Social Capital in the context of crisis-ridden Africa

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Contents

Introduction: Social Capital, the development debate and SSA

At the core of the development debate is the question why certain countries perform better than others in terms not only of growth but also in terms of improvement of the standards and quality of living for the majority of the population? Why eg is Latin America who was drawn in the World System at the same time as North America lag behind in different aspects of HDI (North,1988) . Or within Latin America , how do you explain that a country like Costa Rica has an income per head that is double that of Nicaragua with an income distribution that is more equal, without an army and with natural resources that are comparable to their neighbour Nicaragua [1]? Or to relate the question to the African context: How come that SSA with 540 million inhabitants exports and imports the same value as the state city Singapore with only three million inhabitants and has an agregate income that equals that of Belgium with 10 million inhabitants? Within Africa how do you explain that of the 25 countries worldwide that experience economic regress you find 15 countries within SSA, but at the same time certain countries like Mauritius, Botswana , Uganda , Côte d'Ivoire grow at a pace that is as fast as the so-called East asian tigers. The first two countries did so in the seventies and the eighties the latter in the early nineties. The choice I made is on purpose since Mauritius and Botswana performed under a political regime of multi-party system and democracy while Uganda follows a path of so called no party system which , in my opinion is a variant of a one party system. In other words and I could extend the examples, there is no straightforward link between political system and economic performance, since you can indicate democratic countries which are economically and in terms of standard of living succesful , but others who are not and vice versa. You can indicate authoritarian countries who are economic regressors whilst others (China) are economically thriving. This brings me to the intricate explanation of these very divergent development paths.

These explanations are in fact the object of the development science and have had different answers that are sometimes competing theories sometimes overlapping but with clearly dominant tendencies and fashions dependant on the timeframe and historical conjecture.

In the fifties and early sixties it was believed that the main problems of underdevelopment were late industrialisation and massive underemployment because there was a huge labor surplus. To tackle these problems , modernisation in terms of rapid capital accumulation and industrialisation would absorb the surplus labor. If capitalism or the market or an indigenous capitalist class did fail in doing so, a strong state, following the tenets of Keynesianism, had to do the job not only in terms of regulating the economy but also where necessary by creating state entreprises.

In the late sixties and seventies it was believed that the gap between poor and rich countries increased because the uneven or unequal development ,due to historical factors, was setting in motion downward spiralling for the periphery and increasing wealth for the core countries. Exploitation and unequal exchange on a world scale explained the increasing gaps. In the most radical versions of these dependency theories

[1] Drawn from comparative data of the World and Human Development Reports 1997

the therapy was socialism and deconnecting from the world system (Frank, Amin) . The historical examples were mainly China and Cuba.

Two historical events and a lot of theoretical discussion have discredited these dominant theories of the seventies and early eighties.On the one hand the economic miracle countries in South East Asia proved that the opposite strategy of export led growth instead of withdrawal from the world system could lead to a rapid growth. They thereby disqualified the idea of a fatal widening gap between rich and poor countries . The other historical event was the breakdown of the soviet empire who brought a fatal blow to the idea that a socialist state was able to replace the market mechanism. So the discussion in the development debate could no longer be framed in ideological terms of socialism versus capitalism or state versus market. The neo classical revival in the form of Thatcherism or Reaganism was thriving . Their answer was that there was no substitute for performant markets in producing private goods and wealth. The problem was not a lack of capital and a strong state but it was the lack of an entrepreneurial class and a state who created an environment where risk-taking , responsibality and productive behaviour was rewarded . Therefore the catchwords of the nineties are privatisation of state entreprises , liberalisation of markets and integration in a global world.

So, apparently capitalism was triumphant but in the words of I.Wallerstein "the emperor (capitalsim) stood naked because he lost his figleaf (of socialism)"(Wallerstein,1989). In the era of the cold war, the problems of underdevelopment like massive poverty , violence and wars could be laid upon the incapacity of the other system. In the post cold war era who or what is to blame? If it is now clear that socialism or a very interventionist state has not been able to solve problems. It is also clear that free markets , liberalisation and capitalsism is not the answer to all problems. Wars , terrorism, massive exclusion , volatile financial markets are all there and did not diminsih, so the question that theory is trying to understand is not anymore framed in massive terms as socialism versus capitalism or state versus market but becomes much more finetuned and less ideological. Thereby trying to understand the enormous divergent development paths that countries and even regions within countries experience.

Whereas it is now almost universally accepted that markets are a good device in delivering private goods and services there is a whole area where markets and capitalism do not have the answer. The discussion is not anymore market or state but what can a market do and what it cannot do, the question is not if there should be state intervention but what is the quality of that intervention and how do you explain the enormous divergence in real markets and real states? It is in that discussion that a new framework of understanding has been formulated that we would call "new institutionalism " developed at the crossroads of different human sciences. An important contribution to this debate is the concept of social capital .

Social capital as a stock of values and social networks, helps people to cooperate and trust each other in order to overcome dilemmas of collective action (prisoner dilemmas, free-rider behaviour, tragedy of the commons, etc) that would be impossible if behaviour was based on narrow "pursuit of self interest". In a first point we will succintly give some core ideas of the concept and situate the intellectual roots of the concept . These emanate from at least two different intellectual traditions, that of rational choice theory (Coleman, 89) and that of the economic sociology of

“embeddedness“ that draw upon the work of Granovetter and Bourdieu. It is however R.Putnam who gave “social capital “ in his seminal work “making democracy work” its largest acceptance. We will close that section with the promise and the default of this relatively new concept. In the second section of the paper we will try to show the possibilities and limits of social capital applied to the context of African countries with weak states and markets where we will draw on others field research and on experiences of researchers of our own centre during the last decade where we worked especially on development problems in Congo/Kinshasa and Rwanda.

1.The promising but slippery concept of social capital

1.1. The concept of Social Capital and its intellectual roots

The key question is how come that in the example of the south of Italy people do not trust each other and work for the common good seeing that the northern regions are better of in terms of “institutional performance “ and “citizen satisfaction” (Putnam,1993). Why in an asian context, Singapore has clean streets, one of the world’s best airport-accomodation and a low crime rate, wheras India is quite the reverse situation(Woolcock, 1998) . In the same vein how come that in the RDC, Angola and other parts of Africa , roads are not maintained, health infrastructure is dismal, public libraries empty , schools and universities are being ransacked , insecurity . Clearly people over the world prefer that they can be cured if they are ill and clearly they want good schools for their children , appreciate security etc. Why is the common good not respected ? Failure to cooperate for mutual benefit does not necessarily signal ignorance or irrationality.

The theory of dilemmas of collective action developed largely from within the science of economics and more particularly “game theory” show how rational behaviour in the context of distrust can lead to the worst case scenario. The best known dilemma is the prisoner dilemma where two detainees have to denounce the other in order to be free. Without cooperation and trust they both denounce each other and consequently get the heaviest penalty. However if both do not denounce each other proof of guiltiness can not be given, the penalty therefore less than if denounced .

The Prisoner Dilemma

A \ B	A denounces B	A does not enounce B
B denounces A	10/10	10/0
B does not denounce A	0/10	2/2

The example is not so farfetched as the trial in the International Arusha tribunal shows- where the prosecutor led former prime minsiter Kambanda to plead guitlty on genocide in exchange for a safeguard for his family. It is however the application in other fields of development where the prisoner dilemma is useful. The best known examples where given by Ostrom in what is known as “the tragedy of the commons”. Deforestation , desertification, overgrazing of the common fields, depleting of fishing grounds by the use of fine meshed nets , queing on motorways, airpollution etc are all fields explained by dilemmas of collective action.

Putnam mentions other broad fields of application like those of public goods and especially that of the hobbesian dilemma of public order.

In all these domains the market is not a solution and not the pursuit of self-interest is the answer to all questions. When people are confronted with dilemmas of collective action every party would be better of if they cooperate. In the absence of a credible mutual commitment, however each individually has an incentive to defect and become a "free rider".

There are two solutions to the problem of dilemma's of collective action . The first is "third party enforcement ". The other is a soft solution of voluntary cooperation which will depend on "social capital" .

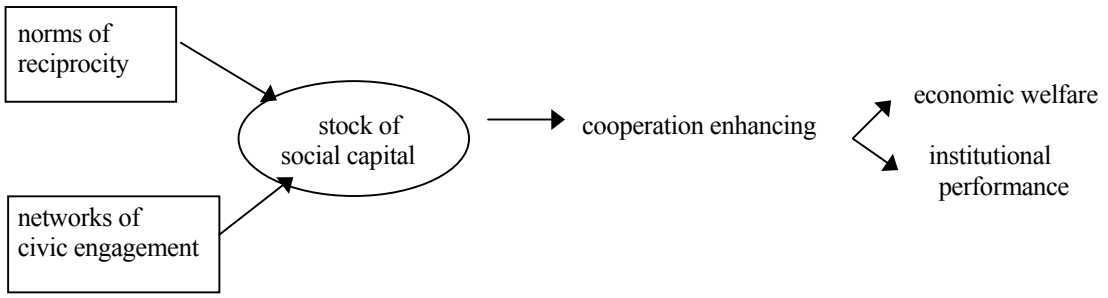
Third party enforcement is necessary if parties do not voluntarily cooperate because of opportunism, lack of trust, pursuit of short sighted self-interest etc. Since people are not saints and universal altruism an unatainable ideal how do you deal with those dilemmas. A third party by law and coercion can sanction the parties if do not respect the rules. The problem with third party enforcment is that it is very costly but more fundamentally , how can you be sure that the enforcers, the state , those in power, act for the common good and do not "free ride " on the back of citizens efforts and tax-money, with other words how do you eliminate corruption and enforce "effective and responsive government"?

A lot of the costs of third party enforcment can be set aside if there is voluntary cooperation. That is possible in a society that has inherited a substantial stock of social capital, in the form of normsof reciprocity and networks of civic engagement. Social capital refers here to features of social organisations, such as trust , norms and networks, that can improve the efficiency of society by facilitating coordinated actions.(Coleman, 1990,p302)

Features of social capital

1) It is capital , but unlike physical capital it increases with use
2) it is social and therefore is a public good that is indivisible and difficult to produce in an intentional amount

If you would like to chart it



An often cited example of social capital that enhances economic welfare for less powerful sections of society are the "rotating credit associations"(Ardener,1964-Besley, Coate and Loury, 1992). This example leads to the the question if social capital is not limited to fairly small groups were personal ties and knowledge of reputation is easily verifiable. Does social capital work in more vast and anonymous settings of large cities and sofisticated societies where personal and kinship ties are much weaker? In other words how does personal trust become social trust? Lenci (1996, p.17) , drawing ironicaly enough on authors of the 18th century from the "uncivic" South of Italy (Naples) , shows that there is nothing new under the sun. They already made the difference between "fede publica" (public trust) and "fede privata" (private trust) . Fede publica is a binding element in society whereas private trust is "a purely familial association, where private interests rather than public interests are involved since the family, the kin group, is merely an extension of the individual" (Pagden, 1989)

Public trust depends exactly on the norms of reciprocity and the density of networks of civic engagement. Norms of reciprocity inculcated by education, socialisation and sanctions and are of two sorts.

Balanced and generalised reciprocity. Balanced reciprocity refers to simultaneous exchange of approximately equal value , wheras generalised reciprocity refers to a continuous relationship of exchange that is at any given time unrequited or imbalanced, but that involves mutual expectations that a benefit granted now should be repaid somewhere in future. These norms of generalised reciprocity is a highly productive component of social capital because they restrain opportunism and resolve problems of collective action.

Any society -modern or traditional,authoritarian or democratic- is characterised by networks of interpersonal communication and exchange, both formal and informal. Some of these are vertical linking people with uneaual power in relations of hierarchy . Others are more horizontal , like neigbourhood associations, choral societies. But most networks are of a mixed type. The specific contention of Putnam now is that those networks who are more horizontal , not exclusive more egalitarian do foster civic engagement and cooperation. Vertical networks "no matter how dense and no matter how important to their participants, cannot sustain social trust and cooperation" (Putnam, p.178). In other words for Putnam there are good and bad networks. Certainly consider eg Ku Klux clan, or fundamentalist brotherhoods , the relationship between its members can be very close and a lot of mutual assistance can be delivered but they are clearly not civic networks since they are built on distrust and exclusion of the outsider and are imbued with intolerance. Putnam is not saying that vertical relations and networks cannot hold society together but building on inequality , patron -client systems characterised by exploitaition and dependency will definitely produce lower levels of efficiency and institutional performance. Whether a society is hold together by relations of dependence and exploitation or by relations of trust and reciprocity will greatly depend on history and that is what is called "path dependence". That of course brings us to one of the most debated issues in the work of Putnam where he traces "civicness" in the north of Italy back to the city states of the fourteenth century and the "uncivicness" of the south back to the norman kingdom of the twelfth century where vertical – authoritarian structures (Lenci,97- Sabetti,96) . If history is so determinant , can social

capital than be created and produced ? If not , the whole theory of social capital is quite hopeless (Evans, 1996).

If we drew so heavily on Putnams seminal contribution , it is because of his encompassing application of social capital that is both the attractive and the weak point of his contribution to the concept of Social Capital. The roots of the concept can be traced back to two different streams of thought[2]. One is the "rational choice" theory mainly borrowing from neo-classical and institutional economics , the other more from a sociological and antropological tradition of "embeddedness".

The first to use the term was a certain Loury (1977) who explained differentials of racial income differences by the social environment people lived in . It was however Coleman (1988,1994) who firmly established the concept within rational choice theory. Since rational choice theory has its roots in neoclassical economics , the rational choice sociology borrows heavily from that tradition. At the same time sociology transforms and enriches the neo-classical tradition. A case in point is one of Gary Beckers' latest contributions (1996). It shows both the strength and weaknesss of this movement of mutual influence between economics and sociology within one intellectual tradition. He shows that individual actor's behaviour and utility is not only dependent on Robinsonian reflections of individual tastes and interests but that his preferences for eg smoking , altruism, civicness, violence etc is heavily but not inevitably determined by what he calls the stocks of personal and social capital. By social capital he understands

> *"Men and women want respect, recognition, prestige, acceptance and power fom their family frinds peers and others. Consumption and other activities have a major social component partly because they take part in public. As a result, people often choose restaurants, neighborhoods, schools, books to read, political opinions ...with an eye to pleasing peers and others in their social network...I incorparate the influences of others on a person's utility through the stock of social capital"*(ibid;p12)

If this citation proves that neo-classical economics cannot anymore be criticised on their too simplified atomised view of men and women; their startingpoint of understanding society is the individual and society understood as the sum of the parts. True as Coleman convincingly suggests , rational choice tradition is a powerful tool to understand complex social settings and anomalies. The theory acknowledges that individual behaviour and pursuit of self interest can lead to social equilibria – the tragedy of the commons is a case in point- that for society as a whole is not at all optimal. Say the difference between a Nash and a Pareto optimum. The whole theory of public goods and externalities whose intellectual roots go back to the twenties (Pigou, 1920) have been developed as a result of intellectual debate within that tradition. Becker also includes culture within the stock of social capital determining individuals' preferences and choices and quite incidentally explains why "path dependence" is so important

> *Culture and traditions are shared values and preferences handed down from one generation to the other through families , peer*

[2] Of course as Hyden (1997) and others (Lenci,1996) have shown we could argue that the whole debate of social capital can be traced back to at least the 18th and 19th centuries where the role of civil society ant its different articulation to the state and the market has had different answers depending on the philosophical roots, but this is not our concern here.

groups, ethnic groups, classes and other groups… Individuals have less control over their culture than other forms of social capital . They cannot alter their etnicity, or family history, and only with difficulty can they change their country or religion …culture is largely given to individuals troughout their lifetimes" (ibib.p.16)

The inclusion of social capital within rational choice theory is however largely the work of economic sociologists like Coleman. In his view one of the important contributions of economic sociology to rational choice theory is the social capital concept.and its explananatory power for economic development (1994 p175)

The term capital implies a resource or factor input that facilitates production, but is not consumed or otherwise used up in production…social refers to aspects of organization, ordinarily informal relationships, established for non-economic purposes, yet with economic consequences

These "informal relationships" account for the success of the rotating credit associations by holding each member accountable for payments to the pot after having received his pot. He acknowledges however also that a dense network of relations "in a close community can serve to inhibit economic development by constraining innovation ". So certain forms of social capital can inhibit economic development and transition. This is implicitly the view of M.Weber where "the spirit of protestantism" stimulated an individualist ethic that renounced traditionalism including the extensive obligations that provided security for all those included in the extended family or etnic group etc. This brings us naturally to a well known theme of development where freeing individuals from the grip of family, village, kin and ethnic group is a necessary element for a succesful transition to capitalism. Strangely enough where Coleman cites this as a negative aspect of social capital, the freeing from traditional bonds as caste in India by labour unions and participatory politics in eg Kerala, India is used by certain authors as a sign of social capital (see Heller, 1996). This of course is an example of how the use of social capital is quite a slippery concept . Before entering into this debate let us first show where the inclusion of social capital in rational choice theory comes from.

The use of the utility maximising individual in explaining behaviour in different societies has met with fierce criticism from those trying to understand diversity between societies and in history. Karl Polanyi in his well known work "the great transformation " (1948) to capitalism explained how "economic rationality "became dominant in our history. The fact that labor and land became factors of production, private property and therefore a price was the long work of history where individuals became "disembedded" from their environments where scarcity was not the overriding feature of a society. In that tradition antropologists like M.Sahlins (1967) showed how "primitive societies "where in fact the first societies where well-being was achieved not by maximising production but by a very low level of needs and wants. In contemporary economic sociology this theme has been developed and adapted to present-day societies by Granovetter, who departs from a typical rational choice approach. (1973,1992).

I see three fundamental rasons, each of which identifies a charaterisitc deficiency in economic explanation: (1)The pursuit of economic goals is typically accompanied by that of such non-economic ones as sociability, approval, status and power…(2)Economic action is socially situated and cannot be explained by

> *reference to individual motives alone. It is embedded in ongoing networks of personal relationships rather than carried out by atomiszed actors.(3) Economic institutions do not arise automatically in some form made inevitable by external circumstances; rather they are socially constructed.(p.25)*

In contrast with his predecessors he does not make a difference between capitalist societies where human behaviour would be disembedded turning people into atomized maximising rational beings in contrast with pre-capitalist or present-day "traditional" societies. He at the same time rejects the narrow "rational choice" hypothesis as an *undersocialised* view on society, as well as the *oversocialised* view where the individuals would be completely determined by the social and cultural environment. The examples of oversocialised behaviour he cites are eg Max Weber view on capitalist society and more recently the dual labor market where people would be stuck in a labor market segment because of their structural position in society as migrant, black or other social and cultural features. In order to escape the dichotomous stance of traditional versus modern society inherent to certain antropological traditions or the overdetermined social view he uses the concept of *"weak-embeddedness" (p.29)* In his own words

> *While I agree with the economists that the transition to modernity did not much change the level of embeddedness, I also argue that it has always been and remains substantial: less all-encompassing in the earlier period than claimed in the "strong embeddedness position" of substantivists , development theorists, but more so in the later period than supposed by them or the economists(p.28)* or *Actors do not decide as atoms outside of a social context, nor do they slavishly adhere to a script written for them by the particular intersection of sociocultural categories they happen to occupy*

He thereby joins the insights of the french sociologist Bourdieu - may be one of the most influential in this field - who with his concept of "habitus "analyses the behaviour of agents as objectively co-ordinated and regular without being the product of rules, on the one hand, or conscious rationality , on the other. (The habitus) is meant to capture the practical mastery that people have of their social situation, while grounding that mastery itself socially"(Calhoun,1993).

The idea of "weak" embeddedness is related to another aspect that will be used later on in this article. The term "weak ties" are used to explain that in more sophisticated social environments , functional relations and more abstract values as commitment to ideas of human rights , integrity, promotion in organisations on the basis of merit and not on "strong ties" like kin, family or other restrictive group relations is needed in order to achieve institutional performance and economic welfare. In other words what is needed in certain settings is "autonomy" and other social relations than the strong ties that make people perform in smaller close-knitted communities. This distiction between different forms of social relations "embeddedness" and "autonomy" anticipates however our next point and main critique of the social capital literature: The need to clarify different forms of social capital at different levels of society.

1.2. The promise and the default

The merit of the social capital concept and more specifically of Putnam's contribution is certainly valuable. For one thing in an era of triumphant and unrivalled capitalism he points out that an unfettered pursuit of self-interest is overlooking a whole domain where markets , liberalisation and globalisation do not have a solution. A whole domain where people's well-being is dependent on cooperation and not on competition nl that were people are confronted with dilemma's of collective action. On the other hand he furthermore shows that institutional performance and responsiveness to people's needs is not only a question of more state filling the gaps where markets are inadequate. So he gives a completely different dimension on the old debate between market and state.

With this contribution he can be situated in a new stream of thinking away from massive ideological debates taking account of the numerous diversities that human societies produce giving to each particular historic trajectory its own place. He has drawn a lot of his insights from the evolution in thinking in what we now would call "the new institutionalism" that you can find over the boundaries of the old divide in the human sciences between economics, sociology, politics and antropology. It is eg the evolution in micro economics and the development in game theory that brought about the thinking on dilemmas of collective action and the problems of opportunism, adverse selection and assymetric information in real markets. Putnam contributes indirectly to that debate by showing that markets cannot function without trust or that they have to cope with shirking and opportunism. This is not new but it gives again a place to a long forgotten idea of A.Smith that markets cannot function if not only self interest is in play but also "sympathy". Thereby A.Smith showed that if different parties in exchange only pursue their own interest at the expense of the other party there will not be a renewal of the exchange and the economy will spiral down in a situation of Maffia economy where distrust, shirking , opportunism and ultimately violence will dominate.

Another merit of Putnam's contribution is certainly that he brought cultural, social and historical factors back in the picture saving us from a disease that could be called the reduction of society to monoeconomics. However like all interesting new or revived insights it is cautious not to overstretch its scope and ideas. Different aspects of his work can be questioned .

First , the thesis that has been most under attack was that of "path dependence" that Putnam borrowed from the new economic institutional school (North, 1989). Although in general it is not very new and selfevident that history matters when it comes to explaining different societal outcomes it is quite another thing to link the outcomes of the last twenty years , like in the case of the difference between North and South Italy, to the (lack of) social capital in a distant past . Why is the fourteenth century for North Italy determinant for the stock of social capital , the twelfth century for the lack of that capital in the South and not the period of the 17th , the industrial revolution, pre-war fascism, etc? Not surprisingly , Italian authors like Sabetti (1996) echoed by Lenci (1997) devastated the path dependance thesis on the basis of a much more fine-tuned historical account. Quite convincingly Sabetti shows that the regions in the south had more credit- and other voluntary cooperation structures than in the "civic" north. If civic culture was so much more developed in the North how come that fascism was more fiercely countered by the southern labor movement, that was less vertically structured than in the North, were fascism had a stronger hold. Flanders / Belgium is notoriously known for its low degee of civicness ,in comparison with the Netherlands , yet it has a similar

historical pattern as the North of Italy with rather independent city-states (Bruges , "Venice" of the north) . The complexity of societal outcomes cannot be catched in simple terms of vertical: authoritarian relations that hinders development and virtuous circles of horizontal/participatory relations that spawn civicness and fosters development. The overdetermination of history and culture is a typical example of what Granovetter would term "an oversocialised view of "society where social and individual actors are passive instruments of a destiny they do not master or are able to alter. Seeing all the different outcomes of institutional and economic welfare be explained by (the lack of) one concept. Social capital definitely tries to explain too much with too little

A second critique linked with the former is the circularity in the concept of social capital. The concept does not distinguish between what social capital is and what it does, between cause and effect, between the sources of social capital and its effects. If social capital as the stock of dense networks and civic values and norms is the cause of institutional and economic performance as depicted in figure 1 but if that stock is dependent on its history of civic values and traditions of horizontal /inclusive networks, that means that it can only be acquired where there was good governance and a thriving economic environment. Quite a circular way of reasoning indeed. The link between civic virtues and density of networks (social capital) determining not only institutional performance but also economic welfare and not vice versa like he emphatically states is again more like an acabradabra then a theory explaining how these happy results come about. The leap from choral societies to a performant road network and healthfacilities is indeed more the art of conjuring than science. This critique is especially true for Putnam's contribution..

> *"In summary, economics does not predict civics, but civics does predict economics, better indeed than economics itself"(p157)*

Although somewhat later he tries to cover himself for to bold statement ➔ by saying that

> *" bivariate model is too simple to account for all the factors that may influence regional economic progress..."nevertheless..;our evidence argues that the economics civics loop in these interactions is not dominant. Civic norms and networks are not simply froth on the waves of economic progress" (p.161-162).*

In fact this shift in causality suggested is in our opinion based on a very narrow empirical base for such a sweeping and encompassing statement: the fact that in the northern states of Italy there is no correlation between degree of socio-economic modernity and institutional performance (p86). Although I did not test but I would be very surprised if there would not be a very strong relationship between unemployment , inequality degree of development on the one hand and criminality or low civicness at the other hand. If Johannesburg and Rio de Janeiro are well known for having the highest crime rates it has certainly less to do with civicness than with unemployment and inequality. The rise of capitalism and the drive of capital accumulation has sometimes more to do with very uncivic culture, dependance , exploitation and inequality certainly in its incipient stages of development. Clearly the link between social capital and economic development is too rosy to substitute for the reality of accumulation and the drive of capital to enter all spheres of the globe. Nor can it be a substitute for the state

because certain public goods and dilemmas of collective action can not only be be created by social capital but also in highly uncivic settings. Consider the Vietnamese and chines economic successes after liberalisation but with a strong government that can difficultly being termed as democratic since one-party-system seems to be at the other end of the spectrum of horizontal networks. Elinor Ostrom (1996) is completely right not to oppose and dichotomise to much the spheres of state, civil society and markets, but look rather at the "coproduction" in specific settings in order to understand why certain outcomes are beneficial for society.

This critique brings us back to the necessity of clarifying the concept. What social capital does , is dependent on the level where it functions and in the way it is articulated with different levels and institutions in society . As Mancur Olson already showed and Smith two centuries ago, certain influential groups (monopolies and other rent-seeking groups) can be powerful and knitted together by a certain form of social capital (kin, family, same university, class, etc) . This form of social capital is instrumental in increasing privilege and income of the group and yet be an obstacle to development because scarce resources are diverted from a use where the whole society could benefit.

The example of rent-seeking groups highlights another shortcoming in the social capital debate. There is social capital that enhances development and another that might harm succesfull outcomes for society as a whole. If certain forms of social capital entail both costs and benefits clearly one has to consider when , for whom and on what level of society it has beneficial or harmful . The example that Coleman (1993) gives from the diamond trade in the USA , shows how this trade can only thrive if a high degree of trust and social control between the members exists. In Antwerp the trade of diamonds is controlled by some fourteen families who are brokers between The Central Selling Office controlled by the South African Oppenheimer group of "de Beers" and the retail traders in Belgium and other countries. Clearly although the Belgium fiscal budget and Antwerp city must forego certainly a considerable amount of taxes they nevertheless consider that the benefits of that special trade, that is not transparent for the fiscal authorities , outweigh the costs. The broker function of a very close group of people ,mostly from a jewish background , entail both costs and benefits and should be assessed..

A last critique that is central to our understanding of Central Africa is how does one account for the breakdown of civic culture in periods of war or in other words how do you explain discontinuities in History or in the terminology of Putnam how do you explain the change from virtuous circles of civic engagement into vicious circles of distrust , exploitation and dependency.

2. Lessons and limits of social capital in the context of weak states and markets in SSA

As far as I know there are five main sources that explicitly treat problems of social capital in a context of developing countries and SSA. It is the work of J.P.Platteau, E.Ostrom on the tragedy of the commons, the special issue of World Development edited by P.Evans in 1996, a World Bank Policy research Working Paper by D.Narayan &L.Prichett on "Cents and sociability:Household income and social capital in Rural Tanzania"also published in 1996. The last publication linking social capital and development problems is a study by Woolcock (1998)

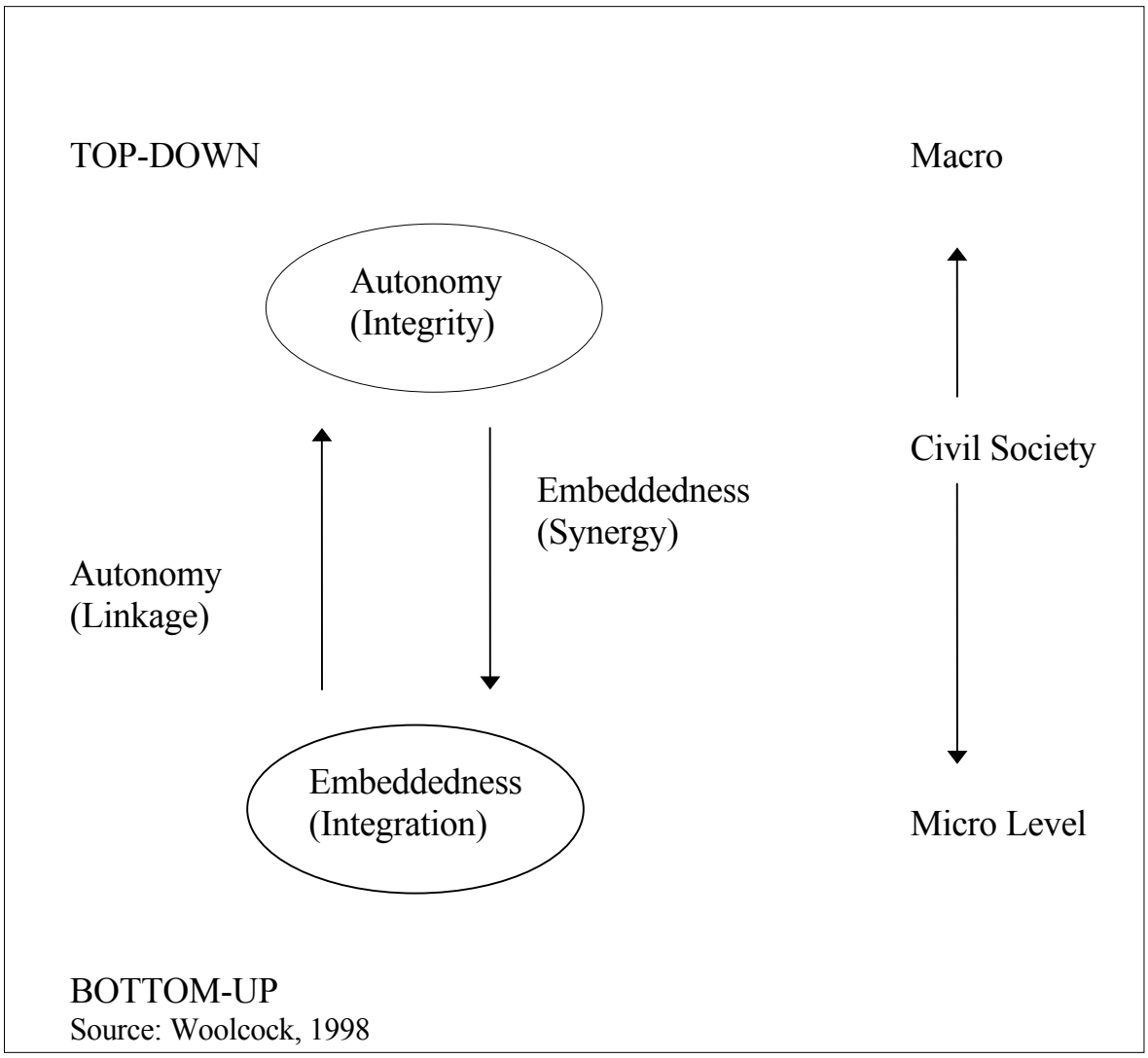
The special issue of World Development treats extensively one big issue . The path dependance thesis of Putnam was for people involved in the development busisness a rather dim prospect . Evans gathered case-studies from different countries and with a wide spectrum of problems : Neighboorhood associations in Bresil, successful small-scale irrigation schemes in Taiwan, Participatory party politics in Kerala India, etc . They all showed that social capital could be engineered by new actions if at least there was real involvment and indeed an already existing stock of trust between those involved.

Pritchett and Narayan's empirical research on rural livelihoods in Tanzania is a convincing piece of research highlighting the importance of social capital in rural settings but its scope was limited at the local level and thus less encompassing than the ambitious theoretical statements found in Putnam.

The most useful contribution in clarifying the role of social capital in the development debate is the article by Woolcock in "Theory and society"(1998), drawing heavily on the new economic sociology insights of Granovetter. Since this contribution will be our main guide in clarifying certain dilemmas of development in the African region of the great lakes we will briefly outline its main points.

His main point is that social relations that enhance economic development depend on the kind of problems that people have to confront at the micro-level or at the macro-level. In microsettings, say villages or popular urban settings people need to eat, drink , find shelter, find ways to heal them if ill, bury the dead, marry, raise children etc. The access to these "entitlements" depend on the relations they have and identify with: Neighboorhood, kin, family, social group, etnical appartenance, etc; These strong and personal ties is one form of social capital that he calls **"integration"** meaning an *embeddedness on the micro-level*. However these same strong and personal ties when it refers to people and networks of people with political and social power and status is another form of social capital referring to *another kind of embeddedness* that is termed **"synergy"** , important state –society connections. These kind of social relations have an influence on state-society relations because they have access to societal resources that can be mobilized for productive purposes or dilapitated for conspicuous consumption or both. However these two forms of social capital will not suffice to cope with dilemmas of development. At the micro-level if people seek advancement and social upward mobility they will need to develop **"linkages "** with people and institutions outside their group where they identify with. They will have to attend schools and follow the rules in order to graduate, learn other languages and tie up with people from different

backgrounds and cultures, engage in contracts with outsiders if they want to broaden their exchanges. With development these forms of *"autonomy"* are necessary if societies want to integrate into more sophisticated circuits. So at the micro-level in order to face dilemmas of development people will need both "embedded" and "autonomous" relations. Much the same is necessary at macro-level if countries or societies want to have performant states and autonomous functioning institutions, it will not be sufficient that there is embeddedness, if not the danger of predatory states is imminent. If senior policy makers are only "connected to key industrial leaders and not simultaneously governed by a professional ethos committing them to negotiating and pursuing collective goals, and recruiting and rewarding colleagues on the basis of merit"(Woolcock p.164) then institutional and development outcomes will be dismal. So at the top and intermediary levels of bureaucracy and entrprises, the adherence to these more abstract values and relations is essential for development. Woolcock terms this fourth form of social capital **"integrity"**. The diversity of development outcomes will crucially depend on the relative lack or existence of these four forms of social capital. They are depicted in the following figure



Source: Woolcock, 1998

Experiences and field-research of our centre in Congo/Kinshasa and Rwanda will show the limits and the problems of "linkage " (Woolcock,1998) , (lack) of "synergy" (Evans,1996) or coproduction (Orstrom, 1996) between the different levels that determine overall human development. Especially in the context of weak states and markets we will show that social capital might not be overstretched to explain too much with too little theory.

2.1. Social Capital at the local level

2.1.1. Social capital and rural livelihoods in Tanzania

The most interesting application of the concept of social capital is certainly the contribution by Narayan &Pritchett meaningfully titled "Cents and sociability".

The authors were able to draw their study from two large surveys (the Human Resource Development Survey and the Social Capital and Poverty Survey) Out of these surveys they constructed , on the basis of a specially designed subsample of some 1300 households, a Social Capital Index and tried to measure the influence on the livelihoods of the rural households. As we have seen with Putnam it was both the density and the quality (horizontal, not exclusive , equality , reciprocity) of the social networks that along with norms of reciprocity were determinant for the constitution of social capital that would then influence on both institutional performance and economic progress. The construction of the Social Capital index in Narayans' study was purely on the density and the quality of the networks. Narayans' hypothesis was that the contribution to the social capital was higher if the group was more heterogeneous across kinship groups, more inclusive and horizontal, and better functioning. The interesting thing - that we did not discover in our 1985 study on Mutoko (Zimbabwe) , where we included a dummy in the regression on group membership of individual households- was that they constructed a social capital index for 87 villages (clusters) taken as the unit of research and not only households as units. The interesting conclusion of their study now is that they found that the impact of social capital for indivdual households was not very influential on their income but that the income of villages who had a more than average social capital stock was very significantly and positively affected . This is indeed a very interesting conclusion .

That means first of all that social capital is capital and social. It is capital because it is able to increase income and it is social, meaning that it is not individually produced but the result of social relations and not subject for individual appropriation. This last aspect makes it a candidate for the status of public good , can therefore not be produced by the market and must be addressed by the community. Furthermore the study gives a clue why groups that have nothing to do directly with the generation of income and production do influence it. Group membership especially if they are based on mutual respect and not characterised by subordination , dependence and exploitation , will probably communicate and cooperate easier. This may influence economic welfare of the village(rs) in several ways. With more communication and cooperation the tragedy of the commons can be kept in check. Second ,diffusion of innovation in Agriculture, health, communicaton with the goverment etc will be enhanced. With more communication the problem of imperfect information that can lower transaction costs in obtaining credit, opening of market outlets, etc will again influence positively income.

Fourthly, if social capital is large in a village and solidarity more widespread households will be able to take more risk in adopting new crops and techniques or go for a job in a new environment. They can take that risk because social capital acts like an informal insurance.

What the study of Pritchett and Narayan did not consider is the influence of social capital on the wider institutional context in rural livelihoods and vice versa. Why do certain villages get access to a dam and others not? What are the relations between the traditonal structures of headmen and government involvment in rural settings. How (non)present is goverment at the level of the countryside? How do you measure institutional performance, why is it(not)efficient and responsive. How does the national context (budget, land issue, price controls) and international context (Structural Adjustment) influence rural livelihoods. This I believe is a whole research program

2.2.2. The limits of trust and social capital: the "cambistes", diamond trade and the "par-colis" in Congo/Kinshasa

The three examples , all drawn from the field research of our centre in Congo/Kinshasa in the period of transition (1990-1997), will illustrate how certain forms of social capital have benefits for certain groups but at the same time cause regress in economic terms and lead to the implosion of the state (De Herdt&Marysse,1996and 1997).

First, consider the emergence of a new market of informal exchange of foreign currencies by people termed "cambistes" in the context of hyperinflation that was charcteristic for this period of transition. GDP fell in real terms from index 100 to 48 from 1988 to 1995, inflation peaked to 4128% in 1992-93 and government budget income fell to less than 200 million dollar in 1995 . This is less than a middle town budget in Europe.

This unprecedented regress was caused by a predatory government trapped in a vicious circle. Since the formal economy collapsed , the government could not cover taxes , therefore it printed "false-legal " money and injected it into circulation. It thereby undermined further the role of money as an exchange means and increased the inflation, pushing economic actors to flee with the money abroad . This process increased further the internal and external desequilibria and fuelled the economic regress. In this process the commercial banks, with the exception of a few international ones , went bankrupt and all exchange of foreign currency was done informally by "cambistes" in the streets.

In the beginning these informal exchange agents were mostly "women traders" who earned and needed foreign money for their transborder commerce. In the beginning this forex trade was illegal and needed therefore protection by strong men with influence , mostly government officials, who covered this illicit trade. Both actors, "cambistes" and strong men knit together by kin, family or sexual services gained in the transaction. The women needed the protection of the men but these men could never themselves sell and buy forex since they lacked trust by the clients of the " cambistes". This trust was an essential component in the informal forex trade. If one knows that in these days of hyperinflation you needed a bagful of national money in order to buy your home provision for a few days in a supermarket, the mere transaction cost of counting the money was very high. You could only exchange if you were sure that you would not

be cheated, by eg slipping worthless newspaper or smaller currency bills into the "bricks" of money. Because of this essential element of trust "cambistes" needed to have a good reputation. In turn since the forex exchange had such a high transaction cost, the traders themselves developed a network of people whom they could trust in order to count the money, making stacks of money, bringing clients who were known to be trustful, etc. At a certain moment in Kinshasa more then 20000 of these traders were counted, themselves "employing " several others. Without these networks everyday life in a city with over 5 million inhabitants would be impossible and this was due to these social networks were trust was an essential component.

This example shows that there were at least two forms of social capital at play . There were strong ties of "embeddedness" at the local level , termed integration but also "embeddedness" in a top-down relation between those who injected "national money and the "cambiste". This second form of social capital termed "synergy" by Woolcock has however an enormous cost for society and translates the complete lack of "autonomy" at the national level where the money creating instance (the national Bank) is completely penetrated by the "embedded "relations. A clear example of the benefits and costs of certain forms of social capital. There could also be a third form of social capital in this example , that of "linkage" between "cambistes" and their clients. Women traders are able to increase their trade and engage into exchange with outsiders, therby expanding circuits of exchange over and above their very local level of "embedded relations. We could see how certain women traders have graduated from small streetvendors to important businesswomen financing certain circuits of international trade. What this example also suggests that is, in order to create economic development all four forms of social capital are necessary , if "autonomy" at the toplevel is lacking the development outcome will be dismal .

Our *second example* is that of the "informal" diamond trade. Since diamond trade is often cited by the founding fathers of social capital (Coleman,1993)we will contrast the experience of the Zairian diamond trade with the one in Botswana and again illustrate the need for clarification of the concept.

The production and trade of diamonds is technically spoken one that can thrive even under conditions were material infrastructure has collapsed, because at the production level it can be done by artisanal means with little capital outlays and transport costs are low because of high value per unit. It is thus par excellence a sector were fraudulous trade is possible and paying. Not surprisingly that it has become the most important sector of international trade for Zaire/Congo accounting for more than half the total of the country's official export value. However the fraudulous export is even more important. Some sources estimate the value of this informal trade at 800million $ representing more than two thirds of total official exports (ANB,93). Lower estimates of the fraudulous export sector go from 200 to 500 million dollar . The lowest estimate is still equivalent to the totality of the government budget in 1995! The circuit of the fraudulous trade is characterised by a high degree of social capital in both its "integration" (embeddedness at the local level) and "linkage" form. Consider the following way of trading the diamond. Local artisanal producers "creuseurs" , mostly young Kasaiens sell their diamonds to a local "comptoir", mostly another Kasaien but with some ties (synergy) with local or national military personnel whom they have to pay for their business. This businessman sends a person who he can trust with the

diamonds to a buyer in Bujumbura (a jew) who has connections with another jew in Antwerp, whom he sells the diamonds he gets from his Kasiaen connection. The jewish trader in Bujumbura gives the go-between , half of a worthless money bill in exchange. The other half with the same number on the bill is sent with the diamonds to Antwerp. So the owner and the transporter of the diamond escape the numerous possibilities of being ransacked by soldiers or thieves on his way back. The Kasaien owner of the diamonds cashes his money when coming to Antwerp by showing the worthless half of the money bill. If numbers on the money bill coincide he gets his money. No written contracts no paper work , the whole circuit is functioning on trust and social relations, some of these are characterised by "integration" between jews and between Kasaiens and others who take the form of "linkage" (between kasaiens and jews)

The situation is completely different in Botswana , an economy growing at a pace of 3 to 8 % a year in the last decades and contrasting with the dismal economic development of a lot of other SSA countries. Its main export is also diamond but the trade controlled by a national diamond board . The proceeds of the sale of diamonds are invested abroad and with the interests earned most of the national health and educational outlaysare financed. Its budget is controlled by a parliament whose members are elected democratically. Certainly , the social capital in the form of "autonomy" of the civil service and the political class makes the difference and is certainly a much more important form of capital for development purposes than the others at work in Zaire/Congo.

Our *last example* at the micro-level is taken from the provision of staple-food in Kinshasa. The "Kinois" are the biggest consumers per head in the world of cassava (manioc) their main staple. More than 95 % is produced in the two adjacent provinces (Bas-Congo and Bandundu) . More than 56% is locally bought and sold in Kinshasa (Tollens, 1993) by individuals called "par-colis" , because they accompany one or a few bags on the truck to Kinshasa. From a purely economic point of view this is quite a waste. Why do trucks have to take not only the merchandise but also carry literally deadweight? The commerce of cassava is certainly more expensive because you create an unnecessary long chain of intermediaries that all have to be paid. Why can't it be more "rational"? The question one has to solve first is not "rationality" in terms of textbook economics on good functioning markets but how do you explain why this kind of "irrational" commerce is in fact increasing in importance. The first question is to understand real markets , not what ought to be.

Because roads are notoriously bad and the possibilities of ransacking and looting by the military and/or thieves is extremely probable, a lot of people on the truck is a kind of safeguard where negotiation on "taxes" with the military is easier if more people are on the truck. A lonely trucker would be confronted with military or could say that he has been looted and sell it with a nice profit. Distrust and an adverse security climate explain these high transaction costs but is less costly than any other real alternative. If distrust is deeply embedded so is trust in this commerce(Luzolele 1997). A "par-colis" can realise at the most vife journeys to and from Kinshasa in a month because of bad roads. So he has to sleep and find accomodation both at the country-side and in Kinshasa . He or she will only be able to buy from people that he can trust and vice versa since sometimes credit will be extended or because he must be sure that the quality of the food is correct. In the same vein his or her relations with the owner of the truck and with his connections in Kinshasa must equally be based on knowledge about honesty and fulfillment of

unwritten contracts and reciprocal help. All these relations presuppose social capital in the form of "integration"within an embedded environment of kin, family or experienced honesty from outsiders. Interestingly enough those par-colis who are able to extend their businesses and become eventually truck-owners or start other businesses, prefer not to work only with kin and family but often include outsiders, since they do not puncture on the eventual profits, which is unavoidable if you work exclusively with family members. Some of these par-colis are able to fend for themselves and can earn much more than a lot of intellectuals with high universitary degrees. This example learns us three things.

First with predatory states who neglect the public good no overall economic development is possible . In rational choice language we can have a Nash-equilibrium which is not at all Pareto optimal. In Woolcock's terminology we could also say that there is a lack of social capital in its "autonomy/integrity" form impeding succesful developmental outcomes. Second the succesful "par-colis" is the one who can both draw on social capital in its "embedded/integration" form and its "autonomy linkage" form. Third social capital in its "integration" form has both benefits and costs, since strong ties of embeddedness impede graduation of the par-colis economically because his social outlays for honouring his family and kin duties are too high and cannot invest in increasing his business.

2.3. Social capital at the national and global level

2.3.1. The Zairian/Congolese "miracle" and "disaster"

In formal economic indicators Zaire/Congo is infamous for his record of economic regress. From the second largest industrialised country in SSA at independence and with the richest endowments in terms of natural resources it has known an unpredecented regress comparable to countries who have been devastated by civil war during years like Ethiopia and Soudan. People in Zaire/Congo do not need a lot of statistics to characterize the desastrous decline . With their characteristic "black" wit they say "At independence we ate three times a day, during the first republic two times, under the second republic (Mobutu regime) only once, where will progress stop?".

However the regress of the formal economy hides an important side of the overall human development of Zaire/Congo. People with comparative experience in SSA will tell you that the "Kinois" are not as destitute as statistics mirror and everyday-life in the capital of Congo not notably worse than in a lot of other capitals in SSA. At the contrary , if one looks at adult literacy , life expectancy and infant mortality Zaire/Congo is doing better than average in SSA with an income per head that is less than a third of average SSA.(see table 1)This startling outcome termed the Zairian "miracle " and "disaster" begs for an explanation. Within the context of this paper no satisfactory explanation can be given and this puzzle is very much the core of ongoing research in our centre (forthcoming, doctoral thesis by T.De Herdt).

A few (unsatisfactory) working hypotheses can be given. Statistics and economic indicators do not reflect reality and the informal economy is making up for the loss in the formal economy so that the "entitlement structure" of the people is less eroded than

mirrored in the official indicators. (De Herdt &Maryse, 1996) Indeed one of the characteristics of Zaire/Congo is that 95% of the active population has to "invent" survival strategies , legal and illegal to fend for themselves.This creative outburst of popular responses must however not blind us for the extremely adverse situations in which the Congolese have to survive. Poverty, massive emigration are just a few indicators that these popular response are indeed second best solutions. Another explanation could be that the health and education sectors are more resistant to decline than the formal economy because these sectors are still supported by the civil society and external assistance. This would be a rather dim prospect since this would mean that the good human indicators are only good because of a time-lag. Let us see if social capital theory can throw any light on this tricky question.

The only comparative situation that we can think of is Kerala /India where economic indicators are less than average India , but where human indicators of adult literacy , life expectancy and infantmortality are far better than average India and indeed comparable to developed countries standards(see table 1). Although Congo and Kerala do have opposite tendencies in the sense that the good human development indicators are not sustained by high living standards, the cases are not the same. Kerala , although a very low income is not in a situation of economic regress and its human development indicators are much better than those of Congo. Nevertheless it is worthwile comparing because P.Heller tried to explain the Kerala success in terms of social capital theory (World Development, 1996).

Table 1: Kerala and Congo: basic socioeconomic indicators compared*

	Kerala	India	U.S.A.	Zaire	SSA	Least Developed
gnp per capita	260	330	22340	160	540	240
adult literacy	91%	50%	99%	74%	51%	46%
life expectancy	70	60	76	52	51	50
infant mortality	17	89	9	93	101	112
birth rate	20	30	16	48	46	44
HDI	0,65	0,38	0,93	0,34		

** GNP per capita figures of 1991, others of 1992, Kerala HDI of 1987,infant mortality per thousand births*

Sources: Kerala figures: P.Heller, *"social capital as a product of class mobilization and state intervention: industrial workers in Kerala, India"* in World Development ,1996.All other figures: UNDP *Human Development Report* 1994, except GNP of Zaire: UNICEF *State of the world's children* 1998, converted to 1992-figure with growth rates of GDP as published by BNC *Bulletin Mensuel* 1/98.

The main explanation by Heller of the positive developmental outcome in Kerala was that class mobilization and state intervention has broken the very hierarchical caste system. A strong civil society and political mobilization led to an enhanced demand for literacy, health and education. This was possible because civil society could use the formal democratic institutions to conslidate the breaking up of traditional relations . In his words "Class mobilization and state intervention have combined to dissolve social relations and the institutions of the precapitalist order"(p1058) Heller calls the class mobilization and the state intervention social capital.This ressembles conspicuously Marx' thesis more than hundred years ago that capitalism's historic role was the dissolution of the old relations of production and the breaking up of traditional social bonds. Nothing new under the sun? May be not except that now the state, under certain

conditions of strong popular mobilization and civil society, is not a reflection of the ruling elite, but can break up existing power relations.The Kerala example is interesting in that it again demonstrates the necessary superiortiy of social capital in its "autonomy/integrity" form over the "embeddedness/integration" form if human development improvement is the goal. The example of Zaire/Congo shows how the different mix of forms of social capital produces a very different outcome.

The period of "transition" in Congo/Zaire triggered off by the fall of the Berlin Wall and democratic openings has certainly led to a free press and mushrooming of political parties (485) and non governmental organisations. The context of economic regress and the possibilities to earn a decent living by almost non-existant formal employment , pushed the critics of the regime to use every opportunity to earn a living. They thereby used the new opportunities in much the same way as those they criticized and many lost in the process their credibility and autonomy. This weakened the whole process of democratisation and the country continued the downspiralling movement. Surviving , getting at the scarce resources by mobilizing the social networks of kin, ethny, region, neighboorhood are so pervasive that social relations and values based on autonomy/integrity are non viable for personal survival. My conclusion is at odds with one of Putnam's , that cicic virtues and density of networks are able to determine economic outcome. In a situation where there is economic decline , density of networks in the form of "embeddedness/integration" and the pursuit of short sighted self-interest are so immanent that they leave little space for civic values and virtually drawn human and economic progress. May be one has to explain why there is economic decline in the first place. Social capital theory can only explain if you make a difference in the different forms of social capital as Woolcock did. It is the pervasiveness of the "embeddedness/integration " form at the micro level and the "embeddedness/synergy " at society and state level(Hyden,1984) that suffocate the values and networks necessary for the pursuit of the pubic good.

The "miracle" side of the Congo-case could be understood by different forms of social capital and "market solutions". Formal education and health is highly valued and people will make great efforts in order to have access to these services. In the context of decline the semi-public sector supported by outside help and private market solutions try to match the increasing need of a fast growing population (3%annual growth). Since health and education are not pure public goods and since the state has withered away, it gave birth to very different "market solutions". In the health sector people go to healing churches and sects where they prey and pay for health or if they have more confidence in formal doctors they will have to pay in private clinics. Alongside these market solutions there still is a network of health and educational institutions that are still functioning . This sector is however largely supported by outside support, churches , international NGO's and other donors.The access to these is large since these institutions are semi-public but "linkage" with these institutions will help. Formal jobs in the public sector are cherished not because of the wage which is only nominal but because it traditionally gave you the access to certain educational and health services. Social ties with peers for intellectuals is also a valuable asset that transcends kin and norrow family ties . So different forms of social capital (linkage, synergyand integration) can be mobilized alongside some market solutions to answer the needs of health and education.

2.3.2.Vicious circles of distrust in Rwanda and Burundi

We will not try in this article to give a detailed account of the human tragedy that took away the lifes of so many people and ruined the future of so many families that survived.Our centre (Reyntjens, 1994,1997and Marysse, 94,97) and others (Guichaoua,95-Braeckman,95-Prunier, 95 to name a few) have tried to understand the Rwandan crisis in its historical context. In the framework of this article we will only add what could be learnt from the perspective of social capital theory . As we have remarked earlier in the text, social capital theory in Putnam's sense does difficultly explain breakdown or discontinuities and contents itself with stating that countries have entered vicious or virtuous circles of distrust. Again trust and distrust, different forms of social capital always exist in varying degrees and with different costs and benefits. When will distrust be engrained and why and how will it lead to situations of economic regress and some human development in one case (Congo) and open violence, civil war and genocide in another (Rwanda). If we could more or less explain the Congolese "miracle" and "disaster" in terms of social capital , it is much more difficult to explain the rwandan tragedy.

One very obvious difference between the two cases is that etnically spoken Rwanda is very much polarized in two main ethnical groups who used to live in the same territories and sharing the same language and culture. This main characteristic is absent in Congo/Kinshasa where some 450 etnical groups coexist and where rivalry for scarce resources (land, money, employment , political power) is much more diffuse and never so polarized than in Rwanda. That does not mean that there could not be an outburst of open violence. Girard (1989) in his seminal work on the mechanism of the scapegoat and violence showed that rivalry between many divergent parties can converge in crisis situations onto one party that will be held responsible and that will be victimized . The events of August 1998 in Kinshasa during the rebellion against Kabila showed unfortunately that this is possible. All people with physical characteristics attributed to tutsi and who did not speak the local language where seen as rebels and violence turned against them .

The fact that the situation in Rwanda is polarized between two main groups or actors , (ba)hutu who are largely majoritary and a traditional dominant minority called (ba)tutsi , makes it possible to be analysed in terms of game theory and rational choice theory , one of the intellectual roots of social capital theory. The central question is to know why violent solutions are preferred over cooperative solutions.

In Burundi democratic elections in 1993 led to a peaceful transition towards majority rule. The murder of the freely elected persident Ndadaye by hard-line military tutsi six months later, triggered off a civil war. In Rwanda the Rwandan Patriotic Front who waged a war in 1990 to overthrow the majority rule of president Habiyarimana , entered in negotiations at Arusha. The peace process was halted when the president was murdered on the 6th of april 1994. Genocide , elimination of political opponents from both sides and uncontrolled violence transformed the erstwhile development model of central Africa into one of the worst killing fields of the second half of the 20th century. Since then the vicious circle of violence , exclusion and retaliation has set the whole region in a blaze. A possible answer is that we are confronted with a prisoner's dilemma with a specific pay-off matrix where opposite interests in the cooperative outcome are not symmetrical like in a normal prisoner's dillema. This is possible because the tutsi

minority will always gain less than the other party in a cooperative solution. At the other hand a symmetrical cost and benefit structure in the cooperative solution is difficult to accept for the majority hutu population. This is reflected in the following adapted game structure

Non cooperation and violence in Burundi and Rwanda

		BAT	
		Violence	non-violence
BAH	Violence	-5/-5	20/-10
	Non-violence	-10/20	10/4

In this game we can see that if there is distrust in the other party and there is no way of reconciling and sharing of power , both parties will follow their group interest we eventually end up in a violent (dis)equilibrium, a so called Nash equilibrium. Indeed if BAH wants to optimise its share of power it can do so only by excluding the other group and vice versa. A cooperative solution by bargaining and sharing power gives each of the players less benefits (and privileges) than the violent option if succesful in the exclusion of the other. Therefore both will end up with a non-cooperative and violent option and finally in the worst case situation for society as a whole. Remark that the pay-off in a cooperative solution cannot be symmetrical because of the unequal weight of the population groups. The gains for BAT are less than for BAH except if BAH would accept equal share in power (e.g. equal commanding positions in the army in the ARUSHA-agreement). Since this solution will (and has) met with fierce opposition from the majority group, the cooperative outcome is less likely . Remark also that in such an assymetrical situation the violent option for the minority group is more attractive than for the majority group.

Game theorists would remark that the prisoner dilemma is a **one shot game** and that this does not reflect reality since both groups have a long history of bargaining , coexistence, exclusion and violence. If we have repeated games or a supergame theory (Rasmussen, 89) different forms of cooperation can ensue, because both parties sometimes learn that cooperation is possible. However we also know that this is only so if the discount rate in the supergame is not too high. If this is the case or if in other words the preference for the benefits of the immediate future is very high no cooperation will follow and we will end up in our prisoner dilemma. If parties have very little to lose and privileges and economic resources scarce the violent non cooperative solution will dominate. Third party enforcement is the only solution to reach a cooperative solution, which means that the international community must enforce by different means cooperation and sharing of power for the two groups. As long as one party diabolises the other and tries to monopolize power, no cooperative solutions will be possible and therefore peace and development an unnatainable goal. Does that mean that no social capital is left? No, not only have people over the etnic divide helped each other during the civil war and genocide , drawing on strong ties of neigboorhood or on autonomous values that exclusion and violence is never a solution. In these extreme situations individuals who

resist exclusion and violence like André Sibomana and many others is the seed for future social capital and possible reconcialition.

3.Conclusion

The social capital concept has certainly merits. For one thing in an era of triumphant and unrivalled capitalism it points out that an unfettered pursuit of self-interest is overlooking a whole domain where markets , liberalisation and globalisation do not have a solution. A whole domain where people's well-being is dependent on cooperation and not on competition nl that were people are confronted with dilemma's of collective action. On the other hand it furthermore shows that institutional performance and responsiveness to people's needs is not only a question of more state filling the gaps where markets are inadequate. So social capital gives a completely different dimension on the old debate between market and state.

The contribution of the concept can be situated in a new stream of thinking away from massive ideological debates taking account of the numerous diversities that human societies produce giving to each particular historic trajectory its own place. It has drawn a lot of his insights from the evolution in thinking in what we now would call "the new institutionalism" that you can find over the boundaries of the old divide in the human sciences between economics, sociology, politics and antropology. It shows that markets cannot function without trust or that they have to cope with shirking and opportunism. This is not new but it gives again a place to a long forgotten idea of A.Smith that markets cannot function if only self interest is in play but markets need also "sympathy". He thereby meant that if different parties in exchange only pursue their own interest at the expense of the other party there will not be a renewal of the exchange and the economy will spiral down in a situation of Maffia economy where distrust, shirking , opportunism and ultimately violence will dominate.

Finally social capital brought cultural, social and historical factors back in the picture saving us from a disease that could be called the reduction of society to monoeconomics.

However like all interesting new or revived insights it is cautious not to explain too much with too little theory. Especially in the context of weak states and markets social capital needs clarification since certain forms of social capital may help to overcome some problems at one level but create at the same time obstacles to development at another.

Our guide in this clarification exercise was the important contribution of Woolcock, himself drawing heavily on Granovetters' work. He distinguished four forms of social capital, who all have their costs and benefits and are all needed to produce institutional performance and economic welfare. Embeddedness at the local level was called integration and at the macro-level synergy. Autonomy at the micro level termed "linkage" and at the macro-level "integrity". We illustrated the usefulness of this framework by drawing on field-research in the region of the Great Lakes in Africa. We showed how the mix , strength or lack of these four forms produced very different developmental outcomes in SSA

Our first example showed how important social capital was for the improvement of rural livelihoods in Tanzania. Moreover if the networks (church –credit-neigboorhood- and other associations) were less exclusive and horizontal the more the positive impact was.

Our three examples drawn from the field research in Zaire/Congo highlighted each certain aspects of the problematic articulation and absence of certain forms of social capital. The cambistes and the diamond traders drew on three forms of social capital to make use of the weakness and the predatory character of the state . However the conspicuous lack of "integrity" by those in power reinforced the economic decline. The par-colis showed that their vital role in supplying the staple food for the capital in dismal conditions was only possible if they could draw on their social networks were trust was an essential ingredient. . At the same time their very existence illustrated the high transaction costs of generalised distrust typical for predatory states . Another interesting aspect was that those food traders who wanted to improve their businesses mobilized less their strong ties but worked with outsiders proving the cost of to strong embedded ties and the need for more autonomy at the micro-level.

The miracle/disaster paradox in Congo/Zaire mirrors the resistance of people in situations of economic decline and a predatory state. Human development in education and health seems for the time being less affected partly because outside organisations who have more autonomy (and funds) than the local/national institutions are still functioning. They are less penetrated and invaded by strong ties (embeddedness/integration) and display more autonomy . The example illustrates clearly a point that Woolcock did not enough stress : Not only does a country need all forms of social capital but it is even possible that one form suffocates all other and set in motion economic and institutional decline. The pervasiveness of the logic of the "embedded/integration" form of social capital at all levels of society destroys all forms of autonomy.

Finally the vicious circles of distrust in Rwanda and Burundi could difficultly be explained in the above terms. Rational choice and game theory learned how violence in the prevailing conditions of ; polarisation , unwillingness to share power and generalised distrust will unfortunately continue. What it did not show is that the seed of social capital embodied in individuals who resist exclusion and violence is also there , the only hope to escape the nas(h)ty fate of the prisoner dilemma.

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