

# 21

## Can Social Capital Be Constructed?

### Decentralization and Social Capital Formation in Latin America<sup>1</sup>

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Ever since the Marshall Plan, development economists have been increasingly successful at writing prescriptions to stimulate economic growth in developing nations. They tell us, for example, that countries must avoid rent-seeking, control corruption, and harness inflation; they must also invest in physical and human capital to stimulate investment, and thus the growth of financial capital. Immediately after World War II, political scientists also developed a strong interest in stimulating growth, not of the economy but of democracy, and the rapid transformations of fascist Germany, Italy, and Japan into strong democracies made it appear that democratic development was going to be a “cake walk.” It seemed that all they would have to do was impose democratic constitutions and have occupying GIs teach some civics lessons for democracy to take hold and prosper.

But they soon confronted a far more difficult reality. While economies in war-torn Europe recovered quickly and democracies flourished there and in Japan, the geographical spread and strengthening of democracy was far less impressive than the dramatic economic growth experienced, for example, by the Asian “miracle” countries. Good constitutions matter, as became clear in Japan, but the world

soon learned that they were hardly all it took for democracy to emerge and flourish. When the Cold War ended and democracies suddenly emerged worldwide, political scientists had not yet conducted the decades of research they would need to develop the checklist that economists already had.

Among the most intriguing theories is that, as Harrison and Huntington put it, “culture matters”: that for democracies to emerge and survive, societies require both good institutions and good political cultures.<sup>2</sup> The “typology of progress-prone and progress resistant cultures” that is being developed by Harrison and other contributors to the Culture Matters research project, including Mariano Grondona, Matteo Marini, and Irakli Chkonia, states that social behavior must involve cooperation, affiliation, and participation rather than individualism and anomie. No element in this theory has been more central than the hypothesized role of social capital in democratic development, popularized by Robert Putnam’s now classic work on Italy.<sup>3</sup> He found strong evidence that political culture matters by demonstrating that newly created regional governments in Italy were stronger, more responsive, and more effective in regions with high levels of *preexisting* social capital.

Since the publication of that research, a veritable cottage industry has developed on social capital and its impacts. Researchers have found different types of social capital; those called “bridging social capital” seem to be positive for democracy, while other kinds, such as “bonding social capital” can sometimes hamstring democratic development.<sup>4</sup> Putnam’s research, however, suggests that the formation of social capital extends over centuries, implying that it will be extremely difficult to change such deeply embedded patterns. Indeed, this was Banfield’s conclusion to his classic work on “Montegrano,” Italy decades earlier; he believed that village’s political incapacity resulted from cultural patterns formed over many centuries. He argued, pessimistically, that “cultures do not remake themselves in fundamental ways by deliberate intention any more than villages.”<sup>5</sup>

Other researchers, including Putnam himself, suggest that levels of social capital can change and that it can be built or lost in relatively short periods of time; for example, he has found that TV viewing can have a pernicious impact on social capital.<sup>6</sup> The broader theory rests on the premise that cultures themselves can change, with authoritarian, antidemocratic cultures giving way to democratic ones. Certainly that seemed to be the lesson from postwar Germany and

Japan. The argument has been that these were deeply authoritarian cultures, which, in the case of Germany, could not sustain democracy under Weimar, resulting in the emergence of fanatical fascism, genocide, and a war that took over 46 million lives.<sup>7</sup> But German values today seem to be deeply democratic, having evolved rapidly since the end of the war.

That assertion is hard to sustain because we really do not know what the Germans and Japanese were like before World War II, as modern survey research had not yet been invented. Right after the war, the U.S. army gleaned important evidence through surveys in Germany, and while that data is fascinating, it is data from after the war, gathered by an occupying army.<sup>8</sup> Inglehart, reviewing data from the 1950s and beyond, sees clearly that values in Germany and Italy have indeed changed.<sup>9</sup> Using that data, however, it is difficult if not impossible to sort out the causal element in what Inglehart aptly terms the "culture shift." We could make a good case that prosperity changed values, but that does not help practitioners who are attempting to promote democracy: the lesson of Germany, Italy, and Japan could well be that in order to foster democratic values, one need only sit by and watch the economy grow.<sup>10</sup>

While many have studied the nature, levels, and impacts of social capital, fewer have focused on how to stimulate its formation and expansion. Such research requires an experimental before-and-after design, which social scientists rarely have the opportunity to implement. The experimental part of Putnam's Italian study in the early 1970s emerged as Italy created regional governmental institutions for the first time in its history. Thus, Putnam could focus on the efficacy of those institutions in different regions, comparing those where social capital had been high before the installation of the new governments with those where it had been low. What Putnam found is that in the regions of high social capital, the new institutions were far more effective than in the regions of low social capital.

To move beyond Putnam's research we need situations where we can measure the increase (or decrease) of social capital that might emerge from programs designed to stimulate its growth. That area of inquiry has seen far less research, but it is the key to the chapters collected here. Landmark work at Cornell University, conducted in Asia by Avirudh Krishna and his associates, has shown that even though levels of social capital may be less than optimal, people find creative ways to harness what does exist and even create more of it.<sup>11</sup>

But other evidence that social capital can be created is mixed and limited.<sup>12</sup>

In general, democracy programs have limited impact.<sup>13</sup> This view is shared in a recent U.S. General Accounting Office (GAO) study of USAID democracy-promotion programs in Latin America,<sup>14</sup> which found that many projects do not incorporate evaluation methodologies that would allow the impact to be documented. A major recommendation of the GAO study was that U.S. foreign assistance should “establish a strategy for periodically evaluating” such projects “that is consistent across agencies, countries, and types of programs.”<sup>15</sup>

In this chapter I describe one study that carefully measured the impact of a program to build social capital by expanding citizen participation in local government. The project operated in the context of a decentralization process that transformed the structure and resources of local government in Bolivia. In many ways this project resembled Putnam’s study in Italy, which compared the effectiveness of regional governments. In both Italy and Bolivia, institutional changes were introduced, transforming local or regional government. In Italy, the independent variable Putnam studied was political culture in the form of social capital. In Bolivia, I used an experimental design to examine a program that helped empower citizens to exploit the resources made available by a nationwide program to decentralize national government and strengthen local government. This program was applied to some areas, in effect making them a treatment group, and not to others, making them a control group. Using survey data collected from individuals in both groups, we were able to measure the program’s impact. The results, as I show below, have been positive, suggesting that social capital can be built in relatively short order, and giving us grounds for optimism that democracy can be built.

### Decentralization and Popular Participation in Bolivia

In 1994, Sánchez de Lozada, president of Bolivia, ushered in a set of reforms designed to attack corruption and strengthen accountability by decentralizing many government responsibilities.<sup>16</sup> The Popular Participation Law (PPL) began what many observers see as “Latin America’s most significant and innovative effort ever to extend and complement the institutions of representative democracy through decentralization.”<sup>17</sup> Designed with the help of international development

agencies, the PPL was intended to create a newly empowered local level of government; several provisions explicitly aimed to make local government officials more accountable to citizens.

Several features of the PPL and the later constitutional reforms associated with it were notable. It redrew municipal borders to incorporate rural communities previously excluded from local government, and institutionalized citizen oversight committees and grassroots organizations designed to have an ongoing role in local government. It dramatically increased the development responsibilities of municipal governments, transferred significant fiscal resources to municipal governments, and aimed to make municipal government more accountable by allowing a town council to remove a mayor with a three-fifths majority vote in case of misconduct. At the end of the process, local government in Bolivia was reorganized into 311 municipalities incorporating the entire national territory.

### *The DDPC Program*

Much as in Putnam's Italy, in Bolivia a nationwide reform granted formal powers to a subnational government never before experienced in a country with a very long tradition of extreme centralization.<sup>18</sup> In Bolivia, a special program was established to improve local government by encouraging citizen participation and accountability. At the time of this study, however, that program was not national in scope. That situation provided us with the conditions of a natural experiment: some municipalities received the "treatment" of the special program while others did not. Thus, while the new laws transformed all the local governments structurally, only a subset of them received full access to the DDPC program. This fact makes it possible to hold institutional reform constant and look exclusively at the impact of the DDPC program, giving us an advantage that Putnam did not have in Italy. That is, we can separate out the program's impact from the structural reforms (i.e., decentralization and popular participation) themselves.

The objective of this analysis is to examine the impact that this effort had on social capital formation in Bolivia. The program, Democratic Development, Citizen Participation, has been supported by USAID since its inception. In this chapter I refer to the program by its Spanish acronym, DDPC. Since 1998 the Latin American Public

Opinion Project, now supported by Vanderbilt University, has been conducting surveys of democratic values and behaviors in Bolivia. Each survey has involved collecting data from a national probability sample of about three thousand respondents. Each sample has covered virtually the entire population of the country, including monolingual speakers of Quechua and Aymara, and people in remote rural zones, not an easy task in a highly mountainous country with a very low population density. The only adults excluded from the survey were monolingual speakers of other languages (e.g., Portuguese), who represent only a fraction of a percent of the population. Those studies have resulted in a series of monographs and articles.<sup>19</sup>

In our 2002 study we decided to select a special sample of municipalities or commonwealth associations of municipalities, called *mancomunidades* in Bolivia, and to compare the results for that sample with the nationwide results. We drew the sample of DDPC municipalities at random from the list of municipalities which had by that time experienced the full package of program inputs. This allowed us to make comparisons between those municipalities and *mancomunidades* and the rest of the country. Other municipalities, including some from which we drew our nationwide sample, received only some of the elements of the DDPC program.<sup>20</sup> To avoid confusion, we eliminated the data from those areas, so we could directly compare just the areas that experienced the “full-package” DDPC program and the sample from the rest of the country. As I note below, we also introduced controls to compensate for demographic and socioeconomic differences between the national sample and the DDPC sample.

The DDPC program began by selecting a small number of municipalities in which to engage in pilot projects. This effort was then scaled up under the “replicability strategy”: DDPC provided small institutional strengthening grants to selected *mancomunidades* and departmental municipal associations, which they used to hire three to five technical staff members with expertise or training in such elements as municipal budgeting, participatory planning, municipal legislation, and meeting facilitation. The DDPC, in turn, trained these staff in its *Modelo de Gestión Municipal Participativa*, which, as a starting point, sought to increase citizen participation in defining the annual operating plan and budget. The efforts also focused on strengthening the capacity of the municipal executive and council to organize itself, properly prepare accounts, and respond publicly to the increasing demands of citizens.

A central goal of the project was to help citizens become more active in the municipality. The expectation was that citizens would take advantage of the new laws: participate more frequently in municipal meetings, feel that the municipal government was becoming more transparent and responsive than the national norm, and believe that they could exercise effective social control over the municipal government. Eventually, it was hoped, these two elements would increase citizen satisfaction with the performance of municipal government and, by extension, with the democratic system of governance.

### *Control Variables*

Before we compared the special DDPC sample and sample for the rest of Bolivia, we had to determine whether the DDPC sample differed demographically or socioeconomically from the rest of the country. Since the DDPC program focused heavily on rural areas and smaller cities and towns, it is likely that the sample we drew on to represent the areas that received the full DDPC package of inputs would be more rural, and thus poorer and less well educated than the national population. We found no significant differences between the national and DDPC samples in terms of gender or age, thus reducing concerns over selection bias. We did, however, find significant differences in urbanization, education, and income. The DDPC sample is more rural and less well educated and has a lower average income than the sample from the national population. We controlled for these factors by treating them as covariates in the analysis of variance that I describe here.

### *Results*

As we compared the data from the DDPC municipalities to those for the nation as a whole, we looked especially at three issues: participation, in the form of attendance at meetings; willingness to make demands of the authorities; and sense of satisfaction after complaining. We found that the more people participated, the more they felt their municipality was responsive. By using appropriate statistical tests, we were also able to see how these factors interacted.

Bolivians living in the regions where the DDPC carried out its full program attended meetings at significantly higher levels (24.6%)

than those in the rest of the country (19.3%), representing a difference of 27 percent even after we controlled for urbanization, income, and education. These results are meaningful from an international perspective, as they approach the highest level reported in the Vanderbilt University Latin American Public Opinion Project database, where no country has participation levels above 29 percent.

Because making demands of one's local government is a more active form of participation than attending meetings, we speculated that it could tell us more about popular involvement. As was true for participation at meetings, we found that a significantly higher percentage of people in the DDPC areas (26.1%) were willing to make demands compared to 20.5 percent nationwide. As with meeting attendance, this represents a difference of 27 percent between the two groups. And again the DDPC areas came close to matching those countries at the top of the Vanderbilt list.

We also looked at the satisfaction level among those who made such demands of their municipality: were they happy with the response they got? We found that DDPC area residents who made demands were significantly more satisfied, at 48.6 percent, compared to 39.8 percent for those who made demands in the nationwide sample. We interpret this as meaning that municipios included in the DDPC program have learned how to respond to citizen demands far better than other municipios in Bolivia. This clearly indicates the program's efficacy. But merely living in a project area does not make people satisfied: those in the overall DDPC sample had virtually the same level of general satisfaction with municipal government as those in the rest of the country. The key is making a demand: those who both live in DDPC areas and make demands on their system are more satisfied.

Next, how does meeting attendance interact with satisfaction with municipal services? Those in the DDPC sample, at 44.6 percent, did not seem to be significantly more satisfied than those in the national sample, at 45.6 percent. The picture changed, however, when we selected out those who had attended a municipal meeting within the past year. Meeting attendees who live in a DDPC area were more satisfied with municipal services (49.3%) than attendees nationwide (45.2%). We interpret this as meaning that when citizens live in a municipality that has undergone major reforms and have contact with their municipal government in the form of attending a meeting, they are more satisfied with the services they get. This finding echoes the one reported above. It seems that either making a demand or attend-



ing a meeting will raise the satisfaction level of DDPC area residents more than it will for their non-DDPC fellow citizens.

Overall, we found that residents of DDPC areas were more satisfied with municipal services, and with treatment by municipal officials. They also see their municipalities as more responsive, especially if they have attended a meeting in the past year. In combination, then, these results show that the DDPC program is changing the way municipalities are doing business, making them more responsive to their "customers." Of course, the resources to satisfy demands remain very constrained in Bolivia, given the overall low level of national income, but the DDPC project has found a way to increase citizen participation and satisfaction.

One particular area concerns, us, however: the gender gap. Earlier studies by the Vanderbilt project have highlighted the gender gap in participation in Bolivia. Has this gap narrowed in the general public, and within the DDPC sample? In terms of attending municipal meetings, DDPC participation is higher for both men and women. But the gap remains quite wide in both samples: nationwide, 14 percent of women and 23 percent of men had attended a meeting, compared to 20 percent of women and 39 percent of men in DDPC areas. Female participation is 60 percent that of males in the national sample, but only 51 percent that of males in the DDPC areas. This suggests that the program must do far more to narrow the gender gap.

We found a similar pattern for making demands. Nationally, 17 percent of women and 25 percent of men had made a demand in the past year, compared to 17 percent of women and 28 percent of men in DDPC areas. The gap between males and females is large in both groups, but larger in the DDPC sample. In the national sample, females make 68 percent as many demands as males, but only 45 percent as many in DDPC areas. In other words, females in the DDPC program exhibit no more social capital than women in the rest of the nation, which suggests that virtually all of the program's impact has been on males. This is a disturbing finding, one that calls for a reexamination of the program's methods and the degree to which it is gender sensitive.

### Beyond Bolivia: Social Capital in Latin America

The program to build social capital in Bolivia that I describe here cannot be studied easily elsewhere in the region because there are

no comparable “before-and-after” studies. Therefore, we have little quantitative evidence to draw on to generalize about building social capital in Latin America. The General Accounting Office (GAO) report cited earlier states that little such evidence is available in the six countries it covers.<sup>21</sup> Moreover, the Bolivian project is quite new; the gains we have carefully measured and documented may or may not persist. In this context, I describe one historical case that shows the long-term impact of local government strengthening in building social capital.

This example is from Costa Rica, an especially interesting case. It is far poorer than advanced industrial nations or even more advanced Latin American nations like Argentina, but it is widely recognized as having the longest and deepest tradition of democratic governance of any nation in Latin America. Civil liberties, including freedom of the press, speech, and assembly, are widely respected and protected. For over fifty years, free and open elections have been the hallmark of Costa Rica’s politics, with observers worldwide seeking to copy elements of an electoral system that faithfully guarantees against voting fraud and corruption. Human rights, so often brutally abused in other Central American nations, are carefully respected, and one rarely hears even allegations of their violation.

Many researchers have attempted to explain why Costa Rica is such a strong democracy. They point out that for over fifty years Costa Rica has not had a standing army,<sup>22</sup> that significant elite agreements emerged in the 1930s,<sup>23</sup> and that nineteenth-century liberalism and agricultural policies had an impact.<sup>24</sup> Lawrence Harrison traces Costa Rica’s cultural roots back even further, to the regions of Spain from which the early Costa Rican immigrants were thought to have come.<sup>25</sup> Few studies, however, have looked explicitly at the long-term impact of local government. For example, Nickson refers to the importance of local government in nineteenth-century Costa Rica, but does not link it to the emergence of social capital.<sup>26</sup> Other detailed studies focus largely on developments in the second half of the twentieth century.<sup>27</sup>

What is less well known is that throughout the 1800s and early 1900s, local government in Costa Rica was *de jure* and *de facto* responsible for the health, education, and welfare of its citizens. Thus, while other countries in the region developed a strongly centralist tradition—in which central government rapidly took over local autonomy and responsibility—Costa Rica had a strong localist tradition

throughout its formative period. As a result, citizens regularly sought out their local governments and had contact with them on a wide variety of issues. This tradition had been eroding as the state centralized education, health and, eventually, welfare functions, but the tradition of strong, responsive local governments had been well established by then, and continued to predominate, especially in rural areas where central government presence was more limited. Even as late as the 1970s most citizens in rural Costa Rica looked to strong local governments.<sup>28</sup> Sadly, by the late 1900s, local governments were on the decline and interest in them had dropped as citizens shifted their attention to the growing central government.

Several recent attempts to resuscitate local government, such as the direct election of mayors and the separation of municipal elections from national elections, have thus far not helped rekindle interest in local government. In the first mayoral election 77 percent of the registered voters failed to vote, compared with an average of 30 percent at the national level. Still the historical illustration sketched below seems to show, descriptively at least, that social capital can be constructed. Despite some erosion, municipal government still plays a very important role in the lives of many Costa Ricans. This is illustrated by the results of a recent national survey<sup>29</sup> in which citizens of four countries in Central America were asked, "Should more responsibility and funding be given to municipal government, or should we let the central government assume more municipal services?" Costa Rica topped the list, with 73 percent responding yes, ahead of Nicaragua (70%), Guatemala (58%), and El Salvador (52%).

My own experience as a Peace Corps volunteer in rural Costa Rica illustrates the importance and impact that local government can have in building social capital. Coto Brus, where my wife and I were assigned, had only a few years earlier been established as a stand-alone cantón, the Costa Rican equivalent of a county, with its own municipal government. Earlier it had been incorporated into Golfito Canton.<sup>30</sup> Before World War II this region had a tiny population, mostly indigenous people who had long migrated between Costa Rica and Panama, but the wartime construction of the Pan American Highway brought a significant population influx. By the early 1960s it had attracted a large enough population to form its own local government.

In the 1960s Coto Brus was remote and inaccessible by vehicle from the rest of Costa Rica during much of the rainy season, when

even large four-wheel-drive trucks could not cross the rain-swollen rivers. No bridges existed then. The region had very few public services other than primary schools in the settled areas, and one high school in the county seat of San Vito de Java. Medical services were virtually nonexistent; there was not a single physician in a region with over twenty thousand residents. The only medical assistance came from British volunteer nurses who ran a maternity clinic in San Vito.

The isolation, poverty, and lack of public services that Coto Brus experienced in the 1960s and 1970s were typical of many Central American regions. But Costa Rica was different because of the local government's role. Local governments in Costa Rica were, and remain to this day, very poor in material resources. The overwhelming majority of public tax income flows to the central government in San José. In spite of this limitation, as soon as the municipal government in Coto Brus was founded it began solving problems. Very few roads were paved, and electricity was available only in the largest settlements, and then only sporadically. With no telephone service, all communication with the outside world occurred via telegrams, and public transportation was a feeder bus line to San Jose, using an aging U.S. school bus that ran only twice a day, and then only to the county seat and villages along the way.

In short, citizens needed almost everything, but almost no capital was available. The municipal government, constrained though it was by limited resources, served as a focal point for all civil society groups seeking to overcome local problems. When hamlets evolved into villages, people formed school committees and contacted the municipal government for materials to construct a schoolroom. Normally villagers donated both the land and the labor for such projects, but the local government contributed the roofing material and perhaps some cement for the floors. When parents sought to build a soccer field so that their children would have a place to play, they asked the municipal government to loan its only tractor to level the land. Countless small-scale projects were completed this way, in a partnership between village organizations and the local government.

Beyond providing resources for local projects, municipal government became a conduit to the central government for requests to improve county services. One good illustration of the local government's key role in Coto Brus occurred in the late 1960s. At that time USAID was promoting a program to provide medical services in remote

rural areas. It granted jeeps to the Costa Rican government, which in turn provided a health team—physician, public health worker, and nurse—to offer rural medical services. Based in San Vito, the team traveled each day to the villages, providing basic medical attention and public health education.

The key social capital-building component of this medical project was that no community could receive medical attention until and unless it had organized a local community development committee which was responsible for finding a place for the doctor to examine people and for the educator to give her lectures. The committee also had to collect a small fee from each prospective patient, to purchase a *ficha* that entitled them to a place in the waiting line to see the doctor. The funds collected were not handed over to the doctor but were designated to be used in the village for community development purposes.

The results were impressive. Community welfare committees sprang up in even the most remote villages, and many citizens became deeply involved in them. As a result, local leaders emerged in these committees, which began to extend their reach beyond the narrow task of preparing for the health team's regular visits. Some villages built community centers or soccer fields. Within a few years, these committees had become the central focus of community development in many villages. At the same time, whenever a new community project was being attempted, people would invariably decide to seek assistance, even if only token, from the municipal government. An important dynamic developed around this interaction between civil society and local government, one that helped strengthen them both and build social capital within the village and the cantón.

One vignette will illustrate how central this interaction was to community life. In 1968 the Ministry of Health announced that it was inefficient for the doctor—and the entire team—to travel from village to village, so the mobile teams were to be dismantled and medical service would be concentrated in the county seat. Evaluated purely in terms of efficiency, this was a good decision: as the doctor's time was the scarcest resource, he should not spend it traveling to see patients. But the villagers of Coto Brus saw it as a major blow to their communities, making them less desirable places to live and less likely to attract other settlers, an important local goal in this sparsely settled region. And, without regular physician visits, the community welfare association would lose its *raison d'être*: it could no longer

collect fees for the privilege of seeing the doctor or have either the funding or the motivation to build a community center to host the visiting medical team. In short, the social capital that had been built via the mobile doctor arrangement was being threatened. But, as the ministry would soon learn, it would not be easy to eradicate it.

In response to the ministry's decision to eliminate the mobile medical service, the welfare committees, working with the municipal government of Coto Brus, began to organize a protest. The community radio station, run by the Franciscan priests assigned to the county, was used to send messages to the various village welfare committees. They, in turn, sent protest telegrams to the ministry, but also to their legislative deputies in the province of Puntarenas, urging a change in policy. When those efforts failed, the municipal government and the community leaders organized a protest, sealing off the only road connecting the county to the rest of Costa Rica and demanding that the minister visit the region to respond to the local plea to restore the mobile medical service. At that time, the other countries of Central America were all authoritarian regimes, and such actions would no doubt have been met with force; Costa Rica, however, had long-established traditions both of democracy and of using dialog rather than repression to respond to citizen demands. So the minister and his assistants agreed to fly to Coto Brus and meet the citizens.

In preparation for the minister's arrival, the county welfare committees, along with the municipal government, planned extensively and carefully. They not only organized the citizens to show up en masse in San Vito on the day of the visit; they also selected the most articulate local spokespersons to present their case. Their efforts paid off. On the day of the visit, the crowd was so large that the entire event had to be held outdoors. The officials listened to the presentations and, after several hours of dialog, agreed to restore the service. The communities shared an enormous feeling of triumph in the weeks that followed.

This story contains some important lessons. First, local government had historically been central in Costa Rica, so it provided a natural locus for organizing when coordinated action was needed. The residents were far more effective because they could present a united front to the minister. Second, the municipal government worked in concert with civil society organizations from the villages to meet the health care challenge, a way of operating that had become institutionalized in Coto Brus long before the mobile health unit crisis. Third,

the community could resist and eventually triumph over central government power largely because it had built social capital by institutionalizing the welfare committees in each village. The committees were used to meeting and organizing and also to working with their municipal government to address public issues.

In conclusion, I believe both the mobile health unit program in Costa Rica and the DDPC program in Bolivia are good illustrations of public policies that helped build social capital. The survey data support the view that social capital can be increased, as we found the DDPC program had a significant impact on raising it. But we also found that a wide gender gap still exists in Bolivia, and has not been narrowed in the DDPC municipalities. The descriptive illustration from Costa Rica shows how good public policies, those that stress local participation, can help build the kind of unusually strong social capital that allowed poor people in remote villages to confront their central government and win.

Several implications for social capital research can be drawn from this research. Social capital is not merely a given, an inherent inalterable characteristic of a population. Programs can be designed to increase social capital, just as they can be designed to reduce it (consider the impact of Stalinist terror on social capital). Most development programs, however, focus almost exclusively on the dependent variable of economic growth, without considering growth in social capital as an important additional or even primary goal. Development practitioners must think carefully about these implications.

### Notes

1. This is a revised version of a paper presented at the Culture Matters Conference, Tufts University, March 26–28, 2004. I thank Eduardo Gamarra, José Garzón, and Maggy Morales for helpful comments.
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16. This paragraph and the next are based on Jon Hiskey and Mitchell A. Seligson. "Pitfalls of Power to the People: Decentralization, Local Government Performance, and System Support in Bolivia," *Studies in Comparative International Development* 37, no. 4 (2003): 64–88.
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