

RACE, NEIGHBORHOODS, AND  
THE MISUSE OF SOCIAL CAPITAL

EDITED BY  
JAMES JENNINGS





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36. B. Kapferer, "Norms and the Manipulation of Relationships in a Work Context," in *Social Networks in Urban Situations*, J. Clyde Mitchell (ed.) (Manchester: Manchester University Press, 1969).
37. See M. Granovetter, *Getting a Job: A Study of Contacts and Careers* (Cambridge, MA: Harvard University Press, 1974); J. Montgomery, "Social Networks and Labor-Market Outcomes: Toward an Economic Analysis," *American Economic Review*, (December 1991); and R. E. Williams, "Social Networks and Labor Market Outcomes: Theoretical Expansions and Econometric Analysis," (diss., University of Massachusetts-Amherst, 2004).
38. See, for example, Putnam, *Making Democracy Work*, 171, 177. Putnam writes: "Trust lubricates cooperation. The greater the level of trust within a community, the greater the likelihood of cooperation . . . In all societies . . . dilemmas of collective action hamper attempts to cooperate for mutual benefit, whether in politics or in economics. Third party enforcement is an inadequate solution to this problem. Voluntary cooperation depends on social capital." Also, P. Maskell, "Social Capital, Innovation, and Competitiveness" in *Social Capital: Critical Perspectives*, S. Baron, et. al. (Oxford, England: Oxford University Press, 2000), 111. Maskell states, "Social capital refers to the values and beliefs that citizens share in their everyday dealings and which give meaning and provide design for all sorts of rules."
39. See, for example, J. Coleman, *Foundations of Social Theory* (Cambridge, MA: Belknap Press, 1990), 300. Coleman writes, "social capital is the set of resources that inhere in family relations and in community social organization and that are useful for the cognitive or social development of a child or young person."
40. See Granovetter, *Getting a Job*.

## Chapter 5

# Social Capital, Race, and the Future of Inner-City Neighborhoods

James Jennings

Social capital generally refers to individual, community, or familial networks that reflect substantive degrees of trust between the parties, and can be used to build, facilitate, or maintain cooperation for mutually beneficial economic, social, or political objectives. Social capital can take various forms. The concept of social capital has gained an explosive amount of attention in recent years in the fields of political science, urban affairs, and planning, as well as in the popular media.<sup>1</sup> The *American Journal of Planning* devoted a symposium to this topic in 2004 titled, "Using Social Capital to Help Integrate Planning Theory, Research, and Practice." The 1999 annual meeting of the Urban Affairs Association was dedicated to the theme of social capital. A search on "social capital" in the papers database of the American Political Science Association shows that for the years 2003 and 2004 there were 1,079 formal presentations containing the phrase. This number surpassed phrases such as race (945), inequality (650), justice (992), injustice (262), empowerment (216), discrimination (570), and racism (182). Although it did not surpass the word "class" (1,119), social capital is now a key concept in research spanning many areas.

Given this attention, how is social capital discussed in terms of continual racial and spatial inequalities in urban society? And how does this idea inform public policy regarding neighborhood revitalization or



local economic development? Also, is the building of social capital an effective alternative to class or neighborhood mobilization in struggles for equitable shares of social and economic benefits in urban society? Social capital has emerged as a popular response to these questions.

Though focused on Finland, the claim of Hilde Coffee and Benny Geys is heard among scholars studying U.S. urban society:

Social capital is indeed an important resource available to societies—next to human and physical capital—and is argued to have a beneficial influence on various economic, social and political phenomena . . . First, social capital improves performance . . . citizens become more active and effective in demanding good government where social capital is higher . . . Second . . . [it] generates a commitment within individuals to make their society work and increase their willingness to make necessary compromises.<sup>2</sup>

For example, in their chapter in this anthology, Turcotte and Silka note that, “increasingly the notion of strengthening a community’s economic base is being framed in terms of the language of social capital. Community development efforts have increasingly adopted the language of social capital as a way to understand what communities must do to prosper.”<sup>3</sup>

Advocates of social capital suggest that increasing it, or creating it, can enhance the economic prosperity of impoverished neighborhoods but it can also be useful for economic development in the international arena. Svendsen and Svendsen see social capital as the “missing link,” and they see nonmaterial productive factor as the basis of a new economic theory (dubbed *Bourdieuconomics* in honor of the late theorist of social capital, Pierre Bourdieu) that, through trust, facilitates entrepreneurship in some countries such as Denmark. Regarding the United States, Putnam proposes, “social capital is generally distributed unequally—more trusting, more joining, more voting, and so on—among the better-off segments of society. Citizens who lack access to financial and human capital also lack access to social capital.”<sup>4</sup> Avis Vidal is more direct and argues that, “developing social capital (i.e., assets) for poor neighborhoods is one approach to the broader task of building community capacity.”<sup>5</sup> She adds, “these neighborhoods are institutionally impoverished, as well; they have fewer formal organizations, and the ones that exist are less likely to provide access to opportunities for social, educational, and economic advancement than are comparable groups in suburban, middle-class communities.”<sup>6</sup> In a similar vein, Light claims that “where poor people have social capital, they

are better off. For instance, in neighborhoods whose residents have more organizational memberships, workers display a lower likelihood of long-term joblessness.”<sup>7</sup>

Alejandro Portes and Patricia Landolt write: “Liberals and conservatives alike now celebrate social capital as the key to success in a myriad of domestic issues—from public education, aging, and mental health to the battle against inner city crime and the rejuvenation of America’s small towns.”<sup>8</sup> Michael Woolcock and Deepa Narayan argue that social capital, including family ties, friends, and associates, can be tapped or utilized or leveraged for material gains.<sup>9</sup> Robert Putnam and Kristin Goss (2002) propose further, “social networks create value, both individual and collective.”<sup>10</sup> Two other writers, Sirianni and Friedland, iterate the value of social capital for resolving economic problems facing inner-city neighborhoods: “Social capital refers to those stocks of social trust, norms and networks that people can draw upon to solve common problems. Networks of civic engagement, such as neighborhood associations, sports clubs, and cooperatives, are an essential form of social capital, and the denser these networks, the more likely that members of a community will cooperate for mutual benefit.”<sup>11</sup>

Another group of researchers write that, “recent theoretical developments suggest that neighborhood social capital originates with the formation of bonds among residents, which in turn empower them to protect and pursue their collective interests as they engage external institutions and organizations that might help them to resist threats to their well-being.”<sup>12</sup> They add, “bonding social capital is a *necessary* [my italics] antecedent for the development of the more powerful form of bridging social capital.”<sup>13</sup> As such it can spell economic relief and greater communitarian harmony in inner-city neighborhoods.

Social capital even has “capacity for storage,”<sup>14</sup> according to Ivan Light. He proceeds to state, remarkably, that:

social capital is a kind of philosopher’s stone that, costing no money and available even to the humble, can metamorphose into rare and precious values. The medieval alchemists sought to change lead into gold. They hoped to turn something valueless into something precious. They failed. It appears, however, that in social capital, the world has a nonmonetized resource that metamorphoses into money, property, education, and high culture.”<sup>15</sup>

Putnam tempers this hyperbole by noting that while social capital is a base for leadership and entrepreneurship, “hovering above individual leaders, and also influencing social capital, is the state.”<sup>16</sup> In spite of this caveat, social capital is treated as the key factor in ensuring that poor

neighborhoods are wholesome. To quote Chupp, "in the debate over poor neighborhoods and the ills of society as a whole, social capital has become something of a wonder drug."<sup>17</sup>

When social capital is presented as a wonder drug to alleviate the impact of structural inequalities, it thereby becomes a rhetorical mechanism that dismisses institutional and policy causes of structural inequalities. Smith and Kulynich show in their chapter that this very term, *social capital*, actually discourages structural analysis of social and economic issues. A similar point is made by Canadian political scientist Karen Bridgett Murray in her article. She notes that poverty is not approached as a part of broad political and economic institutions but rather on the basis of individual capacities. In other words, when issues like poverty, joblessness, teen pregnancy, poor public health, and inferior schooling are studied in reference to the particular level of social capital in a group or neighborhood, it essentially limits structural or class explanations and thereby dismisses consequent political mobilization aimed at resolving these problems as unnecessary.<sup>18</sup> Although James DeFilippis (2001) raises a concern that urban scholars are placing too much emphasis on "how social capital can be generated in low-income communities in the United States," social capital is now treated as a cultural and economic resource that is vital for responding to the effects of spatial and racial inequality.<sup>19</sup>

### Social Capital and the End of Politics

The current focus on social capital as a response to structural inequalities is problematic for several reasons. First, it is not a concept that can easily be measured and is therefore open to a wide range of definitions by researchers. Robert Silverman observes, "ironically, within the field of community development, social capital is a somewhat amorphous concept, although it retains a Teflon® quality. It is considered to be requisite for sustainable community development while its substance remains elusive."<sup>20</sup> This is why Andrew Greely states that, "the term 'social capital' has been misused and abused in American social science, with little regard for its precise meaning . . ."<sup>21</sup> The Teflon® quality of social capital can lead to unsupported claims. As noted by Durlauf and Fafchamps in their review of social capital as a factor explaining economic growth, "we argue that empirical social capital studies are often flawed and make claims that are in excess of what is justified by the statistical exercises reported."<sup>22</sup>

Second, as Silverman points out, the mobilization of social capital is bound by the social context of its location. In essence, social capital is the product of values that are embedded in local context . . . there are no

generic forms of social capital that can be transferred from setting to another."<sup>23</sup> In other words, social capital is not uniform. Based on a study of community development corporations managed by Blacks and non-profits managed by Whites in Jacksonville, Florida, Silverman discovered that these sectors held different values, perceptions about race, and race relations. The social capital evident in both cases was directly linked to organizational values and institutional perceptions that reflect the structural positions of both sectors. The social capital evident in both organizational settings, despite operating in similar spheres of activities, did not point toward collaboration or building enjoining networks.

This weakness can be witnessed in the claim in "Inner-city Ills" in *Civic Dictionary* (2004):

Urban renewal and public housing policies, along with the exodus of black middle classes from the inner city, have depleted stocks of social capital available, and thus impaired school performance, job referral, drug-and crime-avoidance, and self-help. Equal opportunity strategies and social welfare programs are unlikely to succeed unless they can be coupled with ways to replenish remaining stocks of social capital, such as those represented by the black church.<sup>24</sup>

This sweeping statement is inaccurate for two reasons. First, an exodus of the Black middle class is merely presumed. This is not the case in many inner cities. Second, it posits that social capital found in Black churches can automatically be applied to community problems. Recently, sociologist Omar M. Roberts found that the social networks in churches are not necessarily transferred or transferable toward alleviating neighborhood problems.<sup>25</sup> His case study of churches in an area of Dorchester, a predominantly Black and low-income section of Boston, shows that in some instances these institutions see themselves as apart from the surrounding neighborhoods. The assertion above is also inaccurate because it ignores the rich institutional networks, businesses, neighborhood associations, and civic groups operating in many impoverished communities.

What I refer to as the de-racialization of social capital is another problem under this topic. Some researchers ignore racial and ethnic differences in how social capital is reflected in a range of situations. Rodney E. Hero shares this concern.

Most analyses of social capital do not adequately confront conditions associated with race; as a result, they come to conclusions more benign than a fuller assessment warrants. Social-capital analyses implicitly



emphasize *absolute* or aggregate indicators of equality and overlook or understate *relative* outcomes for minorities. They thus obscure important dimensions of the continuing inequality by race and mislead us in our thinking about equality and democracy in American politics.<sup>26</sup>

Hero utilizes census data to highlight the limitations of state- and national-level surveys measuring social capital and to show that social capital is not necessarily associated with racial equality. He concludes that a focus on social capital, and the extant methodologies for analyzing such, can limit and discourage discussions about continuing racial inequalities in U.S. society and that "by not disaggregating along racial lines, social-capital analyses incorrectly make strong, broad claims about the dynamics of equalization while masking what may be a situation of racial inequality."<sup>27</sup> Hero shows a disconnect between states with relatively high levels of social capital and conditions that suggest racial inequality in the areas of education, public health, and the criminal justice system.

One could also rely on historical literature to show that social capital has actually been a force for racial and ethnic inequality in U.S. society. The Bedolla chapter in this anthology summarizes literature showing that social capital has a particular racial history in the United States. By referring to this literature, she describes many situations where social capital served as a glue to maintain solidarity among groups protecting various forms of white-skin privileges. The social base that cemented oppressive political policies and economic practices was precisely the bonding, trust, and cooperation among representatives of White interests. Bedolla writes, for example, that "many of the civic organizations Putnam mentions—Kiwanis, the Rotary Club, etc.—banned the participation of both women and people of color. If social capital is about building relationships within your community, these racially-biased programs have had important effects on what that community looked like and who (racially) was allowed to live in it. It makes intuitive sense, then, that race and race policies are intimately related to the creation and maintenance of community-level social capital in the United States."<sup>28</sup> In *Plural but Equal*, the late Harold Cruse describes numerous episodes in U.S. history of Blacks pursuing self help that reflected social capital in the form of strong bonds and trust within these groups. He documents widespread and vitriolic White resistance to Black self-help initiatives, both on the part of masses of Whites and institutional elites.<sup>29</sup>

The history of political machines provides other examples of how interests holding power sought to keep Black political challenges from

gaining saliency. These challenges emerged from the group consciousness of Black people seeking to establish social equality in U.S. society. Literature such as Ira Katznelson's *Black Men, White Cities* (1973), Gilbert Osofsky's *Harlem: The Making of a Negro Ghetto* (1966), or Kenneth Kusmer's *A Ghetto takes shape: Black Cleveland, 1870-1930* (1976), describe Black resistance to political machines who sought to keep local government as beneficial for White citizens loyal to the machine. These examples (and there are many more) show that when social capital represents a base for bonding but leads to political mobilization that challenges the status-quo interests—and its "gatekeepers"—threatened by impending change will resist it.<sup>30</sup>

The term *gatekeepers* is borrowed from Chavez and Fraga in their discussion of individuals and processes that have the capability of assisting or resisting social capital in communities of color from being utilized to gain group benefits.<sup>31</sup> It is also discussed in the chapter by Bedolla in this collection. While these authors focus on contemporary gatekeepers, the concept and discussion is applicable to the behavior and responses of urban political machine leaders toward communities of color in earlier periods.

Resistance on the part of gatekeepers was also directed at other groups of color, as well as the White working class. In *Making Democracy Work Better*, Richard A. Couto and Catherine S. Guthrie show how state government and private partners thwarted the building of social bonds between workers aligned against corporate power. By looking at the case of poverty-stricken areas in the Appalachia region of the United States the authors show that the building of social capital, or bonding among workers and poor people, was perceived as a serious problem for wealth and landowning interests.<sup>32</sup>

Finally, the call for social capital as a strategy for improving living conditions is problematic because it presupposes apathy and civic disconnectedness with inner-city neighborhoods. In fact, "there is an assumption that, whatever the state of engagement is in general, it must be worse for African Americans and for Hispanics, who are certainly thought to be less connected, less civically engaged, and less well-equipped to compete in mainstream political processes."<sup>33</sup> Fuchs, et al., offer a similar criticism. "The argument is simple: in communities where social capital has become scarce, political participation is invariably low. The practical implications of this argument are clear: increase social capital in poor African American and immigrant city neighborhoods and political participation will increase as well."<sup>34</sup> And further, "the conventional social capital thesis falls short as a fully satisfying explanation of



the decline of political participation, applied especially to urban democracy. It falls short because it is premised on an inadequate conceptualization of the urban tradition of political participation, which is rooted more in conflict than in consensus building.<sup>35</sup>

A presumption of apathy within such groups and their neighborhoods is not new, according to sociologist Daniel J. Monti, Jr.,<sup>36</sup> but can be explained in part by national and international surveys that focus on traditional measures of civic participation, including membership in organizations or associations, or electoral activities, or political attentiveness.<sup>37</sup> Macro-level surveys, however, can have limited application in local situations where racial-, class-, or gender-dynamics represent major barriers to political participation. As noted by Foley, et al., aggregate statistics on the national level can obscure local realities and incorrectly emphasize the importance of "associational density."<sup>38</sup>

The degree of "associational density," a major reflection of social capital, can be irrelevant to political and economic barriers that stand in the way of full political and civic participation for many people. These barriers include unequal distribution of information about how to participate in the electoral arena, job restraints, gerrymandering, and intimidation. Furthermore, the important issues for the livelihood of working-class groups are sometimes disconnected from electoral processes. Public participation and civic engagement in the pursuit of individual or group agendas in working-class communities do not necessarily get played out in institutional venues. This means that solely utilizing traditional political or electoral variables to measure civic participation can make invisible the participation of poor and working-class people. Rhonda Y. Williams makes an important distinction between consumption issues and political issues:

Exploring activism at the point of consumption—that is, around housing, food, clothing, and daily life in community spaces—reveals the existence of these unacknowledged daily struggles and protests. Black community—if not electoral—struggles were increasingly being found in neighborhoods around consumption as well as political issues. In addition to struggles for voting rights, school desegregation, and the opportunity to eat, sleep, swim, and play tennis wherever one liked, activists in northern and southern cities began to tackle a range of issues equally central to the achievement of full citizenship: the right to adequate housing, income, medical care, food, and clothing.<sup>39</sup>

Robin Kelley uncovered a similar social dynamic in his case study of racial interactions on segregated buses in Birmingham, Alabama in the

pre-World War II period. He concluded that protest on the part of Black bus customers revolved around issues of respect and the relationship between transportation and employment, not de-segregation, *per se*.<sup>40</sup> The lesson in this literature is that examination of civic participation or social capital is incomplete if it only focuses on how people in low-income communities become involved with overtly electoral or organizational issues.<sup>41</sup>

### Social Capital and Irony of Public Policy

Social capital is touted as a key ingredient in neighborhood revitalization of impoverished areas because it encourages people to become engaged in the civic life of the community. Yet, and ironically, there are several urban policy initiatives that serve to undermine civic participation in poor and low-income neighborhoods. One public policy that discourages civic participation and weakens community-based organizations in inner-city neighborhoods is the Personal Responsibility and Work Reconciliation Act of 1996.<sup>42</sup> Welfare reform has actually undermined civic participation in Black and Latino urban communities that have high concentrations of families on public assistance. This effect occurs by separating clients from the possibility of civic participation as a way to enact social change, and ignoring the role of community-based or intermediary organizations in the mobilization of civic capacity.

Welfare reform is "anti-social capital" by virtue of its imposing mandates on community-based organizations involving monitoring of welfare recipients, discouraging attention from employment and training strategies that have proved effective in the past, encouraging a view of public assistance recipients as dependent pariahs in communities, and ignoring possibilities to leverage neighborhood assets and resources—found in many inner-city communities—as a way to generate economic mobility for poor and working-class families.<sup>43</sup> Welfare reform does not emphasize civic participation and cooperative engagement in low-income neighborhoods but rather endorses and mandates a big brother, work-first frenzy philosophy that results in women and children remaining in poverty. This approach does nothing to strengthen the social fabric of neighborhoods.

In some communities the implementation of welfare reform is pursued in ways that actively prevent women from bonding and pursuing collaborative actions for group advancement. The findings of a survey of one hundred Latina women in Lawrence, Massachusetts during 1999 and 2000 show that the state government responsible for implementing



welfare reform had no interest in helping women to become involved and connected to their communities. The Massachusetts Department of Transitional Assistance has reflected a complete disregard for tapping the potential civic capacity of the Latinas studied, yet the women in this group showed themselves to be hard-working, committed to the well-being of their children, and quite knowledgeable of neighborhood issues.<sup>44</sup>

Gentrification strategies and attempts to de-concentrate poor people are also based on a presumption that inner-city neighborhoods lack social capital. Again, such policies actually destroy what people might describe as social capital, or social fabric, in local places. Based on an extensive survey of residents in Minneapolis neighborhoods, Edward Goetz shows how policies and practices to de-concentrate poverty resulted in a significant loss of social capital. He used a survey to ask respondents to agree or disagree with the following statement: "My child . . . plays with others in neighborhood." An overwhelming 76% of residents in the pre-move period agreed with this statement compared with only 49% of the displaced residents. To another question—"In your neighborhood in the past six months, how often did you . . . talk with your neighbors?"—71% of residents responded affirmatively during the pre-move period but this dropped to 52% of those who had moved. To a related question—"In this neighborhood, have your children been . . . involved in community activities?"—44% of the residents responded "yes" in the pre-move period but this rate dropped to 33% in the post-move period.<sup>45</sup>

Goetz illustrates an inconsistency between the call for social capital in low-income communities and public policy. Regarding the city of Minneapolis he found that:

Southeast Asian families living in north side public housing were more likely than African-American families to like it and to value the community resources and support networks that had been created in the area. Deconcentration opponents among these families argued that dispersal would destroy the networks upon which they, as recent immigrants, depended. These networks existed on two dimensions. First were the formal assistance organizations and service agencies on the north side, including the Hmong American Mutual Assistance Association, the Lao Assistance Center of Minnesota, and the Southeast Asian Community Council. In addition, the north side site was home to an array of social services established over time to assist public housing residents, including a food shelf, adult education, and language services.<sup>46</sup>

Thus, we have a contradiction between endorsement of social capital as a way of increasing civic participation in low-income neighborhoods, and public policies that have the effects of weakening the organizational potential for local civic capacity.

Emphasis on social capital as a way to resolve spatial and racial inequality also exposes the hypocrisy of government. There are instances when citizens have banded together to appeal for government support on behalf of a range of neighborhood issues, only to see government turn its back. Such a case involves the Robert Taylor Homes in Chicago. Sudhir Alladi Venkatesh highlights the struggles of residents in this massive public housing complex.<sup>47</sup> Although many of the units at this Chicago site were physically dilapidated, there were continual collective struggles on the part of residents to improve living conditions. But in the case of residents living in public housing, government, civic leadership, and the private sector turned their backs on these efforts. Residents had to fend for themselves in attempts to improve living conditions in their own housing and communities. The author shows that there was no lack of social capital among residents in this situation; the key problem was that the government and private sector ignored—indeed, were threatened by—the daily struggles of poor and low-income residents.

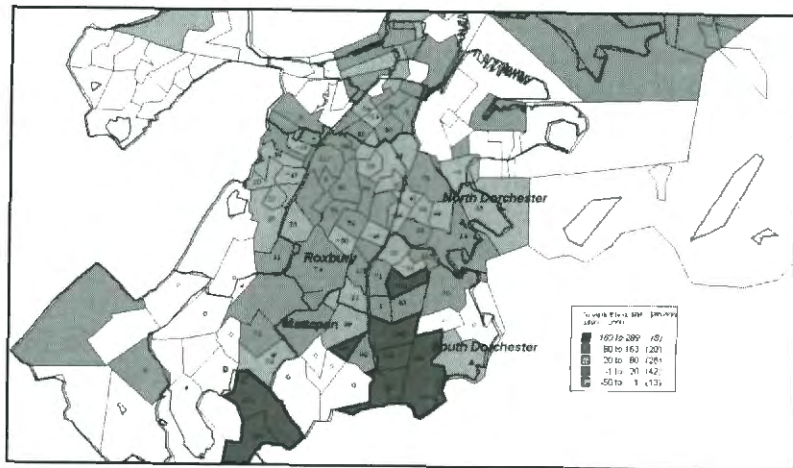
This story is repeated in the case of the Cabrini-Green neighborhood in the same city. Larry Bennett and Adolph Reed, Jr., observe that city government was aggressive in portraying a predominantly Black and low-income neighborhood as lacking in family and friendship networks or neighborhood associations. It was described as a place bereft of a responsible and effective leaders and where people were socially isolated.<sup>48</sup> Here too, and based on interviews with residents and direct involvement in neighborhood issues, the authors find a "counter-portrait," rich in social capital and individual and collective struggles to better one's community.<sup>49</sup>

There are two presumptions associated with the utilization of social capital and its claim as a wonder drug. One is that inner cities have relatively limited social and economic resources. The second is that a middle-class sector has abandoned these communities. A number of studies illustrate, however, that while inner cities may have experienced an increase in class stratification, this does not necessarily mean that upwardly-mobile sectors are exiting in large numbers.<sup>50</sup> Certainly, many households that realize upward economic mobility leave inner-city communities. However, this movement does not negate the fact that many others decide to stay in these very same communities. Review of actual neighborhood case studies, furthermore, shows that Black and



Latino communities can be impoverished and yet contain impressive economic resources.

The neighborhood of Roxbury in Boston, for instance, shows a relatively stable community where large numbers of Black middle-class households have remained in the community. About 68% of the approximately forty-seven thousand residents in this area are African American and 23% are Latino. This neighborhood is among the poorest in the city of Boston: in the 2000 federal census, 29% of all households within Roxbury's boundaries were reported as impoverished. In spite of its poverty, the Black middle class is not fleeing this neighborhood. Households reporting incomes between \$35,000 and \$75,000 in 2000 comprised 27% of all households in the census tracts contained within this neighborhood. Several hundred households (5%) reported incomes in excess of \$100,000. As a matter of fact, the number of Black households reporting incomes greater than \$50,000 in Boston's Black neighborhoods, including Roxbury, has increased significantly as illustrated in Figure 1.



**Figure 1** Growth of Black Households Earning More than \$50,000 per Year, 1990–2000

Neighborhoods like Roxbury, Dorchester, and Mattapan, where most Blacks in the city of Boston live, did not experience decline in the presence of middle-class households.

In “poor” Roxbury, residents own a wide range of financial assets including certificates of deposits, stocks and bonds, mutual funds, retirement accounts, and life insurance policies with cash values. In

2001, residents held \$65.7 million in certificates of deposit, \$58.2 million in bonds and savings bonds, \$76.3 million in stocks, \$126 million in mutual funds, and \$430.8 million in retirement accounts. The value of home equity in this impoverished area of the city was \$2.2 billion in 2001. Impoverished neighborhoods that have significant economic resources and assets indirectly serve as a critique of social capital as the key variable for increasing a community's level of economic prosperity and social stability.

The case of Roxbury is not unique. In predominantly Latino neighborhoods of Lawrence, one of the poorest cities in Massachusetts, we find a similar situation where the stock of social capital becomes irrelevant in the face of enormous economic resources. The poorest census tract in Lawrence (Tract 2501) reports a poverty rate of 48.2% in 2000. (The U.S. Census Bureau considers this an area of “extreme poverty” since the rate is higher than 40%). Without considering other facts or knowing what is occurring on the ground level in terms of civic engagement on the part of residents, we can well imagine what images such an area conjures in the minds of scholars, including for the social capital proponents, a lack of trust, networks, and cooperation among the residents. Yet, in this very same census tract one finds 974 households holding some form of financial assets.

Approximately 14% of these households owned certificates of deposit in 2001, 21% held savings bonds, 16% owned stocks, 30% owned life insurance policies with cash values, and 12% owned mutual funds. The aggregate values of these financial assets were relatively considerable given the overall poverty rate in the census tract. The aggregate value of certificates of deposit totaled \$5.2 million, savings bonds totaled \$735,000, stocks totaled \$5.5 million, and mutual funds held by the residents in the city's poorest area were assessed at \$8.9 million. The residents held \$27.6 million in retirement accounts and the value of home equity reached \$146 million in 2001. By the way, residents in this one census tract spent \$28.3 million in 2002 on retail and non-retail expenditures.<sup>51</sup>

As is the case with Roxbury, where approximately 1,100 businesses are located, the Arlington neighborhood in Lawrence, one of the poorest in this city and with a high population of Latinos, boasts many small and local businesses as shown in Figure 2.

While poverty is a critical problem in this neighborhood, one also finds approximately six hundred microenterprises that employed about 1,435 persons in 2003 and generated \$162 million in sales.<sup>52</sup> Based on a survey of Latino entrepreneurs by Santiago and Jennings, what is most important to the survival of many Latino businesses in this city is access



**Figure 2** Microenterprises in Lawrence's Arlington Neighborhood

to capital and a friendlier local government that sees this sector as an asset for the city's future. The well-being of these businesses seems less dependent upon the notion of social capital, or level of trust or networks among business owners, and more dependent on local government policies and practices towards this sector.<sup>53</sup>

This information supports the findings of others who report a high level of social capital in places presumed to be low in social capital due to the presence of urban and economic distress. Portney and Berry observe, for example:

Poor black neighborhoods are often stereotyped as communities where social and political institutions have badly deteriorated and where antisocial behavior is all too prevalent . . . In the cities we studied, poor black neighborhoods and black neighborhoods at all economic levels demonstrate a relatively high degree of political participation in neighborhood associations. These neighborhood associations are effective in cultivating among African Americans attitudes that are supportive of the community. In neighborhoods with significant numbers of black residents, strong democratic structures work.<sup>54</sup>

The many examples of inner-city neighborhoods that show an abundant level of social capital and civic energy, albeit in the midst of spatial inequality, motivate Fuchs, et al. ask: "Has social capital really declined in poor and immigrant communities, or have researchers simply been looking for the wrong kind of activities?"<sup>55</sup>

Regardless of a vibrant middle-class sector, significant community-level spending power, and enormous range of resources that have potential economic value, living conditions in places like Roxbury and parts of Lawrence are not as good as those found in other neighborhoods. The director of the Dominican Studies Institute in New York City, Ramona Hernandez, notes that the Dominican community has been described as one rich in social capital. The evidence for this claim is the community's "thriving entrepreneurial economy." But this has been ineffective in resolving the "other face of the community" composed of significant poverty, marginalization, and economic depression.<sup>56</sup>

The foregoing examples suggest that the key question facing these neighborhoods is not how to create, attract, or sustain social capital, but rather how to leverage the neighborhood's assets and resources on behalf of residents and the neighborhood's well-being. A focus on social capital does not answer this question. Again, as asserted by Portes and Landolt (1996):

[T]he call for higher social capital as a solution to the problems of the inner city misdiagnoses the problem and can lead to both a waste of resources and new frustrations. It is not the lack of social capital, but the lack of objective economic resources—beginning with decent jobs—that underlies the plight of impoverished urban groups . . . Undoubtedly, individuals and communities can benefit greatly from social participation and mutual trust, but the outcomes will vary depending on what resources are obtained, who is excluded from them, and what is demanded in exchange.<sup>57</sup>

This describes the idea of civic capacity as more important than social capital in explaining local successes aimed at improving living conditions.<sup>58</sup>

### Social Capital as Neighborhood Revitalization

Claiming that social capital is a key issue in the revitalization of inner cities is not just a "misdiagnosis" of a problem. The call for social capital is associated with urban redevelopment strategies that primarily benefit corporate and wealthy interests. In other words, declaring that the lack of social capital in certain places explains current living conditions carries



certain policy and political implications for these places. Exclaiming the need to create social capital as a response to the effects of racial and spatial inequalities facilitates what Judd and Swanstrom describe as a pro-growth logic of economic development for the urban United States—a framework that seeks to transform inner cities and pursue neighborhood revitalization in ways that meet the needs of wealthy institutions and corporate interests.<sup>59</sup>

Generally, the logic infused with the call for importing social capital, proceeds in the following order:

1. Poverty and crime are major problems in the inner cities.
2. There is no middle class, or wealth, or assets—and, by implication—no, or little, social capital in these places.
3. Social capital is a key feature for addressing poverty, crime, and joblessness.
4. The suburban and corporate-based middle class have the skills, civic capacity, and concern to improve their communities.
5. The way to revitalize inner cities, therefore—logically—is to encourage the middle-class to settle in these places, or allow big business and big institutions to utilize land to meet its own interest.
6. Before this can take place, however, it is necessary to de-concentrate, or contain, or de-mobilize poor and working-class people.

This framework has political and policy faces in many places in urban society as suggested in the example discussed by Fraser, et al.:

Central to the efforts of Chattanooga leaders to reimagine the city as a space of hope and prosperity has been their ability to shift the scale at which they operate by reclaiming devalorized areas, “reincorporating” them into the city, and building a landscape that is appealing to certain sensibilities. These sensibilities essentially are those associated with middle- and upper-middle-class consumption and the related process of capital investment (e.g., convention center facilities, shopping districts, university expansion) . . . spatial strategies to reclaim inner-city neighborhoods, arguably transforming these areas from predominantly spaces of use by inner-city residents into a site for capital accumulation.<sup>60</sup>

The claim that urban spaces dominated by low-income groups and people of color lack in social capital, opens the door to calls for restoring tradition, or order, in these urban spaces. Urban scholar Stephen Nathan Haymes argues that even the selection of architecture is utilized as a tool for such strategies. He claims that “neoclassical architecture is used as a

way to ‘restore tradition’ in the city. In this sense, architectural redevelopment or gentrification is tied to a nostalgia for the past.” Haymes explains that values associated with neoclassical architecture “such as order, purity, beauty, and rationality” are seen as replacing lack of order in inner cities.<sup>61</sup> But what is also being replaced is the political potential of residents in low-income neighborhoods to challenge urban regimes dominated by corporate interests.

Anthropologist Arlene Davila suggests that it is social order, rather than social capital, that is the aim of corporate interests in el Barrio, a primarily Puerto Rican and Latino historic neighborhood in New York City. The city utilized the neighborhood’s empowerment zone designation to attract White visitors and land investors. It initiated this possibility by commissioning a “Tourism Market Study” that at first declared the neighborhood as unsafe and decaying.<sup>62</sup> Yet, for long-time residents, the neighborhood is culturally vibrant and rich in social capital, and with a long tradition of collective struggle to improve living conditions. But to transform this Latino neighborhood for the benefit of a predominantly White and professional middle-class seeking lower housing costs and easier access to downtown, the city first had to declare el Barrio to be a “slum,” devoid of worth, and certainly lacking in social capital among its residents.

### Conclusion

Ultimately, corporate and wealthy interests are the beneficiaries of social capital as substitute for political and community-based responses to racial and spatial inequality. The proposal that social capital is a resource to increase civic engagement and “turn neighborhoods around” opens the political door for these same kinds of interests to acquire ownership and management of land in inner cities. The discourse of social capital—including the suggestion that it is lacking in inner cities—becomes justification for the continual de-funding of community-based organizations and local nonprofits, sectors that play important roles in building political participation and civic engagement. As Jane Franklin states in a review of select literature on social capital: “The idea of social capital aids the shift in responsibility for ‘social inclusion’ from economy to society, and from government to individual, informing policies that focus on social behavior, reducing the cost to government, since . . . it provides non-economic solutions to social problems.”<sup>63</sup> And thus she quips, “Putnam’s ideas appeal to policy makers.”<sup>64</sup>

Social capital as a proposal for improving living conditions in inner cities is seductive and enjoys support because the status quo of wealth

and power, and lack of access to such, is not challenged. As the history and development of neighborhood struggles aimed at reducing or eliminating racial and spatial inequality continues to unfold, however, it becomes clearer that the lack of social capital and civic engagement on the part of residents is not the problem. For interests with power and wealth, and political agendas that benefit corporate elites, the real problem is that these places, lacking in material goods and suffering the effects of racial and spatial inequality, have to be controlled and rendered politically weak in the interests of corporate and global power.

### Notes

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