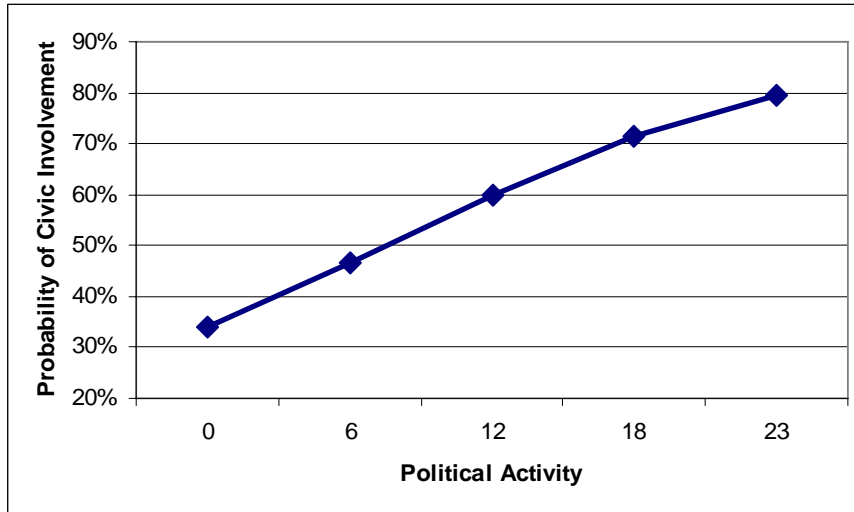
Political activity represents the sum of eight variables of political involvement each with 0=never, 1=rarely, 2=sometimes, and 3=regularly for a range of 0-24

Graph 3-2b: Predicted Probabilities of Civic Activity for In-Neighborhood Discussions
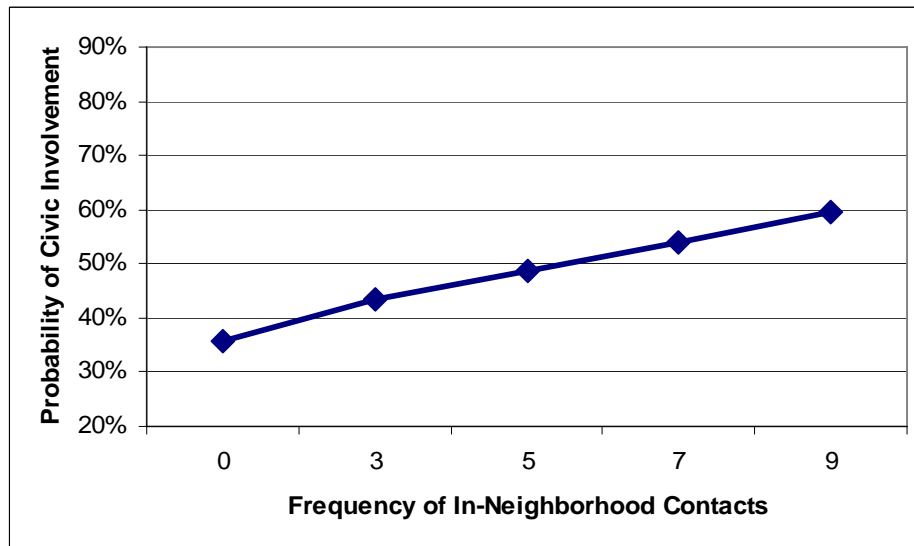
In-neighborhood frequency of contact represents the sum of intensity of contact measures for in-neighborhood discussants in the respondent's network. Each discussant could have values of 0=less than once a month, 1=once or twice a month, 2=once or twice a week, and 3=every day, for a range of 0-9 if all three discussants were in-neighborhood.

Table 3-5	The Influence of Social Capital on Political Participation		
Variable	Coefficient	Standard Error	P>|z|
Constant	2.95599	1.56656	0.060
Outside frequency	0.048126	0.11157	0.666
Inside Frequency	-0.063932	0.11185	0.568
Political expertise	1.33792	0.16228	0.000
Civic activity	0.70766	0.12975	0.000
Schooling	0.092097	0.08191	0.261
Income	-0.198478	0.10193	0.052
Race	-0.562542	0.71026	0.429
Age	0.012944	0.01197	0.280
Ordinary Least Squares.	N= 761	R^2=0.1294	

Table 3-6	**How Neighborhood Context is Mediated by Ties to the Neighborhood**		
Variable	Coefficient	Standard Error	P>|z|
Outside frequency	0.0541295	0.0498216	0.277
Inside Frequency	0.1009031	0.0502538	0.045
Mean Neighborhood Civic Activity	0.5109256	0.2254474	0.023
Political activity	0.0846913	0.015121	0.000
Schooling	0.1975238	0.0361486	0.000
Income	0.1135299	0.0485833	0.019
Race	-0.5671813	0.3145108	0.071
Age	-0.0159201	0.3145108	0.003
Ordered Logit N=778 Pseudo R^2=0.0767			

Graph 3-3: Predicted Probabilities of Civic Involvement for different Levels
of In-Neighborhood Ties across Neighborhoods with Differing Levels of
Civic Activity
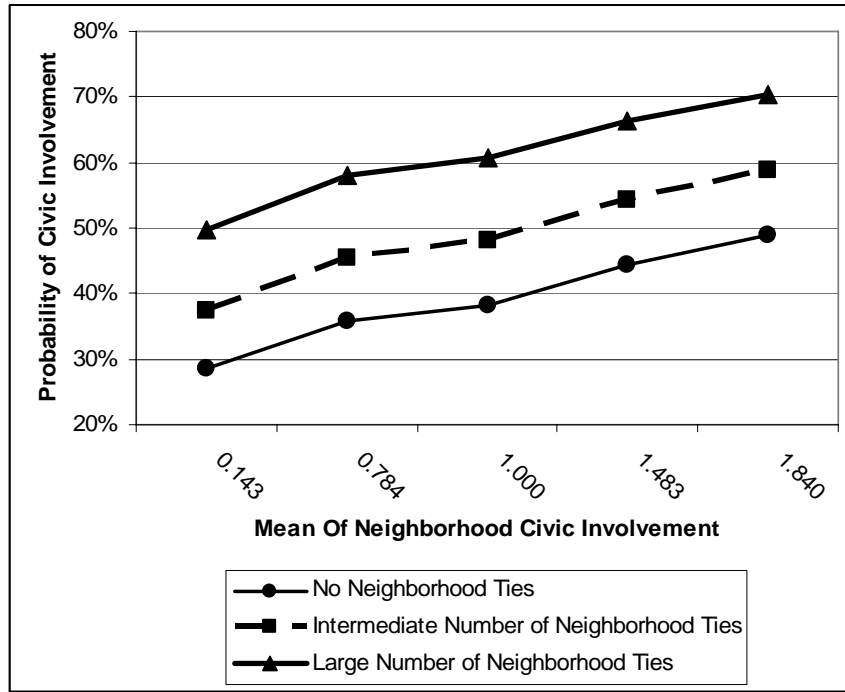
Mean of neighborhood civic involvement is a measure of the civic activity of a
neighborhood (calculated as the mean of the respondent civic activity scores for all
respondents living within the neighborhood boundaries. As with Graph 3-3a civic
activity is the sum of three activities scaled as 0=does not belong, 1=belongs, but is not
active, and 2=belongs and is active, for a possible range of 0-6). Neighborhood averages
ranged from 0.143 to 1.840, where a 1 would indicate that, on average, residents
belonged to but were not active in one of the possible civic activities.

Chapter Four
Capital Complexity: Neighborhood Associations[39]

Social capital, I have argued, should be understood as the use of social structures to combine a variety of resources in complementary ways. Implicit in this definition is the role of interpersonal cooperation: for while an individual might be able to sustain some degree of human or financial capital in isolation, with social capital this is impossible. It is precisely in the way that individuals are connected to each other and the way that those connections allow different resources to be combined that new possibilities are opened or additional resources are created. In short, it is the structure of capital, and not just its presence, that matters.

What is striking, then, as one considers the ways in which we weave social capital around ourselves is just how many different forms it can take. The interpersonal networks on which I've focused appear to be near ubiquitous. But the United States has also been long known for another form of social capital—the association. Alexis de Tocqueville, one of the first to explain the importance of associations to American democracy, observed that the people appeared to form associations "for no matter how small a matter." Whereas people in other countries might find associations to be a powerful tool, in America, they "seem to think of it as the only one" (1988, 514).

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[39] The 1993 Marion County Community Organization Leadership Survey was graciously provided by the project's coordinator, David Swindell. Statistical analysis in this chapter performed on SPSS 11.0 for Windows.

Associations were attractive because they both upheld the American ethic that each man should be "the best judge of his own interests" (Tocqueville 1988, 82) while, at the same time, offering each individual an apparatus for coordinating collective action. Hence associations represent a form of social capital that often involves more people, rules, and resources than do interpersonal networks. The benefit of all this additional "complexity" is to create a system of mass communication, coordination, and enforcement beyond what networks alone could provide, and, which are desperately needed in a country with a relatively equal and unorganized populace. Yet, just as with networks, the way in which the participants are combined or connected within these associations has profound consequences for the effectiveness and the viability of the association. This chapter examines the relationship between the morphology of neighborhood associations in Indianapolis, Indiana, and their capital product. This chapter will also provide the necessary foundation for the following chapters in which I'll examine the relationship between these more "complex" associations and the underlying context of interpersonal networks within which they are found.

In the first section I'll argue that social capital offers a way for individuals to internally alter the situation in which they find themselves. The more costly it is to alter that context the more sophisticated the capital structure needs to be. I'll also briefly discuss why this attention to capital structure offers the scholar greater analytical clarity than would a focus on the capital product. Section II presents associations as a response to formidable collective action costs with particular focus on neighborhood associations and structural issues of importance to them. Section III presents the Marion County Community Leadership Survey. Based on information drawn from this survey I'll show

that capital structure does indeed have a strong relationship to the capital product of an association. For example, costly activities, such as the voluntary provision of public goods, are shown to be associated with coercive powers and a strong executive within the association.

I-Levels of Complexity within Social Capital

Much of the promise of social capital is found in its ability to explain why internal solutions to the collective action dilemma succeed or fail; why people at one time or location are able to mobilize themselves in the face of considerable costs; and why they are unable to do so at another time or place. Though there are likely a number of different ways, both direct and indirect, that social capital is able to influence collective action, the most recognizable is through the capital's creation of a product that can enhance the benefits or reduce the costs of the particular situation. A network rich in political information, for instance, makes it easier for me to recognize those candidates I'd like to support in the next election. Though I might still be politically active even if I couldn't draw on this informational resource, it would admittedly require more time and effort on my part—and possibly be of enough consequence to discourage my participation in this collective activity. Hence, given the importance placed on communication within a democracy, such a simple thing as a political discussion network turns out to have further reaching consequences than might first be apparent.

Yet social capital itself faces a kind of collective action dilemma—or, what has been termed, a "second order dilemma." This means that not all of what we see when we look at social capital is necessarily directed at the larger social dilemma, but may be

intended to resolve its own internal problems—such as through the provision of selective

incentives or the creation of a more formal social structure. Both of these are already

evident to some degree in the interpersonal network. A simple form of selective

incentives is found in the fungibility of the network—a political discussion network can

easily be adapted to a sports discussion network or even a support network (exchanging

tools, babysitting, or carpooling). Hence though the main purpose of this capital may be

the transmission of political information, these additional, and often-unrelated functions,

help increase the likelihood of further investments in maintaining the network. Indeed, as

Olson indicates regarding selective incentives, their true utility is the introduction of

excludable benefits to a situation vulnerable to free-riding (1971, 132-134).

Likewise the structure of the network is important not only for the kind of product

it enables the capital to produce—as we've already seen—but also for its ability to

encourage collective action by establishing patterns of responsibility, easing monitoring

costs, or even changing the likelihood of repeated play. Hence, it seems reasonable to

expect a political discussion network that interacts frequently to have a better chance of

long-term survival than one that does not; or for a network focused on local information

to be more durable if the discussants live next to each other than if they lived blocks

apart.

I've concentrated on interpersonal networks to this point precisely because of

their structural simplicity. This allowed me to demonstrate a clear relationship between

certain structural characteristics and the products that resulted. Plainly, however, that

simplicity limits the ability of the capital to address the second order dilemma and

consequently the kinds of resources it can produce—or, perhaps more correctly, it limits

the degree to which certain resources can be produced. In order for an interpersonal network to overcome these more serious free-riding problems it would have to alter its "grammar" through the creation of deontic operators and the imposition of sanctions upon its constituent parts (see Crawford and Ostrom 1995). These structural changes would provide greater means for solving the dilemma, but in so doing the communication network would evolve into something different—an organization or association. Not surprisingly, when people talk about social capital they often have in mind the more structurally sophisticated forms, such as associations, because these are both easier to recognize and because their formalization empowers them to produce increasingly costly kinds of resources.

It follows that firms, hierarchy, and even government, are attractive for their ability to stimulate greater levels of compliance than could a simple communication network. Regularized structures of responsibility and interaction, such as firms, Coase explains, are a calculated response to situations where a long-term contract ensuring repeated play is less costly than repeated negotiations of very short-term contracts (Coase 1988, 40; Miller 1992). By implication, then, the more chronic the second-order problem, the greater the potential benefits offered by an increasingly sophisticated structure within the social capital. Most specifically, structural complexity is a response to the frequency of a problem, its asset specificity, its uncertainty, or a combination of the three (Williamson 1985, 52).

The creation of social structures of greater complexity, however, should not be understood to mean that the former capital structures or patterns of interaction have been abandoned. Rather than razing the structure and beginning anew, the formation of

something like an association is better understood as building upon that which already exists. This means, of course, that these less sophisticated forms of capital still have a role to play. Indeed, part of that role may be the provision of resources that associations need in order to function properly.

In trying to understand how humans use their creative potential to alter the situations in which they are embedded it is important to recognize the interdependence of these various levels of social capital. Continuing to focus on that social capital which is closest to the individual, there are at least three distinct levels where structural differences will be important:

Figure 4-1 about here

•The interpersonal network: this is the most elementary form of social capital available, as seen in Figure 4-1a. Patterns of repeated interaction between individuals enable the transmission and exchange of information and influence. Though control over this network is not absolute, the individual exercises considerable discretion in determining with whom and how often they will interact and to what degree that network will filter the larger environment (Huckfeldt, Beck, et al. 1995). As we've seen, the structural configuration can vary across a variety of dimensions. The particular mixture of those dimensions explains why one network transmits quality political information while another motivates civic action.

•The Context of networks: an individual's network doesn't survive in isolation, but overlaps with and is intertwined with the networks of others, as seen in Figure 4-1b.

How those surrounding networks are structured will impact any single network within their influence. In short, when aggregated those networks create a context within which each network must operate. Looking across the seven dimensions of the interpersonal network presented earlier it becomes obvious that some are more dependent on this context of surrounding networks than are others. The effectiveness of frequency of contact within one's network, for example, is relatively independent of the size and disposition of the surrounding networks. Social distance, on the other hand, is valuable for its ability to bring new or fresh information, and hence could not function if the surrounding networks failed to provide useful, or complimentary, information.

•The context of associations: the greater structural sophistication of networks empowers them to confront more serious dilemmas than could a simple network. Yet at the same time these associations are providing a forum within which the networks thrive and magnify their potential. Consider Figure 4-1c: in the lower left-hand corner was a network previously isolated from the main network, but now connected through the medium of a common church. The potential of the core network is obviously greater with some branches extending into that church than without it. Or, similarly, how seriously would the communication of political information be damaged if political networks continued but political parties were suddenly eliminated? The circulatory system might still exist, but the heart, so to speak, would be gone. Hence the configuration of associations should have an important bearing on the networks with which they coincide.

I would also argue, however, that this dependence extends both ways. As we'll see in the next chapter the networks provide certain characteristics or resources, such as time and place specific information, which associations may require to survive.

II-Associations as Social Capital

Since at least Alexis de Tocqueville, students of American democracy have commented on the importance of associations to American political life. Tocqueville contrasted the use of associations in America with the aristocratic social order with which he was familiar. It seemed to him as if "Americans of all ages, all stations in life, and all types of disposition are forever forming associations" (1988, 513). For "in aristocratic societies, while there is a multitude of individuals who can do nothing on their own, there is also a small number of very rich and powerful men, each of whom can carry out great undertakings on his own" (1988, 514). But in America, without such a formalized hierarchy of social order, "all the citizens are independent and weak." They must therefore "voluntarily" form social institutions capable of meeting the same social needs (1988, 514). And while the actions of government for this purpose may be more visible than those of associations, the latter are both more numerous and comprehensive. "What political power," he asks, "could ever carry on the vast multitude of lesser undertakings which associations daily enable American citizens to control?" (1988, 515). Indeed, so impressed is Tocqueville with both the democratic accessibility of these associations and

their ability to successfully confront the collective action dilemma inherent in society, that he wonders if they aren't a prerequisite of democratic order.[40]

Associations in America have undergone a number of successive changes—from the fraternal aid societies of the late 1800s and early 1900s to the service organizations of the mid twentieth century to the increasingly important neighborhood associations of today (McKenzie 1994; Gamm and Putnam 1999; Beito 2000; Putnam 2000). Through these changes, however, their impact on democracy has remained considerable. Of particular interest to us is this latter example of association—the community association.

Most broadly, community associations are groups of people who contribute time, efforts, or resources to some aspect of community well being. Though remarkably widespread across the spectrum of neighborhood socioeconomics, they are distinguished by their voluntary nature, degree of organization, and geographically limited focus. A large proportion of community associations are actually involved in some aspect of governing the community—representing neighborhood concerns, pushing for street maintenance, or seeking better schools. Some associations even provide collective benefits such as snow removal, garbage collection, or rules governing land use. Such has been their expansion into areas commonly reserved to government that these "private

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[40] Tocqueville seems to see a two-fold reason for this: 1) associations empower individuals to act collectively. Without associations some other entity—such as government or an aristocracy—would be required to meet every call for collective goods. And, 2) associations maintain a kind of democratic equality (see 514-515). By being involved in associations individuals are taught to see how public affairs touch on them and likewise pressured to be involved. This perpetuates a kind of perception of equality and a jealousy of concentrated power. Activity in these groups teaches one how to associate and makes them constantly wary of those who would pull this power from their reach. Tocqueville concludes that inculcating these "self-interests" into the citizenry is essential in a place predicated upon the idea of citizen self-rule. "No countries need associations more—to prevent either despotism of parties or the arbitrary rule of a prince—than those with a democratic social state" (192). Whereas, "the more government [or aristocracy] takes the place of association, the more will individuals lose the idea of forming associations and need the government to come to their help" (515. bracketed comment added for clarity).

governments" are said to have initiated a "quiet revolution" at the local level (Barton and Silverman. 1994, ix).

According to the Community Associations Institute, by the end of 2003 there were an estimated 249,000 community associations operating in America with total revenue placed between $30 and $35 billion dollars. These associations served an estimated 50 million people with a property value of about $2 trillion dollars—or 15% of the total value of real estate in the United States (CAI 2004). A rising proportion of the associations are legally chartered corporations known as Residential Community Associations (RCAs)[41], which manage or own residential or commercial properties. The most recognizable of these would be condominium associations, where the association manages a common area or service. But the associations may also own the common property, as is often the case with homeowners' associations, or own all property and lease it to the residents (see Treese 1999, 3-4; Foldvary 2003, 273).

The effectiveness of these associations is mixed. Concerns have been raised about the dictatorial style employed by some of these groups and the broader impact of having a segment of the population ensconce itself within a "gated community" (McKenzie 1994; Nelson 2002). A recent New Jersey case, *Committee for a Better Twin Rivers v. Twin Rivers Homeowners Association,* highlights this ambiguous space associations have come to occupy. The ACLU in cooperation with a group of dissatisfied

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[41] The Community Associations Institute classifies community associations (CAs—also called RCAs by the Advisory Commission on Intergovernmental Relations) into three categories: planned community, condominium, and cooperative. Planned communities hold title to the common area; condominium is where the residents hold interest in the common areas, which are managed by the association; and a cooperative owns the entire project. They note "most CAs are nonprofit corporations under state business corporation laws, but not under federal tax laws." Lastly, "all CAs have three basic characteristics: All owners automatically become members of the association. Governing documents bind all owners to the community association and require mutual obligations. All owners pay mandatory lien-based assessments to fund the operation of the association and maintain the common elements" (Treese 1999, 3. Also see Dilger 1992).

neighborhood residents argued that if an association has assumed the mantle of government through such things as the provision of public services, then it should be legally defined as a quasi-municipal agency subject to the same rules of public disclosure and accountability as other governmental bodies. The ruling issued by the Superior Court held that though the association did have a "considerable impact on the lives of residents," it differed from government in that it was a voluntary contractual relationship—one whose "burdens come with concomitant beliefs" (*New York Times*, February 22, 2004).[42]

Though a reexamination of the place of associations within our modern constitutional order is probably long overdue, this case should interest us because of its reemphasis on the distinctively voluntary nature of these associations. Setting aside for the moment any evaluation of whether such groups are "good" or "bad," they should be seen as a sophisticated form of social capital worthy of a second look precisely for their ability to provide collective benefits in the face of strong incentives for defection. And for this chapter, they provide a fruitful way to examine the importance of capital design to their success.

In an effort to lay a theoretical foundation for understanding why certain kinds of associations form in one area and not another, Richard Rich likewise emphasized the importance of capital structure. In particular, when constructing an association, members must engage in constitutional level deliberations centered on the "rules of the game" within which collective action will subsequently occur. Of import is the degree of

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[42] The court's ruling follows general precedent regarding housing covenants. See McKenzie 1994, 51-55 for an overview of important cases. A notable exception is *Shelly v. Kraemer* (1948) in which the U.S. Supreme Court refused to allow state action on behalf of the co-covenantors trying to enforce the rules against non-Caucasians owning any part of the covenanted properties (See Siegel 1998, 490-491).

coercion the group will be empowered with and the decision-making mechanism that will be used to wield that power. Conceptually we might understand this as a trade-off between two kinds of costs—decision-making costs and deprivation costs (Rich 1980, 565).[43] The time, effort, and opportunity costs of decisions increase with the number of individuals included in the process—hence, as Buchanan and Tullock observe, "this provides the element of truth in the idea that dictatorial governments are more 'efficient' than democratically organized governments" (1962, 99). However, trying to control these decision-making costs by limiting decisions to as small a group as possible brings a new set of dangers: as coercive powers are increased the ability of others to impose upon or "deprive" the individual are likewise increased—hence the counter cost.

It would be tempting, then, to structure organizations so that greater coercive powers are always safeguarded by increasingly inclusive decision-making processes. The reality, however, is that at some point that inclusiveness will negate the coercive powers. At the extreme of unanimity, for example, all must agree for an action to occur. Yet if all could agree, no coercion would be necessary; nor could it ever be employed as each potential target has an effective veto. Thus every group must make a series of decisions regarding the inclusiveness of the decision-making process and the degree of coercive powers to be incorporated in the capital structure. Rich posited that a combination of factors, such as the kinds of goods or services offered by the group, the availability of selective incentives, the relative resource/demand ratio of the area, and the

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[43] Rich is here combining Olson's theory of Collective Action with Buchanan and Tullock's *Calculus of Consent*. Buchanan and Tullock characterize the costs as decision-making costs and "external" costs—or those imposed upon the individual by the actions of other individuals or groups. The sum of these two costs is the "interdependence cost" and the "rational individual should try to reduce these interdependence costs to the lowest possible figure when he considers the problem of making institutional and constitutional change" (Buchanan and Tullock 1962, 46).

availability of leadership could account for the different kinds of constitutional choices each group made. Those choices would then have significant influence on the success of the groups. Most notably, he found that the more formally organized groups, that is, those with a greater degree of coercive powers and streamlined leadership, were the more successful in combating the free-riding endemic to public goods problems. Or, as he measured success, "more formally powerful associations tend to spend more money per collective project, per resident than do voluntary organizations, regardless of economic status" (Rich 1980, 584).

III-Structural Differences Among Indianapolis Associations

Information on neighborhood associations is provided by the 1993-1994 Marion County Community Organization Leadership survey (MCCOL). Mail surveys were sent in 1993 to 232 Indianapolis neighborhood associations soliciting information about their structure, function, location, size, and success. This was not a random sample of associations, but a comprehensive attempt to contact all associations meeting the target criteria. The list of associations was compiled from city records, personal contacts by the survey coordinator, and identification by other associations. 123 surveys were returned (53%) with 6 of those being excluded from the final dataset due to incompleteness, failure to meet the target criteria, or a location outside of the study area (see Swindell 1997, 246-250 and 264-279).

More select than a typical RCA, the kinds of associations targeted by this survey were "neighborhood organizations" as defined by five criteria: 1) The group is "structured around shared concerns grounded in issues that can affect the quality of life in

the neighborhood"; 2) The groups have small self-defined geographic boundaries; 3) they

"are governed by resident/members on a volunteer basis"; 4) membership is open to

residents within the group's boundaries; and 5) the group must hold regular meetings

(Swindell 1997, 43-44). The pool of associations from which this survey was conducted,

therefore, is much more restrictive than what many would consider to be "community

associations." Most of the larger associations spanning multiple neighborhoods and

offering generalized benefits are excluded. Likewise dormant associations, associations

that function as businesses, or city sponsored/governed associations do not qualify.

Rather, the emphasis for this survey was on associations that were fundamentally self-

governing and localized in their purpose. Or, what we might think of as the organizations

with solid benefits to offer to their participants but considerable collective action costs.

To begin with, it's helpful to differentiate among the neighborhood associations.

Perhaps the most visible distinction would be the purpose of the association.

Associations were asked in the MCCOL survey to identify on a four-point scale

the organization's level of activity in six categories: advocating, fostering awareness,

nurturing economic health, delivering services, addressing specific problems, and serving

lower income individuals.[44] I've used this system of self-rating to sort the associations

into five categories. "Specific problem" is dropped as a separate category due to its

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[44] Question 68: "Below are several general types of activities sometimes performed by organizations such as yours. Please evaluate your organization's level of activity in each…please use the codes below to indicate levels of activity…" Where "1=very active, 2=somewhat active, 3=a little active, 4=not at all active, and 9=don't know." The categories were then listed as: "a) Advocating on behalf of the neighborhood (e.g., for/against a zoning change, to improve city services, etc.); b) Fostering a neighborhood awareness (e.g., establishing block clubs, communication, social activities); c) Nurture the economic health of the neighborhood (e.g., economic development initiatives, asset creation); d) Delivering services to residents (e.g., private contracting for snow removal, security guards, etc.); e) Addressing specific problems if/when they arise (e.g., anti-crime programs, location of undesired elements in the neighborhood, etc.); f) Addressing needs of lower income individuals in the neighborhood (e.g., providing housing and other social service information, etc.)" (See Swindell 1997, Appendix B, page 276).

overlap with the other categories (it could easily be a "specific problem" with lower income individuals, housing, crime, or economic health, for example). Making such a clear distinction between organizations, while useful for this analysis, is somewhat problematic as most all groups were active in more than just one category and many had multiple categories with the same score assigned. In the case of such ties two additional questions were consulted: one asked the respondent to identify "the current mission or purpose of your organization" and the other asked them to rate the "level of success" in each of the activities.[45]

It should be kept in mind that though this categorization is attempting to identify the association's primary product or purpose, other products, byproducts, and even the organizational structure of the association may be of consequence. Focusing on the self-avowed purpose of the association as if it were the only impact of that association is both incomplete and necessarily preliminary. What it does do, however, is give us a first cut at trying to understand the interconnectedness and complimentarity of different configurations of social capital.

As Graph 4-1 shows, "advocating" was the most commonly marked purpose, with 44 of the neighborhood associations ranking it as their highest activity. "Economic development" and "Low-income/housing" were tied for the smallest category with 11

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[45] Question #9 gave 9 categories for the "current mission or purpose" of the organization: "foster neighborhood awareness and communication", "encourage economic development," "advocate on behalf of neighborhood residents," "to provide neighborhood services," "to address some specific purpose," "to assist low income residents in area," "to address housing concerns," "deal with crime" and "other." The housing category was grouped with the low income question and crime with the services category. Question 68 was used as the first criteria rather than question 9 because I felt that the former asked for actual activity whereas question 9 might be more vulnerable to proclaiming ideal activities or socially expected activities. The "level of success" evaluation was asked as part of question 68 and included the same four-point scale as the "level of activity" portion of the question. Lastly in the case of persistent ties I made a judgment call as to which activity was probably the primary one based on activity type, size of the group, or the group budget. Typically I selected more active or costly activities as primary activities. Hence, for example, the "provision of services" would be selected over "fostering awareness."

associations each. Economic development and service associations accounted for 18 and 27 respectively.

Graph 4-3 about here.

If capital structure does indeed matter in confronting the costs of collective action, then we should expect different kinds of structural characteristics to exist among these categories. An association dedicated to providing public services to its members, for example, will face a different mixture of costs than would an association intended to distribute information. This is partially because of the excludability problems endemic to service provision, and partially because of the asset specificity of the investments needed for the good to be produced. Namely, service provision has very specific needs—such as money—and the more dedicated investments are to a unique form, time, place, or action, the greater the costs facing the group—for substitutes won't do. Consequently, we might posit that the greater the asset specificity the more likely vertical integration and coercive powers will be needed to cope with those costs (Williamson 1985, 53-54). Rich found that among associations in Indianapolis "coercively empowered" groups were indeed more likely to provide services or public goods than were purely voluntary associations (Rich 1980, 580-582).

To see if categorizing the associations by purpose reflects any meaningful difference in the associations, or whether all voluntary neighborhood associations are the same regardless of avowed purpose, Table 4-1 presents the relationship between structural characteristics and each category of association. These correlations also allow

us to check the posited connections between structure and the primary product of the group.

Briefly, each associational category was coded as a dummy variable and regressed on each structural feature. Because including all the associations in such an equation would result in perfect multicollinearity, one type of association (typically the one with the lowest value) is excluded. This excluded association becomes the baseline against which all the other associations are being tested for statistical significance. The structural features are the self-reported membership size of the association in the MCCOL , enforceable mandatory membership[46], the annual number of meetings, the percentage of the group's membership attending meetings[47], the group's activity level[48], whether the association had a strong executive leadership structure or not[49], and the dollar value of the annual dues for membership. What is clearly evident from the table is that neighborhood associations, even such a limited slice of associations as those surveyed in the MCCOL, are not the homogeneous, easily inter-changeable groups we might believe—but differ in significant ways.

Table 4-1 about here

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[46] Mandatory membership was not a question included in the MCCOL survey, but was coded based upon the organizational by-laws. Personal contact by the coder was used in those cases where the by-laws were not clear on the matter (see Swindell 1997, Appendix F, page 343). Where 0=no mandatory membership and 1=mandatory membership.

[47] Self reported attendance at meetings divided by the number of members each association reported.

[48] Associations were asked to identify up to 9 activities and rate them on a 4 point scale of level of activity, where 1=very active, 2=somewhat, 3=a little active, and 4=not at all (possible range of 0-36).

[49] The variable "strong executive" is based upon an MCCOL question asking the association leader to identify whether decisions tended to be made in "leadership meetings," "general meetings," or a "combination" of the two. This was coded as a dummy variable with "leadership meetings" being "1" and the other's as "0."

Information associations, for example, tend not to rely on as strong an executive decision-making apparatus as do service associations, but on general meetings of all the members. Substantively this can be seen in Table 4-2, where the probability of having a strong executive climbs from 16.67% with information associations to 66.69% with service associations. Relying on more general meetings of the membership invariably involves higher decision-making costs, but makes sense given that the purpose of the association is precisely to encourage the sharing of information and communication among its members. Not only would a strong leadership of necessity formalize the flow of information into certain regularized paths—which is contrary to the group's purpose— but it would also unnecessarily raise the risk of coercion (in this case it would likely be informational coercion). Likewise, information associations require significantly less money for their operation—as seen in the significant contrast with service associations in their annual dues (averages of $7 versus $64). Because the group has no aim beyond letting people associate and form connections, the danger of free-riding is low, and the coercive powers granted to the association reflect this.

Table 4-2 about here

There are also notable differences between the two largest categories of associations: advocacy and service groups. Advocacy associations are those that advocate or represent member interests with regards to things like zoning laws and city services. Advocacy groups often appear to play a "compensatory role" in political participation; magnifying the voice of the less well-educated, the poor, and minorities

(Sharp 1980). Service groups, as already discussed, focus on the provision of services: such as snow or trash removal, security, or the management of common areas.

In particular, advocacy associations have more frequent meetings than do service associations and they get a greater percentage of their membership to those meetings (12.4% versus 27.1%). Members want to influence the kinds of positions the association will advocate, and the association, given the uncertainties of consistent participation in the absence of coercion, wants to minimize its dependence on any given member. A broad "soaking" in the membership helps to achieve both of these goals—though the downside is that advocacy associations were also significantly less involved in other kinds of activities than were low-income/housing associations.

Service associations, on the other hand, appear to rely more on coercion, as seen in the mandatory membership, than do advocacy associations. Though it might seem contradictory to talk of mandatory membership among voluntary organizations, condominiums, cooperative corporations and restrictive covenants all involve just such conditions—and were the issue at heart in the *Twin Rivers* case. Restrictive covenants, often used in Homeowners' Associations, offer an illustrative example. Typically the covenants are established by the builder or developer of a project and are intended to enforce a certain vision or purpose for the community. The covenant, or rules and restrictions, are included in the deed as conditions of the exchange. Because they "run with the land" through all subsequent sales of the property, to purchase the property is to consent to the covenant. In this way membership in an association may be mandatory if the purchased real property is restricted by covenants.

The use of such restrictive covenants within the common law system appears to have arisen during the 1800's as a response to the increasing conversion of common pastures and meadows into private property. Though privately held, these properties still retained many of their commons characteristics—such as excludability problems and rivalrousness—and could therefore benefit from the degree of coordination that the covenants offered while still retaining their private nature (McKenzie 1994, chapter 2). . While the individual may face increased "deprivation" costs under this type of an arrangement, the voluntary nature of the agreement preserves an effective "veto" at the constitutional level, or the level at which those structural rules are agreed upon, as seen in the individual's ability to move from the area or sell the property. The essence of this arrangement is to force compliance where incentives might otherwise encourage free-riding—while still preserving some element of individual choice.

As posited, those neighborhood associations listing "service delivery" as their primary activity do have a statistically discernable tendency to use mandatory membership more than advocacy organizations (as seen in Table 4-2, climbing from 9.09% for advocacy associations to 44.42% for service associations). Moreover, given the close connection between increased coercive powers and the administrative centralization needed to control it, there is no surprise that service associations were also positively correlated with the use of a strong executive—as seen in their comparison with information associations. This is even more striking when it is remembered that these are self-governing associations; associations employing a paid or professional management structure are not included in this analysis.

However, as mentioned, service associations also appear significantly lower than many of the other associations in how frequently they hold meetings and the percentage of the membership that regularly attend those meetings. Though some of this is undoubtedly explained by the fact that providing services is not an activity that requires a great number of meetings—that explanation alone is insufficient to account for the lower turnout. Indeed, fewer meetings would seem to encourage greater turnout. One plausible explanation is that what we are seeing is the byproduct of the coercive powers and leadership design. As mentioned earlier, a streamlined decision-making process lowers decision-making costs—this is the advantage of a strong executive: they can act fast and decisively with a minimum of resistance. Yet the downside of those same efficiency gains is that the voice of any given member becomes proportionally smaller. And many members, recognizing that their input will have only a weak influence on the final decision, find that attendance is just is not worth the effort.

So do coercive powers actually matter? Swindell found weak evidence that mandatory membership among neighborhood associations resulted in increased participation in the association (1997, 132). Coercive powers have also been tied to increased aggregate revenue for the association (Rich 1980, 580-582; Swindell 1997, 132-133). This seems to be corroborated here by the significantly higher annual dues of service associations than information associations. However, it could also be that service associations tend to occur in wealthier neighborhoods, and that wealth is a better explanation for hefty dues than is institutional design. Accordingly, table 4-3 presents the impact of a variety of factors on due payment for all associations.

Table 4-3 about here

Interestingly, for those associations trying to provide collective goods, such as service associations, structural features like mandatory membership and a strong executive do appear to support higher due amounts. Other plausible explanations for higher dues, such as wealthier neighborhoods, more active associations, or even larger associations have no statistically discernable correlation with due amounts when controlling for those structural features. Moreover, by comparing the standardized coefficients, we can see that the impact of mandatory membership on due amounts per year is just over double that of a strong executive structure. As Olson argued, mandatory membership is an effective response to the incentives to free-ride—if you can require it (Olson 1971).

Table 4-1 isn't a complete map of the capital morphology of neighborhood associations, but it does make evident that certain structural patterns do appear to correlate with certain functions. As complex examples of social capital, beneficial associations have often been lauded for their ability to meet social needs in ways that incorporate both the preferences and resources of the parties involved—or, as Tocqueville might have pointed out, the social compliment to democratic government. But this still leaves us with the more basic question of why these associations, or these structural differences, were able to form in the first place. Though undoubtedly the particular historical circumstances for each association are unique, there would seem to be certain commonalities such as the driving personality of a leader or political entrepreneur (Kuhnert 2001); sufficient need (Sharp 1984); adequate socioeconomic

resources (Verba and Nie 1972); and interpersonal trust (Brehm and Rahn 1997). With the possible exception of trust, each of these emphasizes individual-level components of the collective action dilemma. Granovetter's challenge to "embed" the individual back into a social context is unrealized unless we can include elements of interconnectedness, such as multiple layers of social capital, into the mixture (Granovetter 1985). In the next chapter I'll address this issue by looking at how the interpersonal networks in a neighborhood provide a capital context upon which the associations rest.

Conclusion

Social capital represents a way in which people can cooperatively attempt to alter their social context and thereby lesson the seeming determinism of one's environment. Indeed, such a capacity might arguably be the prerequisite to viable democracy, as otherwise we could quickly disqualify most individuals from exercising any meaningful form of self-government due to their own deficiencies in knowledge, training, resources, and so on. Yet social capital's ability to provide the required resources depends on a number of factors, one of the most important being the design of that capital itself. The costs of collective action vary, and can be so high as to require additional incentives to ensure adequate cooperation. An increasingly sophisticated or complex design may enable the capital to provide those incentives or in other ways ensure the necessary levels of cooperation. Consequently, one indication of the severity of the dilemma may then be reflected in the kinds and complexities of capital that we find in an area—assuming people are free to form the capital. In this chapter I looked beyond interpersonal

networks to the larger and more complex forms of social capital embodied in neighborhood associations.

Evidence of this relationship between the capital structure and the capital product was confirmed in the neighborhood associations. Those associations primarily concerned with providing public goods to their members—such as Homeowners' associations—tended to need more coercive powers and a more formalized leadership structure. Such provisions, however, present a kind of a paradox in that sufficient coercion to ensure cooperation on beneficial projects can also mean sufficient coercion to harm the individual. Why would individuals be willing to voluntarily agree to such conditions? And, even more perplexing, if people are willing to cooperate to such a degree in the creation of capital, why didn't they just cooperate in addressing the larger collective dilemma and skip the capital altogether?

I think that one of the explanatory strengths of social capital is precisely that it offers an intermediate step in the resolution of collective dilemmas. Cooperating in an association may indeed be costly, but less costly than tackling the larger dilemma head-on. Moreover, by reducing risk and combining diverse resources in complimentary ways the capital may be able to provide greater resources than could the same the same number of people acting separately. Hence people are willing to cooperate in an association because it provides a low-cost, low-risk alternative to the resolution of collective dilemmas. What's more, this same principle may apply to the capital itself. Some people are willing to join associations—and the risk of coercion they bring—because they have other social capital resources that help to moderate that cost. In short, social capital can

build upon itself in what might be most appropriately termed, to borrow a phrase from economics, an agglomerative economy.

I'll address this issue in the next chapter by looking at how the interpersonal network might serve as a kind of intermediate step between the individual and the association. And more specifically, how can various dimensions of the network context, such as the number of in-neighborhood connections, ease the costs of forming and maintaining the different kinds of neighborhood associations presented here?

Figure 4-1: Local Levels at Which the Structural Approach to Capital
Can be Applied

Figure 4-1a

The Network

Figure 4-1b:

The Context of Networks

Figure 4-1c:

The Context of Associations

Graph 4-1

Types of Indianapolis Neighborhood Associations by Primary Function

Number of Associations: bar chart with categories — Advocacy (44), Information (18), Econ Development (11), Services (27), Low Income/Housing (11)

Legend: ☐ Advocacy   ▮ Information   ☐ Econ Development   ▮ Services   ☰ Low Income/Housing
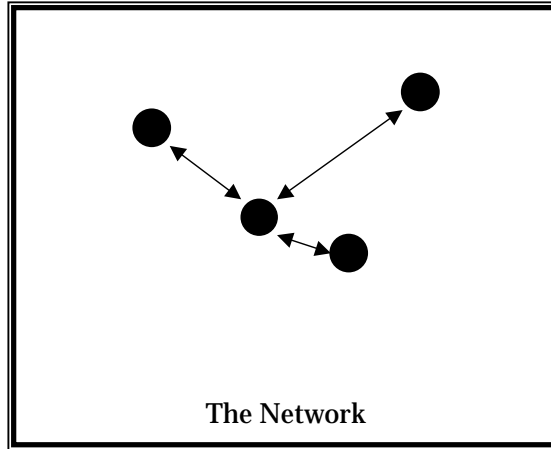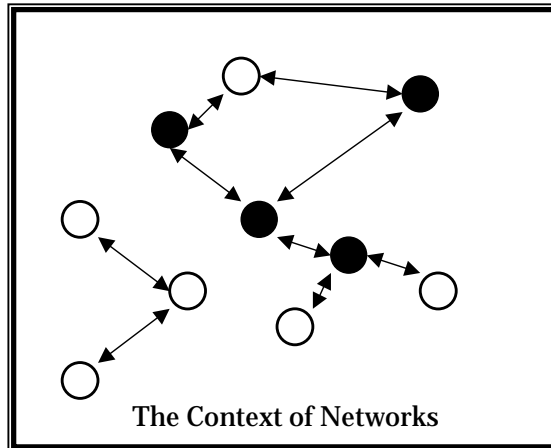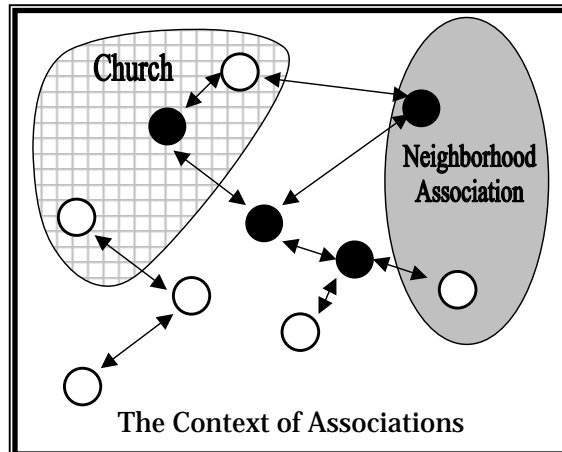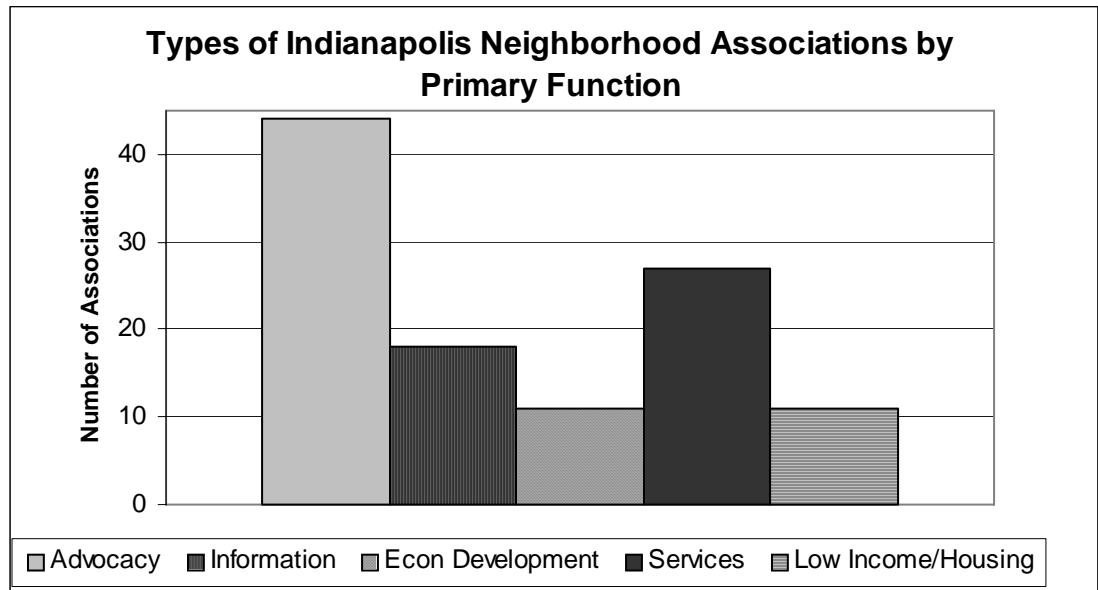
Table: 4-1	Variation of Structural Characteristics Across Neighborhood Associations						
Association	Number of members	Mandatory membership†	Number of meetings	Percentage attending meetings	Level of activity	Strong executive†	Annual Dues
Baseline Association (Constant)	159.1 (139.3)	-2.303*** (0.524)	1.963** (0.826)	0.124** (0.039)	9.409*** (0.538)	-1.609** (0.632)	7.111 (17.58)
Advocacy	220.3 (155.8)	--	3.637*** (1.050)	0.147** (0.049)	--	1.05 (0.706)	6.912 (20.86)
Information	117.3 (176.8)	0.693 (0.822)	4.481*** (1.307)	0.125** (0.061)	1.424 (0.999)	--	--
Economic Development	153.8 (197)	0.799 (0.941)	4.037** (1.536)	0.113 (0.072)	1.136 (1.204)	1.427 (0.876)	9.071 (28.54)
Services	166.4 (165.3)	2.079*** (0.652)	--	--	0.665 (0.873)	2.303** (0.753)	57.0** (22.86)
Low Income/ Housing	--	‡	9.492*** (1.536)	0.283*** (0.072)	2.591** (1.204)	‡	0.253 (28.54)
R^2	0.021	0.230§	0.277	0.143	0.051	0.263§	0.086
N	110	111	110	110	110	111	109§§

Standard errors in parentheses, all models OLS except where indicated: significance *<0.1 **<0.05 ***≤0.001

†Logit analysis

‡ Reported no instances of mandatory membership or a strong executive.

§Pseudo R^2 (Nagelkerke)

§§One service association was excluded as an outlier (reported dues of $1870/year. No other association had more than $500/year).

Table: 4-2	Probability that the Associations will Have Mandatory Membership, Strong Executive	
	Mandatory Membership	Strong Executive
Advocacy	9.09%	36.38%
Information	16.66%	16.67%
Economic Development	18.18%	45.46%
Services	44.42%	66.69%
Low Income/Housing	0%[†]	0%[†]
[†]Reported no instances of mandatory membership or a strong executive.		

Table 4-3	Factors Influencing Annual Due Amounts for all Association Types		
Variable	Coefficient	Standard Error	Standardized Coefficient (Beta)
Constant	-30.66	29.3	–
Mandatory Membership	79.89***	17.79	0.406
Strong Executive	28.14*	14.33	0.183
Activity	2.27	1.80	0.108
Number of Members	-0.01	0.02	-0.065
Neighborhood Percentage Black	0.102	0.238	0.042
Neighborhood Household Income	0.0002	0.001	0.044
Ordinary Least Squares: significance *<0.1 **<0.05 ***≤0.001 R^2=0.252 N=115 (one association was excluded as an outlier. See note Table 4-1).			

Chapter Five
Network Influence on Neighborhood Associations[50]

For any society to long survive it must discover ways of organizing the disparate resources of individuals in productive ways. Those patterns of organization and the resources they produce can be termed social capital—and serve as an intermediate step between the individual and the broad collective dilemmas facing society. By coordinating action and combining the resources of individuals in complimentary ways, a particular capital structure may be able to solve collective dilemmas that were otherwise untouchable. However, the mere fact of organization is no guarantee of success—failure is always a real possibility. Because of this I have argued that the most important questions regarding social capital are not whether it exists in a given context or not, but rather how is it organized and are the resources it produces adequate to the problems that need to be solved.

In the last chapter I noted that as the costs of collective action increased, increasingly sophisticated forms of social capital were needed to ensure cooperation. The production of public goods by neighborhood associations, for example, was associated with mandatory membership and a more formalized executive structure.

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[50] I am indebted to Robert Huckfeldt for the use of the 1996 Indianapolis-St. Louis Political Network Election Study and a special thanks to David Swindell for the use of the 1993 Marion County Community Organization Leadership Survey. Statistical analysis in this chapter performed on SPSS 11.0 for Windows.

Yet, from a larger perspective, this ability to organize more complex structures of social capital presents a puzzle: for how can we expect people to overcome the costs of associating if it was their inability to meet the costs of collective action that necessitated the association in the first place? Part of the explanation could clearly be that the association, while costly, is less costly than would be collective action in its absence. However, I believe that there is an additional reason worth noting. Just as an association can provide an intermediate step in the resolution of larger dilemmas, so likewise other forms or layers of social capital may provide steps upon which the association can stand. To this end I will show in this chapter that different dimensions of the interpersonal network relate to different kinds of neighborhood associations in Indianapolis.

Section I of this chapter discusses in what ways the network should matter to neighborhood associations. The dataset is also introduced—a combination of interpersonal network survey questions from the 1996 Indianapolis-St. Louis Study, Census data, and the neighborhood associations of the 1993 Marion County Community Organization Leadership Survey (abbreviated here as MCCOLS). Section II focuses on correlations between spatial distance in the network and different neighborhood associations within which those networks are located in Indianapolis. Section III examines how associations relate to a context of frequent contact within the network. Section IV concludes the comparison looking at a third dimension of network structure: social distance. Though this analysis is but a first step, what begins to emerge is a kind of topographical map of how different features of networks relate to a larger picture of social capital.

I-Why Networks Should Matter to Neighborhood Associations

In forming associations there are constitutional level choices that must be made regarding what powers will be granted to the association by its members and what kinds of safeguards will be placed upon them—the trade-off between deprivation costs and decision-making costs discussed in the previous chapter. Greater powers to coerce allow the association to ensure greater cooperation in confronting costly activities, such as the provision of public goods. Service associations, for example, were found to be associated with more coercive features.

Though intuitively it makes sense that organizational sophistication, and especially the inclusion of coercive powers, would help to solve the collective action dilemma—hearkening back to Hardin's call for government intervention in the commons—it in reality masks a more fundamental dilemma discussed in earlier chapters. Why are individuals willing to assent to such a constitutional order in the first place? And given the potential for abuse such power brings with it, why do they continue to sustain it if it remains a voluntary association at its heart? In other words, if individuals are incapable of resolving the collective action dilemma associated with public goods without the aid of associations, how can they possibly overcome the second-order dilemma of forming and monitoring the association itself?

It is at this point that interpersonal networks might be reintroduced into the picture. For the presence of sophisticated forms of social capital in an area, such as neighborhood associations, do not mean that the more basic forms of social capital are not necessary or that the more sophisticated forms of capital have in some way replaced them—as the correlations between spatial distance and civic participation earlier

demonstrated. But rather, the presence of these more sophisticated forms of social capital

are possible precisely because of the ability of these less sophisticated forms of capital—

such as communication networks—to overcome the organizational and coordination costs

found in this second-order dilemma. Hence my earlier claim that sophisticated forms of

social capital thrive in agglomerative economies of capital, where they can take

advantage of the products and resources of other, often less sophisticated, configurations.

Even social capital needs social capital, at times.

A practical example of this may be these formalized neighborhood associations.

Consolidating leadership is beneficial because it decreases decision-making costs.

Granting coercive powers is beneficial because it allows that leadership to credibly

commit the association to the provision of some collective good. The combination of the

two, however, is costly because it increases the potential for abuse—or the risk that the

individual will be imposed upon (deprived) by that leadership.   If the risk is substantial

enough, it can smother an individual's or group's willingness to contribute to collective

action—which we might think of as another kind of transaction cost (see Arrow 1971).

On the other hand, the risk of abuse of those coercive powers may be moderated if

the powers and decision-makers are circumscribed within an environment of active

monitoring and individual participation. Thus though the leadership of the association

may be small, and they may be granted considerable powers to collect fees or force

compliance, if interpersonal networks inform association members of the leadership's

actions and if the members are willing to act accordingly—such as by voting association

officers out of office or even by "voting with the feet"—then the risk of abuse is

decreased. We might posit, then, that the lower these individual costs of monitoring and

participating, the more willing individuals should be to tolerate the dangers of formalized

associations. And, conversely, the more difficult it is to monitor leadership or to have

one's voice heard, the more dangerous a formalized association becomes.

Interpersonal networks, we've seen, are particularly potent at communicating

information and thereby lowering the costs of participation. How then does the

configuration of the interpersonal network—and the kind of information it conveys—

influence the degree of formalization people are willing to tolerate in their community

associations? Based upon the earlier finding that geographical space was correlated with

neighborhood associations and that social space (or the transfer of political information

through political elites) was important for political participation, we might conjecture

some possible relationships.

Most obviously, the more formalized an association the more it can benefit from

in-neighborhood network ties among its membership. But beyond this, the more

formalized an association the more it will have specialized in goods from which non-

members can be excluded. Thus we might expect to see network connections spanning

social space—or weak ties—to be less important. Likewise, associations providing broad

benefits or overtly "political" benefits would be aided by connections that span social

distance. It stands that a neighborhood association designed to advocate local concerns

or to lobby government on the neighborhood's behalf would find its effectiveness

enhanced the more its membership was already "connected" to the politicians and

political elites of the city. Lastly, associations franchised to a neighborhood—these

would be associations formed or financed from some location outside the

neighborhood—would likely not benefit as much from in-neighborhood ties, but could

again benefit from the communication of political information that ties to political elites—or sources of funding—could bring.

In order to take a closer look at these questions three distinct data sets are combined in this chapter: the 1993-1994 Marion County Community Organization Leadership Survey coordinated by David Swindell (MCCOLS) as introduced in the previous chapter will define the associational categories used here. The 1996 Political Network Election Study conducted by the Indiana University Center for Survey Research provides network measures for Indianapolis, and lastly the 1990 U.S. Census provides a framework within which the other two sources can be integrated.

The 1996 Indianapolis-St.Louis study consists of four waves of phone interviews in St. Louis and Indianapolis conducted at various times over the course of the 1996 election cycle, with main respondents being randomly drawn from voter registration lists in the two cities. I will be using only the Indianapolis main respondents, of which 2378 individuals were targeted with 1283 completing the survey (53%). The two advantages of this study for my purposes are: 1) respondents were asked to identify people (up to five) with whom they had discussed "important matters" over the past few months.[51] Specificities of the network, such as duration, span, and strength were then gathered from the respondents. And, 2) main respondents were also coded geographically by census tract. This allows me to use the network data at the individual level, but also, by matching geographically proximate respondents, to use this data for neighborhood level analysis as well.

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[51] The initial probe asked: "Now let's shift our attention to another area. From time to time, people discuss important matters with other people. Looking back over the last few months, I'd like to know the people you talked with about matters that are important to you. These people might or might not be relatives. Can you think of anyone?" The respondent was then asked "Is there anyone else you talk with about these matters?" up to four more times.

Information from these three sources is combined in two different ways. Firstly, a map of associational characteristics can be created based on the location and characteristics of those associations responding to the MCCOL. Individuals are then assigned this information based upon their unique position upon this associational topography. Hence an individual might not live within the boundaries of any associations; or they might live within the boundaries of multiple associations. As can be seen in Table 5-1, the coverage of the associations is actually quite comprehensive and there is a considerable degree of overlap between them. Of the 1273 respondents to the Indianapolis portion of the 1996 Indianapolis-St. Louis survey with geographical locations available, only 33 did not live within the boundaries of any of the MCCOL associations. Whereas the average respondent lived within the boundaries of three associations; the most commonly occurring number of associations was a surprising four; and the maximum number of overlapping boundaries was eight. Based on this information I can then assign values to each respondent's location for things like the surrounding associational activity, types of services provided, or organizational structure.

Table 5-1 about here

It should be noted that this is not an attempt to define the characteristics of the associations to which the respondent actually belongs. For though it is likely that some of the respondents do belong to these associations, there is no way given the data constraints to verify this—nor would it be particularly beneficial for my questions. For though this is a kind of cross-level analysis, what I wish to identify is the associational

context within which the respondent lives. This is notable because, as was shown in chapter three, people are more benefited from a context rich in social capital than an anemic one—and that benefit was at least partially independent of their actual participation in that capital.

Secondly all the individual level network data within an association's boundaries can be aggregated to provide a picture of the network environment upon which each association rests. Again, this should not be interpreted as the actual characteristics of the association's membership, but rather the context within which it exists. Because associations could vary widely in size and the distribution of respondents was not geographically uniform, there were some associations that had no respondents living within their boundaries or too few to create a network environment with a sufficient degree of confidence. In all, six more associations had to be excluded because of insufficient data to create a representative network context.[52]

While looking at the impact of social capital in both of these directions offers some interesting insights, I will begin here with the consequences of the structure of more basic forms of capital (interpersonal networks) on more complex forms (neighborhood associations). I will then address the other direction (how does the topography of associational characteristics influence individual decisions to participate) in the following chapter.

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[52] The number of respondents located within an association's boundaries varied from a low of 0 to a high of 246 with a mean of 37 respondents per association (median 26). The distribution of respondents was assumed to be random and associations with less than 4 respondents falling within their boundaries were excluded from the analysis due to the potential for bias (the six associations being: #16, 41, 58, 59, 63, and 84).

II-A Context of In-Neighborhood Communication

An environment of resources and opportunities surrounds each individual. Typically, there are elements over which the individual has little or no control—such as the selection of parents—while others, especially those created though ingenuity and maintained by choice, are much more malleable. Following the usage of others, I draw a distinction between the general environment and contextual effects—which might be thought of as "any effect on individual behavior that arises due to social interaction within an environment" (Huckfeldt and Sprague 1993, 289). Social capital represents one such way in which individuals might take resources and combine them through social structures in order to augment or even replace that environment.

The neighborhood associations in Indianapolis offer a variety of benefits to their members above and beyond those offered by their environment: increased representation, additional public services, or improved housing, for example. Yet how are these neighborhood associations influenced by their own underlying network context? For, just as interpersonal networks located in those South Bend neighborhoods rich in social capital functioned differently than those located in other contexts, we might expect the network context in Indianapolis neighborhoods to influence the functioning or structures of these associations.

The two network specificities I concentrated on most closely to this point were spatial distance and social distance. Spatial distance is a structural feature associated with the transmission of localized time and place information, and was thus seen earlier to be most beneficial to local civic involvement. Social distance, on the other hand, is valuable for its ability to bring new or "heterogeneous" information or resources (Lin

2001, 69). In political terms these ties bridging social strata can be beneficial for their ability to connect the individual to political elites and thereby reduce the costs of political information. Consequently, in South Bend we saw that individuals that could draw on networks with more political elites appeared to be more likely to participate in explicitly political activities, such as voting or campaigning.

I will continue to use these two dimensions of the network structure, as well as a third dimension—the frequency of contact, to map the unique network context within which each association resides. By aggregating individual network measurements from the Indianapolis portion of the 1996 Indianapolis-St.Louis study for all respondents located within an association's boundaries I have created unique mean scores for each association. Associations are then grouped according to the purpose categories of the previous chapter and the means for each category are computed. Again, these should not be understood to represent network characteristics of the associational membership, but rather the network context within which the association rests. Graph 5-1 presents the in-neighborhood communication means for each of the five neighborhood association categories.

In-neighborhood communication for an association is calculated by identifying respondents living within the association's boundaries and then calculating the total number of their identified discussants living within a short distance.[53] Two issues of note with this measure: 1) the 1996 Indianapolis-St. Louis study only collected geographical information for those discussants identified as non-relatives. Thus this in-neighborhood measure only represents the non-relative portion of the respondent's network, and thereby

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[53] Respondents were asked to estimate the distance in time their discussants lived from them. For my purposes all respondents within less than a 15 minute drive are considered to be living in the same broad "neighborhood."

understates the importance of in-neighborhood communication. On average, respondents

listed relatives as a sizable portion of their network (42%).[54] By excluding relatives from

this analysis the issue of selection bias must be recognized. However, as the argument is

that in-neighborhood connections matter, and as the bias should weaken that finding, the

danger lies not in exaggerating results but in muting them. Thus if in-neighborhood

communication appears significant in spite of the exclusion we can be fairly confident in

the results.

Yet even more important than the potential for bias is the precise question at

hand. As mentioned, I am most interested in network context—or the voluntary crafting

of connections. In-neighborhood network connections are valuable because of their

ability to carry time and place bound information. Network ties with relatives, however,

may exist for a variety of reasons, of which such a local utility is one possible benefit—

but not the only one. In other words, a network tie with an in-neighborhood relative

obscures the nature of the relationship. Is the tie maintained because of its usefulness in

transmitting time and place information or is it maintained because the discussant is a

relative? Given the frequency with which relatives live close to each other (spouses for

example), excluding them clarifies this confusion and thereby strengthens the conclusions

that can be made.

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[54] 1311 ties out of 3119. The in-network communication variable should be understood only as the number of in-neighborhood contacts and not as the proportion of ties falling within the neighborhood. The reason for this is that in aggregating a respondent's network it was necessary to treat the answer "no discussant" as a discussant outside of one's own neighborhood. Thus the total number of cases available is increased to 6277. In-neighborhood ties remain roughly the same at 1675 (133 are lost due to refusal to give discussant location) while the null position of the dummy variable is inflated to 4602 and now encompasses three categories: ties outside the neighborhood, ties with relatives, and nonexistent ties. Again, this will likely introduce bias, but that bias should be against in-neighborhood discussion—thus potentially weakening my findings.

2) I am calculating In-neighborhood ties as the number of discussants living within the respondent's neighborhood, and not as the proportion of the network living in the neighborhood. There appears to me to be a significant difference in local access between the respondent with two discussants, of which one lives in-neighborhood, and the respondent with six discussants, of which three live in-neighborhood. Both respondents proportionally have 50% of their network located in-neighborhood, but, assuming the frequency of contact is roughly the same for the two networks, the latter has two more sources from which to learn about local conditions and concerns.

Graph 5-1 about here

Given these caveats, Graph 5-1shows the average number of in-neighborhood ties maintained by respondents living within the boundaries of the different kinds of associations. However, given that residents of a neighborhood are not randomly distributed across all neighborhoods, graph 5-1 has been adjusted to try and control for alternate explanations for the variation—in this case I am using race as the covariate (where race is measured as the percentage of blacks within the neighborhood population). "Advocacy" and "service" associations tend to encompass the networks with the highest in-neighborhood discussant means. The analysis of covariance (ANCOVA) is presented in Tables 5-2 and 5-3.[55]

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[55] ANCOVA is preferred in this case over alternate methods of comparing means (such as regression) for two reasons: 1) ANCOVA allows me to look at significance between all the associations as opposed to dummy regression, which evaluates significance between one association (the intercept) and all others. And, 2) Unlike ANOVA, ANCOVA allows me to include covariates to try and control for other possible explanations for the variation. In this case race is included as the covariate.

Tables 5-2 and 5-3 about here

A number of differences are significant at the 5% level or better. The way the ANCOVA table should be read is that the effect of the covariate is first examined (race, it turns out, is significantly related to the number of in-neighborhood ties), and then the global F-score in Table 5-2 establishes that while controlling for the effect of race there is at least one significant difference between group means in the population (where the statistic is comparing variances within each group against those between each group). Table 5-3 presents the post-hoc analysis of each possible combination to identify which difference(s) were significantly discernable.

While earlier works have found a correlation between neighborhood associations in general and in-neighborhood ties (Crensen 1978; Lake and Smith 1999), here we see that a variation exists among those associations as well. Though not one of these differences is impressively large (all are less than one contact on average), that a statistically significant difference even emerges among a category already high in in-neighborhood contacts is notable. It should also be remembered that this is not a measure of the connections of association members, but of respondents who live within the boundaries of those associations and thus is more precisely a measure of the context within which the association rests. Hence, respondents within the boundaries of service associations tend to have 0.243 more in-neighborhood ties than do those within information associations and 0.293 more than those within the boundaries of low-income/housing associations. Likewise, the context of advocacy associations has more

in-neighborhood ties than information, economic development, or low-income/housing associations.

As an association acquires coercive powers the risk of abuse grows. Greater member participation can control that risk, but, unfortunately, can only do so if some way of resolving the second-order dilemma is found. I suggested that part of the answer might be found in the social capital available to the participants. This is an almost nonsensical explanation if we understand social capital as a homogeneous good; I'd be saying that social capital explained social capital. But if we can conceive of social capital as differing in terms of structure, resources, and intent, then there is an interesting story to be told in Table 5-3.

I also posited that a neighborhood rich in in-neighborhood communication would be more tolerant of the formally powerful associations. We saw that service associations were the types most likely to possess coercive powers (mandatory membership) and a powerful executive. Table 5-3, then, allows us to test this, and does confirm that service associations do tend to reside in areas with more in-neighborhood network ties than some of the other types of associations. Though there are probably multiple reasons why these features compliment each other, the easiest to understand may be that of risk. Take the case that I have a number of in-neighborhood ties in my network and that I belong to a homeowners' association that provides a variety of services, such as trash collection, security, or management of a common area. Those ties with my neighbors allow me to pool my knowledge with that of my discussants. I will be much more likely to act the more I know about the leadership's actions and the reactions of my fellow residents. I'm willing to tolerate a relatively powerful leadership because I feel that between us we have

the management under pretty close scrutiny. Abuse of that power can be promptly recognized and met with voice or exit, if necessary. And likewise, the leadership knowing of this tight rein is reluctant to do things that would abuse that trust.

Contrast that with the situation where I still have frequent discussions within my network, but the ties all extend outside of the associational boundaries. I am not excluded from local time and place information about the association, but to gather it I must personally attend the meetings, read the reports, or inquire about surrounding sentiment. The point is that while monitoring is still possible for me, it has become prohibitively costly. My reaction can be to either tolerate the increased risk or I can decide that the risks are too high and decline to be part of such an association. Unfortunately, Table 5-3 is not able to tell us whether formally powerful associations emerge in areas already rich in in-neighborhood communication or whether the presence of such an association induces people within their boundaries to focus on in-neighborhood ties. All we can say for sure is that these formally powerful associations do have a significant correlation with network proximity among non-relatives when compared to other types of associations.

Likewise, it is not surprising given their "representative" function that advocacy associations also flourish in a setting of local communication. After all, the less agreement, or even knowledge, individuals have about their neighborhood, the more difficult an advocacy association would find it to articulate a clear and consistent position on their behalf. In-neighborhood network ties provide a nice compliment to these associations by facilitating the sharing of local information and, consequently, the discovery of common interests.

That information associations tend to reside in areas with less in-neighborhood communication than some of the other associations is intriguing. These groups focus on "fostering neighborhood awareness, establishing block clubs, communication, and social activities," which would at first glance seem to mesh well with in-neighborhood communication. Yet why are they located in areas with less in-neighborhood ties? This might suggest that information associations serve as substitutes for in-neighborhood ties. In other words, the reason a neighborhood needs an information group to foster communication is precisely because there is not enough communication through the interpersonal networks. If this is true it would explain why many have noted that "neighborhood associations tend to become the inverse images of the neighborhoods they represent" (Crenson 1978, 589). So not only can the resources produced by social capital substitute for resources from other sources (such as human or physical capital) but apparently they can also substitute for other forms of social capital. Furthermore, this lack of a local monitoring capacity may explain why informational associations were significantly correlated in the last chapter with the absence of a strong leadership structure.

If true, this attempt to compensate for a network level deficiency through the creation of group level associations would be an example of the ability of individuals to "internally" solve problems or address weaknesses through the formation of social capital. As the information group organizes social activities in which neighbors meet, talk, and discover mutual interests, they will begin to form acquaintances that then could blossom into networks—erasing that initial deficiency. In other words, the necessary network connections are being encouraged top-down. Whether such a process is at work

is difficult to verify,[56] but the very possibility supports the idea that though specific types

of social capital cannot be "formed" from the outside—the association cannot force two

people to be friends—by changing the context within which individuals interact, it can

still be encouraged (see Sirianni 1995; E. Ostrom and Ahn 2002, 23-24).

It is also notable that both service associations and advocacy associations were

statistically discernable from low-income/housing associations. These are associations

that identified themselves as focusing on the "providing of housing and other social

services" to low-income individuals within the neighborhood. These groups tended to

rest upon networks with fewer in-neighborhood ties than did advocacy associations. A

likely explanation is the "outward-looking" orientation of these associations. Or, in other

words, these associations are designed to marshal resources from outside of the

neighborhood in order to improve conditions within the neighborhood. This is most

evident when comparing the willingness of each of these groups to reach out and form

links with other nongovernmental groups or organizations, as seen in the cross-tabulation

in table 5-4. Service associations tend to not coordinate their activities or maintain

formal ties to other groups, whereas more than 80% of the low-income/housing groups

do.

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[56] Briggs and Mueller (1997) found that CDCs in their study appeared to encourage acquaintances but couldn't find evidence of "friendships" emerging. Ultimately the small number of groups available for study and the lack of longitudinal data make it too difficult for me to control for alternate explanations. There does, for example, appear to be more in-neighborhood ties in neighborhoods with older information associations, yet there are insufficient degrees of freedom to control for factors such as the age of the neighborhood, age of the respondent, or socioeconomic causes. Likewise, if information associations were becoming unnecessary as the number of in-neighborhood network ties increased, then we should expect to see them skewed toward younger or newer associations. Yet they do not appear to be any younger or older than other types of neighborhood associations. Should that be interpreted as a reflection of their ineffectiveness at fostering in-neighborhood ties or is the result hidden by some other process (such as established associations shifting in purpose to information provision)?

Table 5-4 about here

In Indianapolis many of these inter-group linkages are between the neighborhood associations and umbrella organizations, such as the Community Development Corporations (CDCs). Gaining prominence in the mid 1970s, these umbrella groups have been an important player in Indianapolis efforts to revitalize local neighborhoods. Unfortunately these CDCs were excluded from the MCCOL survey due to both their use of a professional management and the presence of government officials on some of their boards. Still, they should be recognized as an additional layer of social capital with whom neighborhood associations might want to forge links in order to coordinate associational activities, provide training, or bring other forms of capital into the neighborhood (Peirce and Steinbach 1987; Bodenhamer and Barrows 1994, 140).

Given the degree of inter-group activity that the low-income/housing associations engage in and the importance of umbrella organizations to Indianapolis neighborhoods, ties within the neighborhood will be secondary to those extending upwards for success in generating funding.

Though we are often quick to consider local civic groups, and especially voluntary neighborhood associations, as interchangeable, there is clearly a specialization beneath that veneer. And, indeed, this brings me back to the central question regarding the relationship between the structure of the interpersonal networks and neighborhood associations. The spatial dimension of networks has here appeared to be important for those associations whose organization or monitoring relies on time and place specific

information. How will other dimensions of the network, such as the frequency of contact or the social distance, relate to these same associations?

III-A Context of Frequent Network Contact

Frequency of contact provides us with a second dimension of network structure with which to contrast spatial distance. As discussed earlier in the second chapter, the frequency of contact is often combined with other aspects of network structure in order to gauge the strength of the connections between discussants. Yet frequency, I have argued, should itself be considered a dimension of network structure. The more frequent the contact between discussants, all other factors being held constant, the more likely information will be shared. Frequency has been shown to influence issue agreement (Weatherford 1982), and to serve as an indication of "need" (Campbell and Lee 1992). Interestingly, Marsden and Campbell (1984) caution that the measurement of frequency tends to overemphasize the importance of kinship and neighbor ties.

Graph 5-2 presents the mean frequency of network communication within the boundaries of each category of our neighborhood associations, adjusted for race.

Graph 5-2 about here[57]

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[57] The high score for a respondent was indeed a 35 and the low a zero with the mean being 7.889. Upon aggregating to associations (before controlling for race), the mean frequency for all the associations was 7.6778 with the low mean being a 3.667 (an information association) and the high a 13 (a service association).

Advocacy associations have the highest frequency of network contact (8.1 contacts within the network per week), while service associations have the lowest (an average of 7.2 contacts per week)—though this difference is substantively not that great.

Tables 5-5 and 5-6 present the analysis of covariance (ANCOVA). The percentage of blacks in the neighborhood is significantly related to the frequency of contact, and while controlling for the effects of that covariate, 5-5 also establishes that despite the lack of dramatic variation between group means there is at least one statistically significant difference. Table 5-6 confirms that the difference in means between the advocacy and the service associations is indeed statistically significant.

Tables 5-5 and 5-6 about here.

This finding is striking because in the first network dimension we looked at— spatial distance—these two categories of associations appeared similar. Both relied on more in-neighborhood ties than some of the other associations. Yet despite that similarity in the spatial disposition of the tie, they are invoked at different rates. This is particularly interesting because of Marsden and Campbell's (1984) contention that neighbor ties are often strongly correlated with frequency. Yet here service associations are the lowest scoring in terms of frequency.

That these two associations appeared similar along the spatial dimension is not unexpected, as service associations tend to be located close to advocacy associations. As was seen in Table 5-1, there is a considerable saturation and overlapping of associations in Indianapolis. Comparing the location of the respondents with the associational boundaries reveals that 91% of all the respondents to the survey lived within the

boundaries of one of these two types of associations. 84% of the respondents lived

within the boundaries of at least one advocacy association and 35% a service association.

Graph 5-3 gives a glimpse inside these proportions. Note that 28% of those that lived

within the boundaries of a service association also lived within the boundaries of an

advocacy association. In fact, only 7% of the respondents lived in an area covered only

by a service association and not an advocacy association. By contrast 56% of the

respondents lived in an area covered only by an advocacy association. And while we

should expect the absolute numbers to exaggerate the advocacy associations, as they were

both more numerous and larger, in relative terms, 67% of the advocacy respondents had

advocacy associations only in their neighborhoods and no service associations. Whereas

only 21% of those within service association boundaries could make the contrary claim.

Graph 5-3 about here.

One implication of this is that contextual measures for service associations should

tend to look like those for advocacy associations. That there is a statistically significant

difference across frequency is intriguing, but then again, may not be unexpected.

Williamson posited that capital structures with great specificity would have to rely on

greater formalization the less frequent the interaction (Williamson 1985, 72-79). Service

associations were the most formalized of the neighborhood associations we looked at and

as they require quite specific resources this lower frequency may be seen as supporting

his supposition.

Still, I do not see an obvious reason for the difference in frequency between these

two associations. That an advocacy association could benefit from an environment where

information is readily available seems evident, but that service associations would not tend to seek out the same feature does not. That is, unless this difference in network communication is an artifact of these service associations themselves. In short, as we saw earlier, service associations tend to have a strong executive structure with clearly defined lines of communication. Might it be that less communication or political discussion is needed precisely because the association is able to speak with such an authoritative voice? Or, as Miller argues, hierarchy reduces the costs of collective action by serving as a clearinghouse for information, providing regularized channels of interaction, credible commitments, and leadership (1992). The lower rates of network communication in areas with service associations might then be understood to reflect the reduced decision-making costs that such an institutional design offers to the area. Neighborhoods with service associations in them are consequently able to arrive at decisions more efficiently than other neighborhoods that must rely solely on interpersonal networks to facilitate debate.

However, without better information from the neighborhoods, I cannot be sure that it is the association causing the decrease in frequency instead of associations purposefully seeking out neighborhoods with lower frequencies. Still, it is also worth noting that despite the frequency of communication found within the advocacy association boundaries, the previous chapter found that advocacy associations, unlike service associations, had discernable difficulty in acting—or in dealing with the costs of collective action. This would suggest a more serious look at service associations as lower cost actors.

However, there is also a downside to the more formalized leadership structure of the service associations. Hierarchy and increased coercive powers can increase the likelihood of deprivation costs (Rich 1980), as evidenced by the claimants in the aforementioned *Twin Rivers* case. Moreover, the solidarity that such institutional features encourage within the association has generated concerns regarding their effects on those that reside outside of the association. In particular, that there arises a kind of political orthodoxy within the association which is then enforced on the surrounding area by virtue of its superior numbers and organization. Interpersonal networks offer us an opportunity to examine this claim.

IV-A Context of Access to Political Information

The final aspect of the institutional design of networks that I will examine here is the role of social distance—or more specifically for my purposes, the role of access to political information within the network. Most obviously, we should expect those associations with more recognizably "political" purposes to profit from the flow of political information through the network. But what about something like the service associations? These associations do not necessarily tap into the political process like an advocacy association would. Yet they also are clearly involved in political activities—indeed, by providing public services they often appear as types of governments. Does this "hands-on" experience in governing "charge" the networks—making them more interested in political information? Do they serve as "primary schools" of political behavior? (Tocqueville 1988, 63). Or does that ability to satisfy basic public services without reaching beyond one's neighborhood actually insulate them from the surrounding political context and encourage uniform political views within its shadow?

As with the South Bend data used earlier, this measure of social distance is an indication of the degree to which the respondent's network is able to access political elites—or quality information. Contrasted with spatial distance, such networks are valuable for their ability to bridge social strata, and thus grant access to new or unique information. Granovetter's "strength of weak ties" argument, for instance, is essentially recognition of the value of socially dispersed ties (1973).

I use the respondent's evaluation of the quality of political discussion with their discussants as the metric for this variable. The easier it is for a network to access information about the intent of government officials, the strategies of competing neighborhoods, or the direction public policy is blowing, the easier it will be for an association representing those local interests to act accordingly. Advocacy associations and low-income/housing associations would seem to be the most enmeshed within local politics and thus the most likely to benefit from the presence of networks rich in political information. Both these associations live or die by their ability to successfully contrast the needs of their neighborhood against those of other neighborhoods in the competition for outside funding. Hence, readily accessible knowledge about an upcoming grant opportunity, a change in zoning laws, or the local leanings of a political candidate, serve to ease the information costs faced by these associations and thereby make action that much more likely.

Graph 5-4 presents the mean levels of political quality within the networks across the neighborhood association categories, adjusted for race. Advocacy associations do indeed tend to occur in areas richer in access to quality information than some of the

other associations. The low income/housing associations, however, had the lowest mean of the five categories.

Graph 5-4 about here

Tables 5-7 and 5-8 present the analysis of covariance (ANCOVA). Though the covariate does not appear to be significantly related to the quality of the network, 5-7 establishes that while controlling for race there is at least one significant difference between the association means. Table 5-8 indicates that there is more than one of the differences that is statistically significant: advocacy associations tend to reside in areas with at least one person one category higher on the evaluation of political quality than do low-income/housing associations. Likewise service associations tend to encompass areas where at least one discussant was one category higher in the evaluation of political quality than information association areas. Service associations also have the largest contrast between association areas; their networks have at least one discussant almost one and a half categories higher than do low-income/housing associations.

Tables 5-7 and 5-8 about here

That the Low-income/housing associations have the lowest mean is puzzling, for the very nature of such associations would seem to require vertical patronage type relationships that could breach social distance—a view somewhat supported by Graph 5-2, which indicated that low-income/housing associations tended to rest upon a network context of ties that stretched outside of their immediate neighborhood. How do we explain the low mean? At least part of the explanation has to be found in the difference

here between the network context of the associations and the networks of individuals that actually belong to the association. The network context represents the total network resources available in an area. That context includes the networks of members of the association, but is not limited to them. So, while the actual network configurations of those belonging to the low-income/housing associations might indeed include many contacts with elites, if the surrounding networks are sufficiently devoid of similar contacts they could swamp the contextual measure.

Without information beyond that provided by either the 1996 Indianapolis-St. Louis study or the MCCLS the cross-level inference problem limits the conclusions that we can draw (Achen and Shively 1995). However, if it is true that the networks of the members of low-income/housing associations tend to differ dramatically from those of the surrounding neighborhood, then this is an important feature. Consider, for example, that advocacy associations take the existing concerns of the neighborhood and seek to magnify them. To borrow from Tocqueville, by associating they aim to "show their numbers" and thereby boost their moral and political authority relative to the rest of the population (1988, 193). Hence an advocacy association is essentially reflective or representative of its context. Low-income/housing associations, on the other hand, would appear to lack this representative character, but to be more "franchised" in nature—bringing ideas or resources from outside of the neighborhood. As table 5-4 illustrated, low-income/housing associations maintained high levels of contacts with umbrella and funding organizations. In some sense, then, these associations must be considered more top-down in nature than some of the other neighborhood association categories.

These could be useful distinctions from a policy standpoint. If, for example, it was believed that a low-income/housing association was needed in a particular neighborhood, a superficial analysis might be that more "social capital" was needed in order to empower those within the neighborhood to act accordingly. Yet what exactly is meant by "social capital"? Some could well interpret this to mean that if people talked with each other more within the neighborhood, then this kind of an association would be more likely to appear. While not discounting the potential benefits from such communication, it appears that efforts to channel financial or leadership resources into these neighborhoods would be more productive.

Turning to the other significant differences, information associations also had relatively fewer ties to political elites. This seems in character with what we saw earlier. Information associations appear to serve as a kind of substitute for the network within the neighborhood, forming in areas that lacked efficient means for transmitting information. So, just as those neighborhoods low in in-neighborhood communication could benefit from an association designed to encourage neighborhood "communication and social activity," so might the information associations be attractive to areas lacking quality political information.

The final relationship of interest here is that the service associations tended to occur in areas with significantly more ties to quality information—having the highest mean of all the categories. One concern has been that RCAs, such as these service associations, have acquired a "new dimension" in their operation: namely, that of "actively organizing…residents for mass political action" (McKenzie 1994, 192).[58]

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[58] McKenzie uses the term "common interest development" or CID whereas people like Foldvary use "residential community association" or RCA (Foldvary 2002). For the sake of consistency I'm following

Given the coercive and organizational advantages that an RCA possesses, critics have

worried about their ability to mobilize their members for political activity, insure that

they speak with a unified voice, and then dictate what that voice will be.

Table 5-8 begins to speak to these concerns. Most clearly, rather than a picture of

naïve masses being easily swayed by the associational leadership, we see a notable

degree of political information being exchanged in these neighborhoods. Unfortunately

we are unable to discern if that information is considered quality because it has the

association as its origin or, for that matter, just how diverse that information is. The least

we can establish is that if people in these neighborhoods are politically active, it is not a

mindless activity. The association does not just "tell" the members how to act; there is

communication occurring and it carries quality information.

We might get a better feel for the dynamics of these neighborhoods by looking for

any correlations between political orthodoxy and the service associations. Or

specifically, is there less political diversity in those neighborhoods with service

associations? Are these organizations, by virtue of their institutional strength and

incentive structures, able to spread their political priorities not only throughout their

membership, but also into the surrounding neighborhood—thereby suppressing political

diversity? A basic measure of this is provided by the political disagreement in the

network. In other words, do the respondents in these neighborhoods perceive the

information as quality information simply because it reinforces their own viewpoint, or is

it valuable in a more objective sense? I will use a variable on political disagreement

taken from the 1996 Indianapolis-St. Louis study to look at this. The question asks each

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Foldvary's usage though it appears that McKenzie views them as interchangeable terms (McKenzie 1994, 177). I've omitted "CID" from the McKenzie quote to preserve clarity.

respondent to evaluate the political party leanings of each of their discussants. A measure is then created indicating how many discussants within each respondent's network differ politically from that respondent. Now, admittedly, the political identification of an individual is an imperfect measure of their ideology—especially regarding neighborhood issues. However, looking at something like Party I.D. gives us a first cut at how politically homogenized a given network may be.

Disagreement within the network also proves to be an intriguing aspect of political communication. The influence, for example, of information flowing through a dyad seems to be enhanced by a variety of factors: political agreement between the two individuals, how intensely they hold their opinions, the closeness or intimacy of the relationship, and the frequency of interaction between them (see Huckfeldt and Sprague 1991 and Huckfeldt, Levine, et al. 1998). Still, despite some tendency to misread one's own opinions and views onto the discussant, people are reasonably—and somewhat surprisingly—objective in their assessment of the political disposition of their discussant and are both eager to talk with them and to be influenced by them if they judge them to be politically knowledgeable (Kenny 1998; Huckfeldt 2001).

Table 5-9 provides a simple comparison of the network political diversity of those neighborhoods within the boundaries of service associations with that of advocacy associations. Disagreement, or the diversity of the network, is here reduced to a dichotomous "low" and "high" for the sake of clarity given the low N.[59]

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[59] Again, I should caution that this variable of disagreement within the network is a contextual variable and not an actual measurement of the disagreement within the networks of those belonging to the association. Regarding each discussant, the respondent is asked to identify what political party they thought their discussant "normally" supported. Based upon the respondent's own stated political identification the results were coded as "0"no disagreement or "1" disagreement. These were then added to create a possible network score of 0-5, with 5 indicating that the respondent believed that every discussant in their five-person network identified with a different political party than they did. Network scores within the

Table 5-9 about here

The results are dramatic: if in some way the service associations are
homogenizing neighborhoods, or crowding out dissenting views, we should expect to see
the "Low" category for service associations to be a higher percentage than that of the
advocacy associations; yet 88.6% of the advocacy associations had low political diversity
in the networks falling within their boundaries, whereas for service associations that was
63%. So, not only does evidence of political orthodoxy fail to appear, but those areas
with service associations actually have more ties with diverse political views (37%) than
do those networks within the boundaries of advocacy associations (11.4%)—the more
remarkable considering the considerable overlap between these two groups.

It certainly needs to be acknowledged that this is an indirect and incomplete way
of gauging the effects of the service associations on both its membership and the
surrounding environs. However, given the concern they have generated, it is striking to
note that instead of discouraging contact with divergent political views, they appear to be
linked with greater political diversity.

Conclusion

In this chapter I have focused on how one form of social capital, the interpersonal
networks in a neighborhood, can aggregate to form a context that influences the
formation and maintenance of more sophisticated forms of social capital—such as

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boundaries of each association were averaged to create the association scores. Anything below 0.5 was
considered "Low" disagreement and over "High."

neighborhood associations. In particular I have tried to show that different dimensions of the network structure relate to different associational characteristics. Service associations, for example, tended to have more networks with in-neighborhood ties within their boundaries than did information associations.

Following Lachmann's argument that capital should be defined as the "structural pattern" within which the constitutive resources are combined (Lachmann 1978, 4), we can use these findings to map the contextual patterns that support the neighborhood associations from the MCCOLS. Table 5-10 indicates those dimensions of the network that were found to be statistically significant for each of the associations when compared with other associations.

Table 5-10 about here

Though this map is necessarily incomplete—using only three of the seven network dimensions discussed at the beginning of this work—it does illustrate that each association has a unique mixture of needs and thus can benefit from a different combination of resources and social structures within the areas in which they reside.

Service associations, for example, benefited from a context rich in in-neighborhood ties and quality political information, but did not rely as heavily on the frequency of contact as did advocacy associations. That service associations could benefit from something like in-neighborhood communication makes sense, as these are associations empowered to provide public services to those neighborhoods. In-neighborhood connections aid local residents in monitoring the association and in fostering the trust and frequent interaction that increased cooperation feeds upon.

For critics, however, the coercive powers and narrow leadership of service associations can be troubling because they fear that these associations may use those coercive powers to suppress internal dissent and enforce *en bloc* voting—thereby exaggerating the interests of the association relative to other citizens of the city. As was argued in the *Twin Rivers* case, such power may be dangerous in that they are essentially creating a "government" without the oversight, accountability, or constitutional level restrictions that we typically require of government.
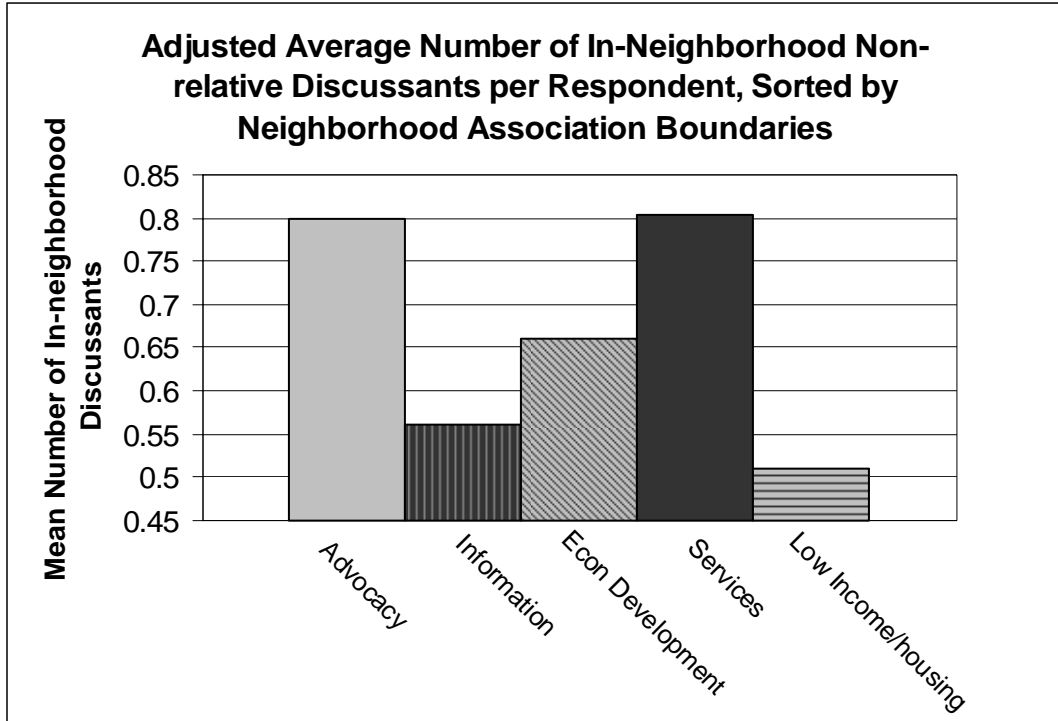
On the other hand, as Foldvary points out, there needs to be a clear distinction recognized between "imposed" and "consensual" governance (Foldvary 1994, 52). We require government to operate with a number of legal and institutional safeguards because we do not voluntarily assent to its rule. These protections are guaranteed at the constitutional level in order to ensure that the "game" played within those rules will be fair. And while the structural complexity of these associations does create a danger of imposition costs, constitutional alteration is not necessarily the answer. As the ruling in the *Twin Rivers* case argued, these associations are consensual, or voluntary, and as such each individual already retains a constitutional level veto over the proceedings of the whole—they can refuse to participate. Granted, with some associations, such as Homeowners' associations, the exercise of this veto may require a costly move, but as long as that option remains a viable one, the functioning of associations might be better characterized as the functioning of a market-like entity rather than that of a government (see Foldvary 2004, 52-57).

Lastly I have suggested that social capital, such as these associations, should be understood as a voluntary attempt to collectively alter the context within which

individuals live. But just how are individual valuations of their neighborhood influenced

by this compounding of layers of social capital? Likewise, how are decisions to

participate or move from an area influenced by the presence and structural features of

social capital? A suggested advantage of multiple jurisdictions has been that if citizens

are dissatisfied with the particular tax and spend policies of one place they might move to

another. Yet how does social capital—and its ability to internally address these common

problems—change those decisions? It seems likely, for example, that an individual

would be less concerned about substandard trash removal if they had an option of

receiving that same service from an association. In the next chapter I will examine how

both network and associational features impact individual perceptions of their

neighborhood and their subsequent decisions to exercise either voice or exit options.

Table 5-1

Number of Neighborhood Association Boundaries within Which Individual Respondents Live									
Number of Associations	0	1	2	3	4	5	6	7	8
Number of Respondents	33	208	191	260	333	140	58	37	13
As Percentage of N=1273	3%	12%	16%	20%	26%	11%	5%	3%	1%

Mean Number of Association Boundaries per Respondent	3.23
Median Number of Association Boundaries	3

Graph 5-1

Adjusted Average Number of In-Neighborhood Non-relative Discussants per Respondent, Sorted by Neighborhood Association Boundaries

"Mean Number of Neighborhood Discussants" is an average assigned to each association (N=117) based on those respondents located within its boundaries and then further averaged by Associational category. The average can range from 0 (indicating no non-relative in-neighborhood discussants) to 5 (all discussants elicited by the name generator live within the same neighborhood as the respondent and are non-relatives).

Table: 5-2	Analysis of Covariance of Mean Number of In-Neighborhood Discussants by Association Type, Controlling for Race		
	Mean of Squares	**F-score**	**Significance**
Race	0.642	13.46	0.000
Between groups	0.337	7.067	0.000
Within groups	0.048		

Table: 5-3	Difference of In-Neighborhood Discussant Means by Association Type, Controlling for Race				
	Advocacy	**Information**	**Economic Development**	**Services**	**Low Income/ Housing**
Advocacy	0	0.238*** (0.061)	0.138* (0.074)	0.0044 (0.054)	0.289*** (0.076)
Information		0	0.100 (0.084)	0.243*** (0.067)	0.051 (0.086)
Economic Development			0	0.142* (0.079)	0.151 (0.094)
Services				0	0.293*** (0.083)
Post-Hoc using Tukey HSD				Significance *<.1 **<.05 ***<.01	

For ease of presentation the differences are presented as absolute values; Graph 5-1 must
be consulted to see which association had the greater value. Standard errors are in
parenthesis.

Table 5-4	A Comparison of the Number of Connections Service and Low Income/Housing Neighborhood Associations maintain with Other Kinds of Organizations		
Number of Connections	Service	Low income/housing	N
Low	20 74.1%	2 18.2%	22
High	7 25.9%	9 81.8%	16
N	27	11	38
χ^2=10.016 for a significance of <0.005 with 1 df.			

Number of connections is based upon a question in the MCCOLS in which Associations were asked to identify other organizations that they "belonged to" or "cooperated with." Total linkages ranged from 0 to 10 with a mean of 2.2. "Low" was coded as 0-1 and "High" as 2 or more linkages to other organizations.

Graph 5-2

Adjusted Average Frequency of Network Contact per Respondent, Sorted by Neighborhood Association Boundaries
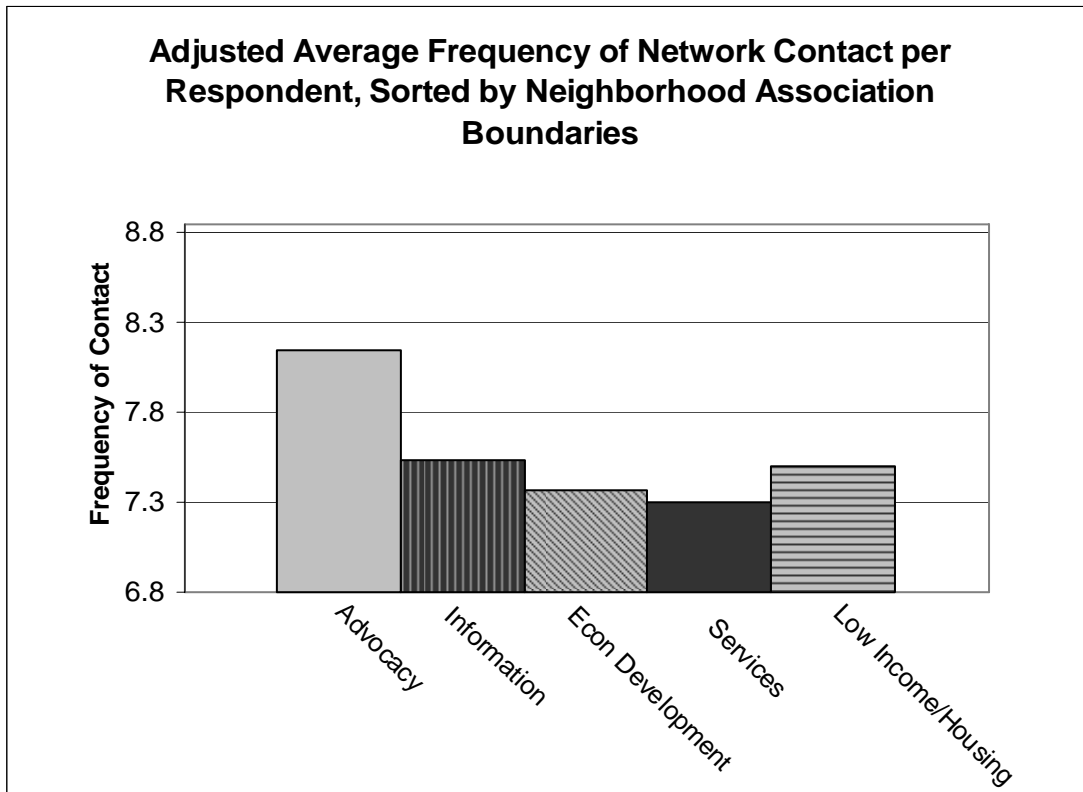
"Frequency of Contact" is an average assigned to each association (N=117) based on those respondents located within its boundaries and then further averaged by Associational category. Respondents were asked to identify how frequently they talked with each discussant (where 0=< once a week, 1=once a week ...7=every day) for a possible network range of 0 to 35 (they talked with all five discussants every day)
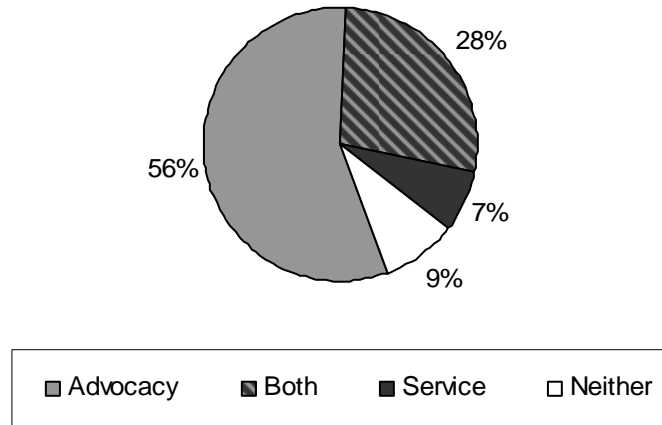
Table: 5-5	Analysis of Covariance of Mean Frequency of Communication by Association Type, Controlling for Race		
	Mean of Squares	**F-score**	**Significance**
Race	16.27	9.538	0.000
Between groups	3.813	2.236	0.07
Within groups	1.705		

Table: 5-6	Difference in Frequency of Communication Means by Association Type, Controlling for Race				
	Advocacy	**Information**	**Economic Development**	**Services**	**Low Income/ Housing**
Advocacy	0	0.607 (0.365)	0.776* (0.442)	0.850*** (0.322)	0.644 (0.456)
Information		0	0.169 (0.501)	0.243 (0.401)	0.038 (0.512)
Economic Development			0	0.074 (0.475)	0.132 (0.562)
Services				0	0.205 (0.494)
Post-Hoc using Tukey HSD			Significance *<.1 **<.05 ***≤.01		

For ease of presentation the differences are presented as absolute values; Graph 5-2 must be consulted to see which association had the greater value. Standard errors are in parenthesis.
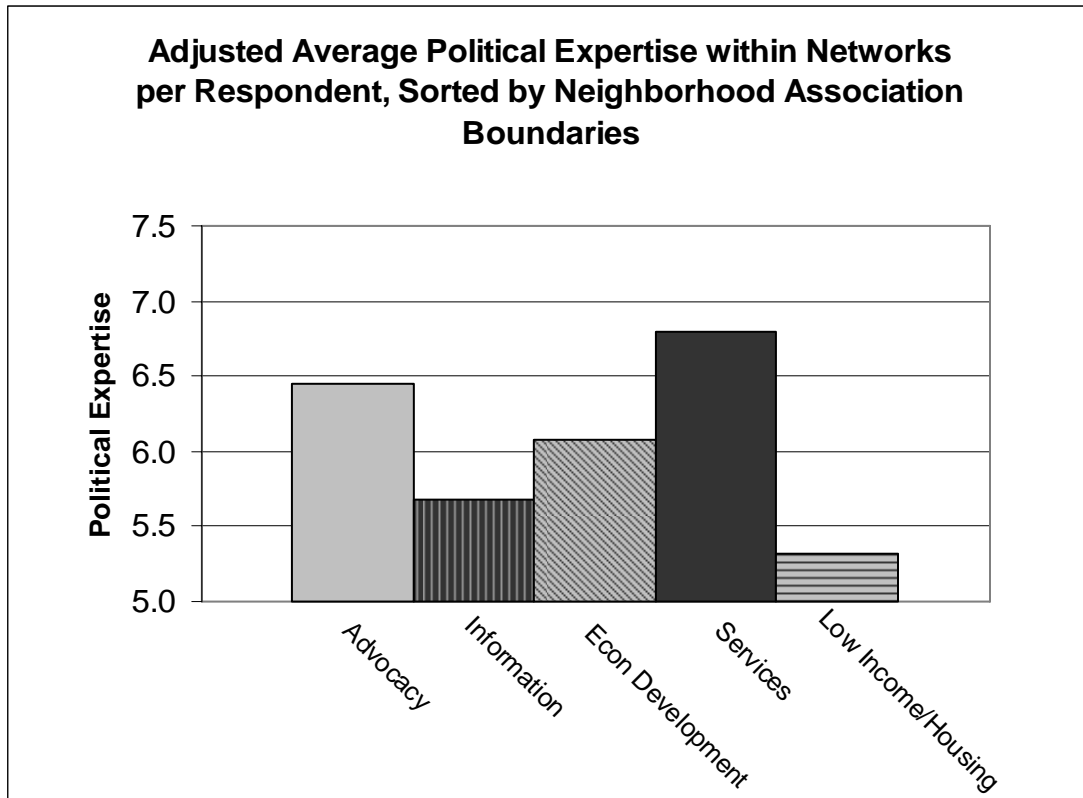
Graph 5-3

Percentage of Respondents Living Within the Boundaries of Advocacy and/or Service Associations

N=1273

Graph 5-4

Adjusted Average Political Expertise within Networks per Respondent, Sorted by Neighborhood Association Boundaries

"Political Expertise" is an average assigned to each association (N=117) based on those respondents located within its boundaries and then further averaged by Associational category. Respondents were asked to evaluate how much each discussant "knows about politics" (which was coded so that 0="Not much at all", 1= "An average Amount", and 2= "A great deal"), with a possible network range of 0 to 10.

Table: 5-7	Analysis of Covariance of Network Political Expertise Means by Association Type, Controlling for Race		
	Mean of Squares	**F-score**	**Significance**
Race	2.984	2.485	0.118
Between groups	6.302	5.247	0.001
Within groups	1.201		

Table: 5-8	Difference in Network Political Expertise Means by Association Type, Controlling for Race				
	Advocacy	**Information**	**Economic Development**	**Services**	**Low Income/ Housing**
Advocacy	0	0.864*** (0.307)	0.468 (0.371)	0.256 (0.270)	1.223*** (0.383)
Information		0	0.396 (0.420)	1.120*** (0.336)	0.359 (0.430)
Economic Development			0	0.723* (0.398)	0.756 (0.472)
Services				0	1.479*** (0.415)
Post-Hoc using Tukey HSD			Significance *<.1 **<.05 ***<.01		

For ease of presentation the differences are presented as absolute values; Graph 5-4 must
be consulted to see which association had the greater value. Standard errors are in
parenthesis.

Table 5-9	A Comparison of Network Political Disagreement within Service and Advocacy Associations		
Disagreement	Service	Advocacy	N
Low	17 63%	39 88.6%	56
High	10 37%	5 11.4%	15
N	27	44	71

χ^2 =6.619 is significant at 0.01 with 1 df.

Network Political Disagreement is calculated as the mean level of political disagreement within the individual networks within each association's boundaries. The individual level disagreement is calculated as the number of discussants which the respondent has identified as belonging to a different political party than their own. This is divided by the number of discussants each respondent has in order to give a percentage of their network with which they disagree. "Low" disagreement is calculated as less than 50% of the network being of a different political affiliation and "high" disagreement is over 50%.

Table 5-10	Correlations between Neighborhood Association Types and the Morphology of Interpersonal Networks				
	Advocacy	Information	Economic	Service	L-I/Housing
Spatial distance	+	–	–	+	–
Frequency	+		–	–	
Social distance	+	–	–	+	–

Where a "+" sign indicates a statistically significant positive relationship was found and "-" a negative one. A blank cell indicates no statistical significance found.

Chapter Six
Voice and Exit in Context[60]

Democracy demands participation, and voting is easily the most recognizable form of political participation today. Still, the core of meaningful democracy is not voting, but individual freedom. And, as has been abundantly clear through modern history, elections devoid of choice or swayed by coercion fail the requirement that each individual be the "best judge of that person's own interest" (see Tocqueville 1988, 66-68 and 82; V. Ostrom 1987, 77). That is to say, voting is useful only so far as it facilitates the exercise of individual freedom. By extension, anything that accommodates freedom might also be thought of as characteristic of democracy. This is why the works of Robert Putnam or Sidney Verba on civic participation are considered to be "political" works (see Putnam 2000; Verba and Nie 1972; Verba et al. 1995). Citizen involvement in neighborhood associations or in parent teacher organizations can be as meaningful to self-government as is voting—and the two are likely compliments.

However, if the purpose of political participation is grounded in the exercise of individual freedom, this picture remains incomplete. For both voting and civic activity rest upon a shared goal of trying to influence collective decision-making, and there may be times when one's own interests are best served not by trying to change the direction of collective decisions in the community—but by leaving that community itself.

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[60] Statistical analysis in this chapter performed on STATA 6.0. I'm indebted to Robert Huckfeldt and David Swindell for use of the 1996 Indianapolis-St. Louis Political Network Election Study and the 1993 Marion County Community Organization Leadership Survey datasets respectively.

Following this line of reasoning, scholars such as Charles Tiebout (1956) and Albert Hirschman (1970) have argued that "exit" should be recognized as a form of political behavior that not only allows the individual to immediately satisfy their own preferences, but can send powerful signals regarding those preferences to the government as well. Yet, the effectiveness of exit has been criticized, principally at the individual level, for the often-unrealistic assumptions made about those individuals and a consequent lack of supporting data.

An obvious deficiency in the basic assumptions about individual exit from a particular neighborhood is the influence of social capital. Generally the assumption has been that outside of financial or political considerations every individual is about equally likely to move—regardless of their connections to the neighborhood or their personal investments in local organizations and communication networks. Instead, given what we have seen in previous chapters, I believe it more likely that social structure will shape the kinds and amounts of information individuals have about both their neighborhood and alternate neighborhoods; it will shape incentives for local involvement; and may even, as with service associations, provide those very services that the individual perceives as lacking or underprovided by the local government. Hence context is likely to be a meaningful factor in the individual's decision to move.

As we have seen that service associations are intended to provide public service substitutes, movement from a neighborhood based on dissatisfaction with the public services provided by the city would likely be mitigated by the presence of these associations. Likewise, as the spatial dimension of network ties is an important determinant of local involvement, it is likely that in-neighborhood ties would also

discourage exit from the neighborhood while outside ties would encourage it. Moreover, capital structures that enhance the individual's voice may discourage exit by invoking, what Hirschman called, the "see-saw" relationship between voice and exit (1970, 34). The crucial distinction that needs to be made here is not between the presence and absence of social capital in each of these situations, but rather how the particular design of that capital supports different actions.

This chapter, then, will look at the influence of two different levels of social capital—the interpersonal network and neighborhood associations. The first section provides an overview of exit as a political activity and explores a number of ways in which social capital might relate to it. Section II continues with the combined dataset used in the previous chapter to create an associational context for the individual. The impact of that context on political behavior is examined, with the intriguing conclusion that the associations seem to be able to prevent incentives for political participation from spilling beyond their membership boundaries. Section III compares the self-reported desire to move with the traditional indicator of movement—satisfaction with the neighborhood. Satisfaction turns out to be the best predictor of a reported desire to move as well as theoretically less vulnerable to misreporting. Section IV examines the impact of the associational context on neighborhood satisfaction. Unlike with the political participation incentives, service associations are unable to prevent a spillover of satisfaction into the larger neighborhood, with the most pronounced improvement occurring in the poorest income category. Section V finds that in-neighborhood interpersonal ties appear to increase satisfaction above and beyond the change produced by the presence of service associations in the neighborhood. Predictions of exit typically

have taken the context as a constant, but what become clear here is that the freedom to self-organize can often alter that very context—discouraging or even making exit unnecessary.

I-Why Social Capital Matters to Exit Models

Robert Putnam's 1995 Article "Bowling Alone" was one of those rare academic works that was able to reach beyond its scholarly audience to attract the attention of the mainstream press. For many, this was their first introduction to the concept of social capital, and while most could recognize that falling trends in civic participation bode ill for meaningful democracy, the exact reason why this should be so remained somewhat hazy. Clearly, as Tocqueville had earlier pointed out, associations serve as participatory schools—giving people the taste and habits needed for an active and involved citizenry. Intuitively it made sense that if people lost those skills and habits of associating, for whatever reason, the consequence could likely be an accompanying decline in political engagement. Yet there seemed to be more to it than just that, though most people would have been hard-pressed to say exactly what it was. It turns out that the full extent of the connection between civic and political participation can only be seen in the relationship between voice and exit.

Hirschman (1970) pointed out that economics tended to focus on "exit" as the primary way in which a consumer expresses preferences. If a customer was dissatisfied with a product they could leave it, or stop purchasing it, in favor of some substitute. Consequently, the demand for goods and services (typically as seen through its price) is a powerful indicator of preferences and is the foundation of a functioning market. Political

science, on the other hand, has tended to focus voting, contacting public officials, or even opinion surveys, as the methods through which an individual expresses their preferences. The reality, Hirschman wrote, was that a "see-saw relationship" existed between the two (1970, 34). Depending on the circumstances each response varied in its attractiveness. In the broadest view, then, "voting-with-the-feet" could be just as meaningful a political activity as voting with the ballot.

Implicitly the importance of "exit" had been recognized for some time—especially in urban studies. Robert Park and his co-authors, for example, had explained in 1925 that far from being randomly distributed in cities, the residents purposefully selected the "habitat" they wanted to live in and that their "spatial relationships" were "continuously in process of change as new factors enter to disturb the competitive relations or to facilitate mobility" (64). But it was with Tiebout that this became explicit.

In 1956 Charles Tiebout explained that the allocation of public goods was hampered by the lack of an effective signaling mechanism—such as price. Hence simply asking the people their preferences (voice) led to skewed results as the lack of excludability encouraged people to understate their personal preferences in hopes of "free-riding" off of others. However, those preferences still exist and people, he suggested, will act on them in observable ways. Specifically, if we make a couple of assumptions, such as that citizens have perfect information about their surroundings, that people are rational, that there are few barriers to movement, and that actual alternatives exist, then "the consumer-voter may be viewed as picking that community which best satisfies his preference pattern for public goods" (1956, 418). In short, movement (exit) might be interpreted as revealing those true preferences.

The policy impact of such movement, however, may reach far beyond the individual. If citizens are moving according to these preferences then the providers of public goods and services should not be thought of as static components of the process, but rather, they will compete to attract those citizens, creating a kind of "quasi-market" (V. Ostom, Tiebout, and Warren 1961). In short, efficiency in the provision of public goods may not be so unrealistic after all.

Subsequent work on the assumptions and consequences of these "Tiebout movement models" have found that at an aggregate level: tax and spending decisions do affect resident movement; there does indeed appear to be a correlation between multiple jurisdictions and more efficient service provision; and that public entities recognize and will even attempt to manipulate movement decisions (See Dowding and John 1994 for an overview of the literature). At the individual level, however, while citizen satisfaction appears to be related to the local provision of public goods (DeHoog, Lowery, and Lyons 1990), most citizens appear to have problems accurately recognizing variations among public goods providers (Schneider, Teske, et al. 1998); actual willingness to "exit" appears to be quite low and possibly unaffected by the number of alternate providers (Lowery and Lyons 1989); and the assumptions of costless movement are probably too severe—for tax-service preferences may be easily swamped by such factors as having sufficient money to move, job requirements, family obligations, age, or race (Orbell and Uno 1972, Lyons and Lowery 1986; Dowding and John 1994).

Tiebout acknowledged that indeed "consumer-voters do not have perfect knowledge and set preferences, nor are they perfectly mobile," but the important question

was whether these characteristics exerted enough of an influence to matter (1956, 423).

Modifications, he advised, should be expected as part of the theory's natural evolution.

Regarding full mobility, for example, most markets appear to be driven to

efficiency not by the actions of the majority of the participants, but by the marginal

"consumer." Hence, even if only a small subset of the population is informed and acting

on that information it may be sufficient to signal accurate preferences to the producers

(Teske, et al. 1993). John, Dowding, and Biggs (1995), for example, found that though

Londoners moved for a variety of reasons, there was an informed subset for which tax-

service bundles were important and that their movement was more Tiebout "rational"

than that of the moving population as a whole. Additionally, Schneider and co-authors

found that when granted some degree of school choice there was an informed subset of

parents apparently sufficient to drive market efficiency (Schneider, Teske, et al. 1998).

Likewise, the assumption that "exit" is the only or even the primary method of

signaling consumer preferences is likely too restrictive. As Hirschman argued, including

other methods of expressing preferences, such as remaining "loyal" or expressing

"voice," brings a more realistic depth to the model (Orbell and Uno 1972; Sharp 1984;

Oakerson and Parks 1999). Lyons and Lowery take this a step further to posit four

responses to tax-service bundles: voice, exit, loyalty, and neglect. The particular

response invoked will depend on a variety of factors such as prior satisfaction, the level

of investments (such as home ownership), and the availability of alternatives (Lyons and

Lowery 1986, Lyons and Lowery 1989).

But perhaps the most vital modification needed in the model is to embed it back

within the surrounding social context; or, for our purposes here, the influence of social

capital. Gerald Gamm (2001) demonstrated that the structures we construct around ourselves exert considerable influence on our willingness to move. In Boston, Jews fled the city to the suburbs while Catholics did not. The most convincing explanation for this disparity is found in the structure of the churches themselves. Jewish synagogues were self-selecting and mobile. As the bulk of the membership migrated to the suburbs the formal structure followed. The Catholic parishes, on the other hand, were geographically defined by neighborhoods. Hence their inability to follow the migration of their members created incentives for the church to both discourage parishioners from "exiting" and to invest heavily in maintaining the neighborhood through schools, social structures, and community service.[61]

How, then, can social structures be integrated into movement models—as part of voice or exit? Elaine Sharp found that among minority groups lacking in voice, associations served a "compensatory" role—enabling voice where it was previously silent (Sharp 1980, 373-374). By contrast Lyons and Lowery (1986) viewed membership as a form of "exit." Both of these approaches are probably correct. The key lies in the different design and purpose of their respective groups: Sharpe is concerned with advocacy groups while Lyons and Lowery are focused on alternate providers of public goods, or what I have termed as service associations. Hence they argued that residents of a neighborhood could "exit" the particular tax and service bundle offered by the

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[61] Compare with Myers (2000) who finds that membership in conservative or strict religions tends to correlate with increased migration when compared to less strict or liberal religions. He speculates that this may be that with the strict religions, which tend to be more formalized, it is easy to "pick up" the same social benefits in the new location because the church is geographically uniform (hence also finds no drop in attendance after moves), whereas with the more informal churches moving means having to start forging social connections anew.

municipality without actually having to physically move by using the association's services.

The point is that inclusion of social structure emphasizes the dynamic nature of the responses. Tiebout models—and especially the interplay between voice and exit—have tended to consider the individual as acting under an externally imposed set of incentives. The choice between voice and exit is therefore a simple calculation of which is less costly given their initial set of endowments or resources. Hence, if an individual lacks political efficacy—or a meaningful channel through which to voice preferences—then voice made little sense. But this also means that any kind of action to increase that efficacy was excluded from the models—for there was no room under the original assumptions for internal reconfiguration.

Social capital is precisely concerned with how we create internal structures in order to combine limited resources in ways that will open effective channels or alternatives—as Sharpe's finding that minorities were more likely to turn to these advocacy groups convincingly argues (1980). Hence rather than being a slave to one's environment, the individual becomes the craftsman of their context. But this also means that social capital provides us with a more satisfying image of democratic self-governance; one where individuals are empowered to act rather than simply reacting.[62] Why, then, would Putnam's claims of declining civic participation matter? It is precisely because those civic associations we create –whether they are designed to empower our voice or to provide us less costly forms of "exit"—represent creative responses to an externally imposed environment. Hence if Putnam's claims of decline are true, they

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[62] This also opens the door to the possibility that a single political or civic entrepreneur can make a difference—the catalyst so lacking in many of the models of collective action (E. Ostrom 1998 ;Kuhnert 2001).

indicate a decline in either the ability, or the willingness, of individuals to influence the decisions that govern their lives. And that does speak to the heart of democracy.

Before such a conclusion can be made, however, it is important to understand how social capital influences the decisions of the individual. Drawing on the previous chapters there are a number of likely relationships that become evident. Voice, or an attempt to influence the political process, could benefit from the efforts of advocacy associations to amplify the political influence of its members. Likewise, at one step further down the complexity ladder, networks covering significant social distance, in particular those connected to quality political information, would likely be those best suited to the exercise of voice. If we assume that political participation represents "voice," then we have already seen in the South Bend data in chapter three that both social distance and civic associations exerted a positive influence. I would expect the same relationship to hold true here.

More intriguingly, how will the variations in social capital influence exit? It has been difficult to find strong evidence of large numbers of people moving in the way the Tiebout models would predict. In fact, many now argue that it is the "pull" of tax and service bundles upon those searching rather than the "push" on those already settled where the effects are strongest (Teske, et al. 1993). Yet one likely reason that the "push" is less powerful than expected is due to the presence of private alternatives. Intuitively this seems to make sense: if I've decided that the local school my children attend is beyond redemption, my first action is not to begin packing, but to look into alternate schools or private options. This is still "exiting" from that particular public service—but

sans the physical move. Typically, abandoning the neighborhood solely for better schools would only come about only after all other options had been explored.

Still it is difficult to determine just how persuasive alternate providers of public goods are in the neighborhood context—most figures on public spending, for example, generally exclude those monies spent by private organizations (see Dilger 1992, 9). Yet it seems reasonable to assume that associations matter. After all, critics of RCAs have charged that it is precisely in their provision of public services that these associations are functioning as quasi-governments. One scholar noted that the Advisory Commission on Intergovernmental Relations had essentially conceded that neighborhood associations are influencing decisions on when and where to move (Dilger 1992, 31). But exactly how does the social capital context influence these decisions?

Given that associations providing public goods offer an alternative to the publicly provided services, I would expect the need to physically "exit" a neighborhood to decrease with their presence. Earlier we also saw that spatially proximate network ties tended to support service associations. Those in-neighborhood ties enabled monitoring of the association, the sharing of time and place information, and likely encouraged norms of reciprocity and trust. Accordingly, I expect such ties to discourage exit both because of their support of service associations but also because of the strong bonds they create between individuals—bonds that would be costly to sever.

II-Data and Research Design

Drawing again upon the Indianapolis portion of the 1996 Indianapolis-St. Louis Political Network Election Study I am able to match the individual and network

information there provided with the associational information provided by the 1993

Monroe County Community Leadership survey (MCCOLS). In the previous chapter I

focused on the *network context* upon which the associations rested. In this chapter I will

be looking in the other direction: how does the *context of associations* influence

individual decisions to participate? Using the 1990 Census I have traced the boundaries

of each of the MCCOLS associations. From this it can be determined just which

associational boundaries every Indianapolis respondent to the 1996 Indianapolis-St. Louis

Political Network Election Study lives within. Aggregating the various features of those

associations allows me to assign values to each respondent's location for things like the

degree of surrounding associational activity, the types of services provided, or the

organizational structure of those associations.[63]

A word of clarification is in order. The Indianapolis-St. Louis study does probe

each respondent regarding their involvement in neighborhood associations—and I will

draw on that information a little later—but it is not possible to actually link each

respondent to membership in a particular association. Nor is that my intent here. I am

interested in the context created by those associations and how it influences the

individual, not necessarily in how a particular association influences its members. This

may be a subtle distinction, but it is a crucial one. By focusing on the context I am most

interested in the social communication of information and influence beyond associational

boundaries. In this chapter I will assume that associations are effective in providing the

promised services to their own members. But just how effective is an association, for

example, in excluding those same benefits from the surrounding area? Clearly as Mancur

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[63] As mentioned before, the greatest number of associational boundaries that any respondent was located within was 7 and the fewest were 0. The median number of overlapping associations per respondent was 3 and the mode, or the most frequently occurring number of overlaps, was a surprising 4.

Olson has pointed out, associations must struggle with their own design, the degree of coercion, and the use of selective incentives in order to achieve collective action (Olson 1971). To what degree will nonmembers living within the neighborhood be benefited by the actions of the few? An incentive clearly exists for organizations to make their products excludable as a way of increasing their membership. This speaks to the larger issue of whether it is beneficial in general to have associations in your society, or are their benefits so concentrated as to create or exaggerate divisions within that society?

First I will briefly look at voice. In South Bend we saw that individual civic activity was strongly correlated with political activity. Does that same political energy spill over the associational boundaries to energize even those who do not belong to the association? Political participation is here defined as actual involvement in the campaign—such as attending a rally or putting up yard signs—rather than just voting.[64]

Table 6-1 presents an ordered logit model how political participation is influenced by the degree of political expertise in the respondent's network (social distance), the number of in-neighborhood ties in the network (spatial distance), whether the respondent lives within the boundaries of a service association or an advocacy association (association context), and whether they indicated that they personally belonged to a "neighborhood association." Respondent income, education, race,[65] and age were included as control variables.

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[64] Four questions were used for the variable: 1) worked for a candidate or campaign during the election, 2) attended a meeting or rally, 3) put up a yard sign, bumper sticker or wore a campaign button, or 4) donated money to a candidate or campaign. Each component was coded as a dummy variable for a possible participation score ranging from 0-4. The mean was 0.41 and the median and mode were both 0 as 74.8% reported no activity.

[65] Race appears to play a role in citizen perceptions of both the neighborhood and public services, see Kelly and Swindell 2002.

Table 6-1 about here

As in South Bend the degree of political expertise in the respondent's network is both statistically significant and positively correlated with participation. Having that political information readily available reduces both the costs and uncertainty you would otherwise face. As we also saw earlier, in-neighborhood ties have no statistically discernable effect. Hence as a general rule we might expect voice to be a more viable option for those with networks that breach social distance. This would be similar to Schneider, Teske, Roch, and Marschall's 1997 argument that school choice would be most effective among those individuals with networks that reached outside of their own neighborhoods—allowing them to contrast schools. Others, in particular, minorities, lacked reliable contacts through which similarly beneficial contrasts could be transmitted, and were therefore less likely to benefit from such programs.

Also, as with South Bend, self-reported membership in an association is significant and positive. However, my two types of associations had no discernable effects while controlling for this individual membership. Hence, simply living within the boundaries is apparently not enough.

Service associations certainly would like to concentrate the actual services they provide to their own membership, and they also face incentives to politically mobilize their membership in order to defend their interests. That mobilization, however, doesn't appear to spill beyond the membership. In fact, some anecdotal accounts have claimed that the actions of service associations can politically charge the surrounding area *against* the association. The insularity of the associations, their exclusive focus on the needs of

their own membership, and the disregard for surrounding areas has allegedly mobilized

voter opposition and even counter-groups, like the Committee for a Better Twin Rivers.

Yet if that does occur, it is not widespread enough to be noticeable in the Indianapolis

neighborhoods.

Advocacy associations, on the other hand, attempt to articulate the concerns of

their members to local government or other groups—benefits difficult to exclude others

from. A surprising implication of this logic is that advocacy associations might actually

discourage local political participation because of the ease of free-riding on the efforts of

the group to represent those local interests—especially given the widely recognized

tendency for clusters of people in neighborhoods or other geographically defined areas to

hold similar preferences (Roeder 1994, 60-67). Hence, as a member of such a

neighborhood, but not a member of the association, I may be less likely to contact the

local park officials about graffiti in our park or invest much time lobbying the city

council if I know there is an organization with similar preferences already doing that.

Still, such an impact is not visible here, though finding it may require a finer tuned

instrument than what I am using.[66]

As in chapter three, because Table 6-1 was estimated using a nonlinear logit

model, the substantive interpretation is not as straightforward as with OLS regression.

The effect of any one of the independent variables is a multiplicative function of its own

coefficient as well as the coefficients and given levels of all the other independent

variables included in the model.   Therefore Graph 6-1 presents the predicted

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[66] No distinction is being made in my variable between local political participation and broader forms—and there is less reason to believe that advocacy associations would impact state or national policies. A variable measuring things like contacting of local officials or attending local meetings would likely be needed to see if this relationship indeed emerges.

probabilities of political expertise within the network, actual membership in associations, and income on political participation.

Graph 6-4 about here.

Substantively income has a slightly greater impact than does political expertise in the network. But, when holding the other variables constant at their mean, each can account for an increase of about 25% when moving from no expertise or low-income to high. "Voice," or this very active political participation as I am measuring it here, is encouraged by traditional SES measures, like education or income. But clearly our willingness to try to influence the political process is also enhanced by certain configurations of the interpersonal network and also by membership in more sophisticated forms of social capital—though those increased incentives do not appear to spill out into the surrounding neighborhood.

III-Factors Influencing the Decision to Move

Scholars trying to gauge the impact of exit have tended to gravitate either toward aggregate measures of turnover and its impact on things like crime or property values or toward individual level measures of satisfaction within the neighborhood. The former is problematic as aggregated data is unable to definitively establish causal links between the environment and individual decisions—what has been termed the ecological inference problem (Achen and Shively 1995). But, by the same token, the latter is unable to get at many of the predicted efficiency effects that only become evident in mass behavior. And, while the macro predictions of the movement models appear to be generally borne out

(Dowding 1994); the micro behavior driving those predictions has been more controversial.[67]

Admittedly the decision to relocate can be a complicated and multifaceted one influenced by such factors as: a changed position within the life cycle, financial concerns, aesthetic or comfort needs, family requirements, the conditions of the neighborhood, the availability of housing, or even forced relocation (Clark 1982; Fielding 1994; South and Crowder 1997). The 1996 Indianapolis-St. Louis Political Network Election Study asked respondents if they planned on moving and Table 6-2 illustrates how this answer is influenced by a variety of factors including the commonly used measure of one's satisfaction with the neighborhood.

Table 6-2 about here.

Age, income, and satisfaction are all statistically significant. Only race and an indication of whether the respondent had actually moved recently—which was included on the assumption that there is a certain "recharging" time needed between moves—were not significant. Graph 6-2 presents the predicted probabilities for the other three variables.

Graph 6-5 about here.

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[67] Note, for example, the spirited exchange in the 1995 *APSR* between David Lowery and co-authors and Paul Teske and co-authors. The Lowery group had become increasingly convinced over the years that individuals lacked the knowledge and incentives needed to generate the necessary movement. The Teske group had advanced the proposition that the micro theory could still work even if we confined the assumption of informed moving to only a small segment of the total movers—the "marginal consumer." (See Lowery et al. 1995 and Teske et al. 1995).

As income increases from under $14,999 To over $75,000 a year the likelihood of responding that one plans on moving increases by about 11%, holding all other variables constant at their means. Age and satisfaction with the neighborhood are both negatively related to moving. As conventional wisdom has long argued, the older the individual becomes the less willing they are to bear the disruptions such changes bring. Likewise as one's satisfaction increases with a neighborhood the individual grows increasingly reluctant to leave it behind. Substantively the biggest impact on this indication of the likelihood of moving comes from one's satisfaction with the neighborhood—accounting for nearly a 60% change.

It is rather surprising, however, that the variable indicating a recent move was not significant. This would seem to imply that there is either no recharging time needed between moves—which seems unlikely given the resources consumed in a move—or that there is no significant "honeymoon" period after the move in which the flaws or weaknesses of a neighborhood are ignored by the new resident. This finding implies that individuals are remarkably fast at gauging the new neighborhood and forming consequent opinions about its desirability—otherwise we should have seen a significant negative correlation between the closeness of the last move and a self-reported desire to move again. This also, however, highlights a failing of self-reported desire, or any measure of "intention" to move, as a surrogate for the actual likelihood of moving—"desires" may not correlate as tightly with the ability to move as the variable might imply. Hence, given the importance of satisfaction in explaining this desire to move, its more straightforward connection to social capital, and its regular use in comparable studies, I will focus on the

impact of network features and associations on neighborhood satisfaction throughout the rest of this chapter.

IV-The Impact of Associations on Neighborhood Satisfaction

Citizen satisfaction with the neighborhood seems to be influenced by many of the same factors as is the desire to move—homeownership, race, income, and community attachment—indeed, one study found that public services accounted for "almost all of the unique city and neighborhood and jurisdiction-level site variance in individual level satisfaction scores" (Dehoog et al. 1990, 832). Given this importance of public services to individual measures of satisfaction, there are obviously strong incentives for the individual to try and influence the provision of those services. The effectiveness of such efforts, however, as we have just seen in the previous chapters, can vary based on both individual capital and the social capital structure within which they are embedded. Moreover, even when effective, voice will be limited in just how specific it can tailor public services to meet the preferences of any given individual, assuming, of course, that the government earnestly wants to satisfy those preferences. The end result of all this is that individuals often face situations where voice is either unavailable or ineffective. Exit provides a response to both problems. Because exit is an individual level activity, even those lacking social capital can exercise it. Likewise, because the individual selects the destination, they can search among the available service bundles for one closely aligned to their preferences.

This suggests that exit should be most frequent among those lacking in social capital. Yet as I have argued, social capital should not be thought of as a homogeneous

good that is either present or not present, but as a structural pattern. Hence equating

movement with a lack of social capital is probably overly simplistic. The important

question should be: "how do the specificities of the capital structure influence exit?" It

seems reasonable, for example, given Hirschman's proposed trade-off between voice and

exit to expect individuals with effective "voice" to be less likely to exit (members of

advocacy associations, for instance).

On the other hand, given that service associations are intended to provide public

services as an alternative to those provided by government, their presence would seem to

soothe the need to move from a neighborhood due to dissatisfaction with the quality or

quantity of public services available. Indeed, in one sense the very presence of these

associations is an indication that public services were considered inadequate on some

level.

Table 6-3 presents the impact of these two categories of associations on

neighborhood satisfaction with variables for the respondent's age, income, race, and

having moved recently included as controls.

<div align="center">**Table 6-3 about here.**</div>

Advocacy associations appear to have no statistically discernable effect on

neighborhood satisfaction. Service associations, however, are significant and positively

correlated with satisfaction. Again, this is not a measure of satisfaction of members of

the association, though some of them are likely included, but of the residents of the

neighborhood as a whole. Why the association would have these positive externalities

with satisfaction when earlier in the chapter we saw that this did not hold true for political

participation is noteworthy. The likely explanation is that the satisfaction benefits of

these service associations are more difficult to exclude than are those benefits

encouraging political participation. Hence while a service association may be able to

deny trash collection, common resources, or snow removal from the surrounding

neighborhood, by reducing crime, keeping its grounds well maintained, and making its

residents happy it is going to benefit others whether it wants to or not. The magnitude of

that impact, however, will vary. Graph 6-3 shows the predicted probabilities of a

neighborhood service association on individual satisfaction by income groups.

Graph 6-3 about here.

Belonging to or living by a service association increases neighborhood

satisfaction for those in the highest income group from 91.4% to 96.9%. Clearly,

however, the greatest increase in reported satisfaction occurs among the low-income

group, with nearly an 18% increase.[68] Earlier I noted that service associations—

homeowners' associations in particular—have been criticized for contributing to a

growing divide between the haves and the have-nots (McKenzie 1994; Nelson 2002).

Quite the opposite appears here, as the walls raised by these communities appear to be

more permeable than commonly thought. Yes, many of the services provided by the

association will only be available to the membership, but something is spilling out.

Moreover, it is the poor—those with the fewest resources with which to pursue their

interests—who are benefiting the most from the presence of these associations. This

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[68] 6.6% of the respondents (27 of 408) that lived within the boundaries of service associations made less than $14,000.

would certainly help to explain the interest of development organizations in fostering this form of social capital in inner-city neighborhoods (Temkin and Rohe 1998, 64).

Yet despite this promise of associations, they can be difficult to form or sustain if the necessary resources and social structures are absent. Earlier, for example, we saw that service associations tended to rest upon networks rich in in-neighborhood ties. Moreover, it was also apparent that the network of the individual served as a conduit to the surrounding social capital of the neighborhood. Hence in South Bend individuals with more contact within their neighborhood were better able to tap into that neighborhood's resources than were those without those ties—even though both may live in neighborhoods rich in social capital.

V-Contrasting In-Neighborhood Ties and Service Associations

How then does should the spatial dimension of interpersonal networks relate to neighborhood satisfaction and movement? A high concentration of ties reaching beyond the immediate neighborhood should increase the likelihood of moving from a troubled area by allowing the individual to contrast their current condition with that of other neighborhoods. On the other hand, a high concentration of ties within the neighborhood might actually decrease the willingness to move. A fairly obvious reason for this would be that such ties limit communication to only those within one's own neighborhood, making it more costly to find out about conditions in other neighborhoods. Yet, by the same token, that limited range of communication is traded-off for increased knowledge of local conditions and easier monitoring—which were needed to sustain the sophisticated structure and coercive powers of service associations.

This suggests a final reason why a pattern of in-neighborhood ties and service associations might discourage movement: a reluctance to destroy capital investments. In other words, the products are so bound to the neighborhood that leaving renders them useless.[69] It would consequently be in the interest of the individual to stay in order to sustain their investment and likewise for the group to discourage movement as a matter of self-preservation. We often hear people saying that they would have moved a long time ago if not for family, neighbors, or friends, but we seldom consciously realize that this is anything other than sentimental attachment. Interestingly, John Orbell and co-authors found in experimental settings that cooperators tended to stick out a worsening situation even when the incentives caused others to flee. The key, they argued, was a "group-regarding impulse" found among the cooperators (Orbell et al. 1984). Thinking in terms of capital investments, the formation of such an impulse or norm by a group or association makes sense. It has been noted that individuals are willing to invest additional resources in the creation and maintenance of sanctioning systems in order to sustain cooperation (Yamagishi 1988; E. Ostrom, Walker, and Gardner 1992), and the preservation of costly investments in the face of defection would certainly fall under this heading. Hence norms discouraging movement, or casting the defector as a "traitor" to the neighborhood, would seem likely to appear over time in such situations. In Boston, for example, these norms against movement became evident in the Catholic parishes—with the unintended side effect of also encouraging a "strong sense of turf" that led to violence against others impinging on the neighborhood (Gamm 1999, 15). As the norms

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[69] It's been claimed, for example, that moving from an area destroys the usefulness of certain configurations of social capital, increasing social isolation, crime, or even making it more difficult for a child to succeed at school (Coleman 1990, 315-318; Bursik and Grasmick 1993, 27-37; Hagan et al. 1996; Briggs 1998; Rankin and Quane 2000).

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become internalized they are also carried into other contexts—which is why people like

Yamagishi could find them in laboratory settings.[70]

While the origin, strength, and portability of such norms are interesting questions

in themselves, for us the important point is that individual decisions to move are likely to

be swayed by more than just the tax and service bundle provided by the government, or

even individual wealth, but also by the context in which that individual is embedded and

their level of investment in the preservation of that context.

Table 6-4 allows us to push a little further into just how important individual

access to patterns of social capital are by presenting the impact of in-neighborhood ties

on neighborhood satisfaction while controlling for the presence of service associations.

Age, income, race, and having moved recently are again included as controls.

Table 6-4 about here.

It can be tricky given the propensity of in-neighborhood ties to support service

associations to determine if those ties have an impact on satisfaction independent of

associations. However, the answer appears to be a qualified yes. Given its statistical

significance, the chance of Type I error is greater than we might normally feel

comfortable with, yet it must also be recognized that the in-neighborhood measurement

in the 1996 Indianapolis-St. Louis Political Network Election Study excluded all in-

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[70] Norms can either be viewed as an external constraint on behavior—informal laws—that would be
specific to context, or internalized ways of thinking or behaving that are carried with the individual across
contexts. The first likely evolves into the second over time. See, Ullmann-Margalit 1977; Axelrod 1986;
Coleman 1987; and Crawford and Ostrom 1995.

neighborhood ties that are relatives. Hence the sample we are looking at here is smaller, and the error terms are consequently bigger, than they probably need to be.

In Graph 6-4 the influence of service associations on neighborhood satisfaction is shown for individuals at the two extremes: those with networks completely comprised of in-neighborhood ties and those whose ties all lay beyond their immediate surroundings.

Graph 6-4 about here.

For both extremes living in a neighborhood with a service association increases self-reported satisfaction with that neighborhood. There are two points worth noting: first, having in-neighborhood ties still increases satisfaction even in the presence of service associations (about 4% more likely to report satisfaction). One way of understanding this is that, as seen in chapter three, networks act as a kind of conduit to the surrounding social capital context.[71] In other words, just living around people who belong to the association is good, but having a lot of local ties (some of which would presumably include members of the association) is even better.

Second, the impact of living within the boundaries of a service association is less dramatic among those with a high concentration of in-neighborhood ties (about a 5% change) than for those without such ties (a 10% change). This might be understood as further evidence that these two forms of social capital enjoy some degree of fungibility; those with a high concentration of in-neighborhood ties are benefited by a formalization of those ties, but not as much as would someone starting without any kind of social tie at

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[71] For neighborhoods with a service association, individuals with all their ties in-neighborhood would report 97.3% satisfaction with the neighborhood, 5% higher than would someone living in that same context but lacking the interpersonal ties. Within each type satisfaction for those with no in-neighborhood ties increases from 82.3% to 92.6% while all in-neighborhood ties increases from 93.3% to 97.4%.

all. Perhaps an even more intriguing hint of this substitutability between the two is that the probability of reporting satisfaction with all in-neighborhood ties but no service association is 92.6%. This is nearly the same (93.3%) as someone with absolutely no in-neighborhood ties but living within a service association boundary.

Conclusion

To fully appreciate what has been called the "challenge of democracy," we need to be willing to think of citizen participation in terms beyond that of just citizens giving orders to government through the medium of the vote. Indeed, limiting self-government to such a scope encourages an understanding of politics as a win-lose situation managed through command-and-control principles. Vincent Ostrom has argued that the very premise of democracy is placed at risk when such relationships take the place of "principles of self-responsibility in self-governing communities of relationships" (V. Ostrom 1997, 4). I understand this as a call to broaden our conception of citizen participation to include voice, exit, and internal solutions to common problems. However, part of that broadening must include a better understanding of the social context within which the individual is embedded. Context can enhance or deny certain venues of participation, and the shaping of that context itself gets to the core of self-government.

Acknowledging Hirschman's argument that there is a "seesaw" relationship between exit and voice, I have tried to, in a necessarily introductory way, see how the social context relates to each of those activities. In particular, most of this chapter has focused on the likelihood of exit from the neighborhood. Research on exit has generally

emphasized either aggregate trends as a way of checking for the predicted efficiency effects, or individual measures of neighborhood satisfaction on the presumption that the move was correlated with such feelings. While the aggregate measures have generally borne out the theory, the microfoundations of such behavior have been more troublesome. That is to say, research on the issue suggests that people often lack the presumed information about variations in tax and service bundles across neighborhoods and what knowledge does exit is apparently ignored by a large number of the movers.

Though smaller numbers of informed movers may still be able to produce the predicted efficiency effects as long as their behavior is "Tiebout rational." However, this still leaves unresolved the more basic question of why a larger percentage of the population is not using exit as a solution to neighborhood problems. I have shown that part of the answer to that question is to be found in the social capital structures available to the individual. Social capital organized in the form of service associations, for example, increases individual satisfaction with the neighborhood. Partially this is because the very purpose of such an organization is to provide those services that might have otherwise prompted a move. This is a finding that might well be incorporated into the aggregate models as well, as calculations of a neighborhood's tax and service bundles are necessarily skewed if alternate providers of public services are excluded from the analysis. Additionally, because social capital represents an investment of time and resources, there are significant exit costs—costs that could conceivably result in individual exclusion from, or even the destruction of, that capital. Hence individual behavior is also likely to be influenced by norms and sanctioning mechanisms generated in the interest of self-preservation of the capital.

The increased satisfaction generated by service associations was not exclusive to the associational membership, but tended to spill-out into the surrounding neighborhood. In fact, the poorest within the neighborhood stood to gain the most in terms of satisfaction from the presence of service associations. Though this still leaves many questions regarding the impact of service associations on nonmembers unanswered, it does suggest that we should not be too quick to dismiss such self-organizing efforts as limited in the kinds of people they can benefit.

Lastly, as demonstrated earlier, the more sophisticated forms of social capital, such as associations, are often based upon a foundation of more elementary forms of social capital. In this case, service associations were earlier shown to benefit from the presence of interpersonal ties concentrated within the neighborhood. But is this characteristic of the network beneficial because of the resulting type of associations, or is such a dimension of the network beneficial in and of itself? Though difficult to disentangle such relationships, it appears that in-neighborhood ties are beneficial to the individual beyond their influence on service associations. In fact, as found earlier in South Bend neighborhoods, these close spatial ties appear to serve as a conduit to the associational context, increasing the satisfaction benefits of a service association to the person with in-neighborhood ties beyond that association's benefits to one without.

Service associations or advocacy associations, spatial distance or social distance, with any of these we could appropriately say that the individual has "social capital." Yet how useful is such a statement? An exclusive focus on the "presence" of "absence" of social capital while ignoring the structural characteristics of that capital is imprecise at best and inaccurate at worst. Homogeneous portrayals of social capital ultimately prove

to be an intellectual dead-end precisely because they steer us away from the causes and consequences of internal differences in capital structure. The alluring image that has been painted of social capital is one where the presence of social capital explains successful collective action and its absence explains the apathetic, stagnant, or powerlessness of an area. The problem with painting with such a broad brush is that we are unable to explain why a neighborhood with information associations appears to be lacking in voice or why a neighborhood with service associations has little turnover—for we are forced to assume that all associations are of equal worth for every activity. Those that do not appear to be "effective" must be either disqualified as social capital or the concept loses much of its explanatory power. Such definitional sophistications, however, have caused the concept to flirt dangerously close to tautology at times.

In this chapter I have tried to show that the structure of social capital, both at the network level and especially at the associational level, has pronounced consequences for the kinds and intensities of activities that we see in the neighborhoods. And, while I have been primarily concerned with the kinds of activities that might be considered beneficial to the neighborhood, such a conceptualization can easily accommodate social capital configurations that support neighborhood gangs, ethnic divisions, or the patronage relationships typically excluded from a homogeneous understanding of the concept.

Table 6-1	**Impact of Various Capital Measures on Political Participation**		
Variable	**Coefficient**	**Standard Error**	**P>|z|**
Political Expertise	0.07543	0.02279	0.001
Neighborhood Ties	0.07124	0.08993	0.428
Service Context	-0.11355	0.17769	0.523
Advocacy Context	0.32038	0.24515	0.191
Assoc. Member	0.56261	0.17673	0.001
Income	0.30939	0.07824	0.000
Education	0.12075	0.03815	0.002
Age	0.02702	0.00570	0.000
Race	-0.90751	0.23036	0.694

Ordered Logit estimates   N=844   Pseudo R^2=0.0828

Graph 6-1 Predicted Probabilities for Political Participation

Graph 6-1a: The Impact of Political Expertise Within the Network on Participation
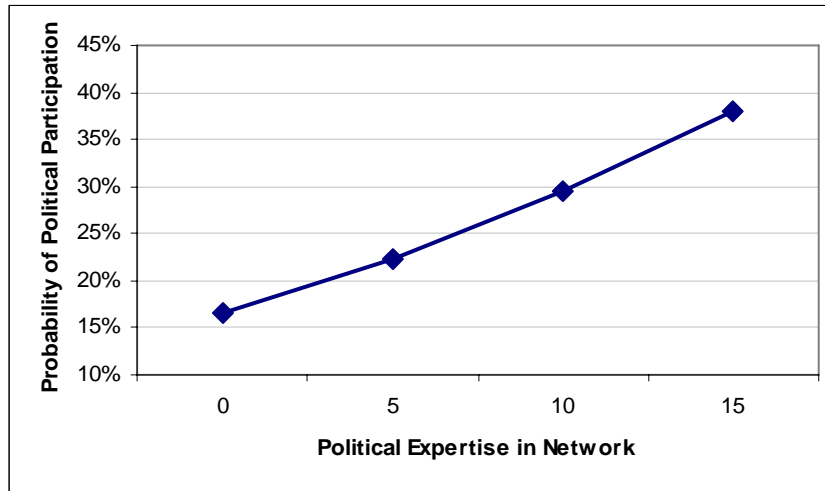
Respondents were asked to evaluate how much each discussant "knows about politics" (which was coded so that 0=no discussant, 1="Not much at all", 2= "An average Amount", and 3= "A great deal"), with a possible network range of 0 to 15.

Graph 6-1b: The Impact of Association Membership on Participation
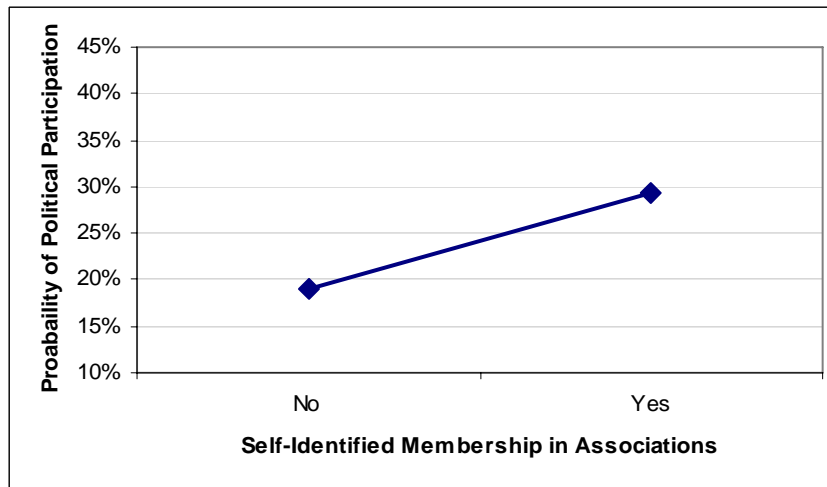
(Graph 6-1c on next page)

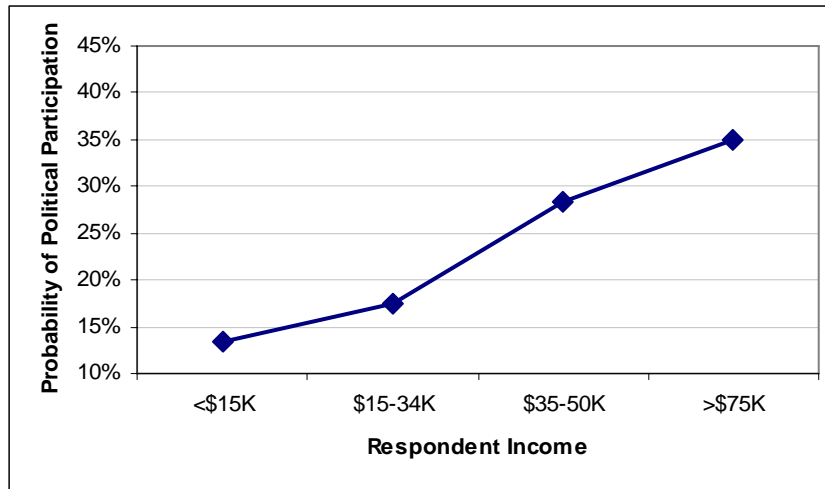Graph 6-1c: The Impact of Income on Participation

Table 6-2	The Impact of Neighborhood Satisfaction on Willingness to Move		
Variable	**Coefficient**	**Standard Error**	**P>|z|**
Satisfaction	-0.94515	0.10407	0.000
Age	-0.03793	0.00618	0.000
Income	0.14929	0.06782	0.028
Recently Moved	-0.03471	0.10037	0.730
Race	0.21499	0.21177	0.310

Logit estimates   N=980   Psuedo R^2=0.1370

Graph 6-2 Predicted Probabilities of Indicating Willingness to Move

Graph 6-2a: The Impact of Neighborhood Satisfaction On Considering a Move
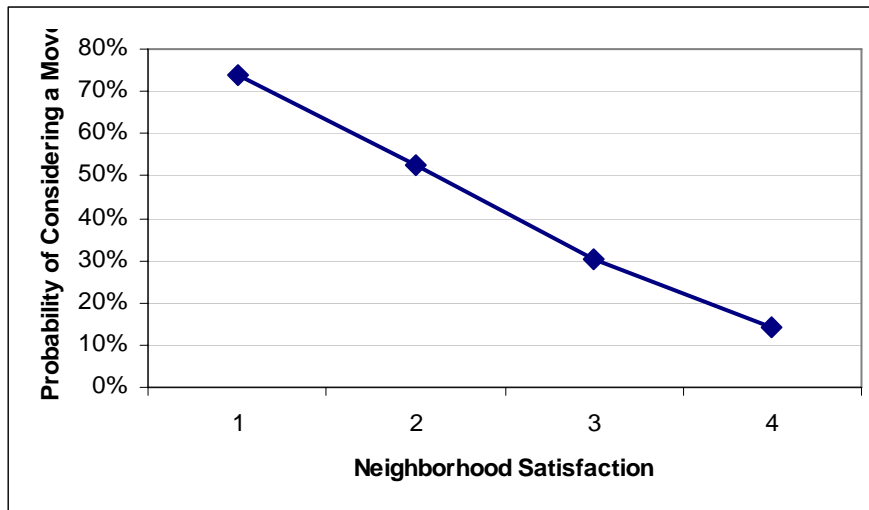
Respondents were asked, "Thinking generally about your neighborhood, how satisfied are you with it?" where 1="Very dissatisfied," 2="Somewhat dissatisfied," 3="Somewhat satisfied," and 4="Very satisfied."

Graph 6-2b: Impact of Respondent Age on Considering a Move
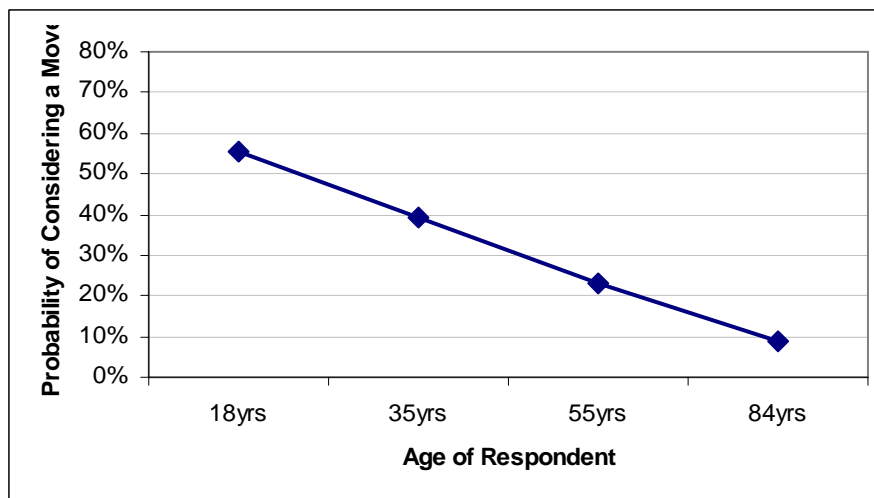
(Graph 6-2c is on the next page)

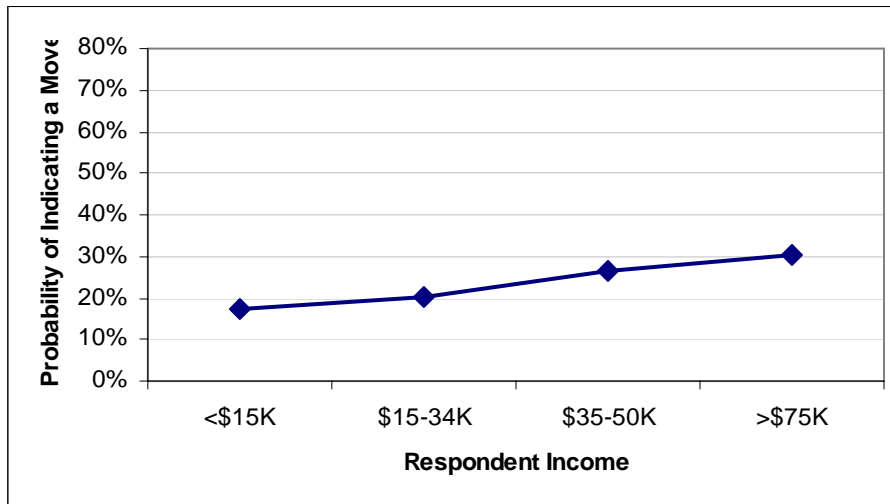Graph 6-2c: The Impact of Income on Considering a Move

Table 6-3	The Impact of Association Presence on Neighborhood Satisfaction		
Variable	**Coefficient**	**Standard Error**	**P>|z|**
Service Assoc.	1.10022	0.25962	0.000
Advocacy Assoc.	0.20682	0.24945	0.407
Moved Recently	0.06513	0.12225	0.594
Age	0.01388	0.00685	0.043
Income	0.37599	0.08841	0.000
Race	0.56202	0.21967	0.011

Logit Estimates   N=993   Psuedo R^2 =0.0832

Graph 6-3

**Predicted Probability of Indicating Neighborhood
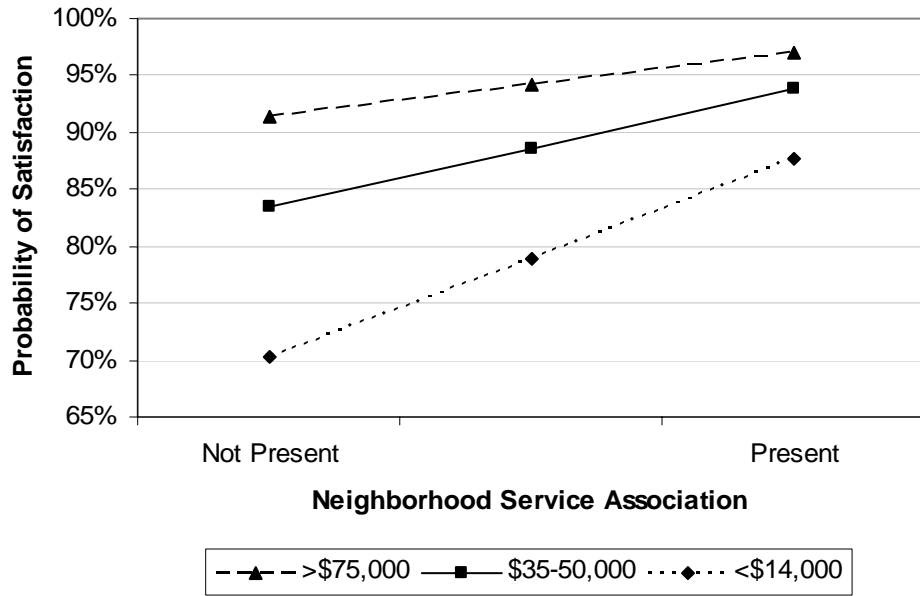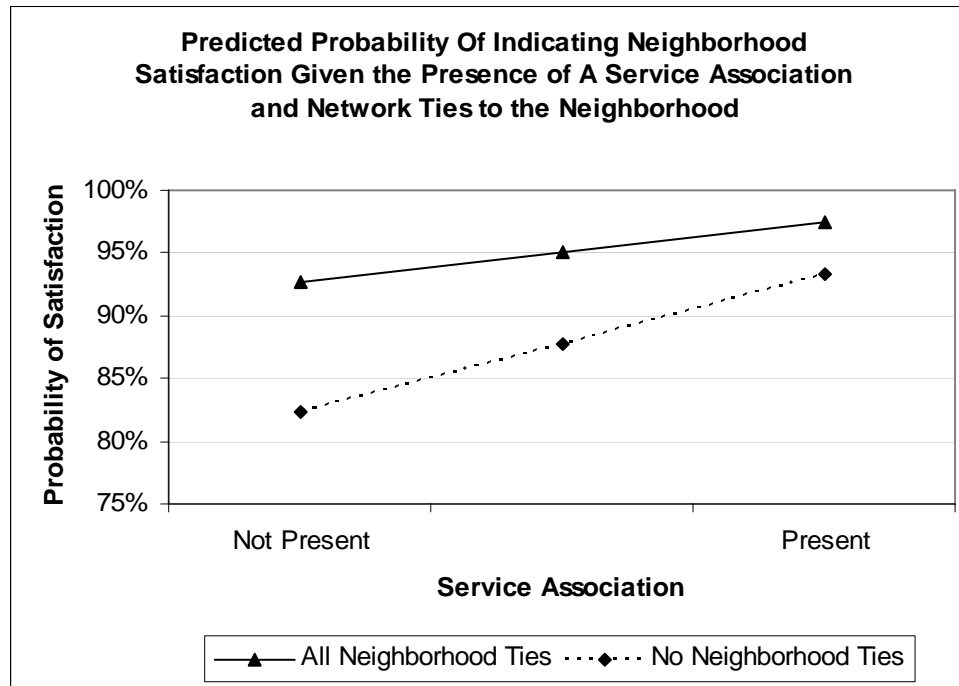Satisfaction for Different Income Groups Given the Presence
of A Service Association**

Table 6-4 The Effects of In-Neighborhood Ties on Indications of Neighborhood Satisfaction as Mediated by Service Associations.			
Variable	**Coefficient**	**Standard Error**	**P>|z|**
Service Assoc.	1.05158	0.26656	0.000
In-neighborhood Ties	0.19709	0.11726	0.093
Moved Recently	0.11182	0.12845	0.384
Age	0.01241	0.00714	0.082
Income	0.36818	0.09234	0.000
Race	0.59726	0.22905	0.009

Logit Estimates   N=921   Psuedo R^2 =0.0853

Graph 6-4

**Predicted Probability Of Indicating Neighborhood
Satisfaction Given the Presence of A Service Association
and Network Ties to the Neighborhood**

Chapter Seven
The Structural Theory of Social Capital

Trying to instill the proper *gravitas* to their actions in 1787, Alexander Hamilton wrote that their efforts in Philadelphia were destined to decide "whether societies of men are really capable or not of establishing good government from reflection and choice, or whether they are forever destined to depend for their political constitutions on accident and force" (Federalist #1: Rossiter 1961, 33). Time has vindicated Hamilton and those involved in the American "experiment"; few would now dispute the ability of a duly authorized body to constitute a series of rules and institutions with which to effectively govern their country. Yet, in an important sense, the discipline of political science is still trying to formulate our own response to Hamilton—or, more accurately, a scientific response.

The spread of statistical methods in recent decades has moved the discipline beyond the days of simple categorization and classification of political systems to more nuanced explorations of probability and causation. Likewise, powerful models of rationality have made explicit the ability of incentives and rules to shape decisions. Still, there are limitations. In particular, the emphasis on aggregate analysis has lent a certain deterministic flavor to our models. Individuals are acted upon, rather than acting. We can easily show the importance of external factors on individual behavior—how income, for example, influences incentives to vote—but we have been generally less effective at

portraying individuals as entrepreneurs capable of changing their own incentives. Yet this is precisely the question that Hamilton wanted answered.

Social capital has been appealing because: first, it offers a way of embedding the individual into a context of resources and incentives. Hence it provides a conduit through which influences such as norms and patterns of communication can be reconciled with more conventional variables—such as wealth or partisanship. In this work I have focused on the relationship between institutional design and patterns of communication, however, I suspect that similar relationships exist between institutional design and the norms with which individuals are bound.

But second, social capital also has within it an inherent sense of self-action; an assumption that individuals can and do change their context—and that these can be understood as rational responses. Should it reach its potential, social capital promises a central role in the creation of a second generation of rationality models.

In this work I have argued that social capital can only reach that potential if we change our conceptualization of it. Specifically, I have argued that social capital should be understood as the combining of resources in complimentary ways using social structures. That is to say, I believe that the most useful questions are not those concerned with aggregate "amounts" of social capital, but rather, those concentrating on its structure. This structural approach not only standardizes measurement of capital—helping to avoid the trap of circular definitions—but it also forces an explicit logic of causation. Instead of being able to say that a given neighborhood is more active politically because of the presence of neighborhood associations within it, I must demonstrate that there is something about the association that would encourage increased

participation—perhaps that the association increases the individual's exposure to quality political information or that the coercive powers of the association were sufficient to overcome individual incentives to free-ride.

What follows is a brief discussion of some of the highlights of this work followed by a discussion of how these findings might be applied in the policy world.

Insights from the Structural Approach

Arguing that social capital might be understood to have a "grammar" of varying complexity, I have focused on two examples: interpersonal networks and neighborhood associations. Interpersonal networks are arguably the simplest form of that capital, consisting of, in Crawford and Ostrom's terms (1995), "attributes," or resources, an "aim," or product, and "conditions," or a structure. Moreover I discussed seven dimensions across which that structure could vary. Neighborhood associations, on the other hand, are more complex examples of social capital by virtue of deontic operators (members "should" act in certain ways) and the use of sanctions ("or else" in Crawford and Ostrom's grammar). Using survey data from South Bend and Indianapolis, Indiana, I have tried to show that variations in the structure of both networks and associations correlate differently with individual participation in political activities, civic activities, or even "exiting" from their neighborhood.

Social vs. Spatial Distance

We saw in South Bend that networks that breached social space, what have often been called "weak ties," are better at connecting the individual with political elites and

correspondingly more likely to encourage recognizably political kinds of behavior—such as attending political meetings, contributing to a campaign, or voting. Geographic distance, however, was also significant in its own way. Ties with neighbors were more important for activity within one's own neighborhood. This is likely due to the ability of these contacts to both transmit local time and place information as well as to enable monitoring of each other's behavior. This is also particularly noteworthy because of the traditional problem of distinguishing between context and type. Are people with a heavy concentration of in-neighborhood ties acting in these specific ways *because* of those ties, or because it is their nature (and the ties themselves are only symptomatic)? The South Bend results appear to lean toward the tie explanation, for if it was just that communicative "types" are predisposed to civic participation then that activity should have correlated with ties both inside and outside of the neighborhood.

Additionally, we saw that while living around others with high concentrations of in-neighborhood ties has "spill over" effects on one's own civic participation, those benefits are mediated by your connections to the neighborhood—or in other words, the more ties you maintain with your neighbors, the more likely you are to benefit from what they have. Hence even moving into a neighborhood rich in "social capital" may not translate into increased incentives for you to become active if all of your ties remain outside of the neighborhood.

Association Design Determines Effectiveness

The formalization of structure and inclusion of sanctioning mechanisms within associations makes them a more complex, but also more widely recognized, form of

social capital than interpersonal networks. One of the most striking things about neighborhood associations in Indianapolis is just how ubiquitous they are—nearly all of the Indianapolis respondents from the 1996 Indianapolis-St. Louis study lived within the boundaries of multiple associations (three associations being the mean). This certainly complicates the study of how neighborhood associations impact individuals, for it means that there is both considerable geographical overlap between the associations (making it difficult to discern just which association is influencing the individual) as well as that there are likely interactive effects between the associations. However, by focusing on the distinct structures of each of these associations, some crucial distinctions emerged.

Just as with studying networks, the specificities of an association's design determine which resources are used, how effectively they are combined, and what the particular output of any given association will be. Introducing additional structural features such as size, compulsory membership (coercion), and the degree of hierarchy present in the association, it became apparent that Indianapolis neighborhood associations exhibit a notable degree of diversity. Associations intended to advocate neighborhood positions tended to be meet frequently yet exhibit low levels of activity. Understandably, because neighborhood residents who refused to join could not be excluded from the advocacy efforts of these organizations, they are faced with a classic free-rider problem. Their response of broad-based, but less involved, activities is a predictable response that minimizes the burden on individuals as well as protecting the association by making it less dependent on the participation of any one individual for its success.

Service associations, on the other hand, are better able to exclude nonmembers from their services, and therefore could benefit from more exacting requirements from

their membership and consequently a smaller size. Hence homeowner's associations, condominium associations and similar providers of public goods tended to be more hierarchical and exerted greater coercive powers. Moreover, in trying to provide those collective goods, mandatory membership and a strong executive appeared to support higher due amounts while, interestingly, other plausible explanations for higher dues (wealthier neighborhoods, more active associations, or larger associations) did not.

Networks Influence Associations

One aspect of social capital that has received little attention is how one form of social capital affects another. Partially this may be due to the fact that homogeneous portrayals of social capital have had no way to acknowledge differing levels of complexity and, consequently, no language with which to begin such an inquiry. Yet given the capacity of networks to empower individuals for different kinds of actions, it is likely that there is some interplay between these two levels. Comparing just three dimensions of the network with types of associations in Indianapolis confirmed significant differences in the kinds of associations present in a neighborhood. Advocacy and service associations tended to have relatively more in-neighborhood ties among respondents located within their boundaries than did associations primarily concerned with information dissemination or addressing low income or housing issues. Indeed, these in-neighborhood connections and the close monitoring they bring may be a necessary condition before individuals are willing to grant the greater coercive powers that service associations require. Future research may want to see if effective means of

monitoring the use of power indeed makes individuals more willing to tolerate the risks of coercion.

By contrast, advocacy associations and service associations differed in the frequency of network contact among respondents located within their boundaries. Indeed, that advocacy associations had a statistically discernable rate higher than service associations is intriguing given the considerable overlap between these two types of associations. Which stimulates a secondary set of questions: why, for example, would these associations tend to occur in the same locations given their different philosophic approaches? Is this an example of Tocquville's observation that "once they have met, they always know how to meet again" (Tocqueville 1988, 521)? Or, in other words, that the skills and organizational habits gained from organizing lowers the costs of subsequent meetings—even if for different purposes? If this is true, then we should expect to see significant overlap in actual membership between the two groups (or, at very least, an overlap in leadership that could carry the skills and lessons from one to the other). Or are these associations coexisting not for complementary reasons, but in reaction to the other?

The last dimension of interpersonal networks I looked at was the degree of political expertise. Both advocacy and service associations tended to have a relatively greater degree of political expertise (access to political elites) among respondents within their boundaries than did information or low-income/housing associations. While this is a characteristic that would mesh well with the purposes of advocacy associations, it runs contrary to the popular perceptions of service associations. Often these groups, such as Homeowner's associations, are criticized for politically "homogenizing" their membership. Though this claim is not without some merit—particularly given the

potential for "informational coercion" that such closed networks present (Huckfeldt and

Sprague 1988)—a look at political disagreement within the respondent networks found

that service associations had more, not less, disagreement than did advocacy associations.

Hence, at the very least, people living within the boundaries of service associations

appear not to be "walled off" from the larger context of political opinion.

Associations Can Discourage Exit

A convincing argument has been made that "exit" should be viewed in some

instances as a political action—and one which may be a more accurate reflection of true

preferences than even voting. However, movement models have largely considered

individual decisions in isolation from a social context. While the decision to move from

a neighborhood is a multifaceted one, satisfaction with the neighborhood clearly plays an

important part. In Indianapolis, satisfaction increased with the presence of a service

association. A possible explanation for this positive impact is that these neighborhood

associations were able to supplement, or even replace, those public services seen as

lacking. If this is true, then the ability of service associations to ease this pressure to

move makes them an important controlling variable for inclusion in future movement

models.

Moreover, looking broadly at the impact of service associations on residents of a

neighborhood, it became apparent that the effects varied with income—the lowest-

income residents enjoying the greatest increase in satisfaction. Though a service

association would logically like to confine benefits to its membership, things like

increased property values tend to ripple out into the community. Hence it is probably overbroad to conclude that such organizations only benefit the privileged few.

Though this work has been by no measure comprehensive nor even exhaustive, I believe that what begins to emerge from these chapters is a sense that the structural approach to social capital provides a consistent and quantifiable way of understanding the importance of context on individual behavior.

The Challenge of Policy

In addition to being a tool of analysis, social capital has received attention for its policy applications: from the World Bank's Social Capital Initiative, to common-pool resources (E. Ostrom and Ahn 2002), to inner city decay (Temkin and Rohe 1998) social capital has been portrayed as having meaning and substance in the lives of individuals. There has been some frustration, however, with a diagnosis of "insufficient social capital" when looking at social problems. Such a broad diagnosis runs the risk of portraying social capital as a kind of cure-all. Unfortunately, cure-alls seldom live up to their name—primarily because they apply a one-size-fits-all solution to problems varying in complexity and causality. Yet depictions of social capital as a homogeneous good have left little space for variation in design or, consequently, in its application. A structural approach provides a means for matching design characteristics of the capital with specific problems or deficiencies in the society.

Sadly this still does not turn social capital into the magic potion of public policy. As discussed in the second chapter, functioning social capital consists of social structures that connect individuals in ways that allow the combining of complimentary resources.

This means that in trying to apply social capital to a specific problem there are additional costs for anyone outside of that specific context to fully understand the nature of the connections, the resources available, or the nuances of the problem to be addressed. Or, in other words, because there is no single suitable indicator of the supply and demand for social capital—as money does in a market—it will be difficult for government or other "outside" entities to effectively recognize and then address those shifts in demand. One strength of social capital is the ability to empower collective action from the inside. But, by the same logic, if it does not happen from the inside, it may not happen at all.

Yet while it may be difficult for government to simply "supply" social capital where it is deficient, effective policies, operating with an understanding of structural grammar, can make some meaningful changes—with a notable caveat: I have discussed in previous chapters two different "levels" of social capital, with the distinction between them being one of complexity. I believe that their differences in complexity also give them differences in how receptive they are to public policy. What I mean by this is that interpersonal networks are realistically beyond the reach of most policy tools—we have generally felt uncomfortable in granting public entities the power to reach into interpersonal patterns of communication. Yet by adding formalized leadership or sanctioning systems to those patterns of interaction, the resulting association is eased into the reach of governmental powers.

Hence, with regards to interpersonal networks, I doubt that there is much that could be done to directly manipulate them—despite the fact that there is a compelling case for doing so. Government has a broad interest in promoting the flow of information necessary for a functioning "democracy" and political and interest groups have vested

interests in the mobilization of their own supporters and the suppression of opposition interests. Some policies might even affect the quality of information available or might exploit the heuristics with which individuals process that information, but to actually change the shape of the networks through which information flows is exceedingly difficult. The innovative use of the internet for networking among Howard Dean supporters in the 2004 Presidential Primary seems the exception that proves the rule (and even then seems to confirm that such dramatic changes must occur from the inside).

Associations, on the other hand, would appear to be more malleable by public means—which may, interestingly enough, also provide an indirect method for influencing network structure after all.

Policy Tool: Guiding Design

At a most elementary level, associations can be reshaped through guidance regarding their institutional design. Examples from irrigation show how outside information can steer common-pool dilemmas to success by sharing lessons learned from similar experiences, such as the self-monitoring incentives of sequential rotation or the ability of graduated sanctions to prevent cooperation from imploding (see E. Ostrom 1992; Tang 1992). From this perspective, then, groups such as the Community Associations Institute, which provide advice and training on how to form and govern community associations (such as Homeowners' associations) are directly encouraging the formation of one configuration of social capital.

Policy Tool: Funding

A second means by which government can influence associations is funding. There are strong incentives for a city to encourage social capital. Not just in a general sense of wanting to encourage greater citizen participation, but cities may see things like neighborhood associations as a way to insure the provision of public services without burdening public coffers (Maloney et al. 2001). To what extent this happens is obscure at the moment, as public accounting does not typically include the amount of money spent by alternate providers on public goods (Dilger 1992, 9). But the incentives for this trade-off are clear and the presence of programs designed to encourage neighborhood associations suggest that cities have recognize this.[72]

The city of Indianapolis, for example, has offered funding grants to those neighborhoods able to form Community Development Corporations (CDCs) in an effort to encourage organization and increase resident involvement in developmental decisions. Hence funding also appears to have some effectiveness in directly forming certain types of social capital. This was also seen in earlier chapters were one category of the neighborhood associations in Indianapolis had the funneling of funding into the neighborhood for housing or addressing low-income needs as their primary purpose. By definition, then, these are both examples of associations that would not survive without top-down support.

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[72] Not only might this option be attractive because it doesn't use public monies, but Dilger notes that previous studies have found that Residential Community Associations (RCAs) have been able to provide public services for 30-60% less than local government. However, should the private provision of public services become widespread throughout a city, it would become difficult for that city to justify its continued provision of those same goods—giving rise to concerns about inequalities in coverage and quality (1992, 89).

However, it was also clear that not all of the associations were equally reliant on funding or contact with organizations outside of the immediate neighborhood. In table 5-4 we saw that while the Low-income/Housing associations on average maintained a high number of contacts to other associations and umbrella organizations (such as CDCs), service associations did not. This is not unexpected given their varied purposes and organization. But what it does mean is that a program of public funding in an attempt to foster neighborhood associations will likely result in the one and not the other. The question then is not can neighborhood grants encourage neighborhood associations, but will they encourage the type of organization needed in a particular neighborhood? A complete answer to this will only be available once we have a better understanding what structures benefit from outside funding and what kinds of outputs those same structures then produce for the neighborhood.

Policy Tool: Shaping the Environment

Third, government has an ability to shape the environment within which associations thrive. Oddly enough, urban planners have been saying for some time that government has an impact on how frequently people interact—particularly in the urban setting. Jane Jacobs, for example, argued that mixed use neighborhoods—ones containing residential, shopping, and work components—encouraged people to both become acquainted with neighbors through repeated contact and to spend more time on the streets walking to the local store or work (Jacobs 1993). Public housing has tried to incorporate similar principles—such as fencing off areas to create "private" ownership, installing porches, or combining paths—in the hope that by increasing interaction and

creating a sense of ownership, the social connections needed for capital formation might result (Bothwell, et al. 1998). Hence urban design might encourage the formation of associations by creating a shared identity and increased opportunities for interaction—though these benefits would hardly be confined to associations alone—interpersonal contacts would likely benefit as well.

This highlights an intriguing point. I earlier said that there was little that government could do to directly influence the saturation or shape of interpersonal networks. Yet we still may be able to indirectly reach them. Chapters four and five of this work suggested that associations may provide an additional conduit for influencing networks. Admittedly the relationship between different layers of capital is a complex one, but given that neighborhood information associations have the enabling of communication within the neighborhood as their purpose, it might be possible to use this kind of an association to either substitute for the in-neighborhood ties or, possibly, to encourage them. As neighbors congregate at the association's meetings, friendships could be formed and discussions could carry out into the everyday life of the neighborhood. Whether this really happens or not, and how frequently, is a matter of debate. One previous study found that group membership tended to generate acquaintances, not friendships (see Temkin and Rohe 1998, 86). Yet for certain wants—say the transmission of political information—such "weak ties" may be just what are needed. Clearly this is speculative as only a cursory look at the connections between networks and associations was included in this work, but it does present some interesting possibilities.

Policy Tool: Polycentric Order

And fourth, a commitment to polycentric governance can encourage the formation

or maintenance of social capital. In looking at participation in America Tocqueville

observed that it was "difficult to force a man out of himself and get him to take an

interest in the affairs of the whole state," for the costs of doing so loomed far larger than

the benefits from an individual's perspective. "But," he noted, "If it is a question of

taking a road past his property, he sees at once that this small public matter has a bearing

on his greatest private interests." From this he concluded that "far more may be done by

entrusting citizens with the management of minor affairs than by handing over control of

great matters…[toward] convincing them that they constantly stand in need of one

another in order to provide for it" (Tocqueville 1988, 511).

There are at least two reasons that polycentric government would encourage

social capital. The first, as Tocqueville indicated, is that because a polycentric system

spreads decision-making throughout levels of government it is able to approximate the

principle of fiscal equivalency (Olsen 1969). Besides the obvious efficiency gains of

such an ordering, it also gives individuals access to power on local levels. Various

studies have indicated that the ease with which collective action occurs can vary based

upon the size or proximity of the benefits—the closer you can get decisions to the

individual the more likely they are to get involved.[73]

The second way that polycentric order encourages social capital is that by

spreading power throughout the society, "*individuals* will have incentives to create or

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[73] Adjusting various features of a prisoner's dilemma—such as the payoff amounts for cooperation or the payoff for defection—can influence the degree of cooperation while still maintaining the essential characteristics of the dilemma. See Lichbach 1996, 67-85 for an overview of various alterations that have been proposed and their consequences.

institute appropriate patterns of ordered relationships" (V. Ostrom 1999, 59 italics in the original). This is distinct from the mobilization effects resulting from the proximity of government, and instead results from the limited form that polycentric government assumes. Indeed, we typically justify limited government with the argument that citizen self-action is desirable and should be encouraged. This, however, presents a paradox: how can you promote nongovernmental action through government? Consider the case of the collective provision of health insurance. David Beito argues that it was government's attempt to strengthen the provision of health insurance—mainly by granting tax incentives to businesses—that ultimately led to the decline of fraternal associations as insurance providers (Beito 2000). No matter how well-designed a voluntary association's sanctioning may be it simply cannot compete with the coercive powers of the state.[74]

One solution is to limit the scope of governmental powers; to carve out realms in which citizens must act if any action is to occur. Yet asking government *not* to act is admittedly difficult to do—as Toqueville explained, it is not the "natural" reaction.[75] Moreover, as with Tocqueville's road, these must be areas in which citizens derive real benefits from acting. And while we do not typically think of it in this way, constitutional rights to speech and assembly are essentially inducements to speak and assemble. They are acknowledgements that government would benefit from communication and self-organization among its citizens and that the best way of promoting those activities is to,

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[74] Interestingly, coercive enforcement of cooperation may actually undermine voluntary cooperation. Yamagishi argues that differences in levels of trust between Japanese and American subjects might be explained by differences in the degree of centralization and coercion found in their respective societies (Yamagishi 1988b, 271).
[75] "I think in the dawning centuries of democracy individual independence and local liberties will always be the products of art. Centralized government will be the natural thing" (Tocqueville 1988, 674).

interestingly enough, exempt them from the coercive powers of the state (compare with

V. Ostrom 1994, 208-211).

Conclusion

In arguing for ratification in 1787, James Madison made a provocative and

underappreciated claim. He said that there were certain characteristics or features needed

in the government not because they were theoretically appealing, but because they

conformed to the "type" or "spirit" of the people in America.[76] One insight into just what

Madison understood this "spirit" or "type" to be occurred during the Philadelphia

convention when the matter turned to the equality of the states in the future senate.

Again, just as under the Articles of Confederation, Madison felt that "too much stress was

laid on the rank of the states as political societies" (Ketcham 1986, 96). This was not to

say that states were unimportant, for Madison also acknowledges that if states were

abolished it would be necessary to "reinstate them in their proper jurisdiction" (Madison

1981, 98), but rather his understanding was that there existed a "gradation" within the

American social order "from the smallest corporation, with the most limited powers, to

the largest empire with the most perfect sovereignty" (Ketcham 1986, 96). States were

"subordinately useful" (Madison 1981, 66) within that order, but so too were cities,

counties, and associations. Indeed, Madison's own opinion was that these

nongovernmental voluntary associations were the "best agents" of them all for many

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[76] Madison's actual phrase is "It is evident that no other form would be reconcilable with the genius of the
people of America…" (*Federalist* #39 1961, 240). In Eighteenth century usage the term "genius" referred
to the spirit, nature, or category of some idea or object—akin to our modern use of "genus" (see Boorstin
1958). Interestingly, Tocqueville also uses the term in a similar way: "It cannot be denied that American
legislation, taken as a whole, is well adapted to the genius of the people ruled thereby and to the nature of
the country" (Tocqueville 1988, 307-8).

kinds of social action (Branson 1979, 242-243). To grant a privileged position to the states, or to concentrate power within them, was just as dangerous to that "gradation" as was concentrating power in the national government.

For Madison, then, the social structure itself appeared to provide a "remedy" to the diseases inherent in republican government. He recognized both the existence and the potential usefulness of self-organization in America. Factions could be used to check faction precisely because factions were a social reality. The true challenge of constitutional design, he consequently argues, is in connecting the constitutional provisions with the "capacity of mankind for self-government" (*Federalist* # 39: Rossiter 1961, 240).

Madison's claim is provocative because it means, in answer to Hamilton, that establishing a successful government from reflection and choice is partially contingent on our ability to comprehend the social structures within which that government will be embedded. A structural approach to social capital, I believe, provides us with a powerful tool to do just that.

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