

3. Social Capital

3.1 What is Social Capital and How Is It Created?

What is the social in human action? Introducing an initial definition, the social is an interaction between people that stimulates and regulates access to relationships and to live relationships between people in a culture, for example in familial upbringing and community connections of all kinds. The relationships and the type of interactions, from personal relationships to networks, represent resources, assistance, recognition, opportunities for actions, and perspectives to reflect and act in social groups and society as a whole. The way in which these social relationships are concretely formed is different depending on the culture and era, but there are no human relationships without some social aspects. The social is mediated through interaction in communication and cooperation, which starts in a family and usually happens through parental care, personal contacts, visits, acquaintances and circles of friends, labor activities, joint activities (such as religion, sports, sexuality), and mutual favors, gifts, and dependencies. But virtualized relationships (such as Facebook, etc.) can also be seen as social if they lead to mutual obligations and communicative links like creating a network. Thus 1000 “friends” on Facebook might only be virtually “connected,” but they establish a fictional social group from which the user may draw everything from self-worth to a certain hubris.

Against this background, the social extends from the very personal, intimate relationship to social expectations, orientations, forms of life, and power relationships, which have become increasingly more open in the modern era, they are at least not given by birth and an inherited social status alone. Along with the social, economic capital has also emerged as a relation involving power and money, which codetermines social relationships. In “The Philosophy of Money,” which first appeared in 1900, Georg Simmel (2004) already pointed out the increase in individualization with regard to the connection between social and monetary relations. A calculating rationality appears in this context, which for him—in contrast with Marx—is based primarily on the subjective accumulation of values for all goods, which becomes reified through human commercial activities and returns thus in objective ways in exchange-values on the market. For Simmel, money is similar to a spider that weaves all communal relationships including the social in its web. The relationship between needs and means is thereby transformed: if money primarily serves to optimize our commercial activities, all commercial activities transform into needs under its regime. Although money, value, and capital were analyzed more complex by Marx, Simmel is

able to show that economic and seemingly “objective” relationships always have a subjective side. And it is precisely this subjectification and individualization that leads to a weakening of a strict and narrow conception of capital.

The concept of “social capital” already emerges around the end of the 19th century in reference to social networks, for example, in Dewey’s (1900, 104) “The School and Society.” Dewey also used it again later to characterize the money-related role of the government in making an educational environment accessible to young people, regardless of their origin or skin color, which enables their growth by increasing education, furthering skills, and securing education and skills as social capital (Dewey, MW 4, 157). In the context of his influential corpus of work, social capital means improving social conditions through mutual cooperation and trust, securing the sustainability of these conditions through collaborative efforts, working with experimental methods, and performing a radical educational reform on the basis of “learning by doing,” continuously monitoring the results, and developing democracy as a whole through participation. The concept is separated here from economic capital and the material power relations associated with it, as was common for approaches at the beginning of the 20th century, in particular in order to emphasize the job of the community and the government in creating social capital as a resource and opportunity for the economically disadvantaged as well.¹

An important question is the extent to which the social, which aims at human interaction, social relations, communication, and cooperation in all their diversity, can even be connected with capital as an expression of economic relations. Does the associated economization of the social not fundamentally restrict the broad understanding of social relationships and relations? And how precisely can such a restriction be justified? If there are first and foremost economic advantages in the capitalist market, is there a financial gain that someone can derive from social relations or relationships in order to create social capital? Or is a certain achieved social position already enough to indicate that social capital appears in this social relationship, even if such a position appears to others to be more of an expression of a rank or power in a social group or gender relation, gained on the basis of age, power, or familial dependencies?

To answer such questions, it is essential to analyze how the economic aspect of capital can be connected with the social aspect of the diverse

¹ In “Bowling Alone,” Robert Putnam (1995, 2000) attributes the introduction of the concept of social capital to Lyda J. Hanifan in 1916. But this often-cited attribution is incorrect because Hanifan already refers to Dewey and develops a much narrower understanding of the concept. Unfortunately, most discussions of social capital follow Putnam and thus distort the discussion of the origin and original broader meaning of the concept.

relationships people engage in. There is a lot of technical and terminological vagueness here because economists on the one hand see any social factors as external to economic operations and others in contrast suspect there are economic implications for all social actions. It will be important for me to develop as precise a connection here as possible between the social and capital in order to give corresponding priority to three aspects that appear important to me:

- 1) Social and economic fields, as well as theories, have their own contexts and meanings, which do not merge automatically and always need to be well distinguished, especially in respect to their interconnections. Here not everything from the social field is connected clearly with economic processes and it is critical to capitalize all the social.
- 2) Social *capital* includes those specific activities from the social field that appear to be things that can be capitalized, i.e., to be more precise, that can generate profit or surplus value on the basis of investments made and costs accrued. This is the narrow sense of *social capital*.
- 3) Social behavior in all forms is significantly more open and fuzzy than in rather narrow economic behavior is intended. The high degree of vagueness is, however, no reason to ignore the effects of the social field on the economic field even if problems result for the measurement of these effects due to this vagueness. Social capital stands in a strong relation with economic capital, even if it is not fully exhausted in it. But a key scenario here is that those who have high economic capital also embody and symbolically represent a corresponding power and high social status in comparison with other people, which attracts other people and is admired or envied. This is always a foundation for higher social capital, which can be transformed into economic values.

Recently there are approaches by James Coleman (1989, 1990), Robert Putnam (1993, 1995, 2000), and Pierre Bourdieu (1986), which define social capital very widely, whereby it is not always clear how adequate social interests and power relations already are for assuming the presence of capitalization, which often only consists in the fact that social positions of power are expanded. The increase of economic capital through social powers appears then to be an additional gain to the regular wins of surplus values.

Social capital according to Putnam

In "Bowling Alone," Putnam (1995, 2000) identifies four factors implicated in the shrinking of social capital in the USA: (1) The fact that women increasingly enter the workforce has led to a significant shrinking of the opportunity to

cultivate social capital in families.¹ (2) Social mobility has led to people being increasingly less rooted in their home, community, or group. The working world places demands on flexibility, mobility, and dynamics, which contributes to the deracination of people. (3) The transformation of the living environment through increasing divorces, decreasing numbers of children, and the loss of real income has led to the fact that the middle class in particular cannot any more sufficiently generate and maintain enough social capital. (4) Television and mass media destroy leisure activities, they take time away to create forms of social capital not oriented toward profit through voluntary engagement and shared values.

As an analysis, “Bowling Alone” presents an image of the loss of social capital as it is represented in families, circles of friends, churches, sports associations, and even bowling clubs. Lower participation in such activities, and loss of interest in the common good, harms social capital as a starting point for a successful and happy society. Putnam worries that the more this capital shrinks, the stronger the negative consequences become, such as lack of interest in political elections, lack of social and human engagement, limited interest in the integration of outsiders, etc. And he sees the need here for a school system that becomes a key precondition for the creation of social capital when it articulates and represents the norms and values of a society. The World Bank and OCED, for example, have adopted this perspective in numerous studies on social capital in order to support and call for governmental policy that strives, through efforts in all educational fields, to distribute social capital as an opportunity in a more equal way. However, the recommendations vary here from aiding self-help to very open proposals on governmental support programs (on this, see Harris, 2002).

Putnam has his own special point of view here: the more voluntary services there are in a society and the more plural the mutual aid is between reciprocal associations; the more stable democracy appears. He idealizes voluntary services and activities insofar as he does not even consider the differing interests and conflicts between them. In particular, he dehistoricizes the connections and does not critically analyze the skepticism about individuality in modernity with which he affiliates himself. This leads to a very superficial perspective, which can indeed be content with partial empirical studies insofar as it investigates and considers individual norms and values and their dissemination in networks but hardly goes beyond an affirmative understanding of existing partial relationships. It is also likely that herein lies the popularity of the approach, which is very suitable for the self-representation of such associations. However, all critical groups, youth subcultures, political parties and their conflicting interests, conflicts about

¹ Feminists have rightly attacked this as an unreflecting patriarchal attitude. On the criticism of the idealization of traditions and the family as a whole, see for example Anreil (2006).

social problems, and power struggles with and between each other largely fall out of the picture from the outset (see also Siisiäinen, 2000). In the background of this theory of social capital is mainly the thesis that societies always function better when they, as a basis for value, are founded on voluntary regulation of social relationships, which is an idea that corresponds to a liberal or neo-liberal image of economics.¹ Especially in times of economic growth, such theories are accepted because they make adequate space for individual actions through their emphasis on voluntariness and trust,² but at the same time they lead to the underestimation of the negative effects of reciprocal social dependencies as much as they avoid sufficiently criticizing the failures of the state in a phase of deregulation. The state has to provide, as Dewey would determine this in his concept of social capital, for more justice (cf. Garrison/Neubert/Reich, 2012, 2016), where the idealized form of voluntariness fails to be efficient enough for all the needs.

Putnam sees social capital in a close relationship with civic engagement, as a civic virtue, reminiscent of Tocqueville (1835), through which, in the interaction and cooperation of a group of people, an identity, a common will, arises on the basis of values and norms, which then subsequently appears as social capital in and for the group. Putnam's work in many respects goes back to James Coleman, and it is very striking that neither acknowledges Bourdieu in their approach despite the extensive secondary literature on Bourdieu.³

How can social capital be defined succinctly from the perspective of this approach? Krishna (2002, 15) sees social capital in the broadest sense in terms of people who operate in dense social networks with norms of reciprocity and trust and are thereby in a better position to act collectively and achieve reciprocal gains in social aims. Their capital consists in being able to combat opportunism more efficiently and to overcome problems of social action. This can be related to social and economic factors. Inasmuch as both areas of action overlap, it seems that we can speak of capital. For Krishna (2002, 27), the different successes of social groups in different fields of human action can clearly be referred to differences in social capital.⁴ Differences in the institutional effect of governmental or non-governmental bodies also depend on social capital, particularly reciprocity and trust.

This approach is stimulating for those who focus on scenarios that look at social forms that tend to be relatively independent of economic capital. These

¹ "The flaw in the pluralist heaven," if we take this heaven as the pluralistic voluntariness of positive social capital that Putnam envisions, "is that the heavenly chorus sings with a strong upper-class accent" (Schattschneider, 1960, 35; cited in Siisiäinen, 2000).

² In "Making Democracy Work," Putnam (1993) almost exclusively describes sports clubs and cultural associations, which attests to the one-sided understanding of the social in his work.

³ Fine (2001) presents all the approaches comparatively in light of their historical development.

⁴ Krishna (2002) in particular discusses active social capital using the example of India.

include, for example, spiritual or athletic associations, which initially appear to be free from an economic side and whose purpose seems to lie in a common goal: a club, sect, order, interest group, honorary post, voluntary service, etc., which pursues a particular social interest or measures itself against others in sports or competition without further interests in economic gains. Leisure and recreation are also part of this. However, even for such associations or activities there is more or less, depending on their goals and methods, a certain capitalization of their relationships that underlies them because and insofar as they generate costs and have to spend money on maintenance. They offer the opportunity for social relationships that do not seem immediately dependent on economic capital. Putnam, however, simplifies such relationships because he does not consider the power-related aspects, which always also run through social communities. Against this simplified background, Putnam and his followers attempt to describe more precisely how and with what idealized assumptions social capital can be developed or improved. In this context, he distinguishes between norms, moral obligations, social values, trust, and social networks. A central thesis is that this capital will also lead to a well-functioning economy and greater political integration of all members of society. Putnam and his followers tend to individualize the possession of capital and reduce it to conscious, rational decision processes. These theories are thus particularly well suited to make individual decisions with respect to voluntary engagement and gain through such engagement in capitalistic society comprehensible and calculable for the individual—this may be necessary for a desirable biography—, but at the same time they forego a detailed critical perspective on social conflict or social problems. They also fail to capture the emergence of social assimilation as encouraged by involuntary participation in societal socialization such as school because they assume a voluntariness that simply does not exist given the constraints of the capitalistic environment: Who could decide against participation in school education (it is absolutely mandatory in some countries), and who could rely on voluntariness when there are almost always clear rules and standards given about the form in which social, cultural, bodily, and learning capital can be shared and appropriated?

This conception of social capital, which has been emptied of conflicts, is used today by OCED as a statistical metric in order to understand social networks of agents on the one hand and thereby also to understand the norms of reciprocal relationships on the other hand.¹ This necessarily leads to a narrowing. In Putnam, Coleman, and the broad secondary literature on social capital, functional, utilitarian, and rational elements of action are heavily

¹ “Social capital is defined as the norms and social relations embedded in the social structures of societies that enable people to co-ordinate action to achieve desired goals.” See Social Capital Initiative, C. Grootaert, Working Paper No. 3, World Bank, 1998.

discussed, where primarily regulated relationships such as families, neighborhoods, voluntary groups, etc., with their diverse norms, stand in the foreground, without adequately discussing their exact relationship with power positions and monetary advantages. The analysis often remains very general and emphasizes social efforts as if they were already capitalized since they are always also a precondition for a way of living that is also approached in economic terms.

A positive aspect of this approach for democracy is at least that participation in the group or society is regarded as particularly important. Through collective action, concrete trust is built up, values and norms are experienced as attitude shaping, and civic awareness is attained, which in many studies is interpreted as participation in politics and the economy. From this point of view, individuals use situational networks that are made available for information, action, and efforts, whereby the respective situation and the specific aim determine the shape and form of social relationships. In this way, for example, a social network that serves career development differs from one that, for example, expresses a voluntary or religious commitment. Seen empirically, the situational approach investigates very heterogeneous social occasions and relationships, which are conditioned by certain constraints and measures. In addition, there are also social-psychological, cultural, normative, and ethical interpretations, which especially consider questions about the internal cohesion of social relationships and networks including questions about trust, loyalty, etc. Putnam's approach uses the concept of capital primarily in its social effects when he argues that social capital like economic capital leads a community to "buy" togetherness. But he sees this as divorced from economic interests because he holds up the lack of profit-orientation, voluntary engagement, mutual and unpaid aid as especially strong forms of social capital. And he is rather disillusioned about whether the world can be improved adequately in this respect because it is precisely lack of such social capital that increasingly characterizes the world today.

Fundamentally, the question arises whether this social capital really is about capital at all. The conceptual vagueness here leads to social participation and especially voluntary engagement being counted as capital in order thereby to express desirable values for society per se. In such an open approach, everything social is quickly capitalized. A good deed appears as common social capital here if for example volunteers provide others with help that otherwise would not have been provided. But just because the concept of capital represents wealth of some sort, it does not at the same time mean that all social actions are capitalized when things go "better" for people in some way.

Ben Fine (2001) emphasizes that economic perspectives on human or social capital are always characterized by a kind of reductionism that is primarily based on individual-related utility. Nevertheless, the economic

sciences have increasingly had to realize in recent decades that economic action is always in some sense social action. In this regard, economic approaches to social capital in particular have succeeded in engaging in economic discourse in an enriching way.¹ Meanwhile, it is part of the insight of economics now that social capital can help us move the struggle for economic positioning forward, live life more healthily, behave in less criminal ways, and reinforce reciprocal effects overall. The social seems to enter here into a field that is otherwise not oriented toward the social but primarily toward the pursuit of profit. But at the same time, it can be claimed that economic behavior always has a social side (see Fine, 2001, 26). In the more strongly economically oriented theories of social capital, it is striking that they do indeed sharpen the focus on the effects of the social on economic aspects—such as rational choice behavior in consumption, trade, network structures, and their effects on behavior and productivity, different social roles in economic behavior, etc.—, but nevertheless they quickly lose sight of the production of surplus value in terms of gains and its appropriation by different social groups.

Social capital according to Bourdieu

This is why Pierre Bourdieu chooses a different and considerably more nuanced approach, which is at the same time more critical of capitalism. He also sees the effects Putnam describes but classifies them on the whole into different forms of capital and their reciprocal interdependencies and systemic interactions. In doing so he stresses from the outset social agents and their struggle for interests and power in a competitive environment in which the amounts of various forms of capital are distributed very differently and the forms of distribution are constantly an object of struggle.² The differentiation of the social structure into classes or groups of people happens for him through disposition over the three forms of capital: economic, social, and cultural capital. And the differences in tastes and lifestyles, in norms and values, attitudes and behaviors, are defined as the habitus of certain groups of people possessing different amounts of these forms of capital. Although Bourdieu considers it a fallacy to draw immediate conclusions about the existence of a real class from the distinction between forms of capital and their distribution and volume in the sense of a simplified Marxist copy theory (class location here, class consciousness there), he does not, however, say that the differences in capital possession and position in a social field would

¹ The proliferation of works on social capital since the 1990s is indicative of this. On this, see also Halpern (2005, 9 f.). However, the boundary between the social and capital aspects is often unclear here (ibid., 29 f.)

² This combative, agonistic way of being has been portrayed vividly by Chantal Mouffe (1994, 1996, 2000) in particular.

prohibit reference to classes. We just have to be aware of the constructed nature of the concept and represent it clearly in order to show specifically what is meant. Beginning in the 1990s, a significant turn to the left can be seen in Bourdieu in the face of the neo-liberal dismantling of many elements of the French social state. He especially strongly criticizes the effects of the commodification of all areas of life.

A habitus for Bourdieu is a generating mechanism that is structured and determined by a preceding praxis and at the same time influences praxis and its symbolic order by means of actions and perception. A habitus can be more or less coherently experienced in subjective attitudes and triggers repercussions for others in interactions. We often acquire such a habitus in the family and in cultural and social interactions, but large parts of this acquisition remain unconscious for us. Possibilities as well as limits in people's schemata of action and perception are articulated in the habitus. In praxis, there are specific fields, for example the social field, in which opportunities can be lived or are discarded. The habitus includes specific attitudes, such as taste, style, unconscious preferences, sympathy or disgust for something, as well as rules, etc., which are understood as properties.

For Bourdieu, the symbolic capital that can be drawn from all forms of capital articulates, in a significant way, effects through the positions of power reached in the social field. The respective intersection, the achieved volume of forms of capital in their interaction, is expressed through symbolic capital. If the volume of individual forms of capital is high, recognition and praise follow, and if all forms are fulfilled well, power and influence follow. Individuals struggle for different positions in society within the context of their habitus and endowment of capital—this in short is the upshot of Bourdieu's study.

With this approach, Bourdieu clears away the idyll of a large community, which has seduced American authors in particular again and again and continues to seduce many others until today. Communities disintegrate into differences upon closer observation and sober analysis. Wherever economic capital plays a role through ownership relations, which is something that can never be ruled out in the social world completely, social capital will not remain untouched.

How does the social transform into capital?

Relations of all kinds are the basis for creating social interests and power in social interactions, communication, and cooperation between people. As with economic capital, individuality as well as privacy and sociality as well as public sphere are intertwined. On the one hand, our relationships and networks of relations seem to be a purely individual and private matter, and on the other hand it quickly becomes clear at the social level which of these individual and private enterprises actually promise success and allow one to profit in terms of social ranking in comparison with others. Particularly in the

connection with economic capital, there are advantages that arise here because in networks where money also circulates positions of power are configured in the social space and networkers profit from this when they improve their position. Such networking advantages in social space relate primarily to the resources of one's own family, income level, the particular area where people live, their status symbols (house, car, boat, vacations, leisure activities, etc.), which lead to corresponding circles of friends and acquaintances that are crucial for the creation of networks alongside relationships at work (often structured according to location in the occupational hierarchy). Voluntary social service ekes out a rather shadowy existence even if it is a particularly important mark of distinction for social helpers in society. It might help to mitigate the atrocities of the capitalist world and its selfishness and thereby represents a moral claim that goes beyond capitalization. If they want to go beyond their own selfishness, the higher social circles can also afford to increase the status of their own network here through the esteem associated with altruism via donations, charitable work, and sometimes social foundations.¹

Unlike with economic capital it is difficult on the whole to make out clear use and exchange values in social activities because the social values usually appear in a highly symbolically charged form. On the side of relationships, they represent a network character, which besides questions of social matching depends in its fit strongly on the viability of time frames in biographical careers and coincidences regarding fit in relationships when seeking an internship, admission to the university, a job, or a partnership as well as in the formation of circles of friends and acquaintances with all of the associated possibilities for chance. The origin of the creation of social use values with a view toward exchange thus always takes place within the pedigree and status of one's own family, which provides a corresponding habitus and place for growing up that continues to have effects throughout life. This is also reinforced by the fact that in the framework of capitalism, privacy is emphasized not only for economic property but also for private relationships so that social networks *per se* appear better or worse in comparison with each other. People are born into social relations and lifestyles, which from the outset open or deny certain opportunities. And it is one of the greatest illusions with respect to social capital that every individual is supposed to be able to compensate for disadvantages through their great efforts. This is true only in particular cases and proves to be an exception rather than a rule in the majority of people's forms of action.

¹ For more on this aspect of social capital, see as an introduction particularly Halpern (2005), Lin (2001), and Field (2008), who nevertheless also appeals to the dark side of social capital (Field 2008, 79 ff.). See also Small (2009), which addresses the questions of inequality that can arise especially in networks.

How can we specify precisely when the social becomes capitalized? When and how do social actions transform into social capital? In Chapter 2, I already emphasized that use and exchange value can always be distinguished for goods and services that are produced and circulated with the aim of profit. However, we usually do not construct a use value for social actions because such actions appear “useful” in themselves without also needing to be useful in this way from an economic perspective. But when I am speaking about social capital, I shift to utilizable economic value, which requires a distinction from use and exchange value.

Social skills, expertise, qualifications, and personal characteristics in all their forms become use values when they fulfill certain conditions. They aim to appear in a market and thus to be exchanged for wages or income for example. In this regard, they can also no longer be set by chance but must correspond to a demand, represent a social value, be something that can generally be acquired by people, appear culturally appropriate and valuable, etc. These social qualities transform into capital when I can deploy them on the market. I hope for profit, but it can also happen that my investment costs are significantly higher than the profit I can draw from them. Social capital is always characterized in this regard by differences:

- 1) In my exchanges, I am able in a particular economic activity to derive a benefit for my use value, which may correspond to purely personal qualities that arise from or are part of social activities, which allows my costs (the production of the use value) to be compared with my income (my gains in the exchange).

As social agents, we all have different qualities, which often are not capitalized but are social, human, communicative, creative, etc. qualities. A certain “window for action” is required in an exchange activity in order to derive a targeted capitalizable benefit from the fullness of our social capacities. In this way, our relationship labor costs us a lot of time, but the effect takes place in a “window of time,” for example a job interview or a period when we submit an application, where we are chosen over other competitors and we recoup our costs or make a profit.

- 2) Capitalization is evident when the exchange can be made in monetary forms in the widest sense, i.e., when I represent my interests in an exchange or raise my social standing in terms of power. In a “window for action,” my possible monetary benefit is accountable. If only my interests or power are increased without this monetary benefit, then in order to avoid imprecision we should call it a growth in interests or power in social actions but not capitalization.

We do not like to talk about money or benefits in social relationships. Often it is even the case that we want to keep our social relationships free of such capitalization in order to remain free people. Nevertheless,

there are interpretations of our “windows of time” here according to which such a benefit suddenly appears. For example, marriage may be solely an expression of our love, but the sociological observer can at the same time recognize beneficial effects in a marriage made according to patterns of similar educational levels or social mobility where we might remain in our social position or improve it. In a possible divorce, we are also confronted very concretely with such terms and conditions regarding claims to alimony and pension sharing.

- 3) Capitalizations must always be interpretable in the economic field according to this assessment, i.e., there must be the possibility of a conversion taking place, which is plausibly observable and can be demonstrated. Capitalizations are in competition with each other on the market, and social hierarchies and different opportunities are reflected here.

What is interesting here is that this may only become clear in retrospect. We have left social relationships to chance and derive a profit that may seem like personal happiness. But in critical self-reflection it can also become apparent that these social qualities were by no means a result of chance. In particular, the unequal opportunities derived from social pedigree show that social capital is in fact at work.

Social classes

Against this background, it is particularly important to address social pedigree and possible opportunities for advancement. To do so, the social stratification of society needs to be considered. The way in which social relationships and their stratification from bottom to top or from top to bottom are constructed is left entirely to the prevailing *Zeitgeist* and context. In *Economy and Society*, Max Weber (1978) defined the concept of class in such a way that included both economic and social position. For Weber, a class exists when a group of people has typical opportunities regarding access to goods, outside position in life, and inner destiny in life. The opportunity arises from power (or lack of power) over relevant goods or services and their usability in the pursuit of income in the given economic order. The working class for Weber is dependent on wage labor in order to live, the ownership class is distinguished from such dependence by their ownership of goods, and in the social classes as a whole the personal situation is also reflected in the succession of generations.

This construct for class position has been preserved in numerous variations today because it is highly adaptable to the experiences of people in capitalism. Both the disposition of power over economic capital as well as the respective market opportunities, including the labor market, are taken into account by Weber, whereby social position is always connected with economic position (this is also developed further in Scott, 1996).

It is, however, a part of the ideological self-reflection of capitalism that people have often attempted to give up the notion of class entirely in order to replace it with a friendlier view of the individual who is then thought of in terms of his or her position in social space according to levels or milieus in order to avoid the opposition of the working and ownership classes (where the memory of Marx's division between capitalists and the proletariat shines through). With the decline of class struggle between capital and the proletariat accompanying the demise of socialist countries, the opposition seemed and continues to seem to be obsolete. But at the same time, in this reaction, social position becomes obscured through increasingly differentiated models of levels and is robbed of essential basic categories because with increasingly more strongly differentiated models of levels according to social positions, the reason for the division of society into a few rich, some middle, and a mass of relatively poor people remains clouded in apparent diversity.

The ratio between the masses and the elite helps us consider the problem of social position in a more differentiated way. In the framework of educational expansion, there was a tremendous increase in the breadth of qualifications. Thus, for example, the number of those receiving university entrance high-school diplomas worldwide increased by leaps and bounds, and there were increasingly more university students, which made universities into institutions for the masses. In the 1960s, the discussion of a meritocracy emerged in order to emphasize that in the framework of educational expansion individual effort paid off and guaranteed upward social mobility regardless of pedigree and possessions. This also brought the elites into view because in a democracy there is the idealized assumption that every person can end up as an elite on the basis of his or her capacities and qualifications if he or she only makes enough effort. But elites are powerful groups and people who also achieve their aims and make selections as an expression of their power to defend and enlarge their possessions.

Thomas Piketty (2014) in particular has shown in his study on income and asset distribution that economic capital has for a long time led to a concentration of wealth for social elites. He regards such a concentration—which we recognize today as increasing social inequality driven by economics—as a threat to democracy because through it social power relations also become increasingly uneven. The thesis often propagated in capitalism that you can acquire wealth and raise yourself to a higher social position through work, just does not stand up to historical evidence. From the perspective of research on the elite, such as that done by Hartmann (2007), it is proposed that there may be no automatic mechanism whereby wealth always also includes the possession of political power, cultural education, and attractiveness. But a relatively close and especially systematic connection between them cannot be denied. Thus, for example, the decisive advantage for the bourgeois in the occupation of top positions in large companies resides

in the fact, which is shown very clearly in recruitment patterns, that they possess a certain habitus that is characterized, among other things, by cultural knowledge and cultural taste. It is also no secret that wealth (particularly for men) has a significant attractive effect on a non-negligible portion of the opposite sex and may even have an erotic effect), which means that the chances to be loved also increase significantly (cf. chapter 5 on “body capital”).

Against this background, does it still today make sense to talk about social classes? Anthony Giddens (1984), for example, who was influenced by Marxism, proposed a theory of class structure under capitalism. He first divided the classes into upper, middle, and lower classes. This is how they are structured, i.e., their resources as well as standards appear in an organized form, and their practices lead to a reproduction of the system. If we take a closer look at the ruling elite, the combined effects of capital forms with regard to the determination of social position and power becomes very clear. With Giddens I will discuss aspects of the upper class in our time. In “Elites in the British Class Structure,” Giddens (1974) distinguishes four different types of elites in the *upper class* as forms of rule, three of which I would like to highlight here and partially reinterpret, in order to characterize the specific value of the elites who differ from other classes in the social system through their power and resources:¹

- 1) The *ruling class* is a dominant class that sets rules, standards, values, and norms; it consists primarily of the interests of the bourgeoisie and partly of the upper bourgeoisie, who have great economic capital, power, reputation, and strategic potential for controlling society. Depending on the country, it is a more or less tightly closed society; in France and the United Kingdom it is very closed.² What is essential for the enforcing power of this elite class is the degree to which they are successful in securing inequality in ownership and financial circumstances and protecting themselves from higher taxes.³ Since the 1970s, this class has proven to be very capable of asserting itself through neoliberalism in politics and strongly impressing its will on the *political ruling class* through putative “market constraints.” It already appears legitimate on the basis of the magnitude of its economic possessions and is always present as

¹ In Giddens, the “bourgeoisie” is a sociologically defined class. In contemporary times it refers in connection with Bourdieu to people with a certain cultural and financial capital. The “bourgeoisie” stands opposite to the lower proletariat class. The “upper bourgeoisie” is the most powerful and richest part of this class. In the transition from feudalism to capitalism the nobility had been the upper class but it had lost its power or been transformed to the bourgeoisie.

² This is essentially assured by closed educational institutions to which only the upper bourgeoisie have access with a great deal of money. See also Hartmann (2007).

³ A classic here is Bottomore (1966, 40 f.), a summary is given by Johnson (2000).

an interest group. The degree to which this is actually a *ruling class* is determined by conflict with other elites and the rest of the population. Hartmann (2007) demonstrates that in this most powerful class in particular people thrive who bring good conditions with them and are successful in their educations on the basis of their pedigree.

- 2) The *governing class* is a politically dominant class that is primarily comprised of the upper bourgeoisie. Its power is limited with respect to the ruling class because it is predominately an organ for carrying out actions and is dependent on the economic elite and lobby groups that support it. At the same time, recruitment here is a little more open than with the *ruling class*. But this class should not be underestimated in its power because it can put standards and rules into place through politics. It is formally legitimized in representative democracy. In matters of so-called inherent necessity (supporting the pillars of the economic and political system) it is always beset by the *ruling class*. Depending on the political situation, there can be conflicts of interest. The upwardly mobile from the middle class have easier access to this class than to the economic elites (for further discussion of this, see Hartmann, 2007).
- 3) The *power elites* are the driving forces in business and society and would like to be seen as relatively closed off and powerful. People often refer here to the “establishment.” Here, the ruling classes of the economic elite and politics combine with leaders from the judiciary, administration, science, and the media. The *power elites* are those who actually have influence, can carry out their aims, know how to gain strategic advantages, and are also characterized by a certain mobility. In democracy such groups are expected, but they are not made legitimate to the same degree through ownership of capital. What is essential for the *power elites* is visibility in mass media. Their arguments are disseminated through the media because the owners of such media often also belong to the *power elite* or the *ruling class*, and the seemingly free journalists also focus on the establishment. Economic interests are also prominently in the foreground here because what the power elite wants in terms of advancement in material welfare for society or for some in society seems to be most clearly expressed here. The *ruling* and *governing classes* have with the *power elite* a group at their disposal, which works for them and from which these classes recruit their members. It also provides ideas for controlling the economy, the government, the military, and the sciences, and it is a pioneering force in the spectrum of approved and apparently “reasonable” ideas. The *power elite* consists of an active, inner circle from the *upper classes*. The *leadership groups*, which Giddens also identifies, can be considered a hard core of the *power elites* as well. They succeed in a special way in combining the interests of the ruling and the governing classes and

developing strategies that turn out to be of benefit to the elites depending on the actual situation.

If we consider this image of the elite, it becomes clear in the differential analysis that the interests are not always in harmony. Depending on the country, development of the constitution, enforcement of democratic rights, historical and local forms of development, and achievements regarding the distribution and redistribution of property and wealth, the elites appear relatively socially responsible (and thus in solidarity with society) or liberalized (and thus as rapacious capitalists).¹

If we look at the social recruitment of elites from social ranks, the following picture emerges from a cross-European comparison:²

What percentage is represented by which social rank in the economic elite?	F	GB	ESP	D	I	CH	SWE
Upper bourgeoisie	57.0	53.2	55.0	51.7	51.6	31.8	28.6
Bourgeoisie	30.3	31.2	30.0	33.0	16.1	22.7	21.4
Middle class/Working class	12.7	15.6	15.0	15.0	32.3	45.5	50.0

Chart 16: The Social Recruiting of Economic Elites (board directors, CEOs, chairpersons, etc.) According to Hartmann (in German, 2007, 220)

The differences for the respective countries appear large. One should also bear in mind here that France, the United Kingdom, and Spain maintain special elite schools for the next generation.³ The fact that in Germany and Italy, despite the absence of such elite institutions, children of the upper bourgeoisie are preferred is due to recruiting practices where not only achievements but also characteristics of pedigree and recommendations play a role. Countries such as Italy, Switzerland, and Sweden are much more open to the lower ranks.⁴ Hartmann (in German, 2002, 150 ff.) and others were able to show that

- achievements are not entirely insignificant for careers, but social pedigree has a much greater effect,⁵

¹ A counter tactic here is to label the population as “socially envious.”

² France, United Kingdom, Spain, Germany, Italy, Switzerland, Sweden.

³ In Europe, France and England feature a closed social elite (on this see Hartmann in German, 2007, 156 f.).

⁴ Overall, the Scandinavian countries are much more open, and elite positions can be reached more easily by the population at large. Learning capital can in part assert itself against the social habitus (cf. chapter 6).

⁵ For a summary of the studies by Bourdieu on this topic, see also Swartz (1997, 143 ff. and 189 ff.).

- even German children from lower social ranks who perform well receive far too few recommendations for higher degrees,
- the class-specific habitus primarily wins out against such backgrounds,
- there are far too few objective assessments that have equalizing or corrective effects on social status independent of the habitus.

In contrast with such analyses, it has become a credo in the business world in particular that—in contrast with the less serious pursuits in life—careers can only be attained on the basis of “objective” achievements. Empirical studies that confront this self-image with facts nevertheless discover that social pedigree has more influence than achievements. “Those whose cradles are in the families of the bourgeoisie have the best choices. They can usually be found where the greatest power and highest income reside, i.e., primarily in business.” (Hartmann, translated from 2002, 146). And they are also consistently over-represented in leading positions in society.

In his study on people who are in the elite in virtue of their achievements, Hartmann discovered that even for PhDs (i.e. high achievement) careers are not equally distributed: “Taking into account all graduation years,¹ only 9.3 percent of PhDs from the working and middle classes, i.e., only about one in eleven, reached an upper-level position. For those with upper-bourgeois pedigree, 13.1 percent were successful, which means about one out of eight reached an upper-level position. And someone from the upper classes had almost a one out of four chance of reaching the upper-management level in German business” (ibid., 65).

The children of the upper classes are not only more successful in their careers but also succeed more quickly in this career than other applicants. “In the first ten years, PhDs from upper-class families moved into management positions two to three times more quickly, and they thereby gain an advantage, which they can maintain over children from the bourgeoisie over the subsequent two decades and which they can also expand largely upon compared with the general population” (ibid., 70). The social habitus based on social pedigree and success, particularly in education, have an impact here. Summing up, one can say that social pedigree from the various areas of society has quite different effects on access to leadership positions. Whereas in business, the children of the bourgeoisie and (even more so) the upper bourgeoisie are clearly favored in the occupation of top positions, this does not apply in such a general way to a career in politics or law. In the university system, there are even clear signs for greater career opportunities for PhDs from the working and broad middle classes.

¹ Four PhD cohorts, from 1955, 1965, 1975, and 1985, were examined and included around 6.500 PhDs (see Hartmann, in German, 2002, 31 ff.).

According to Giddens, agents act within structures, but they can also reflect upon them and change them. There are three structures in this respect in social systems:

- (1) *Signification* creates linguistic forms of world construction as symbolic representation and discursive practices through semantic meaning, codes, and interpretation, which help to reproduce the social system and make it appear susceptible to criticism.
- (2) *Legitimation* provides reasons where naturalizations or moral attributions often help to justify norms and values, social attitudes, and ways of doing things.
- (3) *Domination* uses power to control resources and action.

Following Giddens, in order to observe social structures and criticize them adequately, these three aspects in particular constantly have to be considered in terms of their connections in interactions and applied to class status. This is significantly more open than the economic determinism defended by many authors oriented toward Marxism. Giddens maintains that individual analyses are needed in which the rules and governing procedures are reconstructed for the social classes.

For example, Bernstein (2000) investigates a linguistic code in the *upper classes* and a restricted code in the *lower classes*. This also points to what Bourdieu (1987a) called the fine distinctions that develop between different class statuses. They appear not only in the conventional rules of everyday practices but also in different moral representations, in cultural objects and customs, and especially in consumption and leisure behavior. Giddens calls on us to reflect on all of this in the most comprehensive way possible, but at the same time academics also have to recognize that such reflection very often remains restricted to the language game of academic critique.¹

If we consider how social classes arise, we as observers are always bound through participation to a certain theory that determines our actions in perceptions and interpretations and the ways we engage in reflection and make choices. We can do this, for example, like Giddens, or we can turn to stronger stratification models, which undertake a stratification of society primarily in terms of economic differences, or to milieu studies, which attempt to describe the self-image and interaction in a relative open social field. Social relations are very complex and thus permit very different reconstructions and deconstructions. And interpretations thereby often like to slide into complexity

¹ Richard Rorty (1989) draws the most forceful conclusion from this, namely that recent cultural criticism (and philosophy) is only a therapeutic discourse for society in this regard and requires self-irony because the intellectual who writes about the suffering of the world still finds “enjoyment” in this writing and experiences self-realization as an author and critic and uses this suffering to “treat” others. Against this stands the hope of Marx to really change the world and not only talk about it.

and arbitrariness because they can no longer get a view of the whole due to all of the various factors and perspectives. A view of the whole is, however, only a simplified view determined by one's own interests, which does not want to lose itself in the details. Nevertheless, such a view becomes necessary to overcome a superficial observation of complex social relations and communications without adequately considering inequality and its impact. Class is a social construct with which the specific status of a large group of people is determined. In this regard, the analysis, arguments, and data presented here suggest—connecting to the pragmatic concept of “truth” by Dewey—the “warranted assertibility” of the existence of classes. And in this sense, elites are also a social construct, whereby the term refers to a particular form and group within social classes (or what other term we want to give the position in social life if class seems to be a too traditional term). The concept of class (or the position in social life) has four characteristics to my mind in relation to economic and social presuppositions, which should be considered in the detailed evaluation of forms of the object and forms of action given in social capital:

- 1) Within an unequal capitalist society with unequal positions in terms of ownership, the concept of class helps—those who are a part of it as well as those who are observing it—to make a comparison with other ranks and situate themselves and others in terms of a position conceived of spatially (upper, middle, lower, etc.). Positions in terms of ownership and not properties are the cause of inequality here. If we focus on properties such as male/female, black/white, citizen/non-citizen, etc., then we end up in discourses on subjective differences, as with Tilly (1998) for example, which are also important but are useful for describing social stratification only if they can *also* be referred back to economic capital. This is where I see a major deficiency in many empirical studies on social capital, which often completely bracket out this material aspect. Investigations of social positions only make sense when they are referred back to other forms of capital, especially economic capital. Thus, one problem for such attempts is how this is approached. Ownership or income relations in particular are often used as an expression of unequal class status in order to establish an objective class status by a ranking comparison with existing ownership or property relations. Such determinations focus from a third-party perspective on the “real status” of those affected and attribute a class status to them on the basis of such data. For example, poverty is calculated relative to the average income. Here, subjective perceptions and moral attributions such as “the ones at the top” or the “dangerous class” or the “proletariat” (as people who cannot behave), etc. are often used. If one uses such subjective terms as structural forms, one ends up claiming, in a gross simplification such

as Kingston (2000) for example, that there are no classes but only differences in society. But then one can no longer explain significant differences in inequality and remains helpless and naïve in the face of the phenomenon. Relative poverty as a construct is related to various statistical measures in industrial countries. Generally, it involves a certain ratio between individual income and average income (median net disposable income) in society. And there are, for example, thresholds of 40%, 50%, or 60% of the median income for defining poverty. The WHO sets it at 50%, which is a figure the OECD has adopted. Measurements of ownership are more difficult because it can often only be estimated in a capitalist society especially for the super-rich.

- 2) Particularly in Marxist analyses, class status is seen as a set of factors in which material as well as ideal circumstances are included as a sum of conditions (see Mann, 1993). The historic reconstruction of such class conditions through the investigation of ownership classes is supposed to show the circumstances through which class status in each case is determined “objectively” and independently of individual manifestations. If rigid exploitative conditions without regard for the health of workers were the norm in the past, in recent times the “objective” aspect has also been expanded “subjectively.” Exploitation by means of self-exploitation through incentives such as the intensification and increase of labor productivity (either through pay incentives or through anxiety about employment) can also be seen in this shift. In such approaches, the issue of class status is narrowed to the question of the degree to which economic exploitation and the production of inequality causally determine class position.
- 3) In view of the theory of forms of capital presented here, the determination of class status or position is more open than in the Marxist conception (see also Bourdieu, 1987 b). Taking into account (position 1), it seems important to clarify the subjective construction of signification from first-person and third-person perspectives in the context of other forms of capital (particularly economic capital). And taking into account the data from (position 2), it is important to interpret things systematically for various individual positions with respect to positions in society. Causal determinism can no longer be derived from this because although the economic form of capital is a significant mechanism for the creation of class status the other forms of capital, as I show in the chapters of this book, always play an expansive and intermediary role and sometimes even contradictory a role.

Social power or social capital?

It has already become clear through the distinction between use and exchange value in processes of the formation of social capital that positions of

interest and power are not yet genuine capital positions. However, social agents act with a social habitus, which succeeds on the basis of such positions and thereby also opens spaces of possibility or windows for action in order to contribute to the capitalization of social qualities. What has to happen to gain social capital?

First, there are the costs. In the creation of social capital concrete labor has to be expended in terms of time for the development and maintenance of relationships and networks of relationships; an effort has to be made, which requires certain means. But a quantitative assessment of time or resources spent is not enough here because networks of relationships are distinguished in particular in regards to their quality. In terms of *signification*, there are distinct linguistic practices and rituals that ensure social coherence. Even if individualization has increased, a relativization of conventions always sets (on the basis of established rules, i.e., in a space conventionally regarded as relevant) that which appears socially reasonable, desirable, and feasible in accordance with a position of power. Thus, for example, one has to go along with the switch from tennis to golf as a locus of social distinction if one wants to remain in the “better circles.” In addition to conventions, this also applies to the differences that can still be tolerated while preserving social coherence because they correspond to the particular variety of occasions for action. Establishing the limits of such conventions always requires active participation. Significance is secured through participation in relationship building. And *legitimation* hardly needs to be provided in practice because the naturalness of social relationships sufficiently justifies the lifestyles. Only significant deviations become problematic in such scenarios. Particularly in cases of social descent, it is often those who are affected who avoid social groups who were not affected in the same way. All of this supports domination and power in the social field. Domination affects those who cannot keep up with the volume and quality of social relationships in mutual competition. In the form of action, social relationships have a high quality and create capital in the narrow sense if they do the following:

- Open up or appear to open up opportunities for higher income or monetary growth.
- Raise or appear to raise the opportunities for participation in social processes with prospects for profit.
- Contribute or appear to contribute through relationship building to increasing the value of one’s own person in terms of status, habitus, or outward appearance as a future window for action for profit strategies, etc.
- Quantitatively and/or qualitatively enable an expansion of the network of relationships, which corresponds or appears to correspond to a move from mutual obligations to mutual assistance.

- Enable or appear to enable an increase of cultural capital in particular through the increase in knowledge or education, i.e., privileged access to information or cultural goods.
- Allow existing body capital to be used or compensate or appear to compensate for such capital if it does not exist.
- Facilitate or appear to facilitate an increase in educational certifications (as required by learning capital).

There is always a duplication of real opportunities or hoped-for opportunities in this form of capital because a real or merely hoped-for profit may be enough motivation to concern oneself with the formation and development, creation and increase, of social capital in an active and action-oriented way.

With regard to social relationships, optimism often arises with respect to this duplicate character of actual opportunities for profit or merely hoped-for effects, which often leads to an overestimation of one's performance with respect to the real situation. This basic pattern of optimism and the associated high self-esteem, self-confidence, and sovereignty in dealing even with difficult situations in life is a prerequisite for a successful social habitus. One has to be optimistic even when the facts speak against it. This follows patterns, as we can see in marriages. Even if the real divorce rate is, for example, 50 percent, the majority of recently married couples believe their marriage will last forever. Such an excess of optimism is crucial for earning social capital because surplus value can be achieved only if more is invested initially than can be expected from immediate returns. Opportunities for profit from social capital usually also arise for this presupposed optimism only after long-term investments (and investments that are risky for the upwardly mobile).

3.2 The Surplus Value of Social Capital

To describe and analyze the surplus value of social capital, the investment that is made first needs to be investigated. There are three aspects that seem especially important to me here:

- 1) *Time*: it requires time to build social relationships, maintain them, and make use of them. This time is taken away from other activities such as work or leisure, and there is pressure to make good use of it (= do these relationships really deliver as much as I am expecting?). All of this time is spent so that eventually it can be transformed into monetary benefits during a specific window for action (during placements, promotions, etc.).
- 2) *Effort*: along with the use of time, the issue of prudent effort also immediately arises. Can I afford to maintain a close circle of social relationships that is kept as free as possible from the formation of social

capital? Or am I already in the wake of such inevitable capitalization because of my habitus? And if I already have advantages on the basis of my pedigree and favorable social relationships, can I minimize effort (in the breadth and depth of my social relationships) by combining things that I enjoy (for example, golf, tennis, sailing, etc.) with direct relationship building? Do I also gain partnerships from such social relationships, which stabilize or, even better, “upgrade” my social position? Effort greatly determines the breadth of my window for action because the narrower the spectrum of social relationships is, the more the likelihood of numerous opportunities for transforming my qualities into monetary benefits drops.

- 3) *Resources*: the organization of social relationships consumes resources. The more a bourgeois or even upper-class habitus is sought, the greater the resources are that must be expended because the resources themselves represent a source of distinction. The levels of expended resources (my house, my yacht, my car, my club, etc.) form in detail differences that constitute the “fine distinctions” of taste (see Bourdieu, 1987 a). Herein lies the relevance for social exclusion: the fewer resources I have, the fewer opportunities I have in the social domain for developing adequate desired qualities in competition with others.

What value do I get from such social relationships? What kind of surplus value can be achieved? When comparing economic and social capital—or some other form of capital yet to be discussed—, there are always voices that will admit that social relationships may be of social benefit but that these relationships cannot clearly and definitely be transformed into economic capital and surplus value.

In chart 17, I compare the criticism of the expansion of the economic form of capital with the justification of this expansion. The chart shows that a criticism of the expansion of forms of capital serves a certain reductive view of the economic, which itself can be viewed critically. First, outside of idealized forms of exchange in capitalism, the scope and value even of economic capital cannot always be determined if it is actually involved in trade. This is because, as I have tried to show in chapter 2, the production of surplus value shows unclear boundaries in the interaction of its four aspects. Capitalism is not only the site of exchange for material or physical objects, it has long played a role in immaterial areas as well. There still might be a desire on the part of many economists to reduce all activities to a material substrate, something that we can hold in our hands, but such reductive thinking quickly collapses when it encounters the fuzziness inherent to the system and the associated complexity and opacity of economic transactions particularly when regarding financial capital.

Social capital is not transformable economically	Social capital is transformable economically
Scope and value cannot be determined unambiguously (completely) and concretely	Scope and value can be determined concretely for effort, resources, and costs in comparison with the results of activities
An exchange involving the transfer of material or physical objects or goods does not occur	In capitalism, there are various forms of non-material exchange (for example, financial transactions in stock market speculation)
Intangible value strongly determines social capital; its exchange appears speculative	Intangible value determines capitalism now in many different areas where profits are made
A high supply of social capital does not automatically lead to an inflation of its value	Social capital has a thoroughly inflationary effect on expected profits depending on supply and demand
Absence of property rights prevents social capital from being asserted adequately	Personal rights or rights in social networks (such as rules on inclusion and exclusion) exist in a high degree
There is no exchange of social capital because no new owner arises through renunciation or transfer	Social capital is exchanged according to rules that are always closely connected with economic forms of exchange (for example, labor)
Freeloaders threaten social capital	Parasitic gains are possible for all forms of capital

Chart 17: Is Social Capital Transformable Economically?

In the economic field as well, it can be seen, for example, that high supply does not always have to lead to a decline in prices and the value of goods if the market can be influenced. And the same is true for social capital, which in my view aims at the clear and empirically demonstrable generation of surplus value that can be transformed economically. However, the ability to transform social capital economically is not comparable with exchange in a commodities market, i.e., there is usually no one offering such “social goods” who could immediately find someone willing to pay money for them (even if there are services offered such as coaching, consultation, escort services, etc.). I would like to focus on particular activities of social capital from the preceding analysis, which have a great deal of relevance for the transformation of such capital into economic income:

- The agreement on values and norms, the conformity achieved in a social class, tier, or group (depending on the structure of its mechanisms) leads to certain forms of expected and required rationality and a certain predictable habitus. This can lead in economic terms to securing a

position that is better paid in comparison with others or to higher income in comparison with what can be achieved with less social capital. Such an exchange is profitable if the investment costs (for education, learning, graduation, social participation, etc.) are exceeded by the long-term revenue.

- The complex risks associated with economic capital require an exchange with social capital, which has to produce adequate information about social cooperation and communication as well as recruit suitable leaders who can direct such processes socially. In this respect, high social capital and the associated network connections are an essential precondition for control of the economic area, which in turn promises higher income for the owner of such capital.
- In times of economic crisis, social capital helps to demonstrate a confidence that is quite ambiguous: for those who possess economic capital, this confidence represents security and continuity, which is competently and convincingly presented by people and thereby made comprehensible. On the other hand, this confidence will always also remain illusory because social capital embodies skills that nevertheless are less connectible with the anticipated miracle of an economic prognosis about unpredictable market developments. Such an expectation will often have to be disappointed because capitalism does not allow for absolutely safe predictions. In this uncertain situation, high expectations for profits are possible for high social capital precisely because it represents a degree of psychological efficacy that can in particular be realized based on supply and demand but also illusion, deception, and even fraud because it is particularly desirable (= desired confidence).
- The forms of profit for social capital are the basis for such expectations and actual realizations. The rules associated with creating confidence, with inclusion and exclusion, the creation of different groups with varying horizons for action and competence, and the social habitus as an expression of all these tendencies create as use values a basis for the production of surplus value through social capital if they can be realized as exchange value (in a job, in a position to gain money, etc.).

3.2.1 Production of Surplus Value through Relationship Building

The biggest problem of social capital lies in the fact that social relationships are usually already predetermined by pedigree, assets, and associated residences, circles of friends and acquaintances, athletic clubs, leisure activities, and vacation locations, etc. The individual has almost no say over

their mobility because their access to different or better circles is usually already precluded.

A first criterion here is the habitus that has been attained and in which one lives. Max Horkheimer, who is well known as a critic of bourgeois society, already recognized this as the son of a textile manufacturer growing up in the upper bourgeoisie: “The freedom, self-evidence, and ‘naturalness’ that make a person liked in higher circles are the effect of self-confidence; usually only someone who has always been there and is certain that they will always remain there has this self-confidence. The upper bourgeoisie recognizes the people with whom they like to consort, the ‘nice’ people, in their every word” (translated from German, 1934, 23). What Horkheimer describes here corresponds to the habitus of the upper bourgeoisie. In the class or social level in which one grows up, a connection, a social loyalty to one’s peers, and a habitus is always involved, which cannot easily be discarded and is rather constantly at work. Silent legacies (what I leave my children as an essential family habitus) and merits (what have I achieved as a role model for my children) function here as models of conveyance. And even if such conveyances do not always occur in higher circles without strain or conflict—something that the masses enjoy reporting on in histories of the rich and beautiful—the habitus of the occupation of a ranked position in society usually remains unaffected. Predominately negative forms of conveyance can be expected from the outset for the lower levels. Thus, the upwardly mobile can study as many manuals and take as many training courses as they want, make efforts, and be disciplined, but their effort and discipline are precisely what marks them as not belonging. That is why the newly affluent initially have little access to the upper classes although they will eventually be taken up in the long run because of their economic capital. But the newly affluent in the new markets also now contribute radically to the dissolution of the older upper classes.

A second criterion is a broad general education. Usually only those who casually acquired this broad education and the associated cultural tastes in the context of their family will have the kind of self-confident manner in dealing with educational goods that characterizes people who are true connoisseurs. This also includes a playful way of handling one’s own norms. One knows when they are important but also when they can be handled flexibly and ironically. Such an education in particular is part of learning capital as I will discuss in chapter 6. Depending on the type of education social reference groups arise that are central to the formation of social capital. In order to circulate in certain social groups a basic level of required general education or specific educational content has to be mastered in order to gain access or be tolerated.

Depending on their location and position in a comparison of ranks in society, social groups always express a mutually-acting power in their

struggles over positions and differences with and against one another. Such power is a third distinguishing feature. It is determined by the degree of opportunities for influence on others on the basis of money, pull, dependency, expected behavior, and other attributes of social pressure. The more powerful groups or individual protagonists are in such social groups, the higher the likelihood is of participating directly or indirectly in this power. It is well known from research on the elites that even the hangers-on can at least in part make enormous gains in social capital in such social relationships.¹ The gains can be realized in particular in the economic domain through increased income as well as in the social domain through a greater position of power.

In addition to power relations, a fourth distinguishing feature, consumption, is becoming more central in social relationships. Anyone who does not unflinchingly have the best watch, luxury car, wine, vacation location in summer and winter, anyone who does not always know who is “in” and who is “out” and can classify them with personal references, anyone who cannot converse about the pros and cons of various vacation homes and their locations or the best yacht harbors and golf courses, which is only possible if one has had experience with such “obvious things,” does not belong. Knowledge of such things and the “education” associated with them is cultural capital (see chapter 4). In consumption, an aspect of power is expressed and profane education is symbolized, which takes itself to be important because it creates differences that constitute social differences.

Social distinction occurs in subsystems or social reference groups that each have their own rules and selective barriers. Anyone who has grown up as the child of an entrepreneur, a top manager, or judge has already noticed from an early age that he or she is not just one among many. Children often receive advantages on the basis of social networks for establishing themselves in the same field and pursuing a career. But such groups are in turn also stratified and fight for the amount of resources they have available, the celebrity they can attain, the power they wield, and about nuances of distinction and differences that can make a difference. Sometimes you hear about children who fail because they lack the ability to assert themselves, but in most cases, they prevail over others due to their advantages.

Social relationships are formed and developed against this background as an expression of the interactions and communications of a self (with an emotional-cognitive self-value) with others: groups of friends, circles of acquaintances, neighborhoods, clubs, etc., and there are also virtual counterparts to these in mass-media use in all forms. The social culture that is thereby created is always a mixture of family culture and interactions with the rest of culture, particularly the differences from others that arise through

¹ On this, see, for example, the older texts by Bottomore (1966), Giddens (1974) compared with Hartmann (2007).

such distinction, which inform one's image, allow it to be internalized, and help it develop. Norms, values, and moral ideas circulate in this cosmos and form the respective habitus.

In a simplified phenomenology of forms of social use value that can be transformed into exchange value in social capital, the following aspects regarding types of groups and network membership can be distinguished:

- *Inclusion and exclusion rules*: the human rights give a clear advice of what is socially hoped-for because de jure and by their follower diversity is regarded as positive, the rules should be inclusive, people should be brought together to pursue a common goal in terms of participation for all, not depending on pedigree, sex, age, lifestyle, background of capital forms, disabilities, etc. In this respect, social capital has a strong function of bridging differences. This is achieved more easily in countries that have comprehensively enshrined such inclusiveness in the education and school system. The location, time, and conditions also have to be appropriate here for allowing these people to come together in the first place (the lower the supply threshold is, the better the chances are for inclusion). The more exclusive the rules are (due to cultural attitudes and human rights in practice de facto), the less diverse the group or network is supposed to be and the more effective the subordinate rules are for exclusion according to certain selection criteria (abilities, educational qualifications, aptitudes, appearance, conformity to rules, etc.). This is often already arranged through a highly selective education and school system or a high proportion of private schools. Diversity is suppressed here while the homogeneity of social groups is in contrast seen as positive and associated with a narrowly defined common social domain that enforces homogenization, according to interests, attitudes, expectations, obligations, existing forms of capital, or other distinguishing characteristics, and regulates this through admission procedures. The exclusivity of the rules and admission procedures often lead to the phenomenon that subsequently the social capital gained by this group or network is held to be particularly high in competition with others.
- *Type and degree of formalization of the group/network and the density of relationships*: there are more informal, open groups and networks with looser ties and bonds and more regulated, closed groups/networks that aim at creating strong bonds in social relationships. Three forms are always visible here:
 - *Bonds* in the sense of family obligations or friendships with strongly shared values and common notions of identity.

- *Bridges* in the sense of circles of acquaintances, which are supported well enough by common interests and mutual demands despite great distances and weak notions of identity.
- *Links* as fairly open relationships that at least offer reception and information centers that enable one to orient oneself quickly and find the right contacts.

All three forms merge more or less fluidly. They have effects in all areas: in addition to the variety of formal groups such as political parties, associations, clubs, etc., there is also an even greater variety of informal opportunities such as circles of friends and acquaintances particularly for leisure time. Participation in both sorts is needed for the formation of social capital, where the open groups primarily represent the quantity and the closed groups the quality of social relationships. When searching for a job or better job prospects and higher income both groups/networks are useful because the qualitative aspect is not enough to capture the diversity of opportunities and the quantity aspect is not enough to produce relevant recommendations and situations.¹

- *Type and degree of self-interest*: the greater the self-interest of a group is, the greater the danger may be that it will also employ targeted (even manipulative) measures against others. Lobbying and corruption are two particularly effective tools in the work done by a kind of social capital that connects with economic capital and tries to assert its profit and exploitation interests particularly forcefully. The less self-interest is directed toward growth in the volume of economic capital, the more esoteric the self-interest might appear to the public, but for participation it is nevertheless a relevant part of their group and their network precisely for this reason. Self-interest in this sense is the foundation for diversity in society, which represents growth of diversity in a freedom of choices.
- *Type and degree of social orientation*: the types of groups and networks are distinguished in the social domain through their attitude, status, and orientation with respect to social questions, positions, and the development of other members of society. The formation of social capital is in a tense relation involving egoistic self-interests and group-interests on one side, or interest in the common good with more social equality or support for those who are disadvantaged or discriminated on the other. Even if it is not part of the goal of the group/network to position itself in this domain it happens automatically through the creation of groups/networks as an expression of a certain social capital with specific social interests in the context of society as a whole.

¹ This is why Burt (2005) attributes an important role to “structural holes” in relationships, which arise through the openness of networks. The formalization of groups plays a significant role in closing these “holes” or uncertainties.

These various forms all occur in connection with a social function that aims at mutual obligations. There are already historical precursors for the explanation of this function. In the 1920s, Marcel Mauss investigated gift-giving in archaic societies in “The Gift” (1920). His empirical studies provide insight into the basic characteristics of social relationships because the giving and receiving of gifts involves social exchange relationships that appear to go beyond the exchange of goods in capitalism. The exchange of gifts is primarily a social means of reciprocal obligation. Early peoples also exchanged valuable things in order to cultivate reciprocal obligations (for example, not to start conflicts or wars). Such acts are embedded in rituals, dance, knowledge-sharing, and unifying communication.

Mauss noted that there are three obligations in social forms of exchange: (1) giving gifts (this initially obligates the other without immediate reciprocation), (2) accepting gifts (declining a gift would be a refusal of friendship and would be an act of conflict or even war), (3) reciprocation (the cycle of reciprocal obligation is closed).

Social relationships have been defined according to these rules up to now. Here, in the formality of the exchange there is discretion in the quality of the gift. Whereas with early peoples the gift appeared to be inhabited by a “spirit” or “soul,” today there is a calculation (but people don’t like it to be obvious): What does the quality of the gift have to be such that I may receive a suitable reciprocal gift, or benefits in the long run, or at least that the social relationship will not be troubled? People have spent a lot of sleepless nights worrying about such questions.

The richer someone is, the more they can also use gifts as strategic tools. One can give gifts that demonstrate one’s wealth, serve to raise one’s status, or that are supposed to function as a gesture of domination. Lavish feasts have also served this purpose for ages.

Another kind of gift-like bond, bridge, or link is the time that we spend in social groups or with each other. For many, it already functions as a gift because in an accelerated culture like the present time is closely measured. Work and leisure time coincide with social time in the formation of useful relationships only in the luckiest cases. It would be optimal if the useful could be connected with the pleasurable, but this appears tantamount to a search for promised happiness. Who can afford to play golf only because it is enjoyable? Who enjoys going to family parties without also having the ulterior motive of a later inheritance? Who has business lunches because s/he sees positive life content in them? Whose circles of friends arise only out of inclination and not also because of social stratification? Who can afford to ignore expectations and exchange completely in their social life?

In social relationships we can often no longer distinguish the one from the other. The effort would be too great to break away—except in the negative crises of youth—

from the bonds, bridges, and links of social relationships, which we value for our own self-understanding as being happy relationships and as being better than others.

Today increasingly more time is spent in virtual relationship networks than real relationships. The pressure of acceleration that characterizes liquid modernity is evident here, and it also shows the reductive, superficial dimension to which relationships can be reduced so long as they merely show the promise of providing a useful network. Individualization touches on the limits of this lack of commitment and on a pressure of acceleration that means people must live with constantly changing relationships and thus experience these relationships superficially. This is consistent with demands on consumption because only the impermanent can be sold again and again. Here exchange values greatly affect the use value side because they attach the expectation of ephemerality to use. Overall, in current social relationships, there is a greater lack of commitment and greater ephemerality in contrast with traditional forms of relationships (see Bauman, 2005, Schulze, 2007, Beck/Beck-Gernsheim, 1995, 2001).

The social cost for the upwardly mobile is especially high in terms of communication. If they remain within the structures developed by their family, then in the school milieu, with its educational norms, they already have probably too little contact with better social ranks and run into problems with unfamiliar language games and assessments. But if they overconform to the upper-class power milieu and have to hide or deny their lower background, then they also have to submit themselves to the educational evaluations of teachers who themselves primarily belong to the upper or middle class in order to belong, although they always may doubt whether they will truly attain their goal or whether the game is not altogether one-sided. The pleasure in resistance, promoted by Willis (1981), which lower-class children can also develop, is usually not very successful as a strategy in practice and is likely to lead to reprimands at school. Also, such resistance has not turned into a comprehensive political movement for social progress so far. Often, the lower classes do not achieve the goal of social advancement anyway. Studies on the working environment show a frequently fatalistic attitude toward this goal because the precariat is accustomed to accepting losses and blows of fate while the petit bourgeois milieu becomes exasperated with defeats. Successful bourgeois milieus in contrast arrive, in the balancing of time, effort, and funds spent, at a lighter interpretation of the current situation by a change of perspective in which they observe themselves from the outside in an “as if” scenario and thereby remain capable of action.

All concrete details about the production of social relationships and recognition are part of the use value of social capital. It is important to recognize here, similar to the case of economic capital, that such use value is initially not capital and does not express surplus value but only a concrete

use, an activity in terms of time, effort, and resources, which can have a purely personal, private, intimate, or any other useful character. Social capital is actually created when value is generated from this use, which can also be traded, which represents a value on a market, which can be exchanged, and which can be transformed into a surplus value, and this surplus value is calculated according to the costs incurred for producing this value (social reproduction costs based on use value) and the difference from the exchange value achieved. Social capital is gained in various forms without initially being capital at all, but when it is realized as exchange value it transforms into capital that is effective and useful, i.e., economically transferable. It is a use value that has linked opportunities for capitalization so closely with original forms of exchange (for example: “you help me, and I will help you or your children”) that when a surplus value is achieved it is mostly swept under the table (you often hear people say, for example: “I got this position without relying on relationships; my father just organized the first meeting”).

The use value can in itself fluctuate into economic capital just like concrete work and actions and be of a very personal nature. Just as someone can spend a great deal of time on the production of a concrete object of use, entering into social relationships can take up a lot of time without the value of these relationships thereby being something that will be converted at a certain point in time (except when it comes to very influential people). Considered ideally, the average time, effort, and resources spent here are enough to be able to expect a certain degree of value from the social relationships. But what are more important than the relationships themselves are the qualities of such relationships. The basic rule for the expenditure of time for social relationships is that a surplus value can be gained when the time spent in the appropriate social group will be exhausted at some opportune point and is also anchored in a system of mutual obligations with exchange character and later exchange is facilitated.

Because this mechanism is familiar to all social groups in their respective stratified social position as an everyday occurrence and part of common knowledge, there are regulated inclusion and exclusion procedures in social capital. The higher classes deny easy access from the outset by consciously or unconsciously creating a profile of requirements that regards intermixing with lower-class forms of habitus as unseemly or problematic. But a child raised in the upper bourgeois family will also find little pleasure in joining in a youth gang from socially deprived areas if he or she is not revolting against his or her parents. The exclusion procedures are particularly familiar in regards to nobility or the super-rich, but they occur at all levels because groups all struggle to differentiate themselves from the lower levels. The upwardly mobile individual can indeed sometimes overcome such exclusion through lucky circumstances such as friendships or acquaintances in school, leisure activities, or sports, but large and quick adjustments are required in

order to organize an appropriate form of participation. And this is always accompanied by a question: what does he or she offer as a special gain for existing group needs or its needs for exclusivity?

To sum up, as with economic capital there are at least four aspects in the analysis of the utilization of this difference through the production of social relationships that are essential elements of action in dealing with social capital:

- 1) In the social praxis of democratic societies, social relationships can be freely engaged in and developed. However, access to certain circles, affinity groups, and lifestyles first has to be gained and legitimized through characteristics that show one belongs. In a stratified society, there are closed societies at all levels (according to habitus, education, power, or other methods of distinction), but in the “better social circles” attributes such as pedigree, title, educational certificates, good body capital (beauty, attractiveness), or at least adequate money, are required for access.
- 2) Relationship building is a basic condition for all social action, i.e., given the greater individualization of people there is a necessary social need for cooperation and communication, which requires great commitments in terms of time. A basic prerequisite for the production of social capital is that one uses time in relationships as extensively as possible. But the expenditure of time does not generally lead to a free market in terms of relationships where everyone can without preconditions satisfy their needs for social exchange if only they “spend” enough time. Social stratification (particularly through educational homogamy, which will be shown below) shapes the relationship market, which is strongly regulated by conventions that lead to common normative attitudes on the basis of the time spent together in the relationship.
- 3) There are initially only subjective experiences and presumed expectations that allow one to conclude from the costs in terms of time, effort, and resources expended that there will be a possible use value to acquire exchange value of this form of capital for the attainment of higher income, marriage with an upwardly mobile character, or other forms of gain in terms of status. Nevertheless, studies on social classes and elites, which I have discussed, show that successful careers in particular strongly depend on the habitus of better-positioned social classes.
- 4) The state of the actual openness of relationships across boundaries of status, class, income, standards, etc. is dependent on the openness of the society as a whole. An essential indicator for this is the degree to which it is possible in a society to rise from lower social strata to higher ones.

3.2.2 *Production of Surplus Value through Supply and Demand*

Supply and demand strongly determine social positions. You only have to move once to see on the basis of a change in workplace and the need to establish social relationships from the beginning again how fundamentally closed the social world is. Opportunities for social belonging and social gain arise only at the expense of a great deal of time only where there are open possibilities. And one is all the more successful in this regard the more one's own position can be regarded as a "gift" by others, i.e., as advantageous to them.

If one wants to gain surplus value through social capital on the basis of supply and demand, then one's own commitment in expenditure for relationship development has to be scarce in supply and high in demand. Only unusual, rare, or above-average outstanding qualities, behaviors, talents, or results help one achieve capitalizable gains here. Thus, one might have a special talent as a wrestler or boxer, but if these sports are not highly recognized in better social circles as use values, then the better golfer would have significantly better chances of also attaining a higher exchange value. At the same time, excellence in any area of sports helps one to be in higher than average demand, but the average golfer may reach better relationships in their field than a comparable wrestler and be able to transform these relationships into monetary benefits.

Gains in social capital can be made in particular on the basis of body and learning capital and in part on the basis of cultural capital because beauty and physical attractiveness as well as a high degree of education and intellectual achievement are rare. They are rare because they are always produced in a comparison of ranks and show peaks, and they also offer greater opportunities for the formation of social capital. People who possess such qualities have to expend a great deal of time to attain these qualities, but they are repaid with gains when they are in demand and "supported" without further effort on their part. The more a person becomes known, the more social capital can be translated into economic capital through appearances in public and advertising contracts, which can in turn perpetuate the spiral of success.

The path upward from the bottom is much more difficult. A lot of time has to be invested here in the development of relationships, which is time that will be lost in other areas. For these people, there is a difficult balance between achievements in (professional, substantive) terms, which need time for development, and the building of relationships and networks in order to benefit from these achievements in terms of a job or income. The mechanism of supply and demand also applies here: the greater the demand for certain jobs and achievements, the less important the relationship network is for

securing a successful position, but the more supply there is, the more the development of relationships will lead to success.

There is always the alternative of giving up any gains and completely renouncing the formation of social capital. The refusal to seek out circles of friends and acquaintances according to possibilities for capitalization is significantly higher with those who are already in a socially established position or with those for whom a struggle appears entirely hopeless. Those who are established will always find someone who will gladly socialize with them, and in contrast the upwardly mobile will prefer to seek out relationships where they can experience esteem through social advancement, even if it is only in the form of being noticed. In addition, the desire to maintain only valuable friendships beyond those that are useful is already in many ways guided by the pre-selection of groups with special interests in connection with cultural habitus, educational level, expectations, and values and norms in such a way that social capital will develop on its own from this. We might not be conscious of the degree to which capitalization has in this regard infiltrated our social relationships whether we want it to or not.

The downwardly mobile in contrast serve above all as an image for deterring others from letting things go too far, and they also help the lower social classes to understand and differentiate themselves better (cf. Bauman, 2004).

In the analysis of the action of the utilization of the difference in terms of supply and demand, at least four aspects appear significant when we consider social actions:

- 1) Social relationships are lived and regarded as essential in all social groups. There are different forms of relationship building in families, at work, and during leisure time. Demand occurs in the transformations that occur in living environments and is therefore subject to fashion. When there are pressures of demand the supply can become broader, new social relationships may arise that also go beyond previous social boundaries. But in the long run, new forms of social stratification are probable.
- 2) There are options with regard to supply. Investments are active in the area of tension between interest and amusement on the one hand and calculation and benefit on the other. But only good observation of the market can help one appropriately calculate the supply and demand sides for one's own social opportunities.
- 3) There are means of social exchange that allow the exchange to be accomplished as easily as possible. Such means of exchange are sufficiently available in the form of time dedicated to social relationships, gifts, and common activities. But these means of exchange are not all equally socially accessible.

- 4) Investments in social relationships are almost never in vain if they do not entirely neglect the demand side, i.e., the invested costs are actually calculated in the form of subjective satisfaction and enhancement (individual demand side) or in gains in income and job security or independence (social demand side).

3.2.3 Creation of Surplus Value through Illusion, Deception, and Fraud

When someone claims he or she is the way s/he “is,” distant observers are immediately suspicious of an illusion. Who can afford always to be as they are? Or vice versa: is it not one of the great achievements of Western culture to behave as though everyone is handled appropriately in accordance with each person’s circumstances? The self-restraint identified by Norbert Elias, which we increasingly cultivate with the emergence of bourgeois society, has as a mechanism long ensured that we do not behave wildly and inappropriately but in a socialized way that is appropriate for the majority culture. But in social relationships it is very difficult to establish definitely for oneself or as a distant observer what is the “truth” (and if it is, to what degree), what is illusion, deception (conscious or unconscious), or even fraud (against others or oneself).

Compared to the bourgeoisie of a hundred or even fifty years ago a change in roles has taken place, which could not wipe away its own conventionality, because this conventionality creates the significations with which we differentiate between ourselves, but could at least be subject to irony in the higher and educated circles. This is how many people have learned to take on very different roles within a very short period of time:

- As *producers*, we no longer see ourselves as we did under severe capitalism as primarily material producers of wealth; rather, we see ourselves more openly as designers of transient services and liquid life and no longer conceive of the illusory only as a threat to a life that rests on “secure spiritual foundations” but as an opportunity for variety and entertainment and individual, primarily material, advancement (cf. Bauman, 2005 ff.).
- As a *consumer*, prosperity has become more tangible for us than it was in our role as producers because even if serial production forms the backdrop of this consumption the goods differ more than ever before, and we distinguish ourselves in terms of the quantity of our possessions and what we can do with them.
- As cultural *observers*, we wander around in search of new deals and opportunities, and views and insights, and we can experience this everywhere in the world through the homogeneity of shopping malls or

the virtual homogeneity of the Internet; we can see and be seen here, and we can even take part in dangers without suffering from them (see Bauman, 1996), which frees us from social obligations.

- As *gamblers*, we simulate anything and everything, a world with successes, risks, and fears, in order to entertain ourselves safely; the greatest success of a gambler would be to be lucky enough to win more money than he could have ever earned in an entire life of hard work so that he could attain a higher social status as a result.¹
- As *tourists*, we collect as many new and unique experiences as possible even though this leads to the absurd consequence that we increasingly want to make foreign places into our own comfortable home and thereby essentially negate what we really desire in terms of the experience of something foreign. Tourists might essentially be idealized types for liquid modernity because they have enough money to consume their freedom; at the same time, they apply aesthetic and prosperity-related criteria against what they desire: the more tourists want to travel as individuals and the more unusual their experiences are supposed to be, the more unlikely satisfaction will be found in the collective desires of a group of tourists who also want the same individuality and unusual experiences (see *ibid.*).

These aspects show how elusive the social has become for us in various relationships and how, nevertheless, social bonding, bridging, and linking around which we orient ourselves, always takes place. Social capital is thus characterized not only by the quality of relationships but also by the variety of social options that we can experience on the markets. Appearance, illusion, and deception always contribute to the actual relationships that are available to us. In our social way of being, illusions and even deceptions are always already built-in because everyone always wants to be more than they are since there is a surplus of hopes and dreams in the competition for which we articulate ourselves and move as social beings. In culture, attempts are made to influence our interests and motives by means of comprehensive advertising psychology, and the internalization of such strategies has long become more than we can in any case handle in a distanced or ironic way. It is part of a good and successful social image of oneself to already build one's delusions into the presentation of one's own ego either consciously and deliberately or in a way that appears accidental and unconscious. Only the authenticity of a "true self" could withstand this, but where in this socialized world, in which nobody can grow up completely autonomous and free from the cultural and social constructs of others, could such an unadulterated truth

¹ For an extensive discussion of gamblers, see Bauman (1996). An aspect of the new social status of managers is that they earn more per year than the average worker could earn in three lifetimes. This even appears as an incredible augmentation for those who gamble.

exist? If a social position is given, it can at best appear, be lived, and be realized more or less authentically. But in the struggle of social competition in existing and increasing capitalization, illusion, deception, and fraud necessarily increase in order to carry out the struggle with all the means used by the others as well. And increasingly those for whom the social climb or the attainment of or claim to a special position would otherwise take too long or be too difficult resort in increasingly riskier ways to these means.

We may consider some illustrative examples drawn from the wide spectrum of these means (see also above, p. 106 ff.):

Illusions are essentially desirable socially because as consumers people are supposed to buy whatever comes on the market, and these things are associated with high and often exaggerated expectations. In the social field, this leads to a glut of advisors and social solutions for any case, which are to be carried out in the quickest, most uncomplicated and sustainable way possible. A comprehensive social service-industry has sprung up, which in its psychological strategies has forged extensive weapons for these purposes, which often function in suggestive, projective, and manipulative ways. Although the illusions are addressed to everyone, they promise each individual a better solution than others have, better dating, the quickest therapy and advice, the smartest approach, etc. in order thereby to derive sales profits. People are of course not as stupid as is often thought, but when compared with each other they cannot help but adopt such practices for themselves. Measured according to norms of comparison of the social mainstream, in-groups, trendy forms of social action, the “right” way of organizing leisure time, the design of good social experiences, etc., they produce constructs of a self-image that is focused on the comparative scenarios of successful social groups, fashion, and luxury, and so have always already integrated their self-delusion. Even those who think in alternative ways find their fashions and brands. In the struggle for social capital all groups and networks often find forms of self-delusion in order to stand out from others effectively. This is tantamount to an advertising strategy: if someone already spends time in a social relationship, the illusory benefit of spending time in this way must at least be symbolized in an idea and a hope.

Deception is distinguished according to areas where it is not problematic and areas where it is not desirable. The tighter, more familiar, and intimate the social bond of relationships is, the more we would like treat others and be treated in a way that is free of deception, which is a sentiment that speaks to how deceptive the rest of the world has already become. Illusion and deception are difficult to distinguish from one another, but deception involves an objective calculation. If an application document is, for example, deliberately embellished to attest to someone’s social skills, this still appears

to be illusion; but if, for example, the data is altered by omission of negative aspects of a person's social biography, it is deception. It would be fraud to add fictional social data. As a complex store of information and knowledge, the Internet provides an infinite reservoir for attempts at deception, including those of the social sort. Even best friends are woven into the illusion because, through mutual mirroring of the most extensive lists of acquaintances—in terms of social psychology, someone who is loved is valued by as many people as possible—, belief can be elevated in the best way and transformed into a known “fact.” Often the users deceive themselves, apparently involuntarily, because their greatest deception is that they claim that everyone does it. Yes, more and more people do it, but majorities can also be deceived.

Fraud is where deception is a legal matter that may be pursued. Anyone who illegally appropriates property at the cost of another is guilty of fraud, but often plagiarism procedures show in the excuses of those affected how little people consider their own deception to be wrong. The deception is still successful because only someone who is convicted is really uncovered as a fraud. That is why one of the most important strategies for a fraud is not to allow themselves to be convicted. But because fraud in general has increased, those who commit fraud, especially if they already possess high social capital, no longer appear to suffer the consequences that previously would have been inevitable.

There are also four aspects in the analysis of the action of the utilization of illusions, deceptions, or fraud that are essential in order for such social actions to be effective:

- 1) There is at least a fictional (usually also to some degree real) production of a social benefit that is provided with certain costs, i.e., there is an offer on the basis of produced, suggested, or partially existing delusions that are illusorily advertised. The more illusion, deception, or fraud there is, the easier extended gains in surplus value might appear; this is the driving force of this aspect.
- 2) The fictionalization of this social benefit is described and demonstrated as plausible to “common sense” so it is credible and can actually find a market (implementation of fictional strategies and “positive psychology”). Because at present increasingly more fictionalizations are successful and relevant (for example, they are depicted in the media), the narration of the “right story” or “best story” becomes more important than the data and facts behind the story, which nobody wants to hear about anymore.
- 3) A later profit is realized through manipulative, mandatory exchange of gifts and reciprocal services, i.e., investments are converted in the short or long term into additional profits through corrupt relationships.

- 4) Surplus profit is realized in addition to an actually existing value or purely fraudulently, i.e., it either augments the already existing social network or strengthens demand, compensates for disadvantages in both areas, or produces a profit without any trade-off.

3.2.4 Production of Surplus Value through Parasitic Participation

The social status achieved through pedigree always tends to be parasitic participation when it is advantageous. The preservation of social positions according to birth and status, is something familiar from nobility and is also true of the bourgeois.¹ Above all, the mechanisms of inheritance and marriage help to produce a surplus value of social capital that rests on parasitic participation (see also above, p. 109 ff.).

Let us first consider inheritance. The more the father and mother's generation can pass to their children without deductions for the community, the greater the gains are that arise purely from pedigree and that secure private property without investments of one's own, which determines one's position in the social field through economic capital. Social and cultural capital also contribute here because with regard to social capital not only property but relationships are "inherited." Such inheritances lead to a position in the inclusion and exclusion processes that govern access to better circles. They also function as a precondition for the relationships that heirs prefer to enter into.

We now turn to the mechanisms of marriage. Who marries whom? This is one of the crucial questions when social output capital is formed on the basis of family and pedigree through parasitic participation.

How are the mechanisms of marriage constructed for nobility? In the background here, there is always already a belief established in the past on the part of many people in a special status that has been passed on in a social position and symbolic language. Nobility, aristocracy, and gentry correspond to semantic fields in which the opposition of the noble to the common, the special to the average, the famous to the nobody, and the best (*aristoi*) to the least is expressed. The nobility has in particular been successful in defending the closure of its circle as a special social capital by securing privilege through heredity by bestowing titles and passing them to legitimate heirs. This creates a special society with its own class conceit, which has been able to preserve a certain autocracy against the economic capital of the emerging bourgeois, although it does enjoy being married to this wealth. It is part of the paradox of

¹ On the genesis of bourgeois norms from courtly norms, see in particular Elias (1983). In "The Civilizing Process," Elias (2000) established an overall model for the shift from external constraints to internalized self-restraint.

nobility that it has acquired its privilege almost exclusively from the theft and oppression of the feudal system, warring knighthood, or courtly deference over the ages in order thereby to forge its own social capital to which even today a distinction applies that indicates something “better.” In the republican constitutions of bourgeois society, the status of nobility is abolished as a special privilege (with exceptions of certain constitutionally anchored monarchies), but the title of nobility can in bourgeois society also be preserved as a part of the family name as a distinctive and capitalizable feature.

After the elimination of its apparent status privileges, the nobility is a strongly differentiated social group that applies the strictest rules of validation (investigations of nobility and ancestry) in order to restrict membership to its nobility associations. These investigations reach back, for example, to legal succession from the era of monarchy and old naming rights,¹ and efforts toward exclusion are undertaken to counter the sales of titles of nobility that began worldwide in the 1970s. Within such associations, which seemingly manage such titles “objectively,” there are obscure distinctions between “noble” and “non-noble” bearers of names even if people may bear a noble family name without distinction according to civil law. What is interesting in the research on the strategies of nobility is their defense of special inheritance of names as well as the passing on of a noble habitus to their descendants in order, through exclusivity, to produce a special social capital that can be used as an advantage in the search for better positions, jobs, and marriages.

The monied nobility in contrast inherits according to material standards in which economic capital is seen as being of primary importance. But upon closer inspection, this also involves a well-regarded name in terms of finances and a habitus associated with owners, which can be passed on to posterity as a double heritage of wealth and behavior. The elites always try to make a claim to their elite status against the pull of mass homogenization by making their social distinctness into a feature of institutionalized differentiation (see Hartmann, 2007, for example, for an extensive discussion of this). The rules of differentiation are extremely effective. And they can be traced in general to the marriage market.

With regard to bourgeois marriage, Hans-Peter Blossfeld and Andreas Timm (2003) in particular have examined how the marriage market developed in countries such as Belgium, Denmark, France, Germany, Hungary, Israel, Italy, the Netherlands, Slovenia, Spain, Sweden, the United Kingdom, and the

¹ In Germany, for example, membership in the Union of German Nobility Associations (VdDA) or admission as a “noble name bearer” in the Genealogical Register of German Nobility (Gotha) is possible only if proof of nobility, in accordance with the regulations of Prussian law of the 19th century, has been submitted or will be submitted. There are analogous mechanisms for exclusion throughout the world.

United States. The educational system with its differentiated educational pathways and opportunities in particular appears here to be a key area from which marriage partnerships develop. The analysis shows that social inequality grows due to the fact that the same starting points in terms of economic and social capital are reflected in upbringing and that desires regarding marriage are strongly based on one's own upbringing and educational groups according to status and existing capitalization. This leads to a closure of social opportunities, which makes the previous opportunities for upward mobility through marriage appear rather rare today. Let us consider more closely the process of partner selection by single adults in the countries examined:

- Initially it is evident that educational homogamy can also clearly be observed in an intergenerational comparison. This means that couples in the last 50 years have found each other through the educational market and thereby reflect the preferences and advantages of education again over the long term. Highly qualified people seek other highly qualified people; those lacking such qualifications generally get to know others who lack such qualifications, and both groups strongly orient themselves on the educational expectations they have set for themselves. A person's partner should meet or exceed one's own expectations in this regard. One's own social status, income, class location, and opportunities for mobility are thus handed down and secured in intergenerational terms.
- Such partner selection perpetuates social inequality because upward or downward mobility is precluded as much as possible due to the lack of intermixing of social strata or classes. This process operates without a plan and is nourished by the privacy of relationship choices and homogeneous educational interests. Family origin is a decisive factor here, which also creates social capital for the successful selection of a partner through its educational aspirations. Even if individual cases sometimes seem to prove the opposite, the statistical significance of the majority of cases indicates a trend toward educational homogamy.
- The expansion of education appears to be able to counteract this trend. It is a major source for the selection of partners. The more a higher qualification has expanded in the course of modernity, the greater the opportunities are for broader strata to participate in higher education. At the same time, subtle differences also thereby increase, which are reflected in the degree of education and other forms of capital. Thus, on the one hand gender-specific inequalities have decreased because the number and position of women receiving educations has increased dramatically, but on the other hand there are now strong social distinctions in the educational hierarchy and the associated choice of

partners. The authors observe some hurdles in this regard, which influence partner selection (here only discussed in the heterosexual pattern):

- The selectivity of educational qualifications clearly leads in general, even if it does so in different ways depending on the country, to the phenomenon that the less qualified exit the educational process sooner and thereby also fall out of the possibilities for partner selection. Through earlier entry into professional life, there are also opportunities for contact with less qualified areas, which in part may also counteract educationally homogeneous unions.
- Given the increasing length of time required for education, the opportunities for contact among similarly qualified people with the same educational level increases.
- Economic dependence on parents prevents early marriage while people are receiving an education, which delays partner selection and marriage until people have finished their education. This influences decisions about marriage, which increasingly occur at the end people's education.
- The findings as a whole contradict the assumption that in the development of capitalism individualization has increased and social inequality has increasingly been dissolving. Past studies of marriages do show, for marriage orientations in a traditional gender-based division of labor, that women aim at upward marriages in order to provide for themselves and their family, which implies that for men the educational level can be oriented downward here; but even such past trends are not clear because often men see great advantages if a woman appears equal to them. However, it is typical for the traditional picture of roles that men subjected women to ambiguous preferences: on the one hand, women should be as equal as possible to men in terms of birth, but on the other hand they should also stand in the background when it comes to the man's professional success. Women in the traditional picture of roles in contrast had unambiguous expectations of the highest possible level of education in the man because and insofar as he was regarded as the primary breadwinner in the family.
- The closer we come to the present, however, the weaker such findings become. Lifetime employment has also become a central component of women's conceptions of their lives as well. Thus, education and income become an essential condition for life planning for women as well, and currently many women increasingly surpass men in this area in terms of their achievements. This has important consequences regarding partner selection because in the educationally homogamous selection base there are increasingly fewer men who met the expectations of young women. Young women still prefer men with as high a level of education

as possible or at least a comparable level of education, which is in line with the traditional model. They are particularly averse to marrying men with lower qualifications. This shrinks the “marriage pool” significantly. And it leads to the new trend that young educated women who cannot find comparably or better-qualified men tend to remain unmarried. This is reflected statistically in the increase of unmarried skilled women. On the other hand, there is growing interest of men in dual-career marriages in the qualified acquisitions of their partner. A significant reduction of downward marriages can be seen here, i.e., men for their part aim not to marry below their educational level.

- The social closure of certain opportunities for upward mobility that results from these tendencies is documented in particular in the precarious position of men with low qualifications who now appear to be unattractive marriage partners. Statistically, they make up a large part of single young men.
- The dual-career marriage as a rule and as an ideal amplifies the competitive sorting behavior of men and women with respect to partnership selection and generates ongoing effects in the creation of social capital. Selection occurs with a prioritization of choice from top to bottom, which increases the tendency that similarly qualified people find each other. The shift from single-earner marriages and the preference for the highest possible level of qualification are regarded by Blossfeld & Timm as a second essential key alongside educational homogamy which influence partner selection to a great degree today.
- However, other influences that also drive and motivate partner selection through contacts cannot be discounted. Such influences include the family one was raised in and its social networks through which existing social capital can be handed down. And the circle of expectations is usually also closed here in the direction of certain expectations regarding qualifications.

Alongside marriage as a traditional form that lives might have, today there are much more open living situations, but it can also be seen that in more open forms the same mechanisms also play a role. In terms of social capital, a great deal of emphasis is also placed on educational homogamy here, and regardless of the lifestyle, the expectations regarding qualifications and income are culturally accepted. One could also say here that the competition and selection process, which moves from single to unmarried to married, operates in order to verify the individual forms of fit for relationships and social capital. Statistically, it can be seen that educationally homogamous couples have a lower divorce rate as well as that academic couples have a greater tendency to remain childless. Couples without children gain parasitic social gains through children of others especially insofar as these children are

supposed to provide social services later (if the state rises taxes for health care or a pension, for example). Thus, these couples save the costs of upbringing and gain the profits of redistribution.

In reciprocal partnerships, parasitic participation shows itself in the social capital of the other. A surplus value from such relations arises if the existing capital volume of the other can be used for one's own purposes with little or no investment on one's own part. Even if the predominant desire for relationships is for marriages out of love, love is also always subject to considerations of social fit, and in the majority of cases here the high degree of social selectivity, which defines such participation in social capital, is evident.

The capitalist state not only strengthens private property in the utilization of labor and capitalization, it always also attempts to privatize its activities in regards to the securing of social positions. Thus, it is typical that governments in many capitalist countries reduce their services in regards to social security for unemployment, pensions, and disability, and rely instead on the participation of the affected person in their family. There is a parasitic reliance here of the state on the family and the affected person insofar as the state, through its taxes and social security contributions, withdraws services which are not fully returned to the service scheme.

3.2.5 Summary

The surplus value of this form of social capital is difficult to calculate overall. It arises from particular social relationships and respective group membership with an aspect of use value that is specific in each case, whereby the degree of inclusivity or exclusivity of such groups has a special influence on the sustainability of social benefits derived from the relationship. The benefits of social capital are persistently tied to power. The more the potential for power (access to relevant positions, higher income, and additional cultural, body, and learning capital) is anchored in a social group, the higher the gains in social capital usually are as a member of such groups—

when such gains can be realized on the market. If the realization takes place, the earnings, and even better the gains, in comparison with the costs can be converted economically, i.e., they can be converted back into money. There is, however, also gain in terms of position or power, which can be used for securing or improving future economic benefits.

The functions of surplus value viewed in the four forms of social capital are as follows in chart 18. The differences between initial costs and gains discussed in this chapter, as in the economics chapter, describe a relation that is created in activities and can be explored in terms of effects. It is a relation that shows differences in social actions and also allows them to be

seen with regard to the consequences of actions in order to infer the relation between gains and losses. A division into the four main types given here helps create clarity for the different levels of action in which surplus value (gain) is created and appropriated in the often fuzzy spheres of relationships and networks of relationships.

	Form of social capital	Surplus value arises as difference	Gains in form of action
1.	value of social relationships involving use of costs for relationship building (time, effort, resources)	between the achieved exchange value from social relationships <i>versus</i> the costs corresponding to relationship building	the exchange value achieved from social relationships exceeds the costs in the long term
2.	supply and demand	between ordinary existing and extraordinary/rare social relationships involving invested costs <i>versus</i> the status and income gains achieved later	the competition of social relationships relativizes the costs and the realizable surplus value through fluctuations in volume and the realization of gains on the market
3.	illusion, deception, fraud	between the usual comparative value of social relationships gained through their costs <i>versus</i> the fictional value gained through illusion, deception, and fraud	social relationships are actively influenced in order to secure gains and additional profit through illusion, deception, or fraud
4.	parasitic participation	between participation in the social capital of others <i>versus</i> one's own "minimal" effort	inheritance and marriage relations in particular secure gains

Chart18: Surplus Value of Social Capital

3.3 The Societal Use of Social Capital

The state and social inequalities

A central question regarding the societal use of social capital is whether and how the state intervenes in the formation of this form of capital or whether people can or should form this capital independently through their voluntary

engagement. In the discussion of the forms of the object and the production of surplus value with respect to social capital we have seen that both possibilities exist but that for the majority of people with unfavorable starting positions (which is already defined by their lack of economic capital) the state can above all ensure that the division of society into those in possession of social capital and developed social networks and others with little opportunities in the relevant relationship structures does not become increasingly larger. The state can contribute through measures promoting equality particularly in social education and support for associations, activities, compensatory measures, and anti-corruption regulations. The state thus occupies a position of power, which Michel Foucault was able to illuminate in his theory of governmentality (2009, 2011) with regard to its leadership role (in contrast with its role in law and war). The state has a kind of hinge function; it links governing relationships with strategic power relationships of people with influential capital and has to secure that the inequality of opportunities, chances, and power does not build on capital alone. A corrective justice has to mediate the knowledge-power complex between subjects and social groups. The state appears as an institution that directs, manages, and controls. But at the same time weaker individuals can be supported in order to direct themselves, to be governed in an assisted mediation, and, on the other hand, to force those who are governing to pursue their interests as well. However, it is always a matter of whose power is able to prevail (see Broeckling et al., 2010).

According to Bourdieu, the state has a thoroughly ambivalent role here because on the one hand it is the trustee of existing governing relations, which it structurally and symbolically secures (particularly by guaranteeing the private use of forms of capital and power relations connected with them). On the other hand, it acts as a welfare state, a health and security state, and is active in public education as well; it also acts as the custodian of past social achievements that have been fought for historically, which on the whole comprises a complex social capital in society that can be used by individuals. John Dewey had this capital in mind when he coined the idea of social capital. And Dewey also already saw that education plays a decisive role here in socialization. We need social relationships—through cooperation and communication—in order to build mutual trust in our actions and set and fulfill reciprocal expectations; we use these relationships as social capital in order to assess our investments in effort, time, and resources and to make their benefits clear. These benefits need not only be economic benefits but can also include growth in individual and collective knowledge, culture, creativity, etc. as use values.

An approach involving social capital and cultural capital, which will be discussed later, has been used extensively in the research on inequality in

particular. It is interesting here that there have been very different variants of such research depending on the social constellations involved:

- To begin with, we know from Bourdieu's research and research connected directly with his that since the end of the 1960s theories have been developed and studies carried out that assume a clear connection between social inequality and social domination. Marxist and neo-Marxist approaches in particular operate in this field, but there are also less radical stratification models. Their insight is that through various mechanisms in social capital, which I described above in detail, social dominance is reflected in social inequalities.
- The expansion of education and the development of the welfare state, with its tendency toward individualization has led since the 1980s, according to Ulrich Beck (see Beck/Beck-Gernsheim, 2001), beyond class and strata to a model that is conceived more strongly according to individual opportunities and less according to pedigree and membership in classes or strata. The empirical data demonstrating a constant boom in economic growth and an increase in individual opportunities for many people appears to strengthen this thesis so much that it has become a very dominant explanatory model.
- The shortage of resources, the obvious lack of opportunities for larger groups, the clear inequality of opportunities in education, the high unemployment rate, the unfavorable treatment of women and the structural inequality resulting from all of these and other factors has allowed the class and strata model to move into the debate again since the middle of the 1990s (cf. Bauman, 1997, 1998, 2004). The question remains open, however, whether the class-related explanatory model is still adequate because a higher degree of differentiation according to milieus with different individual opportunities for choice for numerous large groups is apparent in research.
- The question of the degree to which each of these variants can or even wants to explain the causes of the observed social inequalities is important. If the explanations just remain at the level of statistical data collection then neither the social dominance of certain influential groups appears here nor is it adequately understood how anything could be changed politically about the causes. Inequalities are not naturally occurring events but relations resulting from social distributions. Some interest groups might be inclined to make these appear "natural" in order to secure benefits for themselves, but it is always a matter of struggle regarding such distributions. We can express it this way: because something is measured and collected, it does indeed appear to be a fact, but these "facts" do not explain anything about how they arise and why they need not be invariable. Indeed, existing labor and economic

relations have a thoroughly reinforcing effect on an apparent “natural” interpretation because often no counter model can be conceived of because of the habit of existing practices and routines. The Obama administration’s health-care reform in the USA is an example of this. Against the background of a neo-liberal model of economics in which each person acts in their own interest, it appears almost unnatural that people should work together in solidarity for the health of others. They see their freedom threatened in a compulsory insurance because they believe in inequality that is interpreted as “natural.”

Social capital is gained and used in relationships. From a social perspective, relationships are never free of interests and power. In saying this, I interpret power, as Foucault does, as a force, as something that enables opportunities for action and life, adherence to and transgression of boundaries and constraints, as a means of assertion against others and as a means whereby others assert themselves against me. Power traverses all social relationships; it is not something that is simply only repressive and produces perpetrators and victims but also circulates throughout society, which is why it is not enough just to distinguish between the powerful and the weak. Rather, power relations require a concrete investigation of their systematic effects at all levels and in all relations.

The relationship between the state and regulations that affect forms of economic capital was already discussed in chapter 2 (see p. 130 ff.). The provisions stated by Jürgen Habermas in particular regarding the relationship between democracy and the constitutional state, which I cited, are essential to the description of the expectations regarding the rights of citizens, which we also always presuppose in social forms of communication and cooperation if we do not want to live and be governed arbitrarily. But Habermas, as I pointed out critically in the chapter on economics, assumes an idealized separation of the state and society where the state is supposed to act as a neutral protector of varying interests in a pluralistic and diverse society. However, given critical reflection today on the idealized model on the basis of other discourses—in connection with, for example, Zygmunt Bauman, whom I referred to several times—it becomes clear that industrial states in the globalization of current societies have not put the basic rights of people into question (particularly the basic principles of representative democracy), but nevertheless—influenced for the most part by neo-liberal ideology and ruthless market thinking—they have managed social relationships even at the level of law (for example, tax relief for the rich, allowing a low-wage sector, inadequate spending on education, etc.) in such a way that the division of society into the haves and have-nots has increased rather than decreased. Habermas may have held a mirror up to capitalist society with his idealized way of thinking, as is already clear in his “Theory of

Communicative Action” (1984, 1987), which shows where fiction and truth and the societies we hope for and those we actually have diverge from one another. But the analysis should also go further. If we want to pursue the kind of theoretically desirable world Habermas proposes, solidarity has to be strengthened significantly, which is something with which Habermas’s student Hauke Brunkhorst (2005) has engaged. Our hopes rest primarily in those ways of acting in which participation in a democratization of life can primarily show up immediately on the social side. Included here in particular are non-profit, non-governmental organizations (NGOs) that function as self-aid groups, action committees, grass-roots movements, church, local, feminist, or civic movements, or international organizations and networks, etc. (ibid., 159). According to Brunkhorst, the more the parties in representative democracy are subject to the pressure of economic capital and the supposed constraints of a capitalist society, the more such social and participatory forms of action appear democratically necessary. But it remains open whether a new civic societal opposition can grow from this, as a “multitude” in the sense of Hardt/Negri (2004), which, despite its initially weak position in society, but thanks to its democratic legitimation through good intentions, can provide for a comprehensive change in society. Right now, these movements lack breadth and quantity in terms of participants. In addition, they are usually basically democratically organized, which is reasonable and desirable for a democratic orientation, but in the construction of social capital for these groups this tends to lead to their position of power being diluted due to lack of distinction. This is the paradox of social capital in a democracy: the less closed and exclusive things are, and the more participation and involvement there is for everyone, the less influence there is on circles that determine how things are done in society. It is only through exclusion, i.e., the creation of an electable party with clear objectives, that the participatory movement can attain positions where it can articulate and exercise a different claim to power in the state. This is why Chantal Mouffe (1994) argues that we take a combative path in order, in the primacy of politics (compared to subjugation to the economic), to make clear the opportunities that new social struggles could mean for increasing equality of opportunity.

The capitalization of social relationships against the background of economic capital and current power constellations indeed rather deflates the hope in society for more participation, freedom of governance, sinking inequality and discrimination. Only realistic analyses can help us further here. What is involved in the societal conditions for the development of social capital?

Individualization of social capital

To answer this question, it seems to me to be of primary importance to focus more closely on social relationships. From the perspective of society, the

concept of relationships is ambiguous: on the one hand, relationships express the tie between people who are more or less close to one another, who act in relation to one another and are bound through rights, obligations, or emotions; on the other hand, relationships involve an advantage that can accrue to such ties. In the past, ties in clans or families were necessary for survival. This is still common in Asia today because parents, or the family, invest a lot of attention and money in the education of their children, but they also expect loyal support from their children when the parents are older. Modernity, primarily in the classical industrial countries, has removed people in particular through their reified labor relationships from the emotional union of large families or communities, which causes a loss of ties but also a gain in new freedoms and opportunities. People are often unsure of what the advantages or disadvantages of such freedom are: on the one side, they are nostalgic for a protected family or larger community, for a social space that protects their ties; on the other side, they strive for individual success, which can be hindered or slowed by such close ties. Social capital is always a paradox in this tense relationship because it expresses a conflict of differing hopes and interests that must be balanced.

This process is at the same time also ambivalent. In the transition from modernity to our current liquid modernity, as described by Zygmunt Bauman (2000 ff.), social relationships exhibit a very complex form. In today's world, the social sphere has differentiated itself, and it has become confusing, contradictory up to the point of paradox, diverse, plural, heterogeneous, boundary-crossing and global, as well as limiting and locally segmented. Realizing all the opportunities and different ways of developing oneself individually in the social sphere, of taking one's own path, without at the same time wanting to lose all ties, proves to be an ambivalent attitude. We have to consider this ambivalence together with the paradox just exposed if we want to observe and understand more clearly the ways in which social capital appears and has effects at the level of society.

A brief review of the ideals of modernity should help illustrate this point. In the description of the benefits of the social sphere in modernity, the following advancements are often pointed out (see Giddens, 1990, 1998):

- Increasing individualization allows greater freedom of development and an increase in individual opportunities in life and differentiation.
- The differentiation of life into many production and consumption areas with greater fluidity and global tendencies provides more possibilities for different social, cultural, and economic lifestyles.
- The increasing functionalization of societies represents a variety of areas of activity.

- The increase in the division of labor, which constantly produces new and different goods in constantly changing and transforming jobs allows for a high level of professional specialization.
- The pluralization and diversity of social habitats, which gather different cultures in a large social space, allow a meaningful, interlocking society, with a division of labor, to appear as the idealized type for the economy and action.

When these expectations of modernity are measured against actual historical events it becomes clear that modernity was constructed in an exuberance of expectations and optimism, which appears demystified today. The disillusionment of modern expectations is reflected in particular in the following areas:

(1) *Individualization* appears to be a realm of arbitrariness. In the dissolution of modernity into post-modernity or, as Bauman fittingly calls it, *liquid modernity*, social relationships become liquid (see above, p. 80 ff.): we have increasingly fewer fixed partners and long-term friends and exchange them during periods of life with those who fit our life tasks in these periods. Our centrifugal force, however, requires a social position where we need symbolic and real events as reminders and images for painting the feelings, pictures, and speech that characterize our social existence. Here an individualization that fundamentally determines the position of the self-observer and his self-determination wished for is at work. Individualization has indeed advanced significantly, but the cult of the self has not kept up with what has been expected of it. Both the paradox and ambivalence cut through here. Greater freedoms and life opportunities were accompanied by an increase in social risks but not at all with an increase in the protection of our job, profession, family, or happiness in love or life. The increase in individual freedom always proved through interaction to be an increase in the freedom of others who could act contrary to one's own ideas and with whom we were in competition, which resulted overall in ambivalent relationships. The increase in individual freedom also freed us from family ties or the ideal of long-lasting happiness in love because everything seems to be sustainable only for a short time when one's own egoism has to be served. Even if risks to survival on the whole have decreased up to now in the liquefaction of modernity, it is precisely the liquid present that appears to be a risk society (Beck, 1992) because even smaller risks appear greater to us than they did in the past. At the same time, environmental and resource-related crises have surfaced, which are still greatly underestimated in terms of their sustained effect on life. Foresight is not a virtue in a life based on individualization, and in our shortsighted view to satisfy our myriads of needs we even stronger fear the failure of immediate life goals and are severely concerned about unemployment and the increase in violence, criminality, and fears in general. The dark sides of individualism

and its carefree freedom are the discarded or “*wasted lives*,” to use Bauman’s (2004) expression, discarded lives in which, on the one hand, many possibilities and opportunities are wasted (educational poverty, disease, unemployment), and, on the other hand, the losers in consumer society are also looked upon as the mere waste of this society.

(2) The *differentiation of areas of life and lifestyles* is indeed an opportunity for a variety of developments, but at the same time it amplifies social competition and the mutual struggle concerning upward and downward mobility. It is striking here that the differentiation repeats itself because the grouping of people into economic, social, and cultural classes remains relatively constant such that it is always more a matter of preservation of what one already has or does not have. The supposed upward mobility as a new opportunity in life appears to be the exception rather than the rule.

(3) There is a *tension between inclusion and exclusion processes* in social functionalization. This is especially evident for social capital in use value as well as exchange value. All social groups that command higher potential for power in society are in principle more closed than others that include higher diversity of interests and thus more democratic foundational structures. This dichotomy is difficult for democracies because it expresses a hegemonic relationship in opposing interests. For democratic states, the limitation of the hegemonic power of interest groups connected with high economic and social capital, which increasingly drive social relationships into hierarchies, is necessary if it wants to preserve democratic participation of all and limit corruption. Today, the boundaries between cultures and nations, between previously relatively closed symbolic contexts and open advancements, are becoming increasingly liquid. The consequence is a decreasing number of cultural niches and delimited life environments. The intermediary social spaces, where everyone meets each other on the roads, in public transportation, or the shopping mall, have grown; they are all open, but inclusion and exclusion occur through the opportunities for consumption that are available. Consumption makes people equal because money as such no longer needs closed worldviews within social strata. In place of wars in the name of great ideologies, with their apparent predictability of motives, there is increasingly an opaque absence of motive, which finds its purpose in life in the short-term satisfaction of consumption. But such consumption, which appears to be without boundaries, not only needs money as its basic currency but also time. Alongside money, the horizon of time appears as an additional social distinction: there are those who have time, and those who are always rushed and exhausted. For those who have neither time nor money an inability to take part in consumption means a loss in the ability to participate. But for those who participate it can become an occupation: as many desires as possible are supposed to be fulfilled in the shortest possible time. But the

predators that attack the time we have for social relationships lurk in all consumer habits, particularly in media consumption.

(4) The scenarios involving *uncertainties in social situations* are growing. A high degree of professional specialization, which previously was a guarantee for the security of a job, appears dangerous today because the jobs change too quickly. This is an obvious change. The stable social perspectives such as status, classes, or strata also appear fragile, although one is quickly classified according to social position. But is this classification according to social situation ever accurate? Everyone wants to have their individual path in their life and lifestyle. The capitalistic market makes all participants equal in exchange processes, but the reality of their economic capital reveals their inequality. If one asks people, in contrast, what they believe are the causes for the differences, the majority answer that it is social or cultural position and sometimes the level of education, which they like to think of as independent of money. Ultimately it appears that money is more volatile than these positions and forms of capital. If this pattern of self-description is admitted in the empirical description of these uncertainties in research on society, this already involves a construct that conceals economic capital as a major source of the uncertainty.

(5) *Social situations are formed by different patterns of consumption possibilities.* People differ significantly as consumers—and this is essential as a distinguishing feature for status and its symbolic expression—according to the monetary value of their possibilities for consumption (houses, jewelry, cars, trips, etc.); there are consumption levels suited to each person. Social stratification can thus be depicted much more clearly than by questioning those who are affected only about their wishes and needs if one, for example, illustrates their lifestyle and displays it through a mixture of personal and consumer texts (as expressions of the advertisement of goods that they buy). The staged wardrobe, the living room in all its facets, the open front door, the bath as an intimate place, and the kitchen as a workshop are all image formats that often speak more than a thousand words for each social stratum and show the observer what level they have reached. In a comparison of social strata, the banality of the similar reveals itself alongside the differences in choice and the alleged quality of the goods: ultimately, purchasable and consumable goods are limited in luxury, and even in the exceptional passion for collecting “antiquities” or “valuables” there still remains only a limited space for the unusual. But this is something that can only be realized by a critical observer who has already largely renounced consumption or does not find it very important. Is social position or status represented by consumer goods? When people say in studies on school performance, such as PISA, that proximity and distance with regard to education can easily be measured by the number of books in a household an indicator is taken out of the context

of a wealth of other indicators. There is a variety of indicators for a habitus, and just as there is a general basket of goods that is used to measure inflation, there could and should also be a general basket of goods for social situations so we can get a better look at the forms of differentiation regarding consumption and the associated habitus, which otherwise escape us in their variety.

(6) *Social situations include some and exclude others.* This is true dependent on the social situation or position one finds oneself in, of the high or low level one has occupied, or where one is pushed. The principle that appears to apply for all social positions is that the pluralization and diversity of societies is not only experienced as a social wealth of a variety of opportunities but is also always addressed as a potential threat to the depreciation of one's own position. Thus, the social position of another is always a foreign one. It is incomprehensible and "encumbered" especially when one is in a better position. It lets one raise questions about how someone could live in such a way because this corresponds to a defense against one's own downward mobility. This defense explains why the middle class is still able to imagine their social situation as satisfactory to good although objectively the situation has deteriorated. Someone else is always worse off than I am. Even if it is not the case here at home, it is the case in distant parts of the world where people are starving. What is amazing about this is the lack of sociological imagination; many people would rather concern themselves with the outward appearances of consumption (especially in the mass media) than look at social situations with a critical eye and interpret them for themselves. Social research hardly reaches an audience anymore; for the masses it is the sheer boredom of a complex and inscrutable description of social circumstances in the world, which cannot be related to everyday life in a sensible way. What good is a science that helps me reflect on my social situation when nothing better comes of this reflection? However, the absent-mindedness that arises thereby also leads to a partial dismantling of social domains that stem from the class struggles of the past. What was laboriously won as freedom in social circumstances, what was won against age-old traditions, religion, inhuman exploitation practices as social freedom or social security, is easily reduced today to the question of one's personal standard of living. On the positive side, this characterizes an open society. It can once again absorb all traditions and need not fall back on rigid enlightenment at the sight of a head scarf; enlightenment may sooner or later even reach those who do not yet know what they are doing. But on the other hand, it also destroys things that have been fought for socially when it accepts low-wage sectors and social discrimination as the norm and has forgotten its own position in social struggles. Here the head scarf signals as well religious freedom as surrender of emancipative women rights.

These six points provide a framework for current social ideas. They form a basis for the economic interpretation of social situations. Thus, to give an example from Germany, in a survey on the social state from 2007, researchers asked about ideas of wealth and found the following results, which are the respondents' self-observations:¹

What does wealth mean to me? (Percentages for affirmation):

- being healthy (91%),
- having no financial worries in old age (87%),
- not being dependent on social security (76%),
- being able to afford anything (75%),
- having the best education possible (72%),
- being able to live from returns on assets (70%),
- being able to influence political attitudes (53%),
- having house staff (50%).

If we translate these desires into requirements on the part of people for government policies that offer social capital for people (in the form of sustainable investments and conditions that are adequate in terms of equal opportunity) the aspects show the relevance of economic capital, of income, and job security, which is mentioned directly in points two to four and indirectly in all others. The degree of ambivalence with which people characterize their social situation is clear when they are asked about the social consequences of economic capital or wealth (see *ibid.*, 57):

- 78% believe that wealth creates social tension and conflict,
- 71% believe that wealth provides unjustified advantages,
- 61% think that you can get rich only by inheritance,
- but 82% would like to be rich themselves,
- and only 15% believe that wealth is still good for society.

Given the ambivalence of seeing the dangers of wealth and nevertheless wanting to be wealthy one can expect neither from the dominant political elites nor the government that private property as the basis of economic capital and wealth will be radically put into question. However, capitalist countries differ significantly in terms of distribution. I have already discussed this in chapter 2 regarding economic capital. But what does this mean for social capital?

¹ The affirmative values ranged from “completely agree” to “somewhat agree” on a 5-point scale. Taken and translated from Glatzer et al. (2008, 33).

State provisions for better social capital for all

When we sum up the possibilities here for the state, as an expression of what is socially desirable because it is oriented to improving equality of opportunities, the following profile for requirements strikes me as essential:

- Countries that make sufficient provisions for social capital for many are characterized by the fact that the sheer gap between the poor and the rich is growing smaller than in other countries; they create a minimum wage and ensure that all lower social classes have a decent existence and adequate participation in consumption, and they are characterized by support measures in the area of labor and prevention of unemployment, family support and promotion, health, and social security for all walks of life.
- Education is also a key to gaining social capital. The education and school system can, through inclusion, already help bring adolescents from different social classes and milieus into contact and enable them to grow up in a social community. We can identify a real improvement in the distribution of social capital in a fair way by how the education and school systems succeed in overcoming opposition between social classes and increasing social mobility, i.e., in decoupling success at school and in social relationships as much as possible from social pedigree.
- At the same time, measures in the area of youth employment, disability aid, support for the arts, sports and all groups that help each other and introduce common objectives in terms of diverse growth of positive aspects of society are also needed. The state can place an emphasis here on support for charities, aid organizations, and non-profit organizations that are focused on the creation of a humane society and thereby on the happiness and satisfaction of people in a pluralistic society.¹
- In the social capital approach, as represented in the OCED, numerous empirical measurements have been made, which, for example, at the micro-level, research relationships in a narrow sense via ties with parents and relatives as well as relationships in education; at the meso-level, they search for habits and exclusions in particular for neighborhoods, workplaces, and communities, and at the macro-level, they use demarcation criteria such as nationality, race, patriotism, faith, and honor, etc. in order to sharpen awareness of social structures and their possibilities for improvement. Norms (accommodation, loyalty, trust, obligations, community, habits, relations of respect, patriotism, human

¹ There are many individual studies on this following Putnam's line of research. See for example Franke (2005), which at the same time illustrates the narrower empirical model in an exemplary way.

rights, etc.) have also been distinguished empirically in order to address the obligations of the subject in its personal debts in social relationships but also thereby to emphasize at the same time the state's role in supporting those who are in less favorable starting positions in terms of opportunities. Social sanctions (such as punishment, shame, recognition, exclusions, group conflicts, rights, and diplomacy) have also increasingly been studied in the research on social capital in order to identify different levels of social capital (on the results, see for example Halpern, 2005, Kroll, 2008). However, these analyses need to be expanded significantly today if we do not want to remain with a superficial analysis involving the dualism of the individual and society in order thereby primarily to note indicators for increasing individualization in an emphasis on merely individual solutions.

What is the purpose of mentioning these points? The state should provide and help develop opportunities for people to encounter each other in dignity, respect, tolerance, social diversity, and creativity. A startling effect of the financial crisis has been that since 2008 many states have cut precisely the money that was intended for social purposes in order to save the banks. All these measures are more or less affected depending on the country. The long-term consequences cannot immediately be seen in all areas of life, which is why the states can be induced to bring out the red pen here rather than in other areas; but these consequences can be felt more and more in the long term in a lack of social capital brought on by inequality and injustice and will lead to growing conflicts. In particular, they endanger the social basis of society, which is talked about by everyone during holiday speeches, but very few implement concrete programs for actually increasing equality of opportunity and equity. As I attempted to make clear in the explanation of the production of surplus value in social capital, the problem of the redistribution of capital volumes via the social form of capital lurks in the background. If we allow only individualism to be maintained on a liberalized market, this distribution takes place in favor of very few unless society adopts provisions in order also to help develop the social basket of goods for the less fortunate. A necessary first step in this direction would be to define and design such a social basket of goods in political processes in a socially just way in order to conceive of compensation practices and then also regulate such practices through the state.

It is always a part of the social myth of capitalistic societies that individuals have to adapt to the conditions but not that the conditions should be created for the individual such that they can sufficiently take advantage of their opportunities. This is rightly protested against by human-rights based approaches that do not believe the burden is on disadvantaged or disabled people to integrate themselves better but on society, which has to offer them

assistance and arrangements for inclusive participation. This fundamental change in understanding means a departure from the social myth of capitalism that each and every person somehow needs to do things *only* for themselves. An approach is humane and social when, given differing social conditions, it *also* sees the measures taken by the state as essential for filling a social basket of goods that would allow for halfway equitable participation. It can be observed empirically quite precisely which states sustain and maintain a social basket of goods (alongside other baskets in the area of culture, for education, or health) and what effects this has on the equality of opportunities and satisfaction that people experience. It is only when awareness for this grows—as it has already grown today in approaches to inclusion in many countries—that political policies will be chosen that do not begin cutting at the wrong end when faced with budgetary constraints.

Such a transformation is at the same time completely contradictory in itself. It is precisely in social relationships that we expect individual initiatives, concern, and engagement, assistance for self-help and for helping others, which can step into the background when too much is regulated from the outside. But when things are not regulated the powers of the market do not work in such a way that opportunities are promoted for everyone; instead, these market powers tend to reinforce inequalities. The more imbalanced the social becomes, the more the apparent equal opportunity in democracy, which is rarely experienced as such, will be undermined and buried in the long run.

3.4 Individual Use of Social Capital

If you want to plan, change, and shape social capital in a positive way, the essential delimiting starting points have always been poverty or wealth. The unequal distribution of wealth, which was diagnosed in chapter 2 and discussed in the present chapter against the background of social situations and positions, shows that affluent societies are not an idyllic place of great opportunities for individualization for the masses. However, individual opportunities for action are not thereby precluded, although they always require favorable contexts. For surplus value and its production, owners of this form of capital have to recognize the forms of difference from which a gain can be derived in relation to costs.

As in the chapter on economics, it is in the interest of every individual here to achieve the greatest possible preparatory benefits through intensive relationship building in relevant groups in order thereby to take advantage of social capital. The raised data—as in chart 15 on page 148—already describe how people for the most part expect that wealth can be acquired only through relationships. If we look at the four forms of surplus-value production in social

capital, we can agree with this sentiment even if it can hardly be measured with exact data. But we are all familiar with the example of applying for a good job, where only professional qualifications count but the social habitus of the applicant, which must be compatible with the social habitus of the comparison group, is always the deciding factor. Chart 19 shows once again in a summary the individual strategies from which the surplus value of social capital can originate:

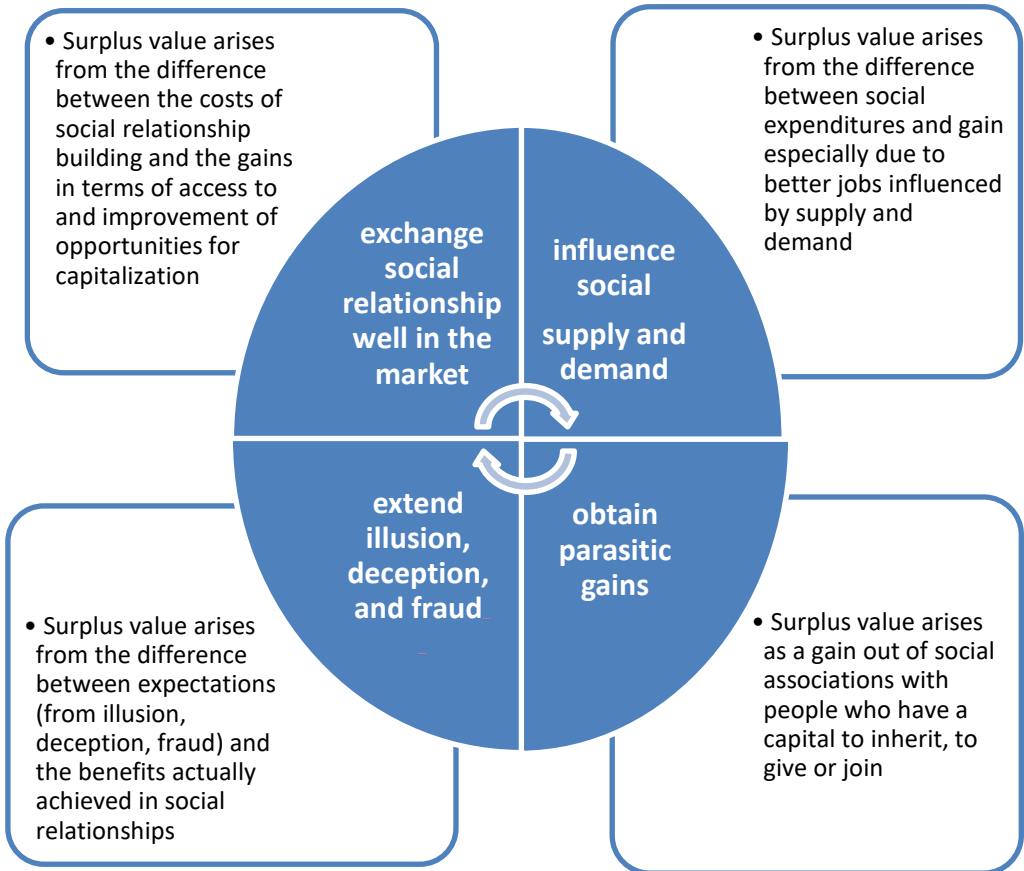


Chart 19: Forms of Surplus Value for Individual Social Capital

- 1) First of all, it is always the difference between expended costs according to effort, time, and resources that can create advantages in terms of access, mobility, and improvement in positions for oneself or one's descendants, relatives, or friends. The currency for effort is gifts and services (all the way up to prostitution); time expresses sustained efforts, and resources range from abilities to adjust up to creative actions that are supposed to attract attention, regard, and recognition.

- 2) In relationships, everyone is in competition, not only with and against each other but also in various groups and circles with their inclusion and exclusion mechanisms. If I as an individual can only offer something common, i.e., I do not obviously differentiate myself from others, I have to seek out groups and circles where what I can offer is in sufficient demand. However, it would be more favorable for me, at least in a few areas, to acquire things or behaviors with which I can clearly differentiate myself from others in order to have success in those groups and circles to which many wishes to gain access but few are able to. And the choice of residence, kindergarten, school, and leisure activities already strongly determines access to such beneficial groups and circles.
- 3) “More apparent than real”—the upwardly mobile in particular have to act according to this motto in order to be accepted in the relevant social capital groups as do those who want to free themselves from the troubles of day-to-day relationship building and the burdens of capitalized labor. Illusions have become an object for the masses in capitalistic commodity culture so there is enormous pressure in this direction. If you are able to earn more money through fictitious transactions and short selling than with hard daily labor with narrow growth, social circles in which deception promises maximum gains become attractive. However, one is also recognized in such circles only insofar as one is doing well financially and is betrayed and rejected when the *cash flow* is no longer right. If nothing other helps, fraud is the ultimate and risky way to success.
- 4) A starting point that one does not need to work for or that can be achieved easily through marriage is the most favorable. At the same time, such a marriage is not so easy to achieve because the connections here usually depend on acquired social capital upon which the partnerships are based. The easiest way is inheritance but people with large assets are rare. Gambling and gaining a fortune by luck have a bad statistic but are often the only hope for the masses to achieve not only economic capital but also social recognition.

The four forms of surplus value show that social capital cannot be generated solely through strategies of “human capital,” which are primarily understood in an individualized way (see also chapter 1). Economic imperialism, as people have called Gerry Becker's (1993) approach, is the epitome of such a theory of human capital oriented toward the individual. The single individual is regarded here as the smallest unit, as the archetype of the company, which creates labor productivity and yields. Such approaches overlook the fact that individuals do not always or solely act from their obligations but stand in complex and systematic relations of action (see above p. 43 ff.).

Individualization is only one side of social capital

In his writings, Ulrich Beck accords an especially strong place to individualization in the liquid modernity of today. In a risk society, individuals are faced with the difficult task of living out “choice biographies” or “crafted biographies” on the basis of their social position. This matches up completely with Bauman’s analysis, which I discussed previously, but it more strongly emphasizes the disentanglement from specific class situations and points toward individual room for action and opportunities for choice (see Beck, 1992, 2009; Beck/Beck-Gernsheim, 1995, 2001). Although Beck/Beck-Gernsheim do not want to see individualization in a one-sided way and divorced from socio-economic positions in life, the over emphasis in the direction of the realization of the individual in a labor market or in institutional arrangements, where the forms of capital are no longer considered and analyzed in their full breadth, appears problematic. In “Risk Society,” Beck argues that social inequality still exists in a largely constant way in Germany as it did before but the class differences have been thinned or dissolved by the fact that the social elevator as a whole has moved up a floor. The “individualization and diversification of life situations,” is opposed to the hierarchical model of social classes and strata according to Beck.

Hartmann (in German, 2002, 166 f.) criticizes this argument for neglecting social pedigree too much. For him, the individualization theory thereby misses the “heart of the matter” because it ignores the ongoing importance of “patterns of living that depend on pedigree.” The question arises of how the expansion of education should be interpreted in its social effects. The broadening of educational opportunities initially appears in fact to suggest an opening of the social elevator, which allows the masses to move up to a higher level. For people who manage to take this ride, Beck and Beck-Gernsheim’s analyses are certainly appropriate for describing and understanding a thrust toward individualization which has many facets. Bauman (2000 ff.) also succeeds in a more sophisticated way in this regard in his series on *liquid modernity*. But the individualization thesis exaggerates when it claims that the educational system lost its power of distributing status in the 1970s and forfeited it to subsequent employers. It is true that after receiving an education or studying the value of this education is set by hiring practices and is devalued at low wages or in cases of unemployment. But these practices do not mean the opposite, namely that the distribution of status is not already essential previous to these practices. Such a claim raises a quantitative phenomenon (= growth in higher education certifications and preparation for university study) to a qualitative phenomenon (= increase in status) although numerous studies on inequality of opportunity and equity today have shown that the opening of the elevator through educational expansion has not been large enough in many countries and that there is a continuation of social inequality in lower classes or strata because no elevator

was available to them. It is not enough for the description of habitus in the complex forms of capital if economic position, social pedigree, cultural assets, body, and learning capital are reduced primarily to age, sex, health, and behaviors in certain environments. It is important to recognize here that it is socio-economic status more than even migration status that governs the opportunities for participation in learning capital as a form of capital that is especially apt for enabling upward mobility.

Exaggerations of circumstances of individualization can often be found in the literature. It is often claimed that individualizations are increasingly drawn away from local collectives and left to the market. This would mean that social capital is less important because the markets objectify everything. I believe, however, that forms of collectivization always act in a way mediated by the social stratification of society insofar as through different forms of habitus and especially scenarios for upward and downward mobility, individuals never enter the market in a pure way. Moreover, only the elites can afford the “real” luxury of being a consuming individual whose consumption appears limitless. It should be kept in mind in principle that the market did not first gain its resounding power in the present. Social capital always operates within and beyond the market.

The market as the limiting side of social capital

People are fundamentally social beings who need the social while growing up, in socialization, and in all social forms of life in very different ways. The social ranges from very personal, intimate, secret, and confidential events, expectations, and hopes to something public in which it is handled in an educational, moralizing, or perturbing way. As a fundamental relationship of interaction and communication, the social is not capital; rather, it is the expression of human coexistence in all its forms. The essential tension for individuals in view of social relations and their capitalization lies between the use value of all social relationships and benefits in an exchange value on the market. The more the markets, consumption, and the globalized permeation of everything with exchange activities influences and determines coexistence, the more social events, expectations, and hopes in all forms are referred to an exchange value with financial intentions. Against this background use value is transformed into exchange value and the social becomes social capital.

It is important for the individual to recognize this difference so that capitalization cannot be allowed to haunt all representations of social relationships. Capitalization is not a ghost but is a calculus that wants to be seen soberly and factually so that it does not prematurely sacrifice itself as something social. If we convert most of our social relationships into capital, we necessarily narrow our opportunities for action. However, if we avoid all

calculus in the direction of creating social capital, then in certain circumstances we miss important life opportunities that go in the direction of success and satisfaction.

This distinction may help for critically thinking through our own basket of social goods and distinguishing between necessary and unnecessary capitalization. Do I really want to operate in certain social groups in order to secure personal advantages for myself? Or, more critically: am I even conscious of my advantages and disadvantages when I look at my social interactions? And regarding research, one might ask: to what extent is social capitalization accepted more or less depending on one's own social circumstances or to what extent does social capitalization have an influence on these circumstances?

The acquisition of social capital will become more difficult in light of the demographic conditions in some countries due to the decrease in opportunities brought on by a reduction in population. The aging of society could also contribute to the phenomenon of younger people having fewer social opportunities and lower social interest for practicing social relationship building in various forms in different networks. It is already striking today that the state has withdrawn from many youth and social projects, support for the arts, theater, music, youth clubs, and volunteer work or supported such measures in such an impoverished way that it is becoming increasingly difficult, especially for economically weak families, to get beyond their own narrow, educationally disadvantaged, often discriminated position in the creation of social capital. Although in all industrial countries today a large portion of young adults believe they need a family for happiness not all states make sufficient efforts to support this desire through comprehensive support for families and children. While there are in general efforts in all countries to support education fundamentally in a public way, the financial as well as social support is different depending on the country and is often not adequate. Sinking birth rates in many industrial countries are an alarm signal that desires and reality are drifting apart. The incentives for starting a family or for immigration are connected in particular with the creation of social capital, which enables a fair chance at participation in society. The acquisition of social capital is nevertheless often only defined in terms of the obligation of individuals. Based on the fiction of equal opportunities and a postulation of free will (= whoever wants to succeed can succeed), it appears to be the job of the individual not only to behave socially but also to build the necessary social relationships. Sennett (1998) in contrast draws the very general conclusion that the neo-liberal economy in particular has contributed increasingly to insecurity and fragmentation of interests in people's individual conditions. Even if he overlooks, for example, that there have been improvements in equal employment for women, he nevertheless demonstrates on the basis of interviews that there has been a change in markets,

which generates more short-term thinking, profit maximization, less sustainability, and greater selfishness. He not only sees individualism here, which is considered outwardly to be the goal of society, but also the phenomenon that through restructuring increasingly fewer individuals are supposed to do more work while others are released from work; risks are transferred to individuals, trust and mutual respect and recognition in general decline, and shortsighted profit strategies are placed above everything. Such a society no longer has a use for basic critical reflection; it denies justice and imprisons everyone in constraints of service in order above all to earn profits for a few. In his criticism, Sennett argues in terms of psychology: for him, an individualized, fragmented, shortsighted, and profit-oriented attitude governs human actions today, which leads to the loss of the older virtues of continuity and sustainability as well as faith in progress, the future, and mutual responsibility. As correct as he is about individual phenomena such an analysis remains narrow when we place it against the background of the social capital I have been discussing. Older capitalism as well does not appear in retrospect to be the communal world we should be idealizing but a place of social struggle that always had winners and losers. And in today's world it is not just an individual or even psychological problem of our attitude that alone determines the world. There are also structural shackles that bind us. This results in a tension where the individual is still provided freedom and opportunities, but without social arrangements accompanied by adequate assistance such opportunities can hardly benefit the majority of people.

Consequences of social capital for selected areas

Similar to chapter 2, I would like to provide a short summary of the consequences of social capital in important areas of life:

- *Income*: social capital can only contribute indirectly to securing income. The less the state makes provisions for the formation of social capital for broad levels of society, the more it is left to individual initiatives to counteract this tendency. Individuals have to orient themselves toward improvement of their social habitus, their acquired education, their group affiliation and potential for power, and their emphasized differences from people placed lower socially if they want to acquire adequate use values for the use of potential social capital, which can help them achieve or secure a better income.
- *Unemployment and employment*: risks of use value for social capital and missing opportunities to convert this into exchange value is evident primarily in the fact that people worry strongly about their future income. This is especially clear in ideas about jobs. In all industrial countries, people are concerned about their jobs, followed by desires for additional income that would make a certain level of affluence possible. These

ideas correspond to facts because in recent decades jobs have become much less secure throughout the world. The individual concern in interesting and independent work has also often become more important as an additional desire than social interests or considerations of societal benefits. This is a reflection of a majority society that has become less unified and also has difficulties wanting to build up adequately comprehensive use values for social capital through relationship building. Capitalism in its current form increasingly supports an egocentric society (see Bauman, 2000 ff.).

- *Opportunities for social mobility:* in the social circles that people have access to or from which they are excluded, the effects of a social capital are evident; the currency of this social capital is realized in an interpersonal area in the windows for action on the markets. It is interesting to see here how just the individual strata regard their standard of living in society as being. The sense of justice corresponds clearly with people's social situation and in particular with their current employment or unemployment status. The higher income and social status are, the more just people regard the living conditions as being. And those who are unemployed or poor regard living conditions as being highly unjust. Thus, social position is always the endpoint here of the use of social capital, which has led to a certain position in the social and economic fabric. The respective position reached defines opportunities for social mobility. And expanding these opportunities requires a change in social capital and/or learning capital (see chapter 6).
- *Opportunities for consumption and housing:* The more people are able to participate in consumption and the better their housing situation is, the higher the opportunities appear for securing favorable use values for the formation of exchange values in terms of social capital. Not only can one enter mutual obligations in order to obligate others to oneself and one's own interests through attention, gifts, and services, one can also develop altruistic behaviors. When people donate to charity or do volunteer work it does not seem to function directly as an act that produces capital. But the context in which such actions take place should always be reflected here. Even if voluntary services initially appear to be purely individual acts and even demonstrate a divergence from the current spirit of the age they are grounded in social contexts. Tibor Scitovsky (1976) is convinced that the joyless market drives people to do socially useful things again because the meaning of life cannot be unlocked in capitalism alone. But such a view romanticizes a person whom we might always wish existed but who often remains only a fiction in reality. Donations and volunteer activities may have many sources of motivation, but from a social perspective they are neither exceptional nor unique. In general, they raise the social status of the person who makes the

donation. And they presuppose economic capital because such donations or activities always require in comparison with others an excess of income. On the other hand, this use of excess income is interpreted by lower income groups as socially useful such that it can even contribute to the formation of social capital, an insight that can already be found in Veblen (1899) and Duesenberry (1949) (see also Frey & Stutzer, 2002, 21). And this is where the vicious circle of social capital closes: those who have are given more. This applies when one has used social advantages against others. But it also applies when one acts honorably and socially.

Summing up the ideas in this chapter, there are three scenarios regarding the individual use of social capital:

1) *The ownership scenario*: anyone who wants to acquire greater social capital primarily does so through parasitic participation (socialization in the family home, inheritance, or marriage). Social relationships are passed on here without additional burdens, and existing networks are used without reflection. There is also often adequate economic capital here for reproducing the social status or there are at least good connections. A look at the educational strata demonstrates this well. Thus, for example, many doctors or teachers come from households with doctors or teachers. The same applies for other status groups that are rather high on the social ladder. People with extensive social capital usually also possess adequate cultural, social, and body capital more so than others; they make use of their learning capital in such a way that they create good conditions for using their social capital to their own benefit and increasing it in contradistinction from the social strata under them.¹ For these people, it becomes a question of the extent to which they want to open social access to their circles rather than keeping them closed. Social exclusion processes have the disadvantage that the benefits of exclusivity (higher social status, more power and prestige, better opportunities, etc.) can also turn against the owners when envy no longer leads to imitation but to conflict and aggression. The decrease in social understanding can also undermine the sense of the social as such, which runs contrary to democratic structures.

2) *The upward-mobility scenario*: anyone who wants to acquire varied and favorable use value for social capital through their own power despite less favorable starting conditions has to rely on special features in the areas of supply and demand, for example, they have to rely on

¹ Precarious living conditions, however, mostly produce new precarious conditions. See Bauman (2004) for a general introduction to this and Venkatesh (2006) for an exemplary ethnographic detailed study on Chicago.

rare talent, good body capital, or high learning capital. In addition, the different countries in the world offer very different opportunities, which make it easy or difficult to acquire social capital on the markets. Open and permeable societies with rather flat social hierarchies (such as Scandinavian countries) are better for the upwardly-mobile than societies that are already strongly exclusive and exclusionary in terms of education and social circles. It seems particularly important for the upwardly mobile to seek out social groups that sponsor their climb. There are a lot of social relationships that they could use, but access to these is often very closed or only opened in a random way.

3) *The uncertainty scenario*: social capital can never be represented merely objectively by relationships, and it does not materialize itself as clearly as economic capital whose assets can be precisely determined. In particular, social situations that are regarded as lower only allow the formation of uncertain social capital, which has little use at least with a view toward capitalizable benefits. The uncertainties are determined by the status of the habitus, educational status, group membership that provides potential for power and influence, further distinctions according to which the prestige of one's own social position and habitus is evident, which promise the prospect of an improvement of one's social situation. The less developed these characteristics for gaining social capital are both individually and in connection with others, the higher the uncertainty scenario is.

It is precisely in reflecting the uncertain scenarios, where large groups of people deal with the capitalization of the social in a sensible and critical way. They have recognized for themselves, and often also express this politically in the open, that increasing capitalization means a narrowing of the social. They defend the diversity of use values related to the social by wanting to decouple them from exchange value so capitalization can be limited. This suggests a kind of freedom. It is the freedom of investing in social relationships without wanting to tie this investment to costs and benefits; it is a return to humanity and our fellow human beings. This is, however, something that one has to want and be able to afford.