BONDS AND BRIDGES: SOCIAL CAPITAL AND POVERTY
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Synopsis

Increasing attention is being paid, in the World Bank and elsewhere, to the social aspects of development. This paper concentrates on two aspects of social capital: “cross-cutting ties” and the interaction between informal and formal institutions.

This paper is based on two main assumptions:
- societies are built from social groups rather than individuals and there may be high social capital within a group which helps its members, but there may be excluded from other groups;
- cross-cutting ties between groups open up economic opportunities to those belonging to less powerful or excluded groups.

It is vital to invest in the organizational capacity of the poor and a second critical area of investments is in fostering cross-cutting ties (or bridging social capital) among groups.