



# What is high and low, and positive and negative social capital?

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## Abstract

Social capital is often described in general terms as “good” or “bad,” “strong” or “weak,” “high” or “low,” and “positive” or “negative”. However, such generalisations fail to capture the complexity inherent in social capital. Social capital is generally understood to encompass a range of dimensions, potentially including networks, trust, norms, and reciprocity, among others. The usage of these general descriptors raises questions about their precise meaning and applicability in different contexts. Furthermore, there is ongoing debate about whether negative connotations can be associated with social capital or if such associations even hold any meaningful value. To improve our understanding of the term and concept of social capital, it is essential to delve deeper into the possible meanings of these general descriptors. A deeper understanding of what high and low and positive and negative social capital means can help improve our research and help us to communicate ideas related to social capital more clearly.

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## Introduction

We often talk about social capital in general terms, describing it as high or low, good or bad, positive or negative, or weak or strong. But social capital is complex and multidimensional. Does it make sense to talk about social capital in general terms, and what do we mean by these general terms?

It is easy to understand that social capital can be different in different contexts and produce various outcomes. For example, one organisation or team may have more, better, or stronger social capital than another. But it is not always clear what we mean by this kind of general descriptor of social capital.

Unavoidably, any discussion of the quality of social capital must be linked to the definition of social capital being adopted. For some definitional approaches, high and low social capital can be easily understood.

For example, if social capital is defined as “resources embedded in a social structure which are accessed and/or mobilised in purposive actions” (Lin, 2001), then high or low social capital relates to the existence and/or mobilisation of resources. Low social capital could involve few or limited resources within the social structure and or limited mobilisation of these resources. Under this definition, social capital cannot produce negative outcomes, except for the lack of resource access or mobilisation. Unequal access to

social resources is ubiquitous, but inequality does not make the social capital (ie resources) negative. From the resource perspective, some individuals enjoy greater access to social resources, making qualifiers such as high social capital and low social capital relevant, but positive and negative descriptors not relevant.

When social capital is defined as producing positive outcomes, it precludes the possibility of negative social capital since when social capital produces negative outcomes, it is not social capital by definition. Examples of such definitions include: “the ability of actors to secure benefits by virtue of membership in social networks or other social structures” (Portes, 1998, p.6) and “features of social organisation such as networks, norms and social trust that can facilitate coordination and cooperation for mutual benefit” (Putnam, 1995, p.66). From this perspective, low social capital would represent a low ability or capacity to secure benefits or engage in coordination and cooperation for mutual benefit. The reasons for this low ability or capacity are many and varied, related to features of social organisation such as networks, norms and social trust. Similar to the “resource approach”, descriptors such as positive and negative do not make much sense from this definitional perspective.

However, there are many definitions of social capital that do not define it as only producing positive outcomes. A notable example is the definition used by Elinor Ostrom (2000, p.176), “the shared knowledge, understandings, norms, rules, and expectations about patterns of interactions that groups of individuals bring to a recurrent activity”. There are numerous other important examples in the literature, such as “social,

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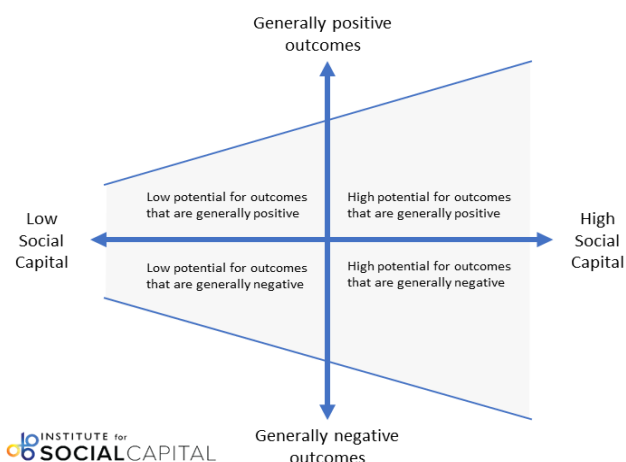
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non-formalised networks that are used by the networks' nodes/actors to distribute norms, values, preferences and other social attributes and characteristics" (Westlund, 2006, p.122). And "the institutions, relationships, attitudes and values governing interactions amongst people" (Iyer, Kitson, & Toh, 2005 p.1016).

## High and low social capital

The definitional approach to social capital identified above allows for the possibility of low and high social capital and both positive and negative qualities and outcomes. It appreciates that the extent of shared understanding among individuals and groups can vary significantly, and that the nature of this shared understanding can result in vastly different outcomes. For instance, a social group may have limited shared knowledge, weakly defined social norms, and few informal rules or expectations, resulting in what is considered low social capital. In such contexts, there may be limited potential for social action of any kind due to the lack of established patterns and expectations for interaction and exchange.

### What is high/low and positive/negative social capital?



Low social capital may occur in contexts where people are relatively disconnected – where people have small social networks and do not know many people. For example, in communities where people don't know their neighbours where the lack of relationships impairs opportunities for social interaction that shapes shared understanding and reduces the options for social action.

## Positive and negative social capital

The nature of these shared understandings may not be universally positive. There may be distrust, discrimination, exclusion, exploitation, etc., allowing for the possibility of positive and negative descriptors of social capital.

For example, in a context where it is commonly understood that people are not trustworthy, that is, where there is widespread and pervasive distrust, there are many potential negative or less-than-optimal outcomes. There are likely to be various disadvantages,

additional costs, and loss of efficiency, productivity, etc. For example, people may be more likely to act alone rather than risk working with others; people are less likely to cooperate, collaborate, or act positively towards each other; and there may be various costs associated with additional rules, the enforcement of these rules, and costs associated with betrayals of trust. Clearly, an environment of distrust represents a lack of potential for positive social action and a greater potential for negative social action. This could be described as negative social capital.

## How can "capital" produce negative outcomes?

Capital is inherently separate from how it is utilised. Any type of capital can produce negative outcomes when it is utilised in harmful or unethical ways. For example, financial capital can be used to fund illegal activities such as terrorism or organised crime, causing significant harm to individuals and communities. Similarly, human capital can be utilised to create weapons or other harmful technologies. A frequently cited example is John Kaczynski, a former mathematics professor who became known as the Unabomber. Even a simple item of physical capital, such as a hammer, can serve both as a tool for construction and as a weapon.

The use of social capital determines whether it results in positive or negative outcomes, and such an evaluation is subjective. For instance, the mafia may view social capital as a means to achieve their objectives, while the broader society may perceive their actions as negative. Another example was the January 6 insurrection on the US Capitol, which was the outcome of the potential for cooperation and collective action among the participants. The understanding shared by participants made it possible for the insurrection to occur.

Defining social capital as inherently producing positive outcomes creates a paradox where the same phenomena may or may not be social capital depending on the eventual outcomes. Therefore, it is essential to recognise that social capital's impact is determined by how it is employed, and such determinations are dependent on perspective.

## Is it possible for social capital to be negative?

As discussed above, social capital, like any form of capital, can be used for positive or negative ends. However, social capital can have negative qualities where the potential for action is negative. For example, where there are strong norms for fraud, corruption, theft, or violence. Even in such situations, social capital tends to still have some degree of positive and negative outcomes. For instance, corruption may be normalised, but people tend to also engage in positive social action such as sharing information and making social introductions. In general, social capital always involves both positive and negative outcomes. For example, trustworthiness can reduce transaction costs but can introduce

opportunities for exploitation (theft, fraud, corruption); norms can facilitate beneficial actions but can constrain innovation and creativity; and benefits for the in-group can create exclusion of out-group members.

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