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Social Capital for Rural Development**

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Introduction

The purpose of this paper is to connect two strands of research on social capital that exist in the literature; research on the sources and on the consequences of social capital. This paper reports on a random digit-dial survey, conducted in June 2003 in the state of Georgia. The survey was designed to test correlations between motivations for social control (as seen by looking at the behavior of returning lost money) and the consequences of social capital (the sets and types of associations and civic engagement of respondents).

Bowling Alone and Social "Connectedness"

One of the hallmarks of the much noted observations on America by Tocqueville in the 1830s was the abundance of associations that lubricated social interaction in the young country. Recent research shows the quality of public life and the performance of social institutions are greatly influenced by the norms and networks of civic engagement (Putnam, 1995). Harvard Professor Robert Putnam has noted that over the past 25 years, Americans have steadily abandoned the civic organizations, PTA's, and other groups and turned responsibility of maintaining community life to institutions of government, schools and other professionals. Putnam uses bowling as a metaphor for this societal change. Where once Americans bowled together in leagues, now we are much more likely to bowl alone. The result of this transformation is a loss of trust, will, and the public network of organizations and associations that produce healthy communities (Putnam, 2000). Putnam posits that these weakened civic ties over the past generation have aided the decline in the quality of education, physical health and happiness, the safety of streets, and the responsiveness of government institutions.

The Theory of Social Capital

These observations have led Putnam and others to examine the role of social connectedness and its effect on communities. This notion of connectedness has led to the development of a theory of social capital, as distinct from financial, physical and human capital. Connectedness is what one has to his or her community through a network of interpersonal relationships, political participation, and civic involvement. This connectedness, or social capital, is perhaps a stronger predictor of quality of life in a community than conventional notions of income or educational levels. This community connectedness has two principle components. The first is social networks, or the extent people are involved with other people in social networks at home, work, play, or public affairs. The second component is a feeling of reciprocity and trust. The norms of reciprocity and trust can grow from involvement in social networks (Regional Leadership Foundation, 2001). A broad definition of social capital includes the features of the structure of social relations that facilitate action (Adler and Kwon, 2000). It is the sum of resources (and constraints) available to an individual or group by virtue of the location in the structure of these more or less durable social relations. It is the features of social life — networks, norms of reciprocity and mutual trust — that enables participants to act together more effectively to pursue shared objectives (Putnam, 1996). Social capital enhances the benefits of investments in physical and human capital (Flora, 1995). Social capital constitutes the cultural component of modern societies (Fukuyama, 1999). In essence, the theory of social capital adds a much neglected social dimension to the development equation. What is less clear however are the sources or motives, of these actions (Schmid, 2000).

Sources vs. Consequences of Social Capital

While the above definition of social capital begins to introduce a new component to development thinking, it may only represent the manifestations of social capital and not the source itself. Fukuyama (1999) defines social capital as an instantiated informal norm that promotes cooperation between two or more individuals. What arises from this informal but concrete norm is the trust, networks, and civil society that Putnam and others have measured. Thus a definition of social capital rests on its sources rather than its consequences. The interdisciplinary Social Capital Initiative (SCIG) at Michigan State University focuses on a person or group's sense of obligation (or sympathy) toward another person or group (Robinson, Schmid, and Siles, 1999). Social capital makes it possible for a person to derive utility from the welfare of others, from regard given by others, and from giving regard. Social capital increases when "synergistic activities such as mutually beneficial economic exchanges, participation on the same team for a mutually beneficial prize, supporting causes for which there is mutual agreement are likely to increase the stock of social capital."

In economic terms, social capital can also lead to rent-seeking by interest groups, or worse. This equates it to a person's or group's sympathy or sense of obligation rather than to the potential for preferential treatment resulting from a person's or group's sympathy. Hence, the source of social capital is a person's sense of obligation to others. The consequence of this sympathy or sense of obligation may result in preferential treatment — producing either societal positive or negative results.

Survey

Following the work by Schmid (2002) on distinguishing motives and outputs of social capital, a survey instrument was developed to distinguish self, sympathy and norms as motivating behavior and to correlate that behavior with the consequences of social capital in terms of community and associational activity.

The analysis in this study was based on a telephone survey of Georgia residents using a random dial approach. The survey was conducted by the University of Georgia Survey Research Center between June 13 and July 1, 2003. The design of the study called for conducting a total of 500 telephone interviews. Random digit dialing (RDD) probability sampling was used to insure all residents of Georgia a near equal probability of selection. To achieve 500 interviews, 1,238 phone contacts were made, representing a 40.4% response rate.

The survey covered only residential households. The non-response numbers included business numbers, respondents who were unavailable, non-working numbers, answering machines, no answer/busy, or strange noise. The 500 responses represent a statistically valid sample of the population of Georgia at the 95% confidence interval (with a sampling error of +/- 4.3%). The survey was pretested by administering the instrument to 60 people outside of the Athens, Georgia local area. Additional pretesting was conducted statewide with revisions. The pretesting resulted in 61 survey items, including demographic information.

The first question in the survey asked whether respondents would return a lost wallet with \$1,000 to an owner who is unknown to them. The lost wallet format has a long history of use in social science research. However, as Schmid notes, motives for returning the wallet have been little investigated (2002).

The respondents were asked to allocate 100 points among three reasons for returning the wallet: sympathy for the person, the ethical thing to do (rule following) and reward or praise. Since mixed motives exist, the respondents were not asked to choose one motive but to allocate importance using 100 points.

If a person returns the wallet due to a feeling of ethical obligation — it's the right thing to do — they are consistent with a code or norm. There is no requirement to care for the other person, rather the action is a result of norms of behavior that are learned (do unto others). Of course, such norms or rules can change, altering the result. Returning the wallet out of a desire for reward or praise also requires no caring, and no social capital is needed. Returning the wallet out of a sense of sympathy or obligation for another person does indeed require affinity or caring. Defining social capital as trust, reciprocity and mutual obligation means those who are motivated by affinity or caring may exhibit higher levels of social capital — or higher levels of the manifestation of social capital in terms of community behavior.

Consequently, after asking the lost wallet question (and a follow-up on how the respondents perceive others behavior) the survey asked a number of questions about associational activities. The questions were selected from the Social Capital Benchmark Survey 2000 conducted by the Roper Center for Public Opinion Research as developed by Putnam and others. The Benchmark survey was designed to measure people's civic engagement.

The results of the response to the lost wallet questions were then correlated with the respondents' level of civic engagement. The question to address is, do those who exhibit sympathy and caring in their answers to the lost wallet question also exhibit higher levels of civic engagement? In essence, does the motivation for social capital lead to higher levels of manifestation of social capital?

Survey Results

To test the correlations between how respondents answered the lost wallet question and associational (and other) activities, mean testing was employed. Depending on question response (yes/no versus categorical), either a two sample t-test (SAS procedure TTEST) or a means separation test (SAS procedure GLM) was performed. Both test the hypothesis that the two (or more) means are equal. Failure to reject the null hypothesis only indicates any difference in population means is not large enough to be detected given the sample size. For the two sample t-tests, t statistics were computed based on the assumptions of both equal and unequal variances between the two groups. Duncan's multiple-range tests were performed for means separation tests.

As shown in Table 1, nearly all respondents said they would return the wallet (97.4%). Ethical motives dominated the reason for returning the wallet (53 points), with few (5 points) doing so due to a reward. The average of 42 points were allocated for sympathy. While nearly all would return the wallet, about two-thirds of the respondents did not believe others would return their wallet. In addition, for those who did think their wallet would be returned, reward as motivation increased (14%) while the other motives declined. If social capital concerns reciprocity and trust, respondents seem to have a skeptical view of their neighbors. As expected, the locus of social capital is much closer when people must allocate resources from their town to a foreign country.

Associational Activities

Looking at the associational activities of the respondents, the sample of Georgia citizens are overwhelmingly Christian (mostly Protestant), are members of religious a community (77%), predominately conservative churches (45%) and attend church every, or almost every, week (64%). Two-thirds take part in other religious activities other than Sunday worship.

Involvement in other types of groups appears fairly low. Participation with charitable or social welfare groups was noted by 42% of the respondents. For all other groups, involvement ranged from 4% (on-line groups) to 35% (parent organizations at schools).

The above is also reflected in how the respondents financial contributions were distributed. When contributing to a religious group, 45% of the respondents reported giving more than \$500 a year while only 23% reported giving that amount to other groups.

Volunteer work followed the same pattern where 75% of the respondents do something at their place of worship, followed by school (46%). Other volunteer categories are below 40%.

Motivations and Associations

Table 2 shows the statistical relationships between how the respondents answered the question regarding their motivation for returning the wallet and their participation in associations. The asterisk (*) indicates the respondents participation in a group made a difference in how they answered the motivations question . As shown, for only 10 of the 30 associational categories tested was there a correlation with motivations for returning the wallet. Further, only five activities were correlated with sympathy.

Looking first at religious activity, the significant correlations are between how people allocated points to the reward motivation and how often they attend religious services and whether they volunteer at their place of worship. As seen in Table 3, the mean response shows

that those who attend a religious service almost every week allocated the least points to the reward motivation while those attending once or twice a month allocate the highest reward points, yet still low at 9.3 (but nearly twice the population mean). There was no statistical difference among the other categories of attendance. For those who volunteer at their place of worship, the mean response in the reward category was lower than those who do not volunteer. For those who contribute money to a religious organization, the mean points allocated were highest in the ethical category, followed by sympathy, for all levels of contribution. Across all three motivations, the mean response for those who contribute more than \$5,000 per year was significantly different than all other contribution categories: at the highest contribution level the ethical motivation accounts for nearly 70% of the motivation. Additionally, for those contributing less than \$100 the 10.2 mean for the reward motivation was the highest in that category and statistically different than the other contribution levels.

In terms of non-religious associational activities, there was correlation between whether a person was part of a professional/trade organization and the sympathy motivation. In this case, a respondent who was in a professional/trade group allocated fewer points to sympathy than those not in such a group. Whether a respondent was in an arts group had an affect on both the sympathy and ethical motivation. If involved in an arts group, the sympathy motivation mean was higher (47.1 to 40.4) than if the person was not in an arts groups. Also, those respondents allocated less to ethical motivation than those not in arts groups. Finally, both those who participate in youth organizations and labor unions allocated more to reward than those who did not.

Volunteering at organizations that work in health care and with the elderly had a significant impact on how a respondent allocated points between the sympathy and ethical motivations. In

both cases, such volunteers allocated fewer points to sympathy and higher to ethical motivations (Table 3). Also, volunteers in civic groups allocated higher points to ethical motivations than those who do not volunteer in such groups.

Motivations and Demographics

Table 4 shows the statistical relationships between motivations and demographic information. Income is the only factor that significantly affects all three motivation responses. Looking at the means in Table 3, as income rises, respondents were likely to allocate fewer points in the sympathy and reward categories and more to ethical motivations. Conversely, lower incomes have both a higher sympathy and reward motivation. Owning a home correlated with lower sympathy and higher ethical motivations. Those living in communities with population between 10,000 and 49,999, as well as those in the country, had lower ethical responses than all others. The mean response by people living on farms were 71.3 points in the ethical category. Those that are registered to vote have higher ethical and lower reward motivations. Marital status correlated with the reward response, particularly by those living together where 32.3 points were allocated, far above all other categories. Employment status affected the reward response, particularly by those who are unemployed (11.5) and those who are stay-at-home parents (2.3).

Of the other significant demographic categories, age presents an interesting result. For all three categories age had a significant impact on the motivation responses. In particular, those in the age group 18-25 had statistically significant difference from all other ages. The youngest group had the highest motivation on both sympathy and reward and the lowest in ethical responses — both caring and opportunism may reside in the young.

Religious Activity and Associational Activity

As noted, the statistical correlations between motivations and associational activity appears weak. One explanation may be the unique responses of respondents from Georgia. On the one hand nearly 80% of the respondents are part of a religious or spiritual community. On the other hand, participation in organizations and groups that the national social capital survey identified as examples of social capital is fairly low. In most cases, less than three of 10 respondents belong to, or volunteer for, groups based outside their religious community. So while most people say they go to church, few participate in other activities.

To examine further the relation between religious activity and associational activity, we tested the correlation between church attendance (every week or almost every week) and association variables using a chi-square test of dependency (95% confidence levels). Table 5 shows that for all of the personal-type groups in the survey there was a correlation between frequent church attendance and those activities, except adult sports clubs and internet groups. There was no relationship between church attendance and all of the public-type groups in the survey, except civic groups (i.e., Kiwanis, Rotary, etc.).

Conclusions

The purpose of this paper was to test whether people's motivations for social capital (the level of sympathy for others, or caring) were related to the products of social capital (associational activities). Given the low participation rate by the respondents in activities outside their religious communities, it is not surprising that there appears little connection between motivations and associations. The strongest connection occurs seems to be between ethical motivations and activities — people do things because they believe they should. This requires no personal connection with others and requires no caring or sympathy. Motivations regarding

reward were generally inversely related to most variables. Volunteering for a variety of causes seems to come mostly from a sense of doing the right thing, or an ethical motivation. Most demographic relationships were also related more to ethical than sympathy motivations.

Beyond motivations, there does seem to be a relationship between religious activity (at least in terms of attendance) and the type of associational activities. There appears to be a connection between church attendance and the types of associations that revolve around personal enrichment or personal connections, while there appears to be little relationship between church attendance and civic engagement activities like voting, or general public action work.

Although the respondents allocated 42 out of 100 points to sympathy for the person who lost the wallet, that level of caring does not necessarily translate into community activities. This could mean that the hypothetical wallet question is not a good measure of the motivations for social capital. Alternatively, this could imply that while people have more than a little sympathy for others this does not mean they engage in associational activities. It could also mean that associational activities are not an adequate measure of social capital.

In any case it is clear that, at least for this population, the connection between sympathy or caring, and civic engagement is questionable. It is not that people lack sympathy for others, it is that caring is not necessarily translated in activities that may affect the development of a community, except perhaps within the confines of a person's religious experience. While individual transactions may be affected by the bonding or bridging aspects of social capital, how that can be developed into an economic development strategy is unclear. If the concept of capital as a productive input to an economy is to be extended to include social capital, it will require further thought on how to exploit the existing feelings of sympathy or caring that do exist.

What is clear from this survey is that the notion of reward, or greed, as a driving force in the economy needs to be rethought. Neoclassical economics, built on the idea of self-utility maximization, may not fully explain actions.

Table 1. Results: Lost Wallet (n=501)

1.	If you find a wallet with \$1,000 and the name and address of the owner (not known to you) would you return it?	
	Yes	97.4%
	No	2%
	Don't know	.6%
2.	Why return the wallet? (Points)	
	Feel sympathy for person who lost it	42
	Ethical thing to do	53
	Reward or praise	5
3.	If you lost a wallet, do you think person finding would return it?	
	Yes	29%
	No	65%
	Don't know	6%
4.	Why would they return it? (Points)	
	Sympathy for you	37
	Ethical obligation	49
	Reward or praise	14
5.	People fall victim to disasters such as illness, accidents, floods, hurricanes, and wars. If you had decided to give \$100 to help such people, how much would you give to each category below?	
	People in your town	\$61
	People in US	26
	People in foreign country	14

Table 2. Correlations Between Activities and Motivations (* indicates correlation)

	Sympathy	Ethical	Reward
Church member	-	-	-
Church identity	-	-	-
Attend religious service	-	-	*
Church activity	-	-	-
Religious - non church	-	-	-
Religious contribution	*	*	*
Non religious contribution	-	-	-
Volunteer worship	-	-	*
Adult sports club	-	-	-
Youth organization	-	-	*
Parent organization	-	-	-
Senior organization	-	-	-
Charity / Social welfare	-	-	-
Arts group	*	*	-
Hobby	-	-	-
Self help	-	-	-
Internet	-	-	-
Veterans organization	-	-	-
Neighborhood organization	-	-	-
Labor union	-	-	*
Professional / Trade	*	-	-
Service club	-	-	-
Ethnic organization	-	-	-
Political action	-	-	-
Other clubs	-	-	-
Registered to vote	-	*	*
Volunteer health care	*	*	-
Volunteer youth	-	-	-
Volunteer elderly	*	*	-
Volunteer arts	-	-	-
Volunteer civic	-	*	-

Table 3. Mean Response: Motivations Where Correlations Exist (* indicates significant difference from others in category)

	Mean points allocated					
	Sympathy		Ethical		Reward	
	Yes	No	Yes	No	Yes	No
Professional / Trade	37.7	43.7	-	-	-	-
Arts group	47.1	40.4	46.1	55.6	-	-
Volunteer - health care	36.9	44.2	58.0	51.4	-	-
Volunteer - elderly	38.2	44.4	57.0	51.0	-	-
Own home	40.5	-	55.4	-	-	-
Rent home	50.0	-	43.2	-	-	-
Volunteer - Civic			58.7	51.4	-	-
Register to vote	-	-	55.4	43.3	5.2	10.0
Youth organization	-	-	-	-	7.8	5.1
Labor union	-	-	-	-	15.9	5.5
Volunteer - worship	-	-	-	-	4.7	9.3
Population						
Over 500,000			54.7			
50,000 - 499,999			64.3			
10,000 - 49,999			48.2*			
Under 10,000			50.6			
Country			48.5*			
Farm			71.3			
Attend religious service						
Every week	-		-		5.1	
Almost every week	-		-		2.9*	
1-2 / month	-		-		9.3*	
Few / year	-		-		7.3	
Less	-		-		5.7	
Employment						
Unemployed	-		-		11.5*	
Retired	-		-		4.3	
Full-time	-		-		6.8	
Part-time	-		-		5.8	
Stay home	-		-		2.3*	
Student	-		-		9.8	
Marital status						
Married	-		-		4.9	

Divorced	-	-	4.2
Separated	-	-	3.3
Widowed	-	-	5.6
Never married	-	-	9.7
Living together	-	-	32.3*
Religious contribution			
0	43.4	49.5	8.9
< \$100	45.1	45.9	10.2*
\$100 - \$500	44.0	50.7	5.5
\$501 - \$1,000	44.0	48.6	8.2
\$1,001 - \$5,000	40.2	57.2	4.0
\$5,000 +	31.0*	69.5*	2.3*
Income			
< \$20,000	51.1*	42.6*	7.5*
\$20,000 - \$40,000	47.7	48.5*	5.1
\$40,000 - \$60,000	44.1	52.4	5.1
\$60,000 - \$80,000	42.2	56.2	6.9
\$80,000 - 100,000	33.6*	63.0*	3.4*
\$100,000 +			3.9
Years living in Georgia			
0 - 10	-	51.5	8.3
11 - 20	-	45.8	8.9
21 +	-	56.1*	4.7*
Years planning to live in Georgia			
0 - 5	-	-	12.2*
6+	-	-	4.8*
Number of children			
0 - 1	-	-	8.5*
2 - 3	-	-	4.4
+3	-	-	3.8
Age			
18 - 25	49.6*	36.6*	14.7*
26 - 35	43.6	51.0	7.0
36 - 45	41.1	56.2	3.8
46 - 55	38.3	60.4	3.5
56 - 65	35.0	63.0	3.9
66+	44.5	50.8	5.4

Table 4. Correlations between Demographics and Motivations

	Sympathy	Ethical	Reward
Years in Georgia	-	*	*
Years planned - Georgia	-	-	*
Years at current address	-	-	-
Own home	*	*	-
Population	-	*	-
Farmer	-	-	-
Gender	-	-	-
Employment	-	-	*
Marital status	-	-	*
People in home	-	-	-
Age	*	*	*
Number of children	-	-	*
Race	-	-	-
Education	-	-	-
Income	*	*	*

Table 5. Type of Associational Activities in Survey

Organizations	Personal groups	
		Volunteer Groups
Youth		Health
Parent		Youth
Senior		Elderly
Charity		Arts
Arts		Civic**
Hobby		
Self-help		
Adult sports*		
Internet*		
Public groups		
Veterans		
Neighborhood		
Labor		
Professional / Trade		
Service club		
Ethnic		
Political action		
Other		
Registered to vote		

* Not related to church activity.

** Related to church activity.

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