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Centro de Estudios Avanzados en Ciencias Sociales (CEACS)

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Date 2000

Type Working Paper

Series Estudios = Working papers / Instituto Juan March de Estudios e Investigaciones,  
Centro de Estudios Avanzados en Ciencias Sociales 2000/149

City: Madrid

Publisher: Centro de Estudios Avanzados en Ciencias Sociales

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## **SOCIAL CAPITAL AND CIVIC REPUBLICANISM**

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Estudio/Working Paper 2000/149  
March 2000

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## Introduction

Social capital is a concept recently created and widely used in the last years to explain a variety of phenomena, from the effectiveness of democratic institutions to the formation of human capital. There are different definitions of social capital available in the literature, but all of them agree that social capital implies “a set of institutionalized expectations that other actors will reciprocate cooperative overtures” (Boix and Posner 1997).

Robert Putnam’s *Making Democracy Work* is perhaps the best known work on social capital. In this work, Putnam applied the concept of social capital as an independent variable to explain the effectiveness of regional institutions in Italy since the 1970s. The differences in institutional performance between the northern and southern Italian regions are explained, according to Putnam, by the different stock of social capital found in those regions. In this study can also be found an explicit defence of the relation between social capital and civic traditions<sup>1</sup>. In one of the more controversial parts of his book, Putnam traces the origins of the differences in social capital among Italian regions up to the XI century and the rise of the city republics of northern Italy. The presence of these civic traditions is equated to the presence of social capital: virtuous citizens are helpful, respectful, and trustful towards one another, and these characteristics, especially interpersonal trust, are usually considered forms of social capital (Green and Brock 1998; Rahn and Transue 1998; Uslaner 1998; Shah 1998; Stolle 1998).

In this paper, I explore the possible connections between the republican tradition in political theory and the social capital research paradigm. I will focus on one specific feature of republican tradition: the belief of the republican authors in the notion of common good. In section two I will differentiate two strategies in the republican tradition towards the achievement of the common good. In section three I will concentrate on the first of these strategies, that centred on the concept of civic virtue, and I will discuss its potential role in the solution of collective action dilemmas. This will lead the analysis to the concept of social

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<sup>1</sup> Although not explicitly presented in that way, some recent developments related with civic republicanism and participatory democracy, such as Benjamin Barber’s proposal of a “strong democracy”, or Joshua Cohen and Joel Rogers’ proposal of “associative democracy”, can equally be understood as proposals of public policy aiming at the creation of stocks of social capital (Barber 1984; Cohen and Rogers 1995).

trust and its relationship to civic virtue. In the final section I discuss the relations between social capital in the form of associations and civic virtue. I will explore the possibility that certain forms of social capital, participation in networks of civic engagement, affect individual actors' orientations. More specifically, I argue that they promote an endogenous transformation of preferences, through deliberative processes, towards a more "virtuous" model of the citizen.

## **1. Civic Republicanism and the common good**

One of the central principles of the republican tradition in political theory is the belief in a notion of the "common good". This republican commitment has been defined in a "minimalist" way as a belief in the possibility of settling at least some normative disputes with substantively right answers (Sunstein 1988, 1541). Nevertheless, there are important differences among republican authors concerning the means by which it could be possible to attain the common good of the community. In this section I will distinguish between two different views found in republican thought about how to achieve the common good. Firstly, through the exercise of "civic virtue" by the citizenry. And secondly, by institutional design: the creation of formal institutions designed to the attainment of the common good. Obviously, it is impossible to make a sharp distinction among authors in the republican tradition using this criterion. Although certain authors can be clearly assigned to one of these two views about the attainment of the common good, in most of them there is a mixture of civic virtue and institutionalist arguments concerning the common good. Nevertheless, I think it could be useful to maintain this distinction for the sake of exposition.

1. *Arguments based on the individual display of civic virtue.* Civic virtue is probably the key concept in classical republican thought. It is usually understood as the disposition to further public over private good in action and deliberation (Dagger 1997, 14). For most of the authors in the republican tradition, the possession of civic virtue by both the citizens and the rulers is a necessary precondition of deliberative processes aiming at the achievement of the common good. This means that the political action of the citizens and their representatives

must be guided not by what is in their self-interest, but by what will best serve the community in general. Among the authors of classical republicanism this emphasis on the role of civic virtue as the sole necessary condition for the attainment of the common good is perhaps best found in the humanist writers before the quattrocento. For authors like Compagni, Mussato and Latini, the only way towards the common good of the republic is the abandonment by the people of all personal and sectional interests, and the equation of their own good with the good of the Republic as a whole (Skinner 1978, 43-45). Leonardo Bruni, one of the first writers of the great Florentine republican tradition of the Renaissance, can also be included in the side of the “civic virtue” argumentation about the common good of the community. In Machiavelli, the display of *virtù* by both the citizens and the rulers is probably more important than institutional design for the attainment of the common good. The main condition to avoid corruption (understood as shirking one’s civic duties in favour of personal pleasures, or advancing one’s personal interests at the expense of the common good) is for Machiavelli a moral one: the citizens must be willing to put aside their private interests and fight for the common good of the Republic (Pocock 1975, 210). Finally, in the years prior to the American Revolution, the faith of the founders in the civic virtue of the American people was probably stronger in the aim of the creation of a virtuous Republic than the necessity of the adequate institutions. For Thomas Paine, Thomas Jefferson or even John Adams in 1776, the transition towards a republican government would be very easy, because Americans were republicans by nature. In Thomas Paine’s words, Americans “instead of being sunk into that general licentiousness, profligacy and dissoluteness of manners, of which there is so much complaint in the ancient countries, are, for the most part, industrious, frugal and honest” (Wood 1987, 100). According to Gordon Wood’s interpretation, this optimistic view of the founders of the American Republic about the civic virtue of the American people was maintained until the democratic tendencies of the 1780s raised the issue of the “danger of factionalism”.

## *2. Arguments based on institutional design for the attainment of the common good.*

The thrust of arguments based on institutional design is either that the civic virtue of the citizenry and the rulers is not a sufficient condition for the attainment of the common good, or that civic virtue is not a necessary condition for that end. These authors defend the establishment of formal institutions of a certain kind as means toward the fulfilment of the

common good<sup>2</sup>. The theory of mixed government, the separation of powers and the theory of checks and balances are probably clearest manifestations of the institutional argument concerning the common good. The justifications of these institutional devices is normally related to the preservation of the common good of the community against various threats. The theory of mixed government, in some ways the basis of the other two, was first elaborated in Athens to avoid the dangers of democracy, considered by Plato and Aristotle as the tyranny of the poor over the rich (Richards 1994, 124-125). The fears of democracy, of the government of the poor, were also present in the founders of the American republic. The best known elaboration of this topic is found in the writings of James Madison. He thought that, if unrestrained by external checks, any given individual or group of individuals will tyrannize over others (Dahl 1956, 6). The greatest danger of tyranny –understood as a severe deprivation of a natural right- comes from a majoritarian faction. What Madison had in mind was the danger towards the property rights of the rich. The theory of mixed government was designed to avoid that danger. The distributions of functions among social orders (the one, the few and the many) would compel them to put aside their sectional interests and rule with an eye to the common good. The outcome of this distribution of functions would be, in the words of Gianotti, the “mechanization of virtue”. This institutional design did not need the presence of a virtuous citizenry for the attainment of the common good. This is explicitly stated in James Harrington’s *Oceana*: “The spirit of the people is no wise to be trusted with their liberty, but by stated laws or orders; so the trust is not in the spirit of the people, but in the frame of those orders” (Nippel 1994, 21). The same can be said of the separation of powers and the doctrine of checks and balances. The debates in the Federal Convention, where both theories had their advocates, were dominated by the issue of majority tyranny. In the 1780s, for John Adams and even Thomas Jefferson, it seemed clear that civic virtue was not enough: without adequate controls, the people could behave in a tyrannical and arbitrary way (Wood 1987, 403-408). The doctrine of checks and balances retained the idea of the mixed government that in order to prevent abuses of power, the various governmental bodies should be capable of actively resisting and counterbalancing each other. It lost the principle of the mixed government concerning the representation of different social forces in the different branches of the government. Finally, the doctrine of the separation of powers

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<sup>2</sup> Civic virtue can also be understood as a form of institution. If civic virtue is interpreted as a norm of conduct or a cultural convention, then it can be considered an informal institution. Instead, formal institutions

prohibited any influence of one of the functionally defined departments over another (Manin 1994, 30-31).

## **2. Social capital and civic virtue**

The term “social capital” was first introduced by Loury in the 1970s, to refer to the set of resources that inhere in family relations and in community social organizations and that are useful for the cognitive and social development of a child or young person. The most cited definition of the concept is that of James Coleman, who similarly defines social capital as a set of resources inherent in social relations that makes possible the achievement of certain ends that would not be attainable in its absence. Some examples of social capital according to Coleman are the following:

- Obligations and expectations. This is the most frequent form of social capital found in the literature. It is the form of social capital referred to by Robert Putnam in his study of civic traditions in Italy (Putnam 1994, 167). It is well described by Coleman: “if A does something for B and trust B to reciprocate in the future, this established an expectation in A and an obligation in the part of B to keep the trust. This obligation can be conceived as a credit slip held by A to be redeemed by some performance by B”.

- Information potential. This is, according to Coleman, another form of social capital. Information can be acquired using social relations that are maintained for other purposes.

- Norms and effective sanctions. An example of a prescriptive norm that constitutes an important form of social capital is the norm that one should forgo self-interest and act on behalf of the collectivity. These kind of norms are important in overcoming problems of collective action.

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are mainly political and judicial rules, economic rules and contracts (North 1990).

- Authority relations. A person in a position of authority has available social capital in the form of rights of control on certain activities of the person under his authority (Coleman 1994, 310-311).

Other authors have emphasised the structural side of social capital: social capital as an aspect of a social structure, not an attribute of individuals (Foley and Edwards 1997; Kolankiewicz 1996, 435; Diani 1997, 133). Other approaches have stressed the subjective side of social capital: a subjective phenomenon composed of a range of values and attitudes of citizens that influence or determine how they relate to each other. Among these norms and values, those related to trust and reciprocity are particularly important. Some authors, like Kenneth Newton, see in this definition of social capital the modern social science analogue of fraternity (Newton 1997).

Regarding the two republican strategies towards the common good outlined in the previous section, it is clear that social capital has nothing to do with the second, the institutionalist strategy. Certain forms of social capital can be understood as informal institutions (norms of behaviour, codes of conduct and conventions), but not as formal ones. However, it is worth exploring the links between the first republican strategy and social capital. The classical republican concept of civic virtue is a promising link between republicanism and the social capital research paradigm. In this section I examine the relations between civic virtue and social capital. Nevertheless, the study of these links is done without consideration of the relation of civic virtue and the common good of the community. In the last section the possession of civic virtue by the citizenry was introduced as a way to achieve the common good of the community. Here, I consider the role of civic virtue in overcoming collective action dilemmas. Of course, the attainment of the common good of the community, as the republican tradition understands it, requires a previous resolution of a collective action problem by the citizens, and this is supposed to be done through the display of civic virtue. But, for the moment, the objective of the collective action is not going to be considered. That will be discussed in the next section.

As we have seen, civic virtue is usually defined in the republican tradition as the disposition to further public over private goods. Nevertheless, there are differences among



republican writers concerning the relation of private interests and public concerns in the virtuous citizen. In the political theory of Plato and Aristotle it seems that there is no contradiction between private and public good. The virtuous citizen is happy only when he is acting on behalf of the community. The participation of citizens in the public life of the *polis* is the only way to update the rational nature of man, and this, in turn, is the adequate framework for his happiness (Domènech 1989, 78-90). Likewise, there is no conflict between private interest and public concerns in Machiavelli. For him, the citizens love the republic and are capable of virtuous deeds because they realize that the republic is the foundation of their liberty, security and prosperity. They love their country and its laws because they feel the republic to be their own cause and because they perceive it is in their interest to live in that republic. When they fulfil their civic duties they are not sacrificing their interests, but securing them (Viroli 1995, 73). The relation between private interests and public concerns in the case of Tocqueville's "enlightened self-interest" is similar: involving himself in the affairs of the community, the citizen recognizes where his true interest lies (Oldfield 1990, 146-147). There is, nevertheless, a small difference with the former authors. Tocqueville recognizes that, in pursuing his "self-interest properly understood", the citizen must sacrifice his short-term interest on behalf of long-term interest (Tocqueville 1995, 109). As in the case of Plato and Aristotle, this is a characteristic of a rational man. Other authors in the republican tradition consider in a different way the relation between private and public interests. The clearest example in the republican tradition of this second interpretation is probably Montesquieu. For him, the display of civic virtue is in contradiction with the pursuing of private interest, so the virtuous citizen must sacrifice his private interest on behalf of the common good (Viroli 1995, 72-73).

In the first interpretation of civic virtue, the concern for the common good of the republic directly affects one's welfare. That is, the attainment of the common good of the community –or, more generally, the attainment of a cooperative equilibrium- is a part of the welfare function of the virtuous citizen. Considered in this way, it is an instrumental behaviour (it is concerned with an outcome: the attainment of a cooperative equilibrium), and therefore a rational one. In some sense it is even selfish behaviour: the virtuous citizen acts in that way because it is in his personal interest to do that. This is explicitly clear in the tocquevillian notion of "self-interest properly understood". On the contrary, in the second

interpretation of civic virtue, the citizen behaves against his own personal interest, considering, for example, that it is his duty to do that. This can hardly be understood as rational behaviour. It is not even so in the sense of “self-interest properly understood”, because there is not a sacrifice of short term interest on behalf of long term ones. A virtuous citizen in the second sense is supposed to act according to his duty even if nobody else is behaving in that way and the foreseen outcome of his action is as bad in the short term as in the long one. This second understanding of civic virtue is similar to one of the forms of social capital considered by Coleman: a norm that one should forgo self-interest and act on behalf of the community.

As we have said before, the display of civic virtue can be understood as a way to solve a dilemma of collective action. In the absence of selective incentives, the usual solution to the collective action dilemma is through repeated interactions. In this case, it is argued, what an agent chooses to do at one moment is one determinant of what the other will do at later moments, so that threats or promises –implicit or explicit- become possible. These are usually formalized into such strategies as tit-for-tat: “cooperate on the first round of the game and in all later rounds match the other player’s move in the previous round” (Axelrod 1986, 41). The problem of this solution to the collective action dilemma is that its application to the real world is very limited: in general terms, cooperation is difficult to sustain when the game is not repeated (or when there is an end game), when there is not full information about the other players, or when there is a large number of players. In the case of impersonal exchange, these conditions are rarely found (North 1990, 12-13; Elster 1985, 360-361). The presence of civic virtue can alter the outcome of the game by modifying the preferences of the players. In the prisoner’s dilemma there is an assumption of selfish preferences. In the case of players with civic virtue, their preferences are not selfish in the same way. In the first version of civic virtue, that of Aristotle and Machiavelli, the preferences of the citizen are similar to what Amartya Sen describes as “sympathy”, or more accurately, what Christopher Jencks calls “communitarian unselfishness”: identification with a collectivity, rather than with specific individuals (Sen 1990, 31; Jencks 1990, 54-55). These preferences can in a way be considered selfish, but the incorporation of the interests of the collectivity in the welfare function of the player modifies decisively the payoffs of the game. In the second version of civic virtue, that of Montesquieu, the citizen sacrifices his selfish motivations on behalf of the

community, in order to fulfil his duty. In the view of Bernard Williams, it is a non-egoistic macro-motivation (a general motive to cooperate based on a moral duty (Williams 1988, 9-10)). These preferences can favour the achievement of a cooperative equilibrium as the solution of the game. The strategy that one player with those preferences will probably play is one of unconditional cooperation: in the case of a repeated game, he will choose cooperation in the first round, and he will play cooperation in all later rounds whatever the other player does. Notice, however, that the cooperative equilibrium will only be achieved if both players display civic virtue. In a game between two virtuous agents, cooperation is the dominant strategy of both of them, so the solution is a cooperative equilibrium (Domènech 1989). But if only one of the players is virtuous, the dominant strategy of the non-virtuous player is defection, and the solution of the game is that the virtuous player cooperates and the non-virtuous player defects. This is why Machiavelli considered that the republic was a structure of virtue only in the sense that every citizen's ability to place the common good before his own was the precondition of every other's (Pocock 1975, 184). In the game between the virtuous and the non-virtuous agent, although the strategy of the first, given his preferences, would be cooperation in a one-shot game, it is not so clear that his strategy in an infinitely repeated game would be unconditional cooperation. If the virtuous citizen continues with his cooperative strategy and the other player continues with defection, the first one can learn finally that virtue does not pay. If the cost of being a sucker is very high, the virtuous behaviour will disappear sooner or later (Williams 1988, 5; Mansbridge 1990, 136-137).

Let us suppose that our virtuous citizen is placed in a world where there is uncertainty as to whether or not people with whom he interacts are virtuous or not. What would be the strategy of the virtuous citizen in these interactions? The strategy would be different depending on the kind of civic virtue. A virtuous citizen in the second sense –because it is his duty to be so, even at the expense of his private interests- would probably choose to cooperate. The outcome is not important to him: even if the other player is a defector and the outcome is not a cooperative equilibrium, he must fulfil his duty. On the contrary, a virtuous citizen in the first sense –equating his private interests with the interest of the community- can decide not to cooperate in a one-shot Prisoner's Dilemma. Given that he can be dealing with a non-virtuous citizen, he can choose not to cooperate because he is afraid that his goodwill will not be reciprocated. His behaviour is instrumental, directed towards an end: the

attainment of a cooperative equilibrium. His willingness to cooperate depends on the subjective probability he assigns to the other player being virtuous, and on the ratio between the potential losses if the other player is non-virtuous and the potential gains if the other player is virtuous. In other words, it depends on the trust he is willing to place in the other player, on his beliefs about “social trust”. At this point we have reached one of the main topics found in the literature on social capital: the generation of social trust. As we have seen, trust is widely cited as a form of social capital. For authors who disdain what they call the “structuralist” approach to social capital, norms of trust and reciprocity are the most important forms of social capital.

The analysis of trust in the social capital literature is focused on a certain kind of trustful relations: those that arise from frequent interactions. Participation in associations is a source of this kind of trust. It is argued that trust arises in this case as a by-product of the cooperation for the appropriation of a private good (Coleman 1988; Putnam 1994, 170). This means that people participate in associations in order to obtain a private good (like a bowling club, for example), but, as a by-product of this participation, relations of trustworthiness are created among the members of the club. The mechanism of the creation of these relations of trust can be learning about the trustworthiness of the other members of the association, derived from past experiences with them (Hardin 1993). This is a kind of “thick” trust, more often found, for example, in friendship, where it is possible to imagine that there can be sufficient knowledge about the trustworthiness of the other (Hawthorn 1988, 112-113). But in the case of the virtuous citizen in a world of uncertainty about the trustworthiness of others, this kind of trust is irrelevant in one-shot interactions with people that he does not know. The virtuous citizen will choose to cooperate in a one-shot prisoner’s dilemma if he believes that people, in general, are trustworthy (of course, he can also cooperate after assigning a low probability of trustworthiness to the other player if the potential gains of mutual cooperation are sufficiently high and/or the potential losses in the case that the second player defects are sufficiently low). But this kind of “social trust” is difficult to derive from the relations of personal trust created, according to the literature on social capital, inside associations. Trust cannot necessarily be generalized: in this sense, the empirical evidence of the creation of social trust from participation in associations is ambiguous (Brehm and Rahn 1997; Stolle 1998). Nor is the mechanism between membership in such groups as soccer clubs or bird-

watching societies and social trust very clear (Levi 1996, 47-48). This is an important problem for the social capital paradigm, because one of the attractive features of the concept of social capital is its influence on such factors as the effectiveness of democratic institutions, and social trust is one of the mechanisms explaining this beneficial effect (Putnam 1994).

It might be useful to sum up the arguments posed so far. I have argued that the display of civic virtue can be understood as a solution to a dilemma of collective action. This is possible because a virtuous citizen has cooperative preferences. Nevertheless, this solution is only possible if all the players have those same preferences, and if this structure of preferences is common knowledge. But in cases of uncertainty about the trustworthiness of other players, the virtuous citizen in the first sense will only choose to cooperate in a one-shot prisoner's dilemma if he has social trust, that is, a belief that people in general are trustworthy. This points to one of the main problems in the social capital literature: the generation of social trust beyond the limits of associations.

One possible solution to this problem is to claim a relation between social capital, in the form of associations, and civic virtue. The possibilities of this relation are discussed in the next section. But, before that, it is necessary to consider the connections between civic virtue and social trust.

In the discussion about the virtuous citizen in a community of virtuous and non-virtuous citizens, we have sustained that in the problem of cooperation what counts are not the cooperative preferences of the virtuous citizen, but his expectations about the behaviour of the other player. Given the uncertainty about the virtuous or non-virtuous nature of the other player, and in the absence of some kind of signal about that, cooperative behaviour in a one-shot prisoner's dilemma depends on the display of social trust. We have to determine if it is possible to sustain that a virtuous citizen is not only a citizen with cooperative preferences, but one who displays social trust.

For some republican authors it is clear that widespread trust is necessary for the good of the community. Machiavelli, an author who often expresses a negative attitude towards trust, viewing it as a form of dependence and a weakness incompatible with autonomy,

recognizes nevertheless that if suspicion becomes so widespread that there is no more trust, men are rendered incapable of citizenship and real manhood (Pitkin 1984, 21,101). However, this general statement is not enough to claim a positive relation between social trust and civic virtue in the republican tradition. Together with arguments centred on the value of autonomy, there are some other possible arguments against that relation. One argument of this kind is that the republican tradition has been always very suspicious about corruption or behaviour against the common good of the community. These republican suspicions are usually directed against governments. One of the clearest statements in this sense can be found in the radical Whig tradition of the XVIII century in England. For example, this statement by Thomas Gordon: “Whatever is good for the People is bad for the Governors; and what is good for the Governors, is pernicious for the People” (Wood 1987, 18). A possible answer to this argument against the positive relation between civic virtue and social trust is that the republican authors were thinking of governments, not of interpersonal relations. But social trust is trust among individuals. Nevertheless, statements that affirm that the virtuous citizen must remain alert to avoid corrupt and factious behaviours in their fellow citizens can easily be found in the republican tradition. This can be thought of as contradictory to trustful behaviour. Philip Pettit’s answer to this problem is that there is no contradiction between maintaining expressive distrust –whose manifestation can be, for example, the establishment of checks and balances- and actually not feeling distrust. A citizen can believe, for example, that his rulers are uncorrupt, but he can also believe that, in the absence of the checks and constraints implemented by expressive distrust, they would begin to develop habits of corruption (Pettit 1997, 264-265). This argument demonstrates that there is not a necessary contradiction between certain acts of expressive distrust, like checks and balances or vigilance towards the behaviour of other citizens, and an attitude of social trust. Nevertheless, it does not imply that civic virtue leads necessarily to social trust. It is clear in the argument that the display of expressive distrust can be a manifestation of beliefs of real distrust in the citizen.

A possible strategy to connect civic virtue and social trust is to see trustful behaviour as a signal. The display of social trust by the virtuous citizen, in the form of cooperative overtures in social interactions with unknown people, can be interpreted by others as a signal of his trustworthiness. Given that a virtuous citizen (interpreted in the first sense) is

committed to a certain outcome –the attainment of cooperative equilibria- he can consider that bad experiences with defectors can be worthwhile if they are signals towards virtuous people that he is trustworthy. If this signal works, the result can be more frequent interactions between virtuous people. This group of unconditional cooperators will attain medium payoffs higher than the group of defectors, and the result, as has been shown for a conditional strategy such as tit-for-tat, will be that the defectors will transform themselves into cooperators. Nevertheless, it can be very costly to the virtuous citizen. The signal of virtue can be recognized by virtuous and non-virtuous players, and so he can deal with many defectors until he establishes his network of cooperators. Perhaps he will give up in order not to be considered a sucker. To attain the desired outcome, a certain commitment with a sense of duty could be useful, as in Montesquieu's interpretation of the virtuous citizen.

This is not perhaps a fully convincing argument to defend a positive connection between civic virtue and social trust. It can be even argued that when the virtuous citizen is considering his cooperative overtures as a signal of his trustworthiness, he is not displaying social trust. He is not actually believing that people in general are trustworthy, but that only some people are. A possible answer to this objection is that the outcome is the same as if the virtuous citizen believes that everybody is trustworthy. Of course, it is the same outcome if the citizen is virtuous in a non-consequentialist sense (that is, if he cooperates because it is his duty to do so). But probably this is, in a way, a stronger requisite of virtue. And, from a normative point of view it is probably a less interesting form of virtue, because it does not imply, as in the first kind of virtue, a self-knowledge on the part of the citizen, a development of second-order preferences.

According to the last argument posed, we can defend a connection between civic virtue and social trust (or, at least, virtual social trust). It remains for us to show the connection between social capital, in the form of associations, and civic virtue.

### **3. Associations and civic virtue**

Although associations are not the only form of social capital, it has been the privileged object of study of this literature (Gamm and Putnam 1999, 513). In this section I will discuss some possible connections between participation in associations and change of preferences in a virtuous sense.

Social capital, as found in the literature, is considered as a set of resources derived from certain social relations, that are useful for attaining certain ends of the individual actors. In this account of social capital, it is implicit that the preferences of the actors are given. This is why the presence of social capital has sometimes been considered as a neutral resource for the attainment of whatever ends. This means that the consequences of the presence of stocks of social capital are not necessarily beneficial. The classic example is the Weimar Republic: the strength of secondary groups served in this case as organs of socialization for an authoritarian ideology (Berman 1997; Rueschemeyer, Stephens and Stephens 1992, 113-114).

In the last section I advanced a possible, though not conclusive, argument that civic virtue has a positive connection to social trust. If it is argued that a certain form of social capital –participation in associations- can be a source of endogenous transformation of preferences in a virtuous sense, then it can further be contended that the presence of social capital in a given society has beneficial effects, not only because it is a resource for the solution of certain social dilemmas –especially the achievement of widespread cooperation through the display of social trust- but also because it generates civic virtue.

A possible way in which participation can lead to an endogenous transformation of preferences in a virtuous sense is through deliberation. The belief in the power of deliberation was a contribution of the Founders of the American Republic to the republican tradition. This belief was opposed to an understanding of the political process as a bargaining between different groups with given preferences. The republican belief in deliberation counsels political actors to achieve a measure of critical distance from prevailing desires and practices, subjecting these desires and practices to scrutiny and review (Sunstein 1988, 1548-1549).



In the republican literature we can find at least two arguments that deliberation can lead to the transformation of preferences towards the common good. The first of these arguments refers to the structure of the deliberative process; the second, to the actors participating in the deliberative process. This second argument is the less interesting for our discussion. It claims that deliberation can lead to the attainment of the common good because the participants have certain characteristics. These are, following John Rawls, that they have realized their two moral powers -a capacity for a sense of justice and a capacity for a conception of the good- and have an enduring desire to be fully cooperating members of the society over a complete life. Moreover, these persons share a common human reason, similar powers of thought and judgement, and a capacity to draw inferences and to weigh evidence and to balance competing considerations (Rawls 1995, 247). These characteristics are similar to those of a virtuous citizen. This strategy is not very useful in the present context because it does not claim that civic virtue is an outcome of the deliberative process, but rather a prerequisite to it.

The first argument claims that certain features of the process of deliberation can lead to a change of preferences. One of these features can be the rules of the process. Sometimes it is argued that if the discussion is public, there is pressure to abstain from egoistic arguments (Elster 1995, 390). It is claimed that there is a desire in the participants not to appear selfish, because it would be embarrassing or shameful (Fearon 1998, 54). Another possible mechanism to explain why the participants in a deliberative process usually justify their views in terms of the common good is the psychological mechanism of reduction of cognitive dissonance: individuals tend to reconcile what they do with what they think, to reduce dissonance (Elster 1987, 113). Another feature of deliberation that can lead to a change of preferences is that deliberation can reveal private information. (Fearon 1998, 46; Gambetta 1998, 22). Some participants can reconsider their preferences given newly available information.

A common problem with these supposed effects of deliberation –formulation of preferences in terms of the common good for shame or to reduce dissonance and the revealing of private information- is that they are open to a strategic manipulation of preferences by the participants. The latter can formulate their preferences in terms of the

common good, for example, solely in order to manipulate the other participants. We can borrow an illustration of this from Rousseau's discussion of the transition from the natural state to the civil one: the proprietor convinces his neighbours (who are a threat to his property) to go through this transition invoking a general interest (protection of the weak from the strong, peace, harmony) that hides his actual selfish interests (Rousseau 1990, 179-180). Of course, the incentives for the manipulation of preferences are higher when there are conflicting interests between the partners in the discussion, as in Rousseau's example. This is also the case for interactions between virtuous and non-virtuous citizens. There, mere discussion may not necessarily lead to the common good, because the conflict in the initial preferences of the participants can induce them to try to manipulate other participants. Once again, we see that in order to attain the common good, the participants in the deliberation process have to display certain characteristics from the beginning: at least courtesy, empathy, and reasoning ability. These are some of the characteristics of the reasonable citizen, in Rawls' sense. If they possess at least these characteristics, the deliberative process can lead to real considerations of the general good of the community. Of course, conditions of equality between the participants are also required. These characteristics are a prerequisite for deliberation to take place. Nevertheless, this is not the same as claiming that the participants have to be virtuous from the beginning. Empathy and reasoning ability can be considered characteristics of the virtuous citizen, but they are not the only ones. More important are the identification of private and public interests, or the sacrifice of private interests in order to fulfil public ones. Empathy can be thought of as a component of those preferences, but they obviously go beyond empathy. However, even if these prerequisites are fulfilled, it is not clear that the deliberative process would lead to a transformation of preferences in a virtuous sense. If there are initial conflicting interests, there will always be an incentive to cheat the other participant. This is not to say that in the case of initial proximity of interest the outcome is a transformation of preferences in a virtuous sense. In this case, there is no need for a transformation of preferences.

Therefore, the conditions for deliberation to take place are reasoning ability and empathy. But it is still not obvious that the deliberation process could lead to a virtuous transformation of preferences. In the case of initial conflicting preferences, the incentives to manipulate are strong. The best we can expect is probably an exclusion of the most crude

expressions of selfish arguments, in order to avoid shame, or as a manifestation of the capacity of empathy that is a prerequisite of deliberation. Only if the participants are virtuous from the beginning could it be possible to attain the common good.

We can conclude, then, that the connection between deliberation and the generation of civic virtue is not a clear one, to say the least. It remains now to examine the relation between social capital as associations and deliberation.

According to the social capital literature, nearly all types of associations can be considered forms of social capital. Following Coleman's definition of the concept, "horizontal" and "vertical" associations are forms of social capital. Some attempts to exclude certain types of associations as forms of social capital can also be found in the literature. For example, Robert Putnam considered that vertical relations should be excluded as a form of social capital, because they are less helpful than horizontal networks in solving dilemmas of collective action, since in a vertical relation opportunism is more likely on the part of both patron (exploitation) and client (shirking) (Putnam 1994, 175). Members of a vertical association cease thinking about how to deal with each other and concentrate instead on how to cope with the shifting demands of more powerful agents above them. In a quite different way, horizontal relations, especially networks of civic engagement, foster robust norms of reciprocity, facilitating communication and improving the flow of information about the trustworthiness of individuals (Putnam 1994, 173-174). This way of excluding certain types of associations, based on its capacity to overcome dilemmas of collective action, is not very convincing. Putnam uses it to exclude the Mafia from his analysis of social capital and institutional performance in Italy. Nevertheless, the Mafia is not an organization characterized by problems of overcoming dilemmas of collective action. It uses various enforcement procedures, including death threats, to ensure the trustworthiness of members of the organization. The result is a high internal capacity to solve dilemmas of collective action, although its effects for the wider society are the consolidation of social distrust (Gambetta 1988).

A second criterion to distinguish between associations differentiates between public and private goods-producing associations (Boix and Posner 1996, 9-13). According to this

criterion, civic associations dedicated to the provision of public goods will produce a stronger form of social capital than those dedicated to the provision of private goods. The reason for this is that in the case of the provision of public goods there are strong incentives to defect. This means that the successful maintenance over time of a public-good producing association is a signal of the creation of a robust form of social capital. This criterion is not very clear, however. Perhaps the existence of public goods-producing associations could be a signal of the previous existence of social capital: it could be argued that the solution of the dilemma of collective action is due to the previous presence of forms of social capital as, for example, systems of trust (like communities of mutual trust) among the members of the association. This is not a necessary condition for the provision of public goods. Coercion or other forms of selective incentives can do it as well. Moreover, it is not clear that public good-producing associations can create a more robust form of social capital. Not, certainly, if we understand stronger as more enduring. In an association created for the pursuit of a private good, social capital can be created as a by-product, for example in systems of mutual trust like friendship. There is no reason to believe that these relations are not going to be as enduring as if created inside a public good-producing association. More robust can also mean more useful for the solution of social dilemmas. It is not obvious, however, that relations of trustworthiness, for example, have to be more frequent in a public good than in a private good-producing association.

The criterion to differentiate between associations that is derived from the discussions in this and the previous sections is their capacity to promote deliberation. This is related to its capacity to solve collective action dilemmas: deliberation can induce a transformation of preferences in a virtuous sense, and virtuous citizens can solve collective action dilemmas because they have cooperative preferences and display social trust. I shall use the distinction between horizontal, vertical, civil and political associations.

Firstly, the distinction between horizontal and vertical. Although the criteria of differentiation are not very clear, I will assume that in horizontal associations there is more equality among their members in terms of the participation in the decision making process than in vertical associations. In vertical associations, decisions are adopted without the participation of most of their members. The catholic church is an example of this. On the

contrary, in horizontal associations, there is a participation of their members in the process of decision-making. Deliberation is a form of decision making incompatible with vertical relations. There are no incentives for deliberation, given that the results of the deliberation process have no influence in the working of the association. The beneficial effects of deliberation on the preferences of the participants are by-products of the participation, but the decision to participate in the deliberation process is instrumental: to obtain a certain outcome (Elster 1987). Without the possibility to influence the decision making, there are no incentives to deliberate. In the case of horizontal associations, deliberation can also be absent. If what is required is participation in the decision-making process, this can be done through voting. But, at least, there is room for deliberative processes. There are no relations of dependence between the members, so there are fewer conflicting interests from the beginning. This means a reduction of incentives for manipulation.

Secondly, we have the distinction between civil and political associations. This distinction is taken from Tocqueville, and is related to the objectives of associations. According to Tocqueville (although in this point as in others in *Democracy in America* there are some contradictions), the development of political associations is easier than the development of civil ones. On the one hand, participation in civil associations is more costly: in most of them their members have to risk part of their money (it seems that Tocqueville is thinking mainly in commercial or industrial associations). On the other hand, the gains of association seem greater in political than in civil life. In civil life men see themselves as more autonomous, while in political life the need of cooperation to attain common ends is more obvious (Tocqueville 1995, 102-107). Deliberation as discussion can take place in both kinds of associations. But, from the point of view of deliberation as a source of transformation of preferences in a virtuous way, political associations seem to be more interesting, if we consider the content of the discussion in both types of associations. Some of the effects of deliberation, as revelation of private information or overcoming bounded rationality (Fearon 1998) can take place in civil as well as in political associations. But the end of deliberation, from a republican point of view, is the transformation of preferences in a virtuous way. This means that the citizen must equate his interests to those of the community, or sacrifice his private interests on behalf of the community. As we have seen, it is not clear that deliberation can lead to this transformation of preferences. But, in any case, it can be argued that if the

content of discussions of the members of an association is related to the interest of the community, this transformation is more likely to occur than if the discussion is, for example, about who should play in the next match of your soccer club.

So, according with this criterion of differentiation –the capacity to promote deliberation- horizontal political associations are those with the greatest capacity to promote deliberation, followed by horizontal civil associations. Vertical associations, political or civil, are highly unlikely to generate deliberation. Ideally, this criterion could be equated with differences in the generation of social capital, given that deliberation is related with civic virtue and this with social trust.

#### **4. Conclusion.**

My conclusion, from the point of view of the social capital research paradigm, is that perhaps a close analysis of the republican tradition in political theory could be useful. A conception of social capital viewed not only as a resource for the attainment of given preferences, but also as a source of the transformation of those preferences in a virtuous sense, could be important for debates on the “neutral” character of social capital. In this paper I have argued that one way to defend this concept of social capital is to claim that participation in certain types of associations (especially political associations with horizontal organization) can lead, through deliberation, to a virtuous transformation of preferences, and, from that, to the generation of social trust. The mechanisms of this causal chain, unfortunately, are not clear enough. The relation between deliberation and civic virtue is dubious, and the argument advanced to explain the relation between civic virtue and social trust is not clearly an argument in favour of the generation of social trust, but, at best, of “virtual” social trust.

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