

On Social Poverty: Human Development and the Distribution of Social Capital

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ABSTRACT. Among social scientists, development theorists, and policy makers there is today an emergent consensus about the multidimensional and contextual character of poverty. Working within the framework of such a consensus in this article, I attempt to identify the social dimension of human poverty. Most generally, I try to sketch an account of *social poverty* as a shared normative (or soft) constraint on human action and interaction. The argument is developed as follows. I begin by summarizing and then using social capital theory to characterize my account of social poverty more fully. Here I distinguish between what I call horizontal social capital (networks of social trust and connections that are accessible and appropriable within a specific socioeconomic or cultural stratum) and vertical social capital (networks of social trust and connections that are accessible and appropriable between and among various socioeconomic and cultural strata). I argue that social poverty is an absence or scarcity of vertical social capital. From there I go on to analyze some of the mechanisms and asymmetrical effects of social poverty in specific empirical contexts. In closing I reflect briefly on how the problem of social poverty has been addressed in the US context. I suggest that reducing social poverty requires *both* a

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bottom-up approach towards the creation of vertical social capital *and* a top-down approach aimed at the diversification of existing stores of horizontal social capital.

KEYWORDS. Culture, democracy, poverty, social capital, stratification

INTRODUCTION

With the exception of the desperate situation in Sub-Saharan Africa, the contemporary world is, or so it would appear, dramatically less economically impoverished than it was 50 years ago. Of course it is well known that the rich have gotten richer much faster than the poor have become less poor. But extreme economic poverty seems to be in global decline. Indeed, some recent estimates suggest that the number of people living in abject economic poverty has been almost halved in the last 50 years (Bhalla, 2002). Analyzed by geographic region, the past 5 decades have seen the number of people living in economic poverty in South Asia reduced from 208 million to 105 million (Bhalla, 2002). In East Asia the numbers are even more striking, as the 830 million people who lived in economic poverty in 1950 had been reduced to approximately 114 million by the year 2000 (Bhalla, 2002). And in the “New Europe” of Hungary, Slovenia, and the Slovak and Czech Republics, the Millennium Development Goal of eliminating extreme poverty and hunger by halving, between 1990 and 2015, the proportion of people whose income is less than 1USD per day has already been realized (Blaho et al., 2004, p. 10).

Yet to be sure, such numbers can and often do deceive. Establishing objective criteria for measuring economic poverty are at best imprecise undertakings. As is widely known, absolute poverty criteria, such as the World Bank’s indicators of 1USD or 2USD per day, are often far too general to tell the complex stories of relative poverty in places where deprivation occurs not only in consumption levels but also in social conditions and access to resources and services. To glimpse this problem we need here only to recall the joke about the statistician who drowned in the river that averaged a depth of 6 inches (about 15 centimeters). Asking how poor a person is, is not unlike asking how old a person is. Disembodied from their sociohistorical and cultural contexts, concepts such as “poor” or “old” are little more than empty abstractions. Moreover, it is unclear that any *economic* metric adequately captures the impoverishment of a

human life that is exposed day in and day out to physical violence, ethno-racial disrespect, or environmental degradation.

That is emphatically not to say, however, that poverty does not exist, or that it is merely a subjective state. Rather, it is to acknowledge that poverty is a complex multidimensional and embedded phenomenon—an economic fact but also a distinctly *social fact* as well. With the phrase social fact I mean a shared normative or soft constraint on human capacities for action and interaction, and it is this social dimension of human poverty that I want to clarify and examine in what follows. Most generally, what I want to do in this article is draw on recent theoretical work in social science to show how a certain type of human poverty—what I want to call “social poverty”—is best explained in terms of such a normative constraint or set of constraints.

Specifically, I shall begin by introducing and summarizing prevalent threads in contemporary social capital theory (section I). I shall then use social capital theory to characterize more fully my conception of social poverty. Here I shall distinguish between what I call horizontal social capital (networks of social trust and connections that are accessible and appropriable within a specific socioeconomic or cultural stratum) and vertical social capital (networks of social trust and connections that are accessible and appropriable between and among various socioeconomic and cultural strata). In this, the core theoretical section of the paper, I argue that social poverty is an absence or scarcity of vertical social capital (section II). I shall then go on to analyze some of the mechanisms and asymmetrical effects of social poverty in specific empirical contexts. Here I focus on the middle and upper class fortified enclaves of São Paulo (Brazil), the middle class African-American community of urban Baltimore, Maryland (USA), and the widely dispersed Roma groups of Central Europe (section III). In closing I shall reflect briefly on how the problem of social poverty has been addressed in the US context. I suggest that reducing social poverty requires *both* a bottom-up approach towards the creation of vertical social capital *and* a top-down approach aimed at the diversification of existing stores of horizontal social capital (section IV).

The overarching purposes of developing such an argument are at once conceptual, methodological, and political. At the conceptual level, I want to draw on work in social capital theory to identify and give theoretical definition to the social dimension of human poverty. This attempt should not be viewed as an argument against the many other types of poverty. Rather, it should be construed inclusively as part of a larger undertaking in poverty studies that aims to develop a flexible conceptual vocabulary that can

adequately explain the many dimensions of human poverty. At the methodological level, elaborating a distinct account of social poverty through the prism of social capital theory should enable further research on poverty to expand its multidimensional analysis to include a more robust consideration of the socially poor, and to consider the diverse mechanisms and asymmetrical effects of social poverty on levels of economic and social inequality in a given society. At the political level, the point of identifying specific sites of social poverty is to demonstrate the normative obstacles social poverty poses for the cultivation of a democratic culture. The political cost of social poverty for a democratic way of life is extremely high. Indeed, in this article I want to highlight the profoundly adverse effects a deprivation of vertical social capital—connections, ties, and trust that foster human relatedness and social cooperation between and among divergent classes, ethnicities, and ways of life—has on the democratic potential of a society.

WHAT IS SOCIAL CAPITAL?

As is well known, social scientists typically use the notion of social capital to conceptualize and measure the economic potential of market-based societies and the normative health of democracies. Generally speaking, the concept of social capital refers to the networks of social trust and social connections that serve to enable individual and collective actions in a given social structure or society. Unlike economic capital, which is value stored in physical objects, or human capital, which is value stored in individual human subjects, social capital is value accumulated or stored in the relations between and among human beings.

Despite their diverse theoretical origins and empirical applications, it is possible for our limited purposes here to identify three prevalent threads in contemporary work in social capital theory.¹ First, there is an economic or rational thread in social capital theory, found most notably in the rational choice theory of Gary Becker and James Coleman, and central to policy-oriented theories of growth and economic development such as those pursued at the World Bank.² Second, there is a critical or Marxist thread in social capital theory, exemplified by the work of Pierre Bourdieu, in which theories of social groups, power, and class conflict are applied in the empirical study of cultural practices.³ Third, there is a political or democratic thread in social capital, developed most prominently by Robert Putnam, which is one of the hallmarks of contemporary neo-Tocquevillean political science and democratic theories of associations.⁴

The rational thread in contemporary social capital theory is predicated upon what Gary Becker calls “the rationality assumption” (1990, p. 41) of methodological individualism. This assumption takes for granted that human beings’ actions are governed by a utility function (Becker, 1978) that serves to minimize transaction costs and maximize the outcomes of their future-oriented behaviors as they pursue the realization of their individual self-interests.⁵ Using this economic approach to human behavior, social capital is understood as the strategic connections between and among individuals that have functional utility. Here social capital is merely one of many resources, including physical and human capital, needed to make possible the efficient realization of individual and mutually coordinated ends that make market-based economies work.

The Marxist thread in social capital theory is exemplified in the empirical cultural sociology of Pierre Bourdieu. In his extensive studies of education and consumption in France, Bourdieu conceives of social capital as a socioculturally shared marker or “credit” of group identification and difference.⁶ Such a credit, according to Bourdieu, is determined by prereflective, stratifying networks and norms of consumption that, for example, predispose some actors to “choose” to drink beer instead of wine, or to “join” rugby clubs rather than bird-watching societies.⁷ For Bourdieu, social capital facilitates intragroup identification, trust and normativity—that is, mutual recognition, solidarity, and obligations among individual group members. Yet it equally promotes intergroup distrust and struggles—that is, antagonisms and conflicts between and among groups whose networks of trust and social norms are characteristically dependent upon the suspicion, misrecognition or exclusion of others’ networks and norms.

The democratic thread in social capital theory runs largely counter to the rational and Marxist threads. Where the rational choice approach focuses exclusively on the individual utility-maximizing potential of social capital, and where the Marxist approach sees social capital as a predispositional marker of class identification and conflict, the democratic approach in contemporary social capital argues for a causal link between civil associations and the practical realization of the political ideals of democracy. Indeed, the democratic thread in current social capital theory often conceives of social capital as the communal inventory of generalized trust and social connections that facilitates the kinds of action and shared habits that, to borrow Robert Putnam’s phrase, “make democracy work.” For Putnam, social capital, despite its potential dark side in the form of closed networks and clientism, is on balance a productive

resource that enables the democratic resolution of collective action problems, “greases the wheels that allow communities to advance smoothly,” and develops and maintains “character traits that are good for the rest of society” (Putnam, 2000, p. 288).

SOCIAL CAPITAL AND SOCIAL POVERTY

While each of these threads has its relative explanatory strengths, here I want to emphasize one of their shared weaknesses—a weakness that also makes explicit the usefulness of social capital theorizing for my account of social poverty. Specifically, all three approaches fail to distinguish adequately between what I want to argue here are in fact empirically and normatively different types of social capital. I want to call these “horizontal social capital” and “vertical social capital.”

- *Horizontal social capital* is resources (networks of social trust and connections) that are accessible and appropriable *within a specific* socioeconomic or cultural stratum.
- *Vertical social capital* is resources (networks of social trust and connections) that are accessible and appropriable *between and among various* socioeconomic and cultural strata.

Horizontal social capital is social capital in its most basic and commonplace form. It is a stratified resource for individual and collective actions *within* a given habitus, to borrow Bourdieu’s term. Vertical social capital, by contrast, is social capital in its more sociologically exceptional state. It is a destratifying resource for individual and collective actions from one habitus to others above and/or below it. On my account, social poverty is an absence or dearth of vertical capital. It is a lack or scarcity of the kinds of social trust and connections that link individuals and groups in ways that foster mobility, associations, and shared cooperative actions up and down the socioeconomic and cultural ladder.

To be sure, with his metaphors of “bridging” (or inclusive) and “bonding” (or exclusive) social capital, Putnam (2000, pp. 22–24) in some respects approximates the distinction I want to make here. But Putnam’s heavy reliance on such vague metaphors is sociologically implausible. My distinction between horizontal and vertical social capital takes seriously Bourdieu’s emphasis on the cultural and socioeconomic specificity—the stratifying horizontality, as it were—of most forms of social capital.

What Putnam underestimates in his analysis is precisely the Bourdieuan insight that most bridging and bonding forms of social capital establish relations to “others” and associations within the same horizon or socio-economic, cultural stratum. The bridging functions of social capital thus characteristically lead individuals to bond with and trust others more or less like themselves. Likewise, the bonding functions of social capital create *internal* bridges within socioeconomic and cultural strata.

Yet by distinguishing horizontal social capital from vertical social capital, my account is also able to avoid reducing social capital to the mere functionalistic expression of class interests—as Bourdieu often does in his own work—and at the same time preserve Putnam’s intuition about the relationship between social capital and democracy. For vertical social capital is normatively different than horizontal social capital. Vertical social capital’s normative value lies in the destratified norms of recognition, trust and cooperation that constitute it. In fact, what makes vertical social capital politically exceptional is that it: a) functions to foster mutual recognition across cultural and class divisions, cultivating trust and ties among socioeconomic and cultural “others”; b) promotes a democratic way of life by encouraging everyday inter-subjective and intergroup contact, dialog and reflexive social cooperation up and down various societal hierarchies; and c) plays an important role in the realization of institutional change in socially complex, culturally diverse societies.

Conceptualizing social poverty within a framework that more clearly distinguishes between horizontal and vertical social capital allows us to redeploy social capital theory in a more nuanced way in the study of the politics and poverty of a given society. In the context of political analysis, we can see that insofar as the most basic form of social capital is horizontal, it thus tends to reflect and even (re)produce the effects of inequality in a society; hence the neo-Tocquevillean account of social capital as a generically causal force of democracy is badly overdrawn. That is of course not to deny the democratic potential of social capital at the level of culture. But it is to maintain that such potential is primarily dependent on the destratifying *vertical* direction of the connections between and among human associations and groups.

In the context of an account of the social dimension of poverty, we can begin to operationalize this more differentiated version of social capital theory to explain the many complexities of the social fact of poverty with greater precision. For example, we can begin to consider how and why people can be rich in horizontal social capital—living, for instance, in close-knit, ethnically homogenous, or private communities—and yet quite

poor in vertical social capital. It also allows us to begin to see that while social poverty is often correlated with economic poverty and capability deprivation, or thought of as synonymous with social exclusion, it is in fact a distinct form of social deprivation in need of further study in its own right. For there is, as we shall see, no necessary connection between income poverty and social poverty, or between capability deprivation and social poverty: the economically wealthy can be socially poor, as can those who possess a wealth of capabilities. Nor is social poverty identical with the kind of involuntary coercion typically associated with social exclusion. Social poverty has many faces. Indeed, what is most striking about social poverty is that it exists in a variety of socioeconomic, cultural, and geographic locations. In fact, the distinctiveness of the complex mechanisms and effects of social poverty becomes clear once we examine some of the places in which social poverty is found.

SITES OF SOCIAL POVERTY

São Paulo, Brazil

With more than 188 million inhabitants, Brazil is among the world's largest democracies. It is also home to São Paulo, one of the most economically polarized cities in the world. Yet the kind of poverty one sees among the 17 million or so residents of São Paulo is not merely economic. São Paulo is a "city of walls", both physical and sociological. As the physical proximity between rich and poor has shrunk in urban São Paulo, upper and middle class "fortified enclaves" have begun to grow rapidly. Teresa Caldeira (1996; 2001) has amply documented how, in the physical reconfiguration of urban space in São Paulo, "apartment buildings and houses which used to be connected to the street by gardens are now everywhere separated by high fences and walls, and guarded by electronic devices and armed security men" (Caldeira, 1996, p. 308).

In this way an architectural apartheid has altered the physical *and* social geography of São Paulo. For São Paulo's upper and middle class enclaves are designed to do more than consolidate services and provide security for privileged urban residents who live in hyperexaggerated fear of crime (Caldeira, 1996; 2001). Such enclaves also explicitly aim to preserve social homogeneity and restrict economies of horizontal social capital by enabling certain residents of that city to cultivate social connections and trust networks exclusively within the narrow confines of their

own socioeconomic and cultural stratum. In fact, Caldeira (1996; 2001) shows how even within these fortified enclaves, the possibility of serendipitous encounters with socioeconomic, cultural “others” is undermined by the design and use of the buildings themselves, which have separate elevators and entrances labeled “social” (for residents) and “service” (for cleaning, delivery, courier and other domestic personnel).

In the stark light of the socially divisive built environment of urban São Paulo, one sees clearly how those rich in economic, human, and horizontal social capital manage to brace themselves against heterogeneity and experiences of everyday cultural pluralism and difference in Brazil’s urban milieu. Of course from a historical perspective, this strategy is nothing new. As Engels (1958 [1845]) was the first to point out, modern urban planning and design has typically sought to marginalize and make invisible the urban working-class upon which modern cities nevertheless depend for their existence. But what is of interest to us here is that to the extent that the upper and middle class inhabitants of São Paulo’s fortified enclaves realize their aim of the exclusive cultivation and preservation of their horizontal social capital, they effectively impoverish not merely those who “serve” them but also *themselves* of vertical social capital. The “murder” of the social, as Engels so dramatically described the effects of town planning in 19th century Manchester, impoverishes the dominated *and* the dominant of São Paulo, and thus the larger urban milieu in which they both live.

In identifying the fortified enclaves of São Paulo as a site of social poverty, several points must be clarified. First, though they may often be causally connected or mutually reinforcing, there is a difference between social poverty and social exclusion. The residents of São Paulo’s fortified enclaves—economically privileged and rich in horizontal social capital—have deployed social connections and trust networks explicitly to keep sociocultural “others” out of their networks. These residents are thus collaborators in but not victims of larger mechanisms of social exclusion. São Paulo’s fortified enclaves, that is to say, are not ghettoized locations in which residents are explicitly confined or implicitly enclosed against their will by macrolevel structural forces such as segregation laws, systemic racism, or economic dislocation. Rather, these enclaves of privilege are socially exclusive sites, in the same electively self-conscious way that other horizontal-producing and preserving social capital locations, such as country clubs, honorary societies, or gated communities, are exclusive. The basic point to be made here is that socially exclusive built environments such as the fortified enclaves of São Paulo are, generally

speaking, created by or for people who voluntarily inhabit them, whereas places of social exclusion are primarily created or designated by some for the purpose of the involuntary isolation and/or enclosure of others. Unlike social exclusion, then, a dearth of vertical social capital is not necessarily the result of involuntary macrolevel structural forces. Social poverty can also be collectively self-incurred.

Second, there is a further distinction to be drawn between social poverty and something like “capability poverty” in Sen’s (1999) sense. Though capability poverty can be a mechanism of social poverty, it need not be. Fortified enclaves in São Paulo are not obvious sites of capability deprivation. On the contrary, the upper and middle-class residents in such locations are rich in the kinds of capabilities—human skills and control over resources, for example—needed to realize their desired individual goals and lifestyles. In fact, choosing to live in a fortified enclave can be seen precisely as an expression and exercising of the extensive capabilities of such people to achieve the way of life they value. In this way, however, an abundance of human capabilities is deployed *against* the cultivation of vertical social capital. The counterintuitive point is that even capability rich groups can be—or become—socially poor.

Third, it must be made explicit that São Paulo’s fortified enclave inhabitants—so rich in material resources, capabilities, and horizontal social capital—are clearly not as impoverished as those “service” people they simultaneously exploit and exclude. What this means, however, is not that these residents are somehow immune to social poverty. Rather, such a differential illustrates how the mutual social impoverishment at work here is *asymmetrical* in its effects. The socially poor enclave inhabitants are economically secure, whereas their “service” men and women are both socially poor and economically marginal. At the same time, the social poverty of those who “serve” the residents of such enclaves is not elective but exacerbated by those who are able, by virtue of their capabilities and various forms of capital, to choose to live in such places. In other words, the social poverty experienced by the “servants” of São Paulo’s fortified enclaves is worsened by the *socially exclusive* building and lifestyle of those they serve. Hence while the social poverty of fortified enclave residents is a contributing factor in the social exclusion of those who serve them, the reverse is decidedly not the case.

Lastly, we must emphasize that, such important effective asymmetries notwithstanding, the larger political consequences of social poverty for the society in which both groups are embedded are more or less approximate. Indeed, inasmuch as both groups lack vertical social capital, the

everyday political culture of São Paulo suffers badly from a democratic deficit. As Caldeira rightly points out, “cities which are segregated by fortified enclaves are not environments which generate conditions conducive to democracy. Rather, they foster inequality and the sense that different groups belong to separate universes and have irreconcilable claims” (Caldeira, 1996, p. 325). Cities of walls, that is to say, are cities whose democratic potential is physically, symbolically, and normatively undermined by social poverty.

Baltimore, Maryland

Baltimore, Maryland, is not a city of walls in the same way that São Paulo is. Its middle class residents have not withdrawn into fortified enclaves. Nor is urban Baltimore as severely economically or racially polarized as São Paulo. Indeed, while the city’s income poverty rate is almost three times higher than the Maryland state average, Baltimore is also home to a relatively large black middle class. According to the US Census Bureau (2006), over 64% of Baltimore’s 600,000 plus inhabitants identify themselves as black or African-American. Roughly 30% of all firms in Baltimore are minority owned, nearly 70% of the city’s residents have completed their high school education, and the city’s unemployment rate for 2005 hovered around 7%. Of course such numbers do not provide a complete picture of the street-level situation in Baltimore. But they do suggest that, popular American ethnoracial stereotypes aside, urban Baltimore is not simply a ghettoized site of economic exclusion or unemployment.

Like São Paulo, urban Baltimore is the site of an observable store of what I have been calling horizontal social capital. Middle class African-Americans in Baltimore possess an extensive reserve of connections, ties and trust that foster individual and collective action within their own specific socioeconomic and cultural stratum. To be sure, this store of social capital has profound historical roots and is deployed in ways that are different from the horizontal social capital mobilized by São Paulo’s upper and middle class fortified enclave residents. Indeed, residents of urban Baltimore, like residents of many of America’s urban cores, have repeatedly used their social capital as a productive resource for fighting racism and creating various civic institutions and organizations.

Focusing on such efforts, Marion Orr (1999) has usefully analyzed the nature and functions of social capital in Baltimore. In his research, Orr maintains that Baltimore’s social capital is essentially “black social capital.” Put differently, Orr shows how the determining horizon of social capital

in Baltimore is ethnoracial. In fact, Orr's argument about "black social capital" refers specifically to the "interpersonal and institutional forms [of social capital] *within* the African-American community" (1999, p. 8). Founded on the shared experience of ethnoracial degradation and persistent social (and market) exclusion, such an individual and collective action-facilitating resource has enabled Baltimore's African-American residents to "combat racial discrimination...protect their community's interests . . .and to expand black opportunities" in the city (Orr, 1999, p. 8). Orr shows how, historically, black (horizontal) social capital in Baltimore has served as a resource for the formation of explicitly African-American organizations, businesses, and colleges, the building of black churches, the creation of black neighborhoods, and the promotion of solidarity in the black community (Orr, 1999, p. 192).

In the years 1986–1998, this rich store of social capital was mobilized by African-Americans in various attempts to reform urban Baltimore's badly underperforming public schools. But, as Orr's work (1999) documents, urban Baltimore's middle class African-American community was not able to leverage its significant stocks of horizontal (black) social capital to transform the city's schools. Why? Largely because while horizontal (black) social capital in urban Baltimore enabled lateral linkages and ties of trust within a particular ethnoracial and cultural horizon, it did not enable the kinds of *vertical* linkages and ties to other individuals, groups and institutions outside that horizon that were needed to change the school system. Put simply, the efforts to transform Baltimore's school system were stymied by a lack of vertical social capital, or what Orr usefully calls "intergroup social capital" (Orr, 1999, p. 8). The ethnoracial ties constitutive of black (horizontal) social capital were not in this case accompanied by intergroup (vertical) social capital—"cross-sector formations of mutual trust and networks of cooperation that bridge[d] the black-white divide" (Orr, 1999, p. 8).

Like those who reside in the fortified enclaves of São Paulo, then, middle class African-American Baltimore residents do not lack horizontal social capital. Nor are they suffering from economic poverty. But they are nevertheless socially poor—lacking in "intergroup" or vertical social capital in the sense I have sought to define here. To be sure, the unique historical legacy of racism in the US contributes to the ongoing social poverty of Baltimore's African-Americans, whose existence, regardless of income or poverty levels, is persistently stratified as a result of their ethnoracial identity; in this respect, African-American Baltimore residents may share more with the Afro-Brazilian "service" personnel for

those upper and middle class residents of São Paulo's fortified enclaves. In both sites we see how the lack of vertical social capital is decidedly asymmetrical in its effects on specific groups. Ethnoracial minority groups typically suffer more (in terms of education, employment, and health, for example) from being horizontally rich but vertically poor in social capital than do members of ethnoracially dominant groups who also possess significant amounts of horizontal social capital but little or no vertical social capital.

Furthermore, in this context it should be emphasized that when social poverty disables the creation of or access to decent institutions, especially institutions of education, it produces or exacerbates capability poverty. Indeed, one legacy of the failure of school reform in Baltimore—and the breakdown of public education in many other US cities—is the threat of capability deprivation *and* social poverty among the next generation of African-American urban residents.

Clearly, then, one of the most obvious differences between social poverty in São Paulo's fortified enclaves and urban Baltimore is that while the social poverty of the upper and middle class residents of the former is self-incurred, and poses no threat to their capability wealth, that of the latter is undeniably tied to historical conditions of ethnoracially based social (and market) exclusion, and contributes to capability poverty among African-Americans. Yet, though perhaps more immediately apparent in Orr's study of urban Baltimore, the political cost of such vertical social impoverishment for the societies in which both groups are ineluctably embedded remains equally high. Indeed, in both cases the central political problem is that where, for whatever reason, people are linked horizontally to one another but not also vertically to "others" who occupy genuinely different socioeconomic and cultural spaces, existing inequalities are reinforced and reproduced, and the democratic potential of society is stifled.

Central and Eastern Europe

Central and Eastern Europe and the Balkans are home to nearly 70% of Europe's 8 million or so Roma.⁸ Unlike those who live in the fortified enclaves of São Paulo or urban Baltimore, almost all of the Roma dispersed in these countries dwell in abject economic poverty and overt social exclusion, and suffer from severe capability deprivation. Indeed, it would not be much of an exaggeration to say that the Roma are the wretched of the "New Europe." According to the *Millennium Development Goals Report*:

Survey evidence for Hungary, Slovakia, and the Czech Republic confirms that poverty rates for Roma far exceed those of the overall population. In Hungary, the Roma are approximately eight times more likely to suffer long-term unemployment than the general population. Unemployment among the Roma substantially exceeds average non-Roma unemployment rates. In Slovakia, while Roma comprise 5% of those unemployed for up to six months, they represent as much as 52% of those unemployed for more than four years (Blaho et al., 2004, p. 17).

The report goes on to argue that “Roma ethnicity in these countries brings the risk of permanent labor market exclusion” and that Roma are consequently “among the poorest of the poor in Central and Eastern Europe” (Blaho et al., 2004, p. 17).

Recent policy-level discussions of the plight of the Roma have increasingly suggested economic solutions to the problem of social exclusion. In fact, in the face of the repeated failure of legal guarantees of minority rights to achieve Roma social inclusion in the “New Europe,” the *Millennium Development Goals Report* claims that insofar as the roots of Roma exclusion are “socioeconomic and poverty-related . . . the social inclusion of the Roma can only be achieved through the creation of development opportunities” (Blaho et al., 2004, p. 20). The argument, at least from the perspective of economic development theory, is that market inclusion will foster social inclusion.

From the perspective of social capital theory I have been developing here, however, the problems of the Roma appear in a related but more nuanced light. To be sure, the Roma are persistent victims of institutional and everyday ethnoracial prejudices throughout Central and Eastern Europe; they suffer tremendously from extreme economic poverty and intergenerational social exclusion; and they constitute a profoundly de-skilled (or capability poor) workforce in a European labor market that demands semi- and highly skilled workers.

Yet their problems are also subtler, and cannot be adequately described in terms of social exclusion, economic poverty, or a lack of skills, education levels, training and access to services. For it is not merely the case that Roma are socially excluded, materially impoverished, or lacking in capabilities and human capital. They also suffer from a scarcity of both forms of social capital I have typologized in this paper. They suffer, that is to say, from social poverty—a dearth of vertical social capital—and from what can only be characterized as extreme social fragmentation—a dearth of horizontal social capital.

To see the paucity of both kinds of social capital among the Roma one needs look no farther than *Avoiding the Dependency Trap* (2002), a summary of the United Nations Development Programme (UNDP) and International Labour Organization (ILO) survey of Roma in Central and Eastern Europe.⁹ When asked, “On whom can Roma in your country rely for support?”, only a regional average of 31% of the Roma respondents in the UNDP/ILO survey said that “neighbors and friends from the majority” could be trusted. The regional average for trust in “the government itself” was even lower (at 24%), while trust in “foreign donors/institutions” and “non-Roma ‘human rights’ NGOs” was lower still (both at 16%). These responses confirm the scarcity of vertical social capital one would expect among socially excluded groups such as the Roma. They also clearly illustrate how social exclusion can serve as a mechanism of social poverty, stratifying and enclosing ethnoracial “others” in ways that deny them vertical access to intersubjective and intergroup networks, ties, and connections.

Rather more interesting for our analysis here, however, is the low level of horizontal social capital apparent among the Roma surveyed. When asked about whom within their community Roma could rely on for support, the regional averages were also low. In fact, only 45% said that “Roma friends and neighbors” could be trusted, 21% said that “Roma parties” could be trusted, 17% said that “Roma NGOs” could be trusted, and a mere 13% of those questioned thought that “well-off or rich Roma individuals” could be relied upon for support. Such a lack of horizontal capital further distinguishes the social poverty endured by the Roma from that found in the upper and middle class enclaves of São Paulo and the middle class African-Americans of urban Baltimore. In the latter two cases, we saw how stores of horizontal social capital serve as a productive, if also problematic, intragroup basis for individual and collective action within a particular socioeconomic and cultural stratum. Residents of fortified enclaves and urban Baltimore may be socially poor, but these individuals do not endure the same kind of extreme social fragmentation one finds among the Roma.

Thus, while the Roma live in social poverty, they are also sociologically and politically fragmented as a result of debilitating intragroup stratification and distrust. As a linguistically diverse and heterogeneous ethnic group, they are divided by “internal cleavages” (*Avoiding the Dependency Trap*, 2002, p. 6). The result is that Roma suffer severe social capital deprivation even within their own communities. In this regard the problem of group solidarity and acting collectively in Roma communities

is qualitatively unlike what we saw in São Paulo or Baltimore. Whereas in those places significant stocks of horizontal social capital among fortified enclave residents and African-Americans facilitate—for better and worse—a measure of intragroup collective action and cohesion, the Roma of Central and Eastern Europe are constrained by a two-fold scarcity of vertical *and* horizontal social capital.

In closing this section I want once again to reiterate that the effects of social poverty, though deeply asymmetrical, are nevertheless mutually de-democratizing at the level of political culture. The asymmetrical effects of social poverty are abundantly evident in the case of the Roma. While dominant groups in Central and Eastern Europe are also impoverished by their lack of vertical connections to the Roma, the effects of such deprivation on them are mitigated by their relative wealth of economic, human, and horizontal social capital. Yet the larger long-term political consequences of the Roma's social poverty and social fragmentation for the formation of a democratic union of states in which the Roma live are also apparent. While one often hears talk about the "democratic deficit" of the institutional structure of the European Union, one conclusion to be drawn from the social poverty of the Roma is that the democratic deficit of the EU's political culture also poses a threat to the robustness of democracy in the region. Like horizontal social capital elsewhere, the dominant networks of trust and social connections among the civil societies of Central and Eastern Europe characteristically tend to reproduce and reinforce the everyday inequalities suffered by "others" who occupy sub-optimal socioeconomic and cultural strata.

REDUCING SOCIAL POVERTY?

Whether it appears in São Paulo, Baltimore, or the "New Europe," social poverty has deleterious effects on the social, economic, and democratic potential of collective human existence. To be sure, the effects of social poverty can be profoundly asymmetrical, as we have seen. But the general problematic contours of social poverty are unmistakable. In severing certain strata of society from the larger culture, social poverty transforms specific socioeconomic and cultural groups into socially exclusive, or socially excluded, minorities who inhabit parallel but seemingly different normative universes. In disabling linkages and movement up and down the socioeconomic ladder, social poverty promotes—or exacerbates—unsustainable development polarization, antagonistic class divisions, and

the stratification of human capabilities. And in undermining everyday experiences of cultural pluralism and social difference, social poverty fosters or reinforces inequality and threatens to deprive societies of precisely the kinds of day-to-day *vertical* connections, ties, mutual recognition, and reflexive social cooperation upon which they depend for their democratic character.

How best, then, to reduce social poverty? The question does not admit of any easy answers. For as the discussion of social poverty in the previous sections illustrates, the mechanisms and effects of social poverty are multifaceted. But given the debilitating consequences of social poverty, some speculation on possible remedies is not unwarranted. Employment and development are some of the most effective ways to eliminate economic poverty; perhaps these market remedies will also provide some relief to those who live in social poverty. Though there is certainly no guarantee that the invisible hand of market economies will promote the long-term growth of vertical social capital; in fact, as we have seen, economic wealth can also increase the stratification of social capital.

In a related way, pursuing a capabilities approach to the problem of social poverty—an approach in which the state helps to ensure not the well-being of individuals but the capabilities individuals need to secure their own welfare and realize their own goals and lifestyles—will likely increase levels of market inclusion, decrease relative economic disparities, and foster the expansion of individual freedoms. But as the case of the upper and middle class fortified enclaves of São Paulo demonstrates, social poverty is not reducible to or even necessarily caused by the deprivation of human capabilities needed to achieve various lifestyles. On the contrary, the exercising of capability wealth by socioeconomic ethnora-
cial elites can actually undercut the cultivation of vertical social capital.

Thus, along with economic development and an increase in capabilities, the creation of new forms of vertical social capital and the diversification of existing stores of horizontal social capital are essential elements in the reduction of social poverty. Solutions that integrate a bottom-up (or civil society) approach to the constitution of vertical social capital with a top-down (state) approach aimed at the diversification of existing stores of horizontal social capital seem to hold some promise.

What, precisely, such an integrated approach might look like is ultimately an empirical question. Most generally, however, this approach has two core elements that must work together, in a pincer-like fashion. First, from the bottom up, associational forms must be self-consciously created by members of civil society to conjoin individuals and groups

from different socioeconomic, cultural, and ethnoracial strata. Such associational forms or “mediating groups” (Streich, 2002)—which include, for example, cross-cultural coalitions, interfaith alliances, and mixed-income housing and neighborhood cooperatives—are often an effective grass roots way for civil society to generate stores of vertical social capital. Moreover, these types of groups are in a unique position to act with explicit political purpose. Indeed, mediating groups can and often do become “weak publics” (Fraser, 1997), that is, deliberative bodies that are able to deploy their vertical social capital to raise public awareness *and* to influence law-making bodies and governing institutions in ways that groups possessing only horizontal social capital typically do not (as we saw in São Paulo) or simply cannot (as we saw in Baltimore).

This bottom-up effort of mediating groups to create and utilize vertical social capital is a necessary but not sufficient condition for reducing social poverty. The grass roots work of cultivating vertical social capital in civil society must be accompanied by the top-down power of the state to diversify existing stores of horizontal social capital. In fact, this top-down force of the state is no less decisive for reducing social poverty. For while mediating groups can create new vertical social capital on their own, only the state can provide the kind of legislative guarantees and incentives needed to make accessible and diversify existing economies of horizontal social capital.

To glimpse how this pincer-like approach to reducing social poverty works, we might consider the historical example of the US Civil Rights Movement. At first glance, such a movement appears primarily to be a paradigmatic example of the bottom-up, street-level power of mediating groups to contribute to political change. In stark contrast to black (horizontal) social capital in urban Baltimore, and the exclusivity of the horizontal capital operationalized in São Paulo, here it was indisputably the work of mediating groups that made the social (and economic and capability) poverty generated by the “separate but equal” legalized apartheid in America a matter of public dialog and debate across socio-economic, cultural, and ethnoracial lines in ways that helped to transform existing social conditions and political institutions.

Yet it is important not to reify or overdraw the grass roots power of mediating groups to combat social poverty on their own; their critical force is a necessary but never sufficient condition for alleviating social poverty. Reducing social poverty in the US has entailed both the bottom-up work of mediating groups and the top-down force of judicial and legislative action directed toward diversifying sites of horizontal social capital.

Indeed, the relative success of the US Civil Rights Movement was codependent on top-down actions of the state (legislative, judicial, and ultimately, executive military force) aimed at diversifying existing stores of horizontal social capital found in America's schools, neighborhoods, and places of work.¹⁰

CONCLUSION

In this paper I have sought to use contemporary social capital theory to sketch a conception of social poverty. Specifically, I distinguished between two types of social capital—horizontal social capital and vertical social capital—and then went on to argue that social poverty is best understood as an absence or shortage of the latter. Focusing on São Paulo, Brazil, Baltimore, Maryland, and Central and Eastern Europe, I next sought to illustrate the variety of locations and explain some of the complex mechanisms and asymmetrical effects of social poverty. Here I tried to establish the differences, but also connections, among social poverty, economic poverty, social exclusion, and capability poverty. Social poverty, I argued, has a complex relationship to these other cognate forms of impoverishment. Yet however varied social poverty's effects on specific groups, its general effect on the democratic political culture of a society is constant: social poverty (a dearth of vertical social capital) stratifies societies in ways that undermine their everyday democratic potential. In closing I turned, albeit briefly, to the US Civil Rights Movement to consider how the problem of social poverty has been addressed in America. Here I suggested that one lesson to be learned from the US Civil Rights Movement is that a pincer-like approach to alleviating the problem of social poverty is crucial: both the bottom-up power of mediating groups to create vertical social capital and the top-down institutional power of the state to diversify existing stores of horizontal social capital are needed to reduce social poverty. On the one hand, it is the task of civil society-based mediating groups to self-consciously create vertical social capital where it does not exist, and to use this resource to influence legislation and policy when appropriate. On the other hand, the state must actively exercise its power in ways needed to ensure that stocks of horizontal social capital are diversified and vertically accessible between and among various strata of society. Of course this is no recipe for the eradication of social poverty, as the gradual resegregation and impoverishment of vertical social relations in

the US painfully illustrate. But it nonetheless might suggest some historical precedents for a general strategy to reduce social poverty in a persistently stratified world.

NOTES

1. For a fine-grained conceptual history of the origins of social capital theory, see Farr (2004). And for a more explicitly sociological account of social capital, see Portes (1998) and, especially, Lin (2001). Elsewhere I have sought to analyze in greater detail the core features and action-theoretical presuppositions of each of these threads (Lewandowski, 2006).

2. Perhaps the best single volume collection devoted to elaborating the rational thread in contemporary social capital theory is edited by Dasgupta and Serageldin (2000).

3. The defining texts in the Marxist thread in social capital theory remain Bourdieu's own studies of taste (1984) and higher education in France (1988).

4. The democratic thread in social capital theory, which has its origins in Alexis de Tocqueville, is examined in a comparative perspective in Edwards, Foley, and Diani (2001), and developed most fully by Putnam (1993; 1995; 2000).

5. Similarly, James Coleman's influential rational choice sociology of action begins with universal assumptions about human beings as radically individualistic utility-maximizing reasoners. In fact, he subsumes all human action under "a single purpose—to increase the actor's realization of interests" (Coleman, 1990, p. 32).

6. Bourdieu's attempt to define his use of the term social capital appears throughout his work, but is most concisely formulated in his essay on the forms of capital, where he says that "social capital is the aggregate of the actual or potential resources which are linked to possession of a durable network of more or less institutionalized relationships of mutual acquaintance and recognition—or in other words, to membership in a group—which provides each of its members with the backing of the collectivity-owned capital, a 'credential' which entitles them to credit, in the various senses of the word" (Bourdieu, 1986, p. 248–249).

7. In this context, see again Bourdieu (1984).

8. Regional data taken from the United Nations Development Report (2002). This report further breaks down Roma population estimates by country within Central and Eastern Europe. Romania is home to the largest Roma population, estimated at 1,800,000–2,800,000 people, followed by Bulgaria (700,000–800,000), Hungary (550,000–600,000), Slovakia (480,000–520,000), the Czech Republic (250,000–300,000), and Poland (50,000–60,000). The exact size of the Roma population in Europe is of course unknown.

9. This regional human development summary surveys, among other things, trust in support networks and institutions among Roma in Bulgaria, the Czech Republic, Hungary, Romania and Slovakia.

10. The 1957 desegregation of Little Rock Central High School in Arkansas, for example, was accomplished with a presidential order to dispatch 1,000 heavily armed paratroopers and 10,000 National Guardsmen to the school.

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