



Making Social Capital Work: A Review of Robert Putnam's Making Democracy Work: Civic Traditions in Modern Italy

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I. Associational Life and Social Capital

Public versus Private Goods-Producing Association

The Congruence of network and Institutional Boundaries

II. Capital and Governmental Performance

Rational Voters and Competitive Elites

Bureaucratic Efficiency

Civic Virtue

Social Capital and Elite Accommodation

III. The Absence of Politics in Making Democracy Work

The Historical Origins of Social Capital in Italy

The Distributive Question

IV. Social Capital and Economic Performance

V. Applying the Lessons of Making Democracy Work

Abstract

Since the publication of Robert Putnam's *Making Democracy Work*, the concept of social capital has achieved a new prominence in the social science community. This essay explores the causal linkages among the key analytical concepts presented in Robert Putnam's *Making Democracy Work* in an effort to further the social capital research agenda that the book initiates. We show why different kinds of associations can be expected to have different social capital-building capacities and different implications for cooperation within the larger community. We suggest that the microlinkages between social capital and good government in *Making Democracy Work* are underspecified and we present four models of

how social cooperation at the level of the community translates into good performance at the level of political institutions. We identify the absence of political conflict as a peculiar feature of Putnam's account of Italian politics and history, and we explore the implications of its absence for the theoretical conclusions Putnam reaches and the generalizability of the findings he presents. We examine the relationship between social capital and economic performance and show why Putnam's work has important contributions to make to this field. Finally, we explain why Putnam's findings may not travel well outside of the Italian regions he studies.

Since its publication in 1993, Robert Putnam's *Making Democracy Work: Civic Traditions in Modern Italy*,¹ has generated more discussion and debate than any work of political science in recent years. For the compelling arguments it makes, the innovative methodology it employs and the exciting research agenda it initiates, it is a path breaking work which has already changed the way academics and policy-makers approach the relationship between politics and society.

Aided by Robert Leonardi and Raffaella Nanetti, Putnam evaluates the institutional performance of twenty Italian regional governments using surveys, interviews and a diverse set of policy indicators. His central finding is that wide variations in the performance of these governments are closely related to the vibrancy of associational life in each region. In northern Italy, where citizens participate actively in sports clubs, literary guilds, service groups and choral societies, regional governments are "efficient in their internal operation, creative in their policy initiatives and effective in implementing those initiatives."² In southern Italy, by contrast, where patterns of civic engagement are far weaker, regional governments tend to be corrupt and inefficient. Putnam explains this relationship between strong networks of citizen participation and positive institutional performance in terms of "social capital" -- the networks, norms of reciprocity and trust that are fostered among the members of community associations by virtue of their experience of social interaction and cooperation. He argues that social capital has a positive impact on governance because it allows community members to overcome the dilemmas of collective action which would otherwise hamper their attempts to cooperate for the purpose of bettering social life.

The implications of Putnam's findings are profound. Social scientists are now obliged to add social capital to the list of key variables they consider when trying to explain political and economic phenomena. Students of political culture are forced to expand their symbol- and tradition-focused accounts of the impact of culture to accommodate Putnam's more structuralist perspective.³ And researchers of all stripes are challenged to follow Putnam's example by integrating quantitative and qualitative data in their analyses.

The policy-making community has been particularly energized by the findings of *Making Democracy Work*. From the World Bank to city hall, the creation of social capital has been embraced as a solution for social problems as diverse as promoting economic development in Africa and stemming urban decay in Los Angeles. In a series of widely discussed recent publications, Putnam himself has drawn on the lessons of his research in Italy to identify declining rates of civic participation as an important cause of America's political and social ills.⁴

To be sure, not all reviews of *Making Democracy Work* have been unconditionally enthusiastic. Critics have taken issue with Putnam's interpretation of his data,⁵ his account of Italian history⁶ and his theoretical treatment of social capital.⁷ But even reviewers who have found faults with *Making Democracy Work* have emphasized the contribution that the book has made to the study of democratic

political institutions and the importance of the research agenda that it has initiated. The goal of this review essay is to further this research agenda by critically examining the book's key concepts -- social capital, associational life, good government -- and exploring the causal linkages among them. Over the long-term, the significance of *Making Democracy Work* will be judged less by how it weathers its critical dissection in the pages of social science journals and more by the success of researchers in exploring and applying the social capital paradigm that it champions. Our objective is to identify some of the issues that will have to be taken up and explored along the way.

The essay is organized in the following way. In section one, we examine the concept of social capital and its relationship with associational life. We argue that different kinds of associations will have different social capital-building capabilities and different implications for cooperation within the larger community. In section two, we suggest that the microlinkages between social capital and good government in *Making Democracy Work* are underspecified and we present four models of how social cooperation at the level of the community translates into good performance at the level of political institutions. In section three, we identify the absence of political conflict as a peculiar feature of Putnam's account of Italian politics and history, and we explore the implications of its absence for the theoretical conclusions Putnam reaches and the generalizability of the findings he presents. In section four, we examine the relationship between social capital and economic performance. Although this relationship receives only passing treatment in *Making Democracy Work*, we suggest that Putnam's work has important contributions to make to this field. By way of conclusion, we briefly address the question of how well Putnam's findings are likely to travel outside of the Italian regions he studies.

I. Associational Life And Social Capital

The strong connection between social capital and institutional performance is the central empirical and theoretical finding in *Making Democracy Work*. The relationship between social capital and good governance rests, however, on a prior -- and, we suggest, not entirely unproblematic -- connection between associational participation and social capital.

If we want to predict the capacity for social cooperation in a given community, Putnam's analysis suggests, we need simply to count up the number of horizontal civic associations it contains. The higher the number of such groups, the greater the capacity of community members to overcome self-defeating opportunism and to collaborate for mutual benefit. Since such social cooperation is an important ingredient in good government -- or at least this is Putnam's claim -- the density of associational participation in a given community is of no small consequence for the quality of its political life.

Precisely because of the import of Putnam's claims about the effects of associational participation, it is crucial that we evaluate them critically. In the discussion that follows, we identify six attributes of civic associations which may determine both their capacity to generate social capital and the ability of the larger community to use that social capital to achieve broad-based social cooperation. Our analysis suggests that, contrary to Putnam's expectations, the link between participation in civic associations and positive social outcomes is not axiomatic.

A first distinction, drawn directly from *Making Democracy Work*, is that between horizontal and vertical associations. Horizontal associations "bring together agents of equivalent status and power," while vertical associations "link unequal agents in asymmetric relations of hierarchy and dependence."⁸ From the standpoint of their impact on social cooperation, the difference between horizontal and vertical associations lies in the fact that vertical relationships, such as exist between patrons and clients, are

characterized by dependence instead of mutuality, and are thus highly limited in their ability to generate norms of reciprocity, social trust or a shared sense of responsibility for collective endeavors. Moreover, vertical associations contain built-in hierarchies which facilitate decision-making and eliminate the collective action dilemmas which confront members of horizontally structured groups. Since the experience of arriving at mutually acceptable decisions and overcoming dilemmas of mutual cooperation is at the heart of what makes participation in civic associations so beneficial for facilitating wider social cooperation, this feature of vertically structured organizations robs them of much of their social capital-building power.

Putnam argues that it is the act of associating together, rather than the explicitly community-building purpose of the association, that facilitates the social cooperation that makes democracy work. Northern Italy is better governed than southern Italy, he argues, not because it has more government watchdog organizations or public affairs groups, but because it has more sports clubs and cultural associations.⁹ Civic-ness is viewed as an outcome of social interaction *per se*. The purpose for which the interaction takes place is, for Putnam, less important than the fact of the social interaction itself.

But there are circumstances in which the purpose of the interaction may be relevant, and the next three distinctions all focus on the relationship between the purpose of the group and its ability to facilitate or impair social cooperation in the larger community in which it is located. First, there is the issue of the norms that are inculcated by participation in the association. As Putnam himself points out, "[n]ot all associations of the like-minded are committed to democratic goals nor organized in an egalitarian fashion; consider, for example, the Ku Klux Klan or the Nazi party. In weighing the consequences of any particular organization for democratic governance, one must also consider other civic virtues, such as tolerance and equality."¹⁰ Irrespective of the social capital that participation in such an association may generate, groups which foster intolerance and teach inequality will have a negative impact on the ability of members of the larger community to trust one another and cooperate for common ends. To the extent that the inculcation of community-undermining views can be inferred from a group's purpose, as is clearly the case with the organizations Putnam cites, the purpose of the group cannot be ignored.

Second, we must consider the ways in which the purpose of the organization may determine the uses to which the social capital that is formed within it is put. Social capital is a powerful resource because it facilitates cooperation. But, from the perspective of the larger society, it can as easily facilitate cooperation for ill as cooperation for good. One tends to forget that, in the famous prisoners' dilemma, the principal consequence of the fact that the prisoners cannot cooperate is that they stay behind bars. While this outcome may be suboptimal from the point of view of the prisoners, it is hardly so from the point of view of society, which presumably wants to keep criminals off its streets. The mutual trust that would enable the prisoners to beat the system, like the social capital that enables the Mafia to cover up a murder or European Union farmers to block legislation that would reduce food prices for all Europeans, may be beneficial for the few while injurious to the many. The simple existence of social capital among the members of an organization is no guarantee that it will be used for the good of the community as a whole.¹¹ The purpose of the group will help determine its use.

Third, there is the issue of the degree to which the social capital created within the group is generalizable to interactions which take place outside of it. In his more recent writings, Putnam has termed this a distinction between "bridging" and "non-bridging" social capital.¹² For the cooperative skills formed among members of a PTA to be useful in promoting other sorts of outcomes, like safer streets or cleaner water, the bonds of trust and norms of reciprocity forged among PTA members must be generalizable to

interactions with non-group members in other contexts. The purpose of the civic association may be highly relevant to the ability of the social capital and cooperative capacity that is formed within it to facilitate cooperation within the larger community. An example will illustrate the point.

Active participation in a Sinn Fein chapter or a pro-choice abortion group may promote lots of social capital among fellow group members. That social capital may greatly facilitate the cooperation necessary for group members to organize rallies, coordinate fund-raising efforts and conduct other collective tasks. But the social capital that is forged within each of these groups may not be very helpful in facilitating cooperation with non-group members on other issues -- particularly if those non-group members are members of other groups (like the Ulster Volunteers or Operation Rescue) whose purposes are at odds, in a zero-sum sense, with the commitments of the Sinn Feiners or the right to choosers. A society full of associations dedicated to single, uncompromising imperatives which conflict with those of other associations may be a society full of social capital, but a social capital which, because of the nature of the groups in which it was created and of the polarized social context in which it will be employed, may be of very limited use in promoting community-wide cooperation.

Each of the distinctions drawn thus far has been treated by other reviewers, so our discussions of them have been brief. We now propose two additional distinctions which have received less attention, and we will elaborate on them at greater length.

Public versus Private Goods-Producing Associations

The first derives from whether the association involves primarily the creation of a public or a private good. A public good -- like better schools or safer neighborhoods -- can be enjoyed by everyone in the community irrespective of whether or not they participate in the association that provides it. The problem with public goods is that they generate strong incentives for "shirking" or "free-riding": in the absence of barriers to the consumption of a public good by those who fail to contribute to its provision, it is rational for individuals to leave the provision of the good to others and enjoy, for free, the fruits of the others' labor. A private good, on the other hand -- like the personal enjoyment derived from discussing literature, singing in a chorus or playing soccer -- can be enjoyed only by those who participate in creating it. There is no incentive for shirking in the production of a private good because those who shirk can not enjoy the benefits that would have been available to them had they participated.¹³ To skip the chorus rehearsal or the soccer practice is to miss out on the enjoyment of singing or playing. Thus, while private goods-producing groups may involve *coordination* (i.e., the coming together of individuals into a group for a collective activity), they do not require *cooperation*, which we take to involve coordinated actions which take place *in the context of strong incentives to defect*.

Two important implications follow from the distinction between public goods-producing associations and private goods-producing associations. First, we would expect that civic associations dedicated to the provision of public goods will produce a stronger form of social capital than those dedicated to the provision of private goods. The strong incentive for free-riding inherent in the provision of public goods makes public goods-producing associations very difficult to maintain over time. But when they are maintained successfully, we would expect the experience of cooperation for mutual benefit enjoyed by the association's members to be more valuable for promoting cooperation in other spheres than the experience had by members of private goods-producing groups.

Whereas public and private goods-producing associations both provide their members with the

opportunity to interact with other citizens, amplify reputations, and build bonds of friendship, public goods associations alone require -- and embody past successes at -- cooperation. The reputations that are amplified and the norms of reciprocity that are produced through participation in public goods-producing associations like PTAs or neighborhood crime watch groups are rooted in actual experiences of cooperation in circumstances where the incentive for leaving the hard work for others is very high. Private goods-producing groups provide no opportunity for this kind of reputation-building. Reputations may be forged within a private goods-producing association, but not reputations for cooperation. A chorus or a bowling team may allow members to get to know one another very well but, because what goes on within such groups does not depend on overcoming free-riding, they leave group members without a record of how their fellow singers and bowlers will behave in situations where they face strong incentives to defect. And since the power of social capital derives from its ability to promote cooperation in situations where the incentives for free-riding are high, the social capital formed in a PTA or other public goods-producing organization is likely to be far stronger than that formed in a chorus. To have gone out on a limb repeatedly and not been let down, and then to have enjoyed the benefits of that cooperation -- which is precisely what happens in a successful mutual aid society, rotating credit association or PTA, but not in a choral society or literary club -- is to lay the basis for very strong norms of reciprocity and trust and to forge an especially sturdy template for future cooperation.

A second implication of the distinction between public and private goods-producing associations is that it forces us to re-examine Putnam's operationalization of social capital in terms of the density of recreational and cultural associations.¹⁴ The existence of a private goods-producing group depends on convergent interests rather than trustworthiness.¹⁵ People join a chorus not because they trust one another or have developed norms of reciprocity but because they share a love of singing. Participation in such a group may produce a weak form of social trust among its members but, as we have argued above, it need not and, in any case, the existence of the group does not depend on it. The presence of a chorus or similar private goods-producing group in a community therefore implies very little about the degree of civic-ness in the community at large.

The existence of an association set up to supply a universally consumable product like better schools or safer streets, on the other hand, would appear to be a better indicator of the presence of social capital in the community because its very existence depends the ability of its members to trust one another and overcome the organization's built-in incentives for free-riding. Unfortunately, as Olson shows, the existence of such a group might also be explained by the "selective benefits" -- prestige, respect, or some other social incentive -- enjoyed by the group's members which makes them willing to contribute to the production of the public good even though they know that others may be benefiting from that good without contributing.¹⁶ If selective benefits rather than social capital are at work -- and this will be impossible to know without undertaking an in-depth study of the organization itself -- then the existence of the group would tell us very little about the civic-ness of the surrounding community. Without knowing which of these factors accounts for the existence of the public goods-producing group (or in what degree), we will be unable to impute the presence of social capital in the community from the existence of the organization. "Head counts" of civic groups from a national census of associations or tallies of associational memberships from sources like the General Social Survey, while methodologically attractive, are blunt instruments for measuring the amount of social capital in a given community.

Having made the distinction between public and private goods-producing associations, we hasten to point

out that, as is the case with all of the distinctions we have been making, many associations, in fact, fall between these ideal types. Organizations like the Catholic Church may appear to be vertically organized and yet contain numerous opportunities for horizontal engagement within their midst.¹⁷ Associations like Rotary Clubs, which facilitate business contacts among members and sponsor scholarships available to members of the larger community, generate participation-dependent and universal benefits simultaneously. Similarly, to the extent that a private goods-producing civic association generates at least some social capital (albeit perhaps in a weak form) and to the extent that the social capital thus produced facilitates general social cooperation, the ostensibly private goods-producing association is also producing a public good.¹⁸ As we shall argue below, it is precisely this dual nature of some associations which may help account for the evolution of social capital in 11th century Italy.

The Congruence of Network and Institutional Boundaries

In his empirical discussion of civic participation in Italy, Putnam emphasizes the sharp contrast between rates of associational membership in the northern and southern portions of the country. Later, in his theoretical discussion of social capital, his emphasis shifts somewhat from rates of participation in individual associations to the networks of civic engagement that are built from multiple, overlapping associational memberships. This shift in emphasis is largely an artifact of data collection constraints: information on the number of civic associations per capita is easier to collect than data on social networks,¹⁹ and it is therefore on the former that Putnam lays his stress in his empirical chapters. But the shift in emphasis from the association to the network has important theoretical implications. The most important of these is that it allows us to ask questions about the *boundaries* of the network of associational activity, and in particular whether they match the boundaries of the institutional arena whose performance is being attributed to the network's vibrancy. What happens if a community contains two or more robust, yet distinct and non-overlapping, networks of associational life? Will the performance of the political institutions responsible for that community's governance be strengthened by the robustness of the associational engagement within the community as a whole, or undermined by the fact that the networks of associational activity are segregated?

The very same game theoretic tools that Putnam uses to show how social capital facilitates collaboration for mutual benefit can be used to show that when associational life is segregated -- that is, when the boundaries of the networks of social interaction in a given community are not congruent with the boundaries of the community as a whole -- the segregated nature of the networks will be likely to undermine the cooperative capacities of the larger community.²⁰ Putnam, like the rational choice theorists on whose work he draws, argues that intense social interaction in civic associations facilitates cooperation because it lowers the transaction costs of collaborative endeavors. By the same logic, we would expect transaction costs to be lower in within-network interactions than in cross-network interactions in situations where the non-cross-cutting nature of associational memberships produces distinct, bounded networks of civic engagement. The abundance of information about the reliability of fellow network members will facilitate cooperation within the network, while the relative absence of such information about potential cooperating partners from other networks will make cooperation with non-network members comparatively more risky. The availability of group sanctions (such as exclusion from the benefits of future group transactions) against a network member who "defects" will be absent in non-network transactions, thus also making cross-network cooperation less safe. In addition, to the extent that segregated networks are based in some degree on ties of ethnicity or kinship, and to the extent that such ties provide a culturally-defined template for cooperation, the absence of such templates in

cross-network collaboration will make such collaboration comparatively more difficult.

For all these reasons, collaborative exercises requiring cross-network coordination, while not impossible, will be far more costly than cooperative efforts that take place within social networks. Since many of the outcomes Putnam would like to attribute to the cooperation-enhancing effects of social networks -- good governance being paramount among them -- require the collaborative efforts of *all* members of the political community, the distinction between communities with segregated and non-segregated networks would seem to be one worth making. In domains containing distinct, non-overlapping networks, the creation of social capital -- precisely because it (and its potentially positive effects) are necessarily network-bounded -- may increase cooperation within the network communities themselves but create disincentives for collaboration within the larger community in which the segregated groups are situated. Governance and other cooperation-dependent outcomes may therefore be improved within the individual communities, but impaired within the common domain. nature of ass

Why, then, a perceptive reader of *Making Democracy Work* might ask, are some of the most civic regions in Italy also those which contain precisely the sort of distinct associational networks just described? According to Putnam's data, Emilia-Romagna is Italy's most civic and best-governed region. Yet its associational life -- from parties and unions to sports clubs and social groups -- is significantly divided into Catholic and Communist camps. How can we square the plausible-seeming theoretical conclusions we have just derived with the facts of the Italian case?

The logic of the argument presented above would lead us to expect that the likelihood of cooperation with members of other networks will be inversely related to the vibrancy of associational life in the respective civic communities. The stronger the norms of trust and reciprocity within community boundaries, the greater the comparative risks presented by the prospect of cross-network cooperation. But it may also be that the bounded interactions that make cross-network cooperation comparatively more risky also *make those who cooperate less risk averse*. A (declining) "risk aversity effect" may operate simultaneously, and at cross-purposes, with the (increasing) "comparative risk of cross-network cooperation effect." At very high levels of social capital, the former may overwhelm the latter, thereby making inter-network cooperation possible. Those who are engaged in very dynamic, social capital-rich associational networks may be willing to overlook the comparative safety of intra-network transactions and make cooperative overtures to non-network members because they know that, if their overture is rejected, they have a very safe and dependable network of cooperation partners to fall back on.²¹ If this hypothesis is correct, then the simultaneous presence of civic-ness and segregated associational networks in Emilia Romagna could be explained by the very high level of social capital in the region's Catholic and Communist subcultures.²²

If we are right, then policymakers who are contemplating investing resources in the cultivation of social capital-producing civic associations as means of promoting economic development or governmental effectiveness would do well to first consider whether memberships in such groups are likely to be segregated (as has historically been the case in many of the ethnically divided societies of Asia and Africa and in many urban contexts) or to encompass broad and diverse segments of society. If the former is the case, then the project of fostering a more vibrant associational life may yield a more divided and less cooperative society than existed before the initiative was undertaken. While such a policy may bring benefits over the very long-term (when social capital stocks reach a sufficiently high threshold to allow for the emergence of accommodative interactions across group boundaries), the shorter-term undermining of cooperative capacities may be extraordinarily costly.

II. Social Capital And Governmental Performance

Given identical institutional structures, why are some Italian regional governments more stable, efficient, innovative and well-managed than others? This is the central question in *Making Democracy Work*. The answer that Putnam provides is both innovative and compelling. It is innovative because it goes beyond the standard preoccupations of democratic theorists with such factors as electoral competitiveness, institutional design, political polarization, bureaucratic capacity and socioeconomic modernity and emphasizes instead a new explanatory variable, the vibrancy of the civic community, to account for the variation in governmental performance across the Italian regions. It is compelling because the argument is supported not only by very strong statistical correlations, but also by rigorous theoretical argumentation and detailed historical analysis.²³

Furthering the research program he initiates, however, will require a more thorough explication of the microlinkages between social capital and institutional performance than is presented in *Making Democracy Work*. The correlation between these variables in the Italian case is clear, but, as we shall argue, the logic of how social capital produces governmental effectiveness is underspecified. The theoretical tradition Putnam draws upon demonstrates very clearly how social capital facilitates cooperation and how cooperation makes possible the achievement of superior social outcomes. But it leaves us without an explicit articulation of the mechanism by which the ability of people in society to cooperate affects the performance of the governmental institutions that sit on top of them. There is an important aggregation problem here. Putnam shows very clearly that citizens of the northern regions are more able to cooperate with one another than citizens of the Mezzogiorno. But he fails to explain the logic of the microlinkages between the cooperative capacity of each regional community and the efficiency, creativity and effectiveness of their government.

We are not suggesting that social capital and governmental performance are unrelated. The correlations between these variables are too striking to permit such a conclusion. Rather, we imply that the logic of the mechanism that links social capital and governmental performance requires more detailed explication. Accordingly, we proceed to lay out four models of the relationship between the cooperative capacity of society and the performance of political institutions, pieces of which can be found in less explicit form in *Making Democracy Work*. By laying them out explicitly, we can put ourselves in a position to evaluate their relative explanatory powers and begin to make the jump from demonstrating correlation to demonstrating causation.

Rational Voters and Competitive Elites

Underlying our first model of good government lies the image of a perfectly competitive democracy where voters are well informed, prompt to mobilize, and eager to punish under-performing elected representatives at the ballot box. Recognizing this, representatives, in turn, are anxious to please voters and govern according to their wishes. They work hard to implement policies preferred by a majority of their constituents and press bureaucrats to deliver the goods as efficiently as they can.

Since, as this model assumes, the effective operation of political institutions depends on the ability of citizens to hold elected representatives accountable for the quality of the governance they provide, social capital will produce good governance to the extent that it makes citizens "sophisticated consumers of politics." Active participation in community associations will help do this by providing opportunities for citizens to discuss civic affairs, increase their awareness of political issues and argue about whether or

not the government is doing everything that it should to improve their welfare. A civic community, the argument runs, will be better positioned to hold its government accountable for its actions. Knowing that their constituents are monitoring and discussing their behavior, elected political elites will work harder to govern effectively, lest they be removed from office at election-time.

An additional way in which social capital contributes to effective governance in this model is by facilitating the articulation of societal demands. The more civic a community, the better able its citizens will be to overcome the collective action dilemmas which stand in the way of organizing groups capable of articulating their interests to the government. The more that the government is made aware of the wishes of the community, it is assumed, the greater the likelihood that its policies will reflect them.²⁴

Bureaucratic Efficiency

A second hypothesis is that social capital promotes institutional effectiveness through its effects on the ability of government bureaucrats to cooperate with one another in the course of carrying out their duties. To the extent that political elites and bureaucrats responsible for writing reform legislation, administering day-care centers, or responding to citizens queries are able to compromise with one another and work together efficiently, the quality of governance in the political community will rise. Since social capital facilitates compromise and cooperation, a civic bureaucracy will produce a better run government.

Notice that in this model, society "drops out." Bureaucrats and political leaders may derive their civic-ness from the networks in which they participate in society at large, but, in this explanation at least, the effects of that social capital are important only within the confines of the government office. To the extent that this model captures how social capital promotes governmental effectiveness, the policy implication would be that if one is interested in improving institutional performance, one should not waste one's time trying to cultivate grass roots civic associations. Far better to invest in weekend "trust-building" workshops for government officials at New Hampshire ropes courses. *Making Democracy Work*, this model implies, depends on making bureaucracy work. And making bureaucracy work depends more on fostering trust and cooperative capacities within a relatively narrow, occupationally-defined segment of society than on building civic-ness among the members of the community as a whole.

Civic Virtue

Whereas the first model emphasizes the role of social capital in increasing both the volume and clarity of citizens' demands on government and the responsiveness of elites to those demands, it is also conceivable that social capital will affect the *nature* of what citizens articulate. Social capital may indeed foster virtue among the citizenry, much as Tocqueville saw in *Democracy in America* and contemporary proponents of "civic republicanism" argue in their works.²⁵ Civic engagement builds a common political identity, gives citizens experience in governing and builds quality of judgment, all of which have a positive impact on governance. In modern parlance, social capital promotes good governance by shifting community tastes from particularistic interests (how can I get richer?) to more community-oriented concerns (how can our neighborhood be improved?). By enhancing citizens tastes for collective benefits -- developing the "I" into the "we" in Putnam's terms -- social capital encourages the articulation of demands on government which are to everyone's benefit rather than helping some members of society at the expense of others. For the same reasons, the presence of abundant stocks of social capital in a community may also cause citizens to play down demands for short-term consumption-oriented

expenditures and encourage them to support the sorts of investments in the future which will dramatically improve the lives of community members in the long run.

In addition, to the extent that governance involves, as Weber saw it, a balancing act between force and legitimacy, social capital can be expected to promote institutional success to the extent that it enhances citizen-government cooperation and facilitates the implementation of government policies. A civic community, the civic virtue model assumes, will be a rule-abiding community, and a rule-abiding community will be a community in which the costs of implementing governmental policies will be low. Citizens who obey regulations, contribute to the enforcement of laws and cooperate with authorities (all of which will be more likely in a social capital-rich community) will contribute, by their own actions, to the effectiveness and efficiency with which government can deliver social services and public benefits.

Social Capital and Elite Accommodation

A fourth model links social capital and good governance through the former's ability to foster accommodative practices among otherwise antagonistic elites. Voters in Northern Italy have been traditionally mobilized along in hostile political blocks. Their situation is not very different from many other European countries, which, at least through the 1960s, contained citizenries frozen in antagonistic ethnic, religious and class sectors. As was argued earlier in this essay, while the presence of low levels of social capital may reinforce such communal divisions, high levels of social capital may be consistent with a greater willingness to bridge social cleavages in the interest of securing common benefits like well-functioning political institutions.

To the extent that this is true, social capital makes democracy work by making consociational democracy possible. One of the great difficulties with consociational democracy (and one of the reasons it has been more useful as a descriptive tool than as a policy prescription) is the fact that, in addition to its several institutional requirements, its success also depends on the intangible and difficult to quantify commitment of elites to making the system work.²⁶ The social capital research program may contribute to the consociational democracy research program by providing a readily quantifiable index of this key underlying factor. The relative commitment of elites to achieving particularistic goals (thereby dooming accommodative solutions) or to making the system work may be a function of the degree of social capital that they and the communities they represent possess. In social capital-rich environments, like the Netherlands, consociational solutions may be possible. In environments where the overall density of associational life is still low and the aggregate levels of social capital are slight, as in much of the developing world, political solutions dependent on elite accommodation will be less likely.

Furthering the research agenda that Putnam initiates will require a much more thorough consideration of these, and other, models than space allows us to undertake here. But by drawing attention to the need for a clearer explication of the link between social capital and governmental effectiveness, and by sketching several hypotheses for what that link might be, we hope we have taken a first step in this direction.

III. The Absence Of Politics In *Making Democracy Work*

Given that *Making Democracy Work* is a book about the operation of democratic politics, the nearly total absence from its pages of any discussion of political conflict is more than a little puzzling. Putnam's account of Italian politics and history -- like his more recent work on the decline of social capital in the United States -- ignores the possibility that the patterns of civic engagement that he examines might be

an outcome, as well as a cause, of particular patterns of political behavior.²⁷ This omission has significant implications for the theoretical conclusions Putnam reaches, largely because it rules out a whole class of competing explanations for the phenomena he is trying to explain. One area where the omission of political conflict is particularly glaring is in his discussion of the origins of the differences in northern and southern Italy's stocks of social capital.

The Historical Origins of Social Capital in Italy

In our discussion of the differing social capital-producing capacities of different kinds of civic associations, we neglected to emphasize one of the most important characteristics of the relationship between civic associations and social capital: its circularity. Cooperation and social capital breed one another, as Putnam stresses, in a virtuous circle. Repeated cooperation increases the available stock of social capital. And social capital, in turn, makes it possible to sustain social cooperation. As a result, stocks of social capital...tend to be self-reinforcing and cumulative. Virtuous circles result in social equilibria with high levels of cooperation, trust, reciprocity, civic engagement and collective well-being. These traits define the civic community. Conversely, the absence of these traits in the uncivic community is also reinforcing. Defection, distrust, shirking, exploitation, isolation, disorder, and stagnation intensify one another in a suffocating miasma of vicious circles.²⁸

Two stable and self-reinforcing social equilibria can therefore be discerned: one epitomized by the happy, cooperative, civic North, and the other captured in the unhappy "amoral familism" of the uncivic Mezzogiorno.

The virtue of thinking about social capital in terms of social equilibria is that it captures the circularity of the relationship between the act of cooperation and the likelihood of mutual collaboration in the future. To think purely in terms of linear causation is to do injustice to the interconnectedness of these two variables and to fail to capture the fundamental stability of social capital stocks over the long term. The danger of thinking in terms of equilibria, however, is that it makes it very easy to skirt the important issue of how the virtuous or vicious circles that Putnam identifies were initiated in the first place. To say that Northerners are civic because they have been that way since the eleventh century is to beg the question.

Putnam's position is that the explanation of how "the inhabitants of north-central Italy first [came] to seek collaborative solutions to their Hobbesian dilemmas...must await further research."²⁹ The "mists of the Dark Ages," he suggests, prevent us from weaving together a satisfactory historical account of the emergence of social capital in northern Italy. These "mists" should not, however, prevent us from speculating theoretically about how cooperative practices first appeared. If, as *Making Democracy Work* argues, social capital is the key to successful political and economic governance, then we must be demanding with ourselves and strive to establish systematically how the virtuous circle of cooperation, trust and civic engagement that characterizes life in social capital-rich societies is initiated.

In what follows, we present an explanation for the emergence of the social cooperation equilibrium in northern Italy and the non-cooperation equilibrium in the South. Our explanation emphasizes that the origins of cooperation in a given community can only be understood as an outcome of the patterns of social and political conflict over the course of that community's historical development. To show how we reach this conclusion, it is first necessary to present and demonstrate the insufficiency of three other

possible explanations for the emergence of social capital. Two of these explanations are drawn from the literature on social cooperation, and one follows from our discussion earlier in this paper.

A first explanation might point to experimental research that shows how stable cooperation can emerge spontaneously among otherwise uncooperative actors when they value future pay-offs and expect to interact again and again an indefinite number of times.³⁰ As long as the pattern of interaction has no foreseeable end, actors will have no incentive to defect from cooperating and a virtuous circle of cooperation and social-capital building will be initiated. The problem with this explanation is that unless we are able to point to reasons why social interactions were more frequent and repetitive in northern than in southern Italy at the turn of the millennium (which, *a priori*, seems highly unlikely) it leaves us unable to explain the fact that social cooperation emerged in one part of the country but not in the other.

A second explanation might emphasize the ability of a sufficiently powerful third-party enforcer to compel otherwise untrusting individuals, through the threat of force or the creation of cooperation-facilitating institutions, to overcome the collective action dilemmas that beset them.³¹ The problem with this explanation is that the region whose state was strong enough to be able to enforce cooperation among individuals (the South) turned out to be the region with less rather than more cooperation.

A third explanation for the origins of social capital might build on our earlier distinction between public goods-producing endeavors, where individuals have strong incentives to free-ride, and private goods-producing endeavors, where coordinated action requires only that participants have common interests. The first kind of interaction requires the pre-existence of norms of reciprocity for its success. But *both* kinds of interaction will generate social capital among those who participate, albeit (as we argued earlier) to different degrees. It is possible, therefore, that the second sort of non-social capital-dependent interaction could, over time, generate enough social capital to make possible more significant cooperation in arenas where individuals *do* face collective action dilemmas. According to this model, social capital would emerge through an evolutionary process, starting out in private goods-producing interactions and ultimately graduating to public goods-producing groups. The problem with this explanation is that, like the first, it fails to account for the different equilibria in the North and South. To explain why cooperation emerged in northern Italy but not in the Mezzogiorno would require arguing -- rather implausibly, we think -- that Northern Italians historically shared more common interests in singing or soccer playing than did their southern counterparts.

One of the reasons that all of these explanations fail may be that they all assume that it is the emergence of cooperation that is puzzling. It might well be the case that cooperation emerges spontaneously (as described in the first or third accounts above) and that what truly requires explanation is the set of forces that block its continued growth. One factor which would clearly undermine social cooperation is a high degree of social and political conflict among potential cooperating partners. It may be that the variation in social capital stocks across the regions of Italy is an outcome of the different degrees of social and political conflict present in those regions during the 11th century.

Imagine Italy around the year 1000. For the sake of argument, let us assume that by that time self-sufficient, autarchical communities were giving way to more complex forms of social and economic organization and that cooperation was slowly taking off in both parts of the country. Why did cooperative practices take root in the North but not in the South?

One explanation might point to the presence of an external power that, in its quest for absolute political

control, did everything it could to uproot associations and sabotage cooperative activities which might pose a threat to its security. Thus in the South, which was, *ab initio*, more likely to acquire social capital than the North given its set of flourishing commercial cities, cooperation was quashed by a Hobbesian state: the Norman invaders. In the North, cooperation was not blocked by a hegemonic power and was allowed to build on itself and grow over time.

This, we think, is only part of the story. More important than the role the Norman invaders may have played in blocking the growth of social capital in the South was the region's "steep social hierarchy" and the fact that social life at the local level "came to be ever more dominated by a landed aristocracy endowed with feudal powers, while at the bottom masses of peasants struggled wretchedly close to the limits of physical survival."³² Such deep-rooted social inequality was in stark contrast to the situation in the towns of northern and central Italy, which constituted, according to one author cited by Putnam, "oases amidst the feudal forest."³³

In the North, where there was, roughly speaking, more equality, cooperation proved easy to sustain. The wide inequalities which characterized social life in the South, on the other hand, fueled resentments which prevented cooperative practices from crystallizing. Cooperation among unequals is problematic because there will always be incentives for one of the parties to defect from cooperative arrangements that perpetuate the *status quo*. The poor cannot be satisfied permanently with the existing distribution of assets, and the rich can easily abandon any arrangement with low costs to themselves and great hardship for the poor. Furthermore, to maintain their political and economic privileges, the rich will maneuver to divide the poor. Local feudal lords, like the hegemon at the higher level, will watch peasants carefully and crush any cooperative activities that they believe might lead to organized resistance.³⁴ The reason why the social cooperation equilibrium emerged only in the North may be that, in the South, feudal relations and powerful coalitions of local landowners foiled peasant attempts at cooperation.³⁵

The implication of this discussion is that whether or not cooperation takes root depends on the pre-existing set of political relations in the community and on the degree of inequality, polarization and conflict suffered by society -- issues, it is worth pointing out, that are almost invisible not only Putnam's account of Italian history but in most theoretical accounts of the evolution of social cooperation.

The Distributive Question

Part of the reason that politics figures so insignificantly in Putnam's account of Italian democracy is because of the particular society-centered lenses through which he views his domain. But another reason stems from the fact that the Italian regions that he studies constitute a rather unusual species of government. Unlike most governments, the Italian regions lack any power to raise taxes autonomously. Their discretion over spending decisions is equally limited. In most cases they simply administer resources made available to them by the central government and implement policies already drawn-up in Rome. Except in the area of industrial policy, all of the "policy implementation" measures that Putnam includes in his index of institutional performance (the number of day care centers and family clinics, the disbursement of agricultural and housing allocations, and local health unit expenditures) consist in the mere implementation of policies conceived and funded by the central government. Neither the generation of funding nor the difficult (and highly political) task of formulating the policy itself are left in the hands of the regional governments. Under such circumstances, the variation captured by these indicators will reflect little more than differences among regional politicians and bureaucrats in their abilities to spend

their annual budgetary allocations. While the presence of social capital may explain why some regions' bureaucrats are better able than others to spend the money put at their disposal by Rome, this amounts to a rather narrow conception of governmental performance which, we suspect, is somewhat different from what Putnam had in mind.

The very limited control that decision-makers in the Italian regions have over taxing and spending also means that the results derived in *Making Democracy Work* may be of limited usefulness when applied to "normal" institutional arenas in which tax and spending decisions do lie in the hands of policy-makers. In the latter case, politics takes on a critical redistributive dimension which is lacking in the Italian regional system. When politicians are charged not simply with implementing pre-packaged and fully-funded policies, but with collecting money and deciding how it will be spent, they become faced with fundamental trade-offs. The question of whether to spend more money on day care centers (thereby satisfying working mothers) or to reduce an already sizable level of taxation (thereby placating middle and upper class taxpayers) is a quintessentially political one, and a government's ability to resolve it successfully is an important part of what good performance is all about. But because such tradeoffs are absent in the Italian regions, this critical component of governmental performance cannot be captured by even the most well-designed set of indicators. As a consequence, Putnam's conclusions about the nature and causation of good government may not "travel" as well as one would assume.

Nor can they be considered a definitive response to the most general questions posed by democratic theory. It is impossible, for example, to ask how such factors as the structure of political cleavages or the role of political parties or the degree of polarization among the citizenry affects the quality of governance in the Italian regions because the political conflicts over resource extraction and distribution through which these variables derive their relevance are missing. It is possible that in polities where governments have discretion over tax and spending decisions, these factors may have, in spite of Putnam's work, an even stronger impact on institutional performance than levels of social capital. The peculiar, conflict-free nature of the Italian regions makes it impossible for us to test this proposition.

IV. Social Capital And Economic Performance

Making Democracy Work should be read above all as a powerful inquiry into the causes of good governmental performance. Yet, although his treatment of the issue is less comprehensive, Putnam's work also contributes to our understanding of the interaction between social capital and economic performance. His conclusions, although tentative, are provocative and important.

In the last decades of the nineteenth century one could hardly find substantial economic differences across the Italian Peninsula. In regions like Emilia-Romagna and Calabria, the sectoral composition of the work force and their quality of life were roughly similar.³⁶ From the turn of the century, however, their development took divergent paths, leading to a widening economic gap between an affluent North and an impoverished Mezzogiorno. Already before their economies began to diverge, the Italian regions had significantly different levels of social capital. Putnam shows convincingly how the levels of social capital at the turn of the century (and not economic conditions) account for today's levels of economic development -- "civic traditions turn out to be a uniformly powerful predictor of present levels of socioeconomic development, even when we hold constant earlier levels of development."³⁷

Moreover, the correlations found between social capital and economic development make sense, Putnam argues, from a theoretical point of view. Drawing from two separate strands within the institutional economics research agenda, he shows why the presence of social capital can be expected to have

important effects on economic performance. A recent literature on 'industrial districts', which explores the conditions that sustain the highly productive, competitive and flexible firms of Central Italy, insists that these firms flourish thanks to "a set of institutional mechanisms that enable competition to coexist with cooperation by forestalling opportunism."³⁸ "Rotating credit associations" (and "mutual aid practices" provide another example of how social capital and trust "can improve the efficiency of society by facilitating coordinated actions."³⁹

We do not take issue with Putnam's findings. On the contrary, a growing and suggestive literature shows how economic growth depends on variables such as institutional structure or cooperative environment -- factors that go well beyond the traditional explanatory variables of technological advancement, population growth or economies of scale. Locating Putnam's conclusions within literature enables us to both solve some of the puzzles *Making Democracy Work* presents and reinforce, helped by Putnam's findings, the new neoclassical literature on economic growth.

In the new neoclassical literature on economic growth, economic growth does not derive linearly from the gains of trade made possible by increasing specialization and division of labor.⁴⁰ Traditionally in economic theory, the costs of producing goods and services have been restricted to the resource inputs of land, labor and capital which are transformed through the production process. Accordingly, economic agents minimize these production costs to maximize revenue. The minimization of the input costs takes place as a result of technological advances that increase the levels of specialization. This explanatory model of economic growth can only be sustained, however, if one assumes a market where individuals have full information about the exchanged good, where the terms of trade are known to both parties and where the exchange is instantaneous. If these conditions hold, then the exchange is 'effortless' and prices are a sufficient allocative device to achieve the most optimal outcome. The problem is that these assumptions are too restrictive when seen from an empirical point of view.

Producing goods and services involves as well significant transaction costs (i.e., costs other than those involving the use of inputs) of two sorts. On the one hand, the production (and exchange) process involves substantial costs of measurement. It involves "the costs of measuring the valued attributes of goods and services and the varying of the performance of agents."⁴¹ On the other hand, it includes the costs of enforcing the contractual relations required to produce and exchange goods and services. Given the overwhelming presence of transaction costs in the economic process, the most efficient economies would be those that, holding the production costs constant, develop those institutions and norms that minimize the costs of measurement and enforcement. In other words, while economic success is partially a function of technological development it is also a function of an institutional regime that minimizes transaction costs.

At this point, the idea of social capital can be integrated in an overall model of economic performance. The minimization of transaction costs seems to depend on the existence of legal or formal rules that guarantee property rights and their enforcement (e.g., a stable commercial law, an effective judicial system). Yet it depends as well on informal norms that reduce measurement costs by, say, increasing information about the other party's preferences, or decreasing the enforcement costs by providing high levels of social trust. Social capital fits well into this category. Communities rich in social capital should have lower transaction costs and therefore a more developed economic system. Uncivic communities, instead, are unable to move from primitive to more complex economic system since "the degree of complexity in economic exchange is a function of the level of contracts necessary to undertake exchange in economies of various degrees of specialization. Nonspecialization is a form of insurance when the

costs and uncertainties of transacting are high. The greater the specialization and the number and variability of valuable attributes, the more weight must be put on reliable institutions that allow individuals to engage in complex contracting with a minimum of uncertainty about whether the terms of the contract can be realized."⁴² In the absence of social capital, individuals will act rationally by minimizing the number of exchanges they engage in, and the inevitable outcome is that the economy will become stalled.

In addition to providing a more systematic account of *Making Democracy Work*'s findings and a more micro-level explanation of the potential link between social capital and economic performance, placing Putnam's conclusions within the theoretical framework of the new neoclassical models allows us to reconcile the following empirical puzzle: assuming that social capital stocks have been higher (at least in relative terms) in the North than in the South since the 11th century, why were their levels of economic development roughly similar until 1900? If the relation between social capital and economic development were unilinear over time (as it is suggested at some points in chapters 5 and 6), we should expect permanent differences between the economies of the North and the South since the year 1000. Our discussion provides a possible solution to this apparent contradiction.

Given that the fundamental economic consequence of social capital consists in reducing the level of transaction costs, we would expect the positive effects of social capital on economic performance to only become apparent in situations where transaction costs are high.⁴³ Accordingly, only when industrialization and extensive trade activities emerged in Italy in the second half of the nineteenth century did social capital affect the potential for economic growth. Before that time, the substantial cross-regional differences in social capital had hardly any impact on what were predominantly unsophisticated economies.⁴⁴ In short, the presence of social capital should not be expected to affect the economy always. It should only have an impact when notable gains can be made from minimizing transaction costs; that is, whenever there are technological or structural conditions that allow individual agents to engage in significantly more complex transactions.

V. Applying The Lessons Of *Making Democracy Work*

Given the wide attention that *Making Democracy Work* has received and the comparative and often explicitly prescriptive purposes to which Putnam's findings have been put, it makes sense to ask how well they travel outside the Italian regions he studies. This is a difficult question to answer conclusively in the absence of the sort of comprehensive, longitudinal data that Putnam employs in his study of Italy. However, by uncovering the key assumptions which underlie his arguments, scrutinizing the relationships between his key variables and identifying some of the characteristics of the Italian regions which set them apart from many of the countries, communities and institutional arenas to which policy-makers would like to apply his findings we can begin to assess, at least at the level of theory, the likely robustness of his findings in other arenas. Doing so has been a principal goal of this review essay.

The question of why some democratic governments succeed and others fail is of central importance in countries around the globe. Those interested in the success of democratic institutions will find *Making Democracy Work* to be at once uplifting and profoundly discomfiting. On the one hand, Putnam's analysis would seem to suggest a simple remedy for societies plagued by corrupt, inefficient governments: if we want to improve the quality of governance in Nigeria or the effectiveness of public institutions in America, we need simply promote the formation (or revitalization) of civic associations capable of instilling habits of cooperation and public commitment. On the other hand, however, Putnam's

emphasis on the deep historical roots of civic and uncivic behavior in Italy suggests that neither social cooperation nor well-functioning democratic institutions are likely to be created overnight.

Despite the book's mixed message, many policymakers have nonetheless seized upon *Making Democracy Work* as a handbook for social and political renewal. We caution that the road map it would seem to provide may not be as helpful as might first appear and that attempts to follow it may, in some instances, do more harm than good.

A first issue follows from our discussion about segregated associational networks. Our conclusion was that while segregated networks of associational activity need not be problematic at high levels of social capital, they are likely to create obstacles for cross-network cooperation and to impair community-wide cooperation-dependent outcomes (like good governance) at low levels. The attempt to improve the quality of governance in a country or region by promoting the development of local civic associations runs up against at least two additional problems. First, as Putnam recognizes, "local organizations 'implanted' from the outside have a high failure rate."⁴⁵ As we have underscored, the relationship between civic associations and social capital is circular. While we may be interested from a policy standpoint in the social capital-*producing* aspect of civic associations, we cannot ignore the fact that the success of such groups often depends on the prior existence in the community of at least a modicum of social trust and cooperativeness. The problem derives from the fact that it is precisely those communities that would benefit most from a more vibrant civic life that are least able to sustain one.

Second, because the attempt to promote the formation of civic associations will necessarily involve the transfer of resources in the form of human or financial capital to the target community, it will also generate strong incentives for individuals and groups within the community to try to capture these resources and divert them to private ends. When the competition among local politicians and interest groups for control over these new resources becomes intense -- which, to judge from the experience of donor projects around the world, it often does -- it can undermine the cooperation-facilitating purpose that promoting associational development was intended to serve.

A final difficulty with trying to apply the lessons of *Making Democracy Work* stems from the book's underlying research design. Putnam's ability to attribute variation in governmental effectiveness to the civic-ness of the local community is made possible by a unique experimental opportunity provided by Italy's introduction in 1970 of identical institutional structures in each of its twenty regions. By holding institutional design constant, Putnam was able to exclude a principal competing explanation for the variation he found in governmental effectiveness. From the standpoint of explaining why government works better in Emilia-Romagna than in Calabria, this was critically important. But from the standpoint of helping us to understand what makes government work better *generally*, it leaves us at a disadvantage. Putnam's research shows conclusively that, holding political institutions constant, social capital explains why some governments succeed and others fail.⁴⁶ But it does not tell us anything about the *relative power* of social capital and institutional design to make governments more effective. It is entirely possible that, when given a choice between changing the nature of their political institutions or promoting civic-ness, policy-makers would be better advised to invest their limited economic and political resources in the former rather than the latter. The problem with the research design in *Making Democracy Work* is that, while highly advantageous in many respects, it gives us no way knowing which of these policies is preferable.

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Note 1: Robert D. Putnam, *Making Democracy Work: Civic Traditions in Modern Italy* (Princeton: Princeton University Press, 1993). [Back.](#)

Note 2: *Making Democracy Work*, p. 81. [Back.](#)

Note 3: David D. Laitin, "The Civic Culture at Thirty," *American Political Science Review* 89 (March 1995), pp. 168-173. [Back.](#)

Note 4: "The Prosperous Community: Social Capital and Public Life," *American Prospect* 13 (Spring 1993), pp. 35-42; "Bowling Alone: America's Declining Social Capital," *Journal of Democracy* 6 (1995), pp. 65-78; "Bowling Alone Revisited," *The Responsive Community* (Spring 1995), pp. 18-33; "Tuning In, Tuning Out: The Strange Disappearance of Social Capital in America," *PS* 28 (December 1994). [Back.](#)

Note 5: Ellis Goldberg, "Thinking About How Democracy Works," *Politics and Society* 24 (March 1996), pp. 7-18. [Back.](#)

Note 6: Filippo Sabetti, "Path Dependency and Civic Culture: Some Lessons from Italy About Interpreting Social Experiments," *Politics and Society* 24 (March 1996), pp. 19-44; Sidney Tarrow, "Making Social Science Work Across Space and Time: A Critical Reflection on Robert Putnam's *Making Democracy Work*," *American Political Science Review* 90 (June 1996), pp. 389-397. [Back.](#)

Note 7: Margaret Levi, "Social and Unsocial Capital: A Review Essay of Robert Putnam's *Making Democracy Work*," *Politics and Society* 24 (March 1996), pp. 45-55. [Back.](#)

Note 8: *Making Democracy Work*, p. 173. [Back.](#)

Note 9: "Good government in Italy is a by-product of singing-groups and soccer clubs...", *Ibid.*, p. 176. [Back.](#)

Note 10: *Ibid.*, p. 221, fn. 30. [Back.](#)

Note 11: Mancur Olson takes this argument further, rejecting altogether the possibility that the social capital formed within the small interest group would ever be employed for the benefit of the society at large. *The Rise and Decline of Nations* (New Haven: Yale University Press, 1982). [Back.](#)

Note 12: "Tuning In, Tuning Out." [Back.](#)

Note 13: Sometimes the enjoyment of a private good involves the creation of a public good consumable by others, as for example when a chorus gives a free concert, or when fans come to watch a local soccer match. But, from the perspective of the participant in the group (the member of the singing club or sports team) the benefit of participation (singing or playing) is strictly private. [Back.](#)

Note 14: While Putnam operationalizes civicness in terms of an index of four separate indicators, the

number of recreational and cultural associations being but one of them, it is clear from his discussion of social capital (in which he lays great stress on the importance of participation in horizontal organizations but says nothing about the other three indicators) that he takes the density of civic associations as his key proxy. [Back](#).

Note 15: It also depends, like any group, on the ability of members to underwrite start-up costs and overcome coordination problems (on what day shall we meet? where shall we hold the meeting/practice?). But, unlike fundamental free-riding threats, which are unique to groups that provide public benefits, neither of these problems require that group members trust one another for their resolution. [Back](#).

Note 16: Mancur Olson *The Logic of Collective Action* (Cambridge: Harvard University Press, 1971), pp. 51, 60-64. We hasten to point out that the possibility that the group's existence might be explained by the social capital possessed by its members is entirely absent in Olson's analysis. The social capital thesis therefore represents an important addition to his theory. [Back](#).

Note 17: The proliferation of horizontally structured "Catholic Action" groups in post-war Italy, for example, points to the difficulty of making blanket generalizations about the Church's horizontal or vertical character. It may also help to explain the weakness of the inverse relationship Putnam finds between his indexes of clericalism and civic-ness. As figure 4.12 (p. 108) shows, the correlation between these variables is plagued by strong heteroskedasticity. [Back](#).

Note 18: The public goods aspect of social capital is emphasized in James S. Coleman, *Foundations of Social Theory* (Chicago: University of Chicago Press, 1990), pp. 315-318. [Back](#).

Note 19: Peter V. Marsden, "Network Data and Measurement," *Annual Review of Sociology* 16 (1990), pp. 435-463. [Back](#).

Note 20: Putnam recognizes this point: "Dense but segregated horizontal networks sustain cooperation within each group, but networks of civic engagement that cut across social cleavages nourish wider cooperation" *Making Democracy Work*, p. 175. But he defines the problem away by assuming that "networks of civic engagement are more likely to encompass broad segments of society [than they are to encompass narrow segments]...In the civic community associations proliferate, memberships overlap, and participation spills into multiple arenas of community life" (pp. 175, 183). [Back](#).

Note 21: The close relationship between high amounts of social capital and economic wealth may also play a role in explaininig declining risk-aversity. As Samuel Popkin shows, peasants with a surplus are willing to make risky and/or long-term investments. *The Rational Peasant: The Political Economy of Rural Society in Vietnam* (Berkeley and Los Angeles: University of California Press, 1979). [Back](#).

Note 22: In instances where the level of social capital in the segments is lower, however, we would expect the decreasing risk adversity effect to be less strong and the segregated nature of the networks to have a negative effect on the likelihood of cross-network cooperation. [Back](#).

Note 23: The significance of Putnam's "triangulation" of methodological approaches is underscored in Laitin, "The Civic Culture at Thirty." [Back](#).

Note 24: An important problem with this model is that one cannot assume that all members of the

community have identical interests. Given competing interests, we can expect the emergence of multiple interest groups making competing demands on the government. Rather than facilitate governmental responses on behalf of the community, such a situation may produce gridlock, the perception of governmental favoritism of some groups over others and/or, as Olson suggests in *The Rise and Decline of Nations*, a decline in innovation and economic decay. Thus the ability of social capital to facilitate the articulation of demands is at least as likely to lead to poor governmental performance as it is to promote good governmental performance. A second problem is that the model describes a political world that is very different from the reality that one finds in Italy. Its assumption of rational voters and perfect competition fails to accommodate either the patron-client relations that characterize political life in the Southern tip or the mobilization of Northern voters within tight, antagonistic political subcultures. [Back](#).

Note 25: Michael J. Sandel, *Democracy's Discontent: America in Search of a Public Philosophy* (Cambridge: Harvard University Press, 1996). [Back](#).

Note 26: Arend Lijphart, *Democracy in Plural Societies* (New Haven: Yale University Press, 1977). [Back](#).

Note 27: Several reviewers have commented on this issue, including, Tarrow, "Making Social Science Work Across Space and Time"; Sabetti, "Path Dependency and Civic Culture"; Levi, "Social and Unsocial Capital"; and Laitin, "The Civic Culture at Thirty." Theda Skocpol identifies Putnam's problem as "Tocqueville romanticism," which she describes as the assumption that "spontaneous social association is primary while government and politics are derivative." See her "Unravelling From Above," *The American Prospect* (March-April 1996), pp. 20-25. [Back](#).

Note 28: *Making Democracy Work*, p. 177. [Back](#).

Note 29: Ibid., p. 180. [Back](#).

Note 30: Robert Axelrod, *The Evolution of Cooperation* (New York: Basic Books, 1984); Michael Taylor, *The Possibility of Cooperation* (New York: Cambridge University Press, 1987). [Back](#).

Note 31: Because these institutions perform such a valuable coordination and cooperation-facilitating function, they would tend to persist and continue to make cooperation possible even after the third-party enforcer had declined. Robert Keohane, *After Hegemony: Cooperation and Discord in the World Political Economy* (Princeton: Princeton University Press, 1984). [Back](#).

Note 32: *Making Democracy Work*, p. 124. [Back](#).

Note 33: Ibid. [Back](#).

Note 34: "Again, those who have too much of the goods of fortune, strength, wealth, friends, and the like, are neither willing nor able to submit to authority ... On the other hand, the very poor, who are in the opposite extreme, are too degraded. So that the one class cannot obey, and can only rule despotically; the other knows not how to command and must be ruled like slaves. Thus arises a city, not of freemen, but of masters and slaves, the one despising, the other envying; and nothing can be more fatal to friendship and good fellowship in states than this" (Aristotle, *Politics*, IV, 11). [Back](#).

Note 35: A similar explanation has been applied to the case of Spain. To explain why Spanish regions

have gone through strongly divergent development paths in the last two centuries, researchers have referred to their different agrarian structure. In Catalonia a secular war in the fifteenth century was followed by a royal settlement that guaranteed a rather egalitarian distribution of property. The war left Catalonia exhausted and economically marginal for two centuries. Yet its resolution put in place the proper conditions to sustain cooperative endeavors and the great expansion of the eighteenth century. In Andalusia, on the contrary, a highly unequal distribution of land only fed pervasive conflict, distrust and low growth. See Albert Carreras, "Cataluña, Primera Región Industrial de España," in Jordi Nadal and Albert Carreras, *Patuas Regionales de la Industrial de España (Siglos XIX y XX)* (Barcelona: Ariel, 1990), pp. 258-295. [Back](#).

Note 36: *Making Democracy Work*, pp. 153-154. Still, there were significant differences in terms of their social structure and property systems. [Back](#).

Note 37: Ibid., p. 156. [Back](#).

Note 38: Ibid., p. 160. [Back](#).

Note 39: Ibid., p. 167. [Back](#).

Note 40: Our presentation follows that of Douglass North, *Institutions, Institutional Change and Economic Performance* (New York: Cambridge University Press, 1990). [Back](#).

Note 41: Ibid., pp. 30-31. [Back](#).

Note 42: Ibid., p.34. [Back](#).

Note 43: This does not mean that social capital does not have any positive effect in underdeveloped economies. See, for example, the evidence provided by Abner Cohen, *Custom and Politics in Urban Africa* (Berkeley and Los Angeles: University of California Press, 1969); Avner Greif, "Contract Enforceability and Economic Institutions in Early Trade," *American Economic Review* 83 (1993), pp. 525-549; and Albert Hirschmann, *Getting Ahead Collectively: Grassroots Experiences in Latin America* (New York: Pergamon Press, 1984). [Back](#).

Note 44: This interpretation seems to be rather robust over time. In the late middle ages, given a vibrant trade in the Mediterranean, social capital had some impact on the economic levels of activity and could explain the distinctive economic performance of the Northern urban republics and the Southern kingdoms. Once the Turks controlled the Eastern Mediterranean seaboard, trade decayed and the possible effects of social capital became neutralized or irrelevant. [Back](#).

Note 45: *Making Democracy Work*, p. 91. [Back](#).

Note 46: Putnam's research (as presented in Chapter 2 of *Making Democracy Work*) also shows that institutional change can matter significantly for the quality of governance. Both the North and the South benefited from the institutional reforms of 1970. [Back](#).

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