Introduction

Much of the literature on social capital poorly distinguishes its source from its form and consequences. It can be very difficult to make these distinctions since many social phenomena involve complex interrelationships with complicated cyclic, relational, and mutual causality. This article discusses a wide range of sources of social capital, some of which may represent form or consequences under certain theoretical perspectives. This article explores many of the factors that bring about or are associated with social capital. The goal is not to present a comprehensive list, that is far beyond the scope of this work, but to highlight the breadth of factors and the complex relationships that they have with social capital.

The literature often mentions social capital’s sources as a long list of factors that relate to virtually every aspect of human existence. This is not surprising considering a broad definition of social capital would suggest that any factor that relates to being ‘social’ is relevant for inclusion in the list. If being social brings about any potential benefits, or costs, then it could be reasonable to consider it a source of social capital. They can include factors that promote social interaction and exchange, the development of norms for these interactions, and even factors that shape the beliefs and values that are part of the culture of a society. These factors could include almost anything as Table 1 demonstrates.

Each of the sources listed in Table 1 has complex interrelationships with social capital. For example, residential mobility influences whether people develop close relationships with their neighbours. In areas with high mobility people tend to be reluctant to invest in building relationships with neighbours because of the chances they will move to a different area (Glaeser, Laibson, and Sacerdote 2002). The lack of repeat interactions over time typically reduces the development of trust and norms of reciprocity. Entire books could be devoted to this topic, yet it is only one of many sources of social capital.

Sources of social capital

| History and culture | The strength and characteristics of civil society |
| Economic inequalities and social class | Scale of social organisations |
| Ethnic and social heterogeneity | The built environment including transport and urban design |
| Social structures and hierarchy | Residential mobility |
| Legal and law enforcement systems | Television and digital technologies |
| Economic and political systems including formalised institutional relationships and structures | The family |
| Labour market trends | Education |
| Size and nature of the Welfare State | Individual values and beliefs |
| | Religion and religious organisation |

Table 1. Examples of commonly cited sources of social capital

Correspondence should be addressed to
Email: tristan@socialcapitalresearch.com

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behaviour. We can observe that a person returns a lost wallet. We could explain this behaviour as the person predicting that the owner will give her a reward, if not now, sometime in the future. So, it is consistent with deliberate calculation and a selfish motive. However, the behaviour may be consistent with a learned habit where there is no calculation at all: the person never imagines an alternative behaviour. The behaviour just fits the situation. Another explanation is that returning the wallet is the right thing to do. It may be linked to a cultural or religious value or belief. For example, it’s what ought to be done, or those who do good deeds will go to heaven. The observation of the behaviour does not explain the motive. A further reason to return the wallet may be sympathy for the person who lost it. Emotion can play an important role and can be incongruent with rationality. The person may return the wallet because they feel good doing so, or because not doing so would weigh on their conscience, not because of any tangible reward or benefit.

This example demonstrates a range of sources of social capital that will be explored further in this article.

In a general sense, we can see that different factors are relevant at different levels of analysis. Halpern (2005) provided the following explanation of the sources of social capital at different levels:

“At the micro-level, social capital is affected by personality type, age, family, class, education, work, religion, and consumption habits. At the meso-level, social capital is affected by civil society, school, community, ethnic and social heterogeneity, mobility, transportation habits/infrastructure, and urban design. Finally, at the macro-level, social capital is directly affected by history and culture, social structure and hierarchy, labor-market trends and the size and nature of the welfare state.”

While the sources of social capital at different levels of analysis may be different, they are inseparably interrelated. For example, individuals are influenced by group and societal level factors, and groups and societies are comprised of individuals who each have their own circumstances and characteristics. Therefore, potentially sources at all levels are relevant regardless of the level of interest.

The sources of social capital span the full breadth of the social sciences having links to sociology, psychology, political science, economics, theology, anthropology, and many more. These disciplines have all contributed to social capital theory, each approaching the concept from their discipline-relevant perspective, and each contributing to our overall understanding of the concept. To gain a thorough understanding of social capital we must take an interdisciplinary approach by gleaning relevant insights from across the social sciences.

The number and complexity of social capital sources make analysis overwhelming. Yet it is vital to understand its sources if we are to investigate, measure, change, or build it. To help with this challenge we can take a step back and examine the core intuition of social capital – that when humans gather and interact the benefits of being social can be realised. Most authors tend to agree that it relates to goodwill, benevolence, and cooperation. However, there remains an important question: why would a self-interested individual help another? Can it be explained by rationality, morality, biology, or other factors?

**Human cooperation**

The question of what makes humans cooperative is one of the key questions of the social sciences. In 2005, the journal *Science* identified the question of ‘how did cooperative behaviour evolve?’ as one of the top 25 scientific challenges. The question of human cooperation relates to the tension between self-interested individuals and the collective good; the antinomies of personal and group interests.

This incongruence has been of scholarly interest since at least the 18th century and the Scottish Enlightenment, as the below quote from Adam Smith suggests.

“How selfish soever man may be supposed, there are evidently some principles in his nature, which interest him in the fortune of others, and render their happiness necessary to him, though he derives nothing from it, except the pleasure of seeing it.” - Adam Smith

The basis of social capital lies with individual actors through their relationships and interactions with others (Lin and Erickson 2010). Even the actions and interactions of groups, organisations, and governments are the result of individuals who are in decision making roles, albeit typically more than one individual. It is the actions of individuals that have productive or perverse outcomes that are at the core of what we call social capital. Therefore, the sources of social capital are any factors that influence values, beliefs, and behaviours of individuals towards each other. It is anything that provides opportunities for interaction and motivates or influences the nature of these interactions.

This provides a useful structure for understanding the sources of social capital: opportunity, motivation, and capability (Kwon and Adler 2014). The logic of this schema is that individuals must have the opportunity for social exchange, be motivated towards such exchange, and have some capability or resource for exchange. The opportunity may be the existence of social relationships, the motivation may be norms and values, and capability may be the benefit that is realised.

The sources of social capital have both long-term and short-term aspects: society is not built in a day, but every action or interaction influences social capital. Many authors have suggested that the sources of social capital are rooted in history and tradition (Adler and Kwon 2002) but we need to go back even further to fully understand the historic sources of social capital.
Back as far as 1 million years ago and the evolution of our species.

**Long term sources of social capital**

Humans have evolved to be social. Evidence from evolutionary biology suggests that cooperation is hardwired into us at a genetic level. Our ancestors inhabited environments in which cooperation in acquiring and sharing food yielded substantial benefits. Archaeological evidence suggests our ancestors cooperated in the hunting of large mammals, child-rearing, and defending against hostile neighbours. Our offspring are born weak and require considerable investment to reach maturity, so necessity compels humans to live in groups and cooperate to meet our collective needs. Cooperation had significant advantages over members of non-cooperative groups (Gintis et al. 2003) meaning that cooperative genes have been consistently selected on evolutionary timescales. This is because sociality promotes reproductive success. Human sociality is largely how our ancestors survived long enough to reproduce and raise their offspring (Kanazawa and Savage 2009).

Evidence from psychology indicates that modern human brains process information and induce behavioural responses that represent cooperation (Bowles and Gintis 2011). We typically feel good when we are prosocial, feel good when we sanction free-riders, feel guilty when we free-ride, and feel ashamed when we are sanctioned for free-riding. Emotion plays an important role in determining behaviour and can be incompatible with logic and rationality, which alone often fail to predict human behaviour. The human brain is equipped with the appropriate psychological mechanisms which engender preferences, desires, cognitions, and emotions, and motivate adaptive behaviour that are inclined towards sociability and cooperation.

Sociability is intrinsically linked to our understanding of what it means to be human (Bruni and Sugden 2000). Humans develop in coexistence with others – in the context of social relationships, social rules, and social consequences. We develop complex value systems based on our social environment. To develop in isolation is to not be human as we know it. Sociability and the capacity to participate in social life is a defining human characteristic.

In some respects, we are not born human but become human by virtue of socialisation. There is some limited evidence of what happens when a child lives isolated from human contact from a very young age. These ‘feral children’ typically lack language, fundamental social skills, and tend to be unaware of, or interested in, other people around them. They missed out on the processes of socialisation and enculturation, and as a result they resemble ‘beasts’ as Aristotle suggested: “He who lives without society is either a beast or God”. Like a leopard has spots, humans are social.

“Man is by nature a social animal; an individual who is unsocial naturally and not accidentally is either beneath our notice or more than human. Society is something that precedes the individual.” – Aristotle

While humans have a predisposition for cooperation, we are individual and independent agents who also act with self-interest. Cooperation clearly has many benefits, but also carries costs. While many people in society are cooperative, cooperation is rarely absolute even among the most cooperative members, and many people are non-cooperative or even exploitive at times. Humans can be prosocial, asocial, and anti-social in varying measures at different times and even concurrently. We are not blindly bound to behave only for the good of the community. We are capable of independent and intelligent thought that can override our baser instincts – both our instincts to cooperate, and our instincts to act with self-interest. Herein lies the tension between cooperation and self-interest that can at times seem incongruous.

Early humans and even pre-humans had obvious reasons to work together, so would form small groups of cooperative individuals - typically based around family groups. Cooperation would have been encouraged and rewarded, while non-cooperation or exploitation would have been sanctioned or even resulted in exclusion from the group. In these small groups the costs of sanctioning would have been generally shared among everyone in the group.

**Social structure and organisation**

As social groups become larger, opportunities for free-riding and exploitation increase because not every individual knows every other individual. The cost of sanctioning also increases and can be a further burden on the victim or victim’s family. To help solve these problems, rules are established, and some individuals assumed the role of enforcers or are officially appointed to sanction rule breaking. This represents a simple form of social organisation, a precursor of modern political and institutional structures.

Positive and effective social structures encourage prosocial behaviour while at the same time reducing the cost of sanctioning. As such, they are an important source of social capital that is built over the long-term. The existence and nature of rules, their enforcement, and the effectiveness of these rules and enforcement can all have positive influence on individual behaviour so are a source of social capital. Social structures can include formalized institutional relationships and structures, such as government, the political regime, the rule of law, the court system, and civil and political liberties (van Bastelaer 2001), as well as various forms of informal social organisation.

These social structures create an understanding among the citizenry of the ‘rules of the game’ - acquired through processes of socialisation and enculturation.
that teach individuals what is and is not appropriate and expected of them. Therefore, anything that contributes to these processes is a source of social capital since it results in greater understanding of the ‘rules of the game’. Understanding the ‘rules of the game’ helps to reduce barriers to cooperation since individuals have more confidence that others know the rules and will abide by them. The consistency of the rules, and individual’s understanding of the rules, is important since inconsistency decreases confidence in exactly what the rules are and therefore introduces uncertainty about how the other person will act in any given situation.

This is not to say that all forms of social structure and organisation have universally positive outcomes for social capital. Repressive governments can establish rules and enforcement that are, or are perceived to be, unfair or unjust. The state can discourage spontaneous group activities that are important aspects of informal social organisation and can encourage distrust and even create distrust (Booth and Bayer-Richard 1998). In this discussion of the sources of social capital I am not suggesting that all sources have only positive effects – despite the inclusion of the word ‘capital’ in social capital suggesting that it is universally positive.

Uneven distribution of social capital

Social capital is not evenly distributed between everyone in a group or society. Some individuals have more social capital, and these tend to be people who are in advanced social locations or those who are of a gender, race, or class that receive culturally prescribed benefits or preferential opportunities. By virtue of social structures, individuals are not equal in positions of authority and power (Schulman and Anderson 2009). People who have higher social status enjoy systematically better changes to enrich their networks and therefore their social capital (Lin and Erickson 2010).

Unequal access to social capital begins at birth since an individual is born as a sex and race – factors that cannot be changed, and gender and ethnicity – factors that can be changed to some extent. In some cultures, these factors may have very little bearing on social capital potential, but in other cultures they can predetermine inequality. In addition to these factors, family can also provide wealth and power; as well as reputation and social influence associated with the family name.

One’s family predefines many important characteristics that are relevant to social capital. Therefore, family is often mentioned in the literature as an important source of social capital. Family plays a vital role in the socialisation and enculturation process, particularly in early childhood. The values, beliefs, and behaviours developed in childhood can influence an individual’s social capital throughout their life. It strongly influences an individual’s outlook in regard to others and their engagement with and for others (Stolle 2003). Family also influences a range of factors such as career aspirations, educational achievement, health-relevant behaviours, political affiliations, religious affiliations, and patterns of consumption including digital consumption.

In practical terms the family is an important source of social capital since within the family there is close relationships that can include high levels of trust and obligation, as well as love and caring attitudes that have the potential for helping behaviours. Many of the character traits associated with social capital are learnt from early experiences in the family environment. These traits can include compromise, restraint, patience, tolerance, understanding, self-discipline, compassion, empathy, responsibility, friendship, perseverance, honesty, loyalty, trust, faith, and numerous others.

While the process of enculturation starts in the family, it continues through interactions with other groups and institutions. Schools have a very important role in the socialisation process as they are often the first institution that a child experiences and their experiences in school teaches them many ‘rules of the game’ that create shared understandings and norms that will shape the way they relate to others throughout their life.

For many children, school provides their first experience with formal rules and the enforcement of these rules. It may be their first exposure to punitive discipline and the different approaches to discipline and social control structures more generally. Children observe and learn about a wide range of social phenomenon such as the formation of cliques, conflict and its resolution, and a variety of social coping strategies. The nature of school leadership strategies and the cohort’s response to those strategies play crucial roles in shaping a child’s enculturation. Individual teachers influence children’s attitudes and beliefs as well as communication and relationship patterns. School is an important source of social capital because it is attended relatively early in a child’s development and involves long durations of repeat engagement over periods of many years.

Morality

Social capital arises from the human capacity to consider others, to think and act generously and cooperatively. But why would someone help or give to someone else? It could be rational; the adherence to rules or norms, and the avoidance of sanctions. It could be logical with expectations of reciprocity. It could be a learned or habituated behaviour. And it could be the ‘right’ or ‘good’ thing to do; governed by moral beliefs and values.

Morality is the personal distinctions between ‘good’ and ‘bad’ or ‘right’ and ‘wrong’. Many of our values and beliefs that relate to morality are formed as children through processes of socialisation and dynamically altered or reinforced through our life experiences. As a key part of the socialisation process, moral development reduces the propensity for acting on unchecked urges, instead encouraging us to consider what is right for society and good for others¹. Since morality is a code of...
conduct that is generally accepted by society it clearly has a normative context. Various codes of conduct are defined by the justice system, religion, and other institutions, as well as social groupings including the family.

Socialisation processes are important in forming moral values since young children are not equipped to comprehend the various codes of conduct that exist in a complex modern society. Parental instruction in morality is critical in helping children develop a strong moral code. A strong moral code gives people a clear idea of what is appropriate behaviour for themselves and a sense of responsibility for the well-being of others in society.

Religion and morality

Religion plays an important role for many people as it can provide a framework for morality and appropriate human behaviour. Therefore, religion is an important source of social capital. There are many religions, potentially thousands, however there are some common themes that run through most of them.

One such theme is the Golden Rule which is simply: one should treat others as one would like others to treat oneself. This can also be stated in a prohibitive form: one should not treat others in ways that one would not like to be treated. Most religions include guidelines for what is appropriate human conduct – they provide a moral framework. The main messages tend to be:

- Do good, loving, kind, and useful things
- Don’t do evil, selfish, and destructive things

These general principles for morality are an important source of social capital since it encourages people to be giving, supportive, and cooperative while discouraging selfish and exploitative behaviours. Faith-based social capital is grounded in beliefs, customs, habit, and obligations (Candland 2000) that are derived from religious themes such as the Golden Rule and engender duty, respect, loyalty, solidarity, and service.

Not only can religion provide a moral basis for human behaviour, it can also provide structural opportunities for interaction, belonging, and community building when people gather for religious practice. However, this may not always be the case. Putnam’s study of social capital in Southern Italy found that church attendance was inversely related to participation in civic associations. So, the positive social capital outcomes from religious affiliation can also limit other associations resulting in a net negative effect on societal social capital.

It should be noted that religion can have negative impacts where it results in social exclusion or isolation, or where the key messages are subverted and used for negative ends. It can result in fear, judgement, and persecution of others who have different beliefs. Many wars have been fought under the pretence of religion. As with many of the other sources of social capital, the role of religion is highly complex.

Morality does not only come from religious faith. Atheists (people who disbelieve or lack belief in the existence of God or gods) also live by a moral code. This morality is more likely to be personally and normatively defined relative to religious morality that in many religions is commanded by God. For an atheist, morality comes from within. It is self-defined based on their values and beliefs. They observe and interpret the various societal codes of conduct and reach their own conclusions about what is right and wrong. Given the important role of socialisation in developing an individual’s sense of morality their values may not be objectively moral – the key principles of most religions are considered objectively moral since they are typically the word of God. However, for many religious people there can be significant differences between their moral code and the way they live their lives. This can come about because their morality is externally set so may not align with their own experiences.

Religion and spirituality more generally, at the very least, provides a framework for contemplation of moral values and greater awareness of ethical behaviour than what might otherwise be available (King and Furrow 2004). Again, I highlight the highly variable and highly complex relationships between religion and social capital. I think that religious themes, such as the Golden Rule, are like a gentle breeze that subtly pushes societal morality in prosocial directions. It doesn’t equally for everyone, but it provides a powerful signal and reminder of the types of behaviours that ‘ought’ to be.

When considering the core intuition of social capital, there are few more important factors than the general morality of society. A more moral society is primed with the conditions for social capital, while an immoral society is clearly not. Morality relates to acting fairly and not harming others so creates favourable conditions for a wide range of factors related to social capital such as trust, reciprocity, and norms of giving, sharing, and helping.

Immoral acts, on the other hand, have ripple effects through society that are likely to have negative effects on various aspects of social capital. People exposed to the act could include the victim, the victim’s family and friends, the perpetrator and their family and friends, and anyone who witnesses or gains an awareness of the event – this can be almost every member of society for high profile or highly publicised events. Immorality tends to create distrust and disinclination towards cooperation. It also weakens the ‘rules of the game’ since acting contrary to established codes of conduct creates uncertainty about whether the rules really need to be observed. Some individuals may see immorality in others and think that they can do the same, especially if the deviation from moral principles is not sanctioned.

If people are good only because they fear punishment, and hope for reward, then we are a sorry lot indeed.  
Albert Einstein
Law and enforcement

Law, and its enforcement, have important implications for social capital since it relates to the regulation of human conduct. The legislative system is the institutionalised form of rules and sanctions that are an integral part of social organisation. An effective justice system creates trust that others will abide by the law or face the consequences. It also provides confidence that there will be protection or recourse for recovery of loss or damages. It reduces the costs of sanctioning since ‘treacherous’ behaviour is handled through the justice system so is not a further burden to the victim or victim’s family and friends. As such, an effective legal system can encourage cooperation, trust, and reduce social transaction costs including the costs of sanctioning. When people believe that the institutions of law and order act in a fair, just and effective manner, then they have reason to believe that the chance of people getting away with ‘treachery’ is small so are more likely to trust other people (Rothstein 2002).

Laws provide a formal code of conduct that dictates appropriate behaviours and regulates interactions between people, and between people and government, business and other organisations. Laws have direct implications for regulation of social relationships such as marriage, contracts, torts, duties, agency, adoption and commercial partnerships (Mazzone 1998). Therefore, laws provide the mechanisms for the formal regulation of human interactions.

Laws are created and enforced through government institutions so represent the will of the state and may not accurately represent the moral values and norms of society. Law is, however, an instrument for the production and reshaping of social norms (Cass R Sunstein 1996) as well as the destruction of social norms (Pildes 1996). The state has the capacity to monitor free-riding, to punish defection and to direct a relatively impartial and fair bureaucracy but, depending on the political system, this is not always the case.

In democratic societies laws are likely to reflect the morals and norms of the majority of the public. However, legislature tends to change slowly, and this is even more problematic for common law systems where judge-made precedent is accepted as binding law. Therefore, law is an important signal of what is appropriate in society, but norms and values do not always parallel laws. Regardless of the similarity between the laws and norms of a society, laws exert a consistent influence on societal norms. Like the influence of moral values, laws provide a powerful signal of how one ought to behave, even if the laws are arbitrary rules without moral significance, such as driving on the left side of the road instead of the right. Influence between law and norms is exerted in both directions: law influences norms, and norms influence the effectiveness of laws (Pildes 1996).

Laws are important, but how they are enforced are in many ways more important. Laws that are not enforced have little more than symbolic value. Laws that are enforced unequally or unfairly can undermine trust and the rule of law with negative consequences for a range of phenomenon related to social capital. Injustices carry significant meanings that introduce uncertainties, shake confidence in established codes of conduct, and destabilise legitimacy of the authority of the state over the individual. The role of events and the perception and meaning of events will be discussed further in a following section.

Even more important than formal law enforcement is the informal enforcement of social mores by acquaintances, bystanders, and other interested parties (Ellickson 1998). Laws can be an important motivator for social compliance, but legal enforcement is an endgame whereas social sanctions of various types are ubiquitous in social relationships. Sanctions can be as subtle as a disapproving look or comment but can include more significant consequences such as loss of reputation and social exclusion. Informal social sanctioning for deviation from social norms is the workhorse of social control structures while law is generally the last resort. The alignment of social norms and law, the fairness and consistency of law enforcement, and a variety of other factors such as the heterogeneity of norms all influence the frequency and extent of social sanctioning.

Economic and political systems

The state plays a fundamental role in shaping social capital, not just through the institutions of law and order, but also economic systems, labour arrangements, and systems of social support. Social capital concepts such as generalized trust, social interactions, civic engagement, cooperation, tolerance, are all closely related to the operations of state institutions (Stolle 2003).

The involvement or lack of involvement of the state in social support and civil society can influence the nature of voluntary association in complex ways. A lack of government social security and social support systems can encourage voluntary association in some cases where other organisations step up to provide these services in the absence of appropriate government programs. Weak government social support can encourage community and religious organisations to provide support services to the poor and needy, with the assistance from businesses and individuals. This can encourage voluntary association in the provision of these services with numerous benefits for social capital. However, this is not always the case since repressive governments may discourage spontaneous group activity and discourage trust (Booth and Bayer-Richard 1998).

Other factors related to economic and political systems can have dramatic impacts of civil society. For example, why does China have one of the lowest rates of charitable giving in the world (based on Charities Aid Foundation World Giving Index 2016)? The extent of state control over private affairs may have an important role in shaping norms that relate to charitable giving.

In many states that have well developed welfare systems social capital tends to be very strong. For example, in Scandinavian countries we tend to find levels of trust that are significantly higher than in France and the United States (Stolle 2003). There are complex mechanisms that produce, foster and/or disturb the development of
various aspects of social capital. We do not really know which aspects of government and which characteristics of political institutions might be particularly beneficial (Stolle 2003). Social capital and political economy are interrelated and cannot be separated (Bebington 2007).

**Built environment**

The built environment has implications for social capital since physical interaction between people requires suitable spaces. Social capital is realised when people interact, and while this interaction does not have to be in-person, physical interactions typically facilitate more meaningful exchanges than digital or remote exchanges.

The built environment shapes our experience. It influences our behaviours, attitudes and values. It influences how we feel and how we move through and spend time in the built environment. It can create opportunities and propensity for interaction with others so it is an important source of social capital. Urban planning at the town or city level, and design and architecture on smaller spatial scales, can create a sense of place and community. However, it can also create fragmentation and disconnection that discourages interaction and retards social capital.

Urban planners and architects know and understand the importance of creating community and the impacts that spatial layout and the built environment can have on a range of sociological factors. They may not use the term social capital, but the underlying concepts have been key considerations, at least in theory, for hundreds of years.

Traditional societies created meeting or gathering places where people came together for meetings and social events. Village layouts typically centred around places for social meeting and exchange. For example, traditionally Maori people in New Zealand have a complex of buildings and grounds that are called a marae. A marae is typically a fenced-in complex of carved buildings and grounds that belongs to a particular iwi (tribe), hapu (sub tribe) or whanau (family). The marae is still a vital part of everyday life in many communities, and a place where culture can be celebrated. It is used for celebrations, funerals, educational workshops and other important events.

In New England in the 18th century colonial meeting houses were used for residents to gather to discuss local issues, make decisions, and conduct religious worship. Although they were typically simple buildings with limited decoration, they were important social spaces that allowed for social interaction and exchange and created a sense of community and belonging that fostered social capital.

In the nineteenth and early twentieth century many urban communities were designed to facilitate and promote social connectedness. Houses typically fronted the street with elaborate front entries and large porches that provided inviting spaces to occupy and look out on the neighbourhood. This promoted Jane Jacobs’ vision of “eyes on the street”, which encourages a vibrant street life that is vital to neighbourhood safety and community. These urban communities invited social interaction between neighbours and helped to develop feelings of togetherness and sense of place – important aspects of social capital.

By the 1920s, with the rise of the automobile, front yards became dominated by driveways, cars, and garages. This made them less accessible as social spaces, often obscuring front entrances and porches from the view of the street. People frequently drove their car directly into their garage and entered their house from adjoining doors. This limited social interaction with neighbours and pedestrians. This, and automatic gates and high fences, resulted in social disconnection from the neighbourhood. Often outward facing spaces moved to the back of the house overlooking private back yards.

This trend has started to reverse, with New Urbanists advocating for a transformation of the garage-dominated streets of conventional suburban developments. This is typically achieved by the use of rear laneways that allow for parking, garages, waste collection and servicing at the rear of homes.

The built environment also includes a wide range of other factors that have important implications for social capital. Land use and planning decisions can influence the values and behaviours of citizens. For example, walkability is influenced by pedestrian accessibility and safety as well as the proximity of shopping districts, parks, and community facilities relative to residents. The New Urbanist literature suggests that destinations should be located within a five-minute walk for them to be ‘walkable’. Walkable communities have more opportunities for social interaction since people spend more time in public spaces.

The built environment on any scale can be designed to encourage a variety of aspects of social capital. From a single dwelling or office, to urban communities and commercial complexes, to whole cities.

House layout and design can encourage the development of social capital where there are inviting and functional communal areas that help to create a ‘hearth and home’. Building complexes can have social spaces such as foyers, courtyards, or cloister gardens with suitable aesthetics and amenity to promote social interaction and related benefits.

Many university campuses have grand quadrangles and a variety of other indoor and outdoor meeting areas. Within urban communities, parks and playgrounds can fulfil a similar role, as can a variety of other public spaces or facilities such as public libraries, swimming pools, skateparks, shopping, restaurant, or café districts, public beaches, piers, sporting facilities, and picnic and BBQ facilities.

Where there are comfortable, engaging, inviting and healthy public spaces and destinations the built environment provides opportunities for the development of social capital. Land use and urban planning decisions have complex effects on social organization and indelible impacts on human communities (Foster 2006). Decisions about physical space (both form and function) have significant impacts on a community’s social capital.
Shared understanding, perception and derived meaning, and memory

There is a tendency to focus on individual actors to understand social capital. Their point of view, perception, opinion, beliefs, and experiences as immersed in their social context. Some of an individual’s understanding of their social context is conscious, but much of it is subconscious—the background context for knowing and acting (Sitton 2003). In Bourdieu’s theory of social capital this is an agents’ habitus, a set of assumptions, habits, taken-for-granted ideas and ways of being that are vital for an individual to engage with, understand and move on through the world (Bourdieu 1977). An individual’s habitus is characterised by where it falls within wider relationships and structures of social difference such as class, gender, ethnicity, and so on (Bebbington 2007).

Every individual is different, has different experiences and cognition, different personality, beliefs, etc. and responds differently to different circumstances. Individuals construct their reality based on the stimulus they receive and how it is interpreted based on a range of factors framed against previous experiences and based on beliefs about future outcomes. This means individuals have their own ‘reality’ that may or may not be similar to other people in their social grouping.

Although individuals are immersed in their cultural and social context, each person develops their own ‘reality’. It is sustained by social interactions, the legitimacy of which is grounded in their own background assumptions and tested by experience. Habermas suggested that all thought relies on background assumptions or ‘preunderstandings’ that we can never be fully aware of—it is the inescapable context of knowing and acting (Sitton 2003). These background assumptions are developed through socialisation and enculturation over a lifetime and dynamically influenced by the nature of every event, action, and interaction (Sissäinen 2000).

Where individuals in a population are relatively disconnected from each other there can be vastly different perspectives, values, and experiences. The lack of shared understanding can create misunderstandings or conflict, and barriers to interaction and exchange. I find it useful to think of this disconnection in terms of cognitive distance—the gap or difference between the cognitions of individuals. This highlights the importance of more than just social connectedness but also cognitive connectedness through shared understandings.

“I can’t even talk to him. It’s like he’s from another planet.”

Cognitive distance is reduced when individuals communicate in the mutual search for understanding, particularly where they seek agreed interpretations of a situation or event. However, cognitive distance is reduced through shared experiences even when there is no interaction between individuals. An example is the consumption of mass media where large numbers of individuals observe the same events, often loaded with value judgements, that tends to align the perspectives and values among the citizenry. On September 12, 2001 virtually every person in the United States awoke with the shared experience of 9/11 as portrayed by the media. Although everyone derives different meaning from the same events it narrows cognitive distance by creating shared experiences and understandings.

The same is true of popular television shows, movies, books, and pervasive advertising campaigns. They all help to shape the background context of knowing and acting in subtle yet powerful ways. For example, during the heyday of Australia’s popular TV soap opera Home and Away there was an average of 1.4 million viewers or about 6% of the total population. The exploration of topical and controversial issues in the shows storylines resulted in simultaneous shared experiences for a large percentage of the population. People went to work and school the follow days with shared understandings derived from their experience watching the show.

Shared experiences produce similar background assumptions so form the threads that hold individuals together in social groupings. Shared understandings link otherwise disparate realities and create a consistent background context for knowing and acting. Without shared understandings there is uncertainty about how others will act, and how one ought to act. Human behaviour is guided by the interaction between rules and beliefs, social norms, values, cognitive means of processing information, psychological frames, and other factors (Pildes 1996).

Where there are inconsistent understandings between people there is greater opportunity for very different interpretations of actions or events. For example, when a team leader addresses their team everyone hears the same words, but this experience can be interpreted differently for each individual because different people will understand and interpret the meaning of the words differently. Some may interpret care and support, while others may interpret disrespect and betrayal. The more communication and interaction between the team the more likely they will gain shared understandings, and the more likely they will interpret actions and events in similar ways.

Actions are expressive; they carry meanings (Cass R. Sunstein 1996). However, actions may not have the intended meanings and different people may interpret different meaning from the same actions. Human cognitive processes are complex and laced with a variety of cognitive biases that can be activated in different circumstances. Even memory can distort the meaning and significance of past events. All these factors influence our background context of knowing and acting. Any factor that helps to connect a group or population, to reduce cognitive distance or create or align shared understandings is a source of social capital.

Some studies have found that community heterogeneity is associated with lower levels of social capital (Coffé 2009). The rationale for this is that a diverse community

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2 It must be noted that interpreted meaning can be significantly different and, in some cases, can be polar opposites. However, in most cases the meaning tends to be similar, especially where interpretation or explanation is provided which tells people how to feel about the situation or event.
has different backgrounds that result in greater cognitive distance and a lack of shared understanding. While this may be true to some extent this would be offset by the amount of interaction, communication, identification and belonging, and shared experiences.

The sources of social capital discussed above include the main categories of social phenomenon that relate to social capital. This discussion is not intended to be comprehensive since social capital’s sources potentially relate to virtually every aspect of human existence. We can conclude that the sources of social capital are any factors that promote social interaction and exchange, that facilitate the development of norms for these interactions, and the factors that shape the individual and societal beliefs and values. These sources may, under different contexts, also relate to the form or consequences of social capital since many social phenomena involve complex interrelationships with complicated cyclic, relational, and mutual causality. This highlights the importance of due consideration of context when operationalising social capital so not to confuse its source, form and consequences.

References