CHAPTER 2

LITERATURE REVIEW
This chapter attempts to conceptualize both social capital and quality of life concepts. In the first section, the quiddity of social capital have been conceptualized and explained. Then its brief history presented. In the next section, concept of quality of life is explained and conceptualized. Afterward, a brief history of quality of life in accordance with social scientists' viewpoint is reviewed. Then, the importance of social capital for quality of life is illustrated. The theoretical framework and model of the study along with research hypotheses are traced in next section. Finally, the empirical evidences associated with provided model are presented.

2.1. What is Social Capital?

To explain the important role that social capital plays in the quality of life in urban localities, it is important to have a conceptual understanding of the concept. Social capital represents one of the most popular metaphors in the current social science debate. However, despite the immense amount of research on it, its definition has remained elusive. There are many ways and approaches to conceptualize the social capital which leads to justifiable confusion about what constitutes "social capital". Perhaps the simplest way to understand social capital and its conceptualization is to consider a few examples relevant to the field of study in Delhi (India) and Tehran (Iran). For instance, we have some friends around us to contact whenever in need. We may go to work and communicate with colleagues. We may belong to an academic or social association or club that keeps us in touch with similar professionals outside our own work context. We may also belong to a political party. In our bonds with family life, we are part of a family, a neighbourhood, a religious or ethnic community in which we have to visit other people to share our problems, exchange our information, or worship together. These networks and bonds that keep people together are what we mean when we talk about social capital. In general, in this point of view the main assumption is that the more people you know, and the more you share a common outlook with others, the richer you are in social capital. In this context, social capital refers to the resources available in and through networks. These resources include information, ideas, job opportunities, emotional support, even goodwill, trust, and cooperation.

According to Baker (2000) the “social” in social capital emphasizes that these resources are not personal assets and no single person owns them. The resources reside in networks of relationships. In other words, social capital is generally perceived to be public goods (Putnam 2000) because, through its creation as a by-product of social relations, it benefits both the creator and bystander and because of its non-exclusivity - its benefits cannot be restricted and hence are available to all members of a community indiscriminately (Woolcock 2001).
According to Baker (2000) the “capital” emphasizes that social capital, like human capital or financial capital, is productive: It enables us to create value, get things done, achieve our goals, fulfil our missions in life, and make our contributions to the world.

Despite the concept of social capital proving to be as much a source of controversy and debate as the analysis of the sources and consequences of these phenomena, nonetheless, there is a broad degree of consensus and a number of influential definitions have been offered in the literature, notably by Bourdieu (1985), Coleman (1988; 1990), Fukuyama (1995; 1999) and Putnam (1993; 1995a; 1995b; 2000).

Pierre Bourdieu made the first contemporary analysis of social capital in the 1980s. In “The Forms of Capital” (1985), he differentiates between three forms of capital – economic, cultural and social. Bourdieu's concept of social capital is a means by which people get access through social connections to economic and cultural resources. Bourdieu (1985) defines social capital as:

“The aggregate of the actual or potential resources which are linked to possession of a durable network of more or less institutionalized relationships of mutual acquaintance and recognition – or in other words, to membership in a group – which provides each of its members with the backing of the collectively-owned capital”.

According to Bourdieu (1985), the concept of social capital contains two elements: the social relationship itself with its resources and the amount of quality of those resources. He argues that ‘the profits which accrue from membership in a group are the basis of the solidarity which makes them possible’. Bourdieu investigates individual's social capital, which is explained by the size of his or her network, the resources, and how successfully the individuals can use these resources. At the same time, he views social capital as a form of collective asset possessed by the members of a network.

In the late 1980s James Coleman’s theory of social capital became very influential, especially in sociology. Coleman (1988; 1990) focuses on the relationship between social capital and education. He regards social capital as a source of educational advantage. Coleman (1988) provides the following definition of the term:

“Social capital is defined by its function. It is not a single entity but a variety of different entities, with two elements in common: they all consist of some aspect of social structures, and they facilitate certain action of actors – whether persons or corporate actors – within the structure. Like other forms of capital, social capital is productive, making possible the achievement of certain ends that in its absence would not be possible. Like physical capital and human capital, social capital is not completely fungible but may be specific to certain activities. A given form of social capital that is valuable in facilitating certain actions may be useless or even harmful for others”.
Coleman (1988) defines social capital in terms of two aspects: an aspect of social structure and the facilitation of actions in the structure, performed either by individuals or collectives. Like any other form of capital, Coleman (1990) argues that social capital is productive. He regards social capital as a resource gained from relationships through processes such as obligations, expectations, trustworthiness, information channels, norms and effective sanctions.

Robert Putnam is the best known contemporary social capital scholar. Few scholarly books have generated so much discussion, acclaim and criticism in recent years as Putnam's Making Democracy Work (1993) and Bowling Alone (2000). Putnam's (1995a) analysis on social capital mainly focuses on those forms concerning civic engagement: ‘people’s connection with the life of their community’. According to Putnam there are high levels of social capital when a community is characterized by rich associational life. Putnam (1993) gives the following definition of social capital:

“By analogy with notions of physical and human capital - tools and training that enhance individual productivity - social capital refers to features of social organization such as networks, norms, and social trust that facilitate co-ordination and co-operation for mutual benefit” (p. 167).

The definition includes three conceptually different elements: networks, norms, and trust. Putnam (1995b) emphasizes dense networks in his description of social capital, which can be described as solidarity networks. The norms that he discusses are more specifically norms of generalized reciprocity, which occur when a community member helps another and eventually is rewarded by help in return though not necessarily from the original beneficiary. Social trust means having confidence in and trusting other people, even those people one does not know. According to Putnam (1993), the combined parts - networks, norms of reciprocity and trust - are closely interrelated and mutually reinforcing.

Francis Fukuyama is another well known contemporary social capital theorist. Fukuyama (1995) stresses the necessity of trust, which he uses as a measure of social capital. He investigates the links between trust and economic success arguing that social capital represented by trust will be as important as physical capital in economic development. According to Fukuyama, economic success is influenced by the level of trust in the society: economies whose citizens have high levels of social capital will dominate the twenty-first century. Fukuyama (1995) in Trust: the Social Virtues and the Creation of Prosperity, defines social capital as the ability of people to work together for common purposes. Fukuyama (1999) defines the concept as follows:

“Social capital is an instantiated informal norm that promotes cooperation between two or more individuals”.

Fukuyama (1995; 1999) investigates social capital on a macro or national level. He divides nations into low-trust cultures and high-trust cultures. He considers that cultures with high levels of trust create more social capital and exhibit greater economic growth. In high-trust societies, there are wealthy economies organized around large corporations. By contrast, in low-trust societies businesses are family-owned. These businesses tend not to trust outsiders and choose family members instead of professional managers to run the enterprise.

2.2. History of Social Capital

Theoretical footprints of social capital can be found in the works of founding fathers of contemporary social sciences, such as de Tocqueville and Durkheim, and in the writings of some of the earliest scholars. In fact, social capital's conceptualization in previous section simply highlighted the important role that community relationships play in individuals' life. Halpern (2005) states that current interest in the role that associational life plays in society dates back over hundred and seventy years ago in the observations of Alex de Tocqueville. According to Halpern de Tocqueville argued that 'an association unites the energies of divergent minds and vigorously directs them toward a clearly indicated goal'. He also mentioned that through associational life, 'feelings and ideas are renewed, the heart enlarged, and the understanding developed only by the reciprocal action of men upon one another'. This greatly facilitated social collaboration or facilitated the solution of collective action problems (Halpern 2005: 5).

The earliest sociological parallel works to today's social capital research was found in the works of Emile Durkheim, whose work on social integration, alienation, and anomie began to shape our understanding of how social relationships and cohesion influence in individuals' life (Berkman and Glass 2000). He argued that a nation can be maintained only if, between the state and individual, there is interposed a whole series of secondary groups near enough to the individuals to attract them strongly in their sphere of action and drag them into the general torrent of social life. In particular, Durkheim showed that suicide was far more common in societies and groups characterized by social dislocation and loose social bonds. In contrast, societies characterized by high levels of social bonds and social capital seemed able to protect their individual members from suicide through mutual moral support, which instead of throwing the individual on his own resources, leads him to share in the collective energy and supports his own when exhausted (Halpern 2005: 5). About a century before, the concept of social capital specifically was used by Lyda J. Hanifan, the superintendent of schools in West Virginia, in 1916 to explain the importance of community participation in enhancing school performance. Hanifan by invoking the concept of social capital stated that
social capital included "those intangible substances [that] count for most in the daily lives of
people – namely goodwill, fellowship, sympathy, and social intercourse among the
individuals and families who make up a social unit"( Woolcock and Narayan 2000: 228).

After Hanifan the idea of social capital disappeared for several decades but was reinvented in
the 1950s by a team of Canadian urban sociologists (Woolcok 2000: 26). Jane Jacobs (1961)
in her book “The Death and Life of Great American Cities” applied the concept of social
capital as social networks that could perform the role of social control. She believed that the
depth of urban networks in old and mixed regions of the cities, establish a form of the social
capital that is more responsible regarding the subjects related to environment health and
hygiene, non-existence of crimes and street offences, and other decisions related to promotion
of quality of life in comparison to the institutional and official authorities responsible for
hygiene, security and disciplinary affairs (Fukuyama 1999). Therefore, Jacobs considers the
local resources in shaping the social capital and also their role in promoting the people’s
quality of life. None of these writers, interestingly, cited earlier works on the subject, but all
used the same umbrella term to encapsulate the vitality and significance of community ties.

Fukuyama (1999) also stated that the work of the economist, Glen Loury, along with the
sociologist, Ivan Light, working in the 1970s who applied the term social capital to analyze
the problems of inner-city development. The seminal research by Coleman (1988, 1990) on
education and by Putnam (1993, 1995) on civic participation and institutional performance,
however, have provided the inspiration for most of the current works, which have since
coalesced around studies in nine primary fields: families and youth behavior; schooling and
education; community life (virtual and civic); work and organizations; democracy and
governance; collective action; public health and environment; crime and violence; and
economic development ( Woolcock 2000: 27).

In James Coleman's view, the activists are interested in the events that are controlled by
other activists; and this in turn establishes social relationships that are somehow stable in the
length of time. Coleman considers social capital in the framework of the benefits earned
through facilitated social relationships; and believes it is an element for promotion and
development of life along with other capitals such as human and physical capitals. In fact, he
states that social capital is defined by its function. It is not a single entity, but a variety of
different entities, having two characteristics in common: they all consist of some aspect of a
social structure, and they facilitate certain actions of individuals who are within the structure’
(Coleman 1994: 302). The experimental support for Coleman’s views is a study he has made,
in the name of equality in education opportunities. In Coleman’s viewpoint, parents could
transfer the necessary skills and potentials to their children by facilitating and strengthening their relations with them (social capital) and establish a human capital in the children in order to be influential in their educational progress (Coleman 1988).

In a study by Robert Putnam (1993) conducted after political reforms in Italy, he was trying to answer to the following issue: Despite the specific and macro policies of the central government, why the democratic institutions in the north have more efficiently than the south and what is the element that creates this difference in the economic development of north and south in Italy. To clarify this issue, he considers the subject of social capital. In his viewpoint, while physical capital refers to physical objects and human capital refers to the properties of individuals; social capital refers to connections among individuals – social networks and the norms of reciprocity and trustworthiness that arise from them. In that sense social capital is closely related to what some have called civic virtue. The difference is that social capital calls attention to the fact that civic virtue is most powerful when embedded in a sense network of reciprocal social relations. A society of many virtuous but isolated individuals is not necessarily rich in social capital.

The concept of social capital is developed by Pierre Bourdieu in the 1970s and early 1980s. According to Siisiainen (2000) the theoretical roots of Bourdieu's conception about social capital should be searched rather in the sociology of conflict and structuralism than in the sociology of integration and functionalism. Bourdieu's approach is made from the point of view of actors engaged in struggle in pursuit of their interests. Bourdieu’s concept in social capital is connected with his theoretical ideas on class. Bourdieu’s concept of social capital puts the emphasis on conflicts and the power function (social relations that increase the ability of an actor to advance her/his interests). In his view social capital has two components: first, a resource that is connected with group membership and social networks. The volume of social capital is possessed by a given agent depends on the size of the network of connections that he can effectively mobilize. The second characteristic of social capital is that it is based on mutual Cognition and recognition(Martti Siisiainen 2000).

Fukuyama has also paid attention to the issue of social capital. In his view, social capital is a set of social norms that results in promotion of the level of cooperation among the members of society and reduction of the level of the expenses for exchanges and communications (Fukuyama 1999). In Fukuyama’s (2002) viewpoint, the domain and scope of the effects of these norms in the micro level up to macro level are changeable, that is the exchange of ideas between two friends up to the exchange of ideas between countries. In his model, in order to study social capital, in addition to common norms and values he considers independent
variables as group internal consolidation, reciprocal trust within the group, effective relationship with other groups, radius of trust, and group consolidation. And indicates that in order to strengthen the social capital, just the bonding social capital or limited resources are not sufficient; and the bridging social capital or linking social capital resources shall be considered as well.

Cullen and Whiteford (2001) noted that in World Bank's researchers view social capital refers to the institutions, relationships, and norms that shape the quality and quantity of a society’s social interactions. Social capital is not just the sum of the institutions which underpin a society – it is the glue that holds them together. In the World Bank, Woolcock and Narayan have dealt with the subject of social capital in many studies. In order to study this construct, they have applied the perspective of synergy. On the basis of this perspective, they study social capital from three forms of bonding, bridging, and linking social capital (Hampshire et al 2002). The bonding social capital refers to social relationships that are consolidated on similarity and sincerity. In this form of social capital, emphasis is made on limited personal resources such as familial relationships, neighbourhood, and friendship ties. A number of research documents acknowledge that this type of social capital affects the quality of life by promoting reciprocal understanding and support (Cattel 2001). This type of social capital could have two essential applications; first, to strengthen the social unity like social glue; and next, strengthen the special transactions in bonding social capital. Bridging social capital is referred to communications that instead of depending on personal sincerity and common identity among individuals; it depends on common interests. Non-homogenous bridging social capital networks refer to communications that are indicated by Granovetter (1973) as weak relationships. Main appearances of this dimension of social capital could be observed in the social networks and membership in the non-local associations and groups (Hampshire et al 2002). Strengthening the connection to foreign resources and facilitating diffusion of data are the two main outputs of connecting or bridging social capital. The linking social capital refers to relationships among societies and individuals with a formal power; and in general refers to communications among the individuals and groups that occupy different positions in the structure of power (Stone and Huges 2001). In contrast to the other two previous types, this type of capital is solely referring to vertical relationships. The main output of this capital is seen in the accessibility of individuals and groups to different government, non-government, commercial, and trade sections.

But more recently, some definitions of social capital have adopted a more institutional tone, and they attempt to articulate the value that social structures contribute to organizations. For
example, Fountain (1998) defines social capital as the institutional effectiveness of inter-organizational relationships and cooperation—horizontally among similar firms in associations, vertically in supply chains, and multidirectional links to sources of technical knowledge, human resources, and public agencies. This form of capital, Fountain argues, is as powerful as physical and human capital, and is the "stock" that is created when a group of organizations develop the ability to work together for mutually productive gains.

2.3. What is Quality of Life?

Quality of life is an amorphous and broad construct concerned with overall well-being in societies. While the term “quality” implies the degree of excellence of a characteristic, different people may value different areas of life, and therefore quality of life means different things to different people (Bowling 2003). Zizzi et al. (1998) pointed to the confusion surrounding the many concepts commonly used to denote quality of life, with their potential roles as influences, constituents or mediators of perceived life quality. They argued that perceived quality of life is likely to be mediated by several interrelated variables, including self related constructs (for example, self-mastery and self-efficacy, morale and self-esteem, perceived control over life) and these perceptions are likely to be influenced by cognitive mechanisms (for example, expectations of life, social values, beliefs, aspirations, and social comparison standards). In general speaking, it is used to describe the well-being of the citizens of a society. Some social scientists believe that quality of life reflects both the objective and subjective dimensions. Bowling (2003) illustrates that quality of life is a collection of interacting objective and subjective dimensions. Quality of life is also a dynamic concept; values and self-evaluations of life may change over time in response to life and health events and experiences. Each area of quality of life can also have knock on effects on the others. For example, retaining independence and social participation may promote feelings of emotional wellbeing, but are partly dependent on retaining health and adequate finances. These can also be influenced by local transport facilities, type of housing, community resources, and social relationships. Quality of life is multidimensional and its parts affect each other as well as the sum. Hence, for defining it, a number of indicators are commonly used representing the most important aspects in the life of a person, such as feelings about safety, health state, emotional state, environmental quality, accessibility to services provided by government, and economic condition. Fahey et al. (1999) summarize the existing conceptualizations of the notion of quality of life according to three principal characteristics:

i). Quality of life refers to individual's life situations - it is essentially a micro concept.
ii). Quality of life is a multi-dimensional concept – this emphasizes not only the description of several life domains, but emphasizes the interplay between these domains.

iii). Quality of life is defined by both subjective and objective indicators – subjective and attitudinal perceptions help identify individuals’ goals and orientations, but these insights are most valuable when linked to objective living conditions.

In this study, in order to provide a comprehensive analysis of interrelationships among the indicators of quality of life, we considered the various objective and subjective measures and components. The subjective measures directly address life experiences, for example of happiness, well-being, and life satisfaction (Megens and van Meijel 2006; Murphey and Murphey 2006). Objective indicators and components address the phenomena that have an effect on these experiences. The objective aspects refer to social functioning and living conditions, such as education, employment, finance, housing, and leisure activities (Zizzi et al. 1998; Haas 1999; Bowling 2005). In this study, the concept of quality of life will be used based on the assumption that quality of life is a multidimensional concept and an individual’s subjective experiences of their quality of life in general.

2.4. History of Quality of Life

The term quality of life was rarely mentioned until the 20th century, but the conceptual precursors on it in the form of happiness can clearly be found in the Nichomachean Ethics, when Aristotle (384 -322BC) noted that “Both the multitude and persons of refinement . . . conceive ‘the good life’ or ‘doing well’ to be the same thing as ‘being happy’ (Fayers and Machin 2000: 5). In fact, Aristotle suggests that happiness which is incorporating the moderation and justice is enough for having better quality of life. Aristotle in his eudemonic approach of quality of life focuses on meaning, self-realization and the actualization of human potential. Here well-being is defined in terms of the degree to which a person is ‘flourishing’ or ‘fully functioning’ (Philips 2006: 32).

Other works on quality of life are derived from a philosophical tradition encompassing Hobbes, Locke and Rousseau. In this tradition which is known as hedonic approach of quality of life the nobility of the individual with an emphasis upon personal freedom, self-preservation and self-enhancement is stressed. Here quality of life is based on the integrity of Individuals’ personal judgments about the good and bad elements of their lives, the attainment of pleasure and the avoidance of pain (Ibid. 2006: 31).

During the post-World War II era in response to the growing dissatisfaction with dominance of the viewpoints related to economic development such as Gross National Product (GNP) per capita, debates about quality of life were developed. The considered issues were
discussed in Rome Club in 1972 with its report “The Limits to Growth” and the issues regarding development were extended from science of economics to social development (Lu 2002). Gradually, the social aspects related to basic needs became significant as quality of life elements. Though, it was emphasized that quality of life is not necessarily established as a result of growth of GDP. During this period, some efforts were made to outline new debates on quality of life. Initially, life expectancy, level of literacy, per capita income, fatality rate, outbreak of disease and morbidity were used as different indexes that established quality of life. The Physical Index of Quality of Life (PQLI) was proposed by Morris (1979) and proceeded to cover more dimensions of quality of life in comparison to the previous indices. This index included measures such as life expectancy at age one, infant mortality and literacy rate. It measures as directly as possible actual conditions existing in the general population and may be seen as an indicator of the outcome of political and economic processes operating within a given nation (London and Williams 1990: 566). However, still it was inefficient in covering all the dimensions of quality of life; and the selection of the variables and the weight dedicated to each of them had some shortcomings. Adopting an approach very different from that of Morris, Estes (1984) developed the index of Net Social Progress (INSP) by combining 41 different indicators of the following dimensions: education progress, health status, women's status, defence effort, economic growth, demographic conditions, political stability, political participation, cultural diversity, and welfare effort. The INSP differs from the PQLI both theoretically and methodologically. Rather than identifying a small number of theoretically predefined indicators, as the PQLI does, the INSP defines basic needs and quality of life as essentially multidimensional concepts and employs a large number of indicators that are analyzed and weighted to produce the indices. In contrast to the PQLI, the INSP measures the inputs of political and economic processes in addition to actual population conditions (Ibid. 566). Afterward, as Steckel (1991) noted Amartya Sen (1987) proposed the concept of standard of living in this field. He emphasized that the standard of living cannot be portrayed in terms of opulence or commodities alone, although it is influenced by them, and instead the supply of inputs to living standard as well as the demands on those inputs must be considered. Dasgupta and Weal (1992) introduced an index for quality of life that incorporated measures such as per capita income, life expectancy at birth, literacy level of mature people, and legal and political indices such as civil freedoms. However, still recognition of a strong index and a robust explanation that is approved by all, for the quality of life has remained as a debatable issue.
At the present time, one of the most famous indices of quality of life is the Human Development Index (HDI) that is developed by the United Nations Development Plan (UNDP) centre in preparing the reports regarding human development since 1990. The HDI with the assistance of three other indices of life expectancy at birth, educational achievements, and real gross domestic product per capita measures the quality of life in different countries in the framework of a scale of 0 to 100 (0 representing the worst performance and 100 the best) with respect to any indicator; and then it is obtained by a simple arithmetic average of the scale indicators (Kolenikov 1998: 11). Another index was introduced by Seed and Greg (1997) in order to measure the quality of life. This index, with the assistance of measures such as economic development, environmental condition, health, economic stability, life satisfaction, and mental well being measures the quality of life. Another index was outlined by Osberg and Sharpe (1998) that was named Index of Economic Well-Being (IEWB). The IEWB with the assistance of the process of consumption, accumulation of produced shares, inequality in distribution of income, and lack of confidence in earning future income measure the level of people’s quality of life. In other words, the Economist Intelligence Unit has developed a new “quality of life” index based on a unique methodology that links the results of subjective life-satisfaction surveys to the objective determinants of quality of life across countries. In this index quality of life is measured through nine indicators of material wellbeing, Health, political stability and security, family life, community life, climate and geography, job security, political freedom, and gender equality. The index has been calculated for 111 countries for 2005. This note explains the methodology and gives the complete country ranking (www.economist.com/media/pdf/quality_of_life.pdf). Furthermore, some annual comprehensive surveys have been done on quality of life for demonstrating society's progress. One of the most important quality of life surveys is The Jacksonville Community Council Inc (JCCI) survey which has been carrying out to improve the quality of life in Northeast Florida. The JCCI model includes nine elements viz. the economy, education, public safety, health, the natural environment, the social environment, politics/government, mobility, and culture/recreation (http://www.jcci.org/jcciwebsite/pages/indicators.html). Another survey has been outlined by Ministry of Social Development in New Zealand. The purpose of this survey is to provide information that contributes to the understanding of social, economic, and environmental conditions which can be used to describe and quantify the quality of life of those living in New Zealand's major urban areas. The survey includes 68 key quality of life indicators (encompassing 186 individual measures) across 11 domain areas.
Regarding the construct of social capital, we should indicate that although it has not been that long since the structure of social capital has been outlined seriously. However, during the recent years, due to the role that this capital has played in the establishment and strengthening of economic, human, and physical capitals; it has significantly been considered by different domains of social sciences. Now, I will try to discuss about why I have chosen social capital among the dominant predictors of the quality of life.

### 2.5. Why Social Capital is Important for Quality of Life?

People in some places have better quality of life than people in other places. This is not just because of their genetic vulnerability, the physical environment or their socioeconomic status. It also reflects the fabric of society—the way in which communities are set up and people live (McKenzie and Harpham 2006: 12). Proponents of social capital argue that this phenomenon is highly important to improve different dimensions of quality of life. Eva Cox (1998) asserts that our sense of quality of life must be in the bonds we have within families, amongst friends, workmates, neighbours, and the broader social system. As social beings the capacities we have to live and work in groups are intrinsic to our quality of life. It has long been recognized that resources accessed through social relationships can be important energizers of social and economic contributors to overall quality of life. For example, Putnam (2000) finds evidence of positive associations between quality of life and social capital in terms of civic activities. Social capital facilitates community well-being by enhancing individuals' opportunity for social belonging. But social capital does much more than this. Indeed, Putnam also argues that social capital improves “the efficiency of society by facilitating coordinated actions” (Putnam 1993: 167). Putnam (2000) argues that social capital allows citizens to resolve collective problems more easily. People often might be better off if they cooperate, with each doing her/his share. Social norms and the networks that enforce them provide such a mechanism. Putnam believes that social capital greases the wheels that allow communities to advance smoothly. Where people are trusting to each other, and where they are subject to repeated interactions with fellow citizens, everyday business and social transactions are less costly. He also argues that the networks that constitute social capital also serve as conduits for the flow of helpful information that facilitates achieving our goals. Finally, he suggested that people whose lives are rich in social capital cope better with traumas and fight illness more effectively (Putnam 2000). Carpenter and his colleagues
(2004) also suggested that the expansion of positive social capital, especially for communities with few economic and political resources, consequently results in enhanced economic and political performance and improved quality of life.

There is an abundant and well-established literature on the importance of social capital in economic dimension of quality of life. It has long been known that personal contacts furnish job seekers with a highly effective way of finding new positions and gaining promotion. Wolleb et al. (2008) suggest that social capital generally intervenes in societies' life when market fails. Its role is to remove the causes of failure by reducing the costs and risks of transactions. Laura Foschi argues that social capital prevents the market failure by lowering information asymmetry and the risk of credit (Wolleb 2008: 376).

In high social capital areas it is assumed that public spaces are cleaner, people are friendlier, and the streets are safer. Traditional neighbourhood ‘risk factors’ such as high poverty and residential mobility are not as significant as most people assume. Places have higher crime rates in large part because people don’t participate in community organizations, don’t supervise younger people, and aren’t linked through networks of friends (Hall 1999). A growing body of research suggests that where trust and social networks flourish, individuals, firms, neighbourhoods, and even nations prosper economically. Social capital can help to mitigate the insidious effects of socioeconomic disadvantage. (Ibid. 1999)

The World Bank (1999) has brought together a range of statistics to make the case for the social and economic benefits of social capital. For example they argue that there is evidence that schools are more effective when parents and local citizens are actively involved. Teachers are more committed, students achieve higher test scores, and better use is made of school facilities in those communities where parents and citizens take an active interest in children’s educational well-being.

Some other scholars emphasize the health impacts of social capital on quality of life. Evidence of a more general association between health level and social ties has been well established since the late 1970s, showing that people with strong social networks had mortality rates half or a third of those with weak social ties (Whitehead and Diderichsen 2001). Richard Wilkinson found some evidence that social inequality tends to reduce social stability and undermines social networks, leading to higher levels of anxiety, stress and ill health (Wilkinson 1996). Similar comparative research in the USA by Kawachi and his colleagues, who isolated social capital more clearly than Wilkinson, confirmed the broad association he had identified between health and social cohesion (Kawachi et al. 1997). Health is not just a matter of accessing services, but also of adopting a lifestyle that promotes
quality of life and helps avoid risks. If people are going to change their behaviour and adopt a healthier lifestyle, they are more likely to do so if they learn the new patterns from people they trust (Field 2008: 65).

Some scholars have fingered social capital as a key determinant of safety. Safety is assumed to be one of most important indicators of quality of life. Jane Jacobs, who is often credited with introducing the concept of social capital into contemporary sociology, developed the concept partly to explain why some cities are safer places than others (Jacobs 1961). She believed that the deep urban networks in old and mixed regions of the cities, establish a form of the social capital that is more responsible regarding the subjects related to environment health and hygiene, non-existence of crimes and street offences, and other decisions related to promotion of quality of life in comparison to the institutional and official authorities responsible for hygiene, security and disciplinary affairs (Fukuyama 1999). In another study Rosenfeld et al. (2001) reported that according to a survey conducted in ninety-nine areas across the USA, social capital exercised a significant effect on homicide rate. It is suggested that crime was a product of weak informal social controls and low capacity to mobilize such formal external resources as the law enforcement agencies (Rosenfeld et al. 2001: 286–7).

The current section illustrates the broad intervention of social capital on quality of life in different dimensions. Indeed, social capital as a lubricant element of society plays important roles in quality of life by facilitating the collective action, reducing the asymmetry of information, lowering the transaction costs and risks, resolving the collective problems, fulfilling the desire for social recognition, decreasing the levels of anxiety, stress and ill health, and mitigating the insidious effects of socioeconomic disadvantage.

2.6. Theoretical Framework, Model, and Hypotheses

During recent years, the research for the potential factors affecting development and its positive outcomes like quality of life has received much attention by social scientists. Within this context, researches about social capital have gained considerable prominence (Abdul-Hakim et al. 2010; James 2009; Dekker 2007; Ferguson 2006; Requena 2003; Putnam 2000; Woolcock and Narayan 2000; Uphoff 1999). A broad consensus exists regarding the importance of social capital for quality of life. The theoretical foundation of the concept of social capital is still in a nascent phase, and there is much debate about its definition, creation, and utility as well as its role in social policy, public policy and modernization strategies (Karner 2000: 2638). Moreover, as a theoretical concept, social capital holds great promise for furthering the sociological understanding of social action. Clearly, there is no single conceptualization of social capital, and but it is possible to categorize current
conceptualization into two major categories. Uphoff (1999) distinguishes between structural and cognitive social capital. Structural social capital involves various forms of social networks and communications that contribute to co-operation and civic participation. Cognitive social capital includes norms, values, attitudes, beliefs, shared understanding and those variables that hold people together. Structural and cognitive social capitals are complimentary; structures help translate norms and beliefs into well coordinated goal-orientated behaviour. Drawing from these structural and cognitive dimensions of social capital it is possible to conclude that there is no single construct called social capital, but rather, social capital can be understood as a composite of the central idea of social capital. At the same time, Woolcock and Narayan (2000) have given a new perspective on this context. They conclude that quality of life is based on complementarity and embeddedness. Complementarity refers to mutually supportive relations between public and private actors and is exemplified in legal frameworks that protect rights of association. Embeddedness refers to the nature and extent of the ties connecting citizens and public officials.

The notion of social capital should mediate the divergent orientations in social capital literature. Hence, the study's theoretical framework is based on Woolcock and Narayan and Uphoff's conceptual framework. This framework is empirically verifying that a high level of embeddedness and complementarity between cognitive and structural dimensions of social capital of the residents in both Delhi and Tehran is associated with high level of quality of life.

Emphasizing on incorporating different dimensions of social capital and its recognition of the positive and negative outcomes can generate quality of life components in societies. This view attempts to integrate the compelling work emerging from the cognitive and structural social capital. This perspective endeavours to identify the nature and extent of a community’s social relations and formal institutions, and the interaction between them; to develop institutional strategies based on these social relations; and to determine how the positive manifestations of social capital - cooperation, trust, and institutional efficiency - can offset sectarianism, isolationism, and corruption. As conceptual definition of social capital and quality of life constructs, social capital conceptually refers to the institutions, relationships, and norms which shape the quality and quantity of a society's social interactions and like kind of glue holds them together (Woolcock and Narayan 2000). While, quality of life refers to the individual’s subjective evaluation and their perception of their position in life which is incorporating physical health, mental and emotional state, level of safety, environmental quality, economic state, and their accessibility to social and public services (Philips 2006).
Following the above theoretical framework the theoretical model could be depicted in Figure 2.1 Based on this model social capital was defined in a broad manner, including both cognitive and structural forms. Five indicators of social capital were distinguished as independent variables: views towards locality, local solidarity, social trust (as cognitive social capital), social communication, and social participation (as structural social capital). In addition, quality of life was measured by six indicators: local safety, health state, mental state, quality of environment, accessibility to social services, and economic state. Following the above theoretical framework the theoretical model could be depicted in Figure 2.1 two primary and five secondary hypotheses are proposed as follows:

**Figure 2.1: Theoretical model for social capital and quality of life**

![Diagram depicting the theoretical model for social capital and quality of life](image)

**Primary Hypotheses**
- There is a significant difference in quality of life variances between Delhi and Tehran according to level of social capital.
There is a significant relationship between social capital and quality of life in Delhi and Tehran.

**Secondary Hypotheses**

- There is a significant relationship between view towards locality and social capital in Delhi and Tehran.
- There is a significant relationship between local solidarity and quality of life in both societies.
- There is a significant relationship between social trust and quality of life in Delhi and Tehran.
- There is a significant relationship between social communication and quality of life in Delhi and Tehran.
- There is a significant relationship between social participation and quality of life in Delhi and Tehran.

**2.7. Empirical Literature Review**

The social capital is not merely a concept that relates to the individual but rather to the relations among the individuals. From this understanding originate most of the elements such as view towards locality, local solidarity, social trust, social communications and networks, and social participation that can improve the efficiency of the societies' quality of life development programs. This framework will guide us to review particular empirical evidences in which the relationship between aforementioned elements of social capital and quality of life are discussed. In general, during the last decade, despite the wide range of social capital studies were found to be associated with various dimensions of development (Putnam, 1993; Narayan and Pritchett 1997; Knack and Keefer 1997; Grootaert 1998; Woolcock and Narayan 2000; Krishnan 2008), we found few studies that paid attention to the relationship between social capital and quality of life and directly found the positive relationship between social capital and quality of life (Requena 2002; Healy et al. 2002; James 2009; Abdul-Hakim et al. 2010; ). Requena (2002) in his survey on social capital in the Spanish quality of working life found that there is a significant strong association between social capital dimensions and quality of working life level. He contended that social capital as a good explicative factor of quality of working life with its’ indicators, namely, trust, work place relationships, company engagement, communication, and the influence possibilities in daily works explains a great proportion of the quality of working life. He concluded that the personal feeling of quality of life at work place increases when the employee works with high trust, social relationships, communication, engagement and influence work levels. Healy et
al. (2002) worked on the role of social capital in individuals' perceptions of their quality of life in different geographical contexts of New South Wales. They found that intra community and inter community ties are associated with positive quality of life in different geographical contexts. They also contended the importance of inter-community bridges for improving access to a range of social and economic resources. James (2009) suggested in his study on IT, social capital and quality of life found that IT has considerable potential for increasing the social capital among communities and thus for improving the quality of life through sharing perfect information and facilitating civic engagement in the rural areas of developing countries. Abdul-Hakim et al. (2010) found that social capital has a positive sign and is significant in explaining changes in quality of life. They found that social capital leads to higher income, and hence creates optimism about the future. Optimism about the future, in turn, may lead to better life satisfaction. Better life satisfaction goes together with higher quality of life. They also contended that social capital may help individual to overcome problems, and thus reduce vulnerability and uncertainty. Feeling secure and the ability to solve problems might improve perception about oneself and hence lead to better quality of life. Additionally, the value of having a trusted friend or companion during difficulties may lead to an emotional fulfilment. This emotional attachment to such a friend or companion may lead to a good feeling about oneself and hence contributed towards a better quality of life.

Following the theoretical framework and empirical model of the study which is mentioned in previous section, it is assumed that peoples' perception about the place where they live as cognitive indicator of social capital plays an important role in determining the people's feeling about their quality of life. In the existing literature related to this hypothesis, Baker and Palmer (2006) suggested that positive perception about place where they live improve the quality of life through making positive identity in individuals. Some other scholars found that positive view about living area leads better quality of life through improving emotional fulfilment and life satisfaction (Bjornscov 2003; Abdul-Hakim et al. 2010). In another study Kitchen and Williams (2009) found similar result in respect with relationship between view towards locality and quality of life. The findings emanated from their study on quality of life and perceptions of crime in Canada demonstrated that fear of crime is higher for residents with lower quality of life. In other words, fear of crime appears to be most prevalent among the residents who have a lower self rated health and lower quality of life.

In current theoretical debates concerning social capital, solidarity plays an important role for many of the processes which supposedly shape the feelings of better quality of life. Local
solidarity as second indicator of social capital in this study is a state of unity that describes the positive and supportive characteristics of the locality. Moxley (1973) in his study on family solidarity and quality of life found the strong positive relationship between local solidarity and quality of life. It suggests that high level of solidarity makes use of a wide range of aids to solve problems and it makes the feeling of better quality of life for local dwellers. In another study Aye et al. (2002) suggested that there is a strong positive relationship between perception of solidarity and the level of access to health care services as an indicator of quality of life. They stated that the perceived level of solidarity had a significant effect on the capacity to benefit from general health services.

During the last decades there has been a widespread debate on the notion of social trust as a key indicator of social capital and its potential to yield new instruments or courses of action that support social life. Social trust is as a key cognitive indicator of social capital that is related to belief in the honesty, integrity, reliability and expected behaviour of others- a faith in people. Looking at the literature review shows that most of the researchers found the positive relationship between social trust and quality of life (Knack and Keefer 1997; Knack 1999; Zak and Knack, 2001, 2003; Helliwell 1994, 2003, 2006; Kelly 2009). According to Knack (1999) high-trust societies achieve better quality of life due to lower transaction costs. Kelly (2009) found that high level of social trust promotes the individual's engagement in the society and seeing themselves as valued member of their society. This feeling leads to the sense of better quality of life though. However, Helliwell (1994) using data from a group of high-income OECD countries, found a negative relationship between social trust and quality of life.

According to the study's empirical model, another indicator of the social capital which is assumed to play an important role in people's quality of life is social communication and network. Social communications and networks connote to the complex sets of relationships between members of a society. It was argued in social capital literature that an individual with strong social communication will have much better quality of life than without having any communications and relations (Siara 1980; Strain and Chappell 1982; Granovetter 1985; de Graaf and Flap 1988; Requena 1991; Pinquart and Sorenson 2000). In this study, our claim is that the quality of life of any one depends on quality and quantity of his/her communications with others. Because the important information which help people to gain into useful opportunities or cope with problems flow through social networks and communication with others.
Social participation as another structural indicator of social capital is engagement and playing in a variety of roles with others. Participation in the society is assumed to have positive relationship with quality of life and lead to a better quality of life (Putnam 2000; Fukuyama 2002; Field 2008; Lindstrom 2004; Petrou and Kupek 2008; Wallace and Pichler 2009), and a growing body of literature reports the absence or negative relationship between these two concepts (Ziercsh and Baum 2004; Sivesind and Selle 2004; Greiner et al. 2004; Ellaway and Macintyre 2007). A close look at the literature advocates that on the one hand, involvement in associations and participating in civil society could help people indirectly maintain themselves in a good condition of life through increasing the number of cohort acquaintances and thriving supportive networks (Glaeser at al. 2002). On the other hand, social participation by increasing the individuals' cognitive capacities improves the quality of life through mental health improvements (Adam et al. 2006). Vice versa, Sivesind and Selle (2004) found that Nordic countries have smallest share of civil society participation in welfare services while they have largest public welfare cost and better quality of life.