

## Regional social capital and multiple modernization in Russia. On defining the problem \*



**Lyudmila Aleksandrovna  
BELYAEVA**

Doctor of Sociology, Leading Research Associate at the RAS Centre for the Study of Social and Cultural Change, Federal State-Financed Scientific Institution the Institute of Philosophy of the Russian Academy of Sciences (14, Volkhonka Street, Moscow, 119991, Russia)

**Abstract.** The article raises the issues of relationship between multiple modernization and social capital in Russia's regions. Social capital is considered as a factor that determines the specifics and pace of modernization. The article also shows the ways to measure social capital and the necessity to develop the indicators for making socio-cultural portraits of the regions with regard to Russia's conditions.

**Keywords:** modernization, social capital, measurement of social capital.

Ideas concerning the multiple nature of modernization in the world, as well as in Russia, have been increasingly developing in the current political and sociological discourse. These ideas are especially relevant with regard to the Russian society, because it is marked by great variation in economic conditions, social and cultural experience, traditions, customs, multiple cultures and multiple confessions, value systems and political projects. This article focuses on the multiplicity of modernization as a derivative from the state of social capital in the region. Now it becomes more and more clear that economic growth is provided not only by material, financial, human, cultural resources; and not all contemporary development institutes take root in society, and especially

in all the regions of the country, and not all of these institutes exert desired influence on development. There is *something* that hampers successful modernization. This *something* revives over and over again, when administrative influence and control weakens. The situation in Russia's regions is a telling example. In the Soviet period the development levels of human and cultural capital in the regions were aligned considerably: similar indicators were observed in education, qualification, professional and social structure of population; there was no unemployment, or it was insignificant (at least the obvious unemployment), there existed a system of public institutions that were similar in their functions. Planned economic policy, and the leading role of the state contributed to

\* The article was prepared under the RHSF project no. 14-03-00338a.

the gradual equalization of the levels of regions' development, the planned modernization of regions and territories that fall behind in their development is carried out, though even in the Soviet period there were more developed and less developed ones among them. Besides, in the past, relationships in the society were based on a common ideological scale, which linked the subjects of economic relations, dictated the standards of conduct, instilled the system of values that corresponded to the principles of collectivism, suppression of individuality and personal interests in favor of public ones. Even if we take into account the fact that the influence of ideological propaganda and control in recent years was formal and superficial, we can say that the level of trust between people and the level of trust in social institutions were quite high; which played its role in the execution of economic plans.

With the transition to market economy, big hopes were pinned on developing creativity, disclosing individuality through the realization of private interest. Indeed, entrepreneurship and self-employment are based on these principles, but along with the realization of individual, private interest, the values of social interaction and trust between people and social groups, as well as trust in social institutions were brought down to a minimum level in our country. Market or pseudo-market relations have obliterated all the motives of relationships in the economy except for economic interest.

And this is what makes an important part of *social capital*. One can assert a priori, that the specifics and pace of modernization in Russia and in the regions are determined by the nature and specifics of social capital created in the last two decades. Monomodernization as a project of democratic and liberal development with regard to all the regions of Russia can not be successful, also due to the specifics of social capital in these regions.

Why is it, that social capital has such multiple impact on modernization? We can

answer this question, if we understand what social capital is. The simplest definition of social capital is as follows: it is a system of relations between people, groups, organizations, institutions that gives the benefits from cooperation, increases the effectiveness of exerted efforts. Economists, sociologists and political scientists have been actively discussing the issues of social capital over the past 15 years. This concept is in demand in interdisciplinary research. Domestic publications focus mainly on interpretations of works by foreign experts and make some attempts to trace the existence and influence of social capital on local spheres of society.

Let us present the main viewpoints concerning this issue that are based on the ideas of those scientists, who laid the foundation for its development. These include, primarily, the works of P. Bourdieu, P. Putnam, J. Coleman, F. Fukuyama and some other scholars. Their approaches have certain differences, and there is no common opinion on the interpretation of the concept "social capital", or on methods of its measurement and assessment of its impact on the development of society. The views of researchers are similar in one point: exclusion of state institutions from social capital. But public institutions, institutions of civil society are its integral part; moreover, the accumulation of social capital creates prerequisites for the formation and development of civil society. The World Bank, which conducts research into social capital issues in individual countries, defines social capital as "the institutions, relationships and norms that shape the quality and quantity of social interaction in society". The World Bank launched this project in 1996, and now it has already conducted several regional studies in different countries of the world and, what is most important, an international comparative project in most countries of the world is being carried out. In Russia this project is not institutionalized.

*Pierre Bourdieu* was one of the first to define the concept “social capital”, he notes that social capital is the resources based on family relations and relations in a membership group. Social capital gives advantages and benefits to group members, and it forms the basis of group solidarities [1, p. 21]. Social capital is embodied in social networks, social norms of behavior, mutual support and cooperatives for the sake of mutual benefit. Bourdieu shows that social capital can be used to produce and reproduce inequality through access to a higher place in the hierarchy through the use of social relations.

*James Coleman* was the first to make conceptual research into the notion of “social capital”, he notes that “unlike other forms of capital, social capital is typical of the structure of relations between actors and among them. Organizations pursuing certain goals, can be actors (the so-called corporate actor), as well as the individual. Relations within corporate actors can also create social capital for them” [2, p. 124]. Coleman defined the nature of social capital, distinguishing it from other forms of capital, as the ability to create a public good, because the actor or actors that create social capital usually receive only a small part of it. This explains the reluctance with which investments in social capital are made. According to Coleman, social capital is only the *potential* of mutual trust and mutual support, formed purposefully and rationally in interpersonal relationships: *obligations and expectations*, which depend on the reliability of social environment, *information channels* of social structure and their ability to transfer information and *social norms*, the violation of which is accompanied by sanctions. Social capital is something that facilitates individual or collective action, generates networks of relationships, reciprocity, trust and social norms [2, p. 138].

Social capital as a characteristic of relations between individuals, other actors, is rather difficult to assess and measure, because, as will

be shown below, it has a complex structure and, consequently, different effectiveness; in addition, it functions in different social contexts. And yet, social capital affects economic development, which has been demonstrated by cross-country and regional studies. One such study was conducted in Italy by *R. Putnam*. He defines social capital as “centuries-old traditions of social interaction, involving the norms of reciprocity and trust between people, the wide distribution of various kinds of voluntary associations and involvement of citizens in politics for the solution of the problems that the community is facing” [3, p. 124]. R. Putnam studies social capital and horizontal relations between people and organizations mainly in a positive sense – both as incentives and as conditions for the approval of democracy, considering that they are the measure of public health. He links economic development with the presence of different amounts of social capital.

R. Putnam developed a three-factor model of social capital: *the norms of reciprocity, trust and social networks*, which can be used for measuring social capital with the help of individual indicators. Group indicators or territorial indicators are obtained through the aggregation of these indicators. There emerged such a concept as “Putnam groups”, i.e. the groups that are working to improve the lives of other people and the whole society. In contrast to these groups, there are Olson groups [4], they pursue their own goals and compete with other groups to possess scarce resources, using their social capital for rent-seeking, but not for common development. And this hinders economic growth.

*Francis Fukuyama* defines social capital as a set of informal norms of interaction that promote collaboration between two or more persons [5]. These norms exist implicitly in relations between all people, but they emerge full blown only in actual human relations. Fukuyama, arguing with Putnam, draws

attention to the fact that external influence of the social capital of the group may be both positive and negative. He brings forward the example of the Ku Klux Klan or the mafia structures. Such groups also have certain norms and networks that enable them to achieve their collective goals; in this sense, they also possess social capital. But their impact on the larger society is negative. “Social capital, this materialized trust that plays a fundamental role in creating a healthy economy, has cultural roots. Since culture is something absolutely irrational in its essence and in its existence, the claim that it influences economic effectiveness may seem paradoxical at first glance. Indeed, as a subject of scientific research, it always shows its subtlety” [6, p. 65].

Ethical principles in the formation of social capital become especially important in contemporary Russia after the change of social landmarks and loosening of ideological ties in public life. Integrity, honesty, sincerity, truthfulness – these are the ethical rules that contribute to the growth of social capital. On the contrary, lies, pretense, deceit destroy social capital.

Virtually all scientists, who study social capital, point out its triple structure: norms, trust, networks. All these elements are linked to each other: networks are essential for the transmission of information and establishing contacts, they contribute to the dissemination of interaction norms; norms and trust strengthen and promote the expansion of networks and contacts and contribute to the reduction in transaction costs in interaction.

We can distinguish three levels of social capital. The first level is private social capital that an individual possesses on the fact of his/her birth, family relations, ethnic community, “small motherland”, association of fellow countrymen, or membership in some small group, etc.; the second level is enterprises, organizations, corporations; the third level is public organizations, professional associations,

international communities and other non-governmental organizations.

Social capital can be regarded at least in the two measurable dimensions. The first is the capital of communities that affect the gaining of benefits outside themselves; they give impulses to the improvement of various aspects of life in the closest or remote environment. We can assume that the capital of communities has “big circles” of influence, contributing to the formation of the system of civil institutions, norms, values for the entire society. The second dimension is the social capital of small, usually closed, communities, which include family, ethnic community, clan, association of fellow countrymen, enterprise, corporation, etc. This capital is formed inside the community, but it used for adaptation and success in the outside world. This capital has small circles of influence, but it contributes to the survival of the group, mobilizes resources for collective protection and development. For modernization it is important to study such variety of this capital as the capital of traditional communities, particularly in the South of Russia. It focuses on the reproduction of accumulated historical and domestic experience, customs, traditions, technologies of life support and social activity. Traditional capital is based on the authority of ethnic norms, largely explains the low level of general socio-cultural development, poverty, small urbanization, weakness of modern industry. This region is characterized by a multiplicity of informal networks that permeate the economic life of local ethnic communities, which partly serves as a factor in stabilization and survival [7, p. 109-117]. At the same time, the importance of informal networks in the social capital of this region creates significant difficulties for its modernization.

The role of social capital in dealing with the issues of society modernization cannot be overestimated, it also cannot be neglected. When solving the tasks of modernization one can rely on the implementation of instituti-

onal reforms; furthermore, the activity of state bodies can be enhanced. But in modern Russia, where civil society is absent or weak, state institutions cannot perform their functions effectively, since they are not controlled by society and do not adjust their activities in accordance with public needs due to the lack of feedback. The control “from above” is customary, but it is also ineffective, if there is no control “from below”. A strong state is not necessarily an effective state.

Differences in the volumes, structure and quality of social capital should be considered when developing a strategy for modernization of each region. Different level of the regions’ readiness to democracy and self-government is the starting point in building social capital in accordance with traditions and experience of social interaction. Those regions, in which “Putnam groups” that work for the common good are absent or weak, can be dominated by “Olson groups”, working for internal interests of the groups. These latter groups often have criminal or anti-social character. They undermine state management functions, because they are influenced by private or group interests.

Social capital exists in two forms: institutional – such as public associations, organizations, self-government bodies, and cognitive – such as rules of conduct, norms, values, trust between individuals and institutions. Social capital increases when it is used, and, on the contrary, it reduces if it is not used. It can be lost completely under certain circumstances, for example, associated with loss of trust in the subject of relations. But even in those territories and in the regions, where social capital is weak and underdeveloped, it can be enhanced and cultivated by supporting public associations, organizing a productive dialogue with them; in contrast, even its weak sprouts can be destroyed by creating unbearable conditions for them, by resorting to blackmail, closing financing sources of livelihood and other forms

of repression. The process of modernization as a multiple modernization, or, to use a term of Zygmunt Bauman, “liquid” or “fluid” modernization, depends on the state of the social capital in the country and regions.

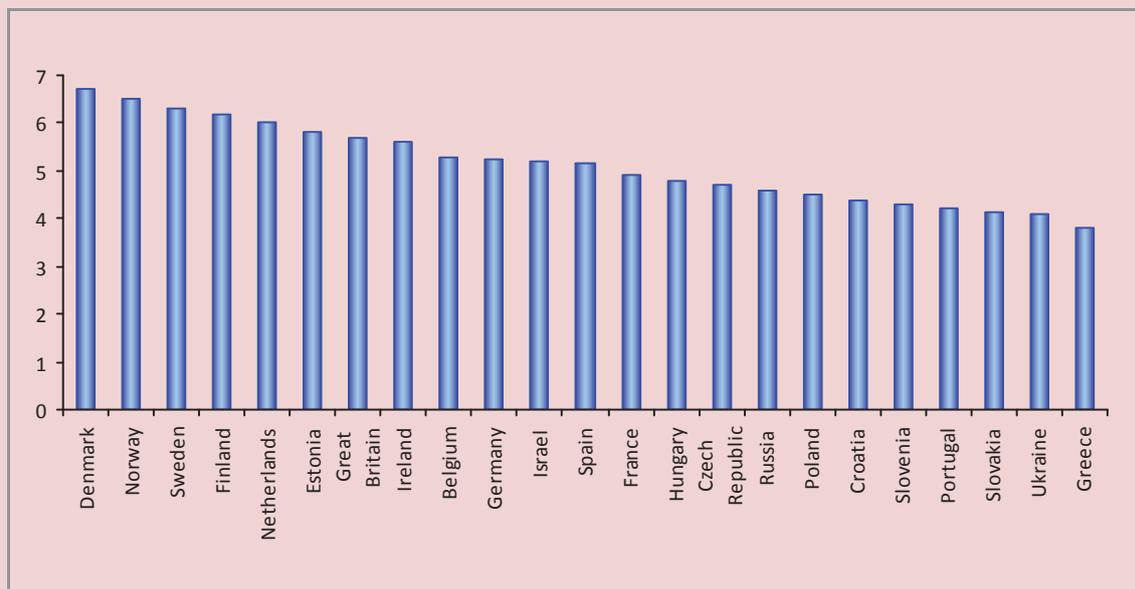
#### *Measuring social capital*

For the measurement of social capital, one should have its quantitative indicators, but they are rather difficult to determine, since here we speak about intangible characteristics that are not always available for direct observation. That is why, as a rule, sociologists use verbal testimony of the presence of social capital. For example, there exists a system of indicators, developed in the World Bank study.

Some of the material for comparative analysis of social capital in Russia can be provided by the European Social Survey (ESS) [8], first of all, on the issues of trust in society. Trust is the core of social capital. Three questions in the questionnaire offer to rate trust between people on a 10-point scale. The index is formed by the author of the present article as a simple average of these estimates (*figure*). As we can see, Russia ranks 16th with the index 4.47, ahead of only seven countries out of 23. Most of the countries with higher levels of modernization are ahead of Russia. The maximum level of trust is observed in Denmark – 6.45.

Interesting observations characterizing the circles of close communication in the family, with friends, with colleagues, in Russia and other countries participating in ESS, can be obtained when studying the answers to the question: *How often do you spend time with friends, family or colleagues just for the sake of it?* It turned out that the most sociable people live in highly developed, modernized countries: 91% of the inhabitants of Switzerland, more than 70% of residents in Belgium, Denmark, the Netherlands, Norway, Sweden have such meetings once a week and more often. The Portuguese (79%), Israeli (77%) and Spanish (74%) also often meet informally, which is explained by traditionally close relationships in the southern regions.

Index of trust (average points according to 10-point scale) ESS-2010



But as for the residents of other countries, they take part in such meetings significantly less likely. According to this indicator Russia ranks second to last, with 46%, that exceeds the level of communication in only one country – Hungary (32%). Disunity and atomization of Russia’s society has reached a high level: 30–60% of respondents in different

regions do not find understanding even in their own family.

We can say with confidence that societies with developed social capital, including the high level of trust, civic identity, positive social ties and relations, have more favorable opportunities for modernization, especially for the current – secondary modernization.

## References

1. Bourdieu P. The Forms of Capital. *Handbook of Theory and Research for Sociology of Education*. Ed. by J. Richardson. New York: Greenwood Press, 1986. P. 21.
2. Koleman J. Kapital sotsial’nyy i chelovecheskiy [Social and Human Capital]. *Obshchestvennye nauki i sovremennost’* [Social Sciences and Modernity], 2001, no. 3, p. 124.
3. Putnam R. *Making Democracy Work: Civic Traditions in Modern Italy*. 1996. P. 224.
4. Olson M. *The Logic of Collective Action: Public Goods and the Theory of Groups*. Cambridge, MA: Harvard University Press, 1965.
5. Fykuyama F. *Social Capital and Civil Society*. Prepared for delivery at the IMF Conference on Second generation reforms. Available at: <http://www.imf.org/external/pubs/ft/seminar/1999/reforms/fukuyama.htm>
6. Fukuyama F. *Trust: The Social Virtues and The Creation of Prosperity* [Doverie: sotsial’nye dobrodeteli i put’ k protsvetaniyu]. Translated from English. Moscow: OOO “Izdatel’stvo ACT”: ZAO NPP “Ermak”, 2004. P. 65.
7. Lebedeva N.N., Lomontseva O.A. Sotsial’nyy kapital i modernizatsiya etnoekonomiki Yuga Rossii [Social Capital and Modernization of Etnoeconomy in the North of Russia]. *Obshchestvennye nauki i sovremennost’* [Social Sciences and Modernity], 2006, no.2.
8. *Rossiya v Evrope: po materialam mezhdunarodnogo proekta “Evropeyskoe sotsial’noe issledovanie”* [Russia in Europe: on the Materials of the International Project “European Social Survey”]. Under general editorship of A.V. Andreenkova and L.A. Belyaeva. Moscow, 2009.