

## Social exclusion and social capital: A comparison and critique

Mary Daly · Hilary Silver

Published online: 18 April 2008  
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**Abstract** Social exclusion and social capital are widely used concepts with multiple and ambiguous definitions. Their meanings and indicators partially overlap, and thus they are sometimes used interchangeably to refer to the inter-relations of economy and society. Both ideas could benefit from further specification and differentiation. The causes of social exclusion and the consequences of social capital have received the fullest elaboration, to the relative neglect of the outcomes of social exclusion and the genesis of social capital. This article identifies the similarities and differences between social exclusion and social capital. We compare the intellectual histories and theoretical orientations of each term, their empirical manifestations and their place in public policy. The article then moves on to elucidate further each set of ideas. A central argument is that the conflation of these notions partly emerges from a shared theoretical tradition, but also from insufficient theorizing of the processes in which each phenomenon is implicated. A number of suggestions are made for sharpening their explanatory focus, in particular better differentiating between cause and consequence, contextualizing social relations and social networks, and subjecting the policy ‘solutions’ that follow from each perspective to critical scrutiny. Placing the two in dialogue is beneficial for the further development of each.

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M. Daly (✉)  
School of Sociology, Social Policy and Social Work, Queen’s University,  
Belfast BT7 1NN, Northern Ireland  
e-mail: M.Daly@qub.ac.uk

H. Silver  
Department of Sociology, Brown University, Box 1916 Maxcy Hall, Providence,  
RI 02912, USA  
e-mail: Hilary\_Silver@brown.edu

In both national and international policy circles, there is increasing interest in the confluence of social and economic phenomena. In reaction to the limitations of strict neo-liberal theory and of the “Washington consensus,”<sup>1</sup> politicians, bureaucrats, and academics are rethinking the ways in which economic life intertwines with social structures and practices. Social exclusion and social capital are the two most prominent terminologies that are providing frameworks for re-envisioning the interrelations between economy and society under conditions of social change. They are influential in different locations. Social exclusion is prominent in debates in Europe and Latin America, whereas social capital is the preferred framework concept in the United States and developing countries.

Critiques of these terms abound. Kadushin believes that the issues raised by social capital theory are as old as sociology. Anomie, for example, is just an earlier term for a lack of social capital. Examining a range of empirical findings, he suggests that the term may be unnecessary, and questions whether “this apparent potpourri is clarified or mystified by placing all these phenomena and issues under the single heading of ‘social capital.’”<sup>2</sup> With respect to social exclusion, Silver has similarly commented that the term “is so evocative, ambiguous, multidimensional, and elastic that it can be defined in many different ways.”<sup>3</sup> Both terms are polysemic and vague.

We contend that there is a pressing need to clarify the definitions and indicators of these terms, and that contrasting them is a fruitful way to accomplish this. Comparison should reveal more clearly the constituent assumptions, compass, and theoretical orientation of each. In what follows, we draw upon the literatures on both concepts to identify similarities and differences. We discuss the intellectual histories of each approach, including their respective provenances in European and American social thought. Then, recognizing where they do overlap, we draw a number of conceptual and operational distinctions between the terms.<sup>4</sup> We go on to clarify the divergent agendas of policy makers who have engaged with each concept, before moving on to identify a series of conceptual challenges. The article concludes with a discussion on how theoretical and empirical clarification can proceed. For this purpose, some suggestions are made for strengthening the theoretical propositions of the concepts individually and vis-à-vis each other.

<sup>1</sup> The term depicts an approach dominant in the discourse and policies of Washington-based international financial institutions in the 1980s, which advocated for crisis-ridden economies a reform package of trade and financial liberalization, deregulation, privatization of state enterprises, reduction in public spending, and macroeconomic adjustment. The term developed especially to highlight a move away from the interventionist approach advocated by the World Bank under Robert McNamara. See Ben Fine, *Social Capital versus Social Theory: Political Economy and Social Science at the Turn of the Millennium* (London: Routledge, 2001). See also Francis Fukuyama, “Social capital and development: the coming agenda,” *SAIS Review* XX11/1 (Winter-Spring 2002): 23–37.

<sup>2</sup> Charles Kadushin, “Too much investment in social capital?” *Social Networks* 26/1 (2004): 77.

<sup>3</sup> Hilary Silver, “Social exclusion and social solidarity: Three paradigms,” *International Labour Review* 133/5–6 (1994): 536.

<sup>4</sup> We recognize that comparing and contrasting the two concepts carries the risk of representing them as if each were singly conceptualized. It is obvious to us that they are not. We endeavor throughout to treat the two concepts as differentiated, but for the kind of comparative exercise that is undertaken, it is necessary to focus on the broad themes and general tendencies in the literature taken as a whole.

## Conceptual and other convergences

Social exclusion and social capital each have multiple (if differing) intellectual genealogies (see Fig. 1).

Theoretically, social exclusion draws upon a diverse set of roots. Originating in France in the 1970s and diffusing rapidly in Europe, mainly under the patronage of the EU, and more recently in Latin America as an extension of the study of “marginalization,” the framework is concerned with full participation in all aspects of social life as an end in itself. The concept’s central referents can be traced to a number of political philosophies that have been influential in Europe, in particular, French Republicanism, social Catholicism, and social democracy.<sup>5</sup> From French Republicanism, the concept takes an understanding of the role of the state as the architect of social solidarity. The influence of social democratic and social Catholic thought is to be seen in the concept’s interest in, respectively, redistributive state policies and the strength of familial, group, and social ties and obligations. The concept views social ills not as clearly delimited social problems, but as part of the most fundamental social relation—that of belonging or not belonging to one’s society.<sup>6</sup> The rupture of the social bond can take many forms: abandonment, segregation, assistance, marginalization, and discrimination.<sup>7</sup> As the European usage of social exclusion has intensified, it has become a guiding concept in a wide range of research on deprivation and inequalities. Its emphasis on social relationships, participation, and customary way of life distances the concept from the tradition of work on poverty which focuses more on financial well-being, consumption, and income inadequacy.<sup>8</sup>

Social capital, too, has a number of pedigrees. Among the most proximate have been social exchange theory, network analysis, and rational choice theory, on the liberal side, and communitarianism, on the other. The latter tradition, especially when it draws upon Tocqueville’s concern with excessive individualism and the need for civic engagement, flirts with Republican notions of social exclusion. Unlike Lin (2001) who speaks of an individual’s social capital, referring to ego-centric networks

<sup>5</sup> Silver (1994) elaborates social exclusion in terms of three paradigms. In the first, French Republican tradition of *solidarisme*, social exclusion is the expression of a rupture in the social bond (*lien social*) between the individual and society. The second paradigm, which is situated in the individualist frame of Anglo-American liberalism and which Silver names “specialization,” sees exclusion as occurring when people lack access to economic and social exchanges. In the third approach—termed the “monopoly paradigm”—social exclusion occurs because insiders earn rents by excluding outsiders. The solidarity paradigm locates social exclusion in the failure of integrating processes, especially the cultural and moral infrastructure and group solidarity. In the specialization view, discrimination or group distinctions prevent people from exercising their choices as regards exchanges and social interactions. In the monopoly paradigm, social exclusion results from social closure through the monopolization of key resources by powerful interest groups and the interplay of class, status, and political power.

<sup>6</sup> Alison Woodward and Martin Kohli, “European societies: Inclusions/exclusions?” in Alison Woodward and Martin Kohli, editors, *Inclusions and Exclusions in European Society* (London: Routledge, 2001), 2.

<sup>7</sup> Jean-Francois Ravaud and Henri-Jacques Stiker, “Inclusion/exclusion: An analysis of historical and cultural meanings,” in Gary Albrecht, Katherine D. Seelman, and Michael Bury, editors, *Handbook of Disability* (Thousand Oaks, CA: Sage, 2001).

<sup>8</sup> Graham Room, “Poverty in Europe: Competing paradigms of analysis,” *Policy and Politics* 23/2 (1995): 103–114.

	Social Exclusion	Social Capital
Focus	Normative and participative membership/engagement	Connectedness in networks/exchanges, trust
Dominant orientations	The “social problem”	Social progress
Theoretical referents	French Republicanism, social Catholicism, social democracy	Communitarianism, social exchange theory, rational choice
Regional application	Europe, Latin America	United States, developing countries
Purpose of concept for policy	To (re)frame social problems and promote welfare state reform	To instrumentalize social relations for economic growth and democratic functioning
Desired outcomes	Included individuals, cohesive societies	Collective action, economic growth, democratic functioning
Empirical operationalization	Persistent poverty, long-term unemployment, degree of involvement in social relations	Quantity of memberships, attitudinal measures of trust or corruption, networks, ethnic economies

**Fig. 1** Comparative overview of the two concepts

linking people to others with resources, communitarians like Putnam argue that social capital is a collective attribute that inheres in those aspects of social life that enable people to co-operate. For Coleman too, social capital is associated with particular features of social structure and is a collective good in that the benefits conferred by reciprocal obligations and expectations extend to the group at large (although his preferred units of analysis are calculating individuals).<sup>9</sup> Tocqueville is an important bridging figure, albeit that his many insights on civic relationships are missed when reduced to social capital.<sup>10</sup>

Bringing in Bourdieu complicates matters, given that the guiding interest in his work is how social capital is implicated in processes of exclusion. Bourdieu shares with Lin the idea that social networks produce social capital through the many contacts they generate. For Bourdieu, though, social capital connotes the mobilization by social actors of resources. Connections, group memberships, and

<sup>9</sup> See Nan Lin, *Social Capital: A Theory of Social Structure and Action* (Cambridge: Cambridge University Press, 2001). Coleman argues that “social capital inheres in the structure of relations between persons and among persons. It is neither lodged in individuals nor in physical implements of production.” J Coleman, “Social capital in the creation of human capital,” *American Journal of Sociology* 94 (1988): 100. Putnam also holds that social capital is found in “the features of social organization, such as networks, norms and social trust, that facilitate coordination and cooperation for mutual benefit.” Robert Putnam, “Bowling alone: America’s declining social capital,” *Journal of Democracy* 6 (1995): 67. See also Putnam, *Bowling Alone: The Collapse and Revival of American Community* (New York: Simon and Schuster, 2000).

<sup>10</sup> Paul Lichterman, “Social capital or group style? Rescuing Tocqueville’s insights on civic engagement,” *Theory and Society* 35/5–6 (2006): 529–563; Bob Edwards, Michael Foley, and Mario Diani, editors. *Beyond Tocqueville: Civil Society and the Social Capital Debate in Comparative Perspective* (Medford, MA: Tufts University Press, 2001).

social networks yield power and shape life chances.<sup>11</sup> Bourdieu sees social networks as exclusive, often class-based, and is interested in social capital primarily for how social resources and “distinctions” lead to exchanges that are both reflective of and affect the constant struggle for domination. Social capital is most interesting for how it can be “transubstantiated” or converted into other forms of capital (especially economic or cultural). Individuals who are equal in material capital but different in terms of their social and cultural capital can use social capital to dominate the other. Where Putnam views social capital mainly in terms of quantifiable social relations, Bourdieu (and Coleman too) is interested in its emotional, social, and cultural quality.<sup>12</sup> However, for Bourdieu, the analysis of social capital is a key to understanding the strategic usage of different types of resources in the context of hierarchically organized social life. A lack of access to different types of capital can be constitutive of exclusion.

In conceiving of processes over time, the two concepts both make reference to self-reinforcing vicious or virtuous cycles in which multiple dimensions are inter-related. Thus, Paugam’s process of social disaffiliation moves individuals from a state of integration along many dimensions, through a zone of precariousness or vulnerability as one or more types of exclusion occur, until multiple deprivations and social ruptures make it difficult to re-enter society.<sup>13</sup> Similarly, for Putnam, writing in the language of rational choice, “Norms of generalized reciprocity and networks of civic engagement encourage social trust and co-operation because they reduce incentives to defect, reduce uncertainty, and provide models for future cooperation.... Stocks of social capital, such as trust, norms, and networks, tend to be self-reinforcing and cumulative. Virtual circles result in social equilibriums with high levels of cooperation, trust, civic engagement, and collective well-being.”<sup>14</sup> Because of this internal set of inter-relationships within each framework, it becomes difficult to identify cause and effect. The origins of these processes and their consequences must be sought outside such systems.

Social exclusion and social capital share some substantive concerns as well. The two frameworks delve into the density and quality of social relations, and both stress the importance of active participation as against the contemporary tendency to social isolation, or “being alone,” so to speak.<sup>15</sup> Activation, therefore, has an intuitive appeal in both. In the case of social capital, activation multiplies social resources; in the case of social exclusion, it combats isolation and encourages economic integration. Furthermore, the two concepts contain a strong normative element, viewing participation as a means of social integration. Schuller, Baron, and Field assert that we are witnessing a revalorization of social relationships in political

<sup>11</sup> Pierre Bourdieu, “The forms of capital,” in John. G. Richardson, editor, *Handbook of Theory and Research for the Sociology of Education* (Westport, CT: Greenwood, 1986).

<sup>12</sup> Gunnar Lind Haase Svendsen and Gert Tinggaard Svendsen, “On the wealth of nations: Bourdieueconomics and social capital,” *Theory and Society* 32/4 (2003): 607–631.

<sup>13</sup> Serge Paugam, *La disqualification sociale. Essai sur la nouvelle pauvreté* (Paris: Presses Universitaires Francaises, 1991).

<sup>14</sup> Robert Putnam, *Making Democracy Work* (Princeton: Princeton University Press, 1993), 177.

<sup>15</sup> Some even define social exclusion as a “lack of social capital,” and consider greater participation in community to be an “antidote to social exclusion.” Janie Percy-Smith, *Policy Responses to Social Exclusion* (Buckingham: Open University Press, 2000), 6.

discourse.<sup>16</sup> Indeed, both frameworks have an interest in agency, especially as it is associated with integrative processes. For example, Coleman developed the idea of social capital partly to counterbalance human capital's focus on the individual agent with agency at the collective level. Social exclusion likewise seeks to confirm marginalized individuals and groups as active rather than passive, having a role in their own "inclusion." Because of the emphasis on participation and agency, both terms call for a new division between rights and responsibilities.

This leads to a further commonality—their popularity among policy makers. In some European welfare states, social exclusion has been one of the most influential ideas in the continuing reform of social policy, even to the point of establishing government agencies to tackle social exclusion in France, the United Kingdom, and Ireland. But it is the European Union (EU) that is now most associated with the concept. Adopted as its social policy flagship in 2000, the fight against social exclusion has overseen one of the most expansive periods in the history of EU social policy.<sup>17</sup> By comparison, social capital has infiltrated policy circles in a more diffuse way. Construed as a fragile if not diminishing resource, policy makers seek ways to "generate" social capital.<sup>18</sup> Recognizing that neighborhoods, villages, and ethnic communities in the global North and South can spearhead business start-ups and leverage other assets, many in the policy world regard it as an economic development tool and a strategy for poverty alleviation. Emerging from civil society and sparing of state intervention, social capital is favored also as a source of good governance and a well-functioning democracy. Clearly, both are concepts with political significance.

Overall, without thinking much about it, many use the terms interchangeably, at least in some contexts. For instance, the European Commission writes: "the development of local social capital is also supported by the European Social Funds in the framework of social inclusion activities."<sup>19</sup> A recent overview of British social capital indicators begins, "Social capital is a contested and often indistinctly defined concept. Social capital runs throughout discussions about social cohesion and the integration of deprived and minority groups who are socially excluded from relations with mainstream society."<sup>20</sup> One might assume that the antidote to social exclusion is social capital, and equally that social exclusion depletes the stock of social capital. However, we suggest that the similarities between the two notions require deeper

<sup>16</sup> Tom Schuller, Stephen Baron, and John Field, "Social capital: A review and critique," in Stephen Baron, John Field, and Tom Schuller, editors, *Social Capital: Critical Perspectives* (Oxford: Oxford University Press, 2000), 13.

<sup>17</sup> It is important to note that social exclusion had appeared in EU discourse for at least 10 years before the Lisbon agreement. See Mary Daly, "EU social policy after Lisbon," *Journal of Common Market Studies* 44/3 (2006): 461–481.

<sup>18</sup> See David Halpern, *Social Capital* (Cambridge: Polity Press 2005); see also Marc Hooghe and Dietlind Stolle, editors, *Generating Social Capital: Civil Society and Institutions in Comparative Perspective* (Basingstoke: Palgrave Macmillan, 2003).

<sup>19</sup> European Commission, *Social Inclusion in Europe 2006—Implementation and Update Reports on 2003–2005 National Action Plans on Social Inclusion and Update Reports on 2004–2006 National Action Plans on Social Inclusion* (Luxembourg: Office for Official Publications of the European Communities, 2006), 33.

<sup>20</sup> Adam Coutts, Pedro Ramos Pinto, Ben Cave, and Ichiro Kawachi, *Social Capital Indicators in the UK: A Research Project for the Commission for Racial Equality* (London: Ben Cave Associates, 2007).

investigation. The next sections contrast them in terms of conceptual, methodological, and policy dimensions and usages, drawing out some critical shortcomings of each.

### Conceptual contrasts

Social exclusion and social capital may share a general concern with social relations and active participation, but the frameworks have very different understandings of what these are and why we should be interested in them. In Coleman, the central social relations are reciprocal exchanges within networks. In Putnam, relations primarily consist of face-to-face interactions in the context of civic engagement, while for Bourdieu, they are unequal interactions associated with the transubstantiation of different forms of capital. In contrast, social relations in the social exclusion framework refer to social solidarity, cohesion, or the moral bonds of rights and obligations that knit a broader society together. Social relations in this approach have moral and symbolic elements, encompassing respect and recognition whereas from the perspective of social capital social relations are manifested by connectedness, trust, and exchanges.

The sources or origins of the ideas also differ. The first usages of the term “social capital” were academic and, in comparison with social exclusion, social capital has seen much greater intellectual endeavor. As a result, social capital is more developed in conceptual terms than is social exclusion, which has not only had its most sustained elaboration in policy circles but arguably lacks an independent, intellectual track record and identity. As a term if not as a concept, it originated in political discourse. René Lenoir and Jacques Delors are credited with disseminating the term in French and European policy circles, respectively.<sup>21</sup> It has continued to be the case that social exclusion owes its elaboration and promulgation more to policy making than academic activity. With the needs of policy makers uppermost, scholarship on social exclusion had a strong empirical orientation, directed mainly towards identifying the constituent elements and empirical manifestations of the phenomenon of social exclusion. Therefore, work on social exclusion remains more descriptive than analytic, with some notable exceptions.<sup>22</sup> Perfecting exclusion measurement is prioritized so as to monitor progress towards policy targets and to identify successful policies.<sup>23</sup>

<sup>21</sup> See H. Silver, “Social exclusion and social solidarity” (1994), and Serge Paugam, “Introduction: La constitution d’un paradigme,” in Serge Paugam, editor, *L’exclusion: L’Etat des saviors* (Paris: La Découverte, 1996).

<sup>22</sup> Ruth Levitas, *The Inclusive Society? Social Exclusion and New Labour* (Basingstoke: Palgrave, 1998); Robert Castel, *Les métamorphoses de la question sociale* (Paris: Fayard, 1995); S. Paugam, *La disqualification sociale. Essai sur la nouvelle pauvreté* (1991); David Byrne, *Social Exclusion*, second edition (Maidenhead, Berks: Open University Press, 2005).

<sup>23</sup> The EU has devoted considerable resources to benchmarking and measurement of social exclusion. This has been a primary task of the Social Protection Committee, the expert body that, consisting of delegates from each member state, serves as a vehicle for cooperative exchange between the European Commission and the member states in regard to modernizing and improving social protection systems. The Committee established an Indicators’ Sub-Group to work on the development of indicators and statistics in support of its tasks. Measurement and monitoring were also prioritized by the Luxembourg Presidency of the European Union during the first six months of 2005. A number of academics were commissioned to write a review, around which a Presidency conference was later convened (on 13–14 June 2005). See Anthony Atkinson, Bea Cantillon, Eric Marlier, and Brian Nolan, *Taking Forward the EU Social Inclusion Process* (Luxembourg: Ministère de la Famille et de l’Intégration, 2005).

Of the two concepts, conceptualizations of social capital are the more manifold and diverse. Some conceive it as a consequence of rational self-interested behavior, others as disinterested civic virtue.<sup>24</sup> Lin treats social capital as an individual asset that derives from social relations. Despite other differences with Lin's approach, Bourdieu too stresses social capital as a resource: "social capital is the aggregate of the actual or potential resources which are linked to possession of a durable network of more or less institutionalized relationships of mutual acquaintance and recognition—in other words, membership in a group—that provides each of its members with the backing of the collectivity-owned capital, a 'credential' which entitles them to credit, in the various senses of the word."<sup>25</sup> Bourdieu emphasizes the exclusive nature of the networks upon which social capital rests. For Putnam, in contrast, social capital is a collective asset, being a property of communities, cities, and even nations.<sup>26</sup>

As mentioned, there are several approaches to social exclusion. Liberal conceptions of exclusion emphasize discrimination, or the unequal treatment of equal citizens on the basis of irrelevant social characteristics. A more Weberian tradition places poverty and inequality at the center. The two approaches owe much to the social problems, empiricist orientation of British social science. In what is probably an oversimplification of the differences between the two, Room suggests that the British approach is more concerned with distributional issues, whereas the European approach emphasizes social relations.<sup>27</sup>

A further difference between the two concepts is in their respective driving set of interests. Although both examine socioeconomic relations, social capital has a strong resonance with economic sociology in that the driving power behind the idea is the social embeddedness of economic action; having friends and influential social networks improves your economic situation. Social exclusion speaks to a different set of sociological interests, namely, the social consequences of structural shifts in society—the economy can rob you of your friends and acquaintances—and how policy has responded to them. Paugam, for example, understands poverty as a process that stems from labor market disadvantage and that can result in the accumulation of material and relational deprivation, and ultimately in relational poverty and full-scale social disaffiliation.<sup>28</sup> Social exclusion is at one and the same time a process of economic instability and social isolation. Relations of social exclusion transpire in the context of large-scale shifts in social and economic

<sup>24</sup> To the extent that Putnam's communitarianism explicitly draws upon Tocqueville's civic republicanism, disinterested civic virtue also inhabits social capital discourse. However, Putnam's apolitical, state-less, and relentlessly positive account of civic engagement misconstrues Tocqueville's republicanism. On the shortcomings of Putnam's purported republicanism, see Per Mouritsen, "What's the civil in civil society? Robert Putnam, Italy, and the republican tradition," *Political Studies* 51(2003): 650–668.

<sup>25</sup> P. Bourdieu, "The forms of capital" (1986), 248–249.

<sup>26</sup> Gordon Johnston and Janie Percy-Smith, "In search of social capital," *Policy and Politics* 31/3 (2003): 321–334.

<sup>27</sup> Graham Room, "Poverty and social exclusion: The new European agenda for policy and research," in Graham Room, editor, *Beyond the Threshold: The Measurement and Analysis of Social Exclusion* (Bristol: The Policy Press, 1995), 5.

<sup>28</sup> See Serge Paugam, "The spiral of precariousness: A multidimensional approach to the process of social disqualification in France," in Graham Room, editor, *Beyond the Threshold: The Measurement and Analysis of Social Exclusion* (Bristol: The Policy Press, 1995).

circumstances, associated with the changing demand for labor, and the reduced capacity of the polity to generate a set of norms and values to which all sectors of society can give their loyalty.<sup>29</sup>

Although the thrust of both approaches is to bring social relations to the forefront of analysis, they do so in different ways, and for different ends. Social exclusion comes out of a debate about the factors that make for social fragmentation, disaffiliation, and downward mobility, while social capital is rooted in concerns about status attainment, upward mobility, and social progress. Scholarship sometimes implies that one can speak of a continuum of more or less social exclusion or social capital. Indeed, additive indices do just that, counting the number of dimensions of exclusion or social capital or assigning them weights through factor analyses in order to reduce them to a single dimension.<sup>30</sup> However, the extent or quantity of social capital usually refers to “bonding” social capital, the degree to which members of a group trust, cooperate, and work with one another. These bonds constitute “strong” ties that, one might imagine, are at the opposite end of a continuum from “weak” ties. However, it turns out that this distinction is not one of quantity, but quality. In fact, Granovetter refers to the *strength* of weak ties, which are the basis for “bridging” social capital, expanding potential resources through the opportunity to draw upon distant acquaintances.<sup>31</sup> In contrast, the social exclusion framework treats weak ties as a reflection of an attenuation of the social bond. Individuals should have social support and be actively engaged in all of the normatively prescribed activities of society, from the bottom or local up to national politics.

In its different framings, social capital draws out the economic and governance impacts of civil society and the effects of particular types of social relations, in short, the benefits to be gained by cooperation and participation. One could say, then, that the *consequences* of social capital are the main reason for interest in the subject. One of the key tendencies in the concept is to instrumentalize social relations, treating them as means to an(other) end. Even friends and family are “investments.” Whether the definition of social capital is from Coleman, Putnam, or even Bourdieu, the emphasis is on its “payoffs” or transubstantiation, social capital as a coin or currency. Relations and interactions with others serve as assets or media of exchange that are convertible to other forms of capital. Social ties are interesting to these theorists mainly for how they function as resources. Bonds, networks, and exchanges facilitate collective action, overcome information deficits and other market inefficiencies, and ultimately

<sup>29</sup> See especially D. Byrne, *Social Exclusion* (2005).

<sup>30</sup> For the factor analysis across four dimensions (freedom, perceived corruption, civic participation, and generalized trust) in 25 countries, see Gert Svendsen and Christian Bjornskov, “How to construct a robust measure of social capital: Two contributions,” *Journal of Comparative Policy Analysis* 9/3 (2007): 275–292. For the multiple indicator approach, see Panos Tsakloglou and Fotis Papadopoulos, “Aggregate level and determining factors of social exclusion in twelve European countries,” *Journal of European Social Policy* 12/3 (2005): 211–225. Those who are deprived on at least 2 of 4 dimensions (income poverty, living conditions, necessities of life, and social relations) at least twice in a period of three years were classified as being at “high risk of social exclusion.” When aggregated to the national level, countries varied from a high rate of social exclusion in Italy, Greece, and the UK to a low rate in Denmark and the Netherlands, corresponding with welfare regime types.

<sup>31</sup> Mark Granovetter, “The strength of weak ties,” *American Journal of Sociology* 78/4 (1973): 1350–1380.

can be transformed into economic resources and socioeconomic mobility. Thus, the central policy application of the social capital literature is its use as a tool for economic development.<sup>32</sup> Norms of reciprocity and trust are valued for their economic outcomes, encouraging investment in people in the expectation of return.

When it comes to social exclusion, its *causes*, especially as they reside in the economy and social policy, have so far received the most attention in the literature. Most studies of social exclusion emphasize its origins and dynamics in capitalist development. As the market expands, economic and political restructuring produce new forms of inequality and injustice. Poverty, economic deprivation, and unequal treatment are construed as social problems in their own right, rather than as factors that impair economic or democratic functioning. The “problem” of social exclusion, then, is maintaining the fabric of social life itself. Exclusion threatens social cohesion and order. Unlike social capital, social exclusion stresses obligations to others, not just to individuals of one’s family or group, but to society as a whole. Moreover, inclusive acts are performed not necessarily in the expectation of a personal payoff but sometimes in spite of self-interest. Reflecting the concept’s Republican roots, the general will may trump the good of all individuals combined. Durkheim’s collective conscience cannot be reduced to the sum of individual values since it is external and constrains individual beliefs and actions.

A further difference between the two concepts is in their treatment of context. The benefits of social capital are mainly assumed to be universal. They can be reaped in Bangladesh or Brixton, Sicily or South Chicago. Furthermore, trust has no cultural content. It is “apparently the same social fact in the ranks of extreme right militias as in a civil rights association.”<sup>33</sup> Given this, one can say that the “under what conditions?” question is under-explored in the social capital literature.<sup>34</sup> In his work, *Bowling Alone*, Putnam’s best explanation for declining social capital in the United States is a residual effect that he mainly attributes to television watching. Investing in social relations should vary by the local culture and stock of resources. As Kadushin maintains, social capital should depend upon social structure.<sup>35</sup> Putnam’s civic and voluntary associations ignore the class-based and political organizations that are more likely to mobilize participation of low-income populations.<sup>36</sup> Putnam

<sup>32</sup> Trust and civic norms are associated with better economic performance, but membership in formal groups is not associated with trust or improved economic performance. Trust and civic norms are stronger in countries with higher and equal incomes, institutions that restrain predatory elites, and better-educated and ethnically homogeneous populations. Stephen Knack and Philip Keefer, “Does social capital have an economic payoff? A cross-country investigation,” *Quarterly Journal of Economics* 112/4 (1997): 1251–1288.

<sup>33</sup> P. Mouritsen, “What’s the civil in civil society? Robert Putnam, Italy, and the republican tradition” (2003), 660. Indeed, the Oklahoma City bombers belonged to a bowling league. Margaret Levi, “Social and unsocial capital,” *Politics and Society* 24/1 (1996): 45–55.

<sup>34</sup> Foley and Edwards note that a functional definition of social capital as “whatever facilitates individual or collective action” makes it “very context-dependent” in that social capital has to have a desired consequence or it is not social capital. Michael W. Foley and Bob Edwards, “Editors’ Introduction Escape from Politics? Social theory and the social capital debate,” *American Behavioral Scientist* 40/5 (1997): 550–561.

<sup>35</sup> C. Kadushin, “Too much investment in social capital?” (2004).

<sup>36</sup> See James DeFilippis, “The myth of social capital in community development,” *Housing Policy Debate* 12/4 (2001): 781–806; Margit Mayer, “The onward sweep of social capital: Causes and consequences for understanding cities, communities and urban movements,” *International Journal of Urban and Regional Research* 27/1 (2003): 110–132.

considers participation, not equality, a sufficient goal. The social capital approach has a biased, apolitical notion of what civic participation is, and it encompasses only a part of civil society. Explicitly political and oppositional organizations—unions, parties, and movements—are ignored or downplayed in comparison to civic associations, like bowling leagues and neighborhood watches.

In the social exclusion literature, context-specificity is generally assumed. By definition, people can only be excluded or included relative to others. Yet, the question “exclusion from what?” is under-elaborated in this literature. There is a tendency to focus the spotlight on those who are “excluded” to the relative neglect of the “included.” Assumed is the existence of a “mainstream” or dominant “habitus” to which people aspire to belong. In any given context, the taken-for-granted criteria for integration and membership are hegemonic and implicit.

### Empirical indicators and analyses

As new concepts, initial measures of social capital and social exclusion relied upon available, pre-existing sources of data. Thus, it is not so surprising that researchers in both frameworks employ some of the same survey items as proxies for the respective concepts. For example, membership in associations, clubs, or organizations, speaking to neighbors, and meeting friends or relatives are key indicators of social capital that are also used as measures for the social dimensions of exclusion.<sup>37</sup>

Social capital as it is operationalized and measured empirically tends to focus on the triad of networks, norms, and trust. There is some cross-national empirical evidence that these dimensions are orthogonal.<sup>38</sup> Trust is most frequently operationalized by the use of survey data on attitudes and dispositions. In other cases, trust is inferred from practices, usually on the basis of survey data on sociability and associational life. Two contrasting approaches to social capital give rise to alternative measures. Those Tocquevillians, Durkheimians, and communitarians who emphasize social cohesion look for indicators of social capital in norms, trust, and civic participation, whereas the liberal, rational-choice theorists seek the networks and resources available to both individuals and collectivities. We discuss the latter in a later section of this article.

Despite some attempts to develop a single index,<sup>39</sup> most empirical work underlines the complexity of social capital.<sup>40</sup> Messner, Baumer, and Rosenfeld identify no fewer than twelve dimensions of social capital with potential

<sup>37</sup> For example, Tsakoglou and Papadopoulos (2005); Eleni Apospori and Jane Millar, *The Dynamics of Social Exclusion in Europe: Comparing Austria, Germany, Greece, Portugal and the UK* (Cheltenham, UK: Edward Elgar, 2003).

<sup>38</sup> Christian Bjornskov, “The multiple facets of social capital,” *European Journal of Political Economy* 22 (2006): 22–40.

<sup>39</sup> G. Svendsen and C. Bjornskov, “How to construct a robust measure of social capital: Two contributions” (2007).

<sup>40</sup> As B. Fine (*Social Capital versus Social Theory*, 2001: 63) points out, the literature proceeds by taking a generalized notion of social capital and disaggregating it into specific types (rather than following Bourdieu’s specification of social capital as a particular type of capital). Different types or dimensions of social capital operate differently.

consequences for social relations (in this case, homicide). Of these, some are “only weakly correlated and some are significantly *inversely* related....This pattern... among the various dimensions of social capital considered underscores the importance of examining social capital as a multidimensional construct....”<sup>41</sup> Claude Fischer finds, on the basis of his empirical work in the United States, that seven different indicators do not vary together in the cross-section or over time. His indicators are: trust of most people; voting in the previous presidential election; frequent attendance at church services; membership in a large number of organization types; frequently getting together with neighbors; frequently getting together with friends outside the neighborhood; and giving money to many types of organizations. Even after controlling for age, education, marital status, and race, the low correlations among these measures of social capital demonstrate that there is no underlying order to the phenomena taken to depict the concept. “Disaggregating the topics now lumped under social capital,” Fischer concludes, would “yield a better empirical understanding of what has been going on.”<sup>42</sup> More recently, a comparison of the ONS data, the Social Capital Benchmark Survey in 40 diverse US communities, and other data bases concluded that social capital clearly had two separate, but interrelated, cognitive (trust) and structural (network) dimensions. This has led some to suggest that in future research, the bonding/ bridging, homogeneous/ heterogeneous, within/between, strong/weak ties distinctions need to be preserved and considered at once.<sup>43</sup>

It is difficult to claim construct validity for social capital when there are so many empirically distinct manifestations of it. Li, Pickles, and Savage argue that “over-ambition in social capital research has led to the concept being defined in generic ways that are inattentive to the socially distinct ways in which different kinds of networks have different social determinants and different social consequences.... Most social capital theorists either run these together in an indiscriminate [sic] way or just focus on civic engagement as a surrogate for all kinds of social capital.”<sup>44</sup> Studying the United Kingdom, these authors use “socio-cultural” factors (class, education, income, gender, marital status, age, and ward-level index of social deprivation, a contextual variable to ameliorate “atomistic fallacies” associated with using micro-data) to “predict” three dimensions of social capital—membership in formal organizations, neighborhood relations, and social networks—that were found to be empirically independent and to exert different effects on social trust. They report that different social classes draw upon different types of social capital

<sup>41</sup> Stephen F. Messner, Eric P. Baumer, and Richard Rosenfeld, “Dimensions of social capital and rates of criminal homicide,” *American Sociological Review* 69/6 (2004): 882–903.

<sup>42</sup> Claude Fischer, “*Bowling Alone*: What’s the score?” *Social Networks* 27/2 (2005): 155–167.

<sup>43</sup> However, the same study also identified “four main, and overlapping, ingredients” in the definition of social capital: “social trust/reciprocity; collective efficacy; participation in voluntary organizations; and social integration for mutual benefit.” A. Coutts et al., *Social Capital Indicators in the UK: A Research Project for the Commission for Racial Equality* (2007, 5); Roger Patulny and Gunnar Svendsen, “Exploring the social capital grid: Bonding, bridging, qualitative, quantitative,” *International Journal of Sociology and Social Policy* 27, 1/2 (2007): 32–51.

<sup>44</sup> Yaojun Li, Andrew Pickles and Mike Savage, “Social capital and social trust in Britain,” *European Sociological Review* 21(2) (2005), 120.

(disadvantaged groups use informal networks, while advantaged use formal civic engagement), confirming Bourdieu's argument that social capital reproduces economic capital and inequality.

The study of social exclusion leads much more directly to the poor and marginalized. A primary impetus has been to elaborate social exclusion as a condition of multi-dimensional cumulative disadvantage. Studies typically consider the degree to which the economically deprived suffer from multiple forms of social deprivation. Levels of participation in various domains have been the focus of attention. Burchardt, Le Grand, and Piachaud, for example, work with four sets of indicators of "participation": consumption, production, political engagement, and social interaction (operationalized as lack of support).<sup>45</sup> Barnes's indicators consider social exclusion in terms of seven dimensions: financial situation, ownership of durable goods, the quality of housing, neighborhood perception, personal social relationships (operationalized as social support), physical health, and psychological well-being.<sup>46</sup> Barnes et al. measured exclusion as multi-dimensional disadvantage in the areas of housing, health, education, social relations, and participation, finding that poverty increases with living alone, but has little effect on social isolation and social relations.<sup>47</sup> Room, who in his recent work has elaborated social exclusion as a catastrophic rupture of, or degradation in, living conditions, considers the gradient of a downward spiral, much as Paugam discusses the process of social disqualification.<sup>48</sup>

A second strand of social exclusion research is what might be called "the operationalization debate," which considers not just the appropriate indicators, but the thresholds or cut-offs for quantitative indicators of exclusion. Most of this work has been carried on within the auspices of the EU, by researchers and national statisticians. To the extent that it draws upon some of the originating theoretical concerns about social exclusion, the work mainly contributes to the analysis of the distribution of material resources. However, this scholarship has not really launched a debate about social bonds and what constitutes social inclusion from the perspective of relationships and obligations. Carried on in the shadow of research on poverty (with the implied predominant focus on income), research on social exclusion in the EU context has concentrated on the matter of which indicators of marginalization and precariousness are feasible to measure within and across national borders. So far, priority has gone to the distribution of income, access to the labor market (measured in terms of employment rates, unemployment and joblessness as a characteristic of households), the performance of the educational system (measured in terms of early school leaving) and the distribution of health (as measured by life

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<sup>45</sup> Tania Burchardt, Julian Le Grand, and David Piachaud, "Degrees of exclusion: Developing a dynamic, multidimensional measure," in John Hills, Julian Le Grand, and David Piachaud, editors, *Understanding Social Exclusion* (Oxford: Oxford University Press, 2002).

<sup>46</sup> Matt Barnes, *Social Exclusion in Great Britain An Empirical Investigation and Comparison with the EU* (Aldershot: Avebury, 2005).

<sup>47</sup> Matt Barnes, Christopher Heady, Sue Middleton, Jane Millar, Graham Room, Fotis Papadopoulos, and Panos Tsakloglou, *Poverty and Social Exclusion in Europe* (Cheltenham: Edward Elgar, 2002).

<sup>48</sup> Graham Room, "Trajectories of social exclusion: The wider context for the third and first worlds," in David Gordon and Peter Townsend, editors, *Breadline Europe The Measurement of Poverty* (Bristol: the Policy Press, 2000); S. Paugam, *La disqualification sociale. Essai sur la nouvelle pauvreté* (1991).

expectancy).<sup>49</sup> This work has done well in identifying both conjunctures of conditions and the thresholds that signify their existence. What it has not achieved, however, is to provide a bridge between two understandings of social exclusion—the “social” and the “material.” There is, furthermore, the fact that this kind of research ignores questions about who the excluders are and how some groups seek to restrict other groups’ access to resources in order to maximize their own welfare, thus giving rise to power and hierarchy.

### Policy usages and implications

As the foregoing implies, social exclusion and social capital are widely used in international and some domestic discussions about social policy. Broad umbrella concepts such as these have high appeal in a context where single-focus policies (e.g., poverty, employment, and housing) do not seem to work as they should.<sup>50</sup> Social policy makers tend to use the concepts in the service of a relatively loose analysis of existing dysfunctions and to fashion a set of prescriptions for how social factors can be mobilized for the purposes of economic and social reform. Social capital and social inclusion are ways to deal with market failure (high unemployment despite economic growth) and state failure (poor governance). Social exclusion and the lack of social capital are “deficits” for policy to address. The fact that the two terms are popular in policy-making circles has been a mixed blessing. On the positive side, policy makers’ interest in finding integrative social concepts that serve as broad templates for policy has meant that there has been considerable investment in these concepts. In an age of declining unionization and leftist parties, they have kept social issues on the table. However, policymakers’ inclination to promote some emphases over others and to politicize the concepts has been given free rein.

Of the two, social exclusion is the favored term in European social policy discourse. French Republican leaders use it extensively, and it has more or less displaced poverty in the policy discourse of the UK. It is in the EU that social exclusion has been most developed as a template for social policy, however. The “Lisbon social process,” initiated in 2000, has overseen a number of elaborations of social exclusion as a social policy idea for Europe. The inherent meanings are shifting and unstable, but, for the first time ever, member states are enjoined to design or repackage their policies with social inclusion as the rubric. In the first phase of the Lisbon process (which lasted from 2000 to 2004), this was interpreted to mean designing policy that seeks to enable access by all to employment and basic resources, goods and services, preventing the risks of social exclusion, giving assistance to those most affected, and mobilizing them and the organizations and interests that give them “voice” for participation in public life. Although it has been slow to be accepted by some national member states, this EU vision was one that emphasized social rights, the targeting of social policy towards new categories,

<sup>49</sup> See A. Atkinson et al., *Taking Forward the EU Social Inclusion Process* (2005).

<sup>50</sup> Jane Jenson, *Mapping Social Cohesion: The State of Canadian Research* (Ottawa: Strategic Research and Analysis Directorate, Department of Canadian Heritage and Canadian Policy Research Networks, CPRN Study No. F/03, 1998).

especially identity-based categories, and institutional innovation in policy making.<sup>51</sup> More recently—as the Lisbon process has been reconfigured to concentrate on growth and jobs—the meaning and priority attributed to social exclusion by EU policy makers has changed considerably. The original objectives have been “watered down” to focus on promoting involvement in the labor market, access to a basic level of rights and services, and improving policy efficiency through better coordination of economic and social policies. Social inclusion is now to follow from success in achieving growth and jobs targets. Furthermore, with the increasing emphasis on “activation,” the EU Commission and Council have gradually shifted social inclusion from a matter of social and economic functioning to one of employment and the sustainability of benefit systems. References to “social exclusion” have gradually fallen away, in favor of “social inclusion” initially, and over time, especially in the past few years, “social cohesion.” The switch suggests, first, an attempt to sound “positive” instead of “negative,” pronouncing a goal rather than describing a problem. Second, inclusion is the implied antonym of exclusion, but in fact may connote something quite different. Inclusion calls attention to the supposed “opportunity” and openness of society, beckoning outsiders in, whereas exclusion points at exclusionary mechanisms of society, its potential breakdown, disorder, or incoherence.

For EU policy makers whose legitimacy rests, at least in part, on offering a diagnosis of what the problem is and a reforming program, social exclusion has served a number of ends. It has, first, provided a pragmatic and moral argument for policy change, focusing on failings regarding the participation of individuals and groups in economic and political life and providing a strong justification for “modernizing social protection.” Secondly, as a polysemic concept, it has enabled policy makers to shift the underlying set of meanings and references as context and occasion warrant. In particular, in social exclusion the EU has a concept that is persuasive and yet vague as a political idea(I), something that is especially crucial in an EU context for allowing political actors to mobilize around it. At the same time, social exclusion gives the EU purchase on social welfare issues and access to social issues beyond the market that would otherwise be outside its purview, left to nation-states under the principle of subsidiarity.<sup>52</sup> For example, utilizing social exclusion as a leading idea has given the EU access to such social policy matters as pension

<sup>51</sup> See M. Daly, “EU social policy after Lisbon,” (2006). See also Deborah Mabbett, “Learning by numbers? The use of indicators in the coordination of social inclusion policies in Europe,” *Journal of European Public Policy* 14/1 (2007): 79–96. For an assessment of the impact of the social inclusion process, see Jonathan Zeitlin and Philippe Pochet (with Lars Magnusson), editors, *The Open Method of Coordination in Action: The European Employment and Social Inclusion Strategies* (Brussels: Peter Lang, 2005).

<sup>52</sup> According to the principle of subsidiarity, which was enshrined in EU law by the Treaty of Maastricht in 1992, the EU may only act (i.e., make laws) where member states agree that action of individual countries is insufficient. The principle serves the functions of, on the one hand, setting up a division of competence between the EU and member states and on the other, endorsing the primacy of the member states in some domains, one of which is social policy. The legal situation in the EU remains that core areas of social policy continue to be governed by subsidiarity and hence require unanimous voting. These include social security and the social protection of workers, the protection of workers when their contract is terminated, the representation and collective defense of interests of workers and employers, the conditions of employment of third-country nationals legally residing in Community territory, and financial contributions for the promotion of employment and job creation.

reform, health care, minimum income provision, childcare and women's participation in the labor market. The three issues that have been most consistently raised as part of the social exclusion process itself are the "inclusion" of those furthest from the labor market, child poverty, and the integration of immigrants. If Social Europe has a distinctive identity, it is in the emergence of these as common and pressing social policy concerns for EU member states.<sup>53</sup> As this set of issues indicates, the EU approach differs in many respects from the US "workfare" approach, not least in that it rests on a participatory model of activation that has a contractual rather than a punitive logic and emphasizes the reciprocal obligations of state and benefit recipient.<sup>54</sup>

Social capital discourse has a very different history and is to be found in development policy circles. It was widespread in World Bank discussions in the 1990s, as well as some urban and community development approaches. The World Bank uses the concept to mobilize civil society and "private" relations and resources for the purposes of market enhancement and expansion and good governance. Studies sponsored by the World Bank are especially interested in the positive effects of social capital, many being organized as case studies of grassroots institutions, such as rotating credit associations or micro-enterprises, self-help opportunities for the poor, and participation of the poor as part of "good governance."<sup>55</sup> Such low-cost, mainly private-sector and self-help solutions to economic problems mobilize the poor, women, and potentially entrepreneurial ethnic groups to solve their own problems.<sup>56</sup> Sometimes social capital is represented as a tool that makes governance more effective, civil society serving to maximize the return on investment, improve inefficiencies, or monitor governments for corruption. There is a general "deprioritizing" of the role of the state. Indeed, the World Bank sees social capital either as complementary to the state or as a substitute for it.<sup>57</sup> Building on rational choice or economic approaches, social capital is also promoted as a technical tool, a means of overcoming contractual and information problems.

Considerations of how institutional and policy design can serve these ends lead to questions about whether social capital can be generated from the top down or only percolates "naturally" from the bottom up. Because social capital tends to be associated

<sup>53</sup> See Martina Dieckhoff and Duncan Gallie, "The renewed Lisbon Strategy and social exclusion policy," *Industrial Relations Journal* 38/6 (2007): 480–502.

<sup>54</sup> For a discussion of the French and UK cases, see Daniel Béland, "The social exclusion discourse: Ideas and policy change," *Policy and Politics* 35/1 (2007): 123–39.

<sup>55</sup> See Tine Rossing Feldman and Susan Assaf, *Social Capital: Conceptual Frameworks and Empirical Evidence: An Annotated Bibliography* (Washington: World Bank Social Development Department, 1999). For the World Bank approach, see also Deepa Narayan (with Raj Patel, Kai Schafft, Anne Rademacher and Sarah Koch-Schulte), *Voices of the Poor: Can Anyone Hear Us?* (New York: The World Bank and Oxford University Press, 2000), and Michael Woolcock, "Social capital and economic development: Towards a theoretical synthesis and policy framework," *Theory and Society* 27 (1998): 151–208. For a strong critique of the World Bank approach, see B. Fine, *Social Capital versus Social Theory: Political Economy and Social Science at the Turn of the Millennium* (2001).

<sup>56</sup> M. Mayer, "The onward sweep of social capital" (2003: 115) points out the virtual absence of actors such as political institutions, employer organizations, and trade unions from the World Bank's prescriptions.

<sup>57</sup> M. Mayer, "The onward sweep of social capital" (2003: 122); B. Fine, *Social Capital versus Social Theory* (2001), 171.

with privileged communities (for Bourdieu it is, indeed, an elite property), policy makers assume that there is a deficit of social capital in low-income communities. Hence, micro-credit and community banking, NGOs and other grassroots organizations, and ethnic commercial enclaves are promoted for their economic and political benefits.<sup>58</sup> Yet, empirically speaking, such widely-touted institutions as microfinance organizations are almost always subsidized by global donors or states, and many, though not all, trade off social outreach and poverty reduction for the imperatives of financial performance, profitability, and sustainability.<sup>59</sup> Similarly, American community development corporations and other local non-profit actors receive public or foundation support for their activities, and, like microfinance institutions, could not survive without it.<sup>60</sup> The very associations (significantly called “corporations”) said to draw prototypically upon social capital to promote economic development are, in fact, deeply implicated in politics and state policies. One cannot subsist on social capital alone. However, to the extent that social capital is generated within communities from grassroots civic engagement, policy has but a limited role in producing its positive outcomes. Indeed, social capital can provide a rationale for the state to exit poor communities and leave the problem-solving to civil society or individual action.<sup>61</sup>

In contrast, for the social exclusion framework, the state is a key actor, although it is not the only one. In Republican thought, the state (just like other insider institutions) is under an obligation to enable outsiders to participate fully. Economic redistribution and passive social benefits are no longer considered sufficient to accomplish this multi-dimensional task. The social policy implications of social exclusion call for multi-pronged, joined-up programs, anti-discrimination safeguards, social dialogue and stakeholder involvement in decision-making and program provision. Among these, “activation” of policies, programs, and participants is receiving the most attention in Europe today.

Why have social exclusion and social capital proved popular in different locations, the former in Europe and the latter in the Anglo-American countries? Each concept resonates with national or regional debates and concerns. Americans sense danger in excessive individualism, while Europeans fear declining solidarity. Social capital refreshes long-standing debates in the United States about the health of the democratic political system and the contributions of voluntary associations, local communities, and

<sup>58</sup> See Susan Saegert, J. Phillip Thompson, and Mark R. Warren, *Social Capital in Poor Communities* (New York: Russell Sage Foundation, 2001).

<sup>59</sup> Bernd Balkenhol, editor, *Microfinance and Public Policy: Outreach, Performance, and Efficiency* (Geneva: ILO, 2007).

<sup>60</sup> Avis C. Vidal, *Rebuilding Communities: A National Study of Urban Community Development Corporations* (New York: Community Development Research Center, New School University, 1992); Marilyn Gittell, *Limits to Citizen Participation: The Decline of Community Organizations* (Beverly Hills: Sage, 1980); Ronald F. Ferguson and William T. Dickens, editors, *Urban Problems and Community Development*. (Washington, D.C.: The Brookings Institution, 1999); Randy Stoecker, “The CDC model of urban redevelopment: A critique and an alternative,” *Journal of Urban Affairs* 19/1 (1997): 1–22, and rejoinders by Rachel Bratt and W. Dennis Keating. CDCs have shifted from advocacy and community organizing to business management, and are run by professionals rather than residents. It is difficult to see these organizations as inclusive schools of deliberative democracy. The staff, funding, and control are all external to the community whose social capital is disparaged when CDCs perform poorly.

<sup>61</sup> M. Mayer, “The onward sweep of social capital” (2003).

civic engagement to a pluralistic society. In Europe, by contrast, the fundamental actors are classes and states, rather than individuals, associations, and communities. The questions that have pre-occupied European public debates center on the relationship between the distribution of resources and social integration, the nature and boundaries of citizenship, and the role of political, economic, and social institutions in a context of struggles over inequality. The changing nature and role of the welfare state and how it is at once the product and architect of declining solidarity opens the way to the analysis of society as increasingly fragmented and divided.

### Continuing conceptual challenges

There are grounds to be critical of both perspectives.

Scholars of inequality are wary of the terminologies of both social exclusion and social capital on the grounds that they deflect attention from ever-increasing income inequality and class conflict. On the one hand, the emphasis on socially excluded groups is perceived to carry the danger of homogenizing or leveling classes on the “inside” of mainstream society and presupposing that the growing reserve army of labor is excluded from society and has no impact on workers.<sup>62</sup> Analytically separating the included and excluded may disguise the conflict between them. On the other hand, social capital might imply that redistribution is unnecessary, since the poor simply need to bond together and turn their social resources into economic assets. As rational actors they are charged with maximizing their stock and deployment of resources. The instrumentalist orientation of social capital theory has been the subject of heavy criticism.<sup>63</sup> Even if people do call on their friends for favors, most people are with their friends for non-instrumental reasons. Kadushin believes that “the analogy to “investment” in “real” capital is the weakest aspect of social capital theorizing.”<sup>64</sup>

Many critics point to the circular, tautological, functionalist definition of social capital, and question how the concept is causal.<sup>65</sup> It has been said to confound cause and effect and explain the phenomenon of social capital by its consequences.<sup>66</sup> Its existence is inferred from the positive outcomes it supposedly produces. Portes and Landolt argue that it is a conceptual stretch to confuse the sources of social capital with the benefits derived from them.<sup>67</sup> This leads to circular reasoning because the presence of social capital is often inferred from the assets that an individual or group

<sup>62</sup> For leftist critiques of social exclusion, see Etienne Balibar, “Inégalités, fractionnement social, exclusion: Nouvelles formes de l’antagonisme de classe?” in Joelle Affichard and Jean-Baptiste de Foucauld, editors, *Justice Sociale et Inégalités* (Paris: Editions Esprit, 1992), and Robert Castel, *Les metamorphoses de la question sociale* (1995).

<sup>63</sup> M. Mayer, “The onward sweep of social capital” (2003), gives a very good exposition of social capital’s appeal in this context. See also B. Fine, *Social Capital versus Social Theory* (2001).

<sup>64</sup> C. Kadushin, “Too much investment in social capital?” (2004), 87.

<sup>65</sup> See, inter alia, C. Kadushin, “Too much investment in social capital?” (2004); M. Mayer, “The onward sweep of social capital” (2003); Alejandro Portes, ““Social capital”: Its origins and applications in modern sociology,” *Annual Review of Sociology* 24 (1998): 1–24.

<sup>66</sup> A. Portes, “Social capital” (1998).

<sup>67</sup> See Alejandro Portes and Patricia Landolt, “The downside of social capital,” *The American Prospect* 7/ 26 (1996) <http://www.prospect.org/web/page.wv?section=root&name=ViewPrint&articleId=4943>.

acquires or possesses. As mentioned, the multiple dimensions of social capital are interrelated in causal virtuous circles. For example, social capital can give rise to trust, so trust is best thought of as an outcome of network exchanges and norms of mutuality, rather than an indicator of social capital itself. Similarly, norms and institutions are both cause and effect of social capital. For this reason, Lin does not consider trust or norms to be indicators of social capital, restricting the term to rational cost-benefit calculations about the value of exchanges.<sup>68</sup>

Fischer argues that the mere fact that social relations have economic effects does not warrant calling them “capital.”<sup>69</sup> We do not label other productivity-enhancing characteristics in this manner. Nor are the payoffs to social relations always financial. It seems simpler and clearer just to refer to “bridging” and “bonding” ties than to two kinds of social capital. Indeed, Putnam’s agenda would seem to be “rising individualism and privatism” rather than “declining social capital.” Furthermore, much research has refuted Putnam’s claims about declining associational membership. Unions, veterans, and church associations may have fewer members, but there are new types of groups that Putnam ignored. Similarly, volunteering and some other kinds of political activity have increased.<sup>70</sup>

A second problem with the literature on social capital is that the positive consequences receive more attention, while its “dark side,” though acknowledged, is downplayed. Social capital can have many dysfunctions, including sectarianism, corruption, and inequality. Groups with strong social capital, like mafias or youth gangs, can conspire against the public, closing off opportunities from outsiders. They can become nepotistic. They can segregate themselves in enclaves or gated communities. They can demand that their members redistribute resources to the group, preventing, not facilitating, individual mobility. And they can become stifling, like many small towns and parochial groups that insist upon conformity.<sup>71</sup> Networks tying us to bad friends or demanding relatives do not always give rise to trustworthiness, and, in fact, may detract from productivity.<sup>72</sup> This leads back to the matter of how social capital engages inequality. The linkage of social capital to the economic system is something of a side issue, especially for communitarians. Social capital in Putnam’s work only considers inequality to the extent that it is a potential negative outcome. The social structure is a given, and individuals use social capital to find their place within it. Anyone can supposedly enjoy the benefits of social capital, which are in theory readily available to all. There is little if any problematization of the fact that resources are unequally distributed. Recent work by Li, Savage, and Pickles underlines how access to social capital, conceived mainly

<sup>68</sup> N. Lin, *Social Capital* (2001).

<sup>69</sup> C. Fischer, “*Bowling Alone: What’s the score?*” (2005).

<sup>70</sup> See, inter alia, Everett C. Ladd, *The Ladd Report* (New York: Free Press, 1999); Pamela Paxton, “Is social capital declining in the United States? A multiple indicator assessment,” *American Journal of Sociology* 105/1 (1999): 88–127; Robert Wuthnow, *Loose Connections* (Cambridge, MA: Harvard University Press, 2002).

<sup>71</sup> See A. Portes and P. Landolt, “The downside of social capital” (1996) and also A. Portes, “‘Social capital’: Its origins and applications in modern sociology” (1998).

<sup>72</sup> C. Fischer, “*Bowling Alone: What’s the score?*” (2005).

in terms of civic participation and associational membership, is strongly undercut by social inequalities, especially those deriving from social class.<sup>73</sup> Social boundaries are more than spans that social capital can bridge.

Not only does the approach often neglect or downplay the variation in types of participation by social class, but it ignores the possibility that social capital may actually increase social exclusion. Nowhere is the difference between the frameworks as stark as here. Exclusionary zoning and homeowner associations bond groups together while keeping other people out of neighborhoods and artificially raising property values. Membership in clubs and voluntary associations, a quintessential social capital indicator, can be exclusionary as well as unequally distributed across social classes. “Social capital can divide as well as unify,” Li, Savage, and Pickles write, providing empirical evidence of the former in Britain.<sup>74</sup> As Bourdieu emphasized, social capital is a means for exclusive groups to hoard resources and is thus a factor in inequality.<sup>75</sup> Conversely, “social inclusion” may imply coercion to join and assimilate to a group’s practices and values. Activation may be seen as a punitive form of “workfare.” There is a “dark side” to social inclusion, too.

Scholarship on social capital operates with many units: individuals, households, communities, firms, regions, nations, and even the global system. A key outstanding challenge for social capital is to explain how the aggregation of individual exchanges transposes to the macro level. There are two issues here: the relationship between the micro and the macro, and how self-interested exchanges among individuals translate into a social structure that is essentially cooperative. In regard to the former, the key unresolved question is how social capital as a property of individual or group social relations and interactions is aggregated to a societal level. In regard to the nature of agency, while some streams of work are concerned about the resources necessary for individual or collective purposive agency (e.g., Coleman), there is the assumption that the “choices” made in micro-level interactions acquire a collective, cooperative character as they cumulate to higher levels of aggregation—interest becomes disinterest. How is solidarity generated by self-interest? Is there a “social invisible hand”? In summary, the old questions of “what is society?” and “how is society possible?” are problematic in this work. Putnam used a shorthand of “economically successful, democratic society,” while Coleman viewed society either as a set of facilitating structures or as the aggregation of rational actions on the part of individuals or groups.

The social exclusion framework is “other regarding” in a way that social capital is not. However, social exclusion has its own tensions and inherent contradictions. A key sociological issue is whether the concept, with its recourse to an insider/outsider logic, promulgates a dichotomous view of society. There is a binary logic to it, which can give rise to essentialism. Moreover, the causal agency is unclear. This gives ground for Levitas to argue that the idea of the “social”—in the sense of social

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<sup>73</sup> Yaojun Li, Mike Savage and Andrew Pickles, “Social capital and social exclusion in England and Wales (1972–1999),” *British Journal of Sociology* 54/4 (2003): 497–526.

<sup>74</sup> *Ibid.*, 500.

<sup>75</sup> P. Bourdieu, “The forms of capital,” (1986).

conflict—is underdeveloped in social exclusion.<sup>76</sup> As with social capital, the relationship of social exclusion to labor—or class-based—inequalities (“older” forms of stratification) is not clear.<sup>77</sup> Some of the claims made for social exclusion—that it can incorporate different types of oppositions, such as being at the center or the periphery of society, or being placed high up as against low down on the social hierarchy—have not been realized. Relatively little theoretical progress has been made in elaborating how horizontal and vertical sets of inequalities are interlinked. Up to now this has been treated largely as an empirical question,<sup>78</sup> with the focus of much research activity devoted to devising a summary set of indicators and investigating the links between them. More theorizing is needed on the question of whether “separate” or “poor” is necessarily ‘excluded.’

A further challenge centers on the counterfactual to social exclusion. What constitutes an inclusive society? Is it simply an absence of structurally-induced exclusion? While the EU and other policy actors tend to use the terms inclusion and exclusion interchangeably, the academic literature does not, out of concern with the matter of the antonym of social exclusion. After all, social exclusion is essentially a relational concept that implies an absence or deprivation of some kind. On the one hand, inclusion is too active or coercive a term. On the other hand, Goodin considers participation as the antidote to social exclusion, arguing that inclusion is too “passive” and that of the two, participation is the “larger” concept in that arguments for participation demand the inclusion of the previously excluded.<sup>79</sup> Woodward and Kohli maintain that social exclusion and inclusion are analytically distinct, if not from different paradigms.<sup>80</sup> Social inclusion is located in a theoretical context of social integration and institutions of social membership, whereas social exclusion draws upon a discourse of social problems. Indeed, Etienne Balibar and Robert Castel both reject the idea of social exclusion on the ground that it is impossible for human beings to live outside society, and because the policies directed at the excluded label them with a special status, making it impossible for them to participate as equals in society.<sup>81</sup>

Furthermore, there is the matter of agency or causality. Who are the excluders? While most discussions of exclusion construe it broadly as an outcome of comprehensive social change—economic restructuring, globalization, mass immigration—the primary causal agent remains unclear. Is it a destruction of the wage earning contract and of the welfare regime based on it? Is it the growth of new forms of inequality (based on categories of social ascription, for example, gender, age, ethnic identity)? Is it due to more proximate factors like “monopolization” of resources and power by privileged insiders seeking to protect their vested interests in the face of such vast changes? Agency is problematic in another sense as well. While many social

<sup>76</sup> Ruth Levitas, “What is social exclusion?” in David Gordon and Peter Townsend, editors, *Breadline Europe The Measurement of Poverty* (Bristol: Policy Press, 2000), 359.

<sup>77</sup> A. Woodward and M. Kohli, editors, *Inclusions and Exclusions in European Society* (2001), 3.

<sup>78</sup> A notable exception is Charles Tilly, “Social boundary mechanisms,” *Philosophy of the Social Sciences* 34/2 (June 2004): 211–236.

<sup>79</sup> Robert E. Goodin, “Inclusion and exclusion,” *European Journal of Sociology* 37 (1996): 343–371.

<sup>80</sup> A. Woodward and M. Kohli, editors, *Inclusions and Exclusions in European Society* (2001), 4.

<sup>81</sup> See E. Balibar, “Inegalités, fractionnement social, exclusion” (1992), R. Castel, *Les métamorphoses de la question sociale* (1995).

exclusion scholars are bullish about the concept's inherent set of references to structural factors, in practice social exclusion is often depicted as a condition in which people are in, rather than something that is done to them.<sup>82</sup> The challenge is to get beyond a label applied to particular “socially excluded” groups—“nominalism” as Byrne calls it—to address questions like who are the specific agents doing the excluding?<sup>83</sup> Veit-Wilson's distinction between the weak and strong versions of the idea of social exclusion is relevant here.<sup>84</sup> In the former, the solutions lie in altering excluded people's handicapping characteristics and enhancing their integration into mainstream society. In the latter, power and power holders are identified as causal in both the generation of social exclusion and its elimination.

### The way forward

This article has so far identified several commonalities and many differences between the concepts of social exclusion and social capital. To be sure, these are evolving concepts so we should not be too sweeping in our conclusions about them. However, their explanatory value has to be critically assessed, not least because of the danger of confusing outcomes and causal factors. Insofar as the two concepts have been popularized in the media, policy, and everyday discourse, theoretical clarification is essential to help them achieve theoretical substance and coherence. In addition, the fact that both concepts are home to quite varying sets of literatures and sociological concerns raises the matter of their integrity.

Our main goal here is, through sustained comparison, to move theorizing forward. It seems to us that social exclusion and social capital are concepts, rather than full-fledged theories. As Goldthorpe notes, there is an important difference between “nominal” propositions (how social capital or social exclusion might most usefully be understood), and “real” propositions about the causes or consequences of these phenomena.<sup>85</sup> The propositions in which these concepts are embedded are not fully articulated theories, in the sense of a system of logically inter-related causal propositions. In the first instance, each needs to attend to its analytical framework.

As pointed out, the *consequences* of social capital are best-known: economic growth, sound democratic governance, good health, and to a lesser extent “negative outcomes” such as intolerance and social exclusion. There are far fewer propositions about the causes of social capital. We know who has social capital (e.g., educated, Northern Italians, Bangladeshi women), but not how they came to have it or where it comes from in the first place. Sometimes, the simple fact of sustained interaction appears to generate social capital, and the reverse: social capital, use it or lose it. We

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<sup>82</sup> Fairclough reaches this conclusion from an analysis of the linguistic forms of social exclusion (along with other concepts) utilized by the governing New Labour party in the UK in its first years in office. Comparing it to the usage in some EU documents, he notes that in the UK, social exclusion tends to be used adjectivally, whereas the EU was more likely to use it both as a verb and an adjective. See Norman Fairclough, *New Labour, New Language* (London: Routledge, 2000).

<sup>83</sup> D. Byrne, *Social Exclusion* (2005), 81.

<sup>84</sup> John Veit-Wilson, *Setting Adequacy Standards* (Bristol: The Policy Press, 1998).

<sup>85</sup> John Goldthorpe, “Globalization and social classes,” *West European Politics* 25/3 (July 2002): 1–28.

suggest that scholarship needs to tell us more about who social capitalists are, how social capital is generated, transmitted, and reproduced, and how large structural shifts in society affect social capital. The literature is exceedingly vague about all of this. Putnam's study of Southern Italy reached back centuries, tracing civic community to the self-governing city-states of the Renaissance, while the South was conquered and mired in feudalism, giving rise to mistrust. But there are many historical anomalies in this account, not to mention alternative explanations of the regional difference. The assertion of regional path dependency over such a long period flies in the face of factors like Italy's fascism, class politics, and weak central state. It also neglects the efforts of Rome to weaken civil networks in southern Italy.<sup>86</sup> If states cannot easily generate social capital, they may be able to destroy it.<sup>87</sup>

Social exclusion, on the other hand, is best understood in terms of its *causes*, especially economic restructuring and state retrenchment. Research on social exclusion almost always contains a strong economic or material dimension. Income poverty and unemployment are especially prominent in this literature. To be sure, these are important causal factors, but there are other, more implicit ones. Unspoken is what one might call a functionalist or integrationist bias, in which social exclusion implicitly threatens the social order and may lead to conflict. Just as the rise of the working class provoked concerns about revolution and led to the institutionalization of organized labor, so today, the free-floating discontent of unorganized groups of unemployed, homeless, often cultural minorities, can spark riots of the type seen in the Parisian *banlieue*. Furthermore, the dynamic mechanisms of becoming excluded are less well explored than social exclusion as a set of risks.<sup>88</sup> Work on exclusion is interested in multiple disadvantages that accumulate over time.<sup>89</sup> But if the process is cumulative, how does it unfold? Outcomes may be interrelated non-recursively in cycles, for example. As Paugam reminds us, "exclusion is primarily a process that starts from fragility and can sometimes end in the breaking of social ties, but which does not on the surface appear to be the result of deterministic effects or of an inescapable rut."<sup>90</sup> Therefore, while one should not posit any particular unidirectional order to the linkages over time among, say, unemployment, becoming cut off from social networks, and developing ill-health, the cumulative spiral across dimensions of disadvantage is still too little understood. In observing individual-level trajectories of exclusion over time, life-course research may offer important insights.<sup>91</sup> In addition,

<sup>86</sup> P. Mouritsen, "What's the civil in civil society?" (2003).

<sup>87</sup> Martin Paldam and Gert Svendsen, "An essay on social capital: Looking for the fire behind the smoke," *European Journal of Political Economy* 16/2 (2000): 339–366.

<sup>88</sup> Hilary Silver, *The Process of Social Exclusion: The Dynamics of an Evolving Concept* (Chronic Poverty Research Centre, Working Paper 95, Manchester, October 2007).

<sup>89</sup> See, inter alia, D. Byrne, *Social Exclusion* (2005).

<sup>90</sup> Serge Paugam, "Poverty and social exclusion: A sociological view," in Martin Rhodes and Yves Mény, editors, *The Future of European Welfare A New Social Contract?* (Basingstoke, UK: Macmillan, 1998), 43.

<sup>91</sup> On the life course, see Karl Ulrich Mayer, "The paradox of global social change and national path dependencies: Life course patterns in advanced societies," in Alison Woodward and Martin Kohli, editors, *Inclusions and Exclusions in European Society* (London: Routledge, 2001): 90–110; Glen Elder and Michael Shanahan, "The life course and human development," in William Damon and Richard Lerner, editors, *Handbook of Child Psychology, vol. 1, 6<sup>th</sup> ed: Theoretical Models of Human Development* (New York: Wiley and Stone, 2006), 665–715.

further work is needed to develop complex indicators that simultaneously measure social exclusion as a process of material and other forms of disadvantage, including normative disengagement, social detachment, spatial segregation, and migration. Then, these complex indicators should be tracked over time.

A focus on the dynamics of social capital may also be fruitful. On the one hand, social capital appears to reproduce itself, giving rise to path dependency in certain social settings. On the other hand, Putnam hypothesized a trend towards declining social capital associated with rising individualism. Reconciling these dynamics of stability and change appears essential. Network approaches to social capital maintain that social ties can be either short-term or enduring, so that norms of trust and reciprocity may vary in time frame and enforceability.<sup>92</sup> Networks themselves are not stable structures, but fluid, contingent, and changing.<sup>93</sup> A third process related to social capital concerns the interactions among trust, tolerance, and social participation, which cannot be taken for granted. Cross-national research suggests that generalized social trust is far more important in producing positive outcomes, e.g., good governance and subjective life satisfaction, than are other dimensions of social capital, such as associational activities or social, other-regarding norms.<sup>94</sup>

Focusing more closely on social networks constitutes a second strategy for advancing scholarship. The question has to be posed of whether working with networks or “ties”—whether bridging or bonding, weak or strong—may be clearer than using either of the two concepts.<sup>95</sup> Since the 1950s, network analysis has allowed sociologists to map ties, identify configurations, analyze directionality or reciprocity, and attribute qualities to the social structure: density, multiplexity, segregation, holes, leadership, boundaries, and bridges. Social exclusion might be manifested as isolation in a network. Social capital, in contrast, could be seen in networks of mutual or reciprocal ties, links to individuals who have or lack resources of various kinds and ties that bridge across densely bounded clusters. Indeed, some have suggested the importance of collecting data on composition of social networks to allow for analysis of both bonding and bridging social capital as sources of social integration. However, taken alone, a structural approach misses the substance, intentions, and historical and cultural context of social relations.<sup>96</sup> This calls for collecting qualitative data on networks to allow for contextual comparisons or multi-level analysis. Social capital theory, at least in the bonding variant, emphasizes dense, overlapping ties and strongly bounded networks. It rests on particularism, selectivity, parochialism, and exclusion. Whether and where these social ties give rise to additional benefits—ties to resources, multiplex “weak ties” bridging across

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<sup>92</sup> Maria Patricia Fernandez-Kelly, “Social and cultural capital in the urban ghetto: Implications for the economic sociology of immigration,” in Alejandro Portes, editor, *The Economic Sociology of Immigration* (New York: Russell Sage Foundation, 1995), 213–47.

<sup>93</sup> Cecilia Menjivar, *Fragmented Ties: Salvadoran Immigrant Networks in America* (Berkeley: University of California Press, 2000), 155, 231.

<sup>94</sup> C. Bjornskov, “The multiple facets of social capital” (2006).

<sup>95</sup> C. Fischer, “*Bowling Alone*: What’s the score?” (2005).

<sup>96</sup> A. Coultts et al., *Social Capital Indicators in the UK: A Research Project for the Commission for Racial Equality* (2007). The 2001 Social Capital Community Benchmark Survey collected network data in a wide range of American communities.

groups, and in turn, trust, tolerance for difference, and the like—or negative consequences—social exclusion, for example—are empirical hypotheses worthy of testing.

Indeed, network analyses reveal different consequences of social ties, depending upon context. Context may refer not only to the spatial location within which networks carry out exchanges, but also to social location: definitions of membership and social distance or hierarchy among members. Immigrants, for example, are renowned for ethnic solidarity, both moral and practical, and enforceable norms of reciprocity. This social closure may give insiders advantages from which outsiders are excluded, allowing at least some group members to advance up the social ladder.<sup>97</sup> Dense ethnic networks capture information and resources that circulate only within the group. Although social networks may generate chain migration by transmitting information, they cannot guarantee newcomers resources and tangible support from friends, co-ethnics, and family upon arrival. “Support networks should be distinguished from broader social networks, so as to avoid assuming that all social ties are supportive.... A common background, constant contact, and shared migration experiences do not automatically breed cohesive and supportive networks.”<sup>98</sup> Different migrant groups in different contexts have different resources and thus, different abilities to share them with group members.

Similarly, members of the lower classes are often clustered and isolated, so their ties are mainly to others who resemble themselves. They have fewer ties to members of resource-rich classes and thus, have less bridging social capital or contact with the mainstream. In such contexts, “social network truncation translates, not into the lack of social capital based on relations of trust and reciprocity, but into a diminished capacity to gain access to resources controlled by larger social groupings.”<sup>99</sup> Emotional support and information may be abundant, but material resources are scarce. To the extent that social capital rests upon recurring exchanges and interactions, it is difficult to generate under conditions of duress. With few resources to share, existing social bonds of trust and mutuality are put under stress, which can erode or dissolve them. This sets a process of social exclusion in motion. In turn, while strong ties to family and close friends may sometimes yield material support, socially excluded people situated in homogeneous networks lack those “weak ties” to other social networks that may be more valuable for obtaining scarce information about housing, employment, and other opportunities.

Even if networks do offer members access to resources, it is unclear which members in the network benefit, to what degree, and under which circumstances.<sup>100</sup> The existence of social capital in a group says nothing about inequality among its constituent members. The “ethnic enclave” debate calls attention to the potential for

<sup>97</sup> Roger Waldinger, *Still the Promised City? African Americans and New Immigrants in Post-Industrial New York* (Cambridge: Harvard University Press, 1996); Roger Waldinger and Michael Lichter, *How the Other Half Works* (Berkeley: University of California Press, 2003).

<sup>98</sup> C. Menjivar, *Fragmented Ties* (2000), 31, 34.

<sup>99</sup> M. Fernandez-Kelly, “Social and cultural capital in the urban ghetto” (1995).

<sup>100</sup> Cynthia Cranford, “Networks of exploitation,” *Social Problems* 52/3 (2005): 379–97; Victor Nee, Jimmy Sanders, and Scott Sernau, “Job transitions in an immigrant metropolis,” *American Sociological Review* 59/6 (1994): 849–72.

co-ethnic exploitation.<sup>101</sup> Bonds to family and community, especially in contexts where migrants lack legal rights, can create cumulative disadvantages for the most marginalized group members, propelling them into financial and emotional debt and dependency. Networks not only help migrants find jobs, but they also can set off a process of social exclusion. “Rather than producing upward mobility, exclusionary closure was part of a downgrading process ... the closure of immigrant networks may negatively affect workers included in a network, as well as those excluded from it.”<sup>102</sup>

Social closure is a relationship, and it calls for studying the actions of both parties.<sup>103</sup> Bourdieu’s notion of social capital resembles Weber’s discussion of social closure and thus, comes close to a theory of social exclusion. The importance of profits that accrue from group membership, the careful guarding by all members of group boundaries, group monopolies on exchanges, with institutions excluding illegitimate ones and producing occasions, places, and practices to bring homogeneous people together to reproduce the group—these are all part of social exclusion theory. To the extent that social capital theorists draw upon Weber’s work, there is common ground between social capital and social exclusion. Although the emphasis in Bourdieu’s *oeuvre* is on symbolic power and cultural capital and their relation to economic capital, more recent elaborations of social closure theory demonstrate how social exclusion and social capital are deeply implicated in social stratification.<sup>104</sup>

A further way of developing the concepts is to subject their inherent policy “solutions” and the role (if any) that they ascribe to the state to critical scrutiny. As mentioned, the sources of social exclusion are better elaborated than those of social capital. Indeed, the whole phenomenon has achieved prominence as a consequence of economic and state restructuring, and policies to fight exclusion and insert the excluded in society are widespread in Europe. The origins of social capital, in contrast, are vague and difficult to manipulate. Groups monitor themselves, instead of relying on third party enforcement. Institutional conditions like a decentralized state appear to encourage, or at least not hinder, the development of social capital. External support by nation-states or global organizations may even disrupt pre-existing social ties and undermine beneficial trust and cooperation. Providing “gentle support to local initiative,” such as donor aid to scale-up the operations of the grassroots Grameen Bank, may undermine the democratic, participatory, and bottom-up quality of these manifestations of “social capital.” Whether assessed as good or bad, the redistributive welfare state is rarely seen as an effective source of social capital. At best, it can be an “enabling” state. In contrast, the social exclusion

<sup>101</sup> Jimmy Sanders and Victor Nee, “Immigrant self-employment: The family as social capital and the value of human capital,” *American Sociological Review* 61 (1996): 231–249; Alejandro Portes and Leif Jensen, “Disproving the enclave hypothesis: Reply,” *American Sociological Review* 57/3 (1992): 418–420.

<sup>102</sup> C. Cranford, “Networks of exploitation,” (2005), 393, 395.

<sup>103</sup> On social closure, see Raymond Murphy, *Social Closure: The Theory of Monopolization and Exclusion* (New York: Oxford University Press, 1988); Frank Parkin, *Marxism and Class Theory: A Bourgeois Critique* (New York: Columbia University Press, 1979); Charles Tilly, *Durable Inequality* (Berkeley: University of California Press, 1998).

<sup>104</sup> F. Parkin, *Marxism and Class Theory* (1979); R. Murphy, *Social Closure* (1988); C. Tilly, *Durable Inequality* (1998).

idea appeals to collectivist-minded Europeans who deny that individuals can ever be totally divorced from society and who see the risk of social isolation as a problem for everyone, insiders and outsiders alike. Social inclusion thus calls for public solutions that activate all the major social interests, including excluded groups themselves, and provides an efficient way to speak about the increasing importance of gender, national origin, language, and other social cleavages besides class.

Fourthly, attention should turn to (the role of) context. Scholarship on social capital has proceeded without a sustained engagement with context.<sup>105</sup> Despite universal claims for a generic social capital that supposedly works the same in different settings and at different social levels across a long swath of history, there is clearly variation in how it operates. Cooperatives, micro-finance institutions, and other civic or community-based initiatives found fertile soil only in select regions of the world. To attribute such variable solidarity to “culture” begs the question. Systematic comparisons need to extend beyond specific regions, e.g., Northern and Southern Italy. Social exclusion provides an interesting counter case here in that definitions and measures of it are contextually contingent. It makes little sense to speak of racial or linguistic exclusion where there is racial or linguistic homogeneity. The meaning of exclusion interacts with the setting. In the United States, for example, race is a salient dimension of social exclusion and correlates with economic and other disadvantages. In Belgium, language may be more salient, and in Northern Ireland, religion. Hence, a fully “scientific” theory of social exclusion, one that works in all social contexts, may not be attainable. If social relations are reduced to “ties” or “networks,” they lose the valuable content that makes structures distinctive.

While context might be more to the fore in work on social exclusion, there is for both concepts the issue of how “context” is to be interpreted. Drawing on the observations of Edwards and Foley about social capital, Fine points out there are two different approaches to understanding context.<sup>106</sup> The first, drawing on Bourdieu’s approach, is that the *meaning* of social capital or exclusion is itself dependent on the social and historical circumstances in which it is located and mobilized. The second is that its actual *functioning*, use, and distribution (rather than its meaning) are context specific. The former, “strong” understanding of context, too seldom prevails in work on social capital, but is found in analytic discussions of social exclusion. The second needs greater empirical study across contexts. When, where, and for whom do social ties produce positive or negative consequences?

Working to elaborate how the two concepts are inter-related, while a fruitful strategy for clarifying them further, should not be taken to extremes. Figure 2 shows their co-variation in terms of illustrative social categories. It demonstrates that the links between social exclusion and social capital are variable, and that one is not the mirror image of each other. The socially excluded do not always lack social capital (e.g., ethnic/immigrant enclaves or the gay community). One implication is that social capital is not always an antidote to social exclusion. It is insightful to think about the

<sup>105</sup> Johnston and Percy-Smith (2003), 329.

<sup>106</sup> See B. Fine, *Social Capital versus Social Theory* (2001), chapter 7, and Michael W. Foley and Bob Edwards, “Is it time to disinvest in social capital?,” *Journal of Public Policy* 19/2: 963–971.

social placement of those with low social capital. Some are full-fledged members in society (such as married homemakers, isolated suburbanites), whereas others are scorned outsiders (e.g., single mothers, drug addicts). This kind of exercise lays bare some of the causal processes at work. When social capital is absent, it is most often seen as a failure of the individual or community without it, since social capital is assumed as a latent resource, costlessly mobilized. When social inclusion is absent, it is attributed to a failure of the larger society as a whole and so, calls for state intervention.

Finally, Fig. 2 also suggests that it is instructive to recognize one further implicit shared point of reference for both concepts, namely, a “mainstream” whose characteristics are taken for granted.<sup>107</sup> Although the mainstream is conceived as the included majority in social exclusion theory, it is not so clear that, as individualism progresses, the majority or the mainstream is still high in social capital. These considerations suggest a need to probe further the boundaries dividing the excluded from the included, the mainstream from the marginal, and separating those who are rich and poor in social capital. Social relations between the “insiders” and the “outsiders” shape a whole series of social boundaries and “distances,” which in turn influence both social capital and social exclusion.

### Concluding thoughts

As this article argues, social exclusion and social capital are often conflated both conceptually and empirically. Some of the confusion around the two concepts may simply reflect the vernacular meanings of each term. Americans are unfamiliar with the wider social scientific understandings of the term “social exclusion,” confining its application to the few contexts like race relations where it makes obvious sense to them. In Europe, with its socialist tradition, there may be resistance to the idea that any kind of ‘capital’ is good. Bourdieu’s more political elaboration of the term has resonance with European concerns about class hierarchies. We have suggested that there are a number of substantive reasons why these concepts might be confused. For one, their meanings are ambiguous and vague. Copious theoretical interests and applications open the way for overlap and confusion. Secondly, they both link sociology and public policy, especially poverty reduction policy. Thirdly, the fact that both of these multi-dimensional ideas have been defined in multiple ways increases the likelihood of conflation. There is also the fact that as new ideas, they draw upon existing data sets for measures. However, part of our argument is that, far from being superficial, the conflation has theoretical roots. Some definitions of both draw upon the same theoretical traditions in classical sociology. Social exclusion’s interest in cohesion, integration, and people’s involvement in solidaristic social bonds, which it draws from social Catholicism and French Republicanism, has resonance with the communitarian, Toquevillian understanding of social capital. Some of their meanings significantly overlap, then, because the two bodies of work have shared antecedents in classical sociology and philosophy.

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<sup>107</sup> J. Goldthorpe, “Globalization and Social Classes,” (2002). He argues that the divergent ideas of what exclusion is *from* leads to widely different estimates of the size of the excluded population.

**Fig. 2** Co-variation between social exclusion and social capital

	High Social Capital	Low Social Capital
Socially Included	“Mainstream”	Homemakers Couch potatoes Lone bowlers Isolated suburbanites
Socially Excluded	Ethnic/immigrant enclaves Gays Working class communities	Addicts Single mothers Prostitutes

This article has sought to indicate some ways in which work on the two concepts can proceed. Greater attention is needed to explanatory factors, dynamic processes, and policy prescriptions. The nature and effects of context also require greater attention. We also see potential for a conversation between the two perspectives through further research on the constituents and operation of social networks. Both frameworks assert that the potential for a positive contribution of social bonds and active civil society to economic, political, and community life is undeniable, but not guaranteed. Indeed, sometimes, social inclusion and social capital can have negative outcomes, depending greatly upon time, place, and, most importantly, inequalities of power and resources. Delineating these conditions, especially through comparative research, is a scholarly agenda rich in significance.

To conclude, one must ask why the popularity of ideas like social capital and social exclusion has increased precisely at a time of global market expansion, welfare state retrenchment, and privatization. The fact that two novel “social” ideas have gained widespread currency at a time of global economic restructuring, the reassignment of state functions to transnational and local levels, and rapid mobility of populations reflects a common attempt to understand the social re-organization that is underway. Of course, this does not add up to another “Great Transformation” on a par with industrialization. One should not overstate either the novelty or the structural impacts of these trends. Indeed, Goldthorpe has recently warned against such a “fallacy of discontinuity.”<sup>108</sup> It has been tempting to exaggerate the scope of social exclusion and the potential benefits of social capital. The danger in adopting both concepts is that, as they direct attention to disadvantaged groups, the fundamental context, especially the rise in inequality, will be lost.

**Acknowledgments** The authors are grateful to the *Theory and Society* reviewers for their very helpful comments on this article.

<sup>108</sup> J. Goldthorpe, “Globalization and Social Classes,” (2002), 21.

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**Mary Dalyis** Professor of Sociology at the School of Sociology, Social Policy and Social Work at Queen's University Belfast. Among the fields in which she has published are poverty, welfare state, gender, family, and labor market. Her current research is on EU social policy. Some relevant publications include: "EU social policy after Lisbon," *Journal of Common Market Studies* 44/3 (2006); and "Whither EU Social Policy? An Account and Assessment of Developments in the Lisbon Social Inclusion Process," *Journal of Social Policy*, 37/1 (2008).|

**Hilary Silveris** Associate Professor of Sociology and Urban Studies at Brown University and a NEH-supported Member of the School of Social Science, Institute for Advanced Study, Princeton. Her research focuses on social exclusion and urban poverty. Her most recent work, *Social Exclusion: Comparative Analysis of Europe and Middle East Youth*, was published by the Brookings Institution.