

Social Capital and Empowerment

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This paper argues that social capital is an expression of social organization that enables collective action and thereby citizen empowerment. It views community driven development (CDD) as a sub-form of social capital that can have a positive effect on citizen empowerment and development. The paper is organized as follows: first it cites a number of examples where social capital and CDD have successfully contributed to empowerment. It then discusses the importance of (1) external assistance and (2) a supportive government for poor people's organizations to be formed and sustained and for poor people to become empowered. It concludes by recommending that donors should continue to invest in social capital and supportive government structures.

It is a well-established principle in political sociology that empowerment of the poor and the weak is normally the product of a struggle. Their ability to struggle, to overcome resistance, to achieve some measure of control over their lives, to secure a fairer share of public services and government resources depends on the formation of social capital, usually in the form of organization. Organization enables ordinary men and women to mobilize their collective energies in pursuit of common goals. Thus the principal expression of social capital is through autonomous social organization. Numerous examples can be cited of its contribution to empowerment.

The civil rights movement in the southern states of the United States in the 1950s and 1960s resulted in the second emancipation of African-Americans, their empowerment as voters, the elimination of laws and practices enforcing racial discrimination, and the opening of opportunities to participation in higher education and in professional and managerial roles in the economy. The organizational base of this struggle was situated in the Negro churches, the only institution owned and operated by Negroes. Through these church networks funds were raised, workers were recruited,

activists were sheltered, and activities were publicized. Thus, the network of Negro churches provided the social capital that enabled the civil rights movement to sustain its struggle and eventually overcome a hostile White political establishment.

In the late 19th century in Western Europe and North America the industrial working class waged a struggle to gain influence over their working conditions (the 8 hour day, elimination of child labor, minimum wages, workmans' compensation) and later to achieve some protection against the hazards of old age, disability, sickness and involuntary unemployment. The formation of social capital through labor unions and labor controlled political parties provided vehicles through which this long struggle could be waged and sustained, culminating in the realization of the European welfare state.

More recently, in less developed countries, the African National Congress (ANC) provided the organizational vehicle that sustained the long and eventually successful struggle of South Africa's majority to overthrow the apartheid system and replace it with a non-racial democracy. In Sri Lanka the farmers' associations in the Gal Oya watershed combined to rehabilitate a derelict irrigation system and to operate and maintain the rehabilitated network to the great benefit of their members in increased crop yields and higher incomes.¹ The formation of social capital embodied in the farmers' associations empowered the Gal Oya cultivators, enabling them to exercise collective control over a resource that was vital to their livelihoods and well-being.

Community driven development (CDD) – development from below - facilitates empowerment on a more modest scale that can nevertheless be of vital importance to its participants. Local organizations at the level of the village or locality permit collective self-help, -- operating mutual credit or loan facilities, constructing and maintaining school buildings and health clinics, feeder roads, local irrigation works and similar public goods that are beyond the capabilities of individuals and that governments have not gotten around to or lack the ability to finance. Local organizations enable villagers to bargain on more equal terms with suppliers of necessities, such as credit, production inputs, and consumption items. They make it possible for local people to apply collective pressure on locally based bureaucrats and politicians and, if they manage to federate into regional and national organizations, to influence government policies and resource

¹ Norman Uphoff, Learning from Gal Oya. Ithaca, NY: Cornell University Press, 1992.

allocations to the advantage of their members. Numerous examples of the opportunities and achievements, as well as the pitfalls and vulnerabilities of this form of social capital are described and analyzed by Esman and Uphoff.²

Some of the most successful examples of rural development that empowered large numbers of low income people by making it possible for them to increase their productivity or improve the quality of their lives are documented in a two volume set by Uphoff, Krishna and Esman.³ In addition to well-known examples such as the Grameen Bank and the Bangladesh Rural Advancement Committee, there are a number of less publicized but very instructive cases. For an urban based experience: in the Orangi Pilot Project at a very large squatter settlement on the outskirts of Karachi effective social organization enabled the local residents, with modest though essential outside technical and material assistance, to install a system of sanitary sewers and connected household flush latrines at a small fraction of the costs that a comparable system would have entailed had it been built by the municipal public works department (which, however, had shown no inclination to do so). This project was a major contributor to public health and to the local quality of life and it was constructed, operated, and maintained by the residents themselves.⁴ Among the rural examples was the participatory irrigation management program in the Philippines, in which local irrigation associations manage, operate, and maintain small irrigation systems with minimal direction and assistance from government agencies.⁵

One finding that emerged from most of these success stories was their dependence on external initiatives and assistance provided by governments, foreign assistance agencies, or non-governmental organizations (NGOs). Poor people usually lack the self-confidence, experience, and material resources required to initiate organizations and organized effort, especially of their goals challenge vested interests such as landlords,

² Milton J. Esman and Norman T. Uphoff, Local Organizations: Intermediaries in Rural Development. Ithaca, NY: Cornell University Press, 1984/1988.

³ Anirudh Krishna, Norman Uphoff and Milton J. Esman, eds., Reasons for Hope, and Norman Uphoff, Milton J. Esman and Anirudh Krishna, Reasons for Success, West Hartford, Connecticut: Kumarian Press, 1997, 1999.

⁴ Akhter Hamid Khan, "The Orangi Pilot Project: Uplifting a Periruban Settlement Near Karachi, Pakistan", in Krishna, Uphoff and Esman, op. cit., pp. 25-40.

⁵ Benjamin, Bagadion, "The National Irrigation Administration's Management Program in the Philippines", in Krishna, Uphoff and Esman, op. cit., pp. 153-165.

money lenders, entrenched bureaucrats, or religious authorities. External assistance is often needed as a helping hand to launch such organizations and activities and to provide initial technical support and resources that are beyond the capabilities of their members. The critical question is when such assistance can be safely (and gradually) withdrawn, when local people have acquired the experience and access to resources that enable them to sustain and manage their social capital without further assistance.

An important facilitator of community driven development, indeed of any form of local collective effort, is a supportive posture by government. Hostile or resistant government makes the struggle for empowerment from below difficult and often impossible. Students of Third World development have recently moved toward a consensus that effective government is the most significant, perhaps the indispensable contributor, to sustained economic and social development, more important than financial resources, bricks and mortar, or trade opportunities. But the effectiveness of government can be measured not only by honest and competent administration or by instituting the rule of law or by adopting business-friendly economic policies, important as they may be. One important dimension of government effectiveness is the encouragement of initiatives from the body of citizens, activating their potential energies and the latent skills of ordinary men and women to create their own social capital – organizations that produce collective self-help or enable them to exchange information and bargain more effectively with suppliers, creditors, and government agencies and to co-produce services that increase their productivity or improve the quality of their lives.

Co-production means that user organizations combine their resources and their management skills with those provided by the government to produce useful services. In so doing, citizen organizations earn a voice in determining the terms and conditions under which services are made available, thereby accommodating the preferences and convenience of users. Thus government services, in some measure, become demand-driven, reflecting a partnership between the state and user communities. Government may employ the physician, supply the medicines, and train the local staff, while local organizations maintain the clinic, collect fees, employ and pay the paraprofessional physician's assistant. Services are thus provided through networks of organizations that

may include government agencies, citizen associations, and in some instances private enterprise.

From the grass roots may emerge the entrepreneurship and private enterprise predicted by neo-liberal theory, taking advantage of the protection of property and the market institutions that are alternate forms of social capital. But for the great majority of small cultivators and landless workers in the country-side and for industrial workers and small business owners in the cities, the right to associate together in organizations that promote their joint economic interests and well-being, the right to form and manage their own social capital through farmers organizations, neighborhood associations, chambers of commerce, and labor unions is one of the most valuable outcomes of enlightened and development-oriented governments.

It is vital that such organizations maintain their autonomy so that they may continue to represent and function in the interest of their members. Governments, in turn, must resist the temptation to intrude on this autonomy and convert these organizations into instruments of state control. In addition to promoting the rule of law, the World Bank and other associated donor organizations should foster the formation of social capital in the form of participatory citizen organizations. They should use their influence with member governments to create an environment that fosters the emergence of citizen organizations, that treats them as partners in the co-production of services, and that respects their autonomy.