

# Social Capital in 10 Asian Societies:

## Is Social Capital a Good Concept for Gauging Democratic, Developmental and Regionalizing Trends in Asia?

By Inoguchi Takashi

**S**Ocial capital is defined as something that can be most useful in minimizing the costs of misunderstanding and transactions when one tries to forge bridges and enhance bonds, when one launches joint undertakings, and when one tries to regularize reciprocities. I find the concept of social capital very useful in understanding the propensity to take initiatives, to avert risks, to cooperate or defect, and to shape and share values, norms and rules, especially when some measures are given.

In this paper, I will attempt to identify some major dimensions of social capital as found in the AsiaBarometer data, to place 10 Asian countries on those dimensions and to reflect on the nature of political culture in these societies as revealed by the AsiaBarometer survey data focusing on social capital. By so doing I will try to make a first step in gauging the democratic, developmental and regionalizing trends in Asia. After all, social capital is conducive to building democracy, as Robert Putnam argues; social capital facilitates the creation of prosperity, according to Francis Fukuyama; and social capital is essential to integrate countries into a region, in the view of Karl Deutsch. Before moving onto some empirical analyses of related data, I must touch on what the AsiaBarometer is and what it aims to achieve.

The AsiaBarometer, an annual survey covering many Asian societies, was launched in 2003. The University of Tokyo's Institute of Oriental Culture initiated the survey under the leadership of the author of this paper (Inoguchi, 2004). The AsiaBarometer represents an ambitious and productive initiative with three broad aims in mind:

(1) annually monitoring the daily lives of ordinary people in East, Southeast, South and Central Asia, a vast area that has not been so friendly to empirically oriented social scientists interested in

comparing and generalizing their observations and empirically testing their hunches and hypotheses.

(2) helping to develop social science infrastructure in Asia, an area which has not been endowed with services for social scientists as well as governments, business firms and non-governmental individuals and organizations.

(3) helping to facilitate interactions among social scientists engaged in teaching and research in Asia.

The social capital questions examined here are as follows:

**Q1:** Generally, do you think people can be trusted or do you think that you cannot be too careful in dealing with people (that it pays to be wary of people)?

**Q2:** Do you think that people generally try to be helpful or do you think that they mostly look out for themselves?

**Q3:** If you saw somebody on the street looking lost, would you stop to help?

**Q4:** If you had no descendants, would you think it desirable to adopt somebody in order to continue the family line, even if there were no blood relationship? Or do you think this would be unnecessary?

**Q5:** Suppose that you are the president of a company. In the company's employment examination, a relative of yours got the second highest grade, scoring only marginally less than the candidate with the highest grade. In such a case, which person would you employ?

**Q6:** If the main breadwinner of your household should die or become unable to work due to illness, how would your family maintain the household budget?

**Q7:** Do you think that on the whole men and women are treated equally in

your country?

**Q8:** What should a person who needs a government permit do if the response of the official handling the application is: "just be patient and wait."

My purpose here is to identify some underlying dimensions of social capital that might be hidden by using multidimensional analysis methods and relating the results to the conceptual discussion on social capital.

The eight questions were factor-analyzed, using principal component analysis.

The first dimension is a bit like the famous contrasts between Thomas Hobbes and Jean-Jacques Rousseau, or between Confucius and Mencius. It is about where one starts in dealing with other people, from the viewpoint that regards humankind as essentially good or from the viewpoint that sees humankind as essentially bad. It directly touches on whether one trusts others.

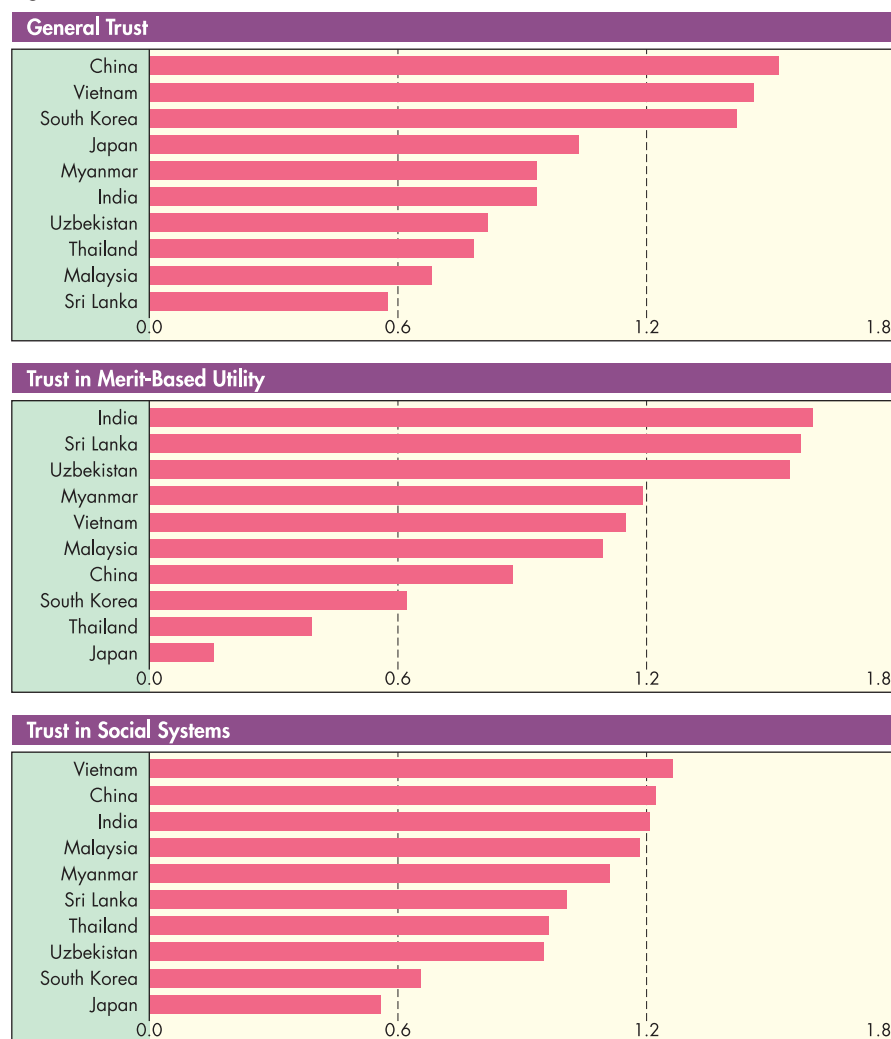
The second dimension is like the trade theory of comparative advantage. This theory postulates that somehow mutually beneficial outcomes produce stability. It touches on trust in merit-based utility.

The third dimension concerns the confidence in institutions and systems with which respondents are embedded. It touches on whether one engages in community affairs or not. In other words, it touches on the difference between broad and narrow trust in terms of blood and gender.

The rankings of these three dimensions are shown in Figure 1. Along the first dimension, societies in the higher rankings tend to have a Confucian heritage while societies with Hinduist/Buddhist/Islamic heritages are placed in the lower rankings. Along the second dimension English-speaking or former British colonial societies are placed in the higher rankings while the rest are placed in the lower rankings. Along the

third dimension, societies in the higher rankings tend to have a communist-dictatorial heritage with some notable exceptions. In other words, the three major dimensions that have emerged from the factor-analysis of the pooled data in the AsiaBarometer are (1) general trust in interpersonal relations, (2) trust in meritocracy and mutual utility and (3) trust in societies/systems. When I map the 10 countries' factor scores along these dimensions, it turns out that they also have a fairly strong cultural flavor. They are (1) Confucian culture, (2) English-speaking and (3) communist or former communist societies. In other words, East Asia constitutes a distinct sub-group; former British colonies and thus English-speaking societies in South Asia and Southeast Asia robustly retain some common characteristics; communist or former communist societies remain a distinct division of a sub-group. As far as Asia is concerned, this is remarkably similar to the results derived from the World Values Survey (Inglehart/Welzel, forthcoming) and the Asia-Europe Survey (Inoguchi/Hotta, 2003). Placing the 10 countries along these dimensions enables me to see that the three key dimensions are strongly flavored by cultural heritage. The first dimension can be called Confucian-oriented, the second dimension can be called English-speaking or former British colonial culture and the third dimension can be called communist or former communist. The use of a slightly more rigorous method called hierarchical cluster analysis enables me to locate the 10 countries in a two-dimensional space with three-dimensional locations taken into account most efficiently. (Figure 2) This exercise enables one to have five groups: (1) China and Vietnam, (2) Sri Lanka and Uzbekistan, (3) Malaysia, Myanmar and India, (4) Japan and South Korea and (5) Thailand. This result is broadly convergent with the results that have been

Figure 1

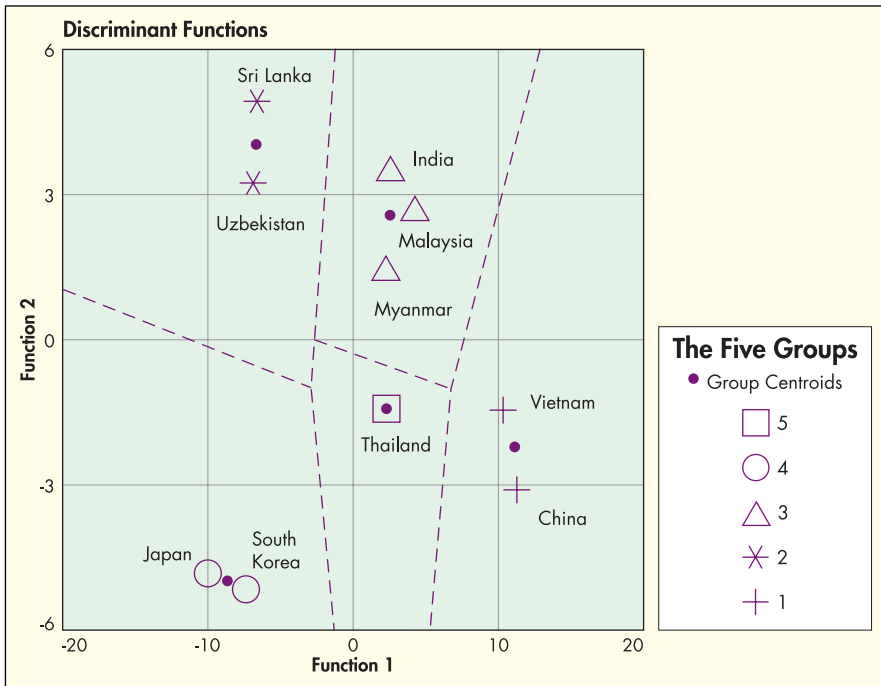


obtained by using another cross-national survey that I have organized: the Asia-Europe Survey carried out in nine East and Southeast Asian countries and nine West European countries in 2000 (Inoguchi/Hotta, 2003). This can be regarded as a supportive factor for the validity of the argument in this article.

Looking back at the three major dimensions of social capital, I would like to further reflect on the conceptualizations of social capital. There are three

diverse lines of thought on social capital: utility, fairness and institution. Utility is normally used by economists and rational choice theorists, who argue that cultural differences are not significantly detected in cross-cultural game experiments (Roth et al, 1991), thus playing down the notion of social capital. Fairness is normally deployed by philosophers, sociologists and political scientists, who argue that political cultures matter in differentiating the way in which

Figure 2



bridging and bonding trust is conducted (Scott, 1976, Putnam, 1993, Fukuyama, 1997 and Blondel/Inoguchi, 2002). Institutions are brought in by anthropologists, sociologists, economists and political scientists, who argue that the role of government institutions is the engine of higher levels of generalized trust and cooperation (Ensminger, 2001).

Therefore it is not a coincidence that our three major dimensions have turned out to be slightly differently labeled surrogate dimensions of fairness, utility and institutions. General trust in interpersonal relations is very close to fairness. What is called the Equity Law in England is concerned with this dimension as contrasted with the utility dimension which governs the Common Law. If the Common Law is the world of Adam Smith, the Equity Law is the world of the English Social Democrats. Both co-exist in one society, a vindication of one country, two systems! The salience of fairness in our analysis of Vietnamese political culture resonates nicely with James Scott's *Moral Economy of the Peasant: Rebellion and Subsistence in Southeast Asia* (1976). The commonly detected importance of meritocracy in former British colonies or English-speaking societies in South and

Southeast Asia in our analysis is harmonious with the spirit of colonial meritocratic absolutism under Britain. Where there is no countervailing force in society like colonies or in lower-income societies or in non-democracies, this utility dimension has the utmost salience. Thus only when experimental games like the ultimatum bargaining game or the dictator game are conducted both in low-income societies and high-income societies, or both in formally institutionalized societies and not so well-institutionalized societies, cross-cultural differences emerge (Roth et al, 1991, Heinrich, forthcoming, as reported in Ensminger, 2001). Our analysis of the AsiaBarometer data has shown the vast diversity in per capita income levels among the 10 countries. Our third dimension of institution touches on the basic difference between communism (and former communism) and market capitalism. Social systems based on different institutional incentives and coordinations are bound to constrain and reinforce certain sets of norms and values. Thus our third dimension is quite harmonious with some traits in ideologically and bureaucratically organized market economies as distinguished from much freer market economies, and in

under-institutionalized societies as distinguished from formally institutionalized societies (Ensminger, 2001). Our next task, i.e., the AsiaBarometer survey in 2004, will be to sort out these social capital questions a little more systematically along the lines of fairness, utility and institutions to more directly indicate some significant implications for Asia's democratic, developmental and regionalizing potential in the next decade. **J.S**

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