

Can Social Capital be Constructed?  
Decentralization and Social Capital Formation in Latin America

By

Mitchell A. Seligson  
University of Pittsburgh Latin American Public Opinion Project  
Department of Political Science  
University of Pittsburgh  
Pittsburgh, PA 15260  
[seligson@pitt.edu](mailto:seligson@pitt.edu)

v4.1

## **Can Social Capital be Constructed? Decentralization and Social Capital Formation in Latin America<sup>1</sup>**

Ever since the Marshall Plan, development economists have been increasingly successful at writing prescriptions to stimulate the growth of the economy in developing nations. They tell us, for example, that countries must avoid rent-seeking, control corruption, and harness inflation, invest in physical and human capital in order to stimulate investment, and, ultimately, to stimulate the growth of financial capital. Political scientists in the immediate post World War II world also developed a strong interest in stimulating growth, not of the economy but of democracy, and the rapid transformations of fascist Germany, Italy and Japan into strong democracies made it appear that democratic development was going to be a “cake walk.” It seemed that all that was necessary was the imposition of democratic constitutions and the teaching of some civics lessons, imparted by occupying G.I.s, for democracy to take hold and prosper.

Political scientists, however, were soon to confront a far more difficult reality. While economies in war-torn Europe recovered quickly and democracies flourished there and in Japan, the geographical spread and strengthening of democracy was far less impressive than the dramatic economic growth experienced, for example, by the Asian “miracle” countries. Good constitutions matter, as has been shown by the case of Japan (Dower 1999), but it soon became clear that they were far from a sufficient condition for democracy to emerge and flourish. When democracies did suddenly emerge on a world-wide scale around the time of the ending of the Cold War, decades of research had not yet been able to provide political scientists with the check list that economists had already developed.

---

<sup>1</sup> This is a revised version of a paper presented at the Culture Matters Conference, Tufts University, March 26-28, 2004. I would like to thank Eduardo Gamarra, José Garzón, Maggy Morales for helpful comments on this research.

Among the most intriguing theories, the one that is central to the research project of which this paper forms a part, is that “culture matters” (Harrison and Huntington 2002). This theory argues that democracies emerge and are sustained not solely on the basis of “good institutions” but also on the basis of “good political cultures.” According to the “typology of progress-prone and progress resistant cultures” developed by Grondona, Harrison, Marini and Chkonia, social behavior must involve cooperation, affiliation and participation rather than individualism and anomie. No element in this theory has been more central than the hypothesized role of social capital in democratic development, popularized by Putnam’s now classic work on Italy (Putnam 1993). Putnam’s research presented strong evidence that political culture matters by demonstrating that newly created regional governments in Italy were stronger, more responsive and more effective in regions with high levels of *pre-existing* social capital.

Since the publication of Putnam’s research on Italy, a veritable cottage industry has sprouted on social capital and its impacts. Researchers have found that there are different types of social capital, some of which, called “bridging social capital” seem to be positive for democracy, while other kinds, such as “bonding social capital” can, under some circumstances, hamstring democratic development (Putnam 2002 pp.9-12). The research conducted by Putnam, however, suggests very long-term historical roots to social capital formation, extending over centuries, the implication of which is that it will be extremely difficult to change such deeply embedded patterns. Indeed, this was the conclusion of Banfield’s classic work on “Montegrano,” Italy decades before, in which the political incapacity of that village was said to have resulted from cultural patterns formed over many centuries (Banfield 1958). Banfield concluded that work by arguing, pessimistically, that “Cultures do not remake themselves in fundamental ways by deliberate intention any more than villages (Banfield 1958, p. 166)

Other researchers, and Putnam himself in his more recent work on the United States (Putnam 2000), suggest that levels of social capital can change. Specifically, social capital can be built or lost in relatively short periods of time. For example, Putnam has found that TV viewing can have a pernicious impact on social capital (Putnam 1995). The broader theory rests on the premise that cultures themselves can change, such that authoritarian, anti-democratic cultures can give way to democratic ones. Certainly the lessons from post War Germany and Japan seemed to be that cultures do change. The argument has been that these were deeply authoritarian cultures, which, in the case of Germany, could not sustain democracy under Weimar, resulting in the emergence of the fanatical fascism, and a war that took over 46 million lives world-wide (Gilbert 1991 p. 1), and genocide. Yet, German values today seem to be deeply democratic, having evolved rapidly since the end of the war.

The central difficulty of sustaining that assertion in the case of Germany and Japan is that we really do not know what the Germans and Japanese were like *before* World War II, as modern survey research had not yet been invented. There is important evidence gleaned from the immediate post-war surveys conducted by the U.S. Army in Germany, and while that data is fascinating, this was *post* War data, gathered by an occupying army (Merritt and Merritt 1970; Merritt and Merritt 1980; Merritt 1995). Yet, it is clear from Inglehart's review of data from the 1950s and beyond, that values in Germany and Italy have indeed changed (Inglehart 1990). If one uses that data, however, it is difficult if not impossible to sort out the causal element in the "culture shift" as Inglehart has aptly termed it. That is, one could make a good case that prosperity changed values, which is fine, except that this does not help practitioners who are attempting to promote democracy since the lesson of Germany, Italy and Japan could well be

that in order to foster democratic values, one only need to sit by and watch the economy grow (Lewis-Beck and Burkhart 1994).

While there is a great deal of research on the nature, levels and impacts of social capital, there is far less research on how to stimulate its formation and expansion. That is because such research requires an experimental before-and-after design, something that social scientists do not often have the opportunity to implement. In the case of Putnam's Italy, the experimental part of his study emerged from the creation in the early 1970s, for the first time in Italy's history, of regional governmental institutions. Putnam's study, therefore, was focused on the efficacy of those institutions in different regions, ones in which social capital had been high prior to the installation of the new regional governments and ones in which it had been low. What Putnam demonstrated is that in the regions of high social capital, the new regional government institutions were far more effective, they worked better, than in regions of low social capital.

In order to move beyond Putnam's research we need to have studies of instances in which we can measure the increase (or decrease) of social capital that might emerge from programs designed to stimulate its growth. In that area of inquiry, there is far less research, but it is the centerpiece of the papers collected in this section of the Harrison research project. Landmark work at Cornell University in this field, carried out in Asia by Krishna and his associates Uphoff and Esman, has shown that even though levels of social capital may be sub-optimal, there are creative ways of harnessing existing levels of it and, possibly even to create more of it (Krishna 2002; Krishna, Uphoff and Esman 1997). Other evidence, however, that social capital can be created is mixed and limited (Dasgupta and Serageldin 2000; Edwards and Foley 1997; Mondak 1998).

Several studies by Carothers have suggested that democracy programs in general have demonstrated limited impacts (Carothers 1991; Carothers 1999; Ottaway and Carothers 2000), a view shared by a recent GAO study of USAID democracy promotion programs in Latin America (United States. General Accounting Office. 2003). One reason for this limited impact, according to the GAO study, is that many of the projects do not incorporate within them appropriate evaluation methodologies so that impact can be documented. The GAO (United States. General Accounting Office. 2003 p. 86) included as one of its main recommendations that the U.S. foreign assistance efforts, “establish a strategy for periodically evaluating democracy assistance projects that is consistent across agencies, countries, and types of programs.”

This paper focuses on one effort to carefully measure the impact of a program that attempted to build social capital through the expansion of citizen participation in local government. In many ways this way this project was similar to the one studied by Putnam in Italy. Putnam looked at the creation of regional governments and compared their levels of effectiveness. Specifically, I examine the impact of a project designed to build social capital in the context of a decentralization process in Bolivia that transformed the structure and resources of local government in that country. In both Italy and Bolivia, institutional changes were introduced, transforming local or regional government. In Italy, however, the independent variable studied by Putnam was political culture in the form of social capital. In Bolivia, I examine, using an experimental design, a program designed to help empower citizens to exploit the resources made available by a nation-wide program of decentralization of national government and the concomitant strengthening of local government. This program was applied to some areas (e.g., the treatment group) and not others (e.g., control group), and the study, based on survey research data collected from individuals in both the experimental and control groups,

was able to measure its impact. The results, as will be shown below, have been unusually positive, suggesting that social capital can be built in relatively short order, thereby making it possible for us to be optimistic that democracy can be built.

## **Decentralization and Popular Participation in Bolivia**

In 1994, the then President of Bolivia, Sánchez de Lozada, ushered in a set of reforms that was designed to attack corruption and strengthen accountability through the decentralization of many governmental responsibilities.<sup>2</sup> The “Popular Participation Law” (PPL) began what many observers see as “Latin America’s most significant and innovative effort ever to extend and complement the institutions of representative democracy through decentralization” (Mayorga 1997 pp. 152-153). With the help of international development agencies, the PPL was designed to create a newly empowered local level of government that included several provisions explicitly designed to heighten the accountability of local government officials to citizens.

Among the more notable features of the PPL and later constitutional reforms associated with it were 1) the redistricting of municipal borders to incorporate rural communities previously excluded from local government; 2) the institutionalization of citizen oversight committees and grassroots organizations designed to have an ongoing role in local government; 3) a dramatic increase in the development responsibilities of municipal governments; 4) a significant transfer of fiscal resources to municipal governments; and 5) efforts to enhance the accountability of municipal government by allowing the municipal town council to remove the mayor with a three-fifths majority vote in cases of misconduct. At the end of the process, local government in Bolivia was reorganized into 311 municipalities incorporating the entire national territory.

---

<sup>2</sup> This paragraph and the next are based on Hiskey and Seligson (2002).

## ***The DDPC Program***

Much like in Putnam's Italy, in Bolivia a nation-wide reform granted formal powers to sub-national government that had never before been experienced in a country that had had a very long tradition of extreme centralization (Nickson 1995). What is different between the two cases is that in Bolivia a special program was established to help improve the quality of local government through encouraging citizen participation and accountability. But that program was not, at the time of this study, national in scope, so we have the conditions of a natural experiment, with some municipalities receiving the "treatment" of the special program and others not getting it. Thus, while all local governments were transformed structurally by the new laws, only a subset of them received full access to the DDPC program. As a result, it is possible to hold constant institutional reform and look exclusively at the impact of the DDPC program, giving us an advantage that Putnam did not have in his work in Italy. That is, it is possible to separate out the impact of the program from the structural reforms (i.e., decentralization and popular participation) themselves.

The objective of this analysis is to examine the impact on social capital formation of the effort to enhance municipal government in Bolivia. That program, Democratic Development, Citizen Participation, has been supported by USAID since its inception. In this paper the program will be referred to by its Spanish acronym, DDPC. Since 1998 the University of Pittsburgh Latin American Public Opinion Project has been conducting surveys of democratic values and behaviors in Bolivia. Each survey has involved the collection of data from a national probability sample of about 3,000 respondents. Each sample has covered virtually the entire population of the country, including even remote rural zones (not an easy task in a highly mountainous country with a very low population density), as well as monolingual speakers of

Quechua and Aymara. The only adults excluded from the survey were monolingual speakers of other languages (e.g., Portuguese), who represent only a fraction of a percent of the population. Those studies have resulted in monographic and article publications (Hiskey and Seligson 2003; Seligson 1999; Seligson 2001a; Seligson 2001b; Seligson 2003).

In the 2002 study it was decided to select a special sample of municipalities and/or commonwealth associations of municipalities, called *mancomunidades* in Bolivia, and to compare those results with the national results. The sample of DDPC municipalities was drawn at random from the list of municipalities that, by the time of the study, had undergone the full package of inputs. In this way, comparisons can be made between those municipalities and *mancomunidades* and the rest of the country. The DDPC program also applied part of its package to other areas of the country from which the national sample was drawn.<sup>3</sup> In order not to confuse the results with those areas of the country which had received partial DDPC inputs, those areas were eliminated from the national sample, so that the comparison could be made directly between the “full-package” DDPC sample and the rest of the country. As will be noted below, however, it is still necessary to introduce controls to compensate for demographic and socio-economic differences between the national sample and the DDPC sample.

The DDPC program began by selecting a small number of municipalities and doing pilot project work there. This effort was then scaled up under what was called the “replicability strategy.” Under this strategy, DDCP provided small institutional strengthening grants to selected *mancomunidades* and departmental municipal associations to hire from three to five technical staff with expertise or training in municipal budgeting, participatory planning, municipal legislation, meeting facilitation, etc. The DDCP, in turn, trained these technical staff

---

<sup>3</sup> Specifically, it worked in 17 out of the 132 municipalities from which the sample was drawn, affecting 404 of the 3,017 respondents in the 2002 study.

in its *Modelo de Gestión Municipal Participativa*, which, as a starting point, sought to increase citizen participation in the definition of the annual operating plan and budget. The efforts also focused on strengthening the capacity of the municipal executive and council to properly prepare accounts, organize itself and, in general, respond to the increasing demands of the citizenry in a public manner.

A central goal of the project was to make citizens become more active municipal actors. The expectation was that citizens would take advantage of the new laws, and participate more frequently in municipal meetings, feel that the municipal government is more transparent and responsive than the national norm, and believe that they exercise effective social control over the municipal government. Eventually, but not immediately, if successful, these two elements were designed to increase citizen satisfaction with the performance of municipal government and, by extension, with the democratic system of governance.

### ***Control Variables***

Before comparisons are made between the special DDPC sample and the rest of Bolivia,<sup>4</sup> it is important to determine if the DDPC sample differs demographically or socio-economically from the rest of the country. Since the DDPC program focused heavily on rural areas and smaller cities and towns, it is likely that the sample drawn to represent the areas that received the full DDPC package of inputs would be more rural, and as a consequence poorer and less well educated than the national population. As shown in Table 1 (observe the last column, the one labeled “Sig.”), there are no significant differences between the national and DDPC samples in terms of gender or age, thus reducing concerns over selection bias. For example, if young people

---

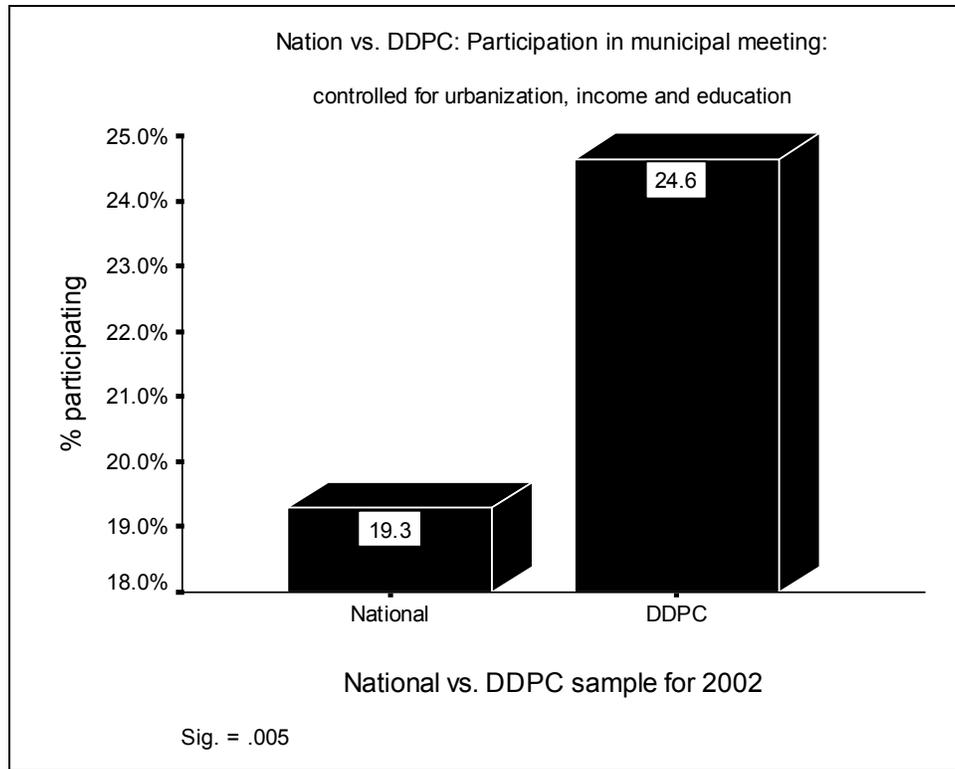
<sup>4</sup> Again, the reader needs to recall that we remove from the “rest of Bolivia” municipalities in which the DDPC provided some inputs. The data base variable to do this is called MUNISEL.

participate more than old, than if the treatment group was, on average, younger than the control group, then increases in participation could be a function of age and not the program. There are, however, significant differences in urbanization, education and income. The DDPC sample is, more rural, less well educated and of lower income than the national population. These factors are controlled for before (by treating them as covaritates in the analysis of variance that follows).

## **Results**

### ***Municipal Meeting Participation: DDPC vs. the Nation***

The differences in municipal meeting participation encountered between the national sample and the DDPC sample are relatively large and statistically significant, as shown in Figure 1. As can be seen, Bolivians living in the regions where the DDPC carried out its full program participated at significantly higher levels than those in the rest of the country. It shows a 27% increase in the DDPC areas vs. the nation even when key control variables (urbanization, income and education) are introduced. How meaningful are these results? When these results are placed in an international perspective, the DDPC areas increase their participation to match the highest level reported in the Vanderbilt University Latin American Public Opinion Project data base. No country in that data base, for example, has participation levels above 29%, so the increase in participation found in those areas of Bolivia in which the DDPC program was applied is important in this comparative sense.

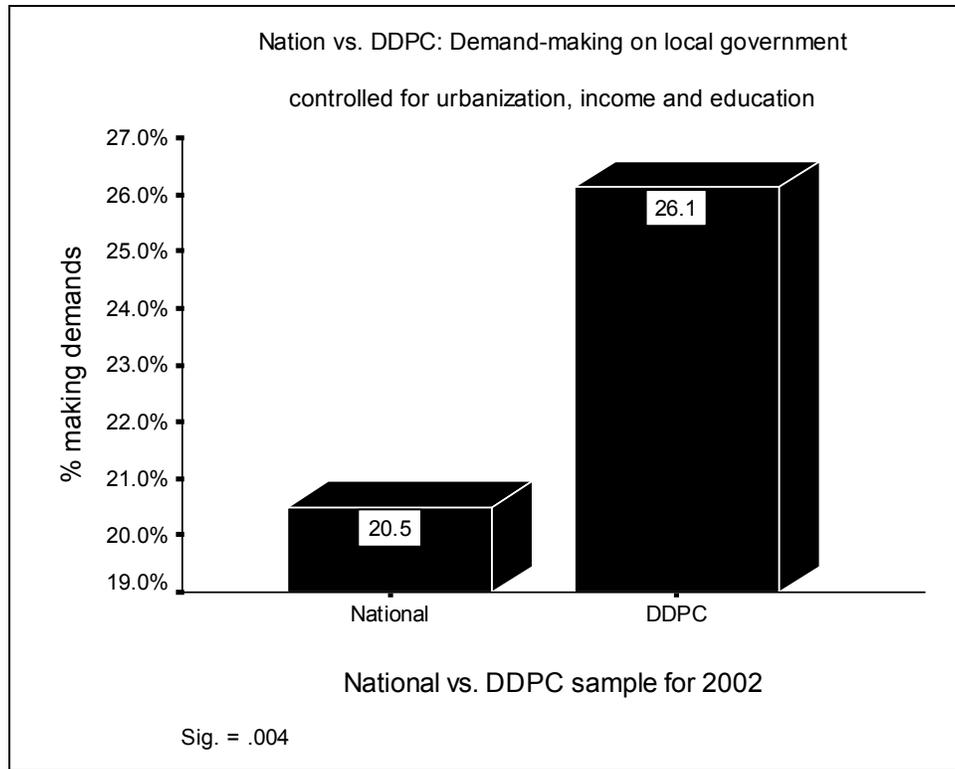


**Figure 1**

**Nations vs. DDPC: Participation in municipal meeting:  
Controlled for urbanization, income and education**

***Demand-Making: DDPC vs. the Nation***

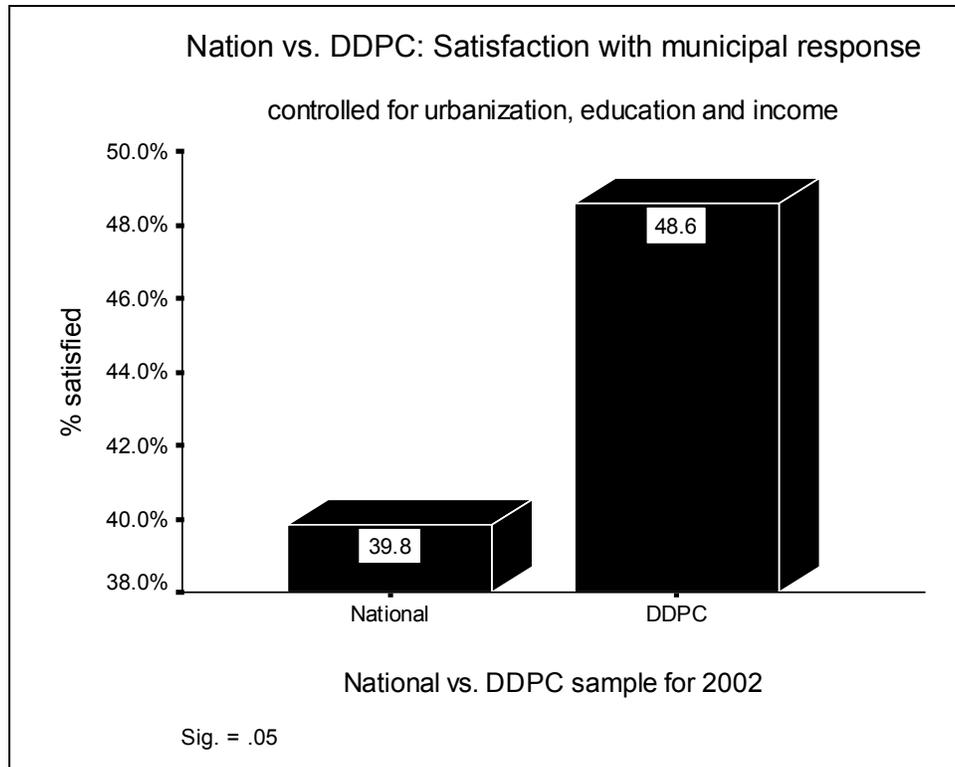
Demand-making is a more active form of participation than attending meetings, and therefore it is important to focus on it. The results in Figure 2 show once again that participation in the DDPC areas, even when controlled for the demographic and socio-economic differences between them and the rest of Bolivia, is significantly higher. In percentage terms, over the national base, the increase is 27%. In addition, once again, the DDPC areas come close to matching those countries in our sample that are at the top of the list. These findings suggest significant and large increases in participation as a result of the DDPC efforts, since relevant variables have been controlled for that could otherwise explain the higher levels in the DDPC areas.



**Figure 2**

**Nation vs. DDPC: Demand-making on local government  
Controlled for urbanization, income and education**

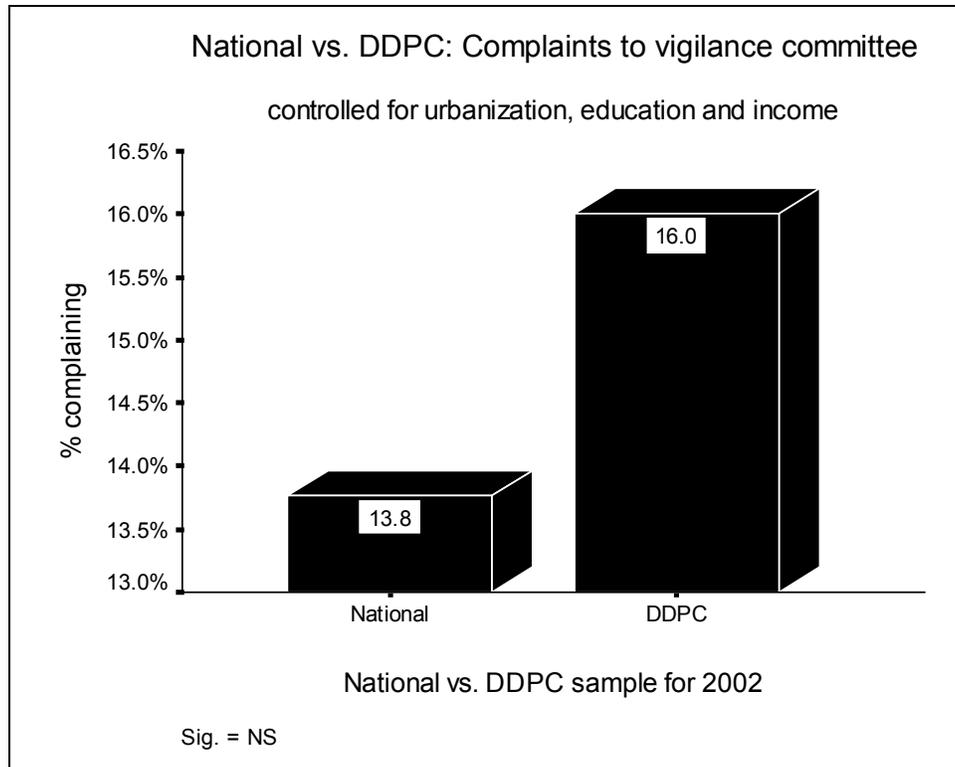
Bolivians were asked about their satisfaction with the response they received from their municipality for the demands that they made. There is (see Figure 3) a sharp and significant difference in levels of satisfaction among those who made demands. Apparently, those municipios included in the DDPC program have learned how to respond to citizen demands far better than other municipios in Bolivia. This is a clear indication of the efficacy of the DDPC program. Later it will be shown, however, that satisfaction with municipal government for the DDPC sample as a whole is not significantly higher than it is for the rest of the country. In combination with the results shown in Figure 3, this means that satisfaction increases for those Bolivians who make demands on their system, but not for Bolivians who merely live in regions in which the DDPC has been operating.



**Figure 3**

**Nation vs. DDPC: Satisfaction with municipal response  
Controlled for urbanization, education and income**

Complaints to the vigilance committee were also higher in the DDPC areas, but when controls were introduced, the difference was not significant, as shown in Figure 4.

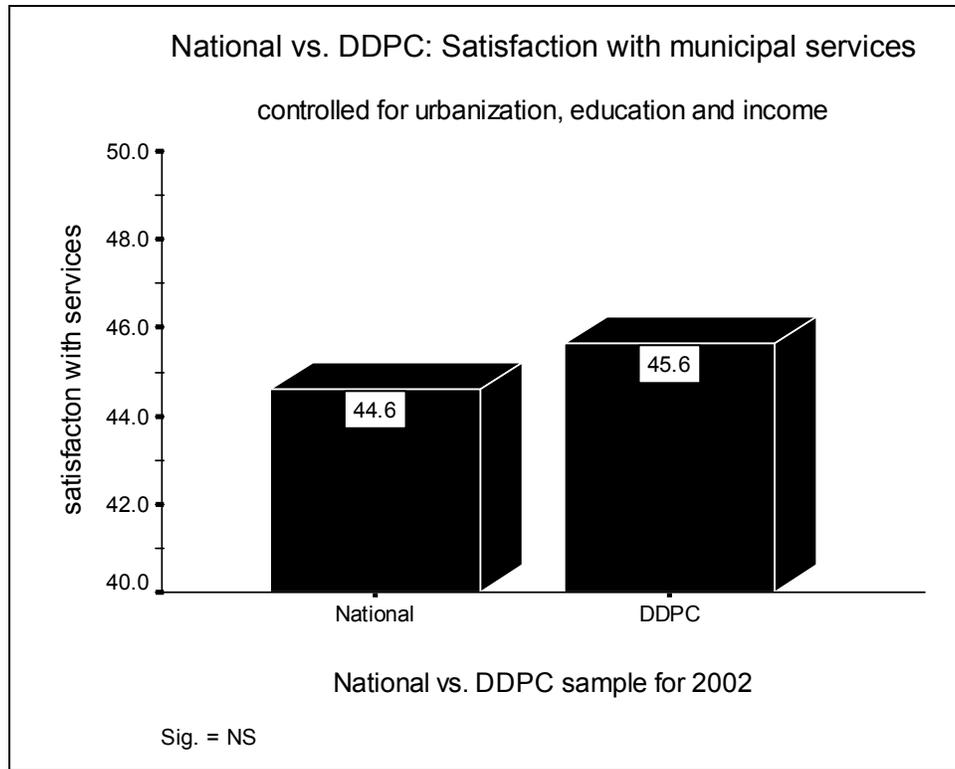


**Figure 4**

**National vs. DDPC: Complaints to vigilance committee  
Controlled for urbanization, education and income**

### ***Satisfaction with Municipal Services***

The survey also asked respondents about their overall satisfaction with municipal services. Initial examination of the DDPC sample did not reveal, however, any significant difference between it and the nation as a whole, as is shown in Figure 5.



**Figure 5**

**National vs. DDPC: Satisfaction with municipal services  
Controlled for urbanization, education and income**

The picture changes, however, when the subset of Bolivians, both national and DDPC, who have attended a municipal meeting within the past year, are isolated from the general sample. In that group, the impact of the DDPC can be clearly seen. As shown in Figure 6, when only those Bolivians who have attended a municipal meeting within the last year are examined, those who live in the areas which received the full package of DDPC inputs are significantly more satisfied with municipal services than those who do not. Thus, just living in a municipality that has undergone major reforms is insufficient to “get the word out,” to the citizens as a whole. But when those citizens have contact with their municipal governments, they apparently detect the change and are more satisfied by the services that they get. This finding reconfirms the one reported on above where it was shown that citizens who made a demand and were living in

DDPC areas were more satisfied with the response to that demand than those citizens who made demands but were not living in a DDPC area.

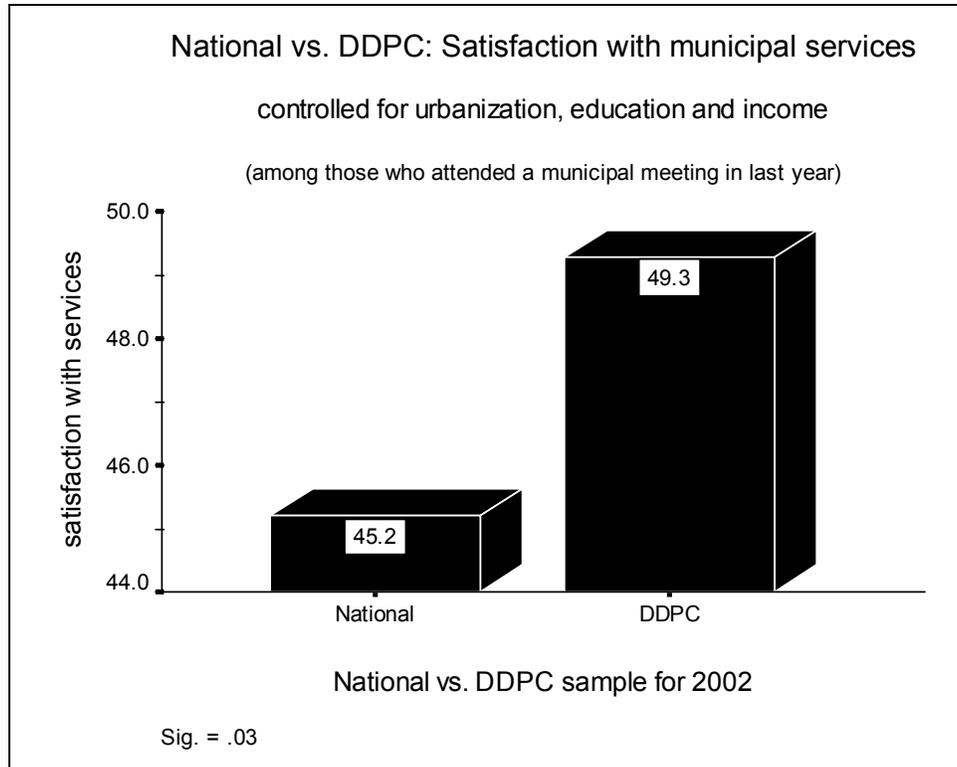
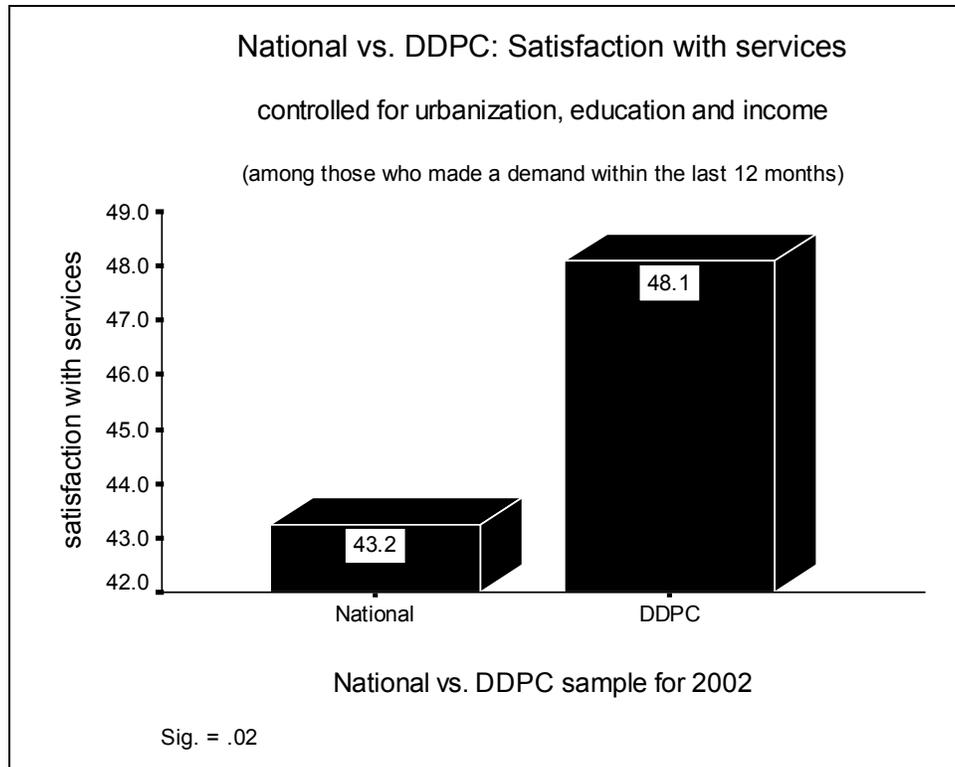


Figure 6

**National vs. DDPC: Satisfaction with municipal services  
Controlled for urbanization, education and income  
(among those who attended a municipal meeting in last year)**

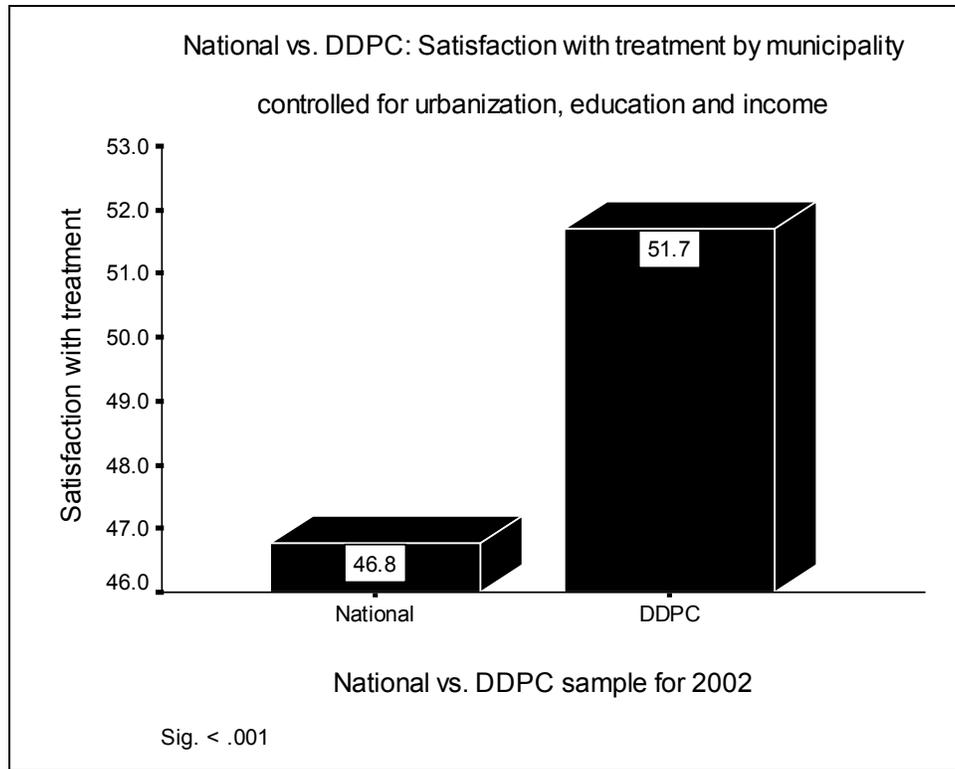
Even stronger results are found when controls are introduced not just for participation but also for demand-making. Bolivians who made a demand on their municipality and who live in DDPC areas are significantly more satisfied with municipal services than those who made a demand but did not live in a DDPC area ( see Figure 7).



**Figure 7**

**National vs. DDPC: Satisfaction with services**  
**Controlled for urbanization, education and income**  
**(among those who made a demand within the last 12 months)**

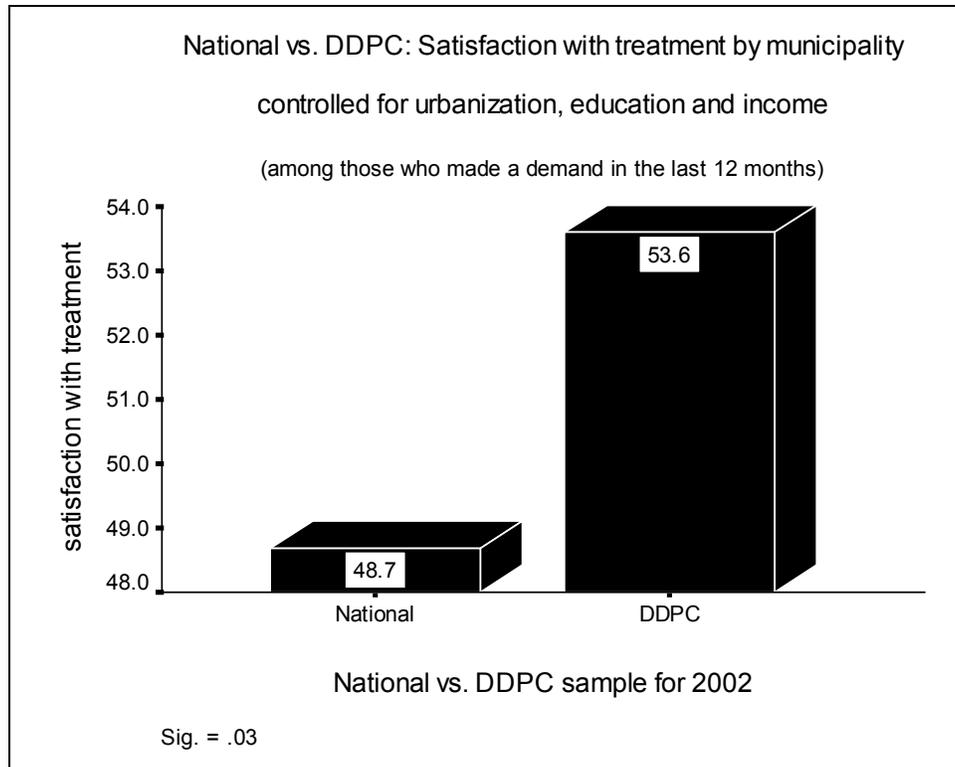
The analysis now turns to satisfaction with treatment by municipal officials. Here the difference between the national and DDPC areas is even clearer. As can be seen in Figure 8, for the national sample as a whole, satisfaction with treatment is significantly lower than respondents who live in areas in which the DDPC program has been fully carried out.



**Figure 8**

**National vs. DDPC: Satisfaction with treatment by municipality  
Controlled for urbanization, education and income**

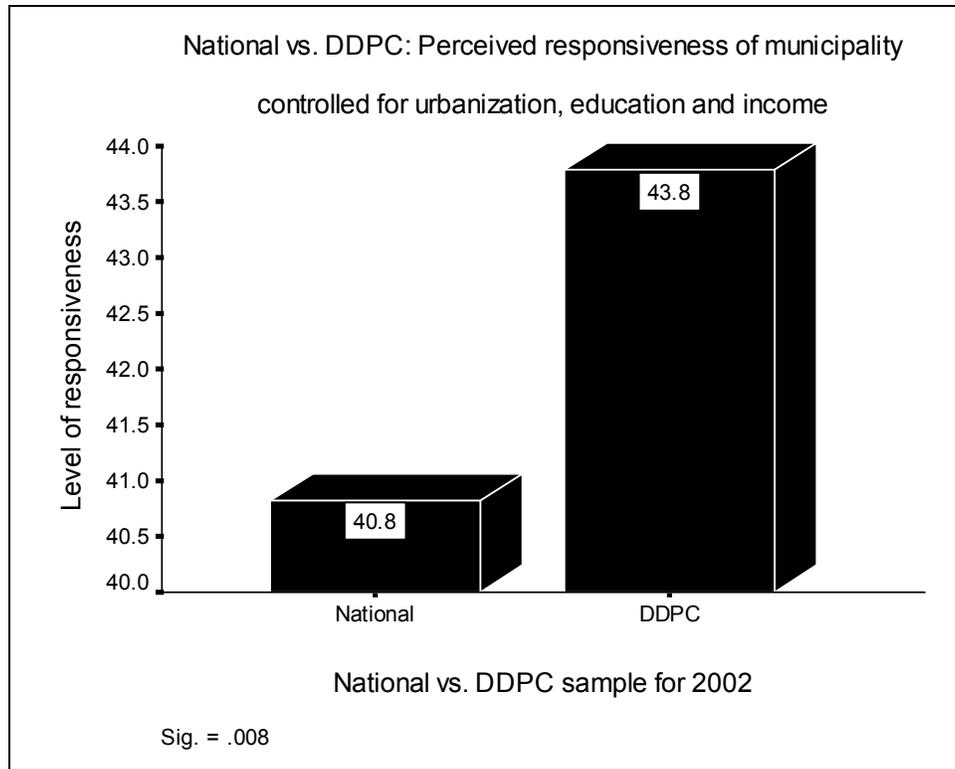
The same pattern emerges among those who made a demand within the 12 months prior to the survey, as is shown in Figure 9. It is quite clear, therefore, that the DDPC program is changing the way that municipalities are doing business, making them more responsive to their “customers.” Resources to satisfy demands remain, of course, very constrained in Bolivia, given the overall low level of national income, but the DDPC project has found a way to increase citizen participation and satisfaction.



**Figure 9**

**National vs. DDPC: Satisfaction with treatment by municipality  
controlled for urbanization education and income  
(among those who made a demand in the last 12 months)**

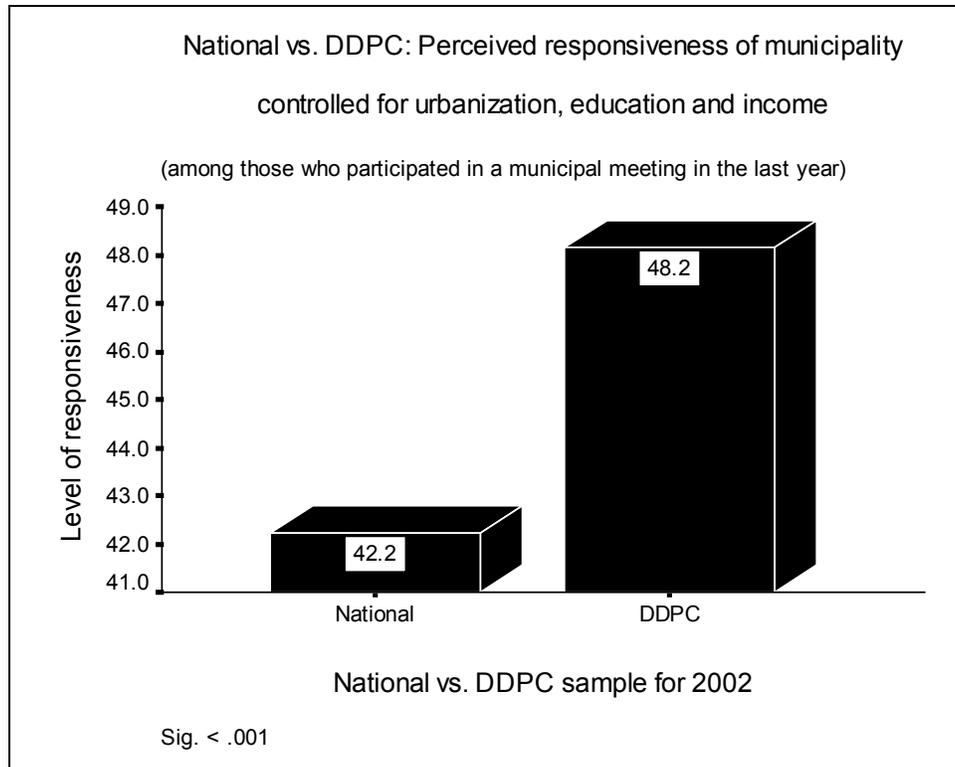
Perceived responsiveness has also been affected in a positive way by the DDPC program. Comparison of the DDPC sample to the nation as a whole shows that the DDPC sample expresses a perception of significantly higher levels of responsiveness on the part of the municipality, as is shown in Figure 10. This is the same pattern we have seen throughout this paper.



**Figure 10**

**National vs. DDPC: Perceived responsiveness of municipality  
Controlled for urbanization, education and income**

If this same relationship is examined among respondents who participated in a municipal meeting within the last year, the relationship is even stronger, as is shown in Figure 11. Both the national and the DDPC levels increased among this subset of participant Bolivians, while the increase in satisfaction among the participant DDPC respondents is considerably greater.

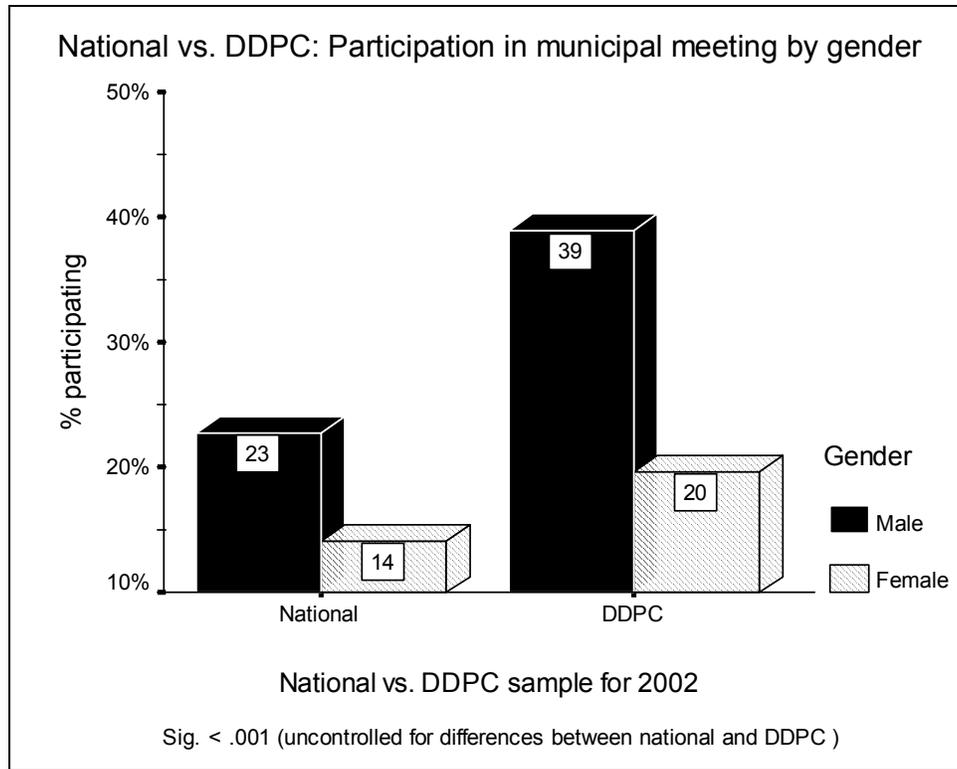


**Figure 11**

**National vs. DDPC: Perceived responsiveness of municipality  
Controlled for urbanization, education and income  
(among those who participated in a municipal meeting in the last year)**

### ***The Gender Gap***

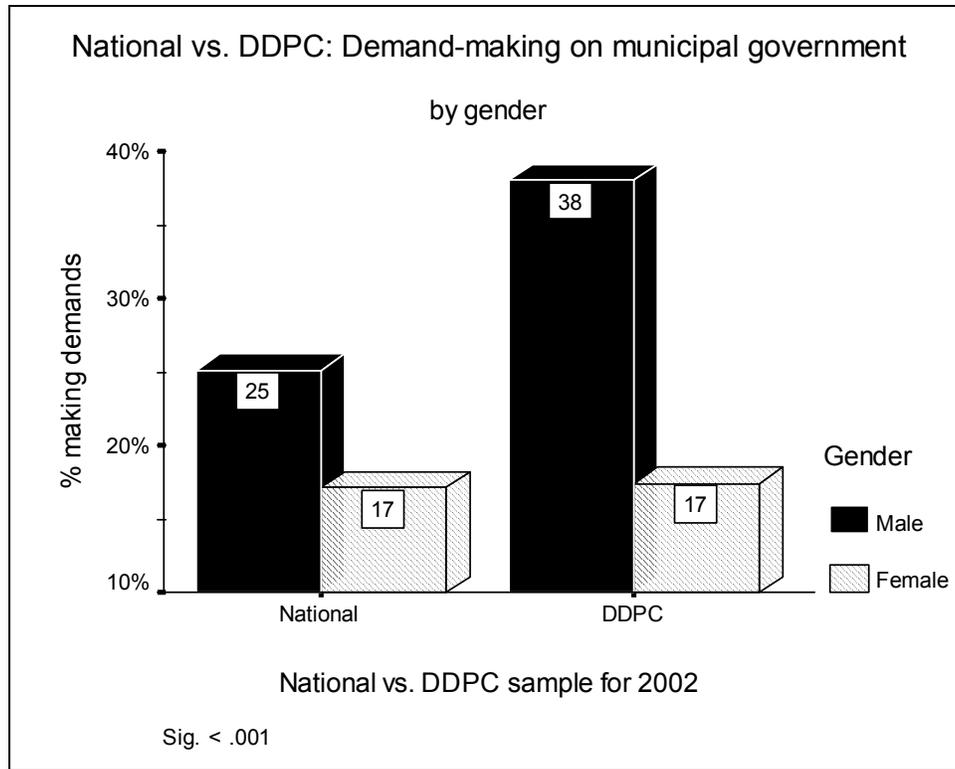
Prior studies by the Vanderbilt Latin American Public Opinion project have highlighted the gender gap in participation in Bolivia. Has this gap narrowed in the general public and has it narrowed within the DDPC sample? In terms of attending municipal meetings, as can be seen in Figure 12, the gap remains quite wide in both samples. But it is also of note to see just how high the DDPC participation is for both men and women. They show that while female participation is only 60% of that of males in the national sample, it is only 51% of males in the DDPC. This suggests that far more needs to be done in the DDPC program to narrow the gender gap.



**Figure 12**

**National vs. DDPC: Participation in municipal meeting by gender**

The same pattern is also found for demand-making, as is shown in Figure 13. Once again the gap between males and females is large, but it is larger in the DDPC sample. Females make 68% of the demands that males make in the national sample, but only 45% of the demands that males make in the DDPC sample. In other terms, females in the DDPC program exhibit no more social capital than those in the rest of the nation, which means that virtually all of the impact of the DDPC program has been because of its impact on males. This is a disturbing finding, one that calls for a reexamination of the methodology of the program and the degree to which it is gender sensitive.



**Figure 13**

**National vs. DDPC: Demand-making on municipal government by gender**

## **Beyond Bolivia: Social Capital in Latin America**

The case of building social capital in Bolivia that has been studied in detail in this paper is not one that can easily be studied elsewhere in the region because of the lack of “before-and-after” studies. Therefore, there is little quantitative evidence to draw on to make generalizable conclusion that social capital can be built in Latin America. A review of the GAO report cited earlier makes clear that little such evidence is available in the six countries covered in that report (United States. General Accounting Office. 2003). Moreover, the Bolivian project is a new one and it is impossible to determine at this juncture if the gains carefully measured and documented there will be lasting. Nonetheless, drawing on my own personal experience, it is possible to look

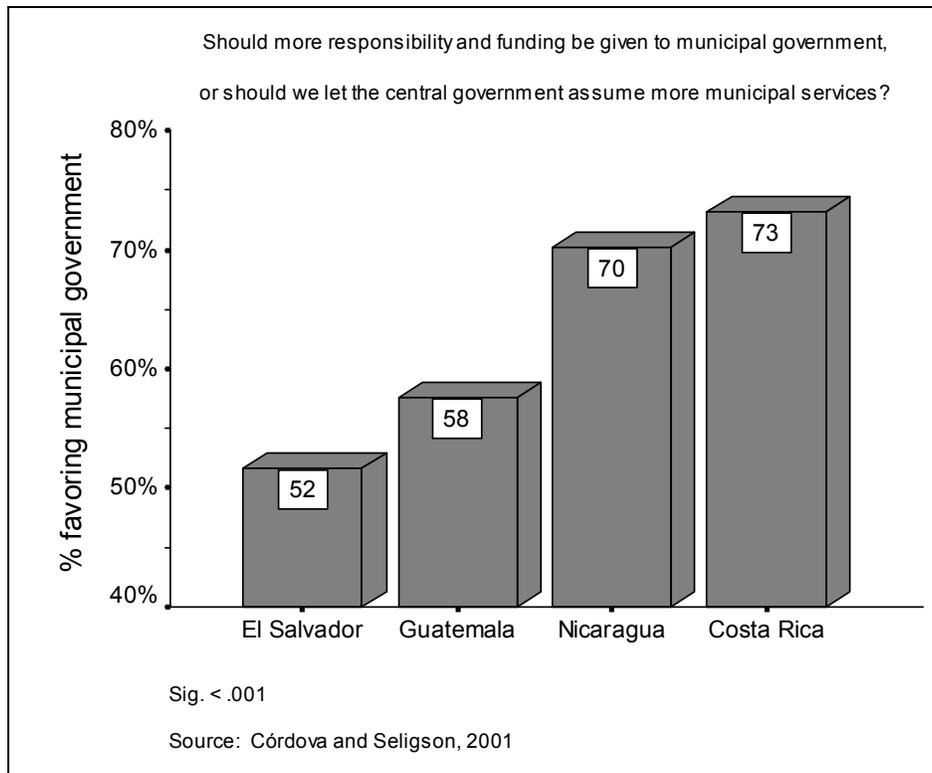
back at least one important historical case and use qualitative evidence to demonstrate the long-term impact of local government strengthening in building social capital.

I will examine here an illustration from Costa Rica, a country in which I have lived (off and on) for over five years. Costa Rica is an especially important case because even though it is far poorer than advanced industrial nations or even Latin America's most advanced nations (e.g., Argentina), it is widely recognized as Latin America's most democratic country. Costa Rica has the longest and deepest tradition of democratic governance of any nation in Latin America. (Kelly 2001). Civil liberties, including freedom of press, speech, and assembly, are widely respected and protected. Free and open elections have been, for over 50 years, the hallmark of Costa Rica's style of politics, with observers throughout the world seeking to copy elements of an electoral system that faithfully guarantees against voting fraud and corruption. Human rights, so often brutally abused in other Central American nations, are carefully respected, and one rarely hears of even allegations of their violation.

There are many studies that have attempted to explain why it is that Costa Rica has emerged as such a strong democracy. These include ones that focus on the fact that for over 50 years Costa Rica has not had a standing army (Bowman 2002), to those that emphasize class structure and elite agreements that emerged in the 1930s (Yashar 1997), to longer-term historical treatments focused on the impact of 19<sup>th</sup> century liberalism and the agricultural policies established at that time (Mahoney 2001). Harrison has gone back even further, tracing Costa Rica's cultural roots back to regions of Spain from which the early Costa Rican immigrants were thought to have come (Harrison 1985). Few studies, however, have looked explicitly at long-term impact of local government. Nickson's (1995 155) brief treatment, for example, refers to the importance of local government in 19<sup>th</sup> century Costa Rica, but does not link it to the

emergence of social capital. Two more detailed studies focus largely on developments in the second half of the 20<sup>th</sup> century (Baker, Fernández P. and Stone 1972; Marín 1987). What is less well known is that throughout much of Costa Rica's development in that century, and up through the early 20<sup>th</sup> century, local government in Costa Rica was *de jure* and *de facto* responsible for the health, education and welfare of its citizens. Thus, while other countries in the Latin American region developed a strongly "centralist tradition" (Véliz 1980) in which local autonomy and responsibility were rapidly superseded by central government, Costa Rica had a strong localist tradition throughout its formative period. As a result, citizens regularly sought out their local governments and had contact with them on a wide variety of issues. Although this tradition had been eroding as the state centralized education, health and, eventually, welfare functions, but the tradition of strong, responsive local governments had been well established by then, and continued to predominate, especially in rural areas where Central government presence was more limited. Even as late as the 1970s strong local governments remained the center of attention of most citizens in rural Costa Rica (Booth 1989; Booth, Mondol and Hernández 1973). Sadly, by the late 20<sup>th</sup> century, local governments were on the decline and interest in them has been reduced as citizen attention shifted to the growing central government. In early 21<sup>st</sup> century a number of reforms were made to resuscitate local government, such as the direct election of mayors and the separation of municipal elections from national elections. Thus far these reforms have not thus far helped to rekindle interest in local government (abstention in the first mayoral election was 77% of the registered voters compared with an average of 20% at the national level), but the historical illustration sketched below does seem to show, descriptively at least, that social capital can be constructed. Despite this erosion, it is very clear that municipal government still plays a very important role in the lives of many Costa Ricans, as is illustrated by

the results displayed in Figure 14, which are based on recent national survey samples from four countries in Central America (Córdova and Seligson 2001).



**Figure 14**

My own experience as a Peace Corps Volunteer in rural Costa illustrates the importance and impact that local government can have in building social capital. The region to which (my wife and) I had been assigned, Coto Brus, had only a few years prior to our arrival been established as a stand-alone *cantón* (the Costa Rican equivalent of county) with its own municipal government, formerly having been incorporated into another *cantón* (that of Golfito) (Edelman and Seligson 1994). Prior to World War II this region of Costa Rica that had had a tiny population, largely comprised of indigenous groups who had long migrated between Costa Rica and Panama, but the construction of the Pan American Highway during the War brought a

significant population influx to the zone. By the early 1960s it had achieved a population sufficient for the formation of its own local government.

In the 1960s the Coto Brus region was remote and inaccessible by vehicle travel to the rest of Costa Rica during much of the rainy season because the rivers deepened and widened so much during that period that even large four-wheel trucks could not cross them. At that time there were no bridges (Cole-Christensen 1997), although today bridges cross the two main rivers leading to the area. The region had very few public services other than primary schools in the areas of settlement, and one high school located in the county seat. Medical services were almost non-existent; there was not a single physician in a region with over 20,000 residents. The only medical assistance came from British volunteer nurses who ran a maternity clinic in the county seat, San Vito de Java.

The isolation, poverty and lack of public services of the Coto Brus region in the 1960s and 1970s were in many ways typical of many regions in Central America at that time. What was different in the Costa Rican case, however, was the role of local government into the region. Local governments in Costa Rica were (and remain to this day) very poor in material resources. The overwhelming majority of public tax income flows to the central government in San José. Yet, in spite of this limitation, as soon as the municipal government in Coto Brus was founded it became the central focus of almost all citizen demand-making directed at the resolution of the multiple problems faced by the region. As noted, there were few public services; paved roads were almost non-existent, electricity was available only in the largest settlements, and then only sporadically. There was no telephone service, with all communications with the outside world handled via telegrams, and public transportation to the national capital operated via a feeder bus line (using an aging U.S. school bus) that ran only twice a day, and then only to the county seat

and villages along the way. In short, there was a limitless need for improved public services, but almost no capital to make such services available. The municipal government, constrained though it was by limited resources, served as a focal point for all civil society groups seeking to overcome local problems. When hamlets evolved into villages, school committees were formed and the municipal government contacted to help provide materials for the construction of a school room. Normally villagers donated both the land and the labor for such projects, but the local government would also contribute the roofing material and perhaps some cement for the floors. When parents sought to build a soccer field so that their children would have a place to recreate, the municipal government was sought out for the loan of its tractor (it owned only one!) to level the land to be turned into the soccer field. Countless small-scale projects were completed in this fashion, in a partnership between village civil society organizations and the local government.

Municipal government was not only a place to find resources for local projects, it became a voice with the central government for improvements in county services. One good illustration of the key role of municipal government in Coto Brus occurred in the late 1960s. At that time USAID was promoting a program to provide medical services to remote rural areas. USAID granted jeeps to the government of Costa Rica, which in turn provided a physician, a public health worker and a nurse to form a team to offer rural medical services. The team based itself in the county seat and travel each day to the villages in the *cantón*, providing basic medical attention and public health education to the inhabitants.

The key social capital-building component of this medical project was that no community could receive medical attention until and unless it had organized a local community development committee (*comité de bienestar comunal*) whose responsibility it became to find a place for the

doctor to examine the patients and for the public health educator to give her lectures. In addition, the local committee was responsible for collecting a small fee (to purchase a “ficha”) from each prospective patient, which entitled them to a place in the waiting line to see the doctor. The funds collected were not, however, handed over to the doctor but were designated to be used in the village for community development purposes.

The results were impressive. Community welfare committees sprang up in even the most remote villages, and many citizens became heavily engaged in them. As a result, local community leaders emerged in these committees, which began to extend their reach beyond the narrow task of preparing for the regular visits of the health team. In some villages community centers were built, while in others soccer fields were constructed. Within a few years, these local committees had become in many villages the central focus of community development. At the same time, whenever a new project was being attempted within the community, invariably a decision was made to seek the assistance of the municipal government, even if that assistance was no more than token. As a result, an important dynamic developed around this interaction between civil society and local government, one that helped strengthen them both and build social capital within the village and the *cantón*.

One vignette can help illustrate the centrality to community life of this civil society/municipal government interaction. In 1968 the Ministry of Health of Costa Rica announced that it had decided that was inefficient for the doctor (and indeed the entire team) to be traveling from village to village, and as a result the mobile teams were to be dismantled and medical service was to be concentrated in the county seat. This decision, no doubt a good one based purely on efficiency criteria (i.e., the doctor’s time was the scarcest resource, so the patients needed to travel to see him rather than the other way around), was seen by the villagers

of Coto Brus as a major blow to their communities, making them less desirable places to live and more difficult to attract other settlers, an important local goal in this sparsely settled, remote region. It was also the case that without regular physician visits, the community welfare association would lose its *raison d'être*; it would no longer be able to collect fees for the privilege of seeing the doctor, it would no longer have the funding or motivation to build a community center to host the visiting medical team. In short, the social capital that had been built via the mobile doctor arrangement was being threatened, but, as the Ministry of Health was soon to learn, it would not be easy to eradicate it.

In response to the decision by the Ministry of Health to eliminate the mobile medical service, the welfare committees, in conjunction with the municipal government of Coto Brus, began to organize themselves to protest. The community radio station, run by the Franciscan priests assigned to the country, was used to send messages to the various village welfare committees. They, in turn, sent protest telegrams to the Ministry, but also sent them to the legislative deputies from the province of Puntarenas (to which Coto Brus belongs), urging a change in policy. When those efforts failed to bring a change in policy, the municipal government and the community leaders organized a protest, sealing off the only road connecting the county to the rest of Costa Rica and demanding that the Minister of Health visit the region to respond to the local plea for a restoration of mobile medical service. It should be noted that at that time, in the other countries in Central America, all of which were authoritarian regimes, such actions would, no doubt, have been met with force, but Costa Rica had a long established tradition of democracy and an entrenched practice of using dialog rather than repression to respond to citizen demands, and so the Minister and his assistants agreed to fly to the region and meet with the citizens.

In preparation for the arrival of the Minister and his team, the welfare committees of the county, along with the municipal government, planned extensively and carefully. They not only organized the citizens so that they would show up *en mas* in the country seat on the day of the visit, but they also selected the most articulate spoke persons from among the municipal officials and welfare committees to make their presentations. The efforts paid off. On the day of the visit, the crowd was so large that the entire event had to be held outdoors. The public health officials listened to the presentations made to them and, after some hours of dialog, changed their minds and agreed to the restoration of mobile health service.<sup>5</sup> The sense of triumphalism in the communities in the weeks that followed was palpable.

There are important lessons from this illustration. First, the historic centrality of local government in Costa Rica provided a natural organizing locus when coordinated action was needed. It was far more effective for the residents of Coto Brus to have presented a united front to the Minister of Health than they would have done had they relied on efforts by individual village welfare committees. Second, the municipal government worked in concert with civil society organizations from the villages to meet the health care challenge, a *modus operandi* that had become institutionalized in Coto Brus long before the mobile health unit crisis. Third, the ability of Coto Brus to resist and eventually triumph over central government power was largely made possible because of the social capital that had been built through the institutionalization of the welfare committees in each village. The committees not only were used to meeting and organizing, they were used to working with their municipal government to help increase public

---

<sup>5</sup> Over time, as Costa Rica's own public health system grew in size and sophistication, the social security system took over public health services. A social security hospital was eventually built in Coto Brus and various "health posts" were established in most villages, which provided basic public health services (Seligson, Martínez and Trejos 1997). At the same time, transportation within the Coto Brus region improved greatly, making it far less of a problem for villagers in need of medical services to travel to the county seat. This all led, ultimately, to the demise of the mobile doctor service, but left behind were strong local civil society organizations that continue to function to this day.

goods. In short, the mobile health unit program in Costa Rica is a good illustration of public policies that, like the DDPC program in Bolivia discussed earlier in this paper, helped to build social capital.

## **Conclusions**

This paper has examined the impact of efforts in Bolivia and Costa Rica to increase social capital. The survey data support the view that social capital can be increased, as the DDPC program has been found to have had an important, significant impact on raising it. It was also found, however, that a wide gender gap still exists in Bolivia, one that has not been narrowed in the DDPC municipalities. The descriptive illustration from Costa Rica helps show how good public policies, ones that stress local participation, can help build unusually strong social capital that allowed poor villagers residing in remote regions to confront their central government and win.

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

## References

- Baker, Christopher E., Ronald Fernández P., and Samuel Z. Stone. *El gobierno municipal en Costa Rica: Sus características y funciones*. San José, Costa Rica: Associated Colleges of the Midwest Central American Field Program and La Escuela de Ciencias Políticas, Universidad de Costa Rica, 1972.
- Banfield, Edward. *The Moral Basis of a Backward Society*. Chicago: The Free Press, 1958.
- Booth, John A. "Costa Rica: The Roots of Democratic Stability." In *In Democracy in Developing Countries: Latin America*, edited by Larry Diamond, Juan Linz and Seymour Martin Lipset. Boulder: Lynne Rienner, 1989.
- Booth, John A., Miguel Mondol, and Alvaro C. Hernández. *Tipología de comunidades*. San José: Comunidad-Acción Técnica, 1973.
- Bowman, Kirk S. *Militarization, democracy, and development : the perils of praetorianism in Latin America*. University Park, Pa.: Pennsylvania State University Press, 2002.
- Carothers, Thomas. *In the name of democracy : U.S. policy toward Latin America in the Reagan years*. Berkeley: University of California Press, 1991.
- . *Aiding democracy abroad : the learning curve*. Washington, DC: Carnegie Endowment for International Peace, 1999.
- Cole-Christensen, Darryl. *A Place in the rain forest : settling the Costa Rican frontier*. 1st ed. Austin: University of Texas Press, 1997.
- Córdova, Ricardo M., and Mitchell A. Seligson. *Cultura política, gobierno local y descentralización: I. Centroamérica*. San Salvador: FLASCO, 2001.
- Dasgupta, Partha, and Ismail Serageldin, eds., *Social Capital: A Multifaceted Perspective*. Washington, D. C.: The World Bank, 2000.
- Dower, John W. *Embracing defeat : Japan in the wake of World War II*. 1st ed. New York: W.W. Norton & Co., 1999.
- Edelman, Marc, and Mitchell A. Seligson. "Land Inequality: A Comparison of Census Data and Property Records in Twentieth- Century Southern Costa Rica." *Hispanic American Historical Review* 73, no. 3 (1994): 445-91.
- Edwards, Bob, and Michael W. Foley. "Social Capital, Civil Society, and Contemporary Democracy." *American Behavioral Scientist* 40 (March/April) (1997).
- Gilbert, Martin. *The Second World War: A Complete History, Revised Edition*. New York: Henry Holt and Company, 1991.
- Harrison, Larry E., and Samuel P. Huntington. *Culture Matters: How Values Shape Human Progress*. New York: Basic Books, 2002.
- Harrison, Lawrence E. *Underdevelopment Is a State of Mind: The Latin American Case*. Boston, MA: Center for International Affairs, Harvard University and University Press of America, 1985.
- Hiskey, Jon, and Mitchell A. Seligson. "Pitfalls of Power to the People: Decentralization, Local Government Performance, and System Support in Bolivia." *Studies in Comparative International Development* 37, no. 4 (2003): 64-88.
- Inglehart, Ronald. *Culture Shift in Advanced Industrial Society*. Princeton: Princeton University Press, 1990.
- Kelly, Phil. "The Fitzgibbon-Johnson Index: Specialists' View of Democracy in Latin America, 1945-2000." Emporia, Kansas: Emporia State University, 2001.

- Krishna, Anirudh. *Active social capital : tracing the roots of development and democracy*. New York: Columbia University Press, 2002.
- Krishna, Anirudh, Norman Thomas Uphoff, and Milton J. Esman. *Reasons for hope : instructive experiences in rural development*. West Hartford, Conn.: Kumarian Press, 1997.
- Lewis-Beck, Michael, and Ross E. Burkhart. "Comparative Democracy: The Economic Development Thesis." *American Political Science Review* 88 (1994): 903-10.
- Mahoney, James. *The legacies of liberalism : path dependence and political regimes in Central America*. Baltimore: Johns Hopkins University Press, 2001.
- Marín, Oscar. *Régimen municipal, volumen I*. San José, Costa Rica: Universidad Estatal a Distancia (UNED), 1987.
- Mayorga, Rene Antonio. "Bolivia's Silent Revolution." *Journal of Democracy* 8, no. 1 (1997): 142-56.
- Merritt, Anna J., and Richard L. Merritt. *Public opinion in occupied Germany: the OMGUS surveys, 1945-1949*. Urbana,: University of Illinois Press, 1970.
- . *Public opinion in semisovereign Germany : the HICOG surveys, 1949-1955*. Urbana: University of Illinois Press : Office of International Programs and Studies Office of West European Studies, 1980.
- Merritt, Richard L. *Democracy imposed : U.S. occupation policy and the German public, 1945-1949*. New Haven: Yale University Press, 1995.
- Mondak, Jeffery J. "Psychological Approaches to Social Capital (Special issue)." *Political Psychology* 19, no. 3 (1998).
- Nickson, R. Andrew. *Local Government in Latin America*. Boulder, CO: Lynne Reinner Publishers, 1995.
- Ottaway, Marina, and Thomas Carothers. *Funding virtue : civil society aid and democracy promotion*. Washington, D.C.: Carnegie Endowment for International Peace, 2000.
- Putnam, Robert D. *Making Democracy Work: Civic Traditions in Modern Italy*. Princeton, NJ.: Princeton University Press, 1993.
- . "Tuning In, Tuning Out: The Strange Disappearance of Social Capital in America." *PS: Political Science and Politics* 28, no. 4 (1995): 664-83.
- . *Bowling alone : the collapse and revival of American community*. New York: Simon & Schuster, 2000.
- . *Democracies in flux : the evolution of social capital in contemporary society*. Oxford ; New York: Oxford University Press, 2002.
- Seligson, Mitchell A. *La cultura política de la democracia boliviana, Así piensan los bolivianos, # 60*. La Paz, Bolivia: Encuestas y Estudios, 1999.
- . "El reto de la tolerancia política en Bolivia." *Reto, Revista especializada de análisis político* 8, no. Mayo (2001a): 5-15.
- . *La cultura política de la democracia en Bolivia: 2000*. La Paz, Bolivia: Universidad Católica Boliviana, 2001b.
- . *Auditoria de la democracia: Bolivia, 2002*. La Paz, Bolivia: Universidad Católica Boliviana, 2003.
- Seligson, Mitchell A., Juliana Martínez, and Juan Diego Trejos. "Reducción de la pobreza en Costa Rica: El impacto de las políticas públicas." In *Estrategias para reducir la pobreza en América Latina y el Caribe*, edited by José Vicente Zevallos. New York: United Nations Development Program, UNDP, 1997.

- United States. General Accounting Office. *Foreign assistance : U.S. democracy programs in six Latin American countries have yielded modest results : report to Congressional requesters*. Washington, D.C.: GAO, 2003.
- Véliz, Claudio. *The centralist tradition of Latin America*. Princeton, N.J.: Princeton University Press, 1980.
- Yashar, Deborah J. *Demanding Democracy: Reform and Reaction in Costa Rica and Guatemala, 1870s-1950s*. Stanford: Stanford University Press, 1997.